

### **1. CALL TO ORDER**

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:33 AM. All Directors were present.

### **2. APPROVAL OF CONSENT AGENDA**

Director Garvey motioned to approve the revised consent agenda (January 22, 2019) to include the December 18, 2018 meeting minutes with correction. Director Alexander seconded. The motion was voted and carried.

### **3. MEMBER OR CONSUMER COMMENTS**

General Member/Consumer Comments

- Director Rhoades relayed a thank you from his boss for the no parking signs at the Burro Bridge substation. This gives the proper space for plowing and allows for access.
- Director Felicelli fielded an inquiry from the new owner of the Ridgway Lodge and Suites regarding solar panels.
- Manager Zaporski received an email from Telluride member, Janet Kask, who gave a sincere thank you to the crew for her partial home outage late Saturday evening just before the Christmas holiday.
- Director Felicelli received a compliment from a homeowner in Cortina following an outage in Mountain Village. They were very impressed with the crew who had to dig about 3 ft. of snow to uncover and repair an underground line.

### **4. STRATEGIC PLANNING**

Gain full Board understanding of current long term financial policy, and options, to create financial flexibility while maintaining rate stability- Bill Mertz

Manager Mertz, Director Cokes, and Director Alexander put together an overview of the La Plata Electric Association, Inc. (LPEA) Power Supply Committee (PSC) and reviewed it with management and the Board of Directors. The PSC will meet twice a month and consists of three LPEA Board members and two staff. LPEA has welcomed SMPA to sit in on the committee meetings. In an effort to gain knowledge and gather information to understand the current and future of SMPA's power supply the Board would like to continue having staff attend the PSC meetings. Staff will report new information back to the group.

Presentation re: Wholesale Electric Supply Contract- Ken Reif, Tri-State G&T Senior Vice President/General Counsel and Sara Carlisle, External Affairs Advisor.

Mr. Reif went over a presentation about the contract between Tri-State and their members. He explained why there is a contract, the history of the contract and the primary promises in the contract. Following the presentation, Ms. Carlisle reviewed the Resource Planning timeline.

Professional development of workforce and Board of Directors- Brad Zaporski

Manager Zaporski did not have any updates to report at this time.

### **5. CEO REPORT**

#### **C.E.O. Items**

Summary of broadband discussion with Senator Bennet's office & Jonathan Chambers

Jeremy Fox participated in this call regarding broadband development. In summary, local organizations should focus their attention at the state level; not federally.

#### Scholarship Policy

Director Sibold motioned to make an exception to the Scholarship Policy 7.02, to allow any high school junior or senior to apply for a scholarship if they reside in the SMPA service territory. Director Rhoades seconded. The motion carried.

#### Update on DMEA PUC filing

Manager Zaporski explained that there was a clerical mistake made and SMPA was accidentally included in the list of utilities supporting their intervention in the Delta-Montrose Electric Association (DMEA) Public Utilities Commission (PUC) filing. This document has been corrected and re-filed. SMPA maintains no position regarding the DMEA PUC filing. In a DMEA January 18, 2019 press release, DMEA has a letter of support signed by 53 Colorado Legislators.

#### Introduction of Employee Guests

Manager Zaporski introduced Alex Shelley, Communications Executive, as an attending guest.

#### Corporate Donations

##### Ridgway Secondary School

Director Rhoades motioned to donate \$500 to the Ridgway Secondary School for the Heath Center to purchase an AED, and any other supplies needed; requesting Basin Electric Power Cooperative (Basin) to match SMPA's donation (total of \$1,000). The motion was amended that if for any reason Basin is unable to match the donation that SMPA would cover the cost of the AED in full. Director Garvey seconded. The motion was voted and carried.

##### Telluride Chamber Music Festival

Director Sibold made a motion to donate \$750 to the Telluride Chamber Music Association for the Telluride Youth Ensemble Program; requesting a matching donation from Basin. Director Justis seconded. The motion was voted and carried.

#### Board Donations

There were no Board of Directors Donations this month.

#### Finance Update

Manager Mertz updated the Board with the financial report.

#### Revenue Deferral proposal & Resolution

The revenue deferral proposal will be postponed until the February meeting.

#### Information Technology

Manager Tea reviewed a couple highlights in his report, including the meeting with the auditors to review IT policies and discuss payment options. Both Operations and IT had a meeting with the new DMEA dispatch supervisor and the dispatch team to review ways to improve processes and communication with the new mapping and GIS systems.

