

Minutes of the Board of Directors of the
Sulphur Springs Valley Electric Cooperative, Inc.

January 23, 2019

A regular meeting of the Board of Directors of the Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) was held Wednesday, January 23, 2019 in the SSVEC Willcox headquarters boardroom, 350 North Haskell Avenue, Willcox, Arizona.

President Barrera called the meeting to order at 9:30 a.m. Members arriving at any time during the meeting would be recognized. The following directors were present:

CALL TO ORDER

District

1 - Kathy Thatcher	8 - Peter Gillespie
2 - Curtis Nolan – Treasurer	9 - James Johnson
3 - Pat English	10 - Gary Payne
4 - Tom Goodman - Secretary	11 – Randy Redmond
6 - Dan Barrera - President	13 - Gene Manring – Vice President

Randy Redmond was sworn in as the District 11 director during the meeting of the Committee of the Whole prior to this meeting. All directors were present. Creden W. Huber, Chief Executive Officer, Chris Hitchcock, General Counsel, and the following SSVEC employees were also present: Jack Blair, Orson Garnsey, Daniel Wilson, Jason Bowling, Ron Lee, Nathan Hodges, Curtiss Peterson, and Char Bennett. Also present were Sierra Vista members Tom Kennedy, Ross Lampert, Ron Faulkner, Dennis Ehrenberger, and Joseph Beam.

President Barrera announced there was a quorum.

Mr. Manring gave the invocation and led the Pledge of Allegiance.

President Barrera welcomed Mr. Redmond to the board of directors.

The agenda for this January 23, 2019 meeting was presented.

*APPROVAL OF
AGENDA*

Mr. Huber stated that the depreciation study would not be presented at this meeting.

Mr. Goodman made a motion to approve the agenda as amended. Ms. Thatcher seconded the motion, which carried.

The minutes of the regular meeting held December 19, 2018 were presented.

*APPROVAL OF
MINUTES*

Mr. Nolan made a motion to approve the minutes as presented. The motion was seconded and carried.

Under the Call to Members, President Barrera welcomed the members and thanked them for attending the meeting.

*CALL TO
MEMBERS*

Mr. Beam, Mr. Kennedy and Mr. Faulkner introduced themselves and observed the meeting.

Mr. Lampert read a letter composed by Mr. Kennedy, Mr. Ehrenberger, Mr. Faulkner and himself regarding the recent director search.

Mr. Ehrenberger commented on the nominating committee portion of the director election process and presented a letter composed by Mr. Kennedy, Mr. Lampert, Mr. Faulkner and himself.

Under the Call to Directors, no comments were made.

Call to Directors

The Executive Committee reviewed the board meeting agenda and 2019 GCSECA Legislative Conference schedule.

*GOVERNANCE
COMMITTEE
REPORTS
Executive
Committee of the
Whole*

The Committee of the Whole presented Policies E-22, Nepotism; E-23, Continuation of Group Coverage for Retired, Disabled, Terminated and Divorces Employees; and E-24, Rehabilitative Duty, which were included in the board report.

Policies

After full discussion, Ms. Thatcher made a motion to approve Policy E-22 as presented. Mr. English seconded the motion, which carried.

*Policies E-22, E-23
& E-24 Readopted*

Mr. Payne made a motion to approve Policy E-23 as presented. Ms. Thatcher seconded the motion, which carried.

Mr. Goodman made a motion to approve Policy E-24 as presented. The motion was seconded and carried.

The approved policies are attached to and made a part of these minutes.

Policies E-25, Sexual and Other Harassment; E-26, Continuation of Group Coverage for Retired, Disabled, Terminated & Divorced Employees; and E-27 Employee Drivers Policy, Rehabilitative Duty, were included in the board report and were reviewed by the Committee of the Whole for Board action in February.

The Committee of the Whole presented the Schedule of Writeoffs totaling \$29,794.83.

Finance

Mr. Nolan made a motion to accept the Schedule of Writeoffs as presented. Mr. Goodman seconded the motion, which carried.

The Committee presented the November 2017 Form 7, which was included in the board report.

