

1. CALL MEETING TO ORDER

The meeting was called to order by President Felicelli at 9:31 a.m. All directors were present.

2. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the consent agenda. Director Rhoades seconded. The motion was voted on and carried.

3. MEMBER OR CONSUMER COMMENTS

B. General Member/Consumer Comments

Director Justis reported on a conversation he held with a business owner in Telluride who was concerned that when the area experiences a power outage his gasoline pumps cannot pump gasoline. Discussion took place if SMPA should have a responsibility to provide backup power for businesses. Directors suggested this be a topic during their next strategic planning session.

5. CEO REPORT

A. Introduction of Employee Guests

Manager Ritter introduced employee guests Tom McLeod and Leif Karo. Both men are Journeyman Linemen. Tom works in Telluride and Leif in Nucla.

F. Montrose Community Foundation

Director Garvey gave an update on the recent activity of the donation committee. The committee has drafted a letter to be mailed to the Counties and Town governments as well as the local Chamber of Commerce groups. The letter requested grant proposals based on economic development projects and lists June 15th as the deadline for submissions. Directors asked staff to finish processing the letter and mail it out. Staff was directed to include an article regarding the request for proposals in the next newsletter and a press release. Directors were advised that if there was an organization they would specifically like a letter mailed to, to please let Toni know.

E. Strategic High Level Objectives

Financial Activity Code Tracking

Director Sibold asked for an explanation update on the financial measurable milestone goals (mmg's) Staff reported they would begin to utilize activities codes in ATS for expense tracking. Cal Rutherford reported that this would allow staff to track their budget to actual expenditures and also assist with overall budget. He feels this will be a good a reporting tool.

Relationships

Director Sibold asked about the responses from employee evaluations on what's right, ideas for optimizing, what's wrong, ideas for fixing, what's missing, ideas for adding, what's confusing, ideas for clarifying questions. Manager Ritter shared that the questions came from an exercise from strategic planning with Greg Piburn. Carla is collecting the responses and will document the responses and will provide the summary when all evaluations are complete.

H. Board Donations

Manager Ritter reported that a donation request was received from the West End Economic Development Corporation. Staff had budgeted a \$500 level membership. WEEDC is requesting that SMPA consider giving at a platinum membership level.

**Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
March 24, 2015 (Ridgway)**

A donation request was received from Melissa Littlejohn on behalf of the American Cancer Society Relay for Life. The request was asking for \$2,500 but any amount would be appreciated.

A donation from Friends of the Ridgway Library was brought to the attention of Directors.

Director Garvey motioned to increase the membership level to the platinum level of \$1,000 to the WEEDC. Director Justis seconded. The motion was voted on and carried.

Director Rhoades motioned to authorize a corporate donation of \$500 to the American Cancer Society Relay for Life Event c/o Melissa Littlejohn. Director Garvey seconded. The motion was voted on and carried.

Directors Sibold and Cokes asked to donate \$100 each from their director donation funds for a total donation of \$200 to Friends of the Ridgway Library.

President Felicelli asked to donate \$100 of his director funds to One to One Mentoring specifically to the Card Board Derby Event.

Manager Ritter shared that staff reached out to the West End Pay It Forward Trust to inquire if they were interested in making a presentation to the Board of Directors. The group expressed interest in attending the April board meeting in hopes the meeting would be held in the Nucla area.

4. ACSI SURVEY RESULTS BY Tom Laining, Touchstone Energy

Mr. Laining was in attendance to give Directors results of the American Customer Satisfaction Index survey that was conducted last December. Overall SMPA score an ACSI score of 71 which is below the national co-op benchmark of 81.

Slides were displayed that showed the overall satisfaction by age, importance versus perceived involvement in the following areas: help prepare for and respond to natural disasters, support services for fire and rescue, work to attract and retain local businesses and jobs, offer youth development programs. Noted areas of improvement were "communicates with you about important issues" and "rising electricity costs", and "helps you learn to manage your electricity usage". Other topic areas were outage communications and un-met needs members have that SMPA could help fulfill.

