

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 (August 22, 2017) to include: July 25, 2017 meeting minutes. Director Alexander seconded. The motion was voted on and carried.

3. MEMBER OR CONSUMER COMMENTS

- Director Felicelli introduced guests to the meeting: George Greenbank of the San Miguel County Historical Commission, Jack Gilbride of the Mountain Village Town Council, Laila Benitez the Mayor of Mountain Village, Erika Lapsys of the Telluride Foundation, Dee Williams of the School to Work Alliance Program (SWAP), Sandy Sheep of the Colorado Division of Vocational Rehabilitation (DVR), Allyn Svoboda of Rico, and Doug Seacat of Deeply Digital.
- Ericka Lapsys spoke on behalf of the Telluride Foundation requesting a letter of support and commitment of \$155,638 in 2018 to help build fiber infrastructure from Nucla to Norwood. These monies would be matched by the Economic Development Administration.
- Director Felicelli responded to Ms. Lapsys that this should have been a formal request to the Board of Directors and this was not presented in the proper way. He explained that she should follow up with Manager Zaporski regarding the letter and that SMPA could not commit to any amount of money without further project information.
- George Greenbank with the San Miguel County Historical Commission spoke regarding the decommissioning of the Ames Hydro-Howard's Fork fume. Mr. Greenbank gave the history and the current state of the plant. He is looking for support from San Miguel Power Association in the preservation.
- Director Felicelli committed to having representation at their next Historic Commission meeting.
- Dee Williams from SWAP and Sandy Sheep from DVR spoke about the programs available for high school students for work experience, internships and job shadowing. There is a program for paid work experience (160 hours) paid by DVR to give kids the opportunity to explore career and add to their resume. They wanted the SMPA board to know what is available and to potentially work with them to benefit those interested in our industry.
- Jim Link wanted the Board to know that he is still in correspondence with Kurt Johnson regarding some of his questions around the QF policy.
- Director Cokes received an email with positive feedback thanking SMPA for our Green Lights program from Jim and Jane Ross from Ridgway.
- Director Garvey received a thank you from the West End Public Schools RE-2 for the help with LED lighting from Paul Hora.
- Director Justis mentioned the conference in Paonia September 29-30th E2 Engage Delta County Energy Conference. www.engagedeltacounty.org

Manager Riley gave a Telluride/Mountain Village Reliability Project history, overview and answered questions from Mountain Village Town Council members.

4. STRATEGIC PLANNING

Professional Development of Workforce & Board of Directors- Carla Reams

Internal- Employee

Initiatives:

1. Education & Training Policy/Tuition Reimbursement Policy- completed
2. Employee Training within current career & department- ongoing
3. Annual Goal Setting format- completed
4. 6 month "check-ins" follow up to Annual Goal Setting- beginning June 2018
5. Succession Plan- draft/ finalization Nov. 2017
6. New Hire Orientation- Implemented
7. Job Shadowing Program- draft/ finalization Sept. 2017
8. Internship Program- draft/ finalization Sept. 2017
9. Board Training Program for 2018- Nov. 2017

All-encompassing plan for local renewable energy- Wiley Freeman, Paul Hora and Kyle James

1. Optimize rebate programs- March 2018; March 2019
2. Updating Net Metering Program- Nov. 2018
3. System Impact/Capacity Hosting Study- Dec. 2018
4. IQ Solar- fully subscribed- Dec. 2018
5. IQ Wx- solidifying partners for 2018- Jan. 2018
6. Developing QF Program- Jan. 2018; Jan. 2019
7. SMPA- Net Zero- Aug. 2020
8. Green Blocks Rebranding- May 2018
9. Advancing adoption of EV- Sept. 2018
10. Benchmarking- March 2018

Update: Implement Beneficial Technology: FIS/CIS- Doug Tea

Director Justis motioned to approve the NISC Purchase Order and Scope of Work as presented. Director Alexander seconded. The motion was voted on and carried.

5. CEO REPORT

Employee Guests

There was no employee guest this month.

Corporate Donations

There were no corporate donations for review this month.

Board Donations

There were no board donations this month.

Finance Update

Manager Rutherford was not in attendance at the Board Meeting. Although not present, Director Felicelli thanked Manager Rutherford for his years of service to San Miguel Power. Through his sixteen years with the company he has helped the board understand our financials and Director Felicelli showed much appreciation for his wise decisions on behalf of the company.

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Manager Zaporski explained that due to Manager Rutherford being out of the office we did not have the financials in order to review and decide on Capital Credits. It was decided that we will hold off and vote by the end of this year. Manager Zaporski also explained that the purchases as a result of the lightning strike will be reflected in last month's financials. Manager Tea has a meeting this week with the insurance company to talk about the damages and costs incurred.

Marketing & Member Services

Manager Freeman did not have any updates other than his presentation of the strategic initiatives and the election concerns will be discussed later in the meeting.

Information Technology

Manager Tea did not have any updates other than the approval to move forward with the NISC project.

Administration & Human Resources

Director Justis motioned to approve Leave of Absence (Non-Bargaining) (Policy 6.13), Military Service (Non-Bargaining) (6.14), and Premium Pay and Rest Period (Non-Bargaining) (6.14B) as presented. Director Rhoades seconded. The motion was voted on and carried.

Director Rhoades motioned to approve Interconnection Policy (Policy 4.40) and Resolution 2017-07 as presented. Director Sibold seconded. The motion was voted on and carried.

Engineering

Manager Riley updated the Board of Directors on the meeting with our new RUS field representative, Arsenio De La Cruz. The meeting went well and Mr. De La Cruz went through the Civil Rights requirements along with our work plan and loan application. Our updated Form 300 was included in the Board Packet and Manager Riley explained the rating changes that were made.

Operations

Manager Oliver stressed the importance of the Red Mountain line and the reliability issues. This is an important Strategic Objective that Manager Riley will be discussing in detail next month.

Safety and Regulatory Compliance

Manager Zaporski explained we had one near miss removing a dead squirrel from a transformer. When they removed the squirrel there was an arc causing a small fire that staff promptly extinguished.

6. ATTORNEY'S REPORT

Director Sibold made a motion at 1:36 PM to enter into executive session for personnel and contractual issues. Director Rhoades seconded. The motion was voted on and carried. The board entered into executive session at 1:36 PM and came out at 2:55 PM. While in executive session no decisions were made, nor votes taken.

7. MISCELLANEOUS

Manager Freeman went over the election concerns and how they have been addressed below:

- Multiple accounts in multiple Districts- 352 members have more than one account in more than one district over the entire SMPA system. After further investigation in to this matter it was determined that the potential for impact in our elections is very small. However, Members Services can identify those members within the districts having an election and reach out to them individually to help educate them

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on how to designate their primary or voting account. Staff and the board agreed that this would be the best way to address any confusion. SMPA staff may use email, post card, or IVR call to contact the member to designate their primary account.

- Spoiled ballots - Jim Link explained that this year was not any different than past years. Some of the reasons for spoiled ballots in order of most frequent to least are: no signature on envelope/secrecy sleeve, ballot unmarked, member has already voted, or cannot read handwriting. The overall percentage of spoiled ballots has not been high enough to raise concern.
- What are other cooperatives doing and low voter turnout? In some cases, other cooperatives are at large/system wide vote. This would be a significant change to the SMPA structure and does not address any of the issues raised after this year's election. Most co-ops with district voting have similar rules to SMPA.
- Replacement ballot process- if a member requests a ballot replacement due to either not receiving or a partial received SMPA will promptly send one out.
- Suggestion to get the candidate information more easily accessible to the membership. Staff will put the candidate bios on our website.

8. ASSOCIATED MEETING REPORTS

CREA- Bob Justis

n/a

Western United- Dave Alexander

n/a

Tri-State – Jack Sibold

June Operational Highlights (passed out to the Board) estimated renewable generation was 25% including power purchases from the Colorado River Storage Project which do not count for Colorado or New Mexico RPS standards.

They discussed the draft 2018 budget and expect a 0% rate increase for 2018.

Over the next five years expect \approx 6.5% rate increase.

Eco Action Partners – Jack Sibold

n/a

2017 Annual Meeting Designation of Authorized Representative Basin Electric Power Cooperative
Director Sibold appointed as the Authorized Representative and Director Felicelli as the first Alternate Representative.

9. BOARD TRAVEL

Director Felicelli will attend the Region 7 & 9 Meeting Oct. 16-18th and the Energy Innovations Summit. Director Garvey would also like to attend the Energy Innovation Summit.

10. BOARD CALENDAR REVIEW

n/a

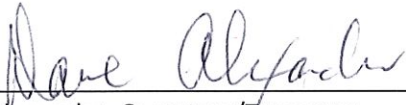
11. NEXT MEETING

The next Board Meeting will be September 26, 2017 in Silverton.

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12. ADJOURN

Director Garvey motioned to adjourn the meeting at 3:30 PM. Director Alexander seconded. The motion was voted on and carried.

A handwritten signature in cursive script, appearing to read "Dave Alexander", is written over a horizontal line.

Dave Alexander, Secretary/Treasurer