

REGULAR BOARD OF DIRECTORS MEETING
ANZA ELECTRIC COOPERATIVE, INC.
MARCH 28, 2019

DIRECTORS PRESENT

Billy Adams, President
Thomas Firth, Vice President
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
Debbie Winger, Telecommunication Manager
Yuri Gudino, Administrative Assistant
Sherri Stafford, Member Services Supervisor
Jennifer Miller, HR Director / Gov. Relations

OTHERS PRESENT

Robert Hargreaves, Corporate Attorney, Best, Best & Krieger
Natalie Ruddell, Principal, Hamilton High School
Amy Allen, College and Career Counselor, Hamilton High School
Laurie Knight, Thimble Club
Anna Cleveland, Thimble Club
Carol Wright, Thimble Club
Catherine Allen, Thimble Club
Erinne Roscoe, KOYT Radio Station
Merrie Kraatz, KOYT Radio Station

The Regular Meeting of the Board of Directors of Anza Electric Cooperative, Inc. was held in the office of the Cooperative on March 28, 2019.

The meeting was called to order by President Billy Adams at 8:05 a.m. Upon calling the roll, Directors Billy Adams, Thomas Firth, 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 Ronald McDonald Donation Request
2. Add KOYT Radio Station Donation Request

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

President Adams called for approval of the minutes of the Regular Board Meeting of February 28, 2019. After discussion, Director Machado made a motion to approve the minutes as presented. Director Burdick seconded the motion. Motion carried.

President Adams called for approval of the minutes of the Executive Session of February 28, 2019. After discussion, Director Machado made a motion to approve the minutes as presented. Director Lauzier seconded the motion. Motion carried.

President Adams called for member comments.

Anna Cleveland, Laurie Knight, Carol Wright and Kathryn Allen from the Thimble Club presented and discussed their request for donation for the Education Program for the Community.

Natalie Ruddell and Amy Allen from the Hamilton High School presented and discussed their request for donation for the Hemet Unified School District Career Technical Education Scholarship.

At 8:50 a.m. Anna Cleveland, Laurie Knight, Carol Wright and Kathryn Allen from the Thimble Club and Natalie Ruddell and Amy Allen from the Hamilton High School left the Board Meeting.

Robert Hargreaves, Corporate Attorney, Best, Best & Krieger presented and discussed the Counsel, Board and General Manager Relationships.

At 9:10 a.m. Robert Hargreaves, Corporate Attorney, Best, Best & Krieger left the Board Meeting.

Erinne Roscoe and Merrie Kraatz from KOYT Radio Station presented and discussed their request for donation for the KOYT Backup Power Equipment.

At 9:37 a.m. Erinne Roscoe and Merrie Kraatz from KOYT Radio Station left the Board Meeting.

President Adams presented and discussed Director Carlisle's Recognition of Service Award.

President Adams discussed the Transmission Committee proposed by Director Machado. After discussion, it was the consensus of the Board to take no action.

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

General Manager presented and discussed the Riverside County Pre-Application Review for 002/1400 Rebuild and Bautista Substation Proposal. After discussion, Director Machado made a motion to approve 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 Bautista substation and circuit 1400 reconductor project and,

WHEREAS, this project requires certain permits to be filed with the County of Riverside and,

WHEREAS, existing AEC Policy delegates operational authority of the Cooperative to the General Manager.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the Executive Summary entitled "Riverside County Pre-Application Review for 002/1400 rebuild and Bautista substation" and attached herein, and duly authorizes the General Manager to execute all documents associated with this transaction."

Director Firth seconded the motion. Motion carried.

General Manager presented and discussed the Caltrans Encroachment Permit Signing Authorization. After discussion, Director Machado made a motion to approve the Caltrans Encroachment Permit Signing Authorization. Director Firth seconded the motion. Motion carried.

General Manager presented and discussed the Board Compensation Bylaw Change Proposal. After discussion, Director Machado made a motion to approve 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 is dedicated to transparency in its operation and governance and,

WHEREAS, Member control of AEC is established through its Bylaws and,

WHEREAS, the elected Board of Directors has determined that responsibility for determining and controlling Director compensation lies with the Members and,

WHEREAS, having researched available methodologies for determining fair and adequate compensation for Directors through the National Rural Electric Cooperative, Inc. Director Compensation Survey;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the Executive Summary Proposed Bylaw Change, "DIRECTOR COMPENSATION," attached herein, and duly authorizes the General Manager to make the Proposed Bylaw change available for consideration by the Members in a General Election to be held at the Annual Membership Meeting on July 27, 2019."

Director Firth seconded the motion. Motion carried. Director Silkotch, Sr. opposed.

Government Relations Liaison presented and discussed the 2019 GSPC Legislative Committee California Legislation Update.

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

Director Burdick presented and discussed the General Manager's expenses for the month of February in the amount of \$1,224.92. After discussion, Director Firth made a motion to receive and file the General Manager's expenses as presented. Director Lauzier seconded the motion. Motion carried.

Director Burdick presented and discussed the following Directors' expenses for the month of February:

Director Adams	\$ 753.60
Director Burdick	\$ 650.00
Director Firth	\$ 658.24
Director Lauzier	\$ 1,573.15
Director Machado	\$ 653.71
Director Silkotch, Sr.	\$ 4,442.87

After discussion, Director Firth made a motion to receive and file the Directors' expenses for the month of February in the amount of \$ 8,731.57 combined total. Director Silkotch, Sr. seconded the motion. Motion carried.

Director Burdick presented and discussed the expenditures for the month of February in the amount of \$1,391,966.74. After discussion, Director Firth made a motion to receive and file the expenditures as presented. Director Lauzier seconded the motion. Motion carried.

