
MINUTES OF MEETING
San Luis Valley Rural Electric Cooperative, Inc.
Regular Meeting of the Board of Directors
June 28, 2022

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, June 28, 2022, at the headquarters office located in Monte Vista, Colorado. Directors present were Carol Lee Dugan (president), Keenan Anderson (vice-president), Stephen Valdez (secretary), Scott Wolfe, Wade Lockhart, Cole Wakasugi and Creede Hargraves. Also present were Gregg Kampf (corporate attorney), Loren Howard (chief executive officer), JoAn Waudby (chief financial officer), Carol Silva (human resources specialist), Terry Daley (engineering manager), Shawn McKibbon (chief operations officer), Jennifer Alonzo (marketing/sales coordinator), and Michelle Trujillo (human resources officer/assistant corporate secretary).

Call to Order

Carol Lee Dugan called the meeting to order at 9:30 AM.

The Pledge of Allegiance

Carol Lee Dugan led the Pledge of Allegiance.

Member Communication

Mail was circulated among the board members.

Welcome of Guest(s)

Member Ross Rierson was present at the meeting to talk with the board of directors about a memorial scholarship in the name of his late father, Mike Rierson, past director for SLVREC. He presented the idea of partnering with SLVREC in creating this scholarship. The board of directors expressed interest and will get back with Mr. Rierson in a timely manner.

Erin Minks of Senator Bennetts's office joined the meeting via Zoom at 10:24 AM to listen in.

Approval of Agenda

Motion to approve the agenda as presented was unanimously carried by those present.

Election of Officers:

Motion to nominate the following board members as officers unanimously carried by those present.

- Keenan Anderson, President of the Board of Directors
- Stephen Valdez, Vice-President of the Board of Directors
- Wade Lockhart, Secretary of the Board of Directors

At this point of the meeting, Keenan Anderson, newly elected board president, ran the rest of the meeting.

Appointment of Corporate Treasurer and Assistant Corporate Secretary

Motion to appoint JoAn Waudby as Corporate Treasurer and Michelle Trujillo as Assistant Corporate Secretary unanimously carried by those present.

Determination of Meeting Delegates

Motion to nominate Scott Wolfe as the Tri-State G&T Board Delegate and Stephen Valdez as the Colorado Rural Electric Association and Western United Board Delegate unanimously carried by those present.

Corporate Review

Loren Howard reviewed the submitted report. More discussion was held regarding the placement of a free-standing cell tower at REC facility in an effort to eliminate monthly rental fees, NERC reliability assessment, current electric projects as well as outage updates and informed the board that the new mechanic will begin July 14, 2022.

Question was asked about the current road construction on Wolf Creek pass and if SLVREC/Ciello was installing fiber in the conduit being placed. Loren Howard stated no fiber was being placed at this time because another company is putting fiber in and we can utilize that. Electric cable is going in with the CDOT project to provide needed signage on Wolf Creek Pass.

Question was asked about the Wolf Creek Ranch Development response from last month's meeting. Loren Howard reported that the cost of materials is expensive at this time which makes it cost prohibitive for REC to bury this small section of line. A letter will be drafted and sent in the upcoming days in response to their request.

Financial Review

Loren Howard reviewed the submitted financial summary. JoAn Waudby reported some substantial impacts to the budget to-date have been increased transportation costs due to the price of fuel and essential substation maintenance went over the budgeted amount. She further reported that the cost of the storm damage from December 2021 has totaled approximately \$1.3M and due to the timing of it all, these costs were paid in 2022. If operational costs continue to rise, a small rate increase may be considered later in the year. Members of the executive staff will perform an internal rate study to evaluate the needs of the Cooperative.

It was reported that Fun Valley is working on upgrading their facilities to be able to accommodate larger RV/coach type set-ups as well as small homes being built on their grounds for rental availability. This will require a larger electric infrastructure at the members' expense and is scheduled for 2023.

Loren Howard presented a net meter capacity graph depicting the amount of existing kW currently on our system. This will be updated monthly and included in the board packet. This led to discussion about opportunities for working with solar installers and coordinating installations for our members.

Approval of Minutes

Motion to approve the minutes as presented from the regular meeting on May 31, 2022 was unanimously carried by those present.

JoAn Waudby reviewed current interest rates and expectations for rates to continue to rise. The current available interest rate based on a 10 and 30 year basis were presented. The established REC financial plan was discussed.

Approval to Convert Short-Term Debt to Long-Term Debt

Motion to approve the conversion of short-term debt into long-term debt as presented was unanimously carried by those present.

Safety Report

The submitted report was reviewed and discussed. (Copy attached hereto and made a part hereof.) Loren Howard and Shawn McKibbon will be working on updating the SPCC plan. Active shooter training is scheduled for all employees in the coming months and the Wilderness First Responder training will resume as well.

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 reviewed his submitted report. He commented on the annual meeting and discussion ensued regarding this event.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Stephen Valdez

Stephen Valdez reviewed the submitted report. The most recent meeting was virtual and Kent Singer is still working on an NRECA resolution policy referring to premature retirement of coal generation plants. The upcoming meeting will be held in Durango the end of July. He further reported that he attended Empire Electric's annual meeting and felt that there are a lot of similarities among Cooperative members requests and concerns.

Valdez encouraged all members of the board to be vocal in their communities and social circles about participation in the Youth Tour and Youth Leadership Camp. Both are opportunities for high school students entering their senior year to learn about cooperatives and government processes.

A question was asked about the reasoning behind the recent departure of a Colorado cooperative from CREA. Valdez reported that right now there is no clear understanding. CREA is working on a plan to potentially offer separate services to Cooperatives at a different pricing scale. Discussion will take place at an upcoming meeting regarding CREA annual dues and spreading costs among remaining members.

Western United – Stephen Valdez

Stephen Valdez reviewed the submitted report. Upcoming meeting in August. The inventory back log is currently at \$101M. Valdez also provided a brief update on the St George facility.

Break: 10:54 AM

Reconvene: 11:03 AM

Tri-State – Scott Wolfe

Scott Wolfe reviewed the submitted report and further discussed personnel changes in the senior management of Tri-State and the solar supply chain concerns in relation to meeting renewable energy goals. Demand side management was talked about at length as a tool to reduce peaks.

Unfinished Business

None

New Business

Loren Howard talked about the executive search and the schedule for the board to interview search firms. He confirmed with the board that Laney Myoff of Myoff Fry Partners will be present on Tuesday, July 26, 2022 to meet with the board. A work session was scheduled for the following day, July 27, 2022 in which Leigh Taylor of NRECA will meet with the board.

Future Dates:

The regular monthly board meeting is scheduled for July 26, 2022 at 9:30 AM and work session scheduled 9:30 AM Wednesday, July 27, 2022.

Due to a scheduling conflict, Loren Howard proposed moving the August board meeting from August 30th to August 23rd. This will be discussed at the July board meeting.

Board Comments:

None

Executive Session

Motion made to enter executive session at 11:32 AM for the discussion of personnel was unanimously carried by those present.

Motion to reconvene in public session at 12:16 PM with no action taken was made and unanimously carried by those present.

Lunch: 12:17 PM

Reconvene: 12:48 PM

Motion to approve the CEO evaluation and compensation agreement was unanimously carried by those present.

Motion to Adjourn

Motion to adjourn the meeting at 12:49 PM was made and unanimously carried by those present.



Keenan Anderson
Keenan Anderson, President

Wade Lockhart
Wade Lockhart, Corporate Secretary

Michelle Trujillo
Michelle Trujillo, Recording Secretary