

REGULAR BOARD OF DIRECTORS MEETING
ANZA ELECTRIC COOPERATIVE, INC.
JANUARY 26, 2018

DIRECTORS PRESENT

Billy Adams, President
Thomas Firth, Vice President
Michael Machado, Secretary
Harold Burdick, Treasurer
Joel Carlisle
Steve Lauzier
Steve Silkotch Sr.

STAFF PRESENT

Kevin Short, General Manager
Brian Baharie, Operations Manager
Katherine MacIver, Member Services Manager
Laura Snider-Manseau, Office Services Manager
Debbie Winger, Telecommunications Manager
Jennifer Miller, Gov. Relations / HR Director
Yuri Gudino, Administrative Assistant

Others Present

Cecile Williamson, Member

The Regular Meeting of the Board of Directors of Anza Electric Cooperative, Inc. was held in the office of the Cooperative on January 26, 2018.

The meeting was called to order by President Billy Adams at 8:00 a.m. Upon calling the roll, Directors Billy Adams, Thomas Firth, Michael Machado, Harold Burdick, Joel Carlisle, Steve Lauzier and Steve Silkotch Sr. were present thereby constituting a quorum.

President Adams called for agenda items.

After discussion of the agenda, Director Machado made a motion to approve the agenda as presented. Director Firth seconded the motion. Motion carried.

President Adams called for approval of the minutes of the Regular Board Meeting of December 28, 2017. After discussion, Director Carlisle made a motion to approve the Regular Board Meeting minutes as presented. Director Burdick seconded the motion. Motion carried.

President Adams called for member comments.

General Manager presented and discussed the Power Versus Energy Presentation.

General Manager presented and discussed the 17 KW Solar Farm monthly update, SunAnza output update, Hoover Dam Update, EV Charger update, ConnectAnza update, Work Plan update and other Business.

General Manager presented and discussed the Rincon Service Resolution. After discussion, Director Carlisle made a motion to adopt the following Resolution:

"WHEREAS, Anza Electric Cooperative, Inc. (AEC) exists to provide reliable utility services for its members at the lowest possible cost and,

WHEREAS, AEC has begun preliminary design work on the realignment of circuit #002 and,

WHEREAS, this project requires competent liaison capabilities with Riverside County for Public Use Permit application and,

WHEREAS, having been previously engaged by AEC to execute other related services on this project for California Environmental Quality Act needs, Rincon Consultants, Inc. has submitted a proposal for additional services involved in the Public Use Application Process for the amount of \$23,827.00.

*NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the **Proposal to Assist with County of Riverside Pre-Application Package** and attached herein, and duly authorizes the General Manager to execute all documents associated with this transaction." Director Burdick seconded the motion. Motion carried*

General Manager presented and discussed the SGS Engineering Resolution Proposal. After discussion, Director Carlisle made a motion to adopt the following SGS Engineering Resolution:

"WHEREAS, Anza Electric Cooperative, Inc. (AEC) exists to provide reliable utility services for its members at the lowest possible cost and,

WHEREAS, AEC has begun preliminary design work on the realignment of circuit #002 and,

WHEREAS, this project requires competent engineering design and,

WHEREAS, SGS Engineering has submitted a proposal for engineering design for the project in the amount of \$129,274.00.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the Proposal for Engineering Services as submitted by SGS Engineering, Inc. and attached herein, and duly authorizes the General Manager to execute all documents associated with this transaction." Director Firth seconded the motion. Motion carried

Government Relations Liaison presented and discussed the SB-460 Guidelines: Broadband Internet Access Service, SB 100: California Renewables Portfolio Standard Program, SB-700 Energy Storage Initiative, SB 833, Emergency alerts: evacuation orders: operators and FERC: 20 GW of Coal Capacity Headed for Retirement by 2020.

Office Services Manager presented and discussed the RUS Form 7- Revenue Comparison for the month of December, the Operations / Variance Reports for Anza Electric Cooperative and ConnectAnza, the December AEPCO billing information, the investment report, the cash flow report and Director Form 1099. After discussion, Director Carlisle made a motion to receive the RUS Form 7- Revenue Comparison as presented. Director Lauzier seconded the motion. Motion carried.

Director Burdick presented and discussed the General Manager's expenses for the month of December in the amount of \$39.01 After discussion, Director Carlisle made a motion to approve the General Manager's expenses. Director Firth seconded the motion. Motion carried.

Director Burdick presented and discussed the Directors' expenses for the month of December in the amount of \$10,718.75. After discussion, Director Machado made a motion to approve the Directors' expenses as presented. Director Carlisle seconded the motion. Motion carried.

Director Burdick presented and discussed the expenditures for the month of December in the amount of \$1,261,556.69. After discussion, Director Carlisle made a motion to approve the expenditures as presented. Director Firth seconded the motion. Motion carried.

Director Burdick presented and discussed the 2018 Budget that was reviewed by the Finance and Audit Committee during the Committee's meeting held on January 3, 2018, in which the Committee reviewed the Capital Expense Budgets for Board Expenses and Director Education, Administration, Operations, Member Services, and ConnectAnza expenses, the General Budget, and ConnectAnza Budget. After discussion of the 2018 Budget, Director Carlisle made a motion to approve the 2018 Budget as presented. Director Machado seconded the motion. Motion carried.

