

REGULAR BOARD OF DIRECTORS MEETING
ANZA ELECTRIC COOPERATIVE, INC.
MARCH 22, 2018

DIRECTORS PRESENT

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

STAFF PRESENT

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

OTHERS PRESENT

Gayle Hilgris, Boojum
Elena Mafla, Boojum
Carol Popejoy Davis, Boojum
Susan Gray, Boojum
Annika Knoppel, Anza area Trail Town
Allison Renck, Anza Area Trail Town
Gary Worobec, Member

The Regular Meeting of the Board of Directors of Anza Electric Cooperative, Inc. was held in the office of the Cooperative on March 22, 2018.

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

Vice President Firth called for agenda items.

1. Add Boojum Donation Presentation
2. Add Sponsorship of California Co-op Conference
3. Add California Co-op Conference Donation
4. Add NWPPA Board of Trustees Recommendation
5. Add Anza Area Trail Town Presentation
6. Add action item for publishing the Board Minutes

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

Vice President Firth called for approval of the minutes of the Regular Board Meeting of February 20, 2018. After discussion, Director Machado made a motion to approve the minutes as presented. Director Burdick seconded the motion. Motion carried.

Vice President Firth called for member comments.

Gary Worobec, member presented and discussed the proliferation of illegal cannabis growing operations within the Anza Valley.

Gayle Hilgris, Elena Mafla, Carol Popejoy Davis and Susan Gray from Boojum presented and discussed the request for donation for a two-day challenge course program for all students at the school.

At 8:30 am Gary Worobec, member and Gayle Hilgris, Elena Mafla, Carol Popejoy Davis, Susan Gray from Boojum left the board meeting.

Annika Knoppel and Allison Renck from Anza Area Trail Town presented and discussed the request for donation to help with the launching of the National Trails Day event.

At 8:45 am Annika Knoppel and Allison Renck from Anza Area Trail Town, left the board meeting.

General Manager presented and discussed the Cannabis System Impact Analysis, director education.

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

At 9:51 am the Board entered Executive Session to discuss available power for hotel development for the Cahuilla Reservation.

At 10:03 am the Board returned to regular session.

Government Relations Liaison presented and discussed AB 2841 Sick Leave Accrual and Use, AB-2814 and AB-2809 CA Renewables Portfolio Standard Program, Hydroelectric Generation Facilities, SB 901 Electrical Cooperatives Wildfire Mitigation Plans and Measures, FERC Order and Office of Energy Projects Energy Infrastructure Update for January 2018.

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

Director Burdick presented and discussed the General Manager's expenses for the month of February in the amount of \$4,374.69 After discussion, Director Machado made a motion to approve the General Manager's expenses. Director Carlisle seconded the motion. Motion carried.

Director Burdick presented and discussed the Directors' expenses for the month of February in the amount of \$3,937.82. 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 February in the amount of \$2,083,655.98. After discussion, Director Carlisle made a motion to approve the expenditures as presented. Director Machado seconded the motion. Motion carried.

Human Resources Director presented and discussed Employee Reviews, Harassment Training and the Employee Wellness Program Update.

General Manager presented and discussed publication of board minutes, The Scammers are Back and Facebook posts.

After discussion of the publication of the board minutes, it was the consensus of the board to refer back to April's board meeting.

General Manager presented and discussed the Capital Credit Payout options. After discussion, Director Machado made a motion to payout Capital Credits in the amount of \$250,000. Director Carlisle seconded the motion. Motion carried.

General Manager presented and discussed the Capital Credit Estate Settlement for Richard J. Andrews, Don Gieck and C L Reynolds in the amount of \$4,828.24. 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 \$2,414.12. Director Burdick seconded the motion. Motion carried.

Operations Manager presented and discussed the safety meeting for the month of February, lost time due to accidents, outages for the month of February, new services, construction costs for the month of February, 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 February. Director Burdick seconded the motion. Motion carried.

Operations Manager presented and discussed the Tony Lappos Substation Concrete Proposal. After discussion, Director Machado made a motion to adopt the following Resolution:

"WHEREAS, Anza Electric Cooperative, Inc. is in need of new reinforced concrete pads for the new transformer and breaker in the Tony Lappos sub-station.

WHEREAS, Anza Electric Cooperative, Inc., has received bids from interested contractors to complete construction of the new transformer and breaker pads in a timely fashion, with that of Dirt Work & Excavation, Inc. being the lowest.

