

MINUTES OF MEETING
San Luis Valley Rural Electric Cooperative, Inc.
Regular Meeting of the Board of Directors
July 29, 2025

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, July 29, 2025 at the headquarters office located in Monte Vista, Colorado. Directors present were Stephen Valdez (president), Creede Hargraves (corporate secretary/treasurer), Scott Wolfe, Keenan Anderson, and Carol Lee Dugan. Also present were Eric Eriksen (chief executive officer), James Romero (chief financial officer), Jennifer Alonzo (marketing/communications manager), Shawn McKibbon (chief operations officer), Stacy Valdez (manager of customer service/billing), Terry Daley (engineering manager), Carol Silva (controller), and Michelle Trujillo (human resources officer/assistant corporate secretary). Shay Denning (corporate attorney) attended the meeting via Zoom. Director Wade Lockhart was unavoidably absent.

Call to Order

Stephen Valdez called the meeting to order at 9:30 AM and led the Pledge of Allegiance.

Welcome of Guest(s)

Jose Escobedo, Consultant with the Lean Six Sigma Institute, was present via Zoom to review this LSSI process. He has been working with the customer service department to evaluate the workload and identify areas of opportunity for improved efficiency by eliminating and automating as much as possible. Some of the recommended solutions have budgetary considerations and will take some time to implement such as Artificial Intelligence (AI). Overall, this has been a worthwhile evaluation process and several timesaving improvements have been implemented.

Member Communication

Mail was circulated among the board members.

Approval of Consent Agenda

Motion was made, seconded and unanimously carried by those present to approve the consent agenda containing the July 29, 2025 regular meeting agenda and the minutes from the regular board meeting held on June 24, 2025.

Management Reports

Eric Eriksen submitted a detailed executive report in advance of the meeting and talked in more detail about the recent all-staff strategic retreat and the development of the 2026 Road Map.

Safety Report: Michelle Trujillo reviewed the safety report and it stood as presented.

Reliability Report: Terry Daley reviewed the submitted report. Solar projects and grant funding have been an ongoing challenge and after careful consideration, San Luis Valley REC decided not to pursue these projects due to lack of funding opportunities. Recent outages and increased blinks in the southern territory were discussed.

Cyber Security: Ross Coombs was present to review his submitted report. He showed the list of software/hardware patches that come through for the NISC servers. Patches correct problems within software programs and address security related issues as well.

Human Resources: Michelle Trujillo reviewed the submitted report and provided updates on the system operator position, staff retreat and employee event.

Break: 10:37 AM

Reconvene: 10:44 AM

Marketing: Jennifer Alonzo reviewed the submitted report. She further discussed her advertising role in helping the customer service team to notify members of the elimination of banks accepting SLVREC payments.

Customer Service: Stacy Valdez reviewed the submitted report and spoke about the LSSI process in more detail.

Operations: Shawn McKibbin reported that Dakota Barr successfully completed his apprenticeship and is a certified journeyman lineman and informed the board that the mechanics were able to repair fiberglass buckets resulting in measurable cost savings. He spoke about the increased momentary outages on Carmel Circuit 3. Our crews have been doing pole change outs in that area. During this process, the line sensitivity levels are intentionally changed so that work can be done in a safe and efficient manner. During this time, birds were migrating through, landing on our system and causing these momentary blinks. As a result, this project has been postponed until fall with the thought that the migration will be over.

Financials: James Romero presented the financial report through June 2025. Romero stated that revenue is within 1% of budget projections and expenses are 18% lower than predicted. Duane Tipton of CFC was in the office last week to review the KRTA presentation and short-term to long-term debt conversion analysis. He will be a guest at the August meeting presenting this information to the board of directors.

Eric Eriksen presented information regarding the 2MW Data Center proforma. It included predicted kWh sales and revenue along with margin forecasts and potential avoided costs for the residential classification.

Board Action

Motion was made, seconded and unanimously carried by those present to approve the Special Contract Service Data Center Tariff as presented.

Motion was made, seconded and unanimously carried by those present to appoint Scott Wolfe as the Designated Authorized Representative Delegate and Creede Hargraves as the alternate to vote at the Basin Electric Power Cooperative annual meeting.

Discussion ensued regarding the procedure for handling early estate capital credit retirements and options available to heirs.

Motion was made, seconded and unanimously carried by those present to approve the early estate capital credit retirements as presented.

Lunch: 11:58 AM
Reconvene: 12:35 PM

Chief Financial Officer James Romero was unavoidably absent for the remainder of the meeting.

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 – Shay Denning

Shay Denning briefly reviewed the submitted report and it stood as presented.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association - Stephen Valdez

Valdez reviewed the submitted report and informed the Board that CREA has closed on the building in Lakewood and personnel is currently moving in. The building on Washington Street is ready to sell. He further reported that they have interviewed five candidates for the executive director position and two have been called back for a final interview. Kent Singer's retirement is set for January 2026.

Western United – Stephen Valdez

Valdez reviewed the submitted report stating that they have reached \$300M in revenue. Annual Fish Fry and meeting is August 28, 2025.

Tri-State – Scott Wolfe

Wolfe reviewed the submitted report. He further stated that the A-41 rate settlement is ongoing and the building committee is analyzing the pros and cons for remodeling versus buying or building new. He reviewed the mils and load factor report and added that Tri-State's Fitch rating has been upgraded to stable.

NRECA – Creede Hargraves

Hargraves discussed the upcoming resolutions that will be voted on at the Region VII meeting in October.

Unfinished Business

None

New Business

None

Future Dates

The next regular Board meeting is scheduled for August 26, 2025 at 9:30 AM.

Board Comments:

Creede Hargraves commended the customer service department on their efforts through the LSSI process improvement endeavor.

Adjournment

Stephen Valdez adjourned the meeting at 1:00 PM.



A handwritten signature in blue ink, appearing to read "S. Valdez", is written over a horizontal line.

Stephen Valdez,
President

A handwritten signature in blue ink, appearing to read "Creede Hargraves", is written over a horizontal line.

Creede Hargraves,
Corporate Secretary

A handwritten signature in blue ink, appearing to read "Michelle Trujillo", is written over a horizontal line.

Michelle Trujillo,
Assistant Corporate Secretary