

MINUTES
Board of Directors Meeting
San Isabel Electric Association, Inc.
November 18, 2016

The regular meeting of the Board of Directors of San Isabel Electric Association, Inc., was held Friday, November 18, 2016, 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: Edward "Ray" Garcia, Donald Keairns, Joseph Costa, Deborah Rose, Doris Morgan, 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; General Counsel Sisto Mazza; Fred Sola, Engineering Manager; Bonnie Myers, Assistant to the General Manager.

Adopt Agenda – The President asked if the Board had any additions to the agenda. The agenda was then adopted. An Executive Session will be held before the General Counsel's Report.

Meeting Minutes – A motion was made by Mr. Costa, seconded by Ms. Morgan, 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. Garcia, 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 October, 2016, has been submitted to the Board. A motion was made by Mr. Keairns, seconded by Mr. Maroney, and unanimously carried, that the safety meeting report be approved.

General Manager – Reg Rudolph – Mr. Rudolph gave a verbal report.

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

Budget Update – Mr. Elarton gave a verbal report.

Interest on Deposits – Mr. Elarton gave a verbal report. Per the Tariffs, the Association is required to pay interest on Member deposits. The State of Colorado requires an interest rate of 0.34%. The Association pays 0.50% on Member deposits. A motion was made by Mr. Keairns to pay 0.50% interest on Member deposits, seconded by Ms. Sikes, and unanimously carried.

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

Cooperative Difference Survey – Mr. Eitel submitted a 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.

Line Extension – Mr. Sola submitted a written report to the Board and gave a verbal report.

Board Strategy Discussion – The Board discussed strategy.

Growth Strategy Presentation – Mr. Elarton submitted a written report to the Board and gave a verbal report.

Introduction to BSC – Ms. Myers submitted a written report to the Board and gave a verbal report.

Executive Session 11:26 a.m. – A motion was made by Mr. Keairns, seconded by Ms. Sikes and unanimously carried that the Board goes into executive session. The purpose of the executive session was to discuss personnel.

Regular Session 12:21 p.m. – A motion was made by Mr. Keairns, seconded by Ms. Morgan and unanimously carried that the regular session of the Board of Directors be resumed. No vote was taken while the Board was in executive session.

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

A motion was made by Ms. Sikes to approve the resolution to sell the building at 90 Laser Dr., Pueblo West, CO for \$170,000, seconded by Ms. Morgan and unanimously approved.

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.

Administrative Items

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

CASA of Pueblo requested a donation for the 15th Anniversary Casino Royale Gala. A motion was made by Ms. Morgan, seconded by Ms. Sikes and unanimously approved to donate \$500.

Donation Reports – A Donation Report was received from CASA of Pueblo.

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. Board Policies 4-11 and 4-15, and Employee Policies 3-1, 3-2, 3-3, 3-4, and 3-5 were reviewed.

Board Policy 4-11, Scholarship Program, was submitted to the Board with clerical changes, the addition of an application requirement, the ability for the Board to award additional scholarships at their discretion, and changes to the attached application document. A motion was made by Ms. Morgan to accept Board Policy 4-11 as presented, seconded by Mr. Costa, and unanimously carried.

Employee Policy 3-1, Drug-Free Workplace Policy and Statement, was submitted to the Board with clerical changes and the addition of wording regarding medical and recreational marijuana. A motion was made by Mr. Maroney to accept Employee Policy 3-1 as presented, seconded by Mr. Costa, and unanimously carried.

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

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

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

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

Energy Outreach Colorado Resolution – Mr. Rudolph submitted a Board Resolution to donate one dollar per Member account of financial support to be utilized for San Isabel Electric Members in need. A motion was made by Ms. Sikes to approve the resolution supporting Energy Outreach Colorado, in the amount of \$18,943.00, seconded by Mr. Costa, and unanimously carried.

CoBank Stockholders Vote – The Board cast their ballot for the Amendment to Capitalization Bylaws, for Preferred Stock Revolver, and for Amendment to Governance Bylaws. A motion was made by Mr. Costa, seconded by Mr. Keairns and unanimously approved to support the CoBank Board recommendations.

NRECA Annual Meeting Voting Delegate – Ms. Rose appointed Mr. Keairns as the voting delegate and Mr. Costa as the voting alternate.

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

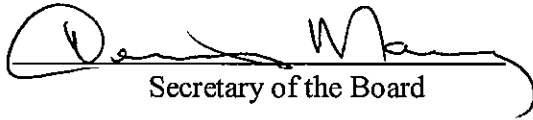
December 2016 Regular Board Meeting – The December 2016 regular board meeting will be held December 16, 2016, beginning at 9:00 a.m.

Adjourn - There being no further business to come before the meeting, the meeting was adjourned at 2:09 p.m.



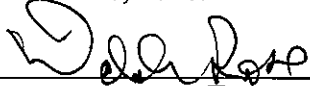
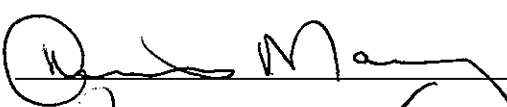
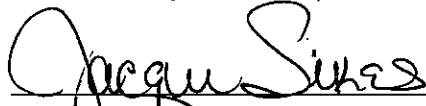
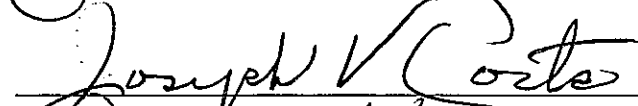



President of the Board

ATTEST:



Secretary of the Board

We, the undersigned Directors of San Isabel Electric Association, Inc., on this date, December 16, 2016, do hereby certify and confirm in all respects, the foregoing minutes of the regular board meeting, held November 18, 2016.

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