Mr. Nolan made a motion to accept the November 2017 Form 7 as presented. Mr. Goodman seconded the motion, which carried.

The Committee presented vouchers submitted by a director and the CEO in the amount of \$3,982.24.

Mr. Nolan made a motion to accept the vouchers. Mr. Goodman seconded the motion, which carried.

The proposed 2019 Scholarship Committee list was included in the board report.

*2019 Scholarship
Committee*

After full discussion, Ms. Thatcher made a motion to appoint Jody Klein, Shelley Michaels, Charlotte Taylor, Kris Hagrel, and Jennifer Sorenson to the 2019 Scholarship Committee. Mr. Nolan seconded the motion, which carried.

The Board discussed the NRECA Electric Cooperative Governance Task Force Report on Director Composition.

President Barrera asked Mr. Huber for his CEO Report. A written report was included in the board report.

CEO Report

Mr. Huber introduced Nathan Hodges as the new Chief Operations Officer and congratulated Ron Lee on attaining his NRECA Cooperative Financial Professional Certificate.

Mr. Huber reported on the NRECA CEO Close-Up conference he recently attended and discussed battery storage and interconnection agreements.

GCSECA received 60 applications for the CEO position, will interview five to six candidates, and look for a Board decision in February.

Because GCSECA no longer has a loss control department, Navopache Electric Cooperative, AEPCO, Mohave Electric Cooperative and SSVEC are looking to share the cost of a Loss Control Specialist I position, which would be based at SSVEC. This position will be advertised.

The new Delta Star mobile transformer has been delivered.

Mr. Kennedy left the meeting.

Written staff reports were included in the board report.

STAFF REPORTS

Staff responded to questions asked by directors.

President Barrera asked Ms. Thatcher to begin the AEPCO Report. They reported on the December 12, 2018 board meeting.

AEPCO

The AEPCO Board was updated on risk management, finance, generation and environmental issues.

President Barrera and Director Thatcher presented a capital credit check to AEPCO, which AEPCO then donated to SSVEC youth programs.

Mr. Ehrenberger, Mr. Lampert, and Mr. Faulkner left the meeting.

The 2019 Director Elections and Annual Meeting calendar was included in the board report.

Other Business

Nominating committees had been previously approved during the December board meeting; Mr. Hitchcock subsequently recommended the addition of at least a fourth member to the District 8 nominating committee.

A revised list of nominating committees was included in the board report.

After full discussion, Mr. English made a motion to appoint nominating committees as presented. Mr. Nolan seconded the motion, which carried.

District 6

Betty Williamson, temporary chair
Jim Thelander
Albert Fernandez
Janet Teague

District 10

Aaron Possien, temporary chair
Mike Buckler
Timothy Wyatt
Debra Mayne
Eugene Cattau

District 8

Donald Kyte, temporary chair
Raymond Webster
Corrine Colton
Ryan Reaves
Maurice Andrews

Notices of Nominating Committee for Districts 6, 8 and 10 will be mailed by February 1, 2019. Nominating Committee results will be posted February 15, 2019. An election committee will be appointed in February.

Mr. Beam left the meeting.

President Barrera appointed voting delegates to meetings that will be held during the 2019 NRECA Annual Meeting schedule.

<u>Meeting</u>	<u>Delegate</u>	<u>Alternate</u>
NRECA	Curtis Nolan	Creden Huber
CFC	Curtis Nolan	Creden Huber
NRTC	Creden Huber	
NISC	Creden Huber	

The Board reviewed schedules for the 2019 GCSECA Winter Meeting and Legislative Conference, 2019 NRECA conferences, the 2019 NRECA Annual Meeting, the 2019 NRECA Directors Conference, the 2019 CFC Forum and the CFC Arizona Workshop, which were included in the board report.

With no objections stated, the Board entered into executive session at 12:08 p.m.

The regular meeting reconvened at 1:30 p.m.

There being no further business and no objections stated, President Barrera adjourned the meeting at 1:31 p.m.

Respectfully submitted,

Secretary

Approved:

President