

**2022 Annual Meeting
of Members**

SAN ISABEL

Electric Association, Inc.



It's a Pleasure to Meet You! Ryan Elarton, General Manager

As the new General Manager, I wanted to take a moment to introduce myself, and also a side of San Isabel Electric you may not know.

I'm a people guy, and I'm a numbers guy. I'm not the stereotypical "people person." I'm not the backslapping, fist-bumping guy around the office. I can be, but I'm more often the quiet guy who makes the coffee and stays in the background, but finds a way to relate well to people, know where they are from, and learn something about what makes them who they are. I grew up in Lamar, so I'm quite familiar with the needs and challenges in Southern Colorado. My family became members of San Isabel Electric in 2004 when we moved to Pueblo West, and has now lived in the Greenhorn Valley since 2008. The San Isabel Electric service territory is where we make our home.



I enjoy working with numbers. To me, numbers can be analyzed to help map out strategies and action plans for future success. They're a part of how I evaluate and perceive the world. But, I like to look beyond the numbers and understand the story before making decisions.

I'm just like any San Isabel Electric employee. I think about what is important to you, our members, every day.

While every day we are thinking about what is important to you - reliable, affordable electricity - you probably don't think about San Isabel Electric, the people who keep the lights on, your fridge cold, and your home comfortable.

When you hit the button on your coffee pot in the morning, you probably don't think about San Isabel Electric's lineworkers who maintain over 4,600 miles of line.

When you're driving through the mountains for a hike, you probably don't think about how hard it truly is to get to the remote, rural, rugged terrain many of our electric lines are in.

When the power goes out, most people probably don't think about the ball games and birthday parties many of our employees are missing so our members can have power to watch TV, cook food, or take a hot shower.

Even fewer people think about the people in the office who are monitoring communications to keep the crews safe and members informed. Or the employees who make sure we have plenty of poles, wire, and transformers on hand. Or the people who are making sure our bills are paid, or those ensuring our positions are filled by qualified skilled professionals.

And when you pay your electric bill, you probably don't think about how the price of your electricity has only changed once in the last 13 years, or about who the people are who have made that possible. Those people are your locally elected Board of Directors, people who live in your community that you may bump into at the grocery store, at a local sporting event, at a church function, or a social gathering.

We don't want you to think about us or where your power comes from. That's our job. It's our job to deliver your power safely, reliably, and affordably, and it's our job to think about you, the members.

The most important part of San Isabel Electric is you, the members. Look to us at San Isabel Electric for any questions about the electric cooperative that you own, for questions about your electric service, or for ways to improve your energy usage. We are just a phone call or an email away, at **800-279-SIEA (7432)** or **contactus@siea.com**.



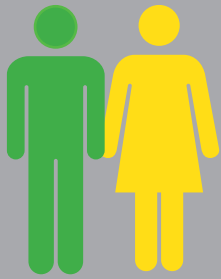
*"We don't just serve
COMMUNITIES.
We are part of
COMMUNITIES."*

ABOUT US

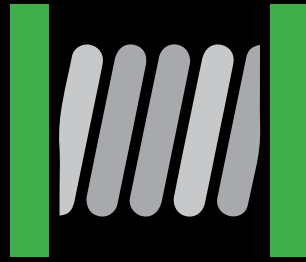
San Isabel Electric Association, Inc. was founded in 1938 by a small group of rural neighbors in Beulah, Colorado. They too wanted the electricity that was illuminating the cities they'd visited. So, they pooled money to bring electricity to the area and the Association was born. Today, just like our founders did in 1938, San Isabel Electric is constantly investigating cutting-edge technology and helping members to make responsible energy decisions. We provide our members with a quality of service that is designed to exceed their expectations; our commitment to community and charitable donations are a testament to our deep investment in the communities we serve.

COOPERATIVE PRINCIPLES

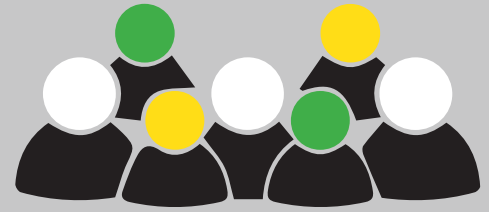
- 1 OPEN AND VOLUNTARY MEMBERSHIP**
- 2 DEMOCRATIC MEMBER CONTROL**
- 3 MEMBERS' ECONOMIC PARTICIPATION**
- 4 AUTONOMY AND INDEPENDENCE**
- 5 EDUCATION, TRAINING, AND INFORMATION**
- 6 COOPERATION AMONG COOPERATIVES**
- 7 CONCERN FOR COMMUNITY**



