

Loren Howard

CEO of SLVREC and Ciello



It is unfortunate that once again, the annual meeting of SLVREC will be similar to last year's, since finding a venue that is willing to accommodate 200+ people has not been possible. There will be an open house at REC offices all day on Tuesday, June

8 during business hours. The business meeting will be conducted via Zoom starting at 7 p.m. that same day. We hope that by 2022, we all can leave behind the restrictions imposed by federal, state and local governments and have an in-person annual meeting.

While the year 2020 had its challenges, both REC and Ciello continued to accomplish many goals. One important project that continued into 2020 was reconstruction of more than five miles of electric power lines in Saguache County in order to protect birds, principally raptors. Avian protection is an important program required by the U.S. Fish and Wildlife Service.

The pandemic in 2020 caused significant financial hardships on many residents and businesses. For many years REC has had a bill assistance program to help residential members who have difficulty paying their power bills. In 2020, in order to assist businesses, REC established a fund to help businesses (hotels, restaurants, etc.) who were significantly impacted by the restrictions on travel and venturing out.

Wildland fires continue to be a significant focus in the nation. The fires in California that caused rolling blackouts in efforts to mitigate potential fires have struck a nerve throughout the country. Over the past year REC has been investigating using a power conductor that is insulated to

better protect against downed wires starting a fire. The first project using this conductor will be completed in 2021.

Another important project which made further gains in 2020 was moving substation control to the new supervisory control and data acquisition (SCADA) system. At the end of 2020, only two substations remain on the old SCADA system. The benefits of the new SCADA system are numerous, but one that is at the top of the list is the ability to remotely operate switches and breakers in the substation quickly. This substantially reduces outage time in many cases.

As Ciello continues to grow, now approaching 6,000 customers, increasing network capability and reliability has become even more important. In 2020, a significant upgrade to the core network in the Valley was started and will be completed in 2021. This upgrade along with a previous one will allow Ciello to serve well over 10,000 customers with our symmetric speeds up to 1,000 megabits per second.

This past year has brought online connectivity to the forefront for many Valley residents with schools and businesses forced to work remotely. Ciello made many concerted efforts to quickly get students connected so they could continue their education from home. The same effort was made to get connectivity to people required to work remotely. Ciello continues to provide exceptional broadband service to the Valley. By 2023, there will be virtually no location in the San Luis Valley that cannot access broadband and phone service provided by Ciello.

Finally, we, like everyone, hope 2021 will be a better year. REC and Ciello look forward to continuing to provide members and customers outstanding electric and broadband services.

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- Scholarship Recipients

2021 ANNUAL REPORT

Carol Lee Dugan

SLVREC Board President
District 1 – Rio Grande County



As our 2021 annual meeting approaches, board members and staff are planning another virtual meeting. I hope this is the last one and the venue can be in person for our community in 2022. Please try to view the meeting via ZOOM, as well as, attending the open house at SLVREC that day.

As President of the Board, I am proud to say we have been improving our Ciello internet services daily to address the need for social distancing and communication. Ciello has grown by 25 percent in 2020, and we plan to continue to grow throughout the coming years.

I would like to remind our members that we strive to communicate with them in a timely fashion through our monthly newsletter, the “Newsboy,” our website, as well as social media. These resources are a great way to stay up to date with REC and Ciello happenings, as well as find energy efficiency tips and much more.

