

1. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association Board of Directors to order at 9:30 a.m. All Directors were present.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the consent agenda. Director Alexander seconded. The motion was voted on and passed unanimously.

3. MEMBER OR CONSUMER COMMENTS

Directors Cokes and Sibold met with the Ridgway Ouray Community Council (ROCC) on Clean Energy. Director Sibold will give a presentation later in today's meeting. The ROCC is aware that better education is needed on clean energy and efficiency. SMPA is invited on April 21st to give a presentation on clean energy programs.

Director Felicelli reported Telluride did not have any power outages in Telluride over the holidays. The next Coffee with the Coop is at the Roast and Toast January 28, 2016 in Ouray; 9a.m. – 11a.m.

4. CEO REPORT

Introduction of Employees and Guests

Employee guests were Brad Boulden and Bob Coulson. As of next month, both men have been employed at SMPA for 10 years. Brad is Lead Lineman and previously worked 27 years at an electric company in Missouri. Bob is Maintenance Tech in the Ridgway office and previously employed at Olathe Elementary School. Other guests in attendance: Wendy Fenner, Z-GEO.

Board Donations

None

Corporate Donations

None

Finance

Approve 2016 IT Budget

This item will be after the Attorney's Report

Approve Banking Authorizations

Director Alexander motioned to approve banking authorizations, seconded by Director Sibold. The motion was voted on and passed unanimously.

November Financials

Directors were provided November financials for review and questions. Cal Rutherford reported inventory counts have been audited. The System Loss report compares Billed vs. Purchased. A twelve month period is a better way to look at the comparisons.

GM Link informed the Board that volunteers are needed February 8th for Knowledge Bowl at Ridgway HS at 3p.m. If anyone can help with that, please contact Alex Shelley.

GM Link asked Board permission to forward a letter of thanks to Eric Jacobson on behalf the board. He agreed to donate his Policy 117 payments back to SMPA's Green Fund. This is a very generous donation with a value of \$10,000 a year. GM Link noted Wiley Freeman drafted the language in the letter to say thank you. The Board agreed.

Action Item:

GM Link also asked the Board to pass a resolution to have Mike Hockersmith's law firm conduct the duties of Independent Election Monitor for the upcoming Board elections; it would be a conflict of interest for Jim Link to do it as he is acting GM. There may be two contested elections.

Resolution:

Upon motion duly made by Director Alexander, seconded by Director Rhoades and carried, it was RESOLVED: That Mike Hockersmith's law firm conduct the duties of Independent Election Monitor.

**Marketing & Member Services
Qualifying Facilities**

Brad Zaporski reported on the progress of the IQ Solar project. SMPA is talking with San Miguel County about pursuing the transfer station for site 1. No formal outreaches have been conducted. Verbally, three of the four larger landowners are fine with the project. Elder's have not been contacted yet. The next step is to meet with the Norwood Town Council to introduce the project. The Board received a time-line in their packet for this project.

Director Sibold asked about the administrative load. There is a lot of work setting the program up, but after the process is set up administration could expect to add about 10 minutes per month; the Partners are taking on the bulk of the work. Brad further reported there are more customers that meet the eligibility requirements of IQ then allowed. Customers would need to meet qualifications on a yearly basis. If someone no longer qualifies, the panels would be removed and distributed to another qualifying customer. The State has given SMPA \$100,000 for this program and the State will do a press release. We are one of five co-ops doing this.

Further discussion continued on SMPA retaining QF obligation vs. SMPA signs QF obligation over to Tri-State.

If SMPA retains QF obligations:

- * offer Tri-State avoided cost of Energy
- * offer Tri-State avoided cost of Energy + franchise agreement incentive
- * offer Tri-State avoided cost of Energy + incentive from a surcharge
- * offer a premium QF rate and cover it through rates
- * offer a premium QF rate and cover it through an added line item to everyone's bill similar to Holy Cross

If SMPA signs QF obligation over to TR-State:

- * Stop here; offer nothing else; completely remove SMPA from the process
- * SMPA provides a premium payment in addition to Tri-State payment
- * work with other entities/municipalities to provide a premium payment in addition to TS payment directly to QF developer

GM Link provided a QF Decision Matrix to be used for ideas only. The Board will continue discussions at their Strategic Planning meeting on February 11th. GM Link asked the managers to distribute the QF matrix to their staff and for managers to give direction at the next meeting. GM Link encouraged managers to contact board members to give them their opinions, and to also encourage staff to do the same.

