

## 1. RATE HEARING

No members were present for the rate hearing; however, three members submitted comments via email concerning the rate hearing. Manager Zaporski read the member comments as paraphrased below:

- Member Jerry Green Letter voiced his opinion in opposition to the rate increase to the access fee, stating his belief that an increase in the access fee steadily increases the costs to lowest users and essentially benefits the larger users.
- Member, John Roth from Telluride stated that he believes that the most advantageous course of action would be to adjust to a sliding scale of charges per kW. He feels this will encourage people to be more thoughtful about their power consumption while establishing higher scale rates for the higher usage members.
- Member, Edwin Schlapfer of Ophir, expressed his belief that an increase in the access fee does not encourage energy conservation amongst the users and suggested that the increase be reflected in the usage fees.

Manager Zaporski commented that in the past, SMPA had put a demand rate in effect and once a member went over 20 kW usage, they were put on a demand rate and charged for both the kWh (energy usage) and the kW (demand). There was question as to whether this was the same structure that Mr. Roth is proposing. Manager Zaporski informed the Board that the feedback SMPA had from the membership regarding that demand rate structure was negative and resulted in a rate structure change that reflects what is currently offered. Manager Zaporski also noted that neighboring coop San Luis Valley Rural Electric's recent move to a demand rate resulted in negative response from their membership, including three complaints to the Public Utilities Commission (PUC).

Director Cooney commented that perhaps SMPA could analyze an inclining block structure rate in the next cost of service study to consider along with traditional demand rate structure. Manager Zaporski replied that we could include that in the cost of service. He noted that he believes the current trend is a declining block structure to incentivize beneficial electrification.

Director Cokes stated that she appreciates the members' comments because it informs us that our membership is interested in conservation.

President Felicelli called the rate hearing to a close at 9:16 AM.

## 2. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:17 AM.

## 3. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (December 18, 2019) to include the November 19, 2019 meeting minutes with corrections. Director Alexander seconded. The motion was voted and carried.

## 4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cokes communicated that she had received a thank you letter from a member that had attended the Ridgway Power Hours. The member complimented Alex Shelly, Communications Executive on a well-hosted event, and thanked SMPA for the night sky streetlight. Manager Zaporski commented that SMPA is nearing completion in a program to switch out all outdoor lights to LED's to be in compliance with the International Dark-Sky Association (IDA) guidelines.

- Director Cooney informed the Board that there was an article in the Telluride Magazine regarding the five percent cap on self-generation of renewables. He noted that it is the first time he has seen something of this nature in a magazine that is geared towards visitors to the area.
- Director Felicelli notified the Board that he had been contacted regarding a property on Dallas Divide that the realtor was concerned the power would be shut off. Director Felicelli communicated that he put the member in contact with the office.

#### Corporate Donation Presentation

Town of Ridgway (Perk Up the Pavilion Project)- Shay Coburn

Town of Ridgway Town Planner, Shay Coburn informed the Board that the Town has been approached by an anonymous benefactor that wants to build a pavilion in the park that includes an area for shelter, storage, and concession. The benefactor is offering to match every \$1 raised with \$3, up to \$300,000. Ms. Coburn provided an overview of the project, she described the location of the proposed pavilion, the potential for solar panels on the roof, and highlighted the process of engaging the community for feedback regarding the design features for the pavilion.

#### Sharing Success Grant Presentation

Manager Zavorski gave a brief overview of the Sharing Success Grant Program, noting that the program is designed to stimulate economic development within our communities. Funding for the program is a combination of SMPA funds and matching funds from CoBank and others. A sub-committee reviews the Sharing Success Grant applications makes recommendations to the Board, and the Board votes on the recommendations.

Manager Zavorski awarded Nate Smith and Ashly Smith of Telluride Mountain Club (TMC) a \$4,000 check from Sharing Success Funds, announcing that TMC will receive an additional \$2,000 donation from Basin Electric.

Manager Zavorski presented Sue Husch of Ridgway Chautauqua Society a \$1,500 check from Sharing Success Funds, announcing that the Ridgway Chautauqua Society will receive an additional \$750 contribution from Basin Electric.

Manager Zavorski presented Paula Brown of Unaweeep– Tabeguache Interpretive Center (UTIVC), a \$1,500 award from Sharing Success Funds, announcing that UTIVC will receive an additional \$750 contribution from Basin Electric.

Manager Zavorski reported that the Ouray Ice Park (OPI) was selected to receive a \$4,000 award from Sharing Success Funds and stated that OPI is to receive an additional \$2,000 donation from Basin Electric.

Manager Zavorski reported that the San Juan Development Association (SJDA) was selected to receive a \$4,000 award from Sharing Success Funds and stated that SJDA is to receive an additional \$2,000 donation from Basin Electric.

## **5. STRATEGIC UPDATE**

### **2020 Strategic Planning Process Discussion and Calendaring**

Director Felicelli reviewed the SMPA Strategic Planning process, noting that every three years, the SMPA Board uses a strategic planning process to align the organization's direction with the mission, vision, and core values of SMPA. The last strategic planning process took place in 2017, and the next is planned for 2020. The Board discussed facilitator options and dates. Following discussion, the Board targeted dates in May and opted to use a facilitator that SMPA has worked with in the past.

## **6. CEO REPORT**

### **CEO. Items**

#### **Power Supply Update**

Manager Mertz provided a synopsis of the power supply status. He described the strategic process SMPA has pursued, including high-level participation in Tri-State Contract Committee meetings, staff review and analysis of load duration data, discussions with neighboring co-ops, and meeting with consultants. Manager Mertz identified the contract committee's task to define a partial requirement contract and the project to formulate a methodology for equitable terms and conditions for a member system's withdrawal from Tri-State's as significant. He noted that the outcome of these projects will provide us with pivotal information for consideration when moving forward in the power supply analysis and ensure that we have as much data as possible to make a well-informed decision. Manager Mertz highlighted that each step of the process has been a systematic analysis of all details and aspects of the situation.

#### **Introduction of Employee Guests**

Manager Zaporski introduced Terry Schuyler, noting that he has accepted the promotion to the Key Accounts Executive Position. Mr. Schuyler informed the Board that he has designed a strategy to increase contact with key accounts, and he is looking forward to implementing the process. Alex Shelly, Communications Executive; Danielle Rodriguez, HR and Admin Coordinator; Jeremy Fox, Service Planner Supervisor were also in attendance.

#### **Corporate Donations**

Director Rhoades motioned to donate \$2,500 to the Town of Ridgway for the Park Pavilion project to be processed in January 2020. Director Cooney seconded. The motion was voted and carried with six in favor and one opposed.

#### **Board Donations**

Director Cooney donated \$100.00 to Telluride Theater.

Director Cooney donated \$100.00 to Telluride Trust for Community Housing.

Director Cooney donated \$200.00 to The Town of Ridgway for the Park Pavilion Project.

Director Alexander donated \$100.00 to the Norwood School Robotics Club.

Director Cokes donated \$100.00 to the Wright Opera House.

#### **Finance Update**

Manager Mertz introduced Mr. Rob McCoy from BKB Audit Firm. Mr. McCoy's firm submitted a proposal to be considered as a prospective auditor. Mr. McCoy informed the Board that BKB handles several co-ops across the country, including three Colorado co-ops. Mr. McCoy stated that his job as a CPA is to notify the Board of how a decision can affect the financial statements whatever the decision will be. Manager Mertz advised the Board

that BKB headquarters are located in Springville, MO, with offices in Colorado and Utah. It was also noted that BKB is 13 out of the top 100 accounting firms in the nation.

#### Coop Director Finance Training

Manager Mertz informed the Board that due to the holiday and early meeting, this was a short month, and we will be able to provide a full financial report at a later time. He highlighted that a portion of our cash management process is to monitor historical and current interest rates. Manager Mertz reviewed the 30-year treasury rate graph, noting that interest rates appear favorable, and we are considering drawing funds from CFC to support anticipated cash needs.

#### Auditor Selection

Manager Mertz reviewed the RFP's that were received for auditor selection.

Director Alexander motioned to retain Kelso for one year and begin the auditor RFP process as early as possible in 2020. Director Sibold seconded. Following discussion, the motion was voted and carried with six in favor, and Director Felicelli opposed.

#### Marketing & Member Services

Manager Freeman reported that the Member Service's team had received a late request for the Board to approve a residential system greater than 10kW. Manager Freeman provided an overview of the project that is requesting an override.

Following discussion, Director Cooney motioned to approve an override of 10kW residential limit to allow a member to construct a 12kW residential PV system. Director Rhoades seconded. The motion was voted and carried.

Manager Freeman stated that the Town of Ophir had recently completed its Maintenance Facility solar project and that the rebate will be processed.

Manager Freeman provided an update on the Corporate Donations Policy review. He communicated that one item the committee is discussing is rebranding the policy as the Community Giving Program. Manager Freeman noted that the process is requiring a little more time than initially anticipated and that the committee is targeting to present more information at the next Board meeting.

Manager Freeman informed the Board that the Capital Credits retirement has been processed, checks are at the printers, and they are scheduled to be mailed out on December 30. Manager Zaporski commented that an information pamphlet will be mailed along with the check; the pamphlet explains the cooperative business model and why members are receiving the check.

#### Information Technology

Manager Tea reviewed his report, highlighting that the NISC Check Remit project is live, he explained the streamlined process. He informed the Board that the Member Service Representatives (MSR's) will provide a demonstration of the process during lunch. Manager Freeman added that the efficiency gains with the new technology have resulted in a decision to update the remit stub on billing statements to have all payments processed at the Ridgway location. He informed the Board that while the remit processing task has been removed from the Nucla MSR's, it is being replaced with different responsibilities.

Manager Tea updated the Board on the security camera installation. He stated that cameras have been installed at the Ridgway location, with other facilities to follow soon. Manager Tea noted that the security camera implementation was to ensure the safety of our facilities and our staff. He reviewed the live feed with the Board to demonstrate the clarity and views of the cameras.

#### **Administration & Human Resources**

Danielle Rodriguez, HR & Admin. Coordinator, reviewed her report, highlighting the organizational changes regarding the Facilities. Facilities projects and personal will now report to Rick Gabriel, Supervisor of Purchasing/ Stores, with the more significant projects being managed by Duane Oliver, Manager of Operations. She also noted that Terry Schuyler has accepted the Key Accounts Executive position, and with that transition, the Energy Services position is now open. Ms. Rodriguez informed the Board that Manager Freeman is currently reviewing and updating the Energy Services job description, once updates are finalized, the position will be posted.

Ms. Rodriguez communicated that she received a request from the Nucla and Norwood Schools for a shop intern position beginning the second semester of school, as well as a request for a job shadowing opportunity during the holiday break and that we are exploring the possibility to accommodate the requests.

#### **Engineering**

Manager Riley informed the Board that a formalized communication plan for the Red Mountain Project is in development. The plan will include an individualized webpage featuring project updates, as well as include links to CDOT and Forest Service permitting, amongst other items. Manager Riley reported SMPA has been invited to present an overview of the project at the San Juan Skyway Committee meeting in Cortez on January 17, 2020. He noted that the committee has allocated 45-minutes for the presentation, and it will be our first opportunity to discuss the project with the affected communities and their elected officials with representatives from CDOT and Forest Service present.

#### **Operations**

Manager Oliver reviewed the operations report noting that the team has completed a plethora of projects in 2019.

#### **Safety and Regulatory Compliance**

Paul Enstrom, Safety and Regulatory Compliance Coordinator, praised crew members for the quick thinking and fast action while responding to an outage report. The report noted that the service pole was down, upon arriving at the scene the crew identified that there was also a primary pole down and it was still energized with low hanging lines. The crew acted decisively, securing the area, and staying on the scene until the area was safe.

