

RECORD OF MINUTES

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

December 18, 2025

Chair Peter C. Hyland called the meeting to order at 9:00 a.m. All nine directors were present in the J. Arthur Anderson Room of the Association's headquarters, being Peter C. Hyland, Jack R. Schneider, Ronald G. Sutherland, Rick D. Johnson, Thaine J. Michie, Steven D. Anderson, Bryan D. Ehrlich, Sheryl Dryer Henderson, and Jan K. Peterson. Also attending in person were President and CEO Jeffrey C. Wadsworth; Executive Vice President, Engineering and Grid Advancement John Bowerfind; Vice President, Operations Ben Ludington; Vice President, CFO Amy Mahon; Vice President, Technology and Energy Resources Josh Noel; Vice President, Safety and Human Resources Michelle Perzee; and Vice President, Member and Government Relations Amy Rosier, along with General Legal Counsel Michael Westbrook. Notice of this meeting was issued as required by law and the bylaws. Also attending was Luke Greden with CliftonLarsonAllen LLP via teleconference and Roger Auernhamer.

Agenda Item 1—Call the Meeting to Order: Chair Hyland called the December 18, 2025 Board meeting to order.

Agenda Item 2—Roll Call. Each Board member answered the roll call, and a quorum was present in person. [9:00]

Agenda Item 3—Pledge of Allegiance: Director Johnson led the Pledge of Allegiance. [9:00]

Agenda Item 4—Additions to Agenda: Additional subject matters were added to the agenda. None. [9:00]

Agenda Item 5—Public Participation: Mr. Auernhamer had no comments. Chair Hyland and President and CEO Wadsworth had received no written comments made by members prior to the meeting. [9:00]

At this time Luke Greden, Principal, of CliftonLarsonAllen LLP in Rochester, Minnesota made an audit presentation and he answered questions. [9:30] Mr. Greden left the meeting.

Agenda Item 6—Items for Review and Consideration of Approval: Upon motion duly made, seconded, and unanimously carried, the following matters were adopted and approved by the Board:

- A. Minutes of the November 20, 2025 Board Meeting.
- B. Estate Capital Credit Retirements: discounted payment for November 2025 in the total amount of \$10,531.18.
- C. Recommended 2026 Budget:

The 2026 Budget reflects management's objective to meet the needs of PVREA's current and future members. This budget reflects staff's best estimate of required revenues, expenses, and capital outlay to implement efficient work practices and procedures with a continued focus on technology and strategy implementation.

PVREA anticipates a 7.4% increase in our wholesale power cost, which makes up approximately 80% of our total operating expenses. PVREA will utilize our rate stabilization fund, and a PCA (power cost adjustment) to ensure our revenue requirements are met.

The budget document is organized to represent detailed revenues, major expenses, and capital categories. An individual budget by department has been provided to outline the major items addressed within each of the respective areas.

This budget supports the Board of Directors' financial policy, promotes PVREA's mission, and provides the necessary resources to meet our strategic objectives. The budget is based on PVREA's historical financial data, market condition assumptions, and financial forecasting. We continue to focus on our load factor, which is a major component of determining our revenue requirements, creating both risks and opportunities to our budgeted margins. A few of the budget highlights:

- Wholesale power cost has an 7.4% increase.
- Approximately 4.77% general rate increase with the PCA adjustment for all rate classes.
- \$2.6M utilization of our Rate Stabilization Fund.
- Continued growth in Residential, Small Commercial, Large Power, and Industrial classes.
- 96 positions budgeted for in 2026, consistent with 2025

The Executive Team is confident that the 2026 budget efficiently and fairly represents the recovery of wholesale power costs, operations and maintenance expenses, including employee staffing levels, benefits, and wages. The budget provides for adequate investments in capital equipment, as well as funding for facilities/construction projects needed to maintain or improve organizational operations and system reliability, while maintaining acceptable operating margins. The budget will preserve the Association's financial position and ensures our members will continue to receive significant value from their ownership in PVREA.