### **Administration & Human Resources**

Manager Zaporski updated the Board that Danielle Rodriguez was offered and has accepted the new position of Human Resources and Administrative Coordinator. The Member Services Representative interviews are scheduled for January 23<sup>rd</sup>.

### **Marketing & Member Services**

Manager Freeman updated the Board on the OBI implementation, where a Member can pay their bill through their online bill pay (through the bank) electronically versus the bank sending paper checks. Surprisingly, in the first few days we had processed over 50 payments. It is a positive change that saves the Member Services Reps time in processing checks manually. Director Felicelli commented that he is receiving an electronic bill as well as a paper bill. Manager Tea will do some reporting to follow up in order to stop the paper bills for those who elected paperless. Management elected to send paper bills to the paperless members during the conversion, to make sure no one didn't receive a bill.

### **Engineering**

Manager Riley explained that the ESC draft contract is under review with Mike Chapman's attorney office in Durango. The engineering team had a meeting with Tri-State to discuss upcoming Tri-State projects affecting SMPA. He felt it was a good productive meeting.

### **Operations**

In an effort to avoid potential outages in Mountain Village, Manager Oliver is having Clint Colson, Working Foreman, and Mike Therriault, Staff Engineer, work together on analyzing the possible weaknesses in grid in the Telluride Mountain Village area. Many of SMPA's assets, including underground wire, is beginning to reach end of life in this area.

### **Safety and Regulatory Compliance**

Paul Enstrom boasted that at the end of the year SMPA has reached two full calendar years with no loss time accidents, with 957 actual days. He explained that this is a result of everyone working together to reach this achievement.

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

Director Rhoades made a motion at 1:50 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 1:50 PM and came out at 2:46 PM. While in executive session no decisions were made, nor votes taken.

## **7. ASSOCIATED MEETING REPORTS**

CREA- Bob Justis  
n/a

Western United- Dave Alexander  
n/a

Eco Action- Jack Sibold  
n/a

Tri-State – Jack Sibold

Director Sibold explained some of the highlights from his last Board Meeting. The consultant that Tri-State is working with is Brad Kitchens, President and CEO of ScottMadden Management Consultants. They explained that there have been lots of big changes in the electric cooperative industry, more in the distribution portion versus the G&T. Seven out of the last eleven years there have been no growth in electricity sales, but a loss. California has a 100% renewable goal. Although, they are bringing in a large amount of hydroelectric power from British Columbia, who in turn purchases coal generation from Washington and Alberta. Based on the research and focus groups, that include the Tri-State Board, Member Managers, and member's Board of Directors, affordability and reliability come in as the most important factor in considering power supply, next renewables. Overall the average consumer doesn't pay attention to the power supply unless there are reliability and affordability issues. Tri-State is considering if they should, similar to Xcel Energy, create carbon goals with many caveats.

#### **8. BOARD TRAVEL**

The Board of Directors discussed the upcoming CREA Annual Meeting, with several Board members planning to attend. Director Felicelli, Director Justis, Director Alexander; along with CFO, Manager Mertz and Manager Zaporski plan to travel to Denver for this meeting. There is a Tri-State Resource Planning meeting that will follow the CREA Annual Meeting, planning to attend is Manager Riley, Manager Freeman, Manager Mertz, Manager Zaporski, Director Felicelli and Director Justis.

#### **9. MISCELLANEOUS**

Appoint independent third party (election monitor) to oversee election

Director Garvey motioned to appoint Jim Link as the independent third party to monitor the 2019 election. Director Rhoades seconded. The motion was voted and carried.

Set Date of Record (45 days prior to Annual Meeting: Monday, April 22, 2019)

Director Garvey motioned to set the Date of Record for Monday, April 22, 2019. Director Cokes seconded. The motion was voted and carried.

#### **10. BOARD CALENDAR REVIEW**

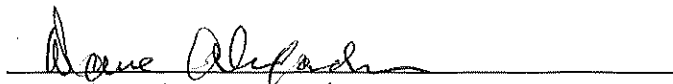
Director Garvey would like to attend the WEEDC Annual Meeting on behalf of SMPA on February 7, 2019. Manager Zaporski noted his vacation the week of February 18<sup>th</sup>.

#### **11. NEXT MEETING**

The next Board of Directors Meeting will be February 26, 2019 in Ridgway.

#### **12. ADJOURN**

Director Alexander motioned to adjourn the meeting at 3:02 PM. Director Rhoades seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer