

## **1. RATE HEARING**

No members were present, nor were there any emails or comments submitted for review or discussion.

- Manager Zaporski reviewed the rate-setting process. Manager Zaporski noted the rate design process identifies the revenue required to support the cost of service for the cooperative. Next, rate classes are defined by grouping members into ‘classes’ that have similar usage patterns. Lastly, the rate determinants are designed within each class to ensure adequate revenue recovery, with the main focus on ensuring that “Cost causers are cost payers.” Additionally, a consulting firm is hired to independently analyze and confirm the information and to make recommendations

## **2. CALL TO ORDER**

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:07 AM. Director Cokes was not in attendance.

## **3. APPROVAL OF CONSENT AGENDA**

Director Garvey motioned to approve the revised consent agenda (November 19, 2019) to include the October 31, 2019 meeting minutes. Director Sibold seconded. The motion was voted and carried.

## **4. MEMBER OR CONSUMER COMMENTS**

General Member/Consumer Comments

- Director Garvey conveyed an experience she had with a member, stating that a gentleman approached her at the post office, he indicated that he felt the rate increase should be applied in the kWh fee, not in the access charge. He left quickly without allowing time for a response.
- Director Cooney reported that members had also approached him about the rate increase being reflected in the access fee, noting they feel the increase should be in the kWh, which would promote energy efficiency. He noted that this is an opportunity to educate our membership on the access fee and what it covers.
- Director Felicelli communicated his response to similar feedback has been to directly educate members that the access fee is applied to operational overhead expenses and is not directly related to energy-related expenses.
- Director Cooney noted that in alignment with the Student Climate Strike, a Telluride High School student wrote a letter to the local newspaper. The letter expressed a sense of urgency to be more proactive in taking measures to reduce the impact they are making on the environment. The student noted that SMPA is the local power supplier and that while SMPA does its best to promote clean, cost-effective energy in San Miguel County, SMPA is locked in a 50-year contract with Tri-State and therefore tied to the coal-burning ways of Tri-State. The student went on in the letter to say that the 50-year contract is a detriment to his (and all youth’s) future.

## **5. STRATEGIC UPDATE**

Member Survey Results Review

Tom Lainge, Vice President, Research and Insights at TSE Enterprises, reviewed the member survey results via WebEx presentation. He stated that 50% of the surveys were conducted by phone, and the other 50% were conducted online. He informed the Board that the survey results were compared against other utility sector organizations nationwide utilizing the American Customer Satisfaction Index (ACSI). He noted that SMPA is

pricing slightly above our last survey score results, our current score is slightly better than most investor-owned utility, and municipal utilities, and is in alignment with other utility cooperatives nationwide.

Implement beneficial technology. Analyze, evaluate, and make a final proposal for software application in customer information and financial information systems. – Doug Tea

Manager Tea informed the Board that a Geographical Information System (GIS) Specialist assigns symbology on an electronic map in a database. From substations to meters, the information is available to team members in the office and in the field to identify locations, track inspections, and more.

Manager Tea introduced GIS Specialist, Shawna Sinks and Equipment Technician, Mike Morlang. Shawna and Mike presented an overview of how the AppSuite and Inspections are set up and utilized. They reviewed the process for building the inspection and forms. Shawna highlighted the key benefits of using the inspections module includes easy reporting for details such as pole attachments, data consistency by using domains in the fields, ability to attach documents and/or photos, and the ability for detailed, granular data that is time-stamped with GPS coordinates. Mike presented the recloser inspection process. He explained that a recloser is an automatic high-voltage electric switch on the pole, noting manufacturers recommend an inspection every five years. Mike described the inspection process, highlighting the efficiency gains with the new inspection forms.

Manager Tea introduced ROW/GIS Analyst, Jackie Sinclair. He informed the Board that Jackie has just received her master's degree in GIS from Penn State. Jackie's capstone project for her degree was how to reduce operation overhead by optimally siting facilities within a service territory. Jackie's presentation included an overview of SMPA's service territory, noting that much of SMPA's terrain is mountainous or remote, it can result in long travel time, and travel can also be complicated due to weather and poor road conditions, posing safety issues. She also highlighted that the area experiences population fluctuations due to tourism. Jackie informed the Board that the focus of her project was to analyze all these factors and make prioritized recommendations regarding SD meter placements that will benefit the organization. An SD meter can be turned off/on from the office and is beneficial because it increases safety by keeping team members off the road in hazardous weather, reduces travel time to remote locations, and reduces repeat visits to a location that frequently switch meters. She reviewed the process she followed to collect the data regarding weather, avalanche patterns, seasonal meter turn-offs, road conditions and explained how she overlaid all the information on a map to identify prioritize locations for SD meter installations.

Instill an impeccable safety culture- Paul Enstrom and Duane Oliver

As SMPA is nearing the end of the three-year strategic planning cycle, Paul Enstrom reviewed accomplishments and noted tasks that are still being worked on. Mr. Enstrom emphasized the additional training the safety committee members have attended and noted that not only are our team members attending training, but they are also presenting at the trainings as well. He highlighted new procedures that have been developed and documented. Paul noted 1,300 forms have been completed on the SiteDocs paperless forms application since implementation in 3<sup>rd</sup> quarter 2019. Paul informed the Board that the safety committee continues to work on an SMPA specific safety manual with a completion estimate 2<sup>nd</sup> quarter of 2020.

## **6. CEO REPORT**

### **CEO. Items**

#### **Power Supply Update**

Manager Zaporski provided the Board with an update on the power supply study. He reviewed the goals of the power supply study, including exploring what a partial requirement contract could look like with Tri-State as well as researching the possibility of leaving Tri-State and analyzing alternative power supply options. Manager Zaporski informed the Board that while the contract committee has been running its course, SMPA staff has been gathering data to review with the consultants and will schedule a meeting before the next SMPA Board meeting.

#### **Colorado PUC update on recent filings by United Power and LPEA**

Manager Zaporski informed the Board that both LPEA and United Power have filed with the Public Utilities Commission (PUC) to ask them to oversee and formulate an exit price methodology from the Tri-State contract. He indicated that they filed separately, potentially indicating different motivators. Manager Zaporski reported that Tri-State's response is that Tri-State is currently working on defining the methodology for a buy-out number in the Contract Committee.

#### **Ouray County Fiber IRU**

Manager Zaporski informed the Board that contract details are still being discussed with Region 10 and Ouray County.

### **Introduction of Employee Guests**

Manager Zaporski introduced GIS Specialist, Shawna Sinks. Shawna informed the Board that has been working for SMPA since 1994, she enjoys spending her time with her three kids and two grandkids. Manager Zaporski then introduced ROW/GIS Analyst, Jackie Sinclair. Jackie Sinclair informed the Board that she has been employed with SMPA for 14 years and recently received her master's degree in GIS from Penn State. Also, in attendance was Mike Morlang, Equipment Technician; Alex Shelly, Communications Executive; Danielle Rodriguez, HR and Admin Coordinator; Kelly Truelock, Staff Accountant; and Joshua Hainey, Senior Staff Accountant.

### **Corporate Donations**

N/A

### **Board Donations**

Director Cooney donated \$100.00 to True North Youth Program.

Director Cooney donation \$100.00 to KOTO.

Director Felicelli donated \$100.00 to Angel Baskets.

Director Sibold donated \$100.00 to Mt. Sneffels Education Foundation.

Director Rhoades donated \$200.00 to the Silverton Fire Department.

Director Rhoades donated \$100.00 to the Ouray Fire Department.

Director Alexander donated \$200.00 to the Norwood Fire Department.

Director Alexander donated \$100.00 to True North Youth Program.

### **Finance Update**

#### Coop Director Finance Training

Manager Mertz informed the Board that SMPA's cash position remains steady. He noted that we are pacing better than 2017, 2018, and looking to finish as budgeted. Manager Mertz noted that the accounting team is preparing for the 1.5-million-dollar capital credit retirement scheduled for December.

### **Marketing & Member Services**

Manager Freeman reviewed the member service report. Manager Freeman highlighted that the Telluride School is trying to expand their self-generation. He also noted that San Miguel County has applied for a DOLA grant to expand their self-generation by installing solar panels with a back-up at multiple locations. If San Miguel County is able to move forward, their project will exceed the 25kW commercial limitation and will need to be reviewed and approved by the Board, as it will exceed the Board policy that states any commercial net metered system that is 25kW or greater requires the approval of the Board.

