

MINUTES OF MEETING
Board of Directors
May 29, 2018

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, May 29, 2018 at the headquarters office located in Monte Vista, Colorado. Directors present were Cole Wakasugi, (president), Carol Lee Dugan (vice-president), Scott Wolfe (secretary), Kip Nagy, Stephen Valdez and Keenan Anderson. Also present were Gregg Kampf (corporate attorney) and the following staff: Loren Howard (chief executive officer), JoAn Waudby (chief financial officer/corporate treasurer), Stacy Valdez (manager of customer service/billing), Andrea Oaks-Jaramillo (marketing & economic development coordinator), Carol Silva (human resources specialist), Terry Daley (engineering manager), and Michelle Trujillo (human resources officer/recording secretary). Mike Rierson arrived at 9:38 a.m. Monroe Johnson (chief technology officer) joined the meeting at 10:21 a.m.

Call to Order

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

The Pledge of Allegiance

Cole Wakasugi led the Pledge of Allegiance.

Welcome of Guest(s)

None.

Member Communication

Mail was circulated among the board members.

Corporate Review:

The submitted report was reviewed.

Approval of Agenda

On Motion #1 by Carol Lee Dugan, seconded and unanimously carried by those present; the agenda was approved as presented.

Approval of Minutes

On Motion #2 by Carol Lee Dugan, seconded and unanimously carried by those present; the minutes of the April 24, 2018 regular board meeting were approved as presented.

Approval of Early Estate Capital Credits

On Motion #3 by Mike Rierson, seconded and unanimously carried by those present; the board approved the early estate capital credit retirement as presented.

Approval of Audit Report

On Motion #4 by Carol Lee Dugan, seconded and unanimously carried by those present; the board approved the 2018 audit report as presented during the May 2018 board meeting by BKD Auditing Firm.

Approval of NRECA Retirement Security Adoption Agreement for 06014-002

On Motion #5 by Carol Lee Dugan, seconded and unanimously carried by those present; the board approved the NRECA Adoption Agreements for the Retirement Security Plan for Group 06014-002.

WHEREAS, San Luis Valley REC is participating in the NRECA sponsored defined benefit plan, the Retirement Security Plan (the "RS Plan"), and;

WHEREAS, The Board of Directors of San Luis Valley REC ("the Board") now desires to amend these plans pursuant to Section 18.02 of the pension plan documents, and does hereby authorize the amendment effective July 1, 2018, by executing the appropriate Adoption Agreements;

BE IT RESOLVED, that the amendments to the RS Plan are as follows:

- *Effective July 1, 2018, Participants in the 06014-002 RS Plan shall contribute a percentage of Effective Salary based on the annual billing rate as calculated prior to January of the Calendar year. The participant contributions are equal to the percentage of the total annual billing rate in excess of 26%.*

BE IT FURTHER RESOLVED, that employees of San Luis Valley REC who will experience a reduction in benefits due to this amendment will receive the proper notification under Section 204(h) of ERISA in a timely manner.

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct Loren Howard, the CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

Approval of Amendments to the 2018 Budget

On Motion #6 by Mike Rierson, seconded and unanimously carried by those present; the board approved the amendments to the 2018 budget for the purchase of radios and the purchase of CCT for revenue, expense and capital outlay.

Operating Statistics

Statistical graphs depicting measurable points of interest were reviewed and discussed.

Acceptance of Financial Report

On Motion #7 by Scott Wolfe, seconded and unanimously carried by those present; the board approved the April 2018 financials as presented.

Safety Report

The submitted report was reviewed and discussed.

Acceptance of Safety Report

On Motion #8 by Stephen Valdez, seconded and unanimously carried by those present; the Safety Report was accepted as presented. (Copy attached hereto and made a part hereof.)

Agreements for Purchase of Power

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

Break: 10:25 a.m.

Reconvene: 10:35 a.m.

Ciello Report

The submitted reported was reviewed and discussed.

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Gregg Kampf's written report was reviewed and discussed. He further reported that he attended the attorney's meeting and several topics of interest were discussed such as subpoenas for records of illegal marijuana growers, the costs to the City of Boulder associated with moving away from Xcel Energy, and HB-1128 concerning data privacy; what is collected, how it is stored, how long it is kept, and how it is destroyed.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Kenneth Cole Wakasugi

K Cole Wakasugi reported that the meeting was held in Sterling, CO at Highline Electric. The board toured a wind farm in their service territory and the compressor station where waste heat is used to generate electricity.

Western United – Kenneth Cole Wakasugi

K Cole Wakasugi reported that elections for officers will be held in August at the annual fish fry.

Tri-State – Scott Wolfe

Scott Wolfe reported that the board has postponed making any recommended changes to Policy 115 until the June board meeting, discussed options of moving forward with the SPP West market, heard a presentation from Brad Nebergall regarding renewable resources and how Tri-State compares to other companies, reported that the price of natural gas is very low, and the Craig 3 outage that began mid-December 2017 was back in service as of May 22, 2018. Wolfe also attended the Tri-State G&T Annual Meeting in New Mexico.

Lunch: 12:20 p.m.

Reconvene: 12:52 p.m.

Unfinished Business:

June 22, 2018 or June 29, 2018 are the dates the board of directors determined would work well for a tour of Penitente Solar Project and Humphrey's Hydro Projects. Loren Howard will work on scheduling the tours.

New Business:

On Motion #9 by Scott Wolfe, seconded and unanimously carried by those present; the board approved an additional Scholarship in the amount of \$500 to be presented to the dependent of an employee.

Future Dates:

SLVREC Annual Meeting, June 12, 2018 at ASU. Registration begins at 5:30 p.m.

SLVREC Regularly Scheduled Board Meeting June 26, 2018 at 9:30 a.m.

Board Comments:

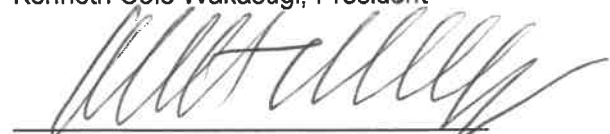
None


Motion to Adjourn

On Motion #10 by Scott Wolfe, seconded and unanimously carried by those present, the board adjourned their meeting at 1:01 p.m.

SEAL


Kenneth Cole Wakasugi, President


Scott Wolfe, Corporate Secretary


Michelle Trujillo, Recording Secretary