

2024 ANNUAL REPORT

Eric Eriksen CEO **Keenan Anderson** Board President

Greetings! On behalf of SLVREC, we are looking forward to joining you at our 2025 Annual Meeting, June 10, at the Ski-Hi Conference Center. It is an opportunity to meet fellow members, share, learn and vote on important issues guiding us toward a bright future.

2024 in review

The SLVREC team delivered exceptional achievements for you in 2024. Leading the way, REC exceeded all six of our industry benchmarks and completed 94 percent of our project goals. We can say our reliability continues to be better than state and national averages and is improving. Safety also continues to improve with over two million safe driving miles and over 747 days of continued no lost-time accidents. A mild wet year resulted in lower sales and expenses, leading to an overall net margin stronger than budgeted. We continue to be financially sound.

In March of 2024, we launched the Electrify & Save program—the first member-focused energy efficiency and on-bill repayment program in the state of Colorado. Beneficial labor negotiations resulted in a three-year IBEW labor agreement renewal, effective July 1. In August, the Federal Energy Regulatory Commission (FERC) approved Tri-State's wholesale energy rate and new formulary rate structure, which effectively increased REC member rates by 1.3 percent. And we invested in our employee's education by adopting a new Lean Six Sigma process improvement training program.

Our broadband Internet subsidiary, Cielo, was nationally recognized for being one of the Top 5 best customer satisfaction providers in America—the best in America! We are so very proud to share this with you. If you haven't signed up for Cielo Internet, then please do at www.cielo.com. Not only will you be supporting your local cooperative, but you'll have one of the best Internet services in America—right here in the San Luis Valley. Look local first.

2025 ahead

Our annual road map is always available to help illustrate what we are working on in the year ahead.



Eric Eriksen



Keenan Anderson

A few notable projects include:

- Electronic Member Notifications and Voting
- 20-Year Energy Resource Plan
- Wildfire Mitigation Plan
- Cyber Security Plan
- 5-Year Smart Grid Technology Plan and Microgrid Study
- Improved Wireless Services
- Improved Member Communications
- A general 3.9 percent rate increase effective April 1 and implementation of a power cost adjustment (PCA) formulary rate structure

We continue to innovate and lead the way toward the best value electric and Internet services. Thank you for helping us recognize our employees. They take great pride in serving you and in achieving one of the most successful years to date.

Your SLVREC is among the best cooperatives in Colorado, and together we are improving lives in the San Luis Valley every day. Thank you for your support. You can reach me at EEriksen@SLVREC.com or 719-852-6630. I hope to see you on June 10!

CEO/President Report

Coop Information/Board of Directors

Financials

2024 Minutes/Scholarship Winners

Member Information

2024 ANNUAL REPORT
JUNE 2025

Mission Statement:

Serving a Powerful Connection
to the San Luis Valley

Member Needs:

We always ask:

- What's best for our members?
- We hire and retain the best employees.
- We deliver the best value Electric and Internet services.

