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

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, October 25, 2022, at the headquarters office located in Monte Vista, Colorado. Directors present were Keenan Anderson (president), Stephen Valdez (vice-president), Wade Lockhart (secretary), Scott Wolfe, Cole Wakasugi and Carol Lee Dugan. Also present were Gregg Kampf (corporate attorney), Loren Howard (chief executive officer), JoAn Waudby (chief financial officer/corporate treasurer), Shawn McKibbon (chief operations officer), and Michelle Trujillo (human resources officer/assistant corporate secretary). Director Creede Hargraves joined 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 amended to include the Approval for the Audit Engagement Letter was unanimously carried by those present.

Corporate Review

Loren Howard reviewed the submitted report. There were no further updates and the report stood as presented.

Financial Review

Loren Howard reviewed the submitted financial summary. JoAn Waudby pointed out that the Western United capital credit allocation was almost triple compared to normal, overtime is up overall compared to what was budgeted and short term investments drastically decreased due to the stock market and interest rates.

Loren Howard reported that Tri-State G&T announced a rate increase will occur before the end of the year and discussion ensued pertaining to the methodology and implementation of the increase. SAIDI and SAIFI statistics were discussed in relation to the ongoing faults in the Baca. A map will be generated depicting work that has been completed and work plan projects coming up.

Approval of Minutes

Motion to approve the minutes as presented from the regular meeting on September 27, 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 2-001 Unity of Control
- BP 2-002 CEO Accountability and Monitoring
- BP 2-003 Delegation to the CEO
- BP 2-004 CEO Compensation and Benefits

Discussion was held regarding the current 401(k) benefit plan.

Approval of NRECA Resolution

Motion to approve the NRECA Resolution Authorizing the Amendment of the Safe Harbor 401(k) Provisions for Group 2 was unanimously carried by those present. (Copy attached hereto and made a part hereof.)

***WHEREAS**, San Luis Valley Rural Electric Cooperative, Inc. is participating in the defined contribution plan, the 401(k) Pension Plan ("the 401(k) Plan"); and*

***WHEREAS**, the Board of Directors of San Luis Valley Rural Electric Cooperative, Inc. ("the Board") now desires to amend this plan pursuant to Section 18.2 of the 401(k) Pension Plan document, and does hereby authorize the amendment effective January 1, 2023, by executing the appropriate Adoption Agreement;*

***THEREFORE BE IT RESOLVED**, the amendment to the 401(k) Pension Plan is as follows:*

- *The Employer Base Contribution shall be increased to 15% of the Participant's Compensation.*
- *All other provisions shall remain the same.*

***BE IT FURTHER RESOLVED**, that a notice describing the employee's rights and obligations under safe harbor will be distributed to all eligible employees within a reasonable time period before the beginning of the plan year for qualification under the 401(k) safe harbor provision in IRC 401(k)(12).*

***BE IT FURTHER RESOLVED**, that the Board does hereby authorize and direct Loren Howard, the Chief Executive Officer to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.*

***SIGNATURE OF THE SECRETARY:** I, Wade Lockhart, certify that I am the Secretary of the San Luis Valley Rural Electric Cooperative, Inc. Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the 25th day of October, 2022, which a quorum was present and that the above portion of the minutes has not been modified or rescinded.*

Approval of Audit Engagement Letter

Motion to approve the Audit Engagement Letter as presented was unanimously carried by those present.

Safety Report

The submitted report was reviewed and discussed. The report reflected the recent failure of six gloves. Five of the gloves had been on the shelf and unused all year. More research will be done looking into testing procedures and brands of gloves. (Copy attached hereto and made a part hereof.)

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.)

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Gregg Kampf discussed the recent 85/15 testing rule considerations that were presented to the board of directors the prior day in a closed work session. Kampf and attorney Jason Rechley will draft proposed SLVREC Bylaw changes to be presented to the board at an upcoming meeting. Through this discussion it was decided to postpone electronic voting options for the 2023 annual meeting due to the necessity of changing the bylaws related to the 85/15 testing to allow for member communication, education. Lastly, Kampf provided an update on the CREA Attorney's conference he recently attended.

Break: 10:58

Reconvene: 11:07

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Stephen Valdez

Valdez reported that the finance committee will be meeting October 28, 2022 to review the budget. A minimum of 7.5% increase in membership dues is anticipated but could be a higher increase with the exit CORE. He reminded board members that the Innovation Summit is upcoming in November.

Western United – Stephen Valdez

Valdez reviewed the submitted report. Strains on material availability continue and membership is increasing for Western United as small Cooperatives are seeking every avenue to purchase materials. He stated that refurbishment companies are reporting they are overwhelmed with demand at this time.

Tri-State – Scott Wolfe

Wolfe reviewed the submitted report. He noted that due to optimistic budgeting and Tri-State purchasing more power due to coal supply at Springerville being down for 10 days, nonmember sales were down last month. The obligations of the settlement agreement regarding the Energy Resource Plan were discussed along with the role that Cooperatives will have in meeting these obligations.

Unfinished Business

None

New Business

Loren Howard led a discussion on Solar opportunities in the state of Colorado, primarily in the San Luis Valley but transmission pathways continue to be the issue.

Future Dates:

November 2, 2022 – CEO Interviews

November 3, 2022 – CEO Interviews

November 14, 2022 – CEO Interview

Regular meeting of the board of directors is scheduled for Tuesday, November 29, 2022.

The regular meeting in December was cancelled.

Board Comments:

None

Executive Session

Motion to enter into executive session at 11:59 AM for the discussion of confidential personnel matters was unanimously carried by those present.

Motion to conclude executive session at 12:12 PM with no action taken was unanimously carried by those present.

Motion to Adjourn

Motion to adjourn the meeting at 12:13 PM was made and unanimously carried by those present.

SEAL


Keenan Anderson, President


Wade Lockhart, Corporate Secretary


Michelle Trujillo, Recording Secretary