

November 15, 2011

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF GUNNISON COUNTY ELECTRIC ASSOCIATION, INC.:

Directors attending were Paul Hudgeons, Steven Schechter, Greg Wiggins, John Vader, Chris Morgan, Louis F. "Lou" Costello, and Bart Laemmel.

Attorneys Gregg Kampf and David Dodero, Mike Wells, Chief Executive Officer; Marcia Wireman, Chief Financial Officer; Roger Grogg, Chief Operations Officer, Financial Assistant Paula MacLennan, Staff Engineer Rocky Ferran and Administrative Assistant Sherry Booth also attended.

The special meeting of the Board of Directors was held on Tuesday, November 15, 2011 at the GCEA headquarters located in Gunnison, Colorado. President Lou Costello called the meeting to order at 9:03 a.m.

**President's Comments**

President Lou Costello welcomed attorneys Gregg Kampf and Dave Dodero.

**2012 Budget Proposal**

Chief Executive Officer Mike Wells welcomed the attendees and provided an overview of budget preparation.

**Construction Budget and Long-Range Plan**

Rocky Ferran and Roger Grogg presented a review for the 2012 annual construction plan as well as for GCEA's eight-year work plan. Mr. Grogg highlighted 2011 projections. Mr. Ferran explained 2012 construction estimates and requests for board approval.

**General Plant**

Mike Wells introduced the proposed 2012 general plant budget and elaborated on his requests for administrative needs. CFO Marcia Wireman spoke to the requests generated on behalf of Consumer Services, Member Services, Accounting and the IT departments. Roger Grogg reviewed general plant proposals for operations. Rocky Ferran concluded with engineering requests.

**FFB RUS Guaranteed Loan Execution**

Motion by Director Paul Hudgeons to approve Resolution for Authorization for Rural Utilities Service Loan, seconded by Director Bart Laemmel carried unanimously.

**Employee Benefits**

Mike Wells presented staff recommendations for the R&S Pension plan and health insurance options. Frank Stichter joined the discussion to elaborate on medical coverage choices. David Dodero provided insight of legal aspects in regard to the subject of insurance.

**Wage and Salary**

Mike Wells discussed the association's methodology for determining wage and salary. He continued to lead an examination of wage analysis and staff recommendations for 2012. Payroll discussion ensued.

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**Special Programs**

Sponsorship of community programs was discussed. As an employee of an affiliated organization in consideration, Director Bart Laemmel excused himself during review of that contribution. Other significant expenses were also discussed.

**Purchased Power/ Budget and Cash Flow/ Financial Forecast**

Marcia Wireman discussed cost of purchased power and budget and cash flow expectations. She concluded with a review of GCEA's financial forecast.

**Capital Credit Retirement**

Capital credit retirement was discussed. Motion by Paul Hudgeons to retire the remaining half of 1989 for \$159,142 was seconded by Greg Wiggins and carried unanimously; Chris Morgan was absent.

**Discussion**

Per request of President Lou Costello, discussion followed regarding various aspects of the 2012 budget as presented by staff.

Steve Schechter's motion to reduce the R&S Pension plan benefit level to from 1.6 to 1.5 was seconded by Bart Laemmel with Paul Hudgeons dissenting and John Vader abstaining. Chris Morgan was absent.

The board has directed staff to pursue research in order to educate the directors of all options regarding the retirement and medical plans.


**Unscheduled Members**

There were no unscheduled members.

**Adjournment**

Motion by Director John Vader to adjourn the Gunnison County Electric Association Special Board Meeting held on November 15, 2011 carried unanimously. There being no further business before the board, President Lou Costello concurred with the motion and adjourned the meeting at 4:40 p.m.

Respectfully submitted by Administrative Assistant Sherry Booth

  
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President

  
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Secretary/Treasurer