

MINUTES
SAN ISABEL ELECTRIC ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS
September 16, 2017

The Annual Meeting of the Members of San Isabel Electric Association, Inc., was held Saturday, September 16, 2017, at John Mall High School, 355 West Pine Street, Walsenburg, Colorado.

Call to Order - President Deborah Rose called the meeting to order at 1:01 p.m.

Introduction of San Isabel Electric Board Directors - President Rose introduced the other San Isabel Electric Board Directors and reviewed the districts they represent.

Pledge of Allegiance - The meeting was opened with the invocation given by Dennis Maroney. The Pledge of Allegiance and the singing of the National Anthem were performed by Mark Gomez.

Welcome Membership - President Rose welcomed the Members to the 2017 San Isabel Electric Association's 79th Annual Meeting, and thanked them for joining the Board and San Isabel Electric employees for a day of business, fellowship, food and fun.

Appreciation – President Rose commended the Communications Department for the preparation and coordination of the annual meeting and thanked all the San Isabel Electric employees that helped with the preparation of the annual meeting. She thanked Vialpando Catering in Walsenburg for the great lunch and John Mall High School for the use of their facilities.

Introduction of Special Guests - Special guests were introduced: Huerfano County Commissioner Gerald Cisneros; Colorado Rural Electric Association, Bob Bledsoe; Tri-State Generation & Transmission, Jennifer Goss; Mountain View Electric Association, Barry Springer; and Southeast Colorado Power Association, Jack Johnston.

Determination of Quorum - The President called on Secretary Dennis Maroney, for the determination of quorum. Mr. Maroney certified that there were at least 50 Members present, in person, which met the Bylaw requirements and is in compliance with the statutes of the State of Colorado. The official count, as determined by the registration records, was 326 Members present and in person. Total of 718 people in attendance.

Affidavit of Mailing of Notice - The Affidavit of Mailing, which was read at the meeting, indicated that the notice of the meeting had been mailed to all Members of record on August 18, 2017.

2016 Annual Meeting Minutes - The President called on the Secretary for the reading of the minutes of the 2016 Annual Meeting. It was regularly moved, seconded, and carried, to dispense with the reading of the minutes and that the minutes be approved.

Nominating Committee Report - General Counsel Sisto Mazza presented the Nominating Committee report. The following Members had been nominated by the Nominating Committee for a three-year term at their meeting held on July 5, 2017:

District 1 Beulah, Wetmore & Vicinity	Debbie Rose	three-year term
District 6 Town of La Veta, Cuchara & Vicinity	Donald Keairns	three-year term

Nominations by Petition – The following nominations by petition were received:

District 6 Town of La Veta, Cuchara & Vicinity Reed White

District 1 Board Director Elected - General Counsel Mazza stated that the Board seat for District 1 was uncontested; therefore, the following Director was elected by acclamation to serve on the San Isabel Electric Board, for a three-year term:

Debbie Rose District 2 Beulah, Wetmore & Vicinity

Introduction of Candidates for District 6, La Veta, Cuchara & Vicinity – The candidates for the District 6 position were invited to address the membership. Donald Keairns then addressed the membership. Reed White then addressed the membership.

Dismiss Nominating Committee Meeting – The Nominating Committee was then dismissed.

Election for District 6 – The membership was then asked to cast their ballots for the candidate of their choice for District 6. The ballots cast at the meeting were then added to the ballots received by mail and a count was done by Survey & Ballot Systems.

Treasurer’s Report - Treasurer Doris Morgan presented the treasurer’s report, noting that an independent auditing firm, Dreyer & Kelso from Kansas, had been retained to perform last year’s audit. The auditor advised the Board there were no exceptions to the audit and San Isabel Electric is in good financial condition.

Motion to Approve 2016 Financial Reports - A motion was made, seconded, and unanimously carried, to accept the 2016 financial reports.