- D. Appointment of Independent Third Party to Oversee the Receiving, Storage and County of Director Election Ballots: Survey & Ballot Systems.
- E. Appointment of an Election Supervisory Committee to Oversee the Director Election and Voting Process: Matt Fiala, Survey & Ballot Systems, Mike Westbrook, Starr & Westbrook. P.C., and Amy Rosier, Vice President, Member & Government Relations. [09:31]

Agenda Item 7—Staff Reports / Presentations: Staff reports were presented as follows:

A. Safety Report: Vice President, Safety and Human Resources Perzee, reviewed the contents of the November 24, 2025, safety report with the Board. Upon motion duly made, seconded, and unanimously carried, the safety report was accepted. [9:35]

B. President~CEO and Staff Written Reports:

1. President and CEO Wadsworth gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. Comments were made by Mr. Wadsworth about safety and cyber performance matters, Association Ambassador program, BYOR matters, general business matters, capital credit matters, easement matters, Tri-State matters, data center matters, CREA matters, grant matters, NRECA matters, various meetings, franchise matters, and outage matters. [10:05]
2. Executive Vice President, Engineering and Grid Advancement Bowerfind gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:07]
3. Vice President, Operations Ludington gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. He also provided an update on the recent wind event and outages for December 17 and 18, 2025. [10:15]
4. Vice President, Technology and Energy Resources Noel gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:16]
5. Vice President, Member and Government Relations Rosier gave a verbal update to her written presentation that had been sent to the Board prior to the meeting. She also provided an update on the recent wind event. [10:28]
6. Vice President, CFO Mahon gave a verbal update to her written presentation that had been sent to the Board prior to the meeting. [10:31]

Questions from the Board members were addressed and answered by staff. Upon motion duly made, seconded, and unanimously carried, the staff reports were accepted. [10:31]

C. Financial Report: Vice President, CFO Mahon gave a verbal update to her report on financial matters for November 2025. Upon motion duly made, seconded, and unanimously carried, the financial report was accepted. [10:35] A break was taken. [10:35–10:52]

D. Annual Report on Record Management: An annual report on record management was distributed to the Board prior to the meeting. Upon motion duly made, seconded, and unanimously carried, the record management report was accepted. [10:53]

E. SCADA Update: Vice President, Operations Ludington gave a verbal update to his written SCADA presentation that had been distributed to the Board prior to the meeting. Questions posed by Board members were answered by Vice President Ludington with input from President and CEO Wadsworth. [11:12]

Agenda Item 8—Attorney Report: Attorney Westbrook briefly reported on Electric Cooperative Bar Association (ECBA) and NRECA matters. [11:13]

Agenda Item 9—Director Reports / Items:

- A. Western United Report:** Chair Hyland reported on WUESC matters. A written report on WUESC was distributed prior to the meeting. [11:14]
- B. Tri-State Report:** Director Michie reported on Tri-State matters, and he responded to questions. President and CEO Wadsworth provided additional comments. A written report on Tri-State had been distributed prior to the meeting. [11:50]
- C. CREA Report:** Director Ehrlich reported on CREA matters, and he responded to questions. A written report on CREA was distributed prior to the meeting. [12:11]
- D. Mid-West Electric Annual Meeting:** Directors Ehrlich and Johnson reported on the meeting. [12:20]

Agenda Item 10—Discussion of Utility Industry and PVREA Topics if Needed:

- A.** Member Correspondence and General Correspondence.
- B.** Other. [12:20]

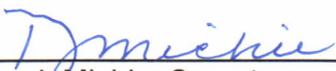
Agenda Item 11—Review Upcoming Events/Meeting Dates:

- A.** PVREA Christmas Party – December 18, 2025
- B.** PVREA Board Meeting – January 21, 2026
- C.** NRECA Directors Conference – January 25-29, 2026
- D.** CREA Annual Meeting – February 7-10, 2026
- E.** NRECA Annual Meeting – March 8-11, 2026 [12:22]

Agenda Item 12—Consider Board, Attorney and President-CEO's Expenses: Each of the Board members, legal counsel and the President and CEO reported on the contents of their respective expense billing sheets as reported. Upon motion duly made, seconded, and unanimously carried, the directors, President and CEO and legal expense reports were approved. [12:24]

Agenda Item 13—Executive Session if Needed: None. [12:24]

Agenda Item 14—Adjourn: There being no further business to come before the meeting, upon motion duly made, seconded, and unanimously carried, the meeting was adjourned. The next regular Board meeting will be held on **Wednesday, January 21, 2026, at 9:00 a.m.** [12:25]



Thaine J. Michie, Secretary

ATTEST:



Peter C. Hyland, Chair

Poudre Valley REA Board Meeting Schedule for 2026
January 21, 2026 – Wednesday
February 24, 2026 - Tuesday
March 31, 2026 – Tuesday
April 11 reorganization meeting after the Annual Meeting, April 30, 2026 regular board meeting – Thursday
May 26, 2026 – Tuesday
June 30, 2026 – Tuesday
July 28, 2026 – Tuesday
August 25, 2026 – Tuesday
September 15, 2026 Strategic Planning September 29, 2026 – Tuesday
October 27, 2026 - Tuesday
November 19, 2026 – Thursday
December 17, 2026 - Thursday