

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 28, 2018) to include the July 24, 2018 meeting minutes. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli had two Member comments regarding SmartHub. One Member was having trouble getting signed in for the first time. Director Felicelli called and Alex Shelley, Communications Executive, promptly put a banner on our website to flag Members of the changes. The other Member was happy with the new system.

Telluride Foundation- Paul Major re: Nucla Plant Concentrating Solar Power Analysis

Paul Major, President and CEO of the Telluride Foundation along with Drew Ruderman, Owner & Principal Engineer of RB Innovations Inc. presented Drew's Nucla Station Concentrated Solar Power Conversion Analysis. This presentation was the analysis of converting Tri-State's existing coal plant in Nucla to a concentrated solar power plant design laying out two different options.

Corporate Donation Presentations

Voyager Youth Program- Lisa Thomason

Lisa Thomason, Executive Director of Voyager Youth Program spoke to the Board about Voyager programs and the donation request submitted for the Second Annual Fundraiser Dinner and Auction. Voyager is looking to purchase their current space to make it a permanent facility.

4. STRATEGIC PLANNING

Instill an impeccable safety culture- Paul Enstrom

Paul Enstrom, Safety and Regulatory Compliance Coordinator, gave the Board an update of the safety objectives. The Safety Committee hopes to have the newest slogan swag, Bluetooth speakers, for distribution at the All Employee Meeting, Oct. 3rd. He is planning to host another Electrical Awareness clinic for first responders on the West End sometime in the fall. The dates still to be determined. The Safety Committee is also looking to implement a free device application from Federated for job briefings (to discontinue using paper forms). They are also exploring how to develop an incentive program to report hazards. Paul will follow up with Facilities and Member Services on the safety security improvements for both offices. Some of these improvements were budgeted for in 2018. The Safety Committee is making progress on the Safety Manual, but, it is taking longer than anticipated. This has pushed the completion deadline to late 2019. The last safety objective is to update the JHA/JSAs, this will take place after the completion of the manual.

5. CEO REPORT

NRECA Rep. James Jackson

James Jackson our new NRECA Field Representative gave a brief history of his background and gave a short presentation on the financial health of the Retirement Security Pension Plan (RS Plan). The plan is currently at a 97% funding actuarial status. 2017 was a good year for the market with an excess of 17% return these have

been deferred over a 5-year period due to potential market volatility. With this deferral, and changes to the market in 2018, the adjusted plan is at about an 87% funding actuarial status. The RS Plan has over 900 participating cooperatives and is healthy.

Manager Zaporski distributed via email the report from Tri-State in response to Rocky Mountain Institute's report on resource planning. He also attended the Policy 115 Committee Meeting and will continue to follow and report updates.

Introduction of Employee Guests

Terry Schuyler, Energy Services Executive was in attendance, along with Paul Hora, Key Accounts Executive.

Corporate Donations

Voyager Youth Program

Director Rhoades made a motion to donate \$500 to the Voyager Youth Program for the Second Annual Fundraiser Dinner & Auction; asking Basin Electric Power Cooperative to match SMPA's donation. Director Garvey seconded. The motion was voted and passed.

All Points Transit

Director Garvey made a motion to donate \$500 to All Points Transit for Oktoberfest; asking Basin Electric Power Cooperative to match SMPA's donation. Director Cokes seconded. The motion was voted on and carried.

Board Donations

Director Garvey donated \$100 to the Nucla/Naturita Senior Center.

Marketing & Member Services

Facilities Update

Paul Hora, Key Accounts Executive, and Supervisor of Facilities gave an update of all of our location's facilities. Paul is pricing out a wash bay for our Telluride location and still working on a gate and security fixes. The SMPA Nucla location received a new A/C unit upgrade this year. The unit was needed and was budgeted.