Human Resources Director presented and discussed Harassment Training, Employee Communications Committee 2018, On the S.P.O.T.S. Recognition and the Employee Wellness Program update.

Member Services Manager presented and discussed the Youth Leadership Council competition winner, Annual Meeting Date Confirmed, Director Candidate Petitions, Collection Agency/Online Utility Exchange and Auto-Pay Accounts.

Member Services Manager presented and discussed the Capital Credit Estate Settlement for Beatriz R. Garcia and Beatrice N. Powell in the amount of \$280.15. After discussion, Director Machado made a motion to approve the Capital Credit Estate Settlement per Board Policy at 50% for a total disbursement in the amount of \$140.08. Director Carlisle seconded the motion. Motion carried.

Operations Manager presented and discussed the safety meeting for the month of December, lost time due to accidents, outages for the month of December, new services, construction costs for the month of December, operational time allotments, the Mountain Center daily peaks and low temperatures and other business. After discussion, Director Carlisle made a motion to acknowledge the safety meeting for the month of December. Director Burdick seconded the motion. Motion carried.

Telecommunications Manager presented and discussed ConnectAnza's installation update, after hours calls, Cahuilla Casino connection update and bandwidth utilization for November.

Director Lauzier presented and discussed the Bylaw and Policy Committee report. After discussion, Director Lauzier made a motion to refer the following Board Policies to the February Board meeting for further review:

- Policy No. 100 – Board Policies
- Policy No. 101 – Board of Directors & General Manager Code of Ethics
- Policy No. 102 – Statements of Ideals & Objectives
- Policy No. 103 – Functions of the Board of Directors
- Policy No. 104 – Organization Policy

Director Firth seconded the motion. Motion carried.

After discussion of Board Policy No. 403 – Equal Employment Opportunity, Director Firth made a motion to approve the policy as presented. Director Machado seconded the motion. Motion carried

After discussion of Board Policy No. 408.2 – Drug Prevention Policy and Procedure, Director Machado made a motion to approve the policy with the following amendments – add "MRO" (Medical Review Officer) as part of the definitions section on page 2 and the word "Perform" on page 6, section 4, number 2. Director Firth seconded the motion. Motion carried.

Director Lauzier reviewed Bylaw Article I.

Director Lauzier and General Manager discussed Future Committee meetings.

General Manager presented the AEPCO report.

Director Burdick and Director Machado presented the GCSECA report.

Director Burdick and Director Machado reviewed the GCSECA Annual meeting & Legislative Conference.

General Manager presented and discussed the GSPC report and comments filed on the IRP Planning Proposed Decision.

President Adams presented and discussed the NRECA Board Meeting report and notice of 2018 Annual Meeting of members.

President Adams presented and discussed the Director attendance approval for the 2018 Director's Conference, March 25 – 28, 2018, Las Vegas, NV. After discussion, a motion was duly made and seconded to approve Director Burdick to attend the 2018 Director's Conference. Motion carried.

President Adams presented and discussed the Director attendance approval for the NRECA Legislative Conference, April 8 – 10, 2018, Washington, DC. After discussion, a motion was duly made and seconded to approve Director Carlisle and Director Silkotch Sr. to attend the NRECA Legislative Conference. Motion carried.

President Adams presented and discussed the CFC 2018 Annual Membership Meeting and the Annual Meeting Voting Delegate and Alternate. After discussion, a motion was duly made and seconded to approve Director Machado as the Voting Delegate and Director Firth as Alternate. Motion carried.

President Adams presented and discussed the Bolinger, Segars, Gilbert & Moss, L.L.P. Audit agreement. After discussion, Director Machado made a motion to approve the Audit agreement. Director Carlisle seconded the motion. Motion carried.

President Adams presented and discussed the General Pacific, INC request for 2018 Board Member Candidate. After discussion, it was the consensus of the Board to take no action at this time.

At 11:42 a.m. Cecile Williamson, member, left the Board meeting.

At 11:43 a.m. the Board went into Executive Session to discuss the notice from a consultant for the Cahuilla Casino and the Notice from an Attorney in Solana Beach.

At 12:05 p.m. the Board returned to Regular Session.

President Adams presented and discussed the request for donation for Damian Famania. After discussion, a motion was duly made and seconded to donate \$100. Motion carried

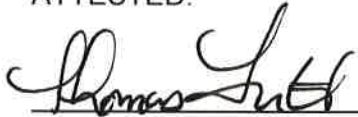
President Adams presented and discussed the request for donation for Elias Famania. After discussion, a motion was duly made and seconded to donate \$100. Motion carried

There being no further business to come before this meeting, the meeting was duly adjourned at 12:10 p.m.



Michael Machado, Secretary

ATTESTED:



Billy Adams, President

CERTIFICATION

I, Michael Machado do hereby certify that I am the duly elected and qualified Secretary of the Board of Directors of the Anza Electric Cooperative, Inc. and that the above is a true and correct copy of the minutes of the Regular Meeting of the Board of Directors held on January 26, 2018 at which time a quorum was present and voting throughout.

IN WITNESS WHEREOF; I have hereunto subscribed my name as the Secretary and affixed the Corporate Seal of said Cooperative this 26th day of January 2018.



Michael Machado, Secretary