
MINUTES OF MEETING
San Luis Valley Rural Electric Cooperative, Inc.
Regular Meeting of the Board of Directors
August 23, 2022

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, August 23, 2022, at the headquarters office located in Monte Vista, Colorado. Directors present were Keenan Anderson (president), Stephen Valdez (vice-president) arrived at 9:38 AM, Wade Lockhart (secretary) arrived 9:49 AM, Carol Lee Dugan, Cole Wakasugi and Creede Hargraves. Also present were Gregg Kampf (corporate attorney), Loren Howard (chief executive officer), JoAn Waudby (chief financial officer), Carol Silva (human resources specialist), Shawn McKibbon (chief operations officer), Jennifer Alonzo (marketing/sales coordinator), Stacy Valdez (manager of customer service/billing) and Michelle Trujillo (human resources officer/assistant corporate secretary). Director Scott Wolfe joined the meeting via Zoom.

Call to Order

Keenan Anderson called the meeting to order at 9:30 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 Agenda

Motion to approve the agenda as presented was unanimously carried by those present.

Corporate Review

Loren Howard reviewed the submitted report. Howard informed the board that a reply had been mailed to member Brock Schnebel of the Wolf Creek Ranch Subdivision regarding burying a section of overhead electric line and fire mitigation planning. Howard further discussed the 85/15 Rule and the need for further discussion in a worksession where he will bring in Jason Rechly, an attorney with experience with electric cooperatives that have ventured into the broadband business. A worksession will be held on Tuesday, October 18, 2022 at 9:30 AM to specifically discuss the 85/15 Rule and another worksession on October 24, 2022 for final 85/15 Rule discussions and the 2023 budget presentation.

Financial Review

Loren Howard reviewed the submitted financial summary. Howard reported that margins are down compared to budget which could be due to wet weather and less pumping. Other items discussed were the Tri-State rate rebate, lower than expected production at Penitente Solar, and the DC fast charger installation plan. JoAn Waudby pointed out a correction on the Form 7. The wrong number of new services connected was reported as 10 and it should have been 92.

Approval of Minutes

Motion to approve the minutes as presented from the regular meeting on July 26, 2022 was unanimously carried by those present.

Approval of Board Policies

Motion to approve the following board policies as presented was unanimously carried by those present:

- BP 1-005 President of the board
- BP 1-006 Vice-President of the Board
- BP 1-007 Secretary of the Board
- BP 1-008 Board Committees
- BP 1-009 Director Compensation

JoAn Waudby explained that the local banks in our area do not handle out of the country wire transfers. CFC can handle this but does require this CFC Paying Agent Service Board Resolution. The wire transfer to is to pay for contract fiber network services from Swapnil Modak Consultancy Services located in India.

Approval of CFC Paying Agent Service Resolution

Motion to approve the CFC Paying Agent Service Resolution as presented was unanimously carried by those present.

Safety Report

The submitted report was reviewed and discussed. (Copy attached hereto and made a part hereof.) Loren Howard reported that the RESAP inspection will begin Monday, August 29, 2022. He also stated that active shooter training for all employees was provided and outlined efforts REC has made to protect frontline employees.

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.) Tri-State Policy 115 was brought-up as the contract with Humphrey's Hydro is up for renewal. The payback rate has been reduced and this will be communicated with members who net meter as well.

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Gregg Kampf's written report stood as submitted.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Stephen Valdez

Valdez reported on the joint manager and CREA board meeting in Durango. Education classes will continue to be offered through CREA if attendance increases and is well maintained. The Budget & Finance Committee will be meeting in October. Items for review will be all functions of CREA as well as consideration of an increase in dues.

Break: 10:56 AM

Reconvene: 11:05 AM

CREA report continued:

Valdez encouraged 100% participation to CARE/ACRE among the REC board members. CARE funds are contributed to candidates that CREA believes have interests in cooperative issues. ACRE funds go

to CREA for lobbying efforts again focused on Cooperative issues. Lastly, he discussed the Mesa Hotline school relocation. The school is asking for monetary assistance to help with relocating the field training facilities as the current location is no longer an option.

Motion was made and unanimously carried by those present to donate \$5,000 to the Mesa Hotline School to assist with relocation costs.

Western United – Stephen Valdez

Valdez reported that the meeting is upcoming. Items for discussion at the meeting will be the review of the audited financial report and the election of officers.

Tri-State – Scott Wolfe

Wolfe reviewed the submitted report. Further discussion was held regarding Tri-State maintaining the 2% - 4% rate rebate, supply chain concerns and higher material costs. Wolfe reported that power on the open market is more expensive and sales are down. This is reflected in the Outside Sales and Sales to Others portion of the board report. The timeline for power stations to shut down were discussed and what would replace the generation when those shutdowns occur.

Unfinished Business

Discussion was held regarding the request to participate in jointly funding a scholarship in memory of past board of director Michael Rierson.

Motion was made to do matching funds scholarships for the existing Robert Wolfe Scholarship and the newly created Michael Rierson Memorial Scholarship both in the amount of \$4,000 to be split between REC and the respective families was unanimously carried by those present.

New Business

None

Future Dates:

The next regular board meeting is scheduled for September 27, 2022 beginning at 9:30 AM.

Board Comments:

None

Motion to Adjourn None

Motion to adjourn the meeting at 11:40 AM was made and unanimously carried by those present.




Keenan Anderson, President


Wade Lockhart, Corporate Secretary


Michelle Trujillo, Recording Secretary