

1. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 8:30 AM. All Directors were present.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (May 22, 2018) to include the April 24, 2018 meeting minutes with correction. Director Alexander seconded. The motion was voted on and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Rhoades was questioned by City Council about why the town meters are charged Franchise tax. General Counsel, Jim Link responded that we treat their meters the same as any other in the same class and then will reimburse accordingly (typically 30-60 days). Director Rhoades was also questioned by the County Administrator regarding the project near Anvil Mountain (building apartments) about the engineering fee of \$21,000 and why it was so high. Manager Zaporski will follow up with him regarding the estimate.
- Director Justis had a Member suggest the location of Norwood to host the Annual Meeting to increase attendance. Manager Zaporski replied that we will look into that but in recent years used our own facilities to reduce cost and staff time.
- Manager Freeman explained a recent Member inquiry regarding communication with Spanish speaking Members from Melanie Wasserman, Director of Housing, with the Telluride Housing Department. We now have implemented Spanish forms to start service and disconnect service and are looking at options for third party translation for phone calls. After further investigation it was found that there were not any formal complaints from the Spanish speaking members with SMPA. In fact, the Telluride Housing Department had recently lost a staff member that had always helped their Spanish speaking tenants. Therefore, it was Melanie that was submitting a complaint that she did not want to have to help these tenants with and that she believed that this was SMPA's responsibility.

Corporate Donation Presentations

North Fork Valley Public Radio-KVNF: Jon Howard, KVNF General Manager and Sue Husch, President of the Board of Trustees for the Sherbino Theatre spoke to the Board regarding a donation request to construct Studio M. Studio M will be located in Montrose and would like to expand coverage and improve local news and coverage. Mr. Howard gave a brief history and explained the project.

Mt. Sneffels Education Foundation: Jamie Nixon, race organizer and Rennie Ross, Board Administrator spoke regarding a donation request for the Mt. Sneffels Education Foundation Marathon/Half Marathon on Aug. 11, 2018. The ladies gave a brief history of the Mt. Sneffels Education Foundation and the once a year fundraiser which draws between 800-1000 runners. Jenna Brown, Jamie's daughter also spoke about some of the programs the organization has offered to local students and the positive outcome.

Ouray Highgraders Miners Park: Adam Kunz and Steve Martinez spoke to the Board about donating a power source in Fellin Park, outside of the Ouray Hot Springs Pool and Fitness Center. The gentlemen gave a history of the yearly mining competition that has been run since 1946. They would honor us by putting a plaque in the

park crediting SMPA for the donation. The power source would also help other events hosted in Fellin Park including the summer music series.

4. STRATEGIC PLANNING

No updates this month and will resume updates in June.

5. CEO REPORT

Audit Call with Kevin Kelso 9:00 AM

Kevin Kelso, CPA, P.C., P.A. reviewed the 2017 audit report via conference call with the Board of Directors.

Director Alexander made a motion at 9:52 AM to enter into executive session to review the 2017 audit report. Director Rhoades seconded. The motion was voted on and carried. The Board entered into executive session at 9:52 AM and came out at 10:15 AM. While in executive session no decisions were made, nor votes taken.

Director Justis made a motion accepting the 2017 audit report. Director Sibold seconded. The motion was voted and will be re-ratified at the June 26, 2018 Board of Directors Meeting.

Bridal Veil Hydro

Manager Zaporski explained Idarado Mining Company is increasing the scope of the current repair to the Bridal Veil Hydro facility. SMPA has been and will continue to hold our contract with them while working to get the plant back online. The increase in scope includes the rebuild of a section below the power plant. Their estimate is to be running by next spring.

3-Phase Upgrade Enchanted Mesa Properties

Manager Zaporski discussed a meeting with the owners of Enchanted Mesa Properties, SMPA and Tri-State regarding the erosion of the hillside. Tri-State commissioned a geotechnical assessment of the land. Currently the owners are using flood irrigation for hay farming on the land. Tri-State would like to see the owners use a different type of irrigation. In order to do this, they may need to change from 1 Phase power to 3 Phase power. Tri-State would like us to help them with the cost to upgrade the power. We will continue working with Tri-State on a solution based on the report.

Introduction of Employee Guests

There were no employee guests in attendance this month.

Manager Zaporski congratulated Manager Reams on the completion of the Management Internship Program (MIP) offered by National Rural Electric Cooperative Association (NRECA) and the University of Wisconsin.

Corporate Donations

North Fork Valley Public Radio-KVNF

Director Cokes made a motion to donate \$2,000 to the North Fork Valley Public Radio-KVNF for Studio M; asking Basin Electric Power Cooperative to match SMPA's donation. Director Justis seconded. The motion was voted on and carried.

Mt. Sneffels Education Foundation

Director Rhoades made a motion to donate \$1,500 to the Mt. Sneffels Education Foundation; asking Basin Electric Power Cooperative to match SMPA's donation with the addition of the Director Donations \$300 (\$1,800 total match request). Director Garvey seconded. The motion was voted on and carried.

Ouray Highgraders Miners Park

The Board of Directors discussed the donation request from the Ouray Highgraders Miners Park and would like to see them return with a donation request for a dollar amount.

Carbon Neutral Coalition

The Board of Directors discussed the donation request from Carbon Neutral Coalition under the umbrella of The Pinhead Institute and would like to table the decision on this request until after the election. This is due to the requestor running for District 3.

Board Donations

Director Rhoades \$100 Mt. Sneffels Education Foundation
Director Sibold \$200 Mt. Sneffels Education Foundation
Director Rhoades \$100 Ouray Highgraders
Director Garvey \$100 Nucla Water Days
Director Alexander \$200 Telluride Fire Protection District- Placerville location
Director Alexander \$200 Norwood Fire Protection District- EMT
Director Alexander \$200 Town of Norwood- Banners
Director Alexander \$100 Hardrockers Holidays
Director Alexander \$100 Ouray Highgraders

Finance Update

Manager Mertz reviewed his report and will give a finance training in the afternoon.

Marketing & Member Services

Manager Freeman updated the Board on the main highlights of his report. He explained that over half our budgeted money for Member rebates has been spent so far this year. The Vail Resorts/Telluride Sports photo opportunity had a great turn out and believes it was a good event. Director Sibold wanted to know what we are doing about a dark sky compliant. His question was a result of a comment about a Ridgway street light that was very bright. Manager Freeman explained that if there is a complaint for a street light to direct the Member to contact Paul Hora. Currently the Ridgway Dark Sky Committee meets at our Ridgway office.

Information Technology

Manager Tea had no updates other than his report.

Administration & Human Resources

External Communications (Policy 5.10)

Director Justis motioned to approve Policy 5.10 External Communications. Director Cokes seconded. The motion was voted and carried.

Overview Roth provision to 401k through NRECA

Manager Reams explained the Roth option through NRECA that we would like to offer in 2019. There is no cost to SMPA and would allow a maximum of \$18,500 contribution per year by the employee. A resolution will be presented next month to approve.

Manager Reams also expressed how well the Union negotiations went and felt they were very respectful and went "harmoniously." This shows the positive SMPA culture.

Engineering

Manager Riley had no updates other than his report.

Operations

Manager Oliver updated the Board on the switchman training on our circuit with Tri-State and their linemen, dispatch, and our linemen on the Telluride/Mt. Village redundant feed today and tomorrow.

Safety and Regulatory Compliance

Paul Enstrom was at the switch training and not in attendance.

Director Felicelli received a comment from a Member thankful that we take safety seriously.

6. ATTORNEY'S REPORT

Director Garvey made a motion at 12:40 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 12:40 PM and came out at 2:33 PM. While in executive session no decisions were made, nor votes taken.

Director Alexander made a motion to adjust the CEO's contract as discussed in executive session. Director Sibold seconded. The motion was voted on and carried.

7. ASSOCIATED MEETING REPORTS

CREA- Bob Justis

Director Justis sent a memo last night if you have any comments regarding please send them to Director Justis to send off to Kent Singer.

Western United- Dave Alexander

Director Alexander had a meeting last week and cable cutter is expected soon to cut cable to length instead of selling an entire reel.

Eco Action- Jack Sibold

n/a

Tri-State – Jack Sibold

Director Sibold comment that there is a lot of discussion regarding the changes to the 115 Policy and will be voted on soon. Also mentioned that Tri-State is changing some of their financial goals and he believes you can find those changes on the MIC.

8. BOARD TRAVEL

n/a

9. MISCELLANEOUS

n/a

10. BOARD CALENDAR REVIEW

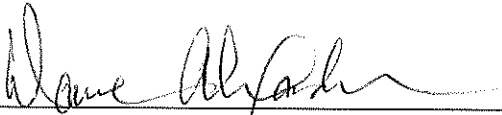
n/a

11. NEXT MEETING

The Annual Meeting is Thursday June 7, 2018 in Nucla. The regular Board of Directors Meeting is scheduled for June 26, 2018 meeting will be in Ridgway.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 2:38 PM. Director Rhoades seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer