

MINUTES
Board of Directors Meeting
San Isabel Electric Association, Inc.
July 6, 2018

The regular meeting of the Board of Directors of San Isabel Electric Association, Inc., was held Friday, July 6, 2018, at the San Isabel Electric Association headquarters office, 781 E. Industrial Boulevard, Pueblo West, Colorado.

Call to Order - The meeting was called to order at 9:00 a.m. by President Deborah Rose, who presided. Secretary Dennis Maroney acted as secretary.

Roll Call - Upon calling the roll, the following Directors were present: Donald Keairns, Deborah Rose, Doris Morgan, Joseph Costa, Jacque Sikes and Dennis Maroney, being a quorum of the Directors of San Isabel Electric Association, Inc. Also present were: Reginal Rudolph, General Manager; Ryan Elarton, CFO; Darryl Stewart, COO; Gary Eitel, CAO; Sisto Mazza, General Counsel; Bonnie Myers, Assistant to the General Manager.

A motion was made by Mr. Keairns, seconded by Mr. Costa and unanimously approved to excuse Mr. Garcia from the Board Meeting.

Adopt Agenda – The President asked if the Board had any additions to the agenda. The agenda was then adopted.

Meeting Minutes – A motion was made by Ms. Morgan, seconded by Mr. Maroney, and unanimously carried, that the minutes for last month's regular Board meeting be approved.

Consent Agenda - A motion was made by Ms. Sikes, seconded by Mr. Keairns, that the consent agenda items be approved. The motion to approve the consent agenda items was unanimously carried, which includes: *Statistical Report, Monthly and Year-to-Date Operating Statements, Balance Sheet, Form 7, Check Register, RUS/CFC/Loan Fund Status, Manager's Expense Reports, Work Order Inventory & Special Equipment Schedules, Outage Report, Cash Flow Statement, Summary of Write-Offs, Investment Analysis, Revenue Comparison, and Construction Work Load.*

Safety Meeting Report – The safety meeting report for June, 2018, has been submitted to the Board. A motion was made by Mr. Maroney, seconded by Ms. Sikes, and unanimously carried, that the safety meeting report be approved.

Staff Report – Mr. Rudolph, Mr. Elarton, Mr. Eitel and Mr. Stewart gave verbal reports.

General Manager – Reg Rudolph – Mr. Rudolph submitted a written report to the Board and gave a verbal report.

CFO – Ryan Elarton – Mr. Elarton submitted a written report to the Board and gave a verbal report.

CAO – Gary Eitel – Mr. Eitel submitted written report to the Board and gave a verbal report.

COO – Darryl Stewart – Mr. Stewart submitted a written report to the Board and gave a verbal report.

Big Idea Group – Mr. Elarton submitted a written report to the Board and gave a verbal report.

Executive Session 9:56 a.m. – A motion was made by Ms. Sikes, seconded by Mr. Maroney and unanimously carried that the Board goes into executive session. The purpose of the executive session was to discuss growth strategies.

Regular Session 10:50 a.m. – A motion was made by Ms. Morgan, seconded by Mr. Costa and unanimously carried that the regular session of the Board be resumed. No vote was taken while the Board was in executive session.

DMEA Support Letter – Mr. Rudolph submitted a draft letter addressed to Tri-State Generation and Transmission in support of DMEA’s request for information. A few changes were made per the request of the Board. A motion was made by Ms. Sikes and seconded by Mr. Maroney to send the letter to Tri-State Generation and Transmission in support of DMEA’s request for information. Mr. Keairns abstained from voting.

Board Education

Equity Management – Mr. Elarton submitted a written report to the Board and gave a verbal report.

General Counsel’s Report – General Counsel Sisto Mazza gave a verbal report.

Resolution Authorizing RUS Loan – A motion was made by Mr. Keairns, seconded by Mr. Costa and unanimously carried that the Board of Directors authorize the resolution for the Association to apply for a RUS Loan in the amount of \$15,836,000.

Evergreen Natural Resources LLC – A request was submitted by Evergreen Natural Resources LLC, the company that will be acquiring Pioneer Natural Resources’ Raton Basin assets, to consider the use of a Performance Bond as credit assurance.

Administrative Items

Quarterly Donation Report – Mr. Eitel submitted a written report of donations from July 2017 through June 2018.

Donation Requests – Mr. Eitel gave the Board a presentation of donations. The following donation requests were submitted to the Board.

Sangre de Cristo Volunteers for Community requested a donation for their third annual Day at the Lake. A motion was made by Mr. Maroney, seconded by Mr. Costa and unanimously carried to donate \$200.

Pueblo County Stockmen’s Association requested a donation for their Ranch Hand Contest. A motion was made by Ms. Sikes, seconded by Ms. Morgan and unanimously carried to donate \$250.

Spanish Peaks Community Foundation requested a donation to provide electricity to buildings that are

being used to store donations that have come in for the Spring Fire. A motion was made by Ms. Sikes, seconded by Mr. Costa and unanimously carried to donate \$500.

Donation Reports – A donation report was received from Pueblo County Sheriff's Office.