TSE will send SMPA the more comprehensive survey summary in approximately one month. SMPA will see specific data and how it compares to other businesses across the US. Mr. Laining is available to answer questions that may arise once the detailed summary is received. Directors thanked him for his presentation and will discuss setting some goals for staff based on the results.

5. CEO REPORT (Continued)

N. Annual Meeting Theme

Directors reviewed the options for the annual meeting theme. Directors chose the Life on the Line theme.

R. E. Kuhne Complaint

Manager Ritter reported on a complaint from a member regarding SMPA collecting additional deposit amounts. Manager Ritter met with this member on April 18th and explained the need to collect the additional amounts which is in compliance with current policy. The member understood that SMPA has worked with her in the past to satisfy her history of late payments however, the member felt strongly that even though she has been late in making payments she had never actually been disconnected and has always eventually paid her balances. The member felt she deserved special consideration and is asking the Board of Directors to consider a policy change. The member was invited to attend the Board meeting to share her situation but was not in attendance today. Manager Ritter shared that staff has followed the policy and has worked with this member in giving extensions and allowances to make payment arrangements. Discussion took place. Directors discussed the need to remain consistent with the existing policy. Directors reached consensus to keep the current policy in place with no changes. Discussion turned to further exploring the pre pay program options where members could pay what they could when they could. This type of program could eliminate the need to collect deposits from members.

S. Pre Pay Program Options

Manager Ritter shared that staff continues to work on the cost benefit analysis for offering a pre pay program to members. Staff discussed logistics and further explored the liability that SMPA may have when the remote reconnects occur, changes to the general rules and regulations, collection of franchise fees and access charges, winter disconnects, and accounting for renewable energy credits if applicable. The program would only be available for residential service members, and not available to demand or three phase customers. Staff will continue to gather pricing information from available software providers and develop a pro and con sheet for presentation to Directors in April. General discussion took place.

T. Unclaimed Capital Credits

Directors were provided a summary of the balance of unclaimed capital credits and some options in ways SMPA could spend the balance, i.e. scholarships, charitable foundation, increase green fund, special capital credit retirements, funding construction work plan projects, or investing in a renewable cooperative start up. These were all ideas to generate board discussion. Directors were informed that the current balance of unclaimed capital credits is \$343,000 and an anticipated \$280,000 is the amount of unclaimed capital credits from 2014. Staff is in the process of beginning to advertise the names of those who have not claimed their 2014 credit. Discussion took place about offering the December refund and or a special retirement. Directors were reminded they didn't need to spend the full amount. They could designate a portion of the balance and maintain a healthy reserve. Director Rhoades was interested in putting some aside with the Montrose Community Foundation for charitable purposes. Attorney Link shared that if Directors chose to use the funds in ways other than what is specifically outlined in the bylaws, they would require an amendment to the existing bylaws. Directors reached a consensus to evaluate a special capital credit retirement with the unclaimed credits. Manager Ritter explained it would be helpful for the Board to give direction on an amount so that staff can run financial scenarios for capital credit retirement. Directors came to a consensus to allow staff to model for an additional special retirement of \$500,000 from the unclaimed capital credits amount.

U. Finance

iii. Property Listing

Per board direction from March, staff reported on the list of properties owned by SMPA and the current taxes that have been paid. Discussion took place about the 2nd Park property in Nucla. Brief discussion took place about the property mineral rights that SMPA owns but not the actual property. Director Garvey shared that a property which is being currently mined, SMPA used to own the mineral rights. According to Cal he believes SMPA is paying taxes for the mineral rights on two pieces of property. The topic is worth some investigation to determine if SMPA holds the mineral rights.

Directors discussed the Silverton lots and what their tax valuation is vs what was originally paid for the lots. Manager Ritter shared the last time the lots were advertised for sale was in 2008. There was no interest from Directors to sell the lots below what they were originally purchased for.

v. Financial & Statistical Reports

Manager Ritter shared that there was a new report included in the financial section that shows the accounts receivable at year end for the past five years. Overall SMPA continues to maintain steady with efforts to collect on all accounts. Net write offs in 2012 equaled \$22,083. The 2013 write offs equaled \$23,587, and write offs in 2014 equaled \$27,775.

General discussion took place about the recent mild weather in February and how this could affect revenue.

vi. Expenditure List

President Felicelli noticed there were a lot of rebate checks which show that many members are taking advantage of the rebate opportunities through SMPA.

V. Marketing & Member Services

7. Youth Programs & Scholarships

Directors were provided information on the proposed recipient of the Wes Perrin Memorial Scholarship who submitted their field of study listed under the Other category. Directors discussed if the student's explanation of entering into an energy related field satisfied the requirements set by Directors. Directors reached consensus to approve the scholarship to the designated student.

X. Administration & Human Resources

iv. Energy Management University

Carla Reams gave a demonstration of the Energy Management University software which is an online educational tool available to all employees and is now being made available on line to Directors.

6. ATTORNEY'S REPORT

Director Rhoades motioned to go into executive session for the purpose of discussing rates and contracts. Director Garvey seconded. The motion was voted on and approved

Director came out of executive session at 2:07 p.m. While in executive session no votes were taken and no decisions were made.

7. POLICY REVIEW

A. Substance Abuse & Drug Free Workplace Policy

Directors reviewed the redlined changes proposed by staff. Manager Ritter shared that even though marijuana is considered legal in Colorado it is still considered a controlled substance. The policy is aimed at coming to work under the influence of any substance, which is unacceptable. Currently only employees who hold a CDL license are randomly drug tested. Manager Ritter opened discussion on whether Directors wish to test all SMPA employees randomly. Lengthy discussion took place. SMPA currently contracts with Drug Testing Inc. out of Montrose to conduct the random screenings. The cost is \$180 per test for each on site test. Directors reached consensus to test all SMPA employees. Staff was directed to make the necessary changes and bring the policy back for final board approval.

B. Leave of Absence (Non Bargaining)

Directors reviewed the policy with no changes. Director Alexander motioned to approve the policy as presented. Director Garvey seconded. The motion was voted on and approved.

C. Employee Drivers

Directors reviewed the policy with redlined changes. Director Rhoades motioned to approve the policy as presented. Director Justis seconded. The motion was voted on and carried.

8. ASSOCIATED MEETING REPORTS

CREA – Dave Alexander

Director Alexander was unable to attend the last meeting therefore he had no report to share. Manager Ritter shared that he has forwarded the latest legislative summary report received from CREA to all Directors via email.

Western United Electric

The meeting for WUE is being held this week.

Tri-State – Jack Sibold

Director Sibold shared presentation slides from the load analysis presentation given to the Tri-State Board of Directors in early March. The graphs show the trend history of the ups and downs of energy use by each member while looking at weather patterns.

Presentation slides from the cost analysis presentation were reviewed.

A. Certification of Election to the Tri-State Board and Credentials Sheet

Director Alexander motioned to certify Jack Sibold as the Tri-State Director from SMPA and to be the credentialed voting delegate during the Tri-State annual meeting. Director Garvey seconded. The motion was voted on and passed unanimously.

Director Justis motioned to appoint President Felicelli as the alternate voting delegate to the Tri-State annual meeting. Director Alexander seconded. The motion was voted on and carried.

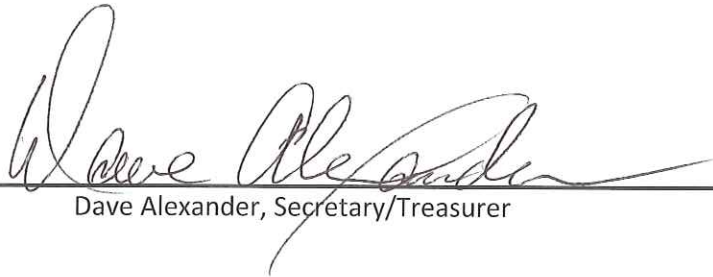
9. STRATEGIC PLANNING

President Felicelli asked Directors to begin thinking about dates and topics for a strategic planning session. He would like to schedule a meeting sometime after the annual meeting and election. One topic he would like to see on the agenda is succession planning.

13. NEXT MEETING

Directors chose their next meeting date of Tuesday, April 28, 2015 at 9:30 a.m. in Nucla.

Meeting adjourned.



Dave Alexander, Secretary/Treasurer