San Isabel Electric 2016 Annual Report

President-Deborah Rose: President Rose thanked all the Member-owners, their family and friends for attending the annual meeting. San Isabel Electric Association began nearly 80 years ago, in the farming and ranching area of the Wet Mountains, Beulah, CO. The story of San Isabel Electric is like other rural cooperatives. Our predecessors did not accept the concept of life without power and took it upon themselves to lay the foundation for our electrical cooperatives. Thanks to those who came before us, we have power and share in the rapidly changing technological innovations that enrich our lives. Over the last 79 years, the complexity of our industry has increased. The evolution of communication technology has created an army of consumers who get their information and form their own opinions from a wide variety of sources. Members can count on San Isabel Electric to be a trusted source of information on current issues and to keep Members informed using a variety of communication tools including our monthly newsletter, website and social media. San Isabel Electric has established Facebook and Twitter accounts to keep Members informed of real time events such as live storm updates. As your electric representatives, the Board of Directors has set a strategy for San Isabel Electric that will provide more

value and service to the Members. It is vitally important that Members stay engaged with San Isabel Electric so Members can recognize the value and service that San Isabel Electric bring in being Member's Trusted Energy Resource. We should always remember the struggles and sacrifices of those that formed electric cooperatives and we must work diligently to build upon that legacy.

San Isabel Electric Association Video Update: The video update covered the 2016/2017 outages, work plan projects for the next 3-5 years, and Energy Services programs and services that are offered to Members.

General Manager, Reg Rudolph's Report: A new item this year is our demo trailer that shows what electricity does, how it works and why we need to be safe around electricity. A large focus of San Isabel Electric's strategy has been to increase the level of service and value to the Members. Energy Services has been developing services that will help Members save money on their electric bills and bringing more value to Members of San Isabel Electric. All employees are working hard for the membership. Trusted Energy Resource was the theme for the video and the annual meeting. What does this mean to San Isabel Electric and its' Members? Trust is the most important word in that statement. Trust is defined as the firm belief in the reliability, truth, ability or strength. A lifetime to earn and a second to lose. Since 1938, San Isabel Electric has been working to earn Members trust. That is over 79 years of commitment to southern Colorado. Our vision statement is: "To deliver on the promise of service and value, we need to live that every day." Last year was challenging for us, we have seen weather like we have never seen before, storms more severe than any employee of San Isabel Electric has ever seen and more expensive than any to repair in our entire history. These storms tasked the patience of our Members as well as the skills of our employees as they battled the elements to restore power. San Isabel Electric is very blessed to have employees with the skills, knowledge and conviction to do what it takes to serve the Members. These employees are in your communities because it is where we live too. San Isabel Electric truly apologizes for the inconvenience that the outages caused. We remain committed and vigilant to continual improvement of our system reliability. Not all has been negative in the past year. There have been some great accomplishments. For the second year in a row, nearly \$1 million of capital credits have been retired. This year, the Board of Directors decided to retire a portion of 2016 capital credit allocation in an effort to prove the value of cooperative ownership to its current Members. Also, 2017 marks another year without a rate increase. San Isabel Electric does not plan a rate increase until 2021. There will not be a huge rate increase in 2021. We are diligently working on strategies to hold rates stable beyond 2021, if possible. Every employee is committed to being your trusted energy resource. The Board of Directors and employees are using every skill and knowledge to be responsible stewards of your cooperative. Proud of the commitment by the Board of Directors and employees to continually strive to provide better service and value to Members because that is what a trusted energy resource does.

Motion to Ratify Board Actions - It was regularly moved, seconded, and unanimously carried, that the actions of the Board during the last year be ratified.

Old, Unfinished or New Business – The President called for any old, unfinished or new business that needs to come before the membership. There was none.

Door Prize Drawing - Two children were selected from the audience to do the drawing for door prizes. The two children were given prizes for doing the door prize drawings. The drawing for door prizes commenced.

Election Results – There were a total of 531 ballots received via mail and in person at the annual meeting for District 6. Donald Keairns received 335 votes and Reed White received 196 votes. Mr. Keairns has been re-elected to represent District 6.

Intermission – Rachel Maroney addressed the membership regarding the Youth Tour, hosted by NRECA, which is a week-long program in Washington D.C. Jennifer Goss addressed the membership regarding Tri-State Generation & Transmission, through were San Isabel Electric Association purchases their electricity.

Drawing for Grand Prize – The grand prizes were twenty \$50 and a Visio television, and the Members must be present to win. The drawing for grand prizes commenced.

Adjournment - There being no further business to come before the meeting, it was regularly moved, seconded, and unanimously carried, that the meeting be adjourned at 2:30 p.m.

/Deborah Rose/

Deborah Rose
President of the Board

ATTEST:

/Dennis Maroney/

Dennis Maroney, Secretary

We, the undersigned Directors of San Isabel Electric Association, Inc., on this date, September 15, 2018, do hereby certify and confirm in all respects, the foregoing minutes of the annual meeting, held September 16, 2017.

/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.