Policy Review – Ms. Myers submitted a written report to the Board and gave a verbal report. Board and Employee Policies are on a yearly review cycle with five to six Policies being reviewed each month. Employee Policies 1-11, 1-12, 2-1, 2-2, 2-3, 2-5, 2-6, 3-2, 3-3, 3-4, 3-5, 3-6, 3-8, 3-9, and 3-10 were reviewed. One new Employee Policy 2-10 was also presented to the Board

Employee Policy 1-11, Death of an Employee, was submitted to the Board with the recommendation of removal from Mountain States Employers Council. A motion was made by Mr. Keairns to remove Employee Policy 1-11 as presented, seconded by Mr. Maroney and unanimously carried.

Employee Policy 1-12, Employee Courtesy to the General Public, was submitted to the Board with updating of wording for clarity and subject change to Employee Courtesy. A motion was made by Mr. Maroney to accept Employee Policy 1-12 as presented, seconded by Ms. Morgan and unanimously carried.

Employee Policy 2-1, Compensation Administration, was submitted to the Board with updated wording. A motion was made by Mr. Costa to accept Employee Policy 2-1 as presented, seconded by Ms. Sikes and unanimously carried.

Employee Policy 2-2, Per Diem and Expenses for Employees, was submitted to the Board for review.

Employee Policy 2-3, Employee Drivers, was submitted to the Board for review.

Employee Policy 2-5, Modified Duty for Injured or Extended Illness Employees, was submitted to the Board with updating of wording and subject change to Modified Duty for Injured or Extended Illness/Injury Employees. A motion was made by Ms. Morgan to accept Employee Policy 2-5 as presented, seconded by Mr. Keairns and unanimously carried.

Employee Policy 2-6, Transfer of Leave, was submitted to the Board for review.

Employee Policy 2-10, Attendance, was submitted to the Board for addition to Employee Policies. A motion was made by Ms. Morgan to accept Employee Policy 2-10 as presented, seconded by Mr. Costa and unanimously carried.

Employee Policy 3-2, Violence in the Workplace, was submitted to the Board with minor clerical changes. A motion was made by Mr. Keairns to accept Employee Policy 3-2 as presented, seconded by Ms. Sikes and unanimously carried.

Employee Policy 3-3, Security, was submitted to the Board with minor clerical changes. A motion was made by Ms. Sikes to accept Employee Policy 3-3 as presented, seconded by Mr. Maroney and unanimously carried.

Employee Policy 3-4, Computer Network and Internet Access, was submitted to the Board with minor clerical changes. A motion was made by Ms. Morgan to accept Employee Policy 3-4 as presented, seconded by Mr. Keairns and unanimously carried.

Employee Policy 3-5, Cellular Phones and Smart Devices, was submitted to the Board with minor clerical changes. A motion was made by Ms. Sikes to accept Employee Policy 3-5 as presented, seconded by Mr. Costa and unanimously carried.

Employee Policy 3-6, Safety and Job Training, was submitted to the Board with minor clerical changes. A motion was made by Mr. Costa to accept Employee Policy 3-5 as presented, seconded by Mr. Keairns and unanimously carried.

Employee Policy 3-8, Hazard Communication Program, was submitted to the Board for removal. A motion was made by Ms. Morgan to remove Employee Policy 3-8 as presented, seconded by Mr. Keairns and unanimously carried.

Employee Policy 3-9, Personal Protective Equipment (PPE), was submitted to the Board for removal. A motion was made by Mr. Maroney to remove Employee Policy 3-9 as presented, seconded by Ms. Sikes and unanimously carried.

Employee Policy 3-10, Membership in Other Organizations, was submitted to the Board with minor clerical changes. A motion was made by Ms. Sikes to accept Employee Policy 3-10 as presented, seconded by Mr. Costa and unanimously carried.

NRECA International – No action taken at this time.

CFC Memorandum – A memorandum requesting Candidate for District 7 was submitted to the Board.

Federated Notice of Nomination and Election – The Notice of Nomination and Election for Federated Rural Electric Insurance Exchange was submitted to the Board.

NRECA Regional Meeting Voting Delegate Certification – Ms. Rose appointed Ms. Morgan to be the voting delegate and Mr. Maroney to be the voting alternate.

DMEA Formal Complaint – A letter from Tri-State Generation and Transmission was submitted to the Board regarding DMEA's Formal Complaint.

Western United Electric Report – A written report was submitted to the Board, and Mr. Maroney gave a verbal report.

CREA Report – A written report was submitted to the Board, and Ms. Rose gave a verbal report.

Tri-State Report – A written report was submitted to the Board, and Mr. Keairns gave a verbal report.

Governance – Mr. Rudolph submitted a written report to the Board and gave a verbal report.

Board Comments - The President called for comments from the Board.

August 2018 Board Meeting – The August 2018 regular Board meeting will be held August 3, 2018, beginning at 9:00 a.m.

Adjourn - There being no further business to come before the meeting, the meeting was adjourned at 2:54 p.m.

ATTEST:

/Deborah Rose/
President of the Board

/Dennis Maroney/
Secretary of the Board

We, the undersigned Directors of San Isabel Electric Association, Inc., on this date, August 3, 2018, do hereby certify and confirm in all respects, the foregoing minutes of the regular board meeting, held July 6, 2018.

/Jacque Sikes/

/Edward R. Garcia/

/Deborah Rose/

/Dennis Maroney/

/Doris Morgan/

/Joseph Costa/

/Donald G. Keairns/

Being all the Directors of San Isabel Electric Association, Inc.