

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

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

Cole Wakasugi led the Pledge of Allegiance.

Eleanor Valdez offered an opening prayer.

Call to Order

Cole Wakasugi called the public meeting to order at 9:31 a.m.

Welcome of Guest(s)

Members Lonnie Nichols and Djore Root were welcomed to the meeting. Lonnie Nickels and Djore Root were allotted 15 minutes to discuss AMI metering.

Charlotte Bobicki member and Representative of Senator Bennet's office was welcomed to the meeting as well and stated that this subject matter is a local decision and typically not a Federal decision.

Mail and other correspondence was circulated.

Approval of Agenda

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

Approval of Minutes

Motion #2 by Ernie Ford, seconded and unanimously carried by those present; the minutes of the June 28, 2016 regular meeting were approved as amended to correct a typo under Board Comments.

Approval of Special Meeting Minutes

Motion #3 by Rick Inman, seconded and unanimously carried by those present; the minutes of the Special Board Meeting held on July 11, 2016 were approved as presented.

Approval of Terms and Conditions

The approval of the Terms and Conditions were tabled until the next regular scheduled board meeting for the purpose of reviewing information presented to the board by members present at the meeting.

JoAn Waudby presented the board with information regarding up-to-date expenditures and the proposal for loan from CFC.

Approval of Loan Proposal:

Motion #4 by Scott Wolfe, seconded and unanimously carried by those present; a loan in the amount of \$6,150,000 was approved as presented.

Corporate Exceptions

The submitted report was reviewed and up-to-date information was provided. Loren Howard reported that the purchase of property is in process for the 3 MW Penitente Solar Project and the estimated completion date is June 2017, discussion was held about the work that needs to be done on Fox Mountain for winter time access to

our infrastructure serving Wolf Creek Ski Area, provided an update regarding locations of fiber installations and briefly talked of the telecommunications coordinator position and new customer service representative.

Break: 11:18 a.m.

Reconvened: 11:25 a.m.

Financial Report

The submitted report was reviewed and discussed.

Acceptance of Financial Report

Motion #5 by Mike Rierson, seconded and unanimously carried by those present, the board accepted the June 28, 2016 financials as presented.

Operating Statistics

Financial and statistical graphs depicting measurable points of interest were reviewed.

Agreements for Purchase of Power

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

Safety Report

The submitted report was reviewed and discussed with further discussion regarding minor damage to a vehicle, rubber goods testing with Western United and the upcoming RESAP inspection.

Acceptance of Safety Report

Motion #6 by Mike Rierson, seconded and unanimously carried by those present; the Safety Report was accepted as presented. (Copy attached hereto and made a part hereof.)

Ciello Report:

The submitted report was reviewed and the following items were discussed: current take rate is 27%, goal of 1000 installs by end of 2016, testing installation area in Willow Park, discussions with Mammoth Network and Fast Track, trends and upward turn, deployment and implementation of FTTH in Alamosa, grant application to DORA for \$680,000 to the Pearl, Hermit, Spring Creek, and Ptarmigan area (75/25).

Lunch: 12:01

Reconvened: 12:37

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Gregg Kampf reviewed his written report and mentioned the Power Purchase Agreement and easement with RES Americas.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Eleanor Valdez

CREA – Eleanor Valdez

Eleanor Valdez reported that CREA interviewed both Donald Valdez and Bob Mattive and have decided to support Mattive in the House of Representatives political race.

Western United – Eleanor Valdez

Eleanor Valdez reported that Western United had its highest monthly total sales in June 2016.

Tri-State – Scott Wolfe

Scott Wolfe reported that Basin has approved mid-year rate increase, Tri-Stat hasn't extended their long-term contract extension, possible rate increase coming from Tri-State, Tri-State's net margin will be the driver for rates in 2017, presentation on Balancing Authority, update on Cyber Security, and Mike McGinnis testified to Congress on the Clean Power Plan.

Unfinished Business:

None

New Business:

Andrea Oaks-Jaramillo reported that she had spoken with Michael Valdez's mother regarding the \$500 SLVREC/TS scholarship he received. She stated that the school had not received the funds. During that conversation the mother stated that Michael changed his mind over the summer and will be attending lineman school. Discussion ensued regarding awarding the lineman scholarship to Michael as we had no applicants this past year and offering the \$500 SLVREC/TS scholarship to another applicant.

On Motion #7 by Scott Wolfe, seconded and unanimously carried by those present, the board approved the SLVREC Lineman Scholarship be awarded to Michael Valdez and award his original \$500 SLVREC/TS scholarship to another qualified applicant.

Future Dates:

The next regular board meeting is scheduled for Tuesday, August 30, 2016 at 9:30 a.m.

Board Comments:

None

Executive Session

On Motion #8 Ernie Ford by, seconded and unanimously carried by those present, the board approved to go into executive session at 1:12 p.m. for the discussion of personnel.

On Motion #9 by Ernie Ford, seconded and unanimously carried by those present, the board came out of executive session at 1:56 p.m. with no action taken.

Adjournment

The board adjourned their meeting at 1:57 p.m.

SEAL


Cole Wakasugi, President


Scott Wolfe, Corporate Secretary


Andrea Oaks-Jaramillo, Recording Secretary