

1. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:36 AM. All Directors were present with Terry Rhoades by phone.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (January 24, 2017) to include: December 20, 2016 meeting minutes and re-ratification of the approval to use the money from the Green Fund to fund the IQ Solar project. Director Justis seconded. The motion was voted on and carried.

3. MEMBER OR CONSUMER COMMENTS

- Director Justis discussed a member in Telluride, Tommy Hein who is frustrated because he is no longer able to buy solar panels from the farm. This gentleman is an architect in Telluride who used this as a promotional tool for clients. Manager Zavorski explained that in the community solar model SMPA has used SMPA would purchase 100% of the output of the facility and would then take the output and give to panel purchasers as a credit on their bill. If this member did in fact go out on his own to provide solar to his clients as suggested, there would be administration, billing, and program development to create a workable program in which SMPA could provide the metering, telemetry, accounting, and billing for a member owned community solar system. While this is possible it has not yet been developed. Manager Zavorski offered to speak with Mr. Heinz to clarify.
- Director Cokes met last Friday with Mr. Bayless and Manager Freeman. They had a great meeting. He is a very happy member and had all very good feedback.
- Director Justis received a question from Kurt Johnson as to when our QF rate will be on our website. The rates are posted on our website. www.smpa.com > About Us > Rates, at the bottom of the webpage there is a link: 2017 Rate Tariff Sheets and the QF rate is located on the last page.
- Director Felicelli spoke at the Mountain Village Town Council Meeting about our IQ Solar project. The feedback was that they are very excited. Director Felicelli also noted that Rural Electric Magazine will have an article about our IQ Solar program.
- Director Zavorski pointed out the hand-written letter included in the board packet regarding rates. Manager Zavorski also followed up with Mike Berry regarding the rate changes. Mr. Berry didn't understand that the energy rate had decreased and now fully understands the changes.
- Danelle Norman with Voyager Youth Program spoke in regards to Voyager's donation request included in this month's board packet. Ms. Norman gave a brief overview of the scholarship program that she would like to create.
- CJ Brafford with Ute Indian Museum spoke in regards to Ute's donation request included in this month's board packet. Ms. Brafford gave a brief history of the museum and how they would like to use the donation monies for new picnic tables.
- Nathan Scherich with Palm Arts spoke in regards to the Palm's donation request included in this month's board packet. Mr. Scherich spoke about the Palm Kidz series in 2017.

4. STRATEGIC PLANNING

Michael McNally with Cultural Solutions was conferenced in regarding the Strategic Planning session planned for February 27, 2017. Mr. McNally reviewed documents with the Board that outlined basic definitions for the planning session. Mr. McNally also reviewed the draft agenda to narrow down objectives to outline.

5. CEO REPORT

Corporate Donations

Manager Freeman explained that with help from Mrs. Rodriguez, we have found out that Basin Electric will do a member match of donations over \$500. Manager Freeman found out that Delta Montrose Electric Association last year donation just over \$30K in which 14K was a match from Basin Electric. Director Rhoades had questions regarding how many requests they receive and grant each year. Manager Zaporski explained that we didn't have that information, but, would explore the ability to match donations moving forward.

The board reviewed the following donation applications:

- a.) Voyager Youth Program – requested \$5,000
- b.) Ute Indian Museum – requested \$3,200
- c.) Palm Arts Theater- requested \$1,500
- d.) Angel Baskets- requested \$1,500
- e.) Telluride Mountain Club- requested \$2,000

After discussion, the Board decided against awarding Voyager Youth Program and Ute Indian Museum donations at this time.

Director Cokes motioned to approve the donation request of \$1,500 to the Palm Arts. Director Justis amended, motioning to approve \$750 with the intent to apply for a Basin Electric match. Director Sibold seconded. The motion was voted on and carried.

Director Garvey motioned to approve a donation of \$750 to Angel Baskets with the intent to apply for a Basin Electric match. Director Cokes seconded. The motion was voted on and carried.

Director Garvey motioned to approve a donation of \$500 to Telluride Mountain Club as already budgeted. Director Sibold seconded. The motion was voted on and carried.

Employee Guests

There was not an employee guest this month.

Board Donations

There were not any Board donations this month.

Finance Update

Manager Zaporski went over Manager Rutherford's finance report noting the goal of retiring 1 million of capital credit. Manager Zaporski explained that the Form 7 is a RUS (Rural Utilities Service) accounting requirement. Included in each Board member's folder is the SMPA Income Statement Template. This is a key to use when looking at the Form 7 and breaking down line items. Director Justis asked where the majority of the 400K savings came from in last year's budget. Manager Zaporski explained that there were several major items that contributed to the savings: not doing the project for the garage in Ridgway, a holdover on several radio expenses, and staff vacancies. There were several positions that were vacant due to the shift in staffing. Director Felicelli gave a thank you to Jim Link, Manager Zaporski, and Manager Rutherford for the handling the changes.