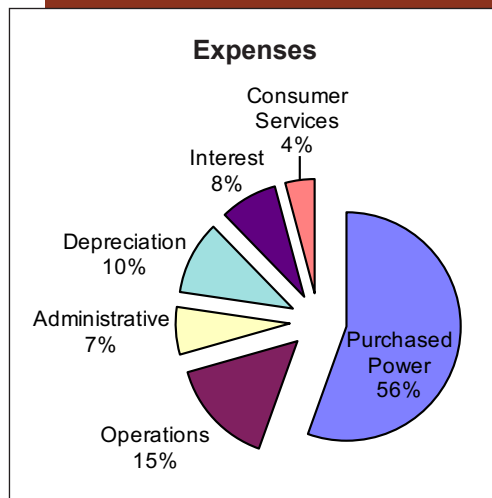
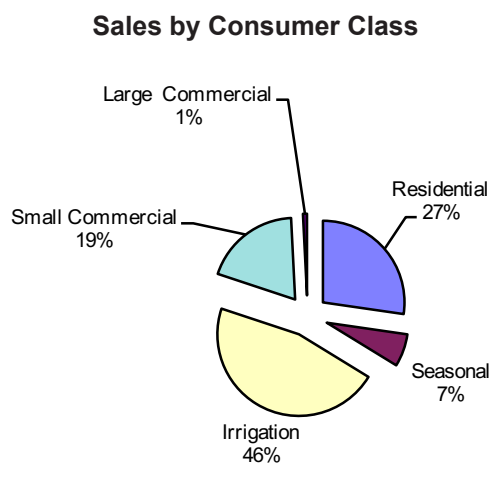
I would also like to thank our CEO, Loren Howard, for his forward thinking on improvements and upgrades for technology and electricity for the SLVREC. Improvements are often a challenge and necessary to stay up with changing times.

SLVREC strives to improve the quality of life in the San Luis Valley while helping to strengthen economic development in the area.

Financials

STATEMENT OF OPERATIONS December 31, 2020

<u>REVENUES</u>	<u>2020</u>
Sales of Electric Energy	\$ 35,463,067
Other Electric Revenue	121,762
TOTAL REVENUES	35,584,829
<u>EXPENSES</u>	
Purchased Power	19,224,394
Operations and Maintenance	5,240,110
Consumer Accounting and Service	1,437,079
Administrative and General	2,327,681
Depreciation and Amortization	3,607,006
Interest	2,805,153
Other Deductions	8,213
TOTAL EXPENSES	34,649,636
<u>MARGINS</u>	
Operating Margins, Net	935,193
G & T and Other Capital Credits	936,639
Loss on Equity Investment	(1,068,371)
Other Non-Operating Margins	146,806
NET MARGIN	\$ 950,267



Balance Sheet December 31, 2020

<u>ASSETS</u>	<u>2020</u>
CURRENT ASSETS	
Cash and Temporary Investments	\$ 2,031,018
Accounts Receivable	4,137,528
Materials and Supplies	4,077,239
Prepayments and Accrued Assets	135,917
TOTAL CURRENT ASSETS	10,381,702
OTHER ASSETS	
Other Property and Investments	23,708,583
Deferred Debits	225,935
TOTAL OTHER ASSETS	23,934,518
PLANT	
Electric Plant	161,967,844
Less: Accumulated Depreciation	(55,863,284)
NET VALUE OF ELECTRIC PLANT	106,104,560
TOTAL ASSETS	\$ 140,420,780
<u>LIABILITIES AND EQUITY</u>	
CURRENT AND ACCRUED LIABILITIES	
Notes Payable	8,830,000
Accounts Payable	2,010,128
Consumer Deposits	557,637
Other Current and Accrued Liabilities	3,481,699
Current Portion - Long-Term Debt	3,199,019
TOTAL CURRENT AND ACCRUED LIABILITIES	18,078,483
OTHER LIABILITIES	
Long Term Debt due CFC	68,275,923
Deferred Credits	1,285,663
Accumulated Operating Provisions	-
TOTAL OTHER LIABILITIES	69,561,586
MEMBERS EQUITY	52,780,711
TOTAL LIABILITIES AND EQUITY	\$ 140,420,780

BOARD OF DIRECTORS

- Carol Lee Dugan, President
719-852-3931
- Keenan Anderson, Vice President
719-849-8304
- Stephen Valdez, Secretary
719-588-0430
- Scott Wolfe
719-852-0966
- Cole Wakasugi
719-937-9514
- Kip Nagy
719-850-0749
- Wade Lockhart
719-588-9246

CEO

- Loren Howard
719-852-6630
- SLVREC Office (toll free)
800-332-7634
- SLVREC Office (local calls)
719-852-3538
- Email: power@slvrec.com



2020 Meeting Minutes

MINUTES ANNUAL MEETING OF MEMBERSHIP SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE, INC. 9 JUNE 2020

Due to the Coronavirus Pandemic (COVID-19), San Luis Valley REC hosted a Membership Open House providing members the opportunity to vote in person and register for annual meeting prizes. The business meeting was held via online access through SLVREC's website for viewing capability by the membership.

Monroe Johnson gave an invocation.

Vice-President Keenan Anderson introduced the board of directors and corporate officers that were present and participating online: Keenan Anderson (vice-president), Stephen Valdez (corporate secretary), Wade Lockhart, Kip Nagy, Scott Wolfe, and K. Cole Wakasugi. President Carol Lee Dugan was unavoidably absent. The corporate officers present and participating were Gregg Kampf (corporate attorney), Loren H. Howard (chief executive officer), JoAn Waudby (corporate treasurer) and Michelle Trujillo (assistant corporate secretary).

Corporate Attorney Gregg Kampf verbally declared a quorum of 70 members registered in person during the Membership Open House hosted at the facility headquarters located at 3625 US Highway 160 W, Monte Vista, CO 81144 on June 9, 2020.

The Annual Meeting of the membership of San Luis Valley Rural Electric Cooperative, Inc. was called to order at 7:04 p.m. pursuant to the legal notice sent to the membership in accordance with the bylaws.

Corporate Attorney Kampf certified that the Notice of Annual Meeting had been properly and legally performed. A copy will be kept on file.

Incumbent for District 2 Costilla County Representative K. Cole Wakasugi and Incumbent for District 4 Alamosa County Representative Scott Wolfe both ran unopposed and chose not to address the membership via video conference. Both incumbents were re-elected to serve a four-year term.

Kampf stated that included with the annual meeting packet sent to each member was a postcard with a box to check for approval of the minutes. There were 383 postcards returned and 361 checked the box to approve the minutes as presented. The minutes were unanimously approved.

Scott Wolfe announced the 2020 Scholarship Recipients while a PowerPoint presentation was shown to members. He further announced that due to the COVID-19 Pandemic, the Youth Tour and Leadership Camp were cancelled.

The recipients were as follows:

Alyssa Mortensen - 4-Year ASU Valued at \$3500/Semester, William Perez - \$1,000 SLVREC Past Director Scholarship, Grace Whitehorn - \$1,000 Robert Wolfe Scholarship, Ariel Caldon - \$1,000 SLVREC Past General Manager Scholarship, Makenzie Rogers, Kelsey Poe, Lexi Metz, Ryan Holland, Clay Kimberling, Dynae Johnson - \$500.00 Tri-State/SLVREC Scholarships, Isaias Minchaca - Electric Lineworker Scholarship, Garrett Valdez - SLVREC Board of Directors Scholarship, Caden Alonzo - SLVREC Employee Dependent Scholarship.

Keenan Anderson talked briefly regarding the many types of communication available from SLVREC and Ciello: telephone access, monthly newsletter, social media, radio and the website. He encouraged all members to find the format that works best to follow projects and other matters for both entities.

JoAn Waudby presented the 2019 financial report. The presentation included statistical comparisons from prior years regarding sales, revenue and margins. Year-to-date 2020 financial information was also presented.

Loren Howard began with an overview of projects worked on during 2019. Some of the larger projects mentioned were the implementation of SCADA in substations, the five miles of power line rebuilt for improved avian protection, the tri-annual RESAP accreditation inspection, and the underground cable replacement in the Baca service

territory. For Ciello, this included the Spring Creek and West side of Monte Vista buildouts, converted wireless connectivity with fiber in the Town of Center, and the design layout for the Town of Saguache. Further he briefly reviewed Tri-State's Responsible Energy Plan and mentioned the current status of the member rate complaint filed in 2019 with the upcoming stakeholder engagement effort.

Questions from Members:

In a general manner, Loren Howard addressed the questions that were submitted prior to annual meeting. If questions were specific to individual accounts, he noted that contact would be made with those members on an individual basis.

Rates

Addressed SLVREC density (meters per mile of line) compared to other utilities and explained a three-part rate and what each part of the rate covers.

Renewable Energy

Talked of Penitente (2.75 MW), Humphrey's Hydro (352 kW), net metered accounts (1.4 MW).

Informed members that SLVREC is evaluating two solar projects for future opportunities.

Time-of-Day Periods

SLVREC has traditionally followed Tri-State G&T's on-peak hours to avoid a costly coincident peak.

Board Elections

No other petitions were filed to run for the two open districts for 2020, therefore the incumbents ran uncontested.

Unfinished Business:

None other than the questions submitted by members prior to the annual business meeting.

New Business:

None that the board of directors were made aware of prior to the annual business meeting.

Kampf announced that the door prize winners will be contacted during the following business day.

Kampf declared the meeting adjourned at 7:37 p.m.

2021 Scholarship Recipients



ASU Four-Year Scholarship:
Desiray Tolsma,
Alamosa



**Martin Christensen Memorial
Lineworker Scholarship:**
Abel Ojeda Jr., Sierra Grande



Robert Wolfe Scholarship:
Gabe Heersink,
Alamosa



Past Director Scholarship:
Aidan McComas,
Del Norte



**Past Retired GM Ray Villyard &
CEO John Villyard Scholarship:**
Alyssa Bagwell, Centauri



SLV REC Scholarship:
Eric Lorenz,
Del Norte



SLV REC Scholarship:
Sara Nehring,
Monte Vista



SLV REC Scholarship:
Chloe McComas,
Del Norte



Basin Electric Scholarship:
Lindsey Gammill,
Creede



Tri-State G&T Scholarship:
Soren Bailey,
Del Norte



REC Dependent Scholarship:
Ryker Alonzo,
Alamosa

Not Pictured:

SLV REC Scholarship:
Caleb Rigenbach,
Monte Vista

Tri-State G&T Scholarship:
Logan Cestone,
Del Norte



POWERING A VITAL VALLEY

P.O. Box 3625
Monte Vista, CO 81144

POWERING OUR COMMUNITY

ANNUAL MEETING AGENDA

TUESDAY, JUNE 8, 2021

7 A.M.-6 P.M.

**OPEN HOUSE ANNUAL
MEMBERSHIP MEETING,
SLV REC OFFICE, MONTE VISTA**
*Light refreshments, prize drawings**
*(*must attend membership
meeting to be eligible)*

7 P.M.

**START OF VIRTUAL
BUSINESS MEETING**

*Business meeting will be conducted
online. To register to view the business
meeting, go to slvrec.com or call
719-852-3538.*

**ALL MEMBERS ARE ELIGIBLE TO
VOTE IN THIS ELECTION
ONE MEMBERSHIP = ONE VOTE**



MORE ANNUAL MEETING INFO

Members can send questions by mail or email to be answered during the online meeting. All questions must be received at REC by Tuesday, June 8, noon. Email questions to: 2021Annmeet@slvrec.com.

Ballots can be mailed in, returned to REC's dropbox or brought to the June 8 open house membership meeting.

Please vote for approval of the 2020 meeting minutes on the postage-paid postcard included with your annual report packet.

Qualified members who register and vote in person at the June 8 open house membership meeting will be eligible for prizes, which include a \$250 bill credit, one-half beef, one-half pork and more.

Candidate bios are available online at
www.slvrec.com/annual-meeting

Your Touchstone Energy® Cooperative 