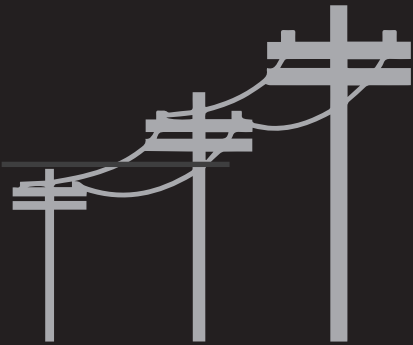
20,539
MEMBERS



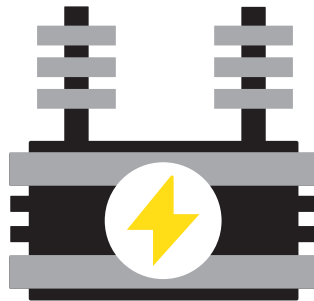
4,673
MILES OF LINE



7
BOARD DIRECTORS



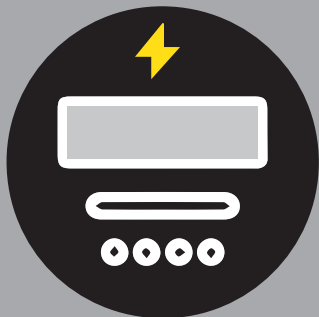
75,000
POLES



20
SUBSTATIONS



80
EMPLOYEES



25,201
METERS



8,108
kw HOURS OF ANNUAL USAGE
PER RESIDENTIAL MEMBER

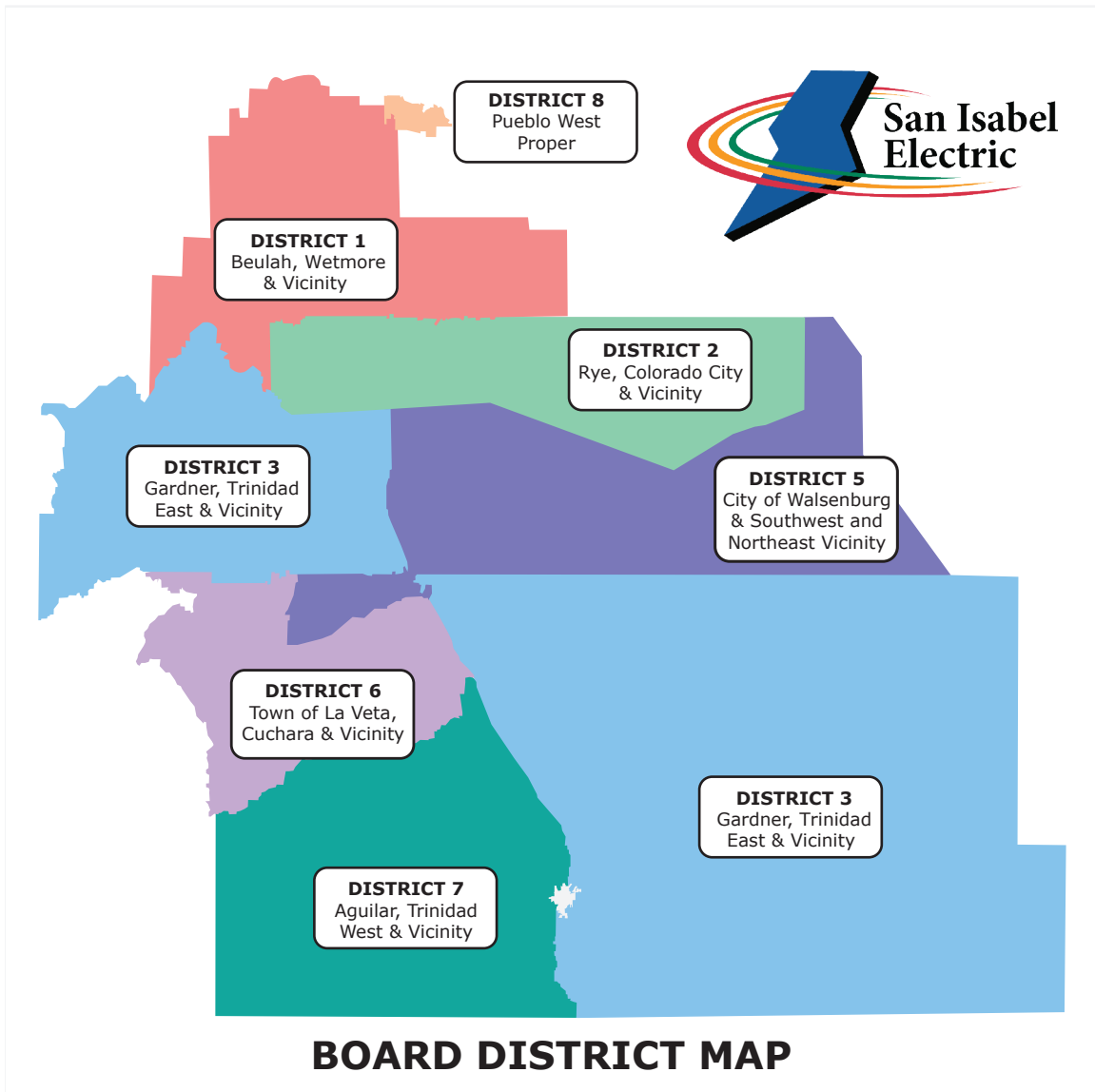


6,600
SQUARE MILE
SERVICE TERRITORY

MISSION

To deliver on the promise of service and value.

BOARD DISTRICTS MAP



BOARD OF DIRECTORS

DEBBIE ROSE
District 1
Beulah, Wetmore,
& Vicinity



DENNIS MARONEY
District 2
Rye, Colorado City,
& Vicinity



EDWARD GARCIA
District 3
Gardner, Trinidad East,
& Vicinity



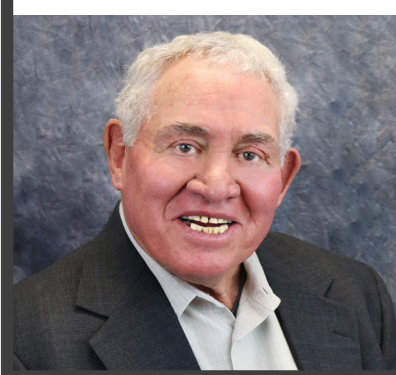
JACQUE SIKES
District 5
City of Walsenburg, and
Southwest & Northeast
Vicinity



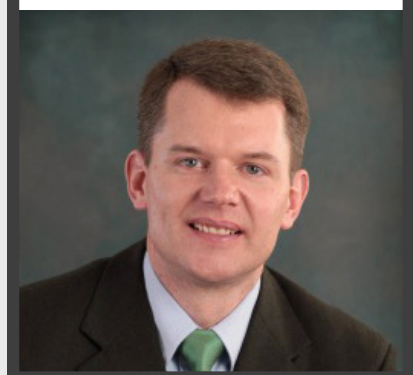
DON KEAIRNS
District 6
Town of La Veta, Cuchara,
& Vicinity



JOSEPH COSTA
District 7
Aguilar, Trinidad West,
& Vicinity



JOHN PICKERILL
District 8
Pueblo West Proper



2021 FINANCIAL REPORT

Balance Sheet

ASSETS

	2020	2021
Utility Plant		
Electric Plant in Service	\$ 209,247,055	\$ 215,435,105
Construction in Progress	<u>28,988,567</u>	<u>37,673,303</u>
