

### 1. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:30 AM. All Directors were present.

### 2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (February 27, 2018) to include the January 23, 2018 meeting minutes and the following re-ratifications: Approval of Resolution 2018-02 regarding the strategic objective to understand the full value, and options, of our membership and contract with Tri-State G & T, while developing an all-encompassing program for local renewable energy; and the approval of a donation to Telluride Mountain Club. Director Alexander seconded. The motion was voted on and carried.

### 3. MEMBER OR CONSUMER COMMENTS

- Director Justis received a question from Member, Wade Davis, wondering why we don't have internet via power lines. Manager Zavorski explained that Broadband over power lines or BOPL doesn't carry the bandwidth that is necessary for today's speeds and amounts of data. BOPL is an outdated technology. Manager Riley explained that fiber is the newest and most up to date technology that is most capable for today's needs.
- Director Sibold explained that Eco Action Partners Board Member, Angela Dye, commented that she is hearing feedback that we have messed up the Galloping Goose Trail. Manager Zavorski explained that the "trail" is actually an old railroad right of way which is now the main easement for several utilities transmission and distribution infrastructure. Unfortunately, it will likely be wider than it had been after decades of vegetation growth, even after it is properly revegetated. He explained that the "trail" must be maintained for access to utility right of way and that SMPA is actually the smallest of the utilities currently using that ROW. Tri-State's main transmission line and Black Hill's energy's main natural gas transmission line along with a water authority are all currently expecting to be able to use this access in the future. However, SMPA will be monitoring the ROW for proper revegetation as defined by the US Forest service whom is the permitting authority for the work done.

#### Corporate Donation Presentations

Ah Haa School for the Arts- Kathleen Cole

Ms. Cole gave a brief history of Ah Haa founded in 1991. Ah Haa offers year-round art program classes to include after school programs, SKART (school program), summer kids camps, and a wide variety of adult classes. They are requesting a donation to aid in the 2018 Art Auction, which is their major fundraiser of the year, generating about half of their operating costs.

Eve Becker-Doyle- 2019 Ridgway Raffle

Ms. Becker-Doyle gave a presentation of a new project for a 2019 raffle of a Polaris Ranger modeled after the Ouray Jeep Raffle. She explained her ideas and projections for this project and noting that the funds would support economic development in Ridgway, student scholarships and aiding in restoring the Sherbino theater.

#### Kevin Cooney letter

Member from the Town of Telluride, Kevin Cooney spoke to the Board of Directors and staff regarding a letter to Manager Zavorski in response to Resolution 2018-02. Kevin spoke at the 2017 Annual Meeting and requested for the Board of Directors to do a comprehensive long-term analysis of power options. He would like us to continue with a long-term analysis and would like to learn more about what staff has done internally to analyze

this. Director Felicelli explained the importance of our relationship with Tri-State and that we continue to push them to add more renewables. He also explained that this has been part of our strategic goals. Director Sibold, on the Tri-State Board of Directors, explained that both SMPA and Tri-State have seen decreased sales. He also explained that 22 out of Tri-State's 43 Members now have local renewable generation projects or 115 contracts. Each of Tri-State's Members are unique and that Tri-State's highest load is during irrigation season in late summer. Director Cokes thanked Kevin for his constructive approach and the level-headed, no drama dialogue. Director Justis, on the CREA Board, commented that the other coops in CREA are generally very conservative and we are not looking at leaving at this time. This was an intentional statement to the membership and is subject to change. Manager Zaporski thanked Kevin for coming to the meeting and for his letter. He explained that we are currently partnering with Tri-State on several very important projects that will give us increased reliability, the ability to communicate with our major equipment that runs the grid, proactively diagnose issues on the grid, and to communicate between all of our offices. Director Felicelli explained that we needed to put out the resolution to send a clear message to Tri-State that we are not considering leaving them at this time. Manager Zaporski will set up a meeting with Mr. Cooney to further talk about what has been done internally to analyze power supply and what we are doing to continue analyzing this going into the future as well as to answer any other questions he may have.

#### **4. STRATEGIC PLANNING**

Update: All-encompassing program to expand local renewables- Wiley Freeman

Manager Freeman updated the Board on the initiatives associated with the energy efficiency and renewables program. IQ Solar phase two subscriptions are underway with 38 potential members eligible for solar. The Ridgway EVSE station is completed. The two-step net metering application process drafts are complete. The highbay faulty LED lights installed in 2014 were replaced in our facilities in February. We are working with Telluride Sports for their Green Blocks purchase to help them meet their carbon footprint goals. Member Services team has met with a firm out of Durango to discuss the rebranding of the Green Blocks program.

Update: Implement beneficial technology- Doug Tea

Manager Tea updated the Board on his initiative to implement beneficial technology. The largest project is working on the NISC implementation and conversion. He explained the upcoming key dates, testing new hardware (iPads) and go live dates. IT is implementing a new virus protection program, Sophos to replace Kaspersky and new remote support software, Teamviewer.