Values:
We CARE

Connected • Accountable
Reliable • Excellent



Your Board Working for You



Keenan Anderson, Dist. 3
President



Stephen Valdez, Dist. 5
Vice-President



Wade Lockhart, At Large
Secretary



Scott Wolfe, Dist. 4



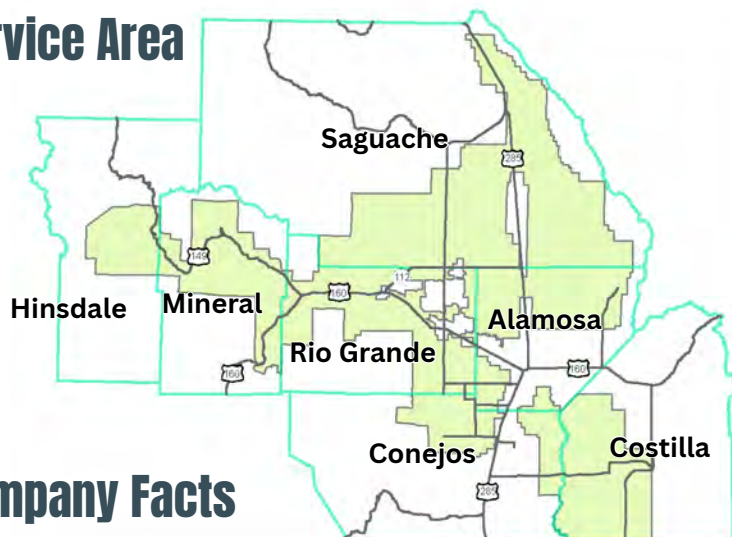
Creede Hargaves, Dist. 6



Carol Lee Dugan, Dist. 1

Costilla County director seat vacant at print deadline.

Service Area



Company Facts

8,354 Members	2,704 Miles of Line	13,285 Meters	54 Employees
81 Miles of Transmission Line	\$36,069,586 Annual Operating Revenue	713 kWh Average Monthly Residential Use	\$126.70 Average Monthly Residential Bill



ON-BILL REPAYMENT
AN ELECTRIFY AND SAVE™ PROGRAM

Members are Electrifying & Saving!

In Year One of
the Program,
14 members saved
\$33,780 in REBATES.

Looking for energy efficient upgrades for your home?

Take advantage of SLVREC's Electrify
and Save On-Bill Repayment program
(OBR) for a simple and transparent
financing option.

- + Windows and Doors
- + Heat Pump Water Heaters
- + Whole-Home or Attic Fans
- + Insulation
- + Heat Pumps
- + EV Chargers

LEARN MORE OR APPLY AT
WWW.SLVREC.COM/ELECTRIFY-AND-SAVE

Financials

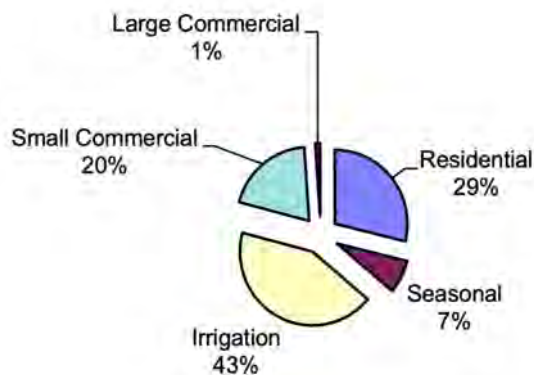
STATEMENT OF OPERATIONS December 31, 2024

<u>REVENUES</u>	<u>ELECTRIC</u>	<u>BROADBAND</u>	<u>COMBINED</u>
Sales of Electric Energy	\$ 35,929,796		\$ 35,929,796
Sales of Broadband services		7,274,344	7,274,344
Other Electric Revenue	139,790		139,790
TOTAL REVENUES	36,069,586	7,274,344	43,343,930
<u>EXPENSES</u>			
Purchased Power	17,309,329		17,309,329
Operations and Maintenance	5,983,432	2,888,439	8,871,871
Consumer Accounting and Service	1,563,284	565,406	2,128,690
Administrative and General	2,749,990	234,326	2,984,316
Depreciation and Amortization	3,905,324	2,488,290	6,393,615
Interest	3,484,476	1,203,052	4,687,528
Other Deductions	-	-	-
TOTAL EXPENSES	34,995,836	7,379,512	42,375,348
<u>MARGINS</u>			
Operating Margins, Net	1,073,750	(105,168)	968,582
G & T and Other Capital Credits	677,527	92,335	769,863
Other Non-Operating Margins	214,291		214,291
NET MARGIN	\$ 1,965,568	\$ (12,833)	\$ 1,952,736

