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**MINUTES OF MEETING**  
**San Luis Valley Rural Electric Cooperative, Inc.**  
**Regular Meeting of the Board of Directors**  
**May 23, 2023**

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The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, May 23, 2023, at the headquarters office located in Monte Vista, Colorado. Directors present were Keenan Anderson (president), Stephen Valdez (vice-president), Wade Lockhart (secretary), Scott Wolfe, Creede Hargraves and Carol Lee Dugan (arrived at 10:34 AM). Also present were Tyler Denning (corporate attorney), Eric Eriksen (chief executive officer), JoAn Waudby (chief financial officer/corporate treasurer), Carol Silva (human resources specialist), Jennifer Alonzo (marketing/sales coordinator), Stacy Valdez (customer service/billing manager), Terry Daley (engineering manager) and Michelle Trujillo (human resources officer/assistant corporate secretary). District 2 Costilla County is currently vacant.

**Call to Order**

Keenan Anderson called the meeting to order at 9:29 AM.

**The Pledge of Allegiance**

Keenan Anderson led the Pledge of Allegiance.

**Member Communication**

Mail was circulated among the board members.

**Welcome of Guest(s)**

None

**Approval of Consent Agenda**

There was discussion held regarding the process for capital credit retirements and current interest rates in consideration of the loan proposal. Motion to approve the consent agenda as presented was unanimously carried by those present.

**Management Reports**

CEO/Executive Report: CEO Eric Eriksen discussed the changes to the agenda structure and staff will be working towards a clear and concise report in a slide format for upcoming meetings. Eriksen further reviewed the 2023 Strategic Roadmap explaining that metrics have been put in place for success measurement. He then moved on to review the executive report providing updated information. Attorney Tyler Denning provided an explanation on Tri-State G&T Policies 115 (purchase power agreements), 117 (Renewable Energy Credits) and 119 (solar garden type generation). He further talked about the 5% cooperatives are allowed to self-generate according to the Tri-State G&T and San Luis Valley REC Power Purchase Agreement.

Safety/HR/Marketing Report: Michelle Trujillo reviewed the submitted safety report. Moving on to HR and Marketing, Trujillo provided information on the new journeyman lineman, the upcoming annual

meeting and the early estate capital credit retirement for board consideration during this meeting.

Reliability Report: Terry Daley commented that the SAIDI and SAIFI graphs indicate an overall upward trend. He talked about two recent events involving issues with switching during maintenance projects. A question was asked about Delta transformer banks on the system and it was explained that we do still have some but they are getting changed out as necessary.

Cyber Security: Eric Eriksen explained this new agenda item and discussed risks associated with regards to corporate cyber security. A dashboard type of report will be generated at next month's meeting.

Operations: Eric Eriksen reviewed the submitted report.

Break: 10:42 AM

Reconvene: 10:48 AM

Financial Report: JoAn Waudby reported that April was a good month. Due to lower demand, the mills were remarkably lower which resulted in a savings equating to approximately \$140,000. She pointed out a correction in the long-term debt worksheet that has been reported to the board for the past several months. Eric Eriksen talked about the potential for FERC to put an order into place applying a direct assignment rate and doing away with the current blended rate. Upon initial evaluation, this had potential to cost San Luis Valley REC \$1.6M as it looked like their transmission line was put in place to solely serve San Luis Valley REC. Further evaluation indicated that that line is also for Tri-State G&T purposes so the new potential direct assignment rate expense is now estimated to be an annual cost of \$32,000.

Members Report: Stacy Valdez stated that the May statements went out with the new rate increase. Numerous calls were anticipated but through recent education and communications, she feels like that was helpful. Seasonal members are returning and many requests for Ciello services to be reactivated have been received.

#### **Agreements for Purchase of Power**

The current list of Agreements for Purchase of Power was reviewed and discussed. (Copy attached hereto and made a part hereof.)

#### **ATTORNEY'S REPORT**

##### **Corporate Attorney – Tyler Denning**

Denning reviewed the submitted report and stated that the easement issue he has been involved with should be resolved soon.

#### **BOARD COMMITTEE REPORTS:**

##### **Colorado Rural Electric Association – Stephen Valdez**

Valdez reported that the legislative season wrapped up in early May. Upcoming meeting will be held at Morgan County REA in Ft. Morgan with a tour of a local dairy farm with a methane collection facility.

##### **Western United – Stephen Valdez**

Valdez reported that the budget was passed and now the focus is on inventory management. Special order items are being looked at closely and cooperatives will have to take special order items on as a

part of their inventory. Lastly, the yard expansion at the Brighton, CO location has been completed and allows for several acres of increased storage space.

#### **Tri-State – Scott Wolfe**

Wolfe reviewed the submitted report and stated that a resolution was approved for joining the Southwest Power Pool Market, more talks on the FERC direct assignment potential order are upcoming, and future budgets are being developed planning on the exit of a large member cooperative. There was a brief discussion regarding ongoing litigation.

#### **Unfinished Business**

None

#### **New Business**

Motion to approve an NRECA Resolution to change existing benefit options and allow additional benefit offerings for employees was unanimously carried by those present.

***BE IT RESOLVED***, that the amendment to the 401(k) Plan is as follows:

- *The Self-Directed Brokerage Account will be added to the plan as an additional investment option as of the effective date.*
- *The 401(k) Plan has been amended to allow Roth 401(k) contributions.*
- *The Eligibility period for Employees to become Participants and begin making Employee Elective Contributions shall be changed from the completion of six Full Months of Employment to the completion of one Full Month of Employment.*

***BE IT FURTHER RESOLVED***, that the Board does hereby authorize and direct Eric E Eriksen, the General Manager/CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

Discussion was held regarding the vacancy for Costilla County. The board gave direction for staff to pursue advertising outlets for announcing the vacancy.

#### **Future Dates:**

San Luis Valley REC's Annual meeting is scheduled for Tuesday, June 13, 2023 with registration beginning at 5:30 PM.

The regular meeting of the board of directors is scheduled for Tuesday, June 27, 2023 at 9:30 AM.

#### **Board Comments:**

Stephen Valdez thanked Eric Eriksen for his communication efforts during his first few months and his plans to carry that forward.

Keenan Anderson commented that he liked the new agenda format.

#### **Motion to Adjourn**

Motion to adjourn the meeting at 11:49 AM was unanimously carried by those present.



*Keenan Anderson*

Keenan Anderson, President

*Wade Lockhart*

Wade Lockhart, Corporate Secretary

*Michelle Trujillo*

Michelle Trujillo, Recording Secretary