

**MINUTES**  
**Board of Directors Meeting**  
**San Isabel Electric Association, Inc.**  
**October 21, 2016**

The regular meeting of the Board of Directors of San Isabel Electric Association, Inc., was held Friday, October 21, 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 9:05 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; Dolores Gomez, Accounting III; Lisa Folga, Accounting II; Steve Zamarripa, Technology Services 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 after the Board Comments to discuss personnel.

**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 and special meeting be approved.

**Board Reorganization** – Mr. Mazza led the Board Reorganization in which Directors are elected to serve as President, Vice President, Secretary, and Treasurer on annual basis.

A motion was made by Mr. Garcia to keep the current slate of officers, seconded by Mr. Kearins and unanimously approved.

**Consent Agenda** - A motion was made by Ms. Sikes, seconded by Mr. Costa, 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 September, 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 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.

**Preliminary Budget and Financial Forecast Presentation** – Mr. Elarton submitted a written report to the Board and gave a verbal report.

A motion was made by Mr. Keairns to place the proceeds from the BP 109 transactions into the cushion of credit, seconded by Mr. Garcia and unanimously carried.

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

**Cyber Security Update** – Mr. Zamarripa 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.

**Board Strategy Discussion** – The Board discussed strategy.

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

**Annual Meeting Back Brief** – The Board discussed the 2016 Annual Meeting.

**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**

**Quarterly Donation Report** – Ms. West submitted a written report of donations from October 2015 to September 2016.

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

Walsenburg Downtown Revitalization Committee, Inc. requested a donation for the Casino Night Fundraiser. No action taken.

Pueblo West Parks & Rec requested a donation for the trick or treat event. A motion was made by Ms. Morgan, seconded by Mr. Costa and unanimously approved to donate \$250.

Assistance League of Pueblo requested a donation for the 28<sup>th</sup> Annual Holiday Fashion Preview and Gourmet Luncheon. A motion was made by Ms. Sikes, seconded by Ms. Morgan and unanimously approved to donate \$500.

**Matching Funds** – San Isabel Electric Association employees are requesting matching funds for Eckhart Elementary in Trinidad which collected \$460. A motion was made by Ms. Morgan, seconded by Mr.

Garcia and unanimously carried to match the \$460 raised by employees.

San Isabel Electric Association employees are requesting matching funds for the Posada holiday events program which collected \$271. A motion was made by Mr. Garcia, seconded by Ms. Morgan and unanimously carried to match the \$271 raised by employees.

A San Isabel Electric Association employee is requesting matching funds to travel to visit a college that is scouting their child. A motion was made by Ms. Sikes, seconded by Mr. Keairns and unanimously carried to match the \$364 raised by the employee.

**Donation Reports** – A Donation Report was received from Pueblo Diversified Industries.

**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 4-9, 4-11, and 4-14, and Employee Policies 2-3, 2-4, 2-5, and 2-6 were reviewed.

Board Policy 4-9, Cash Rewards for Information on Theft or Vandalism to Association Property, was submitted to the Board with proposed clerical changes. A motion was made by Ms. Sikes to accept Board Policy 4-9 with the proposed changes, seconded by Ms. Morgan, and unanimously carried.

Board Policy 4-14, Net Metering, was submitted to the Board with proposed removal from Policy as this Policy is defined in Tariff. A motion was made by Mr. Garcia to remove Board Policy 4-14 from Policy, seconded by Mr. Costa, and unanimously carried.

Employee Policy 2-3, Employee Drivers, was submitted to the Board with the proposed clerical changes. A motion was made by Mr. Maroney to accept Employee Policy 2-3 as presented, seconded by Mr. Keairns, and unanimously carried.

Employee Policy 2-4, Employee Benefits, was submitted to the Board with the proposed clerical changes. A motion was made by Ms. Morgan to accept Employee Policy 2-4 as presented, seconded by Mr. Costa, and unanimously carried.

Employee Policy 2-5, Modified Duty for Injured or Extended Illness Employees, was submitted to the Board with the proposed clerical changes. A motion was made by Mr. Keairns to accept Employee Policy 2-5 as presented, seconded by Ms. Sikes, and unanimously carried.

Employee Policy 2-6, Transfer of Leave, was submitted to the Board with the proposed clerical changes. A motion was made by Mr. Maroney to accept Employee Policy 2-6 as presented, seconded by Mr. Keairns, and unanimously carried.

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

**Executive Session 1:44 p.m.** – A motion was made by Mr. Costa, seconded by Ms. Morgan and unanimously carried that the Board goes into executive session. The purpose of the executive session was to discuss personnel.

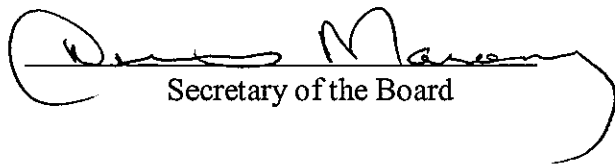
**Regular Session 3:25 p.m.** – A motion was made by Mr. Garcia, seconded by Ms. Morgan, and unanimously carried that the regular session of the Board of Directors be resumed. No vote was taken while the Board was in executive session.

**November 2016 Regular Board Meeting** – The November 2016 regular board meeting will be held November 18, 2016, beginning at 9:00 a.m.

**Adjourn** - There being no further business to come before the meeting, the meeting was adjourned at 3:25 p.m.

  
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President of the Board

ATTEST:

  
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Secretary of the Board

We, the undersigned Directors of San Isabel Electric Association, Inc., on this date, November 18, 2016, do hereby certify and confirm in all respects, the foregoing minutes of the regular board meeting, held October 21, 2016.

Joseph W. Coster

[Signature]

Walter Rose

[Signature]

Dois Morgan

Jacque Sixes

Edward R. Garcia

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