

MINUTES OF MEETING
Board of Directors
August 29, 2019

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Thursday, August 29, 2019, at the headquarters office located in Monte Vista, Colorado. Directors present were Carol Lee Dugan, (president), Keenan Anderson (vice-president), Cole Wakasugi, Scott Wolfe, Kip Nagy and Wade Lockhart. Also present were Gregg Kampf (corporate attorney) and the following staff: Loren Howard (chief executive officer), JoAn Waudby (chief financial officer/corporate treasurer), Carol Silva (human resources specialist), Shawn McKibbon (operations superintendent), and Michelle Trujillo (human resources officer/assistant corporate secretary). Stephen Valdez (secretary) was unavoidably absent as he was attending the CREA Board Meeting. Kip Nagy arrived at 9:56 a.m.

The Pledge of Allegiance

Carol Lee Dugan led the Pledge of Allegiance.

Call to Order

Carol Lee Dugan called the meeting to order at 9:31 a.m.

Welcome of Guest(s)

Members present included Sam Pace, Jill Foster-Miller and Charlotte and Herschel Crymes.

Mr. Pace addressed the board of directors regarding the demand rate design structure.

Member Communication

Mail was circulated among the board members.

Approval of Agenda

Motion to approve the agenda as presented was made and unanimously carried by those present.

Corporate Review

Loren Howard reviewed the submitted report updating the board on the USDA ReConnect grant, expected delivery date of the non-smart Landys and Gear meters and schedule for installation, PUC hearing outcome and status of the complaint, Pearl Lake make-ready work project and grant requirements. He also mentioned some updates in the human resources area: Network Engineer Swapnil Modak began work on August 14, 2019; Jennifer Alonzo was hired for the marketing and sales coordinator position and will start work on September 16, 2019; and Dave Mixa announced his resignation and will go to work for Tri-State in their networking department.

Financial Review

JoAn Waudby and Loren Howard reviewed the financial summary and statistical graphs. It was mentioned that the power factor for Penitent Solar project has been higher than projected. A calculation of this will be figured for next meeting. Waudby will present a comparison by rate class to show the impact of the demand rate design later in this meeting.

Approval of Minutes

Motion to approve the minutes as presented was made and unanimously carried by those present.

Approval of Board Policies

Motion to approve Board Policies 3-012 through 3-014 was made and unanimously carried by those present.

Approval of Board Resolution

Motion to approve a board resolution recognizing years of dedicated service by Michael Rierson was made and unanimously carried by those present.

A discussion was held regarding capital credits in general and further explanation on the early estate retirement process.

Approval of Early Estate Capital Credits

Motion to approve the retirement of early capital credits in the amount of \$335,470.54 was made and unanimously carried by those present.

Discussion was held to review two loan proposals for debt conversion to lower interest rate loans.

Approval to Convert Short Term Debt into Long Term Debt

Motion to approve converting short term debt into long term debt was made and unanimously carried by those present.

Safety Report

The submitted report was reviewed and discussed. More detail was provided regarding the tri-annual RESAP inspection. (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: 10:51 a.m.

Reconvene: 11:00 a.m.

Ciello Report

The Ciello report was reviewed. Take rates and seasonality categories were explained, bandwidth was discussed and the board was informed that the backhaul was upgraded to 7 gigs because usage during peak times on the system was bumping upwards of 5 gigs. Loren Howard and Monroe Johnson will be visiting Alianza in Salt Lake City, UT to see their VoIP phone operations.

ATTORNEY'S REPORT**Corporate Attorney - Gregg Kampf**

Gregg Kampf's report stood as submitted.

BOARD COMMITTEE REPORTS:**Colorado Rural Electric Association – Stephen Valdez**

Stephen Valdez was absent from the San Luis Valley REC meeting as he was attending the CREA board meeting.

Loren Howard reported in Valdez's absence. The board of CREA is in the midst of a special strategic planning meeting regarding legislation and lobbying.

Lunch: 12:02 p.m.

Reconvened: 12:34 p.m.

Western United – Stephen Valdez

The written report was reviewed and stood as submitted. Stephen Valdez was absent from the San Luis Valley REC meeting as he was attending the CREA board meeting.

Tri-State – Scott Wolfe

Scott Wolfe reported that the budget was approved and for the third consecutive year there will be no rate increase. The board approved the mission statement that includes providing reliable, affordable and responsible energy plan which meets or exceeds the carbon reduction goals. The FERC filing documents were reviewed and discussed. TS issued a request for proposal for renewables projects. Briefly discussed of the contract committee and the many proposals that have been submitted for consideration.

JoAn Waudby presented projected budget to actual demand comparisons by rate class to see the impact of the rate design.

Unfinished Business

None

New Business

None

Future Dates:

SLVREC's next regular board meeting will be Tuesday, September 24, 2019 at 6:30 p.m.

The CREA Fall meeting and Energy Innovations Summit is October 26 – October 29, 2019 in Denver. At this point, Stephen Valdez and Wade Lockhart will be attending educational classes working toward the Board of Directors Credential program.

Board Comments:

A board member had a call from a member that was not happy with the service she received from our after-hours answering service. Loren Howard was aware of this and had listened to the recorded call and followed-up with our after-hours service.

A board member received a call regarding a cut through the line with a backhoe. The contractor could not get through to a live person on the main number and questioned why. It was explained that if customer service department is meeting or on another line, calls are answered by a general voicemail box to be retrieved when they are available. It was recommended to call 911 in the event of an emergency.


Executive Session

Motion to enter into executive session at 1:32 p.m. for the discussion of legal matters unanimously carried by those present.

Motion to reconvene into public session with no action taken at 2:41 p.m. unanimously carried by those present.

Motion to Adjourn

Motion to adjourn the meeting was made and unanimously carried by those present.


Carol Lee Dugan, President

SEAL


Stephen Valdez, Corporate Secretary


Michelle Trujillo, Recording Secretary