

MINUTES
SAN ISABEL ELECTRIC ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS
September 17, 2016

The Annual Meeting of the Members of San Isabel Electric Association, Inc., was held Saturday, September 17, 2016, 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.

Pledge of Allegiance - The meeting was opened with the invocation given by Eddie Smith. 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 2016 San Isabel Electric Association's 78th 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 of 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: 3rd Congressional District, Congressman Scott Tipton; State Senate 35, Senator Larry Crowder; and Colorado Rural Electric Association, Bob Bledsoe; Huerfano County Commissioners Max Vezzani and Gerald Cisneros.

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

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 387 Members present and in person. Total of 631 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 17, 2016 and September 5, 2016.

2015 Annual Meeting Minutes - The President called on the Secretary for the reading of the minutes of the 2015 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 6, 2016:

District 2 Rye, Colorado City & Vicinity
District 8 Pueblo West Proper

Dennis A. Maroney
Doris Morgan

three-year term
three-year term

Nominations by Petition – No nominations by petition were received.

District 2 Board Director Elected - General Counsel Mazza stated that the Board seat for District 2 was uncontested; therefore, the following Director was elected by acclamation to serve on the San Isabel Electric Board, for a three-year term:

Dennis A. Maroney District 2 Rye, Colorado City & Vicinity

District 8 Board Director Elected - General Counsel Mazza stated that the Board seat for District 8 was uncontested; therefore, the following Director was elected by acclamation to serve on the San Isabel Electric Board, for a three-year term:

Doris Morgan District 8 Pueblo West Proper

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 2015 Financial Reports - A motion was made, seconded, and unanimously carried, to accept the 2015 financial reports.

San Isabel Electric 2015 Annual Report

San Isabel Electric Association Video Update: The video update covered no rate increases until 2020, what an electric cooperative is, SmartHub, and concern for community through the San Isabel Electric Association Scholarship program, community donation, and Community Recharge.

President-Deborah Rose: President Rose thanked all of the Member-owners, their family and friends for attending the annual meeting. The Directors and employees at San Isabel Electric Association work to deliver reliable electric service at an affordable price while keeping Member service at the foremost priority. Strong leadership, which is democratically decided by the Member-owners, provides long-term vision and direction. Over the last 78 years, our concern for community is engrained in our cooperative principle. We exist to power the lives of our Members and empower the communities we serve. Last year, San Isabel Electric assisted in finding a funding source for the new La Veta Fire station; awarded over \$27,000 in scholarships to 22 graduating high school seniors from our service district; and donated \$58,000 to organizations within the service district to benefit Member communities. 2015 was a strong year for San Isabel Electric Association which allowed \$890,000 in capital credits to be returned to Members. Since the capital credit program's inception, \$13.2 million has been returned to our Members. No rate increase until 2020.

General Manager, Reg Rudolph's Report: In 1938, people came together to improve their lives and invest their money in a thought that if we all work together, we will all succeed together; that is the spirit of a

cooperative. Those before us took risks to build one of the largest and strongest companies in Southern Colorado. Today, as Members, you are stewards for the next generation. Last year it was announced that rates will not be raised until 2020 and this goal still stands. We continue to work hard to see if this goal can be stretched out. One rate increase, in 2014, in 10 years is a great accomplishment. Our employees are the best in the business who are the most committed to service, safety and bringing the highest level of value to each Member.

Congressman Scott Tipton: Congressman Tipton recognized Mark Gomez for singing National Anthem and recognized all of the veterans in attendance and thanked them for their service. Congressman Tipton talked about the 3rd Congressional District. The commitment for no rate increase until 2020 helps provide Members with better stability as residents and businesses.

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.

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 2:09 p.m.

ATTEST:

/Deborah Rose/

Deborah Rose
President of the Board

/Dennis Maroney/

Dennis Maroney, Secretary

We, the undersigned Directors of San Isabel Electric Association, Inc., on this date, September 16, 2017, do hereby certify and confirm in all respects, the foregoing minutes of the annual meeting, held September 17, 2016.

_____/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.