#### **5. CEO REPORT**

##### **Introduction of Employee Guests**

The two employee guests this month were Kelly Truelock, Accounts Payable Accountant, and Joshua Hailey, Staff Accountant.

##### **Corporate Donations**

Ah Haa School for the Arts

Director Cokes made a motion to approve \$1500 to the Ah Haa School for the Arts; asking Basin Electric Power Cooperative to match SMPA's donation. Director Sibold seconded. The motion was voted on and carried.

##### **2019 Ridgway Raffle**

The Board of Directors decided against a donation at this time for the Ridgway Raffle.

### **Board Donations**

There were no Director donations this month.

### **Finance Update**

Coop Director Finance Training

Manager Mertz reviewed the Director expenses for 2016 and 2017.

Annual Director Expense Summary for 2017

Director Justis made a motion approving the Annual Director Expense Summary for 2017 as reviewed. Director Garvey seconded. The motion was voted on and carried. A summary of Director expenses for the past year is attached as an exhibit to these minutes.

### **Marketing & Member Services**

Manager Freeman explained some potential changes to the rebate program that would allow members the option to donate their rebate. Director Rhoades wanted to know if there was a way to make those tax deductible as an incentive for people to donate. Manager Freeman is going to look in to that and also how that affects the Tri-State piece. Freeman also explained the table included in the Board Packet with the Director District member counts (for election purposes). He explained that we have sent out a letter to those Members who reside in Districts in the upcoming election that have accounts in more than one District. The letter explains the importance of declaring their primary account and their ability to vote in the 2018 election.

Certify Director Districts (moved from MISCELLANEOUS)

Director Rhoades motioned to certify the Director Districts with no changes. Director Alexander seconded. The motion was voted and carried.

### **Information Technology**

Manager Tea had no other updates other than what he explained in Strategic Planning.

### **Administration & Human Resources**

Manager Reams gave an update on her training at the Management Internship Program. She was very appreciative for the opportunity and feels it has been a great benefit to her. The new Apprentice Lineman, Hugh Hardman will start March 1<sup>st</sup> and Chris Falk is going to train the new Mechanic/Warehouseman before he begins his new position. She updated the Board that they posted internally the Energy Services position with no interest so far. Manager Reams asked the Board for feedback on Board training topics. The Board would like Manager Mertz to do a half day work session in May to teach Equity Management and Boardroom Management (977.1). Manager Reams will look in to having Brian Syngletary to come in to talk about Communication in and out of the coop, and the last topic that they would like some training on is Safety. She will look in to getting CREA to come in to talk about best practices.

Compensation and Expenses of Board Members (Policy 5.05)

Director Garvey made a motion to approve Policy 5.05 Compensation and Expenses of Board Members with the changes as discussed. Director Rhoades seconded. The motion was voted and carried.

Qualification for Directors (Policy 5.06)

Director Garvey motioned to approve Policy 5.06 as presented. Director Rhoades seconded. The motion was voted and carried.

### **Engineering**

Manager Riley explained that we received the final telecommunications sharing agreement allowing SMPA the use of Tri-State's fiber from Telluride to Nucla. It will allow us to get off Century Link's lines from Telluride to Sunshine. A letter was sent to Tri-State requesting a delivery point modification. This is our first step in partnering with Tri-State on the re-build of the Red Mountain line.

### **Operations**

Manager Oliver was out of the office at TechAdvantage. Manager Zaporski had no other updates other than what was in his report.

### **Safety and Regulatory Compliance**

Paul Enstrom explained a near miss with our tree trimming company, Asplundh Tree Expert, LLC. Moving forward we are working with DMEA with a new procedure to check in and out with Dispatch. This was a significant near miss with no one hurt. There is a truck that will need repair and we may need a budget override in the near future.

### **6. ATTORNEY'S REPORT**

Director Rhoades made a motion at 2:14 PM to enter into executive session for personnel and contractual issues. Director Sibold seconded. The motion was voted on and carried. The board entered into executive session at 2:14 PM and came out at 2:56 PM. While in executive session no decisions were made, nor votes taken.

### **7. ASSOCIATED MEETING REPORTS**

#### **CREA- Bob Justis**

Director Justis felt they responded favorably to our resolution. Joseph Redetzke from Sangre de Cristo Electric Association, Inc. (Buena Vista) would like to be invited to our 2018 Annual Meeting. Sangre de Cristo Electric Association has decided to drop out of Touchstone Energy Cooperatives. The first subcommittee meeting to report on renewable energy was held after the CREA Annual Meeting. The next meeting will be at the April Board Meeting.

#### **Western United- Dave Alexander**

Director Alexander explained that overall, they continue to do well. They are adding on to one of their warehouses and looking to purchase cable cutters. Director Alexander received a five-year plaque for his service on their Board.