Mr. Enstrom also noted that we are currently in the process of reviewing bids for a total vegetation management assessment. Legal Counsel Link indicated that following the evaluation, if a report shows problems, we need to be prepared to act immediately to remedy potential situations. Manager Zaporski noted that this is a very in-depth study, noting the detail level encompasses staff on the ground review of trees, including tree species identification and recommended trimming schedule based on species type and locations. Director Cooney inquired about the possibility of utilizing drones to monitor and visually inspect lines. Manager Oliver replied that we are looking into purchasing drones for visual line inspection, noting that the cost associated with

adding drones to the organization is multi-faceted, including the expense to train and certify staff as a drone pilot as well as insurance coverage for the drones.

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

Director Garvey made a motion at 1:50 PM to enter into executive session for personnel and contractual issues. Director Cokes seconded. The motion was voted on and carried. The Board entered into executive session at 1:50 PM and came out at 2:48 PM. While in executive session, no decisions were made, nor votes taken.

## **8. ASSOCIATED MEETING REPORTS**

CREA- Debbie Cokes

Director Cokes highlighted that Kent Singer reported that Tri-State Stakeholder Group with New Energy Economy and Bill Ritter wrapped up on November 19<sup>th</sup>, 2019 and that they are in the process of writing a report about the conclusion of the activity. She noted that the primary goal of this group was for Tri-State to communicate to the world the impacts of House Bill 19-236. Director Cokes informed the Board that the 2020 CREA Directory is in process. Director Cokes expressed that some co-ops within CREA do not feel that CREA represented their legislative topics well and that they are discussing establishing their own lobbyist to ensure their interest receive the attention that they deserve. Legal Counsel Link noted that in the past, SMPA left CREA for about a year-and-a-half because we felt that CREA was not representing our legislative interests. Director Cokes noted that CREA has hired a new lobbyist whose last report focused on beneficial electrification.

Western United- Dave Alexander

N/A

Eco-Action- Jack Sibold

N/A

Tri-State- Jack Sibold

Director Sibold reviewed a Tri-State load and resource update. He chronicled an event that occurred in mid-November. The event began with multiple stations scheduled for an outage, followed by unplanned outages at other stations and low wind and solar production due to blade icing and cloud cover. The result of the events was a need to utilize gas power production to meet power needs.

## **9. BOARD TRAVEL**

Director Cooney noted that he is considering attending the CREA New Director Orientation scheduled for the end of January. Director Felicelli recommended the orientation.

Director Cooney is also considering attending the CREA Annual Meeting in February.

Director Sibold recommends that the Board attend a Tri-State Director Orientation in Denver.

## **10. MISCELLANEOUS**

Director Cooney informed the Board that he found the NRECA report on governance and transparency informative and offered to circulate to the other Board members. Additionally, he thanked the Board for being welcoming and happy to answer his many questions.

Director Alexander communicated that it is a pleasure being on a Board of Directors that works well together.

**11. BOARD CALENDAR REVIEW**

N/A

**12. NEXT MEETING**

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

**13. SUSPEND**

Director Garvey motioned to suspend the meeting at 3:15 PM. Director Alexander seconded. The motion was voted and carried.

**14. RECONVENE**

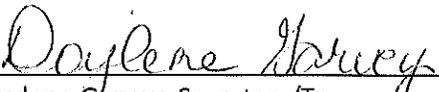
On December 23, 2020, via conference call, Director Cokes moved to return to session at 11:40 AM. Director Alexander seconded. The motion was voted and carried. Director Rhoades was not in attendance.

Director Felicelli stated that the first and only order of business is to approve the rate increase as presented.

Director Cooney motioned to approve the rate increase to take effect in 2020, as discussed at the November and December Board Meetings. Director Alexander seconded. The motion was voted and carried.

**13. ADJOURN**

Director Cokes motioned to adjourn the meeting at 11:43 PM. Director Alexander seconded. The motion was voted and carried.

  
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Doyleene Garvey, Secretary/Treasurer