

REGULAR BOARD OF DIRECTORS MEETING
ANZA ELECTRIC COOPERATIVE, INC.
SEPTEMBER 21, 2018

DIRECTORS PRESENT

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

STAFF PRESENT

Kevin Short, General Manager
Brian Baharie, Operations Manager
Laura Snider-Manseau, Office Services Manager
Shawn Trento, Fiber Installation Technician
Katherine MacIver, Member Services Manager
Jennifer Miller, Gov. Relations / HR Director
Yuri Gudino, Administrative Assistant

OTHERS PRESENT

Betsy Hansen, Member Services Representative
Pete Scott, CFO, Arizona G&T Cooperatives

The Regular Meeting of the Board of Directors of Anza Electric Cooperative, Inc. was held in the office of the Cooperative on September 21, 2018.

President Adams entered the Board meeting by teleconference call.

The meeting was called to order by President Billy Adams at 8:02 a.m. Upon calling the roll, Directors Billy Adams, Thomas Firth, Joel Carlisle, Harold Burdick, Stephan Lauzier, Michael Machado and Stephen P. Silkotch, Sr. were present thereby constituting a quorum.

President Adams called for agenda additions:

1. Add Special Board Meeting Minutes
2. Add Special Board Meeting Executive Session Minutes
3. Add Pete Scott, CFO, Arizona G&T Cooperatives to member comments
4. Add Betsy Hansen, member services representative to member comments

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

President Adams called for approval of the minutes of the Regular Board Meeting of August 23, 2018. After the discussion, Director Machado made a motion to approve the minutes as presented. Director Firth seconded the motion. Motion carried.

President Adams called for approval of the minutes of the Executive Session of August 23, 2018. After the discussion, Director Machado made a motion to approve the minutes as presented. Director Firth seconded the motion. Motion carried.

President Adams called for approval of the minutes of the Special Board Meeting of September 6, 2018. After the discussion, Director Carlisle made a motion to approve the

minutes as presented. Director Firth seconded the motion. Motion carried. Director Burdick and Director Machado abstained.

President Adams called for approval of the Executive Session minutes of the Special Board Meeting of September 6, 2018. After the discussion, Director Carlisle made a motion to approve the minutes as presented. Director Lauzier seconded the motion. Motion carried. Director Burdick and Director Machado abstained.

President Adams presented the president report.

President Adams called for member comments.

Betsy Hansen, member services representative thanked the Board of Directors for our Medical benefits plan.

At 8:12 a.m. Betsy Hansen, member services representative left the Board meeting.

Pete Scott, CFO, Arizona G&T Cooperatives, presented and discussed Anza Electric's power bill.

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, ACES Donation and other Business.

General Manager and Operations Manager presented and discussed the Load Forecast 2018-2037. After discussion, Director Firth made a motion to adopt the following resolution:

"WHEREAS, Anza Electric Cooperative, Inc. is required by the Rural Utilities Service (RUS) to conduct a Load Forecast Study in order to obtain a better understanding of member-customer and kWh usage trends and historical information, and

WHEREAS, Anza Electric Cooperative, Inc., conducted a Load Forecast Study in a coordinated effort with Arizona Electric Power Cooperative, Inc.,

NOW, THEREFORE BE IT RESOLVED, the Board of Directors hereby approves the Load Forecast Study for 2018-2037 and authorizes the General Manager of Anza Electric Cooperative, Inc. to execute documents associated with the Load Forecast Study and to forward the results to the Rural Utility Service." Director Carlisle seconded the motion. Motion carried by unanimous vote.

At 10:22 a.m. the Board entered Executive Session to discuss the Cahuilla Reservation and the Casino Expansion/Hotel development.

General Manager discussed the legal update on the fire which occurred on August 7, 2017 on Reed Valley Rd.

At 10:53 a.m. the Board returned to Regular session.

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

Government Relations Liaison presented and discussed the SB 901 Wildfires, AB 2911 Fire Safety and CA Approves Goal for 100% Carbon-Free Electricity by 2045.

At 11:39 a.m. Pete Scott, CFO, Arizona G&T Cooperative left the Board Meeting.

Director Burdick presented and discussed the General Manager's expenses for the month of August in the amount of \$183.41. After the discussion, Director Carlisle made a motion to receive and file the General Manager's expenses. Director Firth seconded the motion. Motion carried.

Director Burdick presented and discussed the Directors' expenses for the month of August in the amount of \$21,533.86. After the discussion, Director Carlisle made a motion to receive and file the Directors' expenses as presented. Director Lauzier seconded the motion. Motion carried.

Director Burdick presented and discussed the expenditures for the month of August in the amount of \$1,726,838.74. After the discussion, Director Firth made a motion to receive and file the expenditures as presented. Director Carlisle seconded the motion. Motion carried.

Human Resources Director presented and discussed 2018 Annual Performance Reviews, 2019 NRECA Benefits and ECC Update.

Member Services Manager presented and discussed the Systemwide Outage, Washington Youth Tour and Capital Credits.

Member Services Manager presented and discussed the Capital Credit Estate Settlements for James C Cripps and Paul Lockwood in the amount of \$724.87. After discussion, Director Machado made a motion to approve the Capital Credit Estate Settlements per Board Policy at 50% for a total disbursement in the amount of \$362.44. Director Firth seconded the motion. Motion carried.

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

Fiber Installation Technician presented and discussed ConnectAnza's installation update, Wireless System, Phase 2 Build out, August uptime & outages and bandwidth utilization for the month of August.

Director Machado presented and discussed the Bylaw and Policy Committee report. After discussion of Board Policy No. 108 – "Board of Directors Fees & Expenses", Director Firth made a motion to approve the policy as presented. Director Burdick seconded the motion. Following further discussion Director Firth withdrew his motion. After further discussion Director Machado made a motion to refer policy to October's Board meeting. Motion dies for lack of second. After further discussion Director Carlisle made a motion to approve the policy as presented. Director Burdick seconded the motion. Motion carried.

After discussion, Director Firth made a motion to approve the following policies as presented:

- * Policy No. 400 – "Personnel Policy"
- * Policy No. 400.1 – "Selection of Personnel"
- * Policy No. 400.2 – "Management-Employee Relations"
- * Policy No. 401 – "Wage and Salary Administration"
- * Policy No. 402 – "Employee Business Travel"
- * Policy No. 403 – "Equal Employment Opportunity"
- * Policy No. 404 – "Employee Harassment in the Workplace"
- * Policy No. 405 – "Consultative Management"
- * Policy No. 406 – "Employment Practices"
- * Policy No. 406.1 – "Method of Handling Employee Grievances"
- * Policy No. 406.2 – "General Manager Misconduct Allegations"
- * Policy No. 406.3 – "Alternative Work Schedule Policy"

Director Carlisle seconded the motion. Motion carried.

Director Machado reviewed Bylaw Article IX.

General Manager presented the AEPCO report.

Director Burdick and Director Machado presented the GCSECA report and the Board Response Letter to Trico.

General Manager presented and discussed the GSPC report.

Directors Firth, Carlisle, Burdick, Lauzier Machado and Silkotch, Sr. reviewed the Annual Board Meeting for Wednesday, September 12, 2018

Director Lauzier reviewed the Northwest Public Power Association Board Meeting for September 12-14, 2018.

General Manager presented and discussed the 2018 NRECA Proposed Resolutions.

President Adams presented and discussed the approval of Director Attendance for the Winter School on November 30 – December 5 at Nashville, TN. After discussion,

Director Carlisle made a motion to approve Director Firth to attend. Director Machado seconded the motion. Motion carried.

President Adams presented and discussed the Credentialed Cooperative Director (CCD) for Director Firth and Director Machado.

General Manager presented and discussed the 2018 CFC Patronage Capital Allocation.

President Adams discussed setting date for the Strategic Planning Meeting. After discussion, it was the consensus of the Board to set date for October 16, 2018.

At 1:00 p.m. the Board entered Executive Session to discuss the Employee Relations Committee Report and General Manager's Annual Review.

At 3:15 p.m. the Board returned to Regular Session.

General Manager presented and discussed Raymond Schooley's, Cooperative member, Capital Credit Estate Settlement on his account.

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



Joel Carlisle, Secretary

ATTESTED:



Billy Adams, President

CERTIFICATION

I, Joel Carlisle 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 September 21, 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 21st day of September 2018.



Joel Carlisle, Secretary