Silverton Facility

Paul explained that Silverton, even with the 416 fire impact, was still very busy for us and expect next year to be the same. Facilities spent time focusing on our employee housing in Silverton that needed some upgrades. One of the larger, unaccounted for items is the need for a heating system in the house. The current system is a safety hazard and needs to be replaced. Paul has also been working on some new facility options for Silverton. He costed out a new building to house equipment, an office, and a bunk house (should we have an outage and need staff to stay overnight). This option was more expensive than anticipated. He is now working on other ideas to manage the need to keep equipment out of the elements and also give office space for staff, that would be less expensive.

Finance Update

Manager Mertz reviewed his report and noted that due to the capital projects, specifically NISC, we are better than budget on net margins. There was an error in one of the reports in the Board Packet for kWh Sales, this was corrected and re-sent during the meeting.

Approval and execution of RUS loan documents

Director Alexander motioned to approve the Federal Financing Bank Resolutions, the execution of the mortgage documents when they arrive, and the remaining documents associated with the RUS loan. Director Justis seconded. The motion was voted and carried.

Marketing & Member Services – continued

Manager Freeman explained that the budgeted rebate monies for net metering are almost used in full. Although, staff is not requesting more money at this time. He detailed a Member complaint who has a medical condition and was not notified when we had a planned outage on the West End. NISC may have the capabilities to flag these types of situations to make sure staff has the ability to better notify those with medical conditions automatically. The 115 project application to Tri-State was approved. This is only the first step for the project. BCI Media Services (BCI) has been aiding us with social media and digital marketing strategies. Manager Freeman went through some BCI marketing statistics and the impact of their work.

Information Technology

Manager Tea gave the Board an update on SmartHub Member issues. He is reporting on any accounts locked out daily so SMPA can reach out to those that may be having issues logging into the new system. Manager Tea went over some of the capabilities of NISC software and how it will increase efficiency. He will go over in further detail during his strategic objective update.

Administration & Human Resources

Re-adoption, with date revision, of Roth 401k options

Director Alexander motioned to adopt the Roth 401k options with the revised date of January 1, 2019. Director Rhoades seconded. The motion was voted, passed and carried.

Manager Zaporski updated the Board that we are planning to keep our Group Plans with no changes this year.

Engineering

Manager Zaporski explained that we sent out RFIs to five potential engineering firms to provide scope of work proposals for the Red Mountain Line Rebuild Project.

Operations & Safety and Regulatory Compliance

Manager Oliver updated the Board that there was some damage to equipment due to the mud and rock slides on Red Mountain and he will be working with the state and contractors with scheduling the repairs. Director Sibold inquired if we had heard any follow up on the status or resolution of the issues on Enchanted Mesa. Manager Zaporski updated that Tri-State is working with CDOT on where they would like to see the poles moved to and are working on extending the width on the existing right away for the entire line. The homeowner was not interested in making any changes to the current watering system.

Safety and Regulatory Compliance

There were no updates other than what was in the strategic objective portion.

6. ATTORNEY'S REPORT

Director Sibold made a motion at 1:33 PM to enter into executive session for personnel and contractual issues. Director Garvey seconded. The motion was voted on and carried. The board entered into executive session at 1:33 PM and came out at 3:29 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

Director Alexander reported there was no meeting this month but that the Annual Fish Fry will be August 30th if anyone would like to attend.

Eco Action- Jack Sibold
n/a

Tri-State – Jack Sibold

Director Sibold went over the Tri-State Member Assessment Survey, in which the Board of Directors as a whole completed.

8. BOARD TRAVEL

All Directors with the exception of Director Alexander will attend the CREA Energy Innovations at the end of October.

9. MISCELLANEOUS

n/a

10. BOARD CALENDAR REVIEW

n/a

11. NEXT MEETING

The next Board of Directors Meeting will be Tuesday September 25, 2018 at the Silverton City Hall. The October 23, 2018 meeting will be hosted in Mountain Village at the Town Hall meeting room.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 4:17 PM. Director Cokes seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer