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**MINUTES OF MEETING**  
**San Luis Valley Rural Electric Cooperative, Inc.**  
**Regular Meeting of the Board of Directors**  
**January 25, 2022**

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The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, January 25, 2022, at the headquarters office located in Monte Vista, Colorado. Directors present were Keenan Anderson, (vice-president), Stephen Valdez (secretary), Scott Wolfe, Wade Lockhart and Cole Wakasugi. Also present were Gregg Kampf (corporate attorney), Loren Howard (chief executive officer), JoAn Waudby (chief financial officer), Carol Silva (human resources specialist), Jennifer Alonzo (marketing/sales coordinator), Shawn McKibbon (chief operations officer), and Michelle Trujillo (human resources officer/assistant corporate secretary). Kip Nagy joined the meeting via Zoom at 9:52 AM. Carol Lee Dugan was unavoidably absent.

**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 amended to include the approval of another USDA ReConnect3 Resolution was unanimously carried by those present.

**Corporate Review**

Loren Howard reviewed the submitted report. He provided more details on the bell replacement project in the southern service territory, 2022 annual meeting planning with the Mineral/Hinsdale County position up for election, cost of service study video on the website, and the opt-out meter reading fee has been raised to \$30.00. Members that opted out of the AMI system were notified of this increase in advance of the effective date. The board had questions regarding the financial impact of the storm damage repairs.

**Financial Review**

JoAn Waudby and Loren Howard reviewed the submitted financial summary through November 2021. Waudby reported that fiber depreciation needs to be figured into line 21 MDSC. This will be reflected in next month's report. Kip Nagy joined the meeting at 9:52 AM. Further discussion was held regarding the generation mills on the power bill comparison, the possibilities for other investment opportunities, and the predicted raise in interest rates in 2022.

**Approval of Minutes**

Motion to approve the minutes from the regular meeting on December 14, 2021 as presented was unanimously carried by those present.

### **Approval of Special Meeting Minutes**

Motion to approve the minutes of the special board meeting on January 4, 2022 as presented was unanimously carried by those present.

### **Approval of the 2021 Write-offs**

Motion to approve the 2021 Write-offs as presented was unanimously carried by those present.

### **Approval of 219's and Special Equipment**

Motion to approve the 219's and Special Equipment was unanimously carried by those present.

***IT WAS RESOLVED*** "That Work Order inventories for period **December 2020 through September 2021** included electric work order in the amount of **\$1,692,788.05** and fiber work orders in the amount of **\$4,500,462.09** totaling **\$6,193,250.14** and Special Equipment summaries for period **December 2020 through September 2021** totaling **\$790,946.33** were approved."

### **Approval of USDA ReConnect3 Resolution**

Motion to approve the USDA ReConnect3 resolution for grant application was unanimously carried by those present.

#### **RESOLUTION**

1. *RESOLVED that San Luis Valley Rural Electric Cooperative, Inc. is authorized by the governing Board of Directors to submit a USDA ReConnect3 grant application.*
2. *RESOLVED that San Luis Valley Rural Electric Cooperative, Inc. will submit a USDA Reconnect3 grant application in the 100% grant funding category.*
3. *RESOLVED that the funding amount requested will not exceed \$25,000,000.*

Break: 10:43 AM

Reconvene: 10:53 AM

### **Safety Report**

The submitted report was reviewed and discussed. (Copy attached hereto and made a part hereof.)

There was an incident that occurred during the storm work repairs caused by a miscommunication between REC and Tri-State. Loren Howard explained that there are operational controls and engineering controls when re-energizing lines. No one was hurt because REC safety measures were in place and followed but communications could have been better. Immediately following this incident, REC procedures were adjusted to prevent this from happening again.

### **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.)

Area 420 is a development group that is working on developing an area with 19 lots on 160 acres located in our northern service territory. This area was annexed into the town of Moffat. These lots allow for home building sites and grow operations. They are predicting the need for large power service and this will require an upgrade to the substation that will have to be engineered. All costs associated with any necessary upgrade will be at the expense of the developer.

## **ATTORNEY'S REPORT**

### **Corporate Attorney - Gregg Kampf**

Gregg Kampf reviewed his submitted report. In addition, he wrote an opinion letter for the ReConnect3 Grant stating REC was legally authorized to apply for this grant.

## **BOARD COMMITTEE REPORTS:**

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

Valdez reviewed the submitted report. The regular meeting is scheduled for January 27-28, 2022. He stated that the 73<sup>rd</sup> Assembly kicked off on 1/12/2022 with 119 bills introduced and 9 that could potentially affect REC. He discussed SB 22-028 Ground Water Compact Compliance Fund and SB 22-083 Broadband Providers Use Public Rights-of-Way.

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

Valdez reviewed the submitted report. The meeting is scheduled for 1/27/2022. Bylaw changes and strategic planning are on the agenda.

### **Tri-State – Scott Wolfe**

Wolfe reviewed the statistics of the submitted report. He was unable to attend the last meeting. Loren Howard reported that the main topics at the recent manager's meeting were cyber security, future rates and the current 2% rate rebate from deferred revenue. The first rate committee meeting is scheduled for February 8-9, 2022.

## **Unfinished Business**

None

## **New Business**

Wade Lockhart presented a proposal to the board members and CEO with changes to the Bylaws and policies regarding timelines and deadlines associated with the voting processes and procedures. He was given an existing executive policy that covers these items according to the standards.

CARE/ACRE participation was brought up as one of the board members received the annual correspondence in the mail.

## **Future Dates:**

The next regular board meeting will be Tuesday, February 22, 2022 at 9:30 AM.

## **Board Comments:**

A board member questioned the status of research on the future opportunity to work with solar developers. Loren Howard has had a conversation with one current developer at this time and will seek out others for more conversation. Divergent Solar is a company out of Denver that is currently working in our area and it was suggested we reach out to them. Howard recommended that REC create a stand-by rate for net metered accounts that still want to maintain connection to the grid for periodic use.

A board member asked if there was a way to provide a monthly graphical report on net metering production. This will be created and inserted into the monthly board packets.

An executive session was not necessary at this meeting.

## **Motion to Adjourn**

Motion to adjourn the meeting at 11:57 AM was made and unanimously carried by those present.



*Carol Lee Dugan*  
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Carol Lee Dugan, President

*Stephen Valdez*  
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Stephen Valdez, Corporate Secretary

*Michelle Trujillo*  
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Michelle Trujillo, Recording Secretary