#### **Eco Action- Jack Sibold**

Eco Action Partners is looking at implementing a compost compactor and locations for this. The Eco Action Partners Board President met with the Mayor of Mountain Village and it has improved their relationship.

#### **Tri-State – Jack Sibold**

The Engineering & Operations committee meeting Tri-State will acquire some parts of La Plata's Electric Association's line, Policy 109, similar to what they did with us. Craig III update: it will be 11-12 million to repair the melted generator. Anything over one million is covered by insurance. Director Sibold went over United Power's white paper presentation to the Tri-State Board and Tri-State's renewables campaign presentation.

**8. BOARD TRAVEL**

Director Sibold will attend the Tri-State Annual Meeting April 4<sup>th</sup> along with Manager Mertz.

**9. MISCELLANEOUS**

Election of Director of the Tri-State Board of Directors

Director Justis motioned to have Director Sibold elected to serve as a Director on the Tri-State Board of Directors. Director Rhoades seconded. The motion was voted and carried.

Director Rhoades motioned to have Director Justis elected to serve as Alternate Director on the Tri-State Board of Directors. Director Garvey seconded. The motion was voted and carried.

**10. BOARD CALENDAR REVIEW**

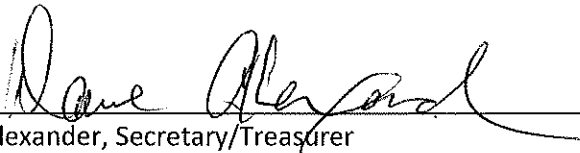
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**11. NEXT MEETING**

The March Board of Directors Meeting will be on Tuesday March 27, 2018 in Ridgway.

**12. ADJOURN**

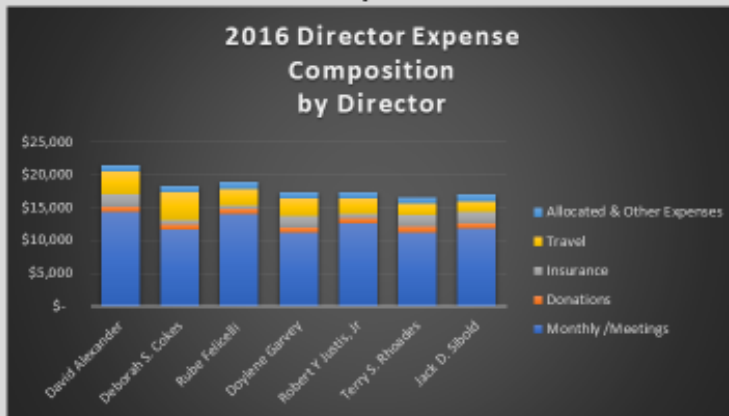
Director Garvey motioned to adjourn the meeting at 3:32 PM. Director Cokes seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer

Exhibit

## Director Expenses 2016 – 2017



Director	Monthly /Meetings	Donations	Insurance	Travel	Allocated & Other Expenses	Total
David Alexander	\$ 14,400	\$ 800	\$ 1,848	\$ 3,457	\$ 1,024	\$ 21,529
Deborah S. Cokes	\$ 11,700	\$ 800	\$ 612	\$ 4,271	\$ 983	\$ 18,366
Rube Felicelli	\$ 13,950	\$ 800	\$ 612	\$ 2,406	\$ 1,187	\$ 18,954
Doyleene Garvey	\$ 11,100	\$ 800	\$ 1,848	\$ 2,646	\$ 1,018	\$ 17,412
Robert Y. Justis, Jr	\$ 12,600	\$ 800	\$ 610	\$ 2,408	\$ 958	\$ 17,375
Terry S. Rhoades	\$ 11,250	\$ 800	\$ 1,848	\$ 1,693	\$ 958	\$ 16,549
Jack D. Sibbold	\$ 11,750	\$ 800	\$ 1,846	\$ 1,537	\$ 1,110	\$ 17,043



Director	Monthly /Meetings	Donations	Insurance	Travel	Allocated & Other Expenses	Total
David Alexander	\$ 12,300	\$ 800	\$ 1,923	\$ 1,241	\$ 2,794	\$ 19,058
Deborah S. Cokes	\$ 11,400	\$ 800	\$ 661	\$ 491	\$ 2,682	\$ 16,034
Rube Felicelli	\$ 14,250	\$ 800	\$ 661	\$ 397	\$ 2,767	\$ 18,875
Doyleene Garvey	\$ 12,600	\$ 800	\$ 1,923	\$ 1,760	\$ 2,894	\$ 19,978
Robert Y. Justis, Jr	\$ 15,600	\$ 800	\$ 659	\$ 1,186	\$ 4,737	\$ 22,982
Terry S. Rhoades	\$ 11,100	\$ 800	\$ 1,923	\$ 990	\$ 2,682	\$ 17,495
Jack D. Sibbold	\$ 12,450	\$ 700	\$ 1,921	\$ 634	\$ 2,692	\$ 18,397