

MINUTES OF MEETING
San Luis Valley Rural Electric Cooperative, Inc.
Board of Directors
April 26, 2016

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, April 26, 2016 at the headquarters office located in Monte Vista, Colorado. Directors present were Scott Wolfe (president), Cole Wakasugi (vice-president), Mike Rierson, Ernie Ford and Eleanor Valdez. Gregg Kampf (corporate attorney) and the following staff were present: Loren Howard (chief executive officer), JoAn Waudby, (chief financial officer), Carol Silva (human resources specialist), Terry Daley (engineering manager), and Michelle Trujillo (human resources director/recording secretary). Rick Inman was unavoidably absent. Carol Lee Dugan arrived at 9:42 a.m.

Scott Wolfe led the Pledge of Allegiance.

Eleanor Valdez offered an opening prayer.

Call to Order

Scott Wolfe called the public meeting to order at 9:32 a.m.

Welcome of Guest(s)

Member Davey Pitcher of Wolf Creek Ski Area was present at the meeting to address the board concerning infrastructure maintenance on Fox Mountain and the SLVREC solar project.

Dave Aspenson of Kiesling Audit Firm was present and welcomed to the meeting.

Mail and other correspondence was circulated.

Approval of Agenda

Motion #1 by Eleanor Valdez, seconded and unanimously carried by those present; the agenda was approved as presented.

Approval of Minutes

Motion #2 by Ernie Ford, seconded and unanimously carried by those present; the minutes of the March 29, 2016 regular meeting were approved as amended correcting the vote count on Motion #13.

Approval of Board Policies

Motion #3 by Carol Lee Dugan, seconded and unanimously carried by those present; the following board policies were reviewed and approved as submitted:

3-001	Global Executive Limitation	Reviewed/Approved
3-002	Treatment of Members	Reviewed/Approved
3-003	Treatment of Employees	Reviewed/Approved
3-004	Compensation and Benefits	Reviewed/Approved
3-005	Financial Planning and Budgeting	Reviewed/Approved

Jock Jacober member and owner of LJ Farms was welcomed to the meeting. He introduced himself to the board and discussed future solar opportunities in his area of our service territory. He further offered all his support and any resources he has available to him to assist in getting this process underway.

Dave Kiesling of Kiesling Associates Audit Firm presented a verbal report of the recent financial audit performed on behalf of SLVREC.

Executive Session

On Motion #4 by Cole Wakasugi, seconded and unanimously carried, the board approved to go into executive session at 10:49 a.m. for further discussion with the auditor.

On Motion #5 by Cole Wakasugi, seconded and unanimously carried by those present, the board came out of executive session at 11:17 a.m. with no action taken.

Break: 11:17 a.m.

Reconvene: 11:25 a.m.

Approval of Audit

On Motion #6 by Cole Wakasugi, seconded and unanimously carried, the board approved the audit as presented by Dave Aspenson of Kiesling Associates Audit Firm.

Discussion ensued regarding the concerns voiced by members of SLVREC at this meeting.

Lunch: 12:04 p.m.

Reconvened: 12:49 p.m.

Further discussion was held regarding the power purchase agreement with Res Americas, location for solar projects, and potential wheeling charges from Tri-State.

Corporate Exceptions

The submitted report was reviewed and up-to-date information was provided.

At 1:27 p.m. Ernie Ford had to unavoidably leave the meeting.

Financial Report

The submitted report was reviewed and discussed.

Operating Statistics

Financial and statistical graphs depicting measurable points of interest were reviewed.

Acceptance of Financial Report

Motion #7 by Mike Rierson, seconded and unanimously carried by those present, the board approved the March 2016 Financials.

Agreements for Purchase of Power

The current list of Agreements for Purchase of Power was reviewed.

Safety Report

The submitted report was reviewed and discussed.

Acceptance of Safety Report

Motion #8 by Mike Rierson, seconded and unanimously carried by those present; the Safety Report was accepted as presented. (Copy attached hereto and made a part hereof.)

Ciello Report:

The submitted report was reviewed and discussed. It was mentioned that this report is a work in progress and will be fine-tuned as more information regarding specific work areas and number of passing's become readily available.

ATTORNEY'S REPORT**Corporate Attorney - Gregg Kampf**

Gregg Kampf reported that he is currently working with Loren on the power purchase agreement with Res Americas and will be meeting with Carol Silva to discuss capital credit affidavits and other associated topics after this meeting.

BOARD COMMITTEE REPORTS:**Colorado Rural Electric Association – Eleanor Valdez**

Eleanor Valdez reported that the meeting is upcoming and will be held at the CoBank facilities in Denver.

Western United – Eleanor Valdez

Eleanor reported that the meeting is upcoming and the CEO evaluation that was postponed last month due to adverse weather will be done at this meeting.

Tri-State – Scott Wolfe

Scott Wolfe briefly mentioned the SCR on Craig 2 and the SNCR on Craig 3. Also reported that Tri-State approved 3 solar projects in the DMEA service territory; heard a presentation from Allison Wood, Attorney regarding updates on the Clean Power Act; received an educational session on interest rate hedging; and there will be a formal recommendation taken to the board in May for Action in June regarding to Board Policy 115. He then reviewed and discussed Tri-State's 2016 annual meeting.

Unfinished Business:

- None

New Business:

- It was suggested to retain the services of Kiesling Associates Audit Firm for next year.

Future Dates:

- SLVREC's next regular board meeting will be Tuesday, May 31, 2016.
- CFC Forum in Seattle, WA will be June 4-8, 2016. Carol Lee Dugan and Eleanor Valdez will be attending.

Board Comments:

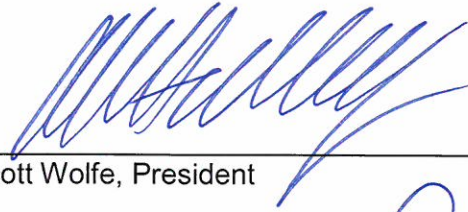
Eleanor Valdez was approached by a member regarding an early disbursement of their capital credits. Carol Silva has spoken to this member and explained the process in handling member capital credits. Eleanor Valdez will call this member back and reiterate the process.

Eleanor Valdez mentioned a recent outage situation that occurred. This member was at the end of the line and had fuses down. It was reported at 4:30 a.m. and was not restored until approximately 7:30 p.m. with no contact from the after-hours call center. This member contacted Eleanor personally and Eleanor got in-touch with personnel to report this extended outage situation.

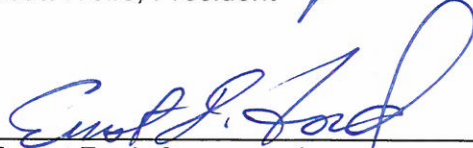
Adjournment

The board adjourned their meeting at 2:57 p.m.

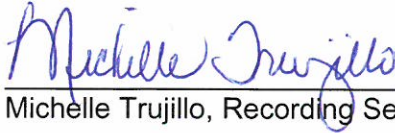
SEAL

A handwritten signature in blue ink, appearing to read "Scott Wolfe", written over a horizontal line.

Scott Wolfe, President

A handwritten signature in blue ink, appearing to read "Ernest J. Ford", written over a horizontal line.

Ernest Ford, Corporate Secretary

A handwritten signature in blue ink, appearing to read "Michelle Trujillo", written over a horizontal line.

Michelle Trujillo, Recording Secretary