Human Resources Director presented and discussed changes in Member Services Management, Semi-Annual Reviews, AEC's Annual Employee Appreciation Day, Employee Wellness Program and American Heart Association.

Office Services Manager presented and discussed the Director Candidate Petitions, Recent Facebook Posts and District Population.

Office Services Manager presented and discussed the Capital Credit Estate Settlement for Joe Mandernach in the amount of \$413.55. 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 \$219.44. 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, new services, construction costs, operational time allotments, the Mountain Center daily peaks and low temperatures and other business for the month of February. After discussion, Director Machado made a motion to acknowledge the safety meeting for the month of February. Director Firth seconded the motion. Motion carried.

At 11:35 a.m. Shawn Trento, Network Administrator and Sandy King, Journeyman Lineman entered the Board Meeting.

Shawn Trento, Network Administrator and Sandy King, Journeyman Lineman presented and discussed the Capacitor Communication System.

At 12:08 p.m. Shawn Trento, Network Administrator and Sandy King, Journeyman Lineman left the Board Meeting.

Telecommunications Manager presented and discussed ConnectAnza's installation update, February uptime & outages, Safety Meeting update from February 26, 2019, Data Center Update, Refurbished Computer Give-away update and bandwidth utilization for the month of February.

Director Lauzier 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. 111 – “Delegations from Board of Directors to the General Manager”
- * Policy No. 112 – “Services of Consultants”
- * Policy No. 113 – “Statement of Functions for the Cooperative Attorney”
- * Policy No. 114 – “Board of Directors Fees & Expenses”
- * Policy No. 115 – “Signing of Documents”

Director Burdick seconded the motion. Motion carried.

Director Lauzier reviewed Bylaw Article III.

President Adams and General Manager presented the AEPCO report.

President Adams presented and discussed the Director Attendance Approval for the Arizona G&T Annual Meeting on May 8, 2019 in Benson, AZ. After discussion a motion was duly made and seconded to approve attendance for the following Directors:

Harold Burdick

Michael Machado

Motion carried.

President Adams presented and discussed the Arizona G&T Annual Meeting Voting Delegates and Alternates. After discussion, a motion was duly made and seconded to approve President Adams and General Manager, Kevin Short as Voting Delegates and Director Burdick and Director Machado as Alternates. Motion carried.

General Manager presented the GSPC report – March 2019 Newsletter and Assembly Bill 281 Letter to Assembly Member Frazier.

Director Lauzier presented and discussed the review of the Board of Trustees Meeting from March 6-8, 2019 in Portland, OR, Board of Trustees Take-Aways, and Scott Corwin named as New Executive Director.

President Adams presented and discussed the Director Attendance Approval for the NWPPA Annual Conference & Membership Meeting on May 19-22, 2019 in Sacramento, CA. After discussion, Director Machado made a motion to approve Director Lauzier to attend the meeting. Director Firth seconded the motion. Motion carried.

President Adams presented and discussed the NWPPA Annual Meeting Voting Delegate and Alternate. After discussion, a motion was duly made and seconded to approve Director Lauzier as Voting Delegate. Motion carried.

President Adams presented and discussed the approval of Director training during the NWPPA Annual Meeting for 956.1 Crucial Conversations in the Boardroom and 958.1 Succession Planning – Developing the Purpose-Driven Organization. After discussion, Director Burdick made a motion to approve Director Lauzier to attend the Director Training. Director Firth seconded the motion. Motion carried.

Director Lauzier presented and discussed the Conduct of Business for the NWPPA Annual Meeting and the Overview of NWPPA Resolutions Process for 2019.

General Manager discussed the Patronage Distribution from Associated Organizations – CFC, CoBank, Federated, and SEDC.

General Manager presented and discussed the CoBank Farm Credit Leasing Documents.

General Manager presented and discussed the Nominations for Ruralite Services, Inc. Board of Directors.

President Adams presented and discussed setting date for the Annual Meeting Committee. After discussion, it was the consensus of the Board to set date for May 30, 2019 following the regularly scheduled board meeting.

President Adams presented and discussed the request for donation for the Thimble Club. After discussion, it was a consensus of the Board to take no action at this time.

President Adams presented and discussed the request for donation for the Hamilton High School. After discussion, it was the consensus of the Board to take no action at this time.

President Adams presented and discussed the request for donation for the Camp Ronald McDonald. After discussion, Director Firth made a motion to donate a 30ft Pole and pole installation. Director Machado seconded the motion. Motion carried.

President Adams presented and discussed the request for donation for the Anza Area Trail Town. After discussion, Director Burdick made a motion to donate \$250. Director Lauzier seconded the motion. Motion carried.

President Adams presented and discussed the request for donation for the KOYT Radio Station. After discussion, Director Machado made a motion to donate \$3,500 and apply for the CoBank Sharing Success matching donation. Director Lauzier seconded the motion. Motion carried.

At 1:17 p.m. the Board entered Executive Session to discuss the Cahuilla Casino Project and the Lantz Fire update.

At 1:24 p.m. the Board returned to Regular Session.

There being no further business to come before this meeting, the meeting was duly adjourned at 1:25 p.m.



Thomas Firth, Vice President

ATTESTED:



Billy Adams, President

CERTIFICATION

I, Thomas Firth do hereby certify that I am the duly elected and qualified Vice President 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 28, 2019, at which time a quorum was present and voting throughout.

IN WITNESS WHEREOF; I have hereunto subscribed my name as the Vice President and affixed the Corporate Seal of said Cooperative this 28th day of March 2019.



Thomas Firth, Vice President