

MINUTES OF MEETING
San Luis Valley Rural Electric Cooperative, Inc.
Board of Directors
January 26, 2016

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, January 26, 2016 at the headquarters office located in Monte Vista, Colorado. Directors present were Scott Wolfe (president), Cole Wakasugi (vice-president), Ernie Ford (secretary), Mike Rierson, Rick Inman, Carol Lee Dugan, and Eleanor Valdez. Gregg Kampf (corporate attorney) and the following staff were present: Loren Howard (chief executive officer), JoAn Waudby, (chief financial officer), Terryl Jensen (operations director), Stacy Valdez (customer service/billing manager), Carol Silva (human resources specialist), Andrea Oaks-Jaramillo (marketing and economic development coordinator), Michelle Trujillo (human resources director/recording secretary).

Call to Order

Scott Wolfe called the public meeting to order at 9:32 a.m.

Scott Wolfe led the Pledge of Allegiance and Eleanor Valdez offered an opening prayer.

Welcome of Guest(s)

Members Claire Barker and Angelina Shorts along with Charlotte Bobicki, Representative of Senator Bennet's office were welcomed to the meeting. Angelina Shorts addressed the board regarding a high bill that she feels is associated with a new meter installation.

Mail and other correspondence was passed around.

Approval of Agenda

Motion #1 by Ernie Ford, seconded and unanimously carried by those present; the agenda was approved as submitted.

Approval of Minutes

Motion #2 by Eleanor Valdez, seconded and unanimously carried by those present; the minutes of the December 15, 2015 regular meeting were approved as presented.

Approval of Board Policies

Motion #3 by Eleanor Valdez, seconded and unanimously carried by those present; the following board policies were reviewed and approved as submitted:

1-001	Governing Style	Reviewed/Approved
1-002	Board Job Description	Reviewed/Approved
1-003	Director Responsibilities	Reviewed/Approved
1-004	Director Code of Conduct	Reviewed/Approved
1-005	President of the Board	Reviewed/Approved

Corporate Exceptions

Loren Howard reviewed the written report submitted in the board packet.

A lengthy discussion ensued regarding draft proposals received from several solar companies. This led into discussion regarding investment tax credits (ITC's) for renewable energy projects, the benefits of renewable energy credits (REC's) and the review of Tri-State's policy 117 covering reimbursement for renewable energy.

A general update on the fiber project was given and Mammoth Networks out of Wyoming was discussed. They are seeking backhaul for cell towers that our fiber system can provide and in turn would provide us with a second circuit out of the San Luis Valley. Lengthy discussion continued regarding telecommunications and future business development opportunities.

Break: 10:28 a.m.

Reconvened: 10:45 a.m.

Last month there was an incident where a piece of fiber cable was shot with a shotgun. No loss of service occurred but there was definite damage to the cable. The damaged piece of fiber cable was passed around along with several pictures of the fiber cable line before repair was complete. There has been report of who was responsible for this damage.

Financial Report

The submitted report was reviewed and discussed. JoAn Waudby further reported that the warehouse personnel have been working on inventory for both electric and fiber materials.

Acceptance of Financial Report

Motion #4 by Mike Rierison, seconded and unanimously carried by those present; the November 2015 financial report was accepted as presented.

Operating Statistics

Graphs and charts enclosed in the board packet depicting SLVREC statistics were reviewed and discussed.

Agreements for Purchase of Power

The current list of Agreements for Purchase of Power was reviewed.

Safety Report

The report was reviewed and discussed.

Acceptance of Safety Report

Motion #5 by Mike Rierison, seconded and unanimously carried by those present; the Safety Report was accepted as presented. (Copy attached hereto and made a part hereof.)

Key Accounts Report

No written report was submitted. Loren Howard and Stacy Valdez will be working to define this program.

Ciello Report:

The submitted report was reviewed and discussed.

Lunch: 12:00 pm

Reconvened: 12:50

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

The written report stood as submitted with discussion of proposed SLVREC Bylaw changes.

Approval of Proposed Bylaw Changes

Motion #6, by Cole Wakasugi, seconded and unanimously carried, the board approved to submit these proposed SLVREC Bylaw changes to the membership to be voted on at annual meeting 2016.

BOARD COMMITTEE REPORTS:

CREA – Eleanor Valdez

Eleanor reported the following:

- Meeting is upcoming.

Western United – Eleanor Valdez

Eleanor Valdez reported the following:

- Meeting is upcoming.

Tri-State – Scott Wolfe

Scott Wolfe reported the following:

- Briefly mentioned that proposed changes to Policies 101 and 117 will be discussed at next board meeting, monitoring the baseload generation of the Carousal Wind Project, and strategic planning session was held regarding risk management.

Unfinished Business:

Board retreat was discussed. It was suggested that we either have a full day work session with the board and staff or just talk about things as they come up either during board meetings or staying after a meeting.

New Business:

Discussion was held regarding the concerns of a high bill brought to the board this morning by a member as stated above. The meter will be exchanged with a brand new one and will be monitored.

The SLVREC commercial was shown to the board of director with positive feedback.

Future Dates:

- Scott Wolfe will be attending the NRECA annual meeting February 14-17, 2016 in New Orleans.
- SLVREC's next regular board meetings will be Tuesday, February 23, 2016. Rick will be absent from this meeting.
- Eleanor Valdez will be attending the CREA annual meeting February 27 – March 1, 2016 in Denver.

Board Comments:

The board thanked Loren and all staff for their Christmas gift.

Executive Session

On Motion #7 by Ernie Ford seconded and unanimously carried, the board approved to go into executive session at 1:54 p.m. for the discussion of contracts.

On Motion #8 by Carol Lee Dugan, seconded and unanimously carried by those present, the board came out of executive session at 2:56 p.m. with no action taken.

Approval to Amend the Approved Budget

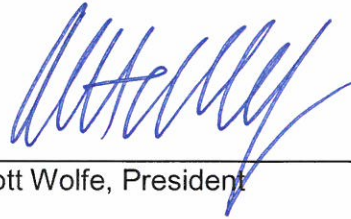
Motion #9 by Mike Rierson, seconded and unanimously carried, the board approved to amend and increase the 2016 budget in the amount of \$1,000,000 for capital investment into Cielo.

Scott Wolfe presented Rick Inman with a board of director gold membership through NRECA.

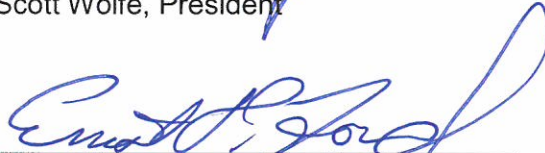
Adjournment

The board adjourned their meeting at 2:59 p.m.

SEAL



Scott Wolfe, President



Ernest Ford, Corporate Secretary



Michelle Trujillo, Recording Secretary