

MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS
OF
POLLUTION CONTROL CORPORATION OF THE COUNTY OF COCHISE

A political subdivision of the State of Arizona

October 2, 2017

The board of Directors of the Pollution Control Corporation of the county of Cochise met on October 2, 2017 in a meeting room at the Arizona Electric Power Cooperative, Inc., Apache Station, Cochise, Arizona.

The meeting was called to order at 10:13a.m. by President Gerald Muir. It was noted that in accordance with the open meeting law, should members of the public be present, they address the chair. Present were: Joe King, Mgr. of Financial Services; Megan Mamula, Financial Analyst II-Treasurer Mgt; Rohan Pease, Treasury Services Mgr; Joan Davenport, Financial Planning Analyst III; all from Arizona Electric Power Cooperative. Also present was Linda Olsen, prospective board member. All remained throughout the meeting.

The President noted that the meeting had been called pursuant to (a) written notices sent to each Director, the Board of Supervisors of Cochise County and (B) Snell and Wilmer, Attorneys and (C) notices posted in Bisbee, Willcox, Pearce and notices published in the Range News on September 20 and 27, 2017.

It was noted that one item on the agenda needed to be deleted. It was moved and seconded that the corrected agenda be accepted. Motion Carried.

The president then asked the secretary to call the Roll. Present were Gerald Muir, Mary Dobers, Edward Borgnaes and Patricia Pinson.

It was noted that the six year term for Edward Borgnaes would expire before the next meeting. His renewal to remain as a member will be sent to The County Board of Supervisors along with the application for Linda Olsen for the board. It was moved and seconded and motion carried

A special meeting will be called to seat the new board member, upon approval by the County Board of Supervisor.

The next item of business was the reading of the minutes of the October 3, 2016 annual meeting. It was moved by Mary and seconded by Edward that we dispense with the reading since all had been sent copies. Motion carried.

The president then asked for nominations for the officers for the coming year. It was moved by Mary and seconded by Patricia that the current officers be elected by acclamation. Motion carried.

The president asked for review and approval of the annual financial statement. It had been audited by Kathleen Ortega, Auditor and approved as presented. It was moved and seconded it be accepted. Motion carried.

The annual report to the Arizona Corporation Commission had been filed for the current year by Parasec, a Division of Paracorp, the statutory agent. Their annual filing fees and expenses attached, were presented to the board.

It was moved and seconded that the expenses of the annual meeting be paid. Motion carried

Mr. King provided updated information regarding the status of Arizona Electric Power Cooperative's regarding environmental compliance pursuant to Environmental Protection Agency (EPA) standards for mercury and air toxics and regional haze. The clean Power Plan is still under the stay order issued by the U.S. Supreme Court early last year. The conversion of Steam Turbine 2 (ST2) from coal to natural gas as the primary fuel source is still scheduled to be completed by December of 2017. AEPCO is currently using calcium bromide and activated carbon to remove mercury from coal emissions. Testing of various coal blends is underway to assess the effectiveness of a new treatment that would replace the current activated carbon for the removal of mercury. Mr. King discussed the implementation of the Company's Environmental Adjustment Rider (ECAR) for the recovery of expenses related to environmental compliance. ECAR was approved by the Arizona Corporation Commission and allows for the recovery of activated carbon and urea expenses from its Member cooperative.

The meeting was adjourned at 10:45 and Gabriela Cartmell, notary came in to Notarize the necessary papers for the corporation.

Respectively submitted,
Patricia Pinson, Sec-Treas.