Gross Utility Plant	238,235,622	253,108,408
Less: Accum. Depreciation	<u>(103,530,518)</u>	<u>(108,737,091)</u>
Net Utility Plant	\$ 134,705,104	\$ 144,371,317
Investments	\$ 38,658,513	\$ 44,508,483
Current & Accrued Assets		
Cash and Cash Equivalents	437,747	448,074
Accounts Receivable - Net	6,863,974	6,744,090
Materials & Supplies	2,279,785	2,608,821
Other Current Assets	<u>356,333</u>	<u>545,991</u>
Total Current & Accrued Assets	\$ 9,937,839	\$ 10,346,976
Total Assets	\$ 183,301,456	\$ 199,226,776

LIABILITIES & MEMBERS' EQUITY

	2020	2021
Long Term Debt	\$ 86,688,890	\$ 98,024,033
Current & Accrued Liabilities		
Current Maturities of Long-Term Debt	4,849,000	4,987,000
Accounts Payable	4,566,914	4,612,823
Consumer Deposits	5,400,521	6,204,350
Accrued Taxes, Interest, and Other Liabilities	<u>8,021,275</u>	<u>8,409,846</u>
Total Current & Accrued Liabilities	\$ 22,837,710	\$ 24,214,019
Deferred Credits	\$ 1,878,742	\$ 3,485,388
Total Liabilities	\$ 111,405,342	\$ 125,723,440
Members' Equity		
Patronage Capital	56,804,981	57,605,855
Other Equities	<u>15,091,133</u>	<u>15,897,481</u>
Total Members' Equity	\$ 71,896,114	\$ 73,503,336
Total Liabilities & Members' Equity	\$ 183,301,456	\$ 199,226,776

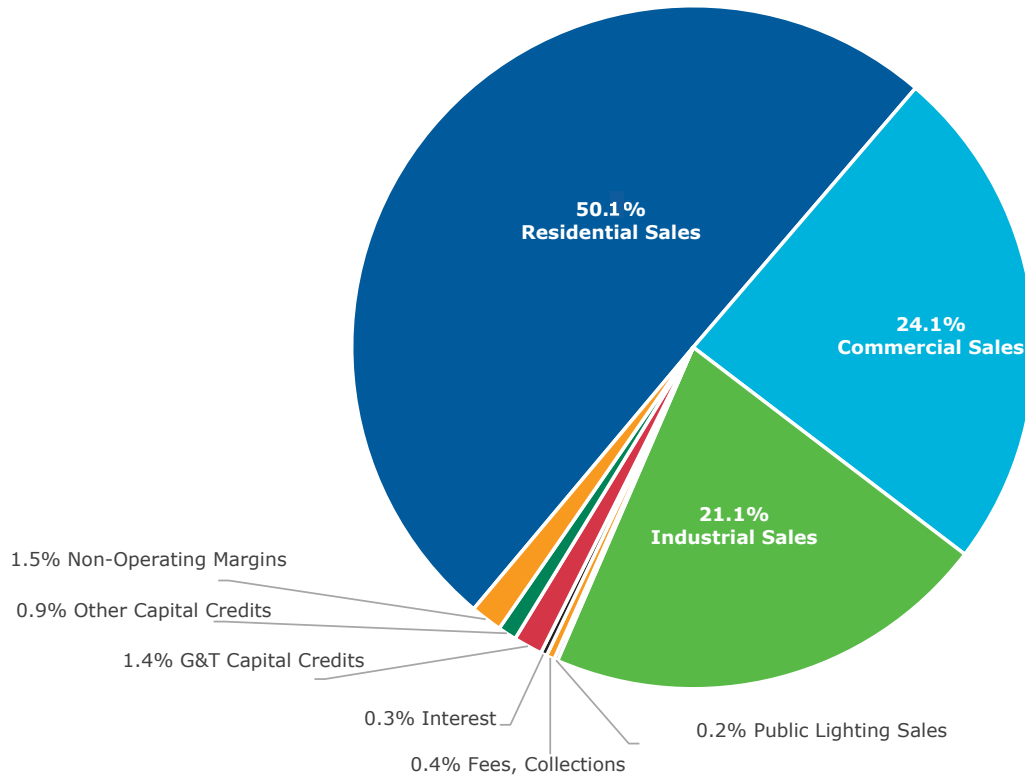
Operating Statement

	2020	2021
Revenues		
Sale of Electricity	\$ 56,045,414	\$ 56,818,284
Other Revenues*	<u>1,923,307</u>	<u>895,215</u>
Total Revenue	\$ 57,968,721	\$ 57,713,499
Expenses		
Cost of Purchased Power	\$ 34,409,215	\$ 34,806,395
Operations	2,592,629	1,954,052
Maintenance	1,816,845	2,279,311
Member Account Services	2,292,745	2,495,564
Administrative & General	3,961,951	4,202,588
Depreciation & Amortization	6,072,525	6,245,351
Interest	3,274,588	3,129,414
Other Deductions	<u>173,337</u>	<u>146,443</u>
Total Expenses	\$ 54,593,835	\$ 55,259,118
Margins	\$ 3,374,886	\$ 2,454,381
*Includes G&T Capital Credits	747,076	812,265

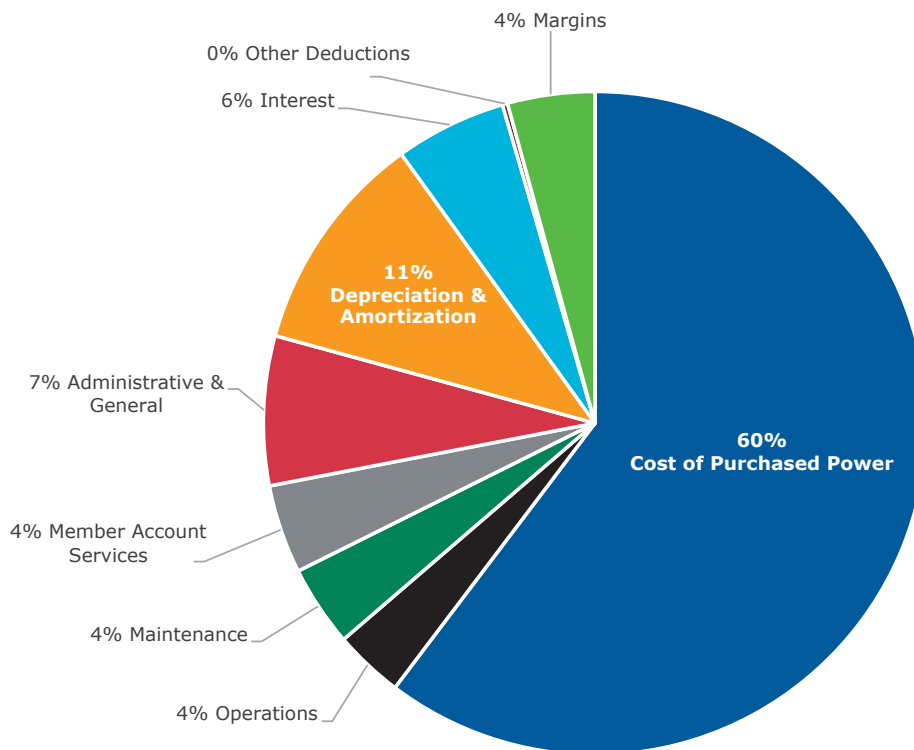
Statistical Information

	2020	2021
kWh Purchased	447,824,205	462,832,822
kWh Sales	424,985,640	430,651,982
Percentage Losses	4.8%	6.5%
Purchased Power / MkwH	\$ 76.84	\$ 75.20
Number of Meters	24,748	25,201
Electric Revenue / MkwH	\$ 131.88	\$ 131.94
Cost of Service / MkwH	\$ 128.46	\$ 128.32
Debt Service Coverage	1.85	1.38
Times Interest Earned Ratio	2.18	1.85
Gross Plant	\$ 238,235,622	\$ 253,108,408
Net Plant	\$ 134,705,104	\$ 144,371,317
Total Debt	\$ 86,688,890	\$ 98,024,033
Percentage of Debt to Plant	36.4%	38.7%
Property Taxes	\$ 1,082,153	\$ 1,399,315
Current Ratio	0.95	1.15
Annual Load Factor	73.9%	74.8%


WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES







As a not-for-profit
cooperative utility,
SAN ISABEL ELECTRIC
provides affordable,
reliable electricity with
exceptional service to
communities throughout
southern Colorado.

SAN ISABEL
ELECTRIC ASSOCIATION, INC.

MINUTES
SAN ISABEL ELECTRIC ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS
September 18, 2021

The Annual Meeting of the Members of San Isabel Electric Association, Inc., was held Saturday, September 18, 2021, at the Pueblo West headquarters office, 781 E. Industrial Boulevard, Pueblo West, Colorado and by remote participation as a precautionary measure to protect against the emergency conditions that exist with the Coronavirus (COVID-19).

Call to Order - The meeting started at 1:00 p.m. and President Jacque Sikes called the meeting to order at 1:13 p.m.

Welcome Membership – President Sikes welcomed the members to the 2021 San Isabel Electric Association 83rd Annual Meeting and thanked them for joining the Board and San Isabel Electric employees. The President made a few standard announcements regarding the virtual format of the meeting. President Sikes thanked the Board for their work throughout the year and commended the San Isabel Electric employees that helped with the preparation of the virtual annual meeting.

Determination of Quorum - The President called on Secretary Donald Keairns, for the determination of quorum. Mr. Keairns certified that there were at least 50 members present, which met the Bylaw requirements and is in compliance with the statutes of the State of Colorado. The official count, as determined by the registration records, was 280 members present. Total of 1,357 members registered.

Affidavit of Mailing of Notice - The Affidavit of Mailing, which was read at the meeting by Secretary Donald Keairns, indicated that the notice of the meeting had been mailed to all members of record on August 20, 2021, and on September 3, 2021.

2020 Annual Meeting Minutes - The President called on the Secretary for the reading of the minutes of the 2020 Annual Meeting. It was regularly moved, seconded, and carried, to dispense with the reading of the minutes and that the minutes be approved.

Treasurer's Report - Treasurer John Pickerill presented the treasurer's report, noting that an independent auditing firm had been retained to perform last year's audit. The auditor advised the Board there were no exceptions to the audit and San Isabel Electric is in good financial condition.

Motion to Approve 2020 Financial Reports - A motion was made, seconded, and unanimously carried, to accept the 2020 financial reports.