Break

At 11:00 a.m., President Felicelli called for a short break. The meeting resumed at 11:25 a.m.

Information Technology

Item moved to executive session

Administration & Human Resources

The Board received Carla Ream's report in their packet. She added that she has currently received eight applications for the mechanic position. GM Link stated that Facilities had been in Carla's budget but not necessarily her responsibility; however, she will be taking on that responsibility to make sure the jobs are completed. GM Link apologized to the Board for not informing them of the accident SMPA employees were involved in. He will notify them in the future.

Engineering

The Board received Bill Riley's report in their packet. He further reported the BB109 will close on February 12th.

Operations

The Board received Duane Oliver's report in their packet. Duane reported that he has been Manager of Operations for three weeks. After meeting with his crew about their needs, they are in full agreement to spend wisely. The 2016 budget will change. Also, the SSCP plan is going forward.

Recess for Lunch at 11:55 a.m.

Resumed meeting at 12:45 p.m.

5. POLICY REVIEW

Vocational Scholarship

Director Rhoades motioned to approve by resolution the \$2,000 per school Vocational Scholarship request.

Resolution:

Upon motion duly made by Director Rhoades, seconded by Director Alexander and carried, it was RESOLVED: That each school's request for the Vocational Scholarship be awarded \$2,000 each.

Checks Drawn on Insufficient Funds, Member Access to Information, and Records Retention and Destruction

The Board reviewed the policies and had some minor changes. Carla will make the changes. Director Alexander motioned to approve the above three policies with the changes discussed. Director Sibold seconded. The motion was voted on and passed unanimously.

6. ASSOCIATED MEETING REPORTS

CREA – Dave Alexander

Meeting this coming Thursday and Friday

Western United – Dave Alexander

Wall going up in New Mexico

Tri-State – Jack Sibold

Escalante landfill has 51 acres and a depth of 70 ft. for Fly Ash. Director Sibold presented a slide show on Tri-State's Renewable Projects: Wind, Solar and Hydro.

Kit Carson Resolution and DMEA Resolution

After a brief discussion, the two resolutions will be added to executive session under Contract Matter.

Eco Action Partners – Jack Sibold

As of last Tuesday, discussions were mostly about composting.

7. ATTORNEY'S REPORT

Personnel Matter and Contract Matter

At 1:15 p.m., Director Alexander motioned for the Board and GM Link to go into Executive Session for Personal Matters and Contract Matters. Director Sibold seconded. The motion was voted on and passed unanimously.

At 2:30 p.m., all returned from Executive Session, no decisions were made or votes taken.

Resolution:

Upon motion duly made by Director Justice, seconded by Director Sibold and carried, it was RESOLVED: That the GM is authorized to hire a Senior Accountant.

Resolution:

Upon motion duly made by Director Alexander, seconded by Director Garvey and carried, it was RESOLVED: That the IT Budget is approved as amended.

8. STRATEGIC PLANNING

Meeting will be at Chipeta Lodge in Ridgway from 9:00 until 5:00 on February 11, 2016

9. BOARD TRAVEL

Directors Garvey, Justice, Alexander, Cokes and Sibold will be attending the CREA conference.

10. MISCELLANEOUS

None

11. BOARD CALENDAR REVIEW

No changes

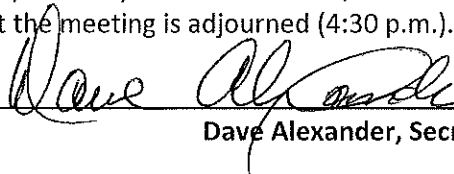
12. NEXT MEETING

February 23, 2016 in Nucla

13. ADJOURN

Resolution:

Upon motion duly made by Director Rhoades, seconded by Director Garvey and carried, it was RESOLVED: That the meeting is adjourned (4:30 p.m.).



Dave Alexander, Secretary/Treasurer