

**MINUTES OF MEETING
Board of Directors
March 26, 2019**

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, March 26, 2019, at the headquarters office located in Monte Vista, Colorado. Directors present were Kenneth Cole Wakasugi, (president), Carol Lee Dugan (vice-president), Scott Wolfe (secretary), Stephen Valdez, Mike Rierson, 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), Terry Daley (engineering manager), Stacy Valdez (manager of customer service and billing), Shawn McKibbon (operations superintendent), Carol Silva (human resources specialist), Andrea Oaks-Jaramillo (marketing/economic development coordinator) and Michelle Trujillo (human resources officer/assistant corporate secretary). Kip Nagy was unavoidably absent.

Call to Order

Kenneth Cole Wakasugi called the meeting to order at 9:28 a.m.

The Pledge of Allegiance

Kenneth Cole Wakasugi led the Pledge of Allegiance.

Welcome of Guest(s)

Members Katrie Christopher, Larry Calloway, T. Wade Lockhart, Dennis Skogan and many others from the Crestone/Baca area were present to address the board regarding the installation of Smart Meters and implementation of the new rate design. Member Claire Barker was also present to inquire about the recent power outage and redundancy concern.

Approval to Postpone the Installation of Smart Meters

Motion to approve the postponement of installation of Smart Meters for the Opt-out members unanimously carried by those present.

Member Communication

Correspondence was circulated among the board members.

Approval of Agenda

Motion to approve the agenda as amended to include the approval of 2018 capital credit allocation and the approval of the amendments to the 2019 Budget unanimously carried by those present.

Corporate Summary

Loren Howard reviewed the submitted department report and discussed the power outage causes and repairs.

Lunch: 11:59 a.m.

Reconvene: 12:21 p.m.

Financial Review

JoAn Waudby and Loren Howard reviewed the January financial summary and the 2018 YTD Form 7 changes were discussed. It was pointed out that on the Form 7 the New Services Connected field was not updated to reflect 2019 data. It was discussed that it would be helpful to graph monthly Penitente Solar Plant production.

Approval of Minutes

Motion to approve the February minutes unanimously carried by those present.

Approval of Board Policies

Motion to approve Board Policies 1-006, 1-007, 1-008, and 1-010 was unanimously carried by those present. Board Policy 1-009 will be updated to reflect suggested changes and presented at the April board meeting.

Approval of 219 and Special Equipment Resolution

Motion to approve the 219's for both Electric and Fiber work orders totaling \$10,720,284.74 as well as Special Equipment totaling \$207,401.37 both dated September 2017 through October 2018 as presented unanimously carried by those present.

IT WAS RESOLVED:

*"That Work Order inventories for period **September 2017 through October 2018** included electric work order in the amount of **\$8,723,077.93** and fiber work orders in the amount of **\$1,997,206.81** totaling **\$10,720,284.74** and Special Equipment summaries for period **September 2017 through October 2018** totaling **\$207,401.37** were approved."*

Approval of Rate Tariff Schedule ME – Metro Ethernet Services

Motion to approve the Rate Tariff Schedule ME – Metro Ethernet Services unanimously carried by those present.

Approval of Capital Credit Allocations

Motion not to allocate the fiber losses through to the electric members unanimously carried by those present.

Approval of the 2019 Budget Amendments

Motion to approve the 2019 budget amendments unanimously carried by those present.

Approval of Board Appreciation Resolution

Motion to draft a resolution from the Board of directors to the San Luis Valley REC employees expressing appreciation for all the hard work and dedication it took to manage and restore power during the big outage unanimously carried by those present.

BE IT RESOLVED, the Board of Directors of San Luis Valley REC want to recognize all employees for their hard work and dedication in restoring power during one of the largest outages in San Luis Valley REC history. From the line crews, technical services and broadband personnel actually inspecting lines and equipment and safely making repairs in inclement weather during all hours of the day and night to the internal personnel managing and prioritizing the outage responses and carefully handling our members phone calls and inquiries, the entire board of directors would like to express our sincere gratitude to each employee for their roll in taking care of our members.

Safety Report

The submitted report was reviewed and discussed. (Copy attached hereto and made a part hereof.)

Acceptance of Safety Report

Motion to accept the safety report was approved unanimously by those present.

Agreements for Purchase of Power

The Agreements for Purchase of Power were reviewed and discussed.

Ciello Report

The Ciello report was reviewed and discussed. Monroe Johnson provided further details when necessary.

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Kampf's report stood as submitted. Kampf added an update related to the PUC denial of the request to enforce San Isabel territory.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Kenneth Cole Wakasugi

Wakasugi reported that legislation is moving at a very fast pace. Discussion was held regarding current legislation that will have affects on many industries. He advised board members and those present to educate themselves on current bills. Wakasugi will not be able to attend the next CREA meeting but Carol Lee will call in to attend the meeting in his place.

Western United – Kenneth Cole Wakasugi

Wakasugi reviewed the submitted report and stated that they will be reviewing the budget for the upcoming year.

Tri-State – Scott Wolfe

Wolfe reviewed the submitted report. He briefly reviewed financial information and stated that Tri-State G&T received a clean audit report from Ernst and Young. He talked about the upcoming annual meeting and the bylaw change on the agenda for consideration.

Unfinished Business

None

New Business

Loren Howard brought up the Irrigation rate class and the impact of the rate design change will have on the existing Irrigation Time-of-Day members.

Approval of Implementation of Rate for Existing Schedule I Time-of-Day Customers

Motion to limit the existing Irrigation Time-of-Day customers to an increase in rates of no more than 10% with the full implementation of the cost of service study rate charges to be completed within 4-years.

Scott Wolfe received a call from a member regarding his bill and the rate change. This member wanted to know what time of the day the meter is read. Our meters automatically reset at mid-night the last day of the month. The member is a net meter customer and upset with the rebate once this rate change becomes effective.

Future Dates

The next regularly scheduled board meeting is April 30, 2019. A work session has been scheduled for 9:00 a.m. with the regularly scheduled meeting to begin at 1:00 p.m.

Board Comments:

Mike Rierson asked how members are notified of their capital credit allocation. Carol Silva reported that in years past it was included on the billing statement as a separate line item. She is currently working on building an allocation statement for each member's records that will be sent separate from bills.

Executive Session

Motion to enter into executive session at 2:52 p.m. for the discussion of legal matters approved unanimously by those present.

Motion to reconvene into public session with no action taken at 2:58 p.m. unanimously carried by those present.

Lengthy discussion was held regarding the installation of Smart Meters and Opt-out Program and the administration of the billing rate.


Motion to Approve Options for Opt-out Program

Motion to update the terms and conditions to provide options to continue the opt out policy that will include choice of allowing REC to relocate existing meters to an alternate location or a digital demand meter to be read once a month for a \$25.00 fee per month unanimously carried by those present.

Motion to Adjourn

Motion to adjourn the regular meeting at 3:36 p.m. unanimously carried by those present.

SEAL


Kenneth Cole Wakasugi, President


Scott Wolfe, Corporate Secretary


Michelle Trujillo, Recording Secretary