Nominating Committee Report - General Counsel Sisto Mazza presented the Nominating Committee report. The following members had been nominated by the Nominating Committee for a three-year term at their meeting held on July 1, 2021:

District 3	Gardner, Trinidad East, & Vicinity	Edward "Ray" Garcia	Three-year term
District 5	City of Walsenburg & Vicinity	Jacque Sikes	Three-year term
District 7	Aguilar, Trinidad West, & Vicinity	Joseph Costa	Three-year term

Dismiss Nominating Committee Meeting – The Nominating Committee was then dismissed.

Nominations by Petition – No nominations by petition were received.

District 3 Board Director Elected – General Counsel Mazza stated that the Board seat for District 3 was uncontested; therefore, the following Director was elected by acclamation to

SAN ISABEL
ELECTRIC ASSOCIATION, INC.

serve on the San Isabel Electric Board, for a three-year term:

Edward “Ray” Garcia District 3 Gardner, Trinidad East, & Vicinity

Mr. Garcia was invited to address the membership.

District 5 Board Director Elected - General Counsel Mazza stated that the Board seat for District 5 was uncontested; therefore, the following Director was elected by acclamation to serve on the San Isabel Electric Board, for a three-year term:

Jacque Sikes District 5 City of Walsenburg & Vicinity

Ms. Sikes was invited to address the membership.

District 7 Board Director Elected - General Counsel Mazza stated that the Board seat for District 7 was uncontested; therefore, the following Director was elected by acclamation to serve on the San Isabel Electric Board, for a three-year term:

Joseph Costa District 7 Aguilar, Trinidad West, & Vicinity

Mr. Costa was invited to address the membership.

Bylaw Vote Announcement – General Counsel Sisto Mazza gave an explanation of the bylaw changes. The ballots are being tabulated by Survey & Ballot Systems and the results will be posted on our website when they become available.

Tabulation of Ballots – The total number of ballots received by mail and on-site was 1,409. There were 1,267 votes in favor of the proposed changes and 140 votes opposed the changes.

Total Mail-In Ballots	1,408	Total On-Site Ballots	1
Approve Votes	1,266	Approve Votes	1
Disapprove Votes	140	Disapprove Votes	0
Unexercised	2	Unexercised	0
Invalid	0	Invalid	0

Door Prize Announcement – All members who registered for the annual meeting will receive a \$20 bill credit that will automatically be applied to their bill that will be received in November. The grand prize was an electric lawn mower. All members who were in attendance for at least half of the meeting were entered into the drawing to win the grand prize. The drawing will take place on September 20, 2021. The winners will be contacted directly, and names posted on the San Isabel Electric website at siea.com/annualmeeting.

Home Energy Makeover Announcement – Mr. Reg Rudolph, General Manager, made an announcement about a \$25,000 in home energy-efficiency and energy conservation improvements prize.

Adjournment - There being no further business to come before the meeting, it was regularly moved, seconded, and unanimously carried, that the meeting be adjourned at 1:27 p.m.



COMMUNITY DONATIONS

At San Isabel Electric, commitment to our communities is one of our core cooperative principles. We are community focused because we belong to and are built by the communities we serve. Giving back to the organizations that help keep our communities strong and growing is important to us. Cooperative sponsorships support a wide range of activities and programs that encourage community growth and development. We strive to make our communities a better place to live and work. Visit siea.com/donations for more information.



SCHOLARSHIPS

San Isabel Electric offers seven different scholarship opportunities for our members and their dependents. San Isabel Electric awarded a record \$39,000 to members and their dependents for the 2022-2023 academic year.

The San Isabel Electric Board of Directors scored the applicants based on their resume, cover letter, letters of recommendation, a 300-word essay, as well as the format, grammar, and punctuation of their overall application. The top-scoring students were invited to interview to compete for a chance to win a \$5,000 Powered-Up Scholarship. For more information on specific scholarships and how to apply, visit siea.com/scholarships.



YOUTH CAMP & YOUTH TOUR

YOUTH TOUR

The idea for Youth Tour came from President Lyndon B. Johnson who advocated for rural electrification and youth development. In 1957, when he was still a U.S. Senator, Johnson suggested “sending youngsters to the nation’s capital where they can actually see what the flag stands for and represents.”

This idea evolved into a nationwide effort to send youth on an organized, fun, and educational trip in the 1960s. Now, over 50 years later, electric cooperatives from across the country send over 1,800 youth to the nation’s capital every summer.

