

1. CALL TO ORDER

President Felicelli called the meeting to order at 9:30 a.m. Due to weather conditions Director Garvey was in attendance via video conference. Director Alexander arrived at 9:45 a.m.

2. APPROVAL OF CONSENT AGENDA

President Felicelli entertained a motion to approve the consent agenda with minor corrections to the minutes. Manager Ritter made a correction to the January 2015 CREA meeting report. Director Justis motioned to approve the consent agenda with the presented changes. Director Rhoades seconded. The motion was voted and approved.

3. MEMBER OR CONSUMER COMMENTS

Director Cokes reported she had an inquiry regarding a line extension. Both Jeremy Fox and Terry Daley were very helpful to her.

Director Cokes shared information regarding the Uncompahgre Watershed Partnership who are planning a conference in Mountain Village on May 28th & 29th. She stated it has been a well-attended conference and suggested SMPA may want to participate. Manager Ritter reported a member of SMPA staff would participate. He has also been informed that Tri-State will participate as well.

Director Rhoades thanked SMPA for the sponsorship of the Silverton Skijoring event held the previous weekend.

Director Sibold reported he received a phone call from Ms. Carradine and the information was passed along to staff. Manager Ritter shared some background on the nature of her complaint.

President Felicelli shared that he received many calls regarding the recent outage. He thanked the crews both SMPA and Tri-State that worked quickly to restore service.

4. CEO Report

A. Introduction of Employee Guests, Byrd Williams and Claude Barrett, Journey Line Technician.

The employee linemen were introduced to Directors. Each gave a brief summary of their background and how long they have worked for San Miguel Power.

F. Montrose Community Foundation

Director Garvey shared that the donation committee met just prior to the board meeting. The committee is working on composing a letter and criteria defining economic development. Once the letter is final it will be mailed out to various communities in the SMPA service territory. Discussion took place about also including something in the member newsletter.

H. Board Donations

Directors were provided documentation on a funding request received from the West End Pay It Forward campaign. Brief discussion took place. The group's letter stated they wished to make a presentation to the SMPA Board of Directors. Directors chose to wait until the group contacts SMPA to set up a presentation and learn more about the group.

L. Silverton Lots

Toni Bertorello shared that she received a phone call from a realtor in Silverton who was inquiring about the vacant lots SMPA owns. A brief history of the lots was provided. The last time SMPA had the lots listed with a realtor was in 2008. Discussion took place about the need for equipment storage and employee housing. Discussion took place about market changes and what the property value is now. Director Garvey asked for a summary listing of all property that SMPA owns and how much in annual property tax is paid. The subject was tabled until March.

M. Election Calendar

Directors were provided a timeline of the notifications and deadlines associated with the Director election and the annual meeting. Directors reviewed the composition of districts as required by the Bylaws. Directors chose to keep the districts as they are and to revisit the possibility of redrawing district boundaries for a more even distribution after the annual meeting.

Directors chose to accept staff's recommendation to set the Date of Record as May 1, 2015. Manager Ritter explained that this would be the last date members could make changes to their account i.e. changing their primary account or adding or removing names from account, for this year's election. Director Alexander motioned to set date of record as May, 1, 2015. Director Sibold seconded. The motion was voted on and carried.

Directors were informed they needed to appoint an independent third party to oversee the election. In the past Directors selected Attorney Link to perform this duty. Attorney Link shared that other cooperatives sometimes hire an election service to perform this function. Director Rhoades motioned to select Attorney Link as the independent third party to oversee the election. Director Alexander seconded. The motion was voted on and passed unanimously.

Toni Bertorello reported she will soon schedule the "Notice of Right to Nominate" legal notice in the Telluride newspapers. Those interested in becoming a candidate must complete the self-nomination form which requires collecting at least fifteen signatures from District Two and to agree to director qualifications by signing the nominee certification and qualifications form. The deadline to submit the completed forms is April 27, 2015.

N. Finance

i. 219's for board approval

To give a brief summary for the benefit of newer Directors Manager Ritter shared the basic steps for seeking RUS loans funds i.e. developing a construction work plan (CWP), completing projects in the plan, inspection of completed work plan projects, and seeking reimbursement from RUS. Terry Daley gave a brief presentation on completed CWP projects totaling \$2.6 million dollars. The projects were inspected by Dave Rightley of Exponential Engineering. The work is divided into categories of distribution, new tie lines, conversions and line changes. Directors were informed this is a multiple approval process in which Directors can approve the draw of loan funds. Director Justis motioned to approve the President to sign the 219 forms. Director Alexander seconded. The motion was voted on and carried.

v. Evaluation of Disconnect Procedures

This agenda item was brought back from the previous month. Manager Ritter shared the email responses he received from other cooperatives on winter disconnect procedures. Directors were reminded that the General Rules and Regulations are a tariff and if anything changes in the policy it will need to go through a notification process and public comment period for members. Directors were encouraged that if there are other areas in the Rules that need clarification to please bring them forward at this time for discussion.

Director Justis recently attended the President's breakfast at the CREA Annual Meeting. He asked about the winter disconnect procedures other cooperatives used. The responses he received were limited. A number of cooperatives were involved in or exploring the pre-pay options.

Director Justis reported that the letter his neighbor received was delayed due to the holidays and the member was feeling fearful that his power would be turned off. Director Justis believed that improving communications about the disconnect procedure may be worthwhile. He also encouraged the need to maintain updated member contact information i.e. phone number, cell phone number, email addresses.

Director Justis reported he checked with his personal insurance company to see if he would be covered for damage to property if the power was turned off. His insurance would not reimburse for damage to replace the frozen pipes but they would pay for the damage caused by the frozen pipes. Discussion took place on the auto disconnect options and pre pay. Directors reached consensus to direct staff to further explore the pre pay program options and to provide a cost analysis.

Manager Ritter reminded directors that SMPA has some meters that are inaccessible to SMPA crews. Per our revised Rules and Regulations SMPA plans to begin contacting those members to notice them that the meter must be moved to be accessible. Once staff begins to contact these members it is possible that the Directors may be contacted by members to complain about this issue. Discussion took place. The Directors reached consensus to stay with the current policy regarding meter access issues. Directors preferred staff to handle the corrections and realize that each situation could be unique, but to bring matters to the full Board of Directors if needed. This includes giving staff discretion on dealing with situations that have been in place for long periods of time.

Directors reviewed the redlined suggested changes to the General Rules and Regulation. The changes reflected that SMPA will perform the auto draft on the 25th of the month or later. The other significant change is that the late charge would not be assessed until the next time that billing is processed, which would give member approximately one month before a late charge is assessed. Directors reviewed the language. No discussion was presented. No action was taken at this time to determine if there are other needed changes to the policy.

vi. Financial Reports

Manager Ritter noted that the December 2014 financials presented are the year-end unaudited financial reports. Director Justis noted also that the December margins were low because of the December refund to members.

vi. Expenditure Report

Directors reviewed the expenditure report. No discussion took place.

viii. Annual Director Expense Summary

Manager Ritter shared that per policy the Directors are to review and approve the annual director expense summary. The summary was included in their Board packet. Director Justis motioned to approve the annual summary of Directors expenses. Director Alexander seconded. The motion was voted on and approved.

O. Marketing & Member Services

vii. Communications

8. Youth Programs & Silverton Scholarship

Directors were informed that the Silverton School does not have a graduating senior in 2015 therefore no SMPA scholarship could be designated. Directors were asked if they would like to re-designate the scholarship funds. Discussion took place. The deadline for the judging committee to submit their scores was at 5:30 today. Director Garvey motioned to award \$500 scholarships to each of the next four runner up students based on their overall score from the scholarship committee. Director Rhoades seconded. The motion was voted on and approved.

ix. Energy Services

3. RED LG Loan

Brad Zaporski reported that he received final confirmation that the Silverton Fire Department is unable to apply for a Red LG loan since it would be considered a refinance. Manager Ritter asked Directors how proactive Directors would like staff to be to seek out possible projects. Discussion took place. Directors reached a consensus to not have staff actively pursue projects at this time, but to bring back for consideration anything that comes to their attention that may be a good project.

S. Engineering

ii. Construction Handbook

Terry Daley reported that some changes in the construction hand book have been made to become more consistent and efficient. Staff has rolled out the new changes by scheduling contractor meetings across the service territory. Jeremy Fox gave a presentation regarding the changes. The last time changes were made to the handbook was 2011. The handbook covered the trenching standards and material tracking. Contractors were informed that conduit is available for purchase through SMPA. Temporary services were outlined. SMPA has added an expiration date of 18 months for temporary service. 28 different companies were represented at the contractor meetings. The website has the construction handbook available for download and is also available on the SMPA mobile website. The standards set forth in the handbook ensure the reliability of the electric system for the workflow of the construction and communication with members. Director Rhoades shared that he and others from his company attended and he felt the presentation was well accepted.

viii. Nucla Breaker

Manager Ritter shared that SMPA has ordered the transformers for Nucla and a spare and realized that having a trailer to move them would eliminate the need to pay for crane service and save some on costs. The budget dollars for this project are not changing but Manager Ritter wanted to keep Directors advised that the scope of the project had changed to include the purchase of the trailer. He had approved the change within the scope of his discretion on budget items.

T. Operations

i. Safety Improvement Plan

Terry Daley gave a presentation of the Safety Improvement Plan (SIP). The plan outlines objectives for staff to meet for safety improvement over the next three years. The objectives outlined were to help improve the safety culture throughout SMPA. The objectives are to improve safety, training, and education programs, and to improve the DART rate to show an indication of a downward trend with an overall goal of zero incidences. The annual objectives for SIP are to revitalize the safety committee to function actively in safety awareness and education, to update workplace emergency actions plans, train and conduct practice drills, to improve accident/incident reporting, and to improve our investigation process to determine root causes and apply appropriate methods to prevent future incidences.

Director Justis shared that in one of the recent training sessions in Denver there was discussion of Directors possibly going out in the field with the crews for a day to see how the line crews work. This would give Directors a better understanding of how the crews execute safety in the field. It sounded like an attractive idea. Manager Ritter agreed and believed that with advance notice an accommodation could be made for an onsite visits.

5. ATTORNEY'S REPORT

Director Rhoades motioned to go into executive session for the purpose of discussing contracts. Director Alexander seconded. The motion was voted on and carried.

Directors came out of executive session at 2:40 p.m. While in executive session no motions were made and no decisions were made.

6. POLICY REVIEW

A. Privately Owned Vehicles

Manager Ritter shared that staff is recommending to rescind this policy since a more comprehensive travel policy is being drafted that will address the use of privately owned vehicles.

B. Tools and Safety Equipment

Directors were informed that this policy is very similar to what was negotiated for the bargaining unit but this policy is applicable to the non-bargaining group. Directors reviewed the policy. No discussion took place.

C. Safety Program

Manager Ritter pointed out proposed changes to the policy. Item 2. was modified to state that SMPA will develop an appropriate safety training and education program using the services of CREA or other safety providers. Item 6. was changed to reflect that SMPA will abide by all applicable legislations. Item 9. Regarding the investigation of accidents reporting back to appropriate levels was added.

D. General Rules and Regulations

Manager Ritter suggested that Directors take no action on proposed changes at this time in case there may be additional changes. This policy would need to be noticed to the entire SMPA membership prior to board approval.

Director Cokes motioned to approve the policies: Privately Owned Vehicles-Rescinded, Tools & Safety Equipment, and Safety Program policies as presented by staff. Director Sibold seconded. The motion was voted on and approved.

7. ASSOCIATED MEETING REPORTS

A. Western United Electric – Dave Alexander

Director Alexander reported that WUE added a 59th member from Kansas. The business continues to look for property in Albuquerque for warehouse expansion.

B. CREA – Dave Alexander

The CREA Directors participated in a clinic on the lobbying. Directors learned how the bills are introduced and then go through the legislative process. The group learned how lobbyists interact with legislators and how lobbyist efforts affect the final legislation.

HB-44 is reported more as a statement than it being against HB-252. It is not expected to pass.

HB-46 is being opposed by small wind and roof top solar lobbyists.

SB-120 is being opposed by CREA. Other bills are being monitored.

Manager Ritter shared the Director folders included the latest updates on pending legislation.

SMPA has been selected to host the CREA May Board of Director meeting. Suggestions for meeting locations, tours, and food will need to be forwarded to Liz at CREA. Director Garvey suggested the newly renovated Rim Rock Hotel in Naturita may a suitable location. Manager Ritter shared that staff will forward all suggestions to Liz for CREA consideration.

Director Garvey shared her experience in watching legislators on the Senate floor. Director Justis felt the training sessions were excellent and the CREA speakers were good.

C. Tri-State – Jack Sibold

Director Sibold shared some slides from the cost of service and rate design reports recently shown at the Tri-State board meeting. The slides showed the system peak demand that is used for planning purposes. The Tri-State peak happens in the summer time with the irrigation loads as opposed the SMPA peak that occurs during the winter. Energy management slides were displayed that Tri-State secured a 30 year extension of the WAPA hydropower contract to 2054. Tri-State has issued a renewable request for proposal for 20-150 megawatts of additional capacity. Tri-State members renewable and distributed generation projects now exceed 60 megawatts. Tri-State has set the equity to capitalization ratio for 2015 at 14% and 2016 thereafter at 18% as part of their financial goals.

1. Annual Meeting Notice

Directors were advised of the upcoming annual meeting on April 7, 8, & 9th. Discussion took place. Directors were encouraged to let Toni know if they will be attending. She will handle the registrations and hotel reservation if needed.

D. NRECA Legislative Conference

Directors were advised of the upcoming NRECA legislative conference in May in Washington D.C. The House of Representatives will not be in session but the congressional aides will be available. The Senate will be in session.

9. BOARD TRAVEL

Director Sibold shared that he was interested in the Director Summer School that takes place in June.

12. NEXT MEETING

Directors chose Tuesday, March 24, 2015 as their next meeting date. Directors selected Ridgway as the meeting location. The meeting will begin at 9:30 a.m.

The meeting was adjourned.



Dave Alexander, Secretary/Treasurer