

MINUTES OF MEETING
Board of Directors
June 28, 2016

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, July 30, 2013, at the headquarters office located in Monte Vista, Colorado. Directors present were Scott Wolfe (president), Cole Wakasugi (vice-president), Mike Rierson, Eleanor Valdez, Rick Inman, and Carol Lee Dugan. Also present were Gregg Kampf (corporate attorney) and the following staff: Loren Howard (chief executive officer), JoAn Waudby (corporate services manager), Stacy Valdez (customer service/billing manager), TerryL Jensen (system operations manager), Carol Silva (human resources specialist), Andrea Oaks-Jaramillo (marketing & economic development coordinator), and Michelle Trujillo (human resources director/assistant corporate secretary). Ernie Ford arrived at 9:56 a.m.

Call to Order

Scott Wolfe called the meeting to order at 9:30 a.m.

The Pledge of Allegiance

Scott Wolfe led the Pledge of Allegiance.

Eleanor Valdez led the opening prayer.

Welcome of Guest(s)

No guests present.

Member Communication

Circulated among the board members.

Approval of Agenda

On Motion #1 by Mike Rierson, seconded and unanimously carried by those present; the agenda was approved as amended to include the approval to retire early estate capital credits.

Approval of Minutes

On Motion #2 by Carol Lee Dugan seconded and unanimously carried by those present; the minutes of the May 31, 2016 regular board meeting were approved as submitted.

Approval of Board Policies

Motion #3 by Mike Rierson, seconded and unanimously carried by those present; the following board policies were reviewed and approved as presented:

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|-------|--|-------------------|
| 3-011 | Communication and Support of the Board | Reviewed/Approved |
| 3-012 | External Communication | Reviewed/Approved |
| 3-013 | Cooperative Health and Sustainability | Reviewed/Approved |
| 3-014 | Strategic Planning | Reviewed/Approved |

Discussion was held regarding the purchase of power agreement with RES Americas. The estimated Commercial Operation Date (COD) date is July 2017.

Approval of Resolution for PPA with RES Americas

Motion #4 by Mike Rierson, seconded and unanimously carried by those present; the board approved the following resolution:

IT WAS RESOLVED:

Whereas;

1. *San Luis Valley Rural Electric Cooperative, Inc. (REC) and RES-Americas (RES) have been negotiating the development, construction and operation of a three megawatt solar powered electric generating plant (Facility) connected to REC's electric distribution system; and*
2. *Commencement of construction of this Facility requires the execution of a Power Purchase Agreement (PPA) between REC and RES; and*
3. *A PPA has been reviewed by senior staff of REC and REC's Corporate Attorney and recommends the execution of the attached PPA; and*
4. *The Facility will provide many benefits to REC Members including electric power cost containment, local renewable energy resources and REC Member access to locally generated renewable energy credits;*

Therefore;

The Board of Directors of San Luis Valley Rural Electric Cooperative, Inc. authorizes the execution of the attached Power Purchase Agreement between REC and RES.

Approval of NRECA Resolution

Motion #5 by Eleanor Valdez, seconded and unanimously carried by those present; the board approved the following resolution:

WHEREAS *San Luis Valley Rural Electric Cooperative, Inc. is a participating employer in the NRECA sponsored Retirement Security (RS) Plan and 401(k) Pension (401(k)) Plan; and*

WHEREAS *the Board of Directors of San Luis Valley Rural Electric Cooperative, Inc. is aware that the plan must periodically be amended to comply with new regulations, ruling, other legislation and operational changes, and that these amendments must be filed with the Internal Revenue Service as a restatement of the Plan and that this restatement will be effective July 1, 2012.*

THEREFORE, BE IT RESOLVED *that this Board authorizes the July 1, 2012 amendment, restatement and continuance of the RS Plan and/or 401(k) Pension Plan to conform in its entirety with all the provisions of the plan document of the RS Plan and/or 401(k) Pension Plan, through the execution of the Adoption Agreement, which includes all of the provisions of the Cooperative's most recently executed Adoption Agreements and any compliance clarifications needed to conform with plan operations; and*

BE IT FURTHER RESOLVED, *that this Board is aware that the timing of the restatement may not correspond with the regularly scheduled meetings of the Board of Directors, therefore the Board does hereby authorize and direct Loren H. Howard, CEO to execute all necessary documents and take any and all further action necessary to carry out the July 1, 2012 amendment and restatement of the RS Plan and/or 401(k) Plan.*

Approval of Estate Retirements

Motion #6 by Carol Lee Dugan seconded and unanimously carried by those present, the board approved the capital credit estate retirement in the amount of \$75,802.12 as presented.

Election of Officers:

Motion #7 by Ernie Ford, seconded and unanimously carried by those present; the board elected K. Cole Wakasugi as President of the Board for the ensuing year.

Motion #8 by Mike Rierson, seconded and unanimously carried by those present; the board nominated and Carol Lee Dugan accepted the office of Vice-President.

Motion #9 by Ernie Ford, seconded and unanimously carried by those present; the board nominated and Scott Wolfe accepted the office of Corporate Secretary.

Appointment of Corporate Treasurer & Assistant Corporate Secretary

Motion #10 by Eleanor Valdez, seconded and unanimously carried by those present; JoAn Waudby was appointed as Corporate Treasurer and Michelle Trujillo was appointed Assistant Corporate Secretary of the Board for the ensuing year.

Determine Meeting Delegates

On Motion #11 by Cole Wakasugi, seconded and unanimously carried by those present; the board approved to leave the slate of current delegates in place.

Break: 10:20 a.m.

Reconvened: 10:30 a.m.

Corporate Exceptions

The submitted report was reviewed and up-to-date information was provided. Loren Howard updated the board on a recent inspection of the access road to Fox Mountain, held discussion about a recent outage due to birds in the Center substation, Michelle Trujillo provided an update on the current open position for Telecommunications Coordinator, Andrea Oaks-Jaramillo reported that there is a member that wanted a \$250 bill credit in lieu of the ½ of pork that was awarded, further discussion was held on the upcoming meeting in the Town of Crestone Thursday, June 30, 2016.

Operating Statistics

The financial report and statistical graphs depicting measurable points of interest were reviewed and discussed.

Acceptance of Financial Report

On Motion #12 by Eleanor Valdez, seconded and unanimously carried by those present; the board approved the May 2016 financials as submitted.

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 #13 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 pathways outside the Valley and security concerns at SLVREC substations were discussed.

Lunch: 12:03 p.m.

Reconvened: 12:48 p.m.

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Gregg Kampf reviewed his written report and commented on a successful annual meeting. Further group discussion was held regarding the annual meeting and suggestions for improvement.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Eleanor Valdez

Eleanor Valdez provided a brief report of the CREA meeting stating that they spent time on the audit report. She mentioned that the CREA Fall Annual Meeting and Energy Innovations Summit is September 11-14, 2016.

Western United – Eleanor Valdez

Eleanor Valdez reviewed the new slate of officers at Western United and reported that sales are down a bit but still within budget. The annual fish fry is coming up in August.

Eleanor Valdez and Carol Lee Dugan attended the CFC Forum and they each provided a brief summary of the meeting.

Tri-State – Scott Wolfe

Scott Wolfe reported that they discussed Policy 115, had a presentation on the components of building and maintaining a transmission system, 20% of Tri-State's time and money is spent on dealing with regulation, Xcel working on a 600 MW windfarm, educational class on cash and liquidity, discussed the JM Schafer gas plant in Ft. Lupton. Kit Carson is no longer a member of Tri-State effective June 30, 2016.

Unfinished Business:

- Eleanor Valdez handed out a questionnaire at the last board meeting asking for suggestions for CREA to improve services and she asked the board for any ideas they came up with that she can bring back to CREA.

New Business:

- None

Future Dates:

- SLVREC's next regular board meeting will be Tuesday, July 26, 2016 at 9:30 a.m. Carol Lee Dugan will be unable to attend this meeting.

Board Comments:

- Eleanor Valdez commented that she received a call from a member stating they were impressed that SLVREC notified her of a potential issue at her house. She called an electrician and sure enough she was having a problem and was able to resolve it. She was appreciative.

Executive Session

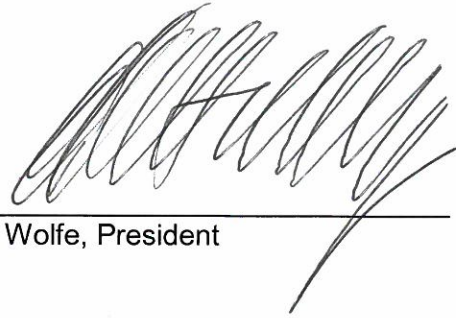
On Motion #14 by Cole Wakasugi, seconded and unanimously carried, the board approved to go into executive session at 1:31 p.m. for the discussion of strategic matters.

On Motion #15 by Ernie Ford, seconded and unanimously carried by those present, the board came out of executive session at 2:11 p.m. with no action taken.

Adjournment

The board adjourned their meeting at 2:12 p.m.

SEAL



Scott Wolfe, President



Ernest Ford, Corporate Secretary

Vice-President



Michelle Trujillo, Recording Secretary