Manager Freeman and Manager Zaporski noted that self-generation and battery options are rapidly evolving. It is important to understand and be aware of net metering regulations and options. Manager Zaporski and Manager Freeman reviewed four different self generation options, including net metering, metering aggregation, community solar, and virtual net metering.

#### Set Annual Meeting date and location

Director Garvey motioned to set the Annual Meeting and Election date for June 11<sup>th</sup>, 2020, at the SMPA facility in Nucla. Director Alexander seconded. The motion was voted and carried.

### **Information Technology**

Manager Tea reviewed his report, noting that the new remit process is going smoothly, highlighting that in three days, over 1,000 checks were processed and hit the bank within one day. Manager Tea also noted that the second pre-pay account has been tested and is working well.

### **Administration & Human Resources**

Danielle Rodriguez, HR & Admin. Coordinator, reviewed her report, noting that the Key Accounts position opening has been posted internally and we have received one application.

The Board reviewed Policy 200, Signing of Checks. Following discussion, Director Alexander moved that policy 109 be approved without any changes. Director Rhoades seconded. The motion was voted and carried.

### **Engineering**

Manager Riley provided an update on the Red Mountain Project, noting that the current focus is on permitting. Options are still being explored regarding design, with a focus to investigate alternative options to going under the road throughout the Ruby Walls section of the project.

### **Operations**

Manager Oliver reviewed the operations report with nothing further to add.

### **Safety and Regulatory Compliance**

Paul Enstrom, Safety and Regulatory Compliance Coordinator, informed the Board that the Safety Committee hosted the CREA Safety Coordinator group in Ridgway and noted that the agenda topics focused on safety procedures and training that SMPA is providing that the other cooperatives want to learn about. Mr. Enstrom informed the Board that the PPE vending machines have been installed and are being utilized by the team.

### **7. ATTORNEY'S REPORT**

Director Rhoades made a motion at 2:33 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 2:33 PM and came out at 3:32 PM. While in executive session, no decisions were made, nor votes taken.

Following executive session, Director Alexander motioned to retain Jim Link as SMPA's attorney. Director Rhoades seconded. The motion was voted and carried.

### **8. ASSOCIATED MEETING REPORTS**

CREA- Debbie Cokes

N/A

Western United- Dave Alexander

N/A

Eco-Action- Jack Sibold

N/A

Tri-State- Jack Sibold

Director Sibold presented Tri-State's new Community Solar Generation (CSG) program proposal. Director Sibold informed the Board that battery storage is not included and further defined CSG as a member system owned or controlled solar photovoltaic generation that is intended to be marketed by the member system under subscription arrangements to retail customers. The program will allow member systems the ability to construct a CSG that produces the lesser of 4,600,000 kWh/year or 2% of Tri-State's energy sales to the member system in 2018. The Renewable Energy Credits (RECs) generated by the CSG will be transferred to Tri-State at no cost and used for Renewable Portfolio Standard (RPS)/ Renewable Energy Standard (RES) compliance. Director Sibold informed the Board that the proposal is intended to be implemented over a three year period, and the economic analysis indicates an 'add-back' charge concept could be implemented to help minimize cost shifts as well as recoup lost revenue and Balancing Authority (BA) charges. He noted that while the program has been approved in concept, the details are still being defined.

Additionally, Director Sibold also informed the Board that the Western Area Power Authority (WAPA) is becoming a smaller portion of Tri-State's renewable portfolio as more solar and wind renewables are being added.

### **9. BOARD TRAVEL**

N/A

**10. BOARD CALENDAR REVIEW**

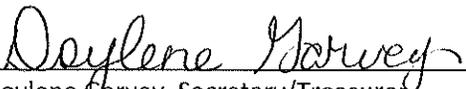
N/A

**11. NEXT MEETING**

The next Board of Directors Meeting will be Tuesday, January 21, 2020, in Ridgway.  
The February meeting will take place on Tuesday, February 25, 2020, in Nucla.

**12. ADJOURN**

Director Garvey motioned to adjourn the meeting at 4:03 PM. Director Rhoades seconded. The motion was voted and carried.

  
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Doyleene Garvey, Secretary/Treasurer