Expenses



Sales by Consumer Class



Balance Sheet December 31, 2024

<u>ASSETS</u>	<u>2024</u>
CURRENT ASSETS	
Cash and Temporary Investments	\$ 2,181,912
Accounts Receivable	4,512,932
Materials and Supplies	6,798,621
Prepayments and Accrued Assets	442,388
TOTAL CURRENT ASSETS	13,935,853
OTHER ASSETS	
Other Property and Investments	24,507,466
Deferred Debits	852,398
TOTAL OTHER ASSETS	25,359,864
PLANT	
Electric Utility Plant	140,814,417
Broadband Utility Plant	51,538,258
Less: Accumulated Depreciation	(73,907,255)
NET VALUE OF ELECTRIC PLANT	118,445,420
TOTAL ASSETS	\$ 157,741,137
<u>LIABILITIES AND EQUITY</u>	
CURRENT AND ACCRUED LIABILITIES	
Notes Payable	14,904,000
Accounts Payable	1,762,599
Consumer Deposits	379,592
Other Current and Accrued Liabilities	3,713,183
Current Portion - Long-Term Debt	4,531,845
Obligations under Capital Leases - Current	166,714
TOTAL CURRENT AND ACCRUED LIABILITIES	25,457,933
OTHER LIABILITIES	
Long Term Debt due CFC	74,076,807
Obligations under Capital Leases - Non-Current	526,299
Deferred Credits	2,007,232
Accumulated Operating Provisions	5,594
TOTAL OTHER LIABILITIES	76,615,931
MEMBERS EQUITY	55,667,274
TOTAL LIABILITIES AND EQUITY	\$ 157,741,137

BOARD OF DIRECTORS

Keenan Anderson, President
719-849-8304

Stephen Valdez, Vice President
719-588-0430

Wade Lockhart, Secretary
719-588-9246

Carol Lee Dugan
719-588-4711

Creede Hargraves
719-588-0741

Scott Wolfe
719-852-0966

CEO

Eric Eriksen
719-852-6630

SLVREC Office (toll free)
800-332-7634

SLVREC Office (local calls)
719-852-3538

Email: power@slvrec.com

The two board positions up for election this year were uncontested by the deadline; therefore there will be no election.

2024 Meeting Minutes & 2025 Scholarship Winners

MINUTES ANNUAL MEETING OF MEMBERSHIP SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE, INC. 11 JUNE 2024

The annual membership meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on June 11, 2024 at the Ski Hi Complex in Monte Vista, CO. Directors present were Keenan Anderson (president), Stephen Valdez (vice-president), Wade Lockhart (secretary), Creede Hargraves, Scott Wolfe, Carol Lee Dugan and Kim Wakasugi.

President Keenan Anderson thanked the members in attendance, the facility manager and San Luis Valley REC staff.

President Anderson led the Pledge of Allegiance.

Monroe Johnson, Chief Technology Officer, gave the invocation.

President Anderson recognized the board members, corporate attorney, chief executive officer and appointed corporate officers. He introduced special guests in attendance: Liza Marron and Lynne Thompson (Saguache County Commissioners), Michelle Pastor (Tri-State G&T Member Relations Manager), Lisa Tiffin, Tri-State G&T Senior Vice-President of Energy Management), Mike Mason (Tri-State G&T Senior Manager of Energy Application Services) and Kent Singer (CREA Executive Director).

Shawn McKibbin, Chief Operations Officer, announced the organized safety procedures to be followed in the event of an emergency.

Lisa Tiffin, Senior Vice-President of Energy Management, spoke to our membership about the Tri-State G&T Energy Resource Plan to ensure responsible and affordable power reliability for the future.

President Anderson stated that notecards were set at each table so that questions can be written down and if time allows, addressed at the end of the meeting. Otherwise, answers will be provided through the monthly Newsboy, on our website or a phone call if necessary.

Attorney Tyler Denning certified that the records of the Cooperative show 7,986 active memberships as of June 11, 2024. Quorum requirements state that 50 members be present in person. Denning certified that the attendance records reflect 55 members present at the meeting.

President Anderson called the annual meeting of the membership to order at 7:45 PM pursuant to the legal notice sent to the membership in accordance with the bylaws.

