

**1. CALL TO ORDER**

President Felicelli called the meeting of the San Miguel Power Association Board of Directors to order at 9:30 a.m. All Directors were present.

**2. APPROVAL OF CONSENT AGENDA**

Director Garvey motioned to approve the consent agenda. Director Rhoades seconded. The motion was voted on and carried.

**3. MEMBER OR CONSUMER COMMENTS**

Director Cokes met with the member who was interested in bringing forward a member initiative to do away with the opt-out fee. She thanked staff for forwarding a copy of the correct section of the bylaws that addresses the member request.

A member approached Director Cokes who believes that she has found a way in which SMPA can obtain more than the 5% limit with Tri-State. This member will be at the Evening with Your Coop event that is scheduled to take place on December 16<sup>th</sup> in Ridgway.

Director Cokes thanked staff for their participation in the light parade. The event was a success.

**4. CEO REPORT**

**Board Donations**

Director Alexander asked to donate \$100 to Angel Baskets and \$200 to Town of Norwood designated for the banners on the light poles.

Director Cokes asked to donate \$250 to the Great Old Broads for Wilderness designated specifically for the Northern San Juan Broadband based in Ridgway. \$250 to the Uncompahgre Watershed Partnership and \$200 the ROCC designated for ROCC Talks speaker fees, travel and rental fees for experts on renewable energy and climate change issues.

**Company Events**

President Felicelli was pleased with the recent Christmas party. He thanked everyone for their attendance. Director Garvey was appreciative of the YETI cups for each employee.

Directors were reminded that "An Evening With Your Coop" event is scheduled for Wednesday, December 16, 2015 at Provisions Coffee Shop in Ridgway at 6:00 p.m.

A retirement luncheon for Kevin Ritter is scheduled for Thursday, December 17, 2015 at noon in Ridgway.

**Finance**

**Banking Authorization**

Directors were informed that new signature cards have been requested through the banks. Directors were asked to approve a resolution that gives authorization for the board officers and Jim Link and Cal Rutherford as signers on SMPA bank accounts. Director Sibold motioned to give authorization to the board officers and to Jim Link and Cal Rutherford as signers on SMPA accounts. Director Justis seconded. The motion was voted on and passed unanimously.

### **October Financials**

Directors were provided the October financials for review and questions. President Felicelli noted that TelSki's energy usage was up substantially from 2014 in October. Brad Zaporski shared that this may have happened because TelSki has now taken over ownership of The Peaks resort.

Director Sibold shared his concern in determining the costs to provide service to various categories i.e. rural residential, commercial etc. Is there a way to determine the costs for each of these categories? Will that help SMPA identify where resources should be placed to improve efficiency and effectiveness. General discussion took place about cost to distribute numbers and the pending cost of service study.

### **November Expenditures**

Directors reviewed the November 2015 accounts payable expenditure report.

President Felicelli questioned the check written to CREA for the special assessment for DMEA. Director Alexander shared that this was a special assessment provided to DMEA to fight a territorial dispute with the City of Delta.

Director Garvey questioned the check written to Wasatch Electric. Paul Enstrom responded that Wasatch was the contractor performing the work on the Red Mountain line replacement.

### **Budget Presentation**

Manager Link shared that he emailed answers to the budget questions from Directors. He shared that staff in January will be reviewing departmental budgets to address specific questions on line items. The IT department budget has generated the most questions. Jim & Susan are meeting to discuss the overall IT plan, where are we now and where are we trying to get to. Jim is not comfortable in recommending the IT budget at this time until he and staff have had an opportunity to review and learn more about the overall plan. Jim suggested that Directors may want to approve the overall 2016 budget and give him some flexibility to approve IT related purchases between now and the January board meeting. Directors will be updated on the progress by staff on the departmental budget review. Brief discussion took place on how long capital items are depreciated. Director Sibold voiced his appreciation for staff providing a conservative budget.

Each senior staff member gave a brief overview summary of items included in their budgets. Directors were able to ask questions regarding the individual departmental budgets. Discussion took place on the corporate donations budget, member ambassador program, construction work plan projects, and anticipated capital credit retirements. Director Alexander motioned to approve the 2016 as presented and to withhold the IT budget until January 2016 and to allow the interim CEO to make necessary IT purchase until the IT budget is approved. Director Sibold seconded. No discussion was presented. President Felicelli thanked staff for their efforts in completing the 2016 budget. The motion was voted on and was passed with a unanimous vote.

Paul Enstrom mentioned to the board that he had made an error in the operations report in stating that the Red Mountain project came in well under budget. The project actually came in slightly above budget.

## **Marketing & Member Services Qualifying Facilities**

Manager Link reported that staff is still considering a couple of options on qualifying facilities. SMPA can choose to negotiate with the qualifying facility on our own. Another option is to file a waiver with FERC, but the PPA must be negotiated with Tri-State. If negotiated with Tri-State, we would probably do a new PPA with them under a new policy similar to 118; perhaps not as generous. They would have a void cost, energy only, for this PPA and it would have to be a "take it or leave it" deal. The down-side to that is it would be a tough sell because Mountain Village would only receive recs with no reduction to carbon footprint. The other option, as a Co-op, we want to encourage qualifying facilities and we could build it into the rate base or surcharge that area. That option is clear. The option where we keep the QF has more uncertainties. Manager Link is concerned of the unknown. The risk of not knowing what Tri-State will do needs to be covered by either adding to the rate base when known by surcharges or implement a mandated 2% increase. In February, we may know the Tri-State rate base and then would need a board decision. Once they adopt a policy and we have a QF with PPA it then becomes a revenue issue for SMPA. Director Justis agreed that clarification from Tri-State is key.

Brad updated the board on Tri-State's staff discussions regarding solar insulation – nothing is set in stone. Five percent is no longer an option.

## **Policy Review**

Holidays (Non Bargaining) Policy – Manager Link clarified that most co-ops receive 8 (eight) days off, even on a ten hour per day schedule; SMPA currently offers 7 (seven). The revised policy for board adoption reflects 8 (eight days) of Vacation.

Sale of Used Surplus Equipment or Material – re-adoption with no changes

Purchase of Automobile or Heavy Equipment – re-adoption with no changes

Director Rhoades moved to approve the above three policies as presented. Director Cokes seconded the motion, it was voted on and carried.

## **Attorney's Report**

Director Cokes moved to go into executive session off-site to discuss matters of personnel. Director Garvey seconded the motion. The motion was voted on and carried. While in executive session, no decisions were made and no votes were taken.

**Associated Meeting Reports**

**CREA – Dave Alexander**

Director Alexander was unable to attend the meetings, but did report that the House and Senate voted to disapprove the clean power plan and the President is expected to veto it. DMEA vs City of Delta: CREA filed brief with the court of appeals.

**Western United –Dave Alexander**

Western United scheduled a tour of new facility and it should be up and running after first part of the year. They also broke ground in New Mexico and will begin building. Sage Grouse will be an ongoing issue. CREA Annual meeting registration is open and will be held at the Marriott City Center: February 27 - March 1.

Fall meetings date (Energy Savings) moved to September 10 – 13.

Randy Wesberg was introduced as CREA's new director of Safety Training and Loss Control, taking Mike Williams' place. His staff includes Curt Graham, Angela Myer and Dan Whitesides.

**Tri-State – Jack Sibold**

Report attached

**Eco Action Partners – Jack Sibold**

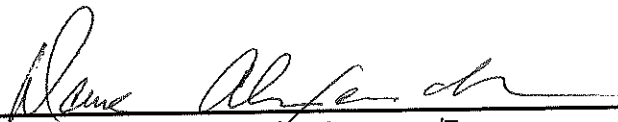
Report attached.

**Strategic Planning** - A meeting date for the Strategic Planning date was scheduled for Thursday, February 11th. Meeting arrangements will be made with the Chipeta Solar Springs Lodge in Ridgway.

**Board Travel** – Rooms have been secured but the conference registration will be done in the new budget year – after January 1.

**Next Meeting** - January 26, 2016 in Ridgway.

**Adjourned**



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Dave Alexander, Secretary/Treasurer