NOW, THEREFORE BE IT RESOLVED, the Board of Directors hereby approves entering into a contract with Dirt Work & Excavation, Inc. to complete construction and authorizes the General Manager of Anza Electric Cooperative,

Inc. to execute documents associated with the construction of the new transformer and breaker pads in the Tony Lappos sub-station.”

Director Burdick seconded the motion. Motion carried.

General Manager presented and discussed ConnectAnza's installation update, VOIP Issue, Power Upgrade and bandwidth utilization for the month of February.

Director Carlisle presented and discussed the Bylaw and Policy Committee report. After discussion, Director Machado made a motion to approve the following policies as presented:

- Policy No. 110 – Board of Directors and General Manager Relationship
- Policy No. 111 – Membership in Civic & Commercial Organizations
- Policy No. 112 – Committees of the Board of Directors
- Policy No. 113 – Political Activity of Directors and Employees of the Cooperative
- Policy No. 115 – Board of Directors Benefits

Director Carlisle seconded the motion. Motion carried.

After discussion of Board Policy No. 114, "Qualifications to serve on Board of Directors", Director Machado made a motion to refer policy to the April board meeting. Director Burdick seconded the motion. Motion carried.

Director Carlisle reviewed Bylaw Article III.

General Manager presented the AEPCO report.

General Manager presented and discussed his AEPCO Board Director term expiring. After discussion, Director Carlisle made a motion to approve General Manager to serve another term on the AEPCO Board of Directors. Director Silkotch Sr. seconded the motion. Motion carried.

General Manager presented and discussed the Director Attendance Approval for the AZG&T Annual Meeting, May 9, 2018. After discussion, a motion was duly made and seconded to approve attendance for the following Directors:

Harold Burdick

Michael Machado

Motion carried.

General Manager presented and discussed the AZG&T Annual Meeting Voting Delegate and Alternate. After discussion, a motion was duly made and seconded to approve Director Machado as Voting Delegate and Director Burdick as Alternate. Motion carried.

Director Burdick and Director Machado presented the GCSECA report.

General Manager presented and discussed the GSPC report.

Vice President Firth, General Manager, Human Resources Director and Director Machado discussed the NRECA 2018 Annual Meeting.

Vice President Firth presented and discussed the New Director Orientation for April 17, 2018 in Arlington, Virginia. After discussion, it was the consensus of the board to take no action at this time.

General Manager presented and discussed the Financial Expert Position on the NRUCFC Board.

General Manager presented and discussed Director Attendance approval for the NRUCFC Forum 2018 for June 10 – 13, 2018 in Indianapolis, Indiana. After discussion, it was the consensus of the board to take no action at this time.

Vice President Firth discussed setting date for the Annual Meeting Committee Meeting. After discussion, it was the consensus of the board to set date for May 17, 2018 following the Regular Board Meeting.

Vice President Firth presented and discussed the request for donation for the Anza Area Trail Town. After discussion, Director Carlisle made a motion to donation \$250. Director Machado seconded the motion. Motion carried

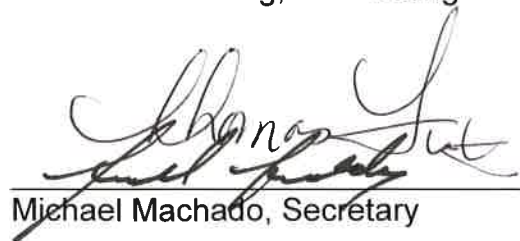
Vice President Firth presented and discussed the request for donation for the AYSO Region 1641. After discussion, Director Burdick made a motion to donate \$250. Director Machado seconded the motion. Motion carried

Vice President Firth presented and discussed the request for donation for the California Center for Cooperative Development. After discussion, Director Machado made a motion to donate \$200. Director Carlisle seconded the motion. Motion carried

Vice President Firth presented and discussed the request for donation for the Outdoor Adventures by Boojum. After discussion, Director Carlisle made a motion to donate \$1,000. Motion died for lack of second.

Following further discussion of the Outdoor Adventures by Boojum request for donation, Director Machado made a motion to donate \$1,500. Director Carlisle seconded the motion. Motion carried by unanimous vote.

There being no further business to come before this meeting, the meeting was duly adjourned at 1:11 p.m.



Michael Machado, Secretary

ATTESTED:


Thomas Firth, Vice 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 March 22, 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 22nd day of March 2018.


Michael Machado, Secretary