Attorney Denning stated that the Notice of Annual Meeting and proof of mailing had been properly and legally performed. The reading of the Notice was dispensed with and Denning stated that if a member wanted to review a copy, it was kept on file at the Cooperative.

Attorney Denning reported that Incumbent for District 2 Costilla County Representative Kim Wakasugi and Incumbent for District 4 Alamosa County Representative Scott Wolfe ran unopposed. Both incumbents were re-elected by acclamation to serve a four-year term.

Attorney Denning stated that the 2024 annual report contained the draft 2023 annual meeting minutes for review. He asked for a motion to be entertained to dispense with the reading of the 2023 minutes and approved as published. A motion was made and duly seconded to unanimously approve the minutes as published.

Director Stephen Valdez announced and introduced the scholarship recipients that were present.

Ashley Dominguez, Sanford High School – 4-Year ASU (\$3,500/semester)

Kaia Skadberg, Centauri High School – SLVREC Past Director/Tri-State (\$2,500)

Diego Chavez, Centauri High School – Robert Wolfe Scholarship \$4,000)

Riley Valdez, Centauri High School – SLVREC Past Retired GM (Ray & John Villyard)/Tri-State (\$2,500)

Mario Villalba, Alamosa High School - San Luis Valley REC Employee Dependent (\$500)

Joshua Holman, Sanford High School – Martin Christensen Memorial Electric Line Worker Scholarship (\$5,500)

Sienna Gallegos, Alamosa High School – Michael Rierson Scholarship (\$4,000)

Antonio Reyes, Monte Vista High School – Basin Electric Power Cooperative Scholarship (\$1,000)

Director Valdez further announced that Claire Seger of Monte Vista High School will be representing San Luis Valley Rural Electric Cooperative, Inc. at the 2024 CREA sponsored Washington DC Youth Tour and Energy Leadership Camp this summer.

President Anderson addressed the membership speaking of changes over the past year. A new CEO has brought about change within the Cooperative; improved community engagement to educate members and Valley officials about what

SLVREC does and the Road Map for the future; a new board member which entails attending a lot of meetings and conferences for educational purposes and to stay abreast of industry changes and challenges; existing board members representing SLVREC on affiliated Cooperatives Boards of Directors to ensure we maintain our voice. And lastly, he spoke of the ability to utilize electronic notification and voting for future annual meetings. He thanked the board and membership again for the opportunity to represent Saguache County.

Chief Financial Officer/Corporate Treasurer JoAn Waudby presented the 2023 treasury report. Graphical information including sales, revenue, expenses, non-operating revenue, margins, balance sheet and utility plant were displayed comparing 2022 and 2023 statistical data. She further provided YTD statistics for sales and operating revenue. There were no questions and the report stood as presented.

Chief Executive Officer Eric Eriksen thanked those in attendance of the 87th annual meeting. He thanked the SLVREC board of directors and employees. He went on to talk about the Road Map process, goal setting and shared reliability and safety statistics. The purchase of Penitente is being evaluated, further grant applications are being submitted and a cost of service study should be completed by late summer. He encouraged members to look into the Electrify and Save program with the on-bill repayment option and spoke of continued efforts to provide a work culture of constant improvement.

Eriksen fielded some of the questions from the members that were submitted on the note cards from earlier in the meeting. Some of the topics were monthly minimum fees, paybacks for net metering and reaffirmed that SLVREC is in favor of renewables. Monroe Johnson answered questions regarding a timeline for service availability in the Capulin area.

Kent Singer provided an update from Colorado Rural Electric Association (CREA) outlining the role of CREA and the purpose of working to ensure the cooperatives are represented.

Attorney Denning asked if there was further unfinished business. There was none.

Attorney Denning asked if there was new business to be discussed. There was none.

Attorney Denning declared the meeting adjourned at 8:44 PM.



SLVREC 2025 Scholarship Recipients:

SLV REC Adams State University Four-Year Scholarship:

Tytus Atencio, Del Norte High School

Robert Wolfe Scholarship:

Tyler Dokson, Alamosa High School

Michael Rierson Scholarship:

Ada Pence, Centauri High School

James & Thomas Magness Scholarship:

Claire Seger, Monte Vista

SLVREC Past Director/Tri-State Scholarship:

Audrey Howard, Sangre de Cristo High School

SLVREC Past Retired GM Ray Villyard &

CEO John Villyard/Tri-State Scholarship:

Kylie Smit, Sangre de Cristo High School

Martin Christensen Memorial Lineworker Scholarship:

Carlos Garcia, Alamosa High School

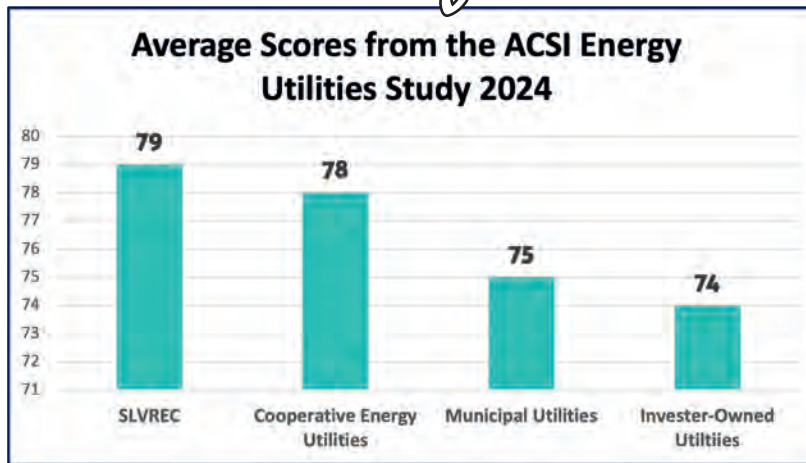
SLVREC Dependent Scholarship:

Raelee Alonzo, Alamosa High School



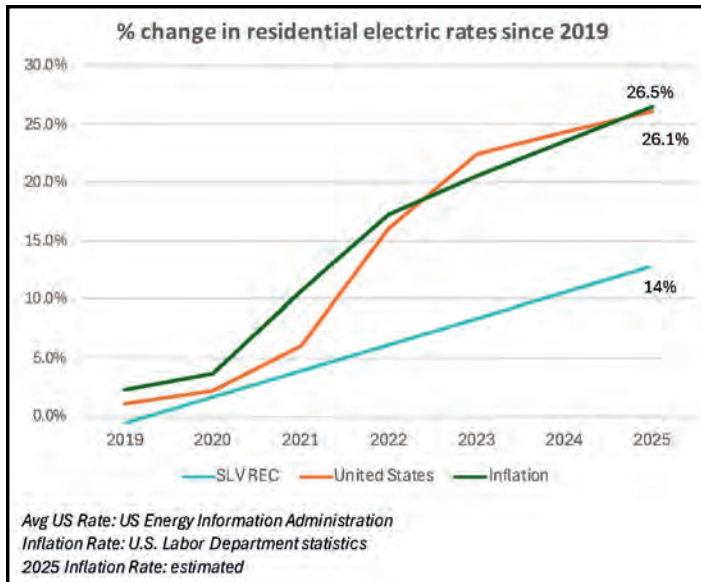
Member information

**For 2024,
SLV REC received
an ACSI
score of 79,
on a 100-point
scale**

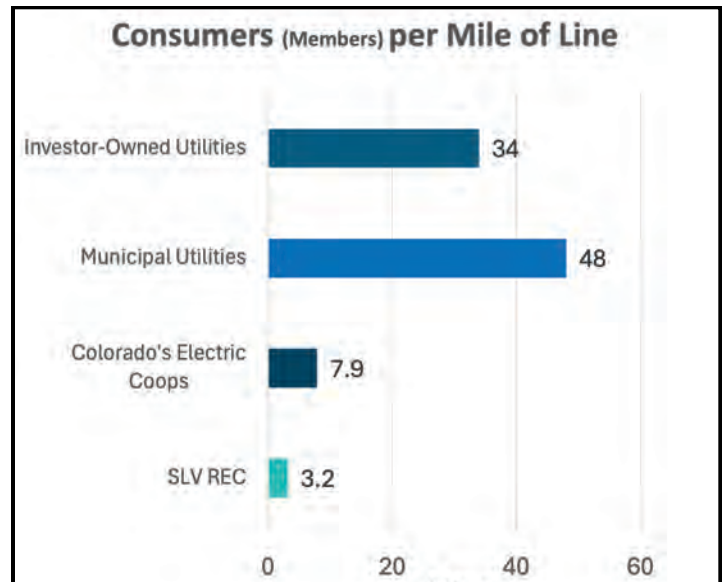


*Compared to publicly measured energy utilities in the ACSI® survey of customers rating their own energy utility. Results based on data provided by SLV REC, collected between Oct. 1-22, 2024. ACSI did not regulate the survey administration or sample size. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC. For more about the ACSI, visit www.theacsi.org.

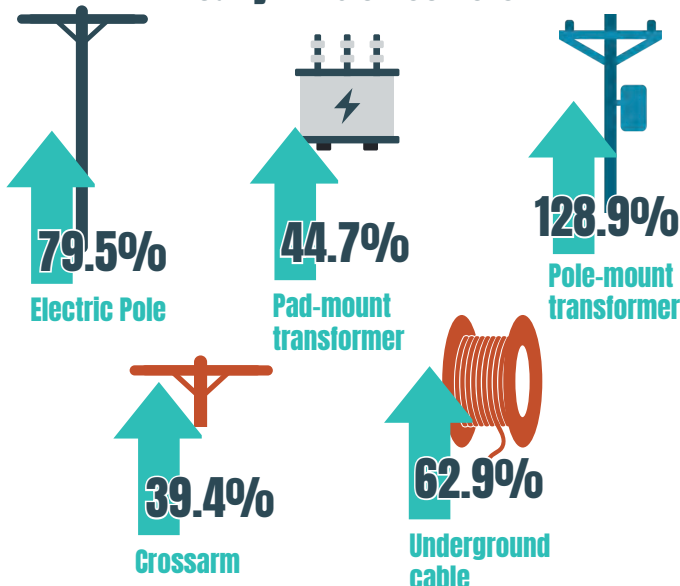
On average SLVREC rates have increased 2.2% per year since 2019



SLVREC has a low member density, typically leading to higher fixed costs per member



Material costs have increased nearly 71% since 2019



What are the three charges on my bill?

Customer Charge

- Meter Reading
- Billing/Accounting
- Customer Service



Demand Charge

- Infrastructure to Serve Peak Usage (Peak Capacity)
- Tri-State Demand



Energy Charge

- Wholesale Energy Cost (Tri-State)
- Distribution System Operation/Maintenance





P.O. Box 3625
Monte Vista, CO 81144

Periodical Postage
Paid at Monte Vista, CO



POWERING OUR COMMUNITY

2025 ANNUAL MEETING

SKI-HI COMPLEX

2335 SHERMAN AVE. • MONTE VISTA

TUESDAY, JUNE 10

AGENDA:

5:30 P.M. Registration Opens/Dinner

6:50 P.M. Invocation

6:55 P.M. Determination of Quorum

7 P.M. Start of Business Meeting

Schedule subject to change

PLEASE RSVP

*If you are planning to attend, please
RSVP with the number in your party by
June 2, 2025. Call 719-852-3538 or
email 2025AnnMeet@slvrec.com
(Subject: Annual Meeting)*

MORE ANNUAL MEETING INFO

**Please bring a copy of your REC bill to the
annual meeting! With this, you'll be eligible
for a special prize drawing!**

Qualified members who attend the annual meeting will be eligible for prizes, which include a \$250 bill credit, one-half beef, one-half pork (pending 4-H sale) and more.

Your Touchstone Energy® Cooperative 