Engineering

2017-2020 Construction Work Plan

Manager Riley introduced David Rightley, P.E. from Exponential Engineering Company. Mr. Rightley did a presentation to overview the Construction Work Plan and Resolution. The Construction Work Plan has an emphasis on reliability with expansion for growth.

Director Alexander motioned to approve the Construction Work Plan and Resolution as presented. Director Cokes seconded. The motion was voted on and carried.

Marketing & Member Services

Manager Freeman gave an update on the Energy Services position; the top candidate will meet later this week for an informal second interview. Starting interviews tomorrow for the Customer Service Representative position. Manager Freeman has met his six-month probation period and is now a full time regular employee.

Appoint independent Election Monitor

Director Alexander motioned to approve appointing Jim Link as the independent Election Monitor. Director Garvey seconded. The motion was voted on and carried.

Information Technology

Manager Zaporski updated the Board that he is meeting with the IT contractor Thursday of this week for 2016 performance and contract review.

Administration & Human Resources

Manager Reams gave a brief update that the Ridgway wash bay is now useable, but, still working on the fan.

Line Extension and Alteration (Policy LINE EXT-1)

Director Justis motioned to approve Policy LINE EXT-1 as presented. Director Alexander seconded. The motion was voted on and carried.

Board Committees (Policy 5.04)

Director Garvey motioned to approve Policy 5.04 as presented. Director Cokes seconded. The motion was voted on and carried.

Definitions and Employee Classifications (Policy 6.00)

Director Garvey motioned to approve Policy 6.00 as presented. Director Cokes seconded. The motion was voted on and carried.

Engineering

Manager Riley explained that the Board of County Commissioners will meet on January 25th in Telluride and will review for approval the permit for the Telluride Reliability Project.

RUS Form 300/ O & M Survey

Manager Riley reviewed the Form 300. This form has to be submitted to RUS along with the Construction Work Plan, Financial Forecast, and Loan Application. Typically, this is done every three to four years.

Director Justis asked for an explanation of what power factor is (Section 11.c.). Ratio of real power to the load to the apparent power, anything other than resistance. The difference between the two represents the power that doesn't do any useful work.

Operations

Manager Oliver updated the Board on Operations. Staff continues to work on San Miguel Canyon. Operations had a kick off meeting last week to review changes in the new year, specifically changes in labor charges. The meeting went well. They have been working on replacing eighty poles on the west end. Director Justis started discussion regarding some problematic lines feeding some rural properties. Those types of lines do exist and there are several.

Safety and Regulatory Compliance

Paul Enstrom updated the Board that they are working on testing all hot sticks. Per requirements SMPA tests every year and now cataloging and keeping track of each stick and testing until end of life. The next Safety Committee Meeting is next week. Crews will have an extensive SnowCat training by Safety One (two day courses). RESAP is accreditation through NRECA, this year due for another onsite inspection. Prior to the inspection, we will have a pre-walk and try to compare our inspection three years ago. This will give us enough information to see what changes we can make moving forward to prep for the actual inspection.

Manager Oliver noted that there is a discrepancy with the dealership on a truck purchase with the bed size. The truck's bed has a difference of 4" of what we thought we ordered vs the actual size. Manager Oliver will follow up on the outcome.

6. ATTORNEY'S REPORT

Director Garvey made a motion at 2:05 PM to enter into executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted on and carried. The board entered into executive session at 2:05 PM and came out at 2:45 PM. While in executive session no decisions were made, nor votes taken.

Review Bylaws Recommendation Article I and Article IV

Director Alexander motioned to approve the bylaw changes as presented. Director Sibold seconded. The motion was voted on and carried.

7. ASSOCIATED MEETING REPORTS

CREA & Western United– Dave Alexander

Both meetings are this week, with no updates. Director Alexander would like to see someone else to represent SMPA for CREA. Director Alexander doesn't mind continuing as the delegate for Western United.

Director Garvey made a motion to nominate Director Justis as the CREA designated delegate and Director Cokes as the alternate. Director Alexander seconded. The motion was voted and carried. This item will be re-ratified in the February Board Meeting.

Tri-State – Jack Sibold

Director Sibold updated that the last meeting was Strategic Planning along with the board meeting.

6.5 mill net margins, 31 million below budget

Tri-State potential Rate Stabilization Presentation

Eco Action Partners – Jack Sibold

n/a

8. BOARD TRAVEL

Director Felicelli suggested that some of the Board members may want to stay the night in Ridgway the evening of the 27th for the Strategic Planning session. The Board Meeting will follow the next morning.

9. MISCELLANEOUS

n/a

10. BOARD CALENDAR REVIEW

n/a

11. NEXT MEETING

The next board meeting will be held on Tuesday, February 28, 2017 in Ridgway at the SMPA office.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 3:23 PM. Director Sibold seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer