

MINUTES
SAN ISABEL ELECTRIC ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS
September 19, 2015

The Annual Meeting of the members of San Isabel Electric Association, Inc., was held Saturday, September 19, 2015, at John Mall High School, 355 West Pine Street, Walsenburg, Colorado.

Call to Order - President Edward R. Garcia called the meeting to order at 1:04 p.m.

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 Christina Anderson, Mrs. Colorado 2015, and Mark Gomez.

Welcome Membership - President Garcia welcomed the members to the 2015 San Isabel Electric Association's 77th Annual Meeting, and thanked them for joining the Board and San Isabel staff for a day of business, fellowship, food and fun.

Appreciation - President Garcia 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. He 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: Bob Bledsoe, Colorado Rural Electric Association; Randy Phillips, President of Southeast Colorado Power Association; Matt Fitzgibbon, Tri-State Generation and Transmission Association; Gerald Cisneros, Huerfano County Commissioner.

Introduction of San Isabel Board Members - President Garcia introduced the other San Isabel board members and reviewed the districts they represent.

Determination of Quorum - The President called on secretary, Joseph Costa, for the determination of quorum. Mr. Costa 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 480 members present, in person.

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, 2015.

2014 Annual Meeting Minutes - The President called on the secretary for the reading of the minutes of the 2014 Annual Meeting. It was regularly moved, seconded, and carried, to dispense with the reading of the minutes and that the minutes be approved.

Amendment to the Agenda - The President stated there are four director districts up for election this year and the counting of the ballots takes a considerable amount of time. He asked for approval from the membership to amend the agenda to proceed with the introduction of the candidates, calling for nominations from the floor, and the casting of ballots for director voting. In this way, the meeting would be expedited so that the outcome of the election would be known in a timely manner. A motion was regularly moved, seconded, and unanimously carried, that the agenda be amended as proposed.

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 1, 2015:

District 3	Gardner, Trinidad East & Vicinity	Edward “Ray” Garcia	three-year term
District 5	City of Walsenburg	Jacque Sikes	three-year term
District 7	Aguilar, Trinidad West & Vicinity	Joseph Costa	three-year term
District 8	Pueblo West Proper	Doris Morgan	one-year term

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

District 3	Gardner, Trinidad East & Vicinity	Victor “Vic” Meyers
District 5	City of Walsenburg	Randy Bryan
District 8	Pueblo West Proper	Michael Schuster

Nominations from the Floor - General Counsel called for nominations from the floor for Districts 3, 5, 7, and 8. There were no nominations from the floor.

Introduction of Candidate for District 3, Gardner, Trinidad East & Vicinity – The candidates for the District 3 position were invited to address the membership. Edward “Ray” Garcia then addressed the membership. Victor “Vic” Meyers then addressed the membership.

Introduction of Candidate for District 5, City of Walsenburg – The candidates for the District 5 position were invited to address the membership. Randy Bryan then addressed the membership. Jacque Sikes then addressed the membership.

District 7 Board Member Elected - General Counsel Mazza stated that the board seat for District 7 was uncontested; therefore, the following director was elected by acclamation to serve on the San Isabel Board, for a three-year term:

Joseph Costa District 7 Aguilar, Trinidad West & Vicinity

Introduction of Candidate for District 8, Pueblo West Proper – The candidates for the District 8 position were invited to address the membership. Doris Morgan then addressed the membership. Michael Schuster then addressed the membership.

Dismiss Nominating Committee Meeting - The Nominating Committee meeting was then dismissed.

Election for Districts 3, 5, and 8 – The membership was then asked to cast their ballots for the candidate of their choice for District 3, 5, and 8. 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 Jacque Sikes 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 is in good financial condition.

Motion to Approve 2014 Financial Reports - A motion was made, seconded, and unanimously carried, to accept the 2014 financial reports.

San Isabel Electric 2014 Annual Report – President-Edward “Ray” Garcia: Between 2002 and 2009 rates were raised seven times. Based on the information available today, San Isabel Electric is projecting no rate increases until 2020. This will amount to one rate increase in 10 years. San Isabel is projecting retiring \$1 million per year in capital credits. The motion to reduce the access charge was taken into consideration by the Board. The Board commissioned a cost of service study. Results of the cost of service study provided the

Board with information that the access charge should be higher than the current \$20 per month. The Board elected to lower the pump account access charges from \$31 to \$20 in 2016 to match other single phase service access charges.

General Manager, Reg Rudolph's Report: There were 480 members in attendance at this Annual Meeting and over 1,000 people in attendance. A big thank you to the employees, caterer, sound crew, and members for participating in the Annual Meeting. San Isabel Electric is striving to deliver on the promise of value and service to our members through the goals of reliability, low cost, and great service. The Road Ahead is providing stability for the future and an internal commitment to members and employees.

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.

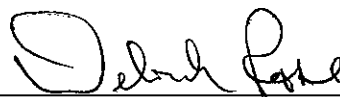
Old, Unfinished or New Business – The President called for any old, unfinished or new business that needs to come before the membership. There was none.

Door Prize Drawing - Two children's names were drawn to do the drawing for door prizes. The two children were given prizes for doing the prize drawing. The drawing for door prizes commenced.

Drawing for Grand Prize – Prior to the meeting a drawing from the member database took place for the grand prize. The grand prize was \$1,000, and the member must be present to win. Since the member was not present at the Annual Meeting, a drawing was then held for ten members present at the meeting to receive \$100 each.

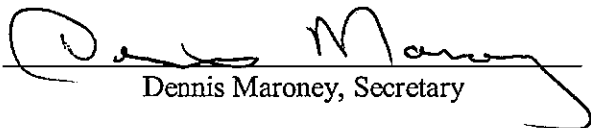
Election Results – The counting of ballots was still in the process. The final election results will be posted on the website.

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 2:21 p.m.



Deborah Rose
President of the Board

ATTEST:



Dennis Maroney, Secretary

We, the undersigned Directors of San Isabel Electric Association, Inc., on this date, September 17, 2016, do hereby certify and confirm in all respects, the foregoing minutes of the annual meeting, held September 19, 2015.

Donald Rose

Donald B. Kr

Joseph W. Costa

Jaques Jules

Debra Murray

Doris Morgan

Edward R. Garcia

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