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**MINUTES OF MEETING**  
**San Luis Valley Rural Electric Cooperative, Inc.**  
**Regular Meeting of the Board of Directors**  
**February 28, 2023**

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The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, February 28, 2023, 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, Creede Hargraves and Carol Lee Dugan. Also present were Tyler Denning (corporate attorney), Loren Howard (chief executive officer), JoAn Waudby (chief financial officer/corporate treasurer), Shawn McKibbon (chief operations officer), Carol Silva (human resources specialist), Jennifer Alonzo (marketing/sales coordinator) and Michelle Trujillo (human resources officer/assistant corporate secretary). Attorney Gregg Kampf attended the meeting via Zoom. Carol Lee Dugan was unavoidably late, arriving at 10:30 AM.

**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 presented was unanimously carried by those present.

**Corporate Review**

Loren Howard reviewed the submitted report. Further discussion was held regarding potential solar plant sites and rates, net metering application revisions and Ag Conference attendance.

**Financial Review**

Loren Howard reviewed the submitted financial summary. JoAn Waudby reported that Ciello's revenue and expenses have been moved to the operating section of the Statement of Operation as separate line items to meet standard financial ratios and to prepare for future financial reporting requirements. She further stated that year-end reports show a negative operating margin due to the above changes. There will be no 2022 Tri-State allocation. Overall, many things have negatively impacted REC financials: higher interest rates and more increases to come, increase in the costs of materials, availability of materials and increased fuel costs. Moving forward, the 2% rate increase for REC members will help offset increased costs and Tri-State is not predicting another rate increase until 2024. Independent auditors will be on site March 8-9, 2023.

Some discussion was held regarding power generated from net metered accounts and that generation being counted towards the 5% self-generation clause in the wholesale power contract. The consensus

during discussion was that there are too many uncontrollable variables for this to be considered a part of the 5% clause.

### **Approval of Minutes**

Motion to approve the minutes as presented from the regular meeting on January 31, 2023 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 3-008 Ends Focus on Contract
- BP 3-009 Conflicts of Interest
- BP 3-0010 Emergency Management Succession
- BP 3-0011 Communication and Support of the Board

### **Approval of Bank Signature Card Resolution**

Motion to approve the bank signature card resolution to update authorized signatories of the Cooperative was unanimously carried by those present.

#### *IT WAS RESOLVED:*

*That the following officers be removed from bank signature authorization records:*

<i>Carol Lee Dugan</i>	<i>Former Board President</i>
<i>Loren H. Howard</i>	<i>Former Chief Executive Officer</i>

*That the following officers be authorized bank signatories:*

<i>Keenan L. Anderson</i>	<i>Board President</i>
<i>Eric E. Eriksen</i>	<i>Chief Executive Officer</i>
<i>JoAn R. Waudby</i>	<i>Chief Financial Officer</i>
<i>Michelle Trujillo</i>	<i>Assistant Corporate Secretary</i>

Break: 10:26 AM

Reconvene: 10:35 AM

### **Safety Report**

The submitted report was reviewed. (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**

Kampf reviewed the submitted report. He reported that attorney Jason Reschly will be attending the annual meeting for the explanation of proposed bylaw changes to the members.

### **BOARD COMMITTEE REPORTS:**

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

Valdez spoke about the CREA annual meeting that occurred earlier in February. He asked the board members for their views on legislation around renewables and it is anticipated that Tri-State G&T will meet the requirement deadlines for renewable generation. Discussion was held about costs and resource adequacy regarding current infrastructure to support existing needs and future growth.

Board members commented on the electric vehicle (EV) course they attended during the annual meeting. It was stated that REC will evaluate future opportunities such as solar plants realistically and cautiously to uphold sustainability and reliability obligations. Further, work toward providing timely, accurate and consistent communication and education to our members.

**Western United – Stephen Valdez**

Valdez reviewed the report and it stood as presented.

**Tri-State – Scott Wolfe**

Wolfe reviewed the enclosed report. Discussion ensued regarding FERC regulation, Tri-State's response to demand reduction and that it will be the members of Tri-State to meet that agreement. Wolfe further provided a brief update on an existing court case.

**Unfinished Business**

None

**New Business**

Loren Howard provided a copy of the terms of employment letter to be signed by the board of directors and the new CEO Eric Eriksen.

**Future Dates:**

The next regular meeting of the board of directors is scheduled for March 28, 2023 beginning at 9:30 AM.

**Board Comments:**

A board member commented that the meeting today was informative and discussion was educational.

There was a board president meeting at the CREA annual meeting and our president commented that cooperatives in general have many similarities in what they face industry-wide: rates, member education challenges, material availability and common practices.

**Motion to Adjourn**

Motion to adjourn the meeting at 11:52 AM was unanimously carried by those present.

SEAL

  
Keenan Anderson, President

  
Wade Lockhart, Corporate Secretary

  
Michelle Trujillo, Recording Secretary