Washington D.C. Youth Tour candidates compete for a spot in the Washington, D.C. Youth Tour, a week-long, all-expenses-paid trip to Washington, D.C., sponsored by San Isabel Electric and organized by the Colorado Rural Electric Association, the National Rural Electric Cooperative Association, and the Colorado Electric Educational Institute.

YOUTH CAMP

This weeklong adventure brings together about 100 students from Colorado, Kansas, Wyoming, and Oklahoma in the mountains near Steamboat Springs, CO. Students learn about the cooperative business model and gain leadership skills that will serve them well throughout their life. There is also plenty of time set aside for campers to explore and enjoy the mountains of Colorado.

For more information and to apply visit siea.com/youthleadership.



CAPITAL CREDITS

You might not realize it, but when you signed up to receive electric service from San Isabel Electric, you became a member — and owner — of an electric utility. While investor-owned utilities return a portion of any profits back to their investors, electric co-ops operate on a not-for-profit basis. So instead of returning leftover funds, known as margins, to investors who might not live in the same region or even the same state as you, we periodically issue capital credits based on how much you paid the co-op for electricity during a specified time period.

Since 2015, San Isabel Electric has retired over \$6.3 million in capital credits. Your capital credits remain on the books in your name and member number until they are retired. Because payments continue to be made many years after credits are earned, you should ensure that SIEA always has your current mailing address. Please email us with your name and updated address to capitalcredits@siea.com or contact our office at **(800) 279-7432**.

UNCLAIMED CAPITAL CREDITS



San Isabel Electric publishes a list of members whose Capital Credits checks from the prior year remain unclaimed and amount to \$10 or more. If your name is on the list, please contact our office at **(800) 279-7432** or check the list online at siea.com/capitalcredits. You may also contact us by e-mail at capitalcredits@siea.com. You may be required to provide proof of identity before claiming Capital Credits. A complete list of members with unclaimed Capital Credits from the prior year will be available June 1.

WAYS TO PAY

Here at San Isabel Electric, we offer different payment options that are convenient for everyone to use.



PAY IN PERSON

Pay in person with credit/debit cards, cash, check, or money orders at a local office Monday through Friday from 8 a.m. to 5 p.m., excluding holidays.



ONLINE WITH SMARTHUB

Make bill payment easy with SmartHub. Pay your way with SmartHub's convenient and secure payment options. Through SmartHub, you'll be notified when your bill is due and you can pay securely with just a few clicks through your stored payment information in the mobile app or on the web. Save time and avoid late fees or service disruptions by signing up for automatic payments. Set up your preferred payment method and take care of your bills quickly and conveniently.



PHONE

You are welcome to make payments using our secure system over the phone at 1-888-472-0297.



MAIL

You can mail your payments to 781 E. Industrial Blvd., Pueblo West, CO 81007. Please do not send cash.



PREPAID

San Isabel Electric's prepaid program allows you to pay on your own schedule. No deposit is required. You have the ability to monitor electric usage and your account balance. Prepay for your electricity and save money!



PAY AT SELECT LOCAL RETAILERS

Now offering cash bill pay at Dollar General, Family Dollar, 7 Eleven, Walgreens, Travel America, and Walmart. Scan the barcode on the bottom of your monthly bill or in SmartHub at the checkout register to make your payment. SIEA will refund one \$1.50 convenience fee per billing period. To find a location visit pay.vanilladirect.com/pages/retailers.



MONEYGRAM

You can use MoneyGram when making your San Isabel Electric payment. MoneyGram is a way San Isabel Electric allows members to pay their bills in cash without making an extra trip to one of our offices. This payment option can be found at locations that offer MoneyGram services like Walmart, gas stations, and thousands more.

OUR LOCATIONS

**OPEN MONDAY – FRIDAY
8:00 A.M. – 5:00 P.M.**

WALSENBURG & TRINIDAD OFFICES ARE CLOSED FROM 12:30 P.M. TO 1:30 P.M. DAILY



PUEBLO WEST

781 E. Industrial Blvd.
Pueblo West, CO 81007



WALSENBURG OFFICE

122 W. 6th Street
Walsenburg, CO 81089

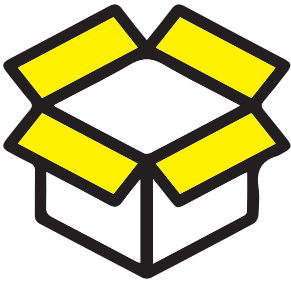


TRINIDAD OFFICE

1930 E. Main Street
Trinidad, CO 81082

EMPOWER

Let us help you bundle energy efficiency upgrades and meet all of your energy goals in one package. Invest in your home, in your comfort, and begin generating energy savings from day one.



PRODUCTS & SERVICES

- ⚡ Electric thermal storage (ETS) heaters
- ⚡ Water heaters
- ⚡ Insulation
- ⚡ Whole house and attic fans
- ⚡ High volume low speed (HVLS) fans
- ⚡ Generators
- ⚡ Garage heaters
- ⚡ Solar photovoltaic (PV) systems
- ⚡ Battery storage systems
- ⚡ Heat pump HVAC systems



FINANCING AVAILABLE

Most products are eligible for Empower financing.

- ⚡ On-bill financing
- ⚡ Low interest rates
- ⚡ Terms up to 20 years
- ⚡ No money down
- ⚡ No fees

ZERO FOR 12**Affordable energy efficiency products with 0% financing for 12 months****HOW IT WORKS**

Qualified San Isabel Electric members will pay 0% interest on up to 100% of the project's cost. This is not a buy-now-pay-later program. Instead, the project's costs are spread out over a 12-month period. You pay for these improvements as a line item on your electric bill. Learn from our energy experts, get access to reliable contractors, quality assurance, and zero interest financing for one year on up to 100% of the project cost. Call **719-647-6250** or visit siea.com/zerofor12 for more information.

TERMS

- 0% interest for 1-year
- No origination fees
- No prepayment penalties
- No money down; finance up to 100% of the project

PRODUCTS AND PROJECTS

- Electric thermal storage (ETS) heaters
- Water heaters
- Insulation
- Whole house and attic fans
- High volume low speed (HVLS) fans
- Generators
- Garage heaters
- Solar photovoltaic (PV) systems
- Battery storage systems
- Heat pump HVAC systems

WHAT CAN'T BE FINANCED

Your current or past due electric bill balance is not eligible for this offer.

REBATES

San Isabel Electric pays members cash for certain energy efficient projects and upgrades. The amounts vary but can be substantial. Rebates are only available for SIEA members. As a not-for-profit, member-owned electric cooperative, costs for providing electricity are spread out across the membership. So, when San Isabel Electric members make energy efficiency upgrades to use less power, the co-op doesn't have to buy as much power. When you save, the whole cooperative saves too. Visit siea.com/rebates for more information and a complete list of rebates.

OUTAGES

Reporting outages is easy, even when you don't have electricity or wifi. Here are the four ways you can report an outage:

1 TEXT OUT TO 844-959-3013

Just text the word OUT to 844-959-3013. This is the same toll-free number that you receive text notifications from if you are signed up for text notifications about outages, billing and other services. Make sure to save this number in your phone's contacts for easy future reference. The text must come from a mobile number that is linked to the member-owner's account. Members can update phone contact information with SmartHub. If you need assistance call 800-279-SIEA during business hours and a representative will help walk you through it.

2 USING SMARTHUB

If you experience an outage, reporting it is easy when you have power in the palm of your hand. Using the data on your phone you can access SmartHub, San Isabel Electric's mobile account management app. Visit siera.com/outage-preparedness to learn more about using SmartHub.

3 SMARTHUB ONLINE

Just sign in and click REPORT AN ISSUE. Select POWER OUTAGE and enter the outage information on the next screen.

4 GIVE US A CALL

You can always report power outages by calling our outage reporting line at 1-800-279-SIEA (7432). Our outage reporting line is staffed 24/7.

WE DO OUR BEST TO AVOID POWER OUTAGES, BUT SOMETIMES MOTHER NATURE HAS DIFFERENT PLANS.

Here's how we go to work when you find yourself in the dark.



HIGH VOLTAGE TRANSMISSION LINES

These lines supply power to transmission substations and rarely fail, but when damaged, line crews must repair these first.



DISTRIBUTION SUBSTATION

Substations can serve hundreds or thousands of members. When an outage occurs, line crews inspect substations to determine where repairs must be made.



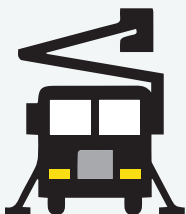
DISTRIBUTION POWER LINES

If the outage can't be isolated at distribution substations, we inspect the distribution lines. These are lines that carry power to your community.



TAP LINES

If the power outage persists, we inspect the tap lines. These lines deliver power to the transformers located on utility poles or on pads for underground service.



INDIVIDUAL HOMES

If your home remains without power, the service line between the transformer and your home may be the culprit.



KEEPING YOU UPDATED

Outage alerts are available with SmartHub, and outage updates are typically posted at siea.com every two hours.

SAN ISABEL

Electric Association, Inc.

www.siea.com
(800) 279-7432

