

### **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 Justis motioned to approve the revised consent agenda (December 18, 2018) to include the November 27, 2018 meeting minutes. Director Garvey seconded. The motion was voted and carried.

### **3. MEMBER OR CONSUMER COMMENTS**

#### General Member/Consumer Comments

- Director Sibold gave an update that there have been over 30 applicants for the Tri-State CEO position. They plan to interview 3 internal candidates and 5 external candidates. The finalists will interview at the February Tri-State Board of Directors Meeting.
- Director Felicelli received an email from Michael Martelon, CEO of the Telluride Tourism Board or Marketing Telluride, Inc. They would like their auto draft set on a particular date. Manager Tea is going to check if this function is available with NISC and will follow up.
- Director Cokes received positive feedback from a Member who is not tech savvy on the new SmartHub tool.
- Manager Zaporski had a comment from the Mayor of Mountain Village, Laila Benitez, who was pleased with the communication regarding the recent outage. Director Felicelli kept her informed during the outage as he received updates from staff.
- Two Members in Silverton expressed appreciation to Director Rhoades with SMPA's help in putting up the holiday lights this year (as seen in the Silverton Standard & the Miner).
- Manager Zaporski added that he would like to see a few more staff certified for crane operation to aid in helping our local communities around the holidays.
- Director Garvey thanked SMPA for our participation in the Nucla parade of lights.
- Members, Rein Van West and Dave Jones, both part of the Ridgway Ouray Community Council, Clean Energy Committee, gave a presentation on their interest in how to best fund, accelerate and promote new renewable energy sources. They thanked SMPA for our support and allowing the group to meet at the Ridgway office every other month.
- Telluride Member, Kevin Cooney spoke of his support for long term resource planning and encouraged the Board of Directors to conduct a long-term analysis of SMPA's power supply.
- Telluride Member, Tom Tatum of Ute Peak Solar, spoke about his company and about the RFP for the 30 mega watt project. He is a 40-year Member and expressed his support for this project and generating more green power on the grid in the Telluride region.
- Joel Bladow, Sr. VP of Transmission for Tri-State G & T and Chris Pink, Technical Services and Bulk System Planning Manager, gave a presentation of the Evolving Grid. This presentation gave an overview of some of the challenges with the addition of renewable energy on the grid and how that affects the system.
- Manager Zaporski and Mr. Bladow led the discussion regarding the idea of Tri-State offering a Partial Requirements Contract, or different kinds of memberships. Mr. Bladow raised questions of how this would be governed and if the membership and the Board of Directors want this option to be offered. He noted that depending on the member relationship would determine if there would be transmission planning and they may explore other business models such as separating generation and transmission.

Manager Zaporski asked about the current status of the Southwest Power Pool (SPP), knowing that Xcel Energy withdrew. Bladow explained that without Xcel [Energy] it wouldn't work out. Tri-State feels there is still potential to move forward if there is more interest, or if Xcel reconsiders.

Mr. Cooney questioned if there would be an opportunity to give input to the 2019 Integrated Resource Plan (IRP) planning. Mr. Bladow explained that Tri-State has processes in place to allow for input in the planning.

Mr. Tatum asked if Tri-State expects legislature to change requirements. Mr. Bladow is not sure on how things will change, but, expects that Tri-State will be involved to give input to give what concerns, constraints, timing and cost impacts any legislation changes will have on generation and transmission.

#### **4. STRATEGIC PLANNING**

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

Manager Tea reviewed the technology plan with the Board of Directors and the NISC implementation phases and modules that have been met. The GIS conversion has revealed some issues and implementation has been delayed. He showed a demonstration of the Outage Management System. Moving into 2019 IT will look to implement the barcoding interface, Call to Order (Board Meeting software), prepaid option, payment remit processing, and MDMS/DA (engineering analysis).

Instill an impeccable safety culture- Paul Enstrom & Duane Oliver

Paul Enstrom reviewed new updates to the safety culture initiatives. Promotion of the safety slogan for 2019 will include beanie hats and small stickers and proposing challenge coins. Staff is still working to schedule an Electrical Hazard Awareness Clinic in Nucla for winter 2019. The Safety Committee has slated the RMEL Safety Conference and CREA Loss Control Seminar for 2019 training. Employee safety presentations are scheduled for 2019. Scheduled in February is a meter and meter base safety presentation and also in 2019 a presentation on protective devices and how controllers work. The Safety Committee is looking to bring in drug awareness and human performance training in 2019. The electronic message boards were rolled to implement in 2019 and building and security improvements as well.

Employee Recognition

Manager Zaporski presented Mike Therriault with an Employee Recognition Award for the category of Personal Achievement. Mike climbed, summited and skied Mount Orizaba, the highest peak in Mexico.

#### **5. CEO REPORT**

##### **C.E.O. Items**

Partial Requirements Contract discussion

Manager Zaporski explained that United Power Cooperative (United) would like to meet with SMPA to discuss the topic of partial requirements contract. The Board agreed that they would like to listen to United and would aim to invite them to the February Board of Directors Meeting to discuss this in open session.

Legislative Update

Manager Zaporski recapped the last CREA Managers Meeting which included a work session with the CREA Board of Directors to address how the Colorado cooperatives would like to respond to the imminent legislation

to increase renewable energy. The overall consensus was that we (coops) would not like to fight it and would like to work with the legislature to try to help cooperatives.

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

Manager Zaporski presented the Employee Recognition Award to Mike Therriault earlier in the meeting.

#### **Corporate Donations**

There were no donations for review this month.

#### **Board Donations**

Director Cokes undecided on an organization, opted to roll her last \$100, unused. Director Rhoades donated \$100 to the Silverton Skijoring event. Director Sibold donated \$200 to the Ouray Food Pantry. Director Felicelli donated \$200 to the Telluride Elks Club and \$150 to Angel Baskets.

#### **Finance Update**

Coop Director Finance Training

Manager Mertz re-introduced the idea of revenue deferral and what our anticipated margins may be in 2018. He plans to bring it to the Board for approval with a resolution in January.

#### **Marketing & Member Services**

Manager Freeman explained that we are on track to send out capital credit checks the 26<sup>th</sup> of December and noting that the largest checks are giving back to local governments, schools and the ski area.

#### **Information Technology**

Manager Tea had no other updates other than his report and strategic initiative update.

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

Manager Zaporski updated the Board of the retirement of Fran Lendin-Graybeal, who has worked for the company for 26 years. SMPA will host a retirement luncheon or party for Fran with details coming soon. The Member Services Representative position is currently posted with no interest internally. Revisions to the Human Resources position are finalized. This position will no longer be management. Internal interviews will be held the 19<sup>th</sup> of December.

#### **Engineering**

Manager Riley gave an update on the Telluride/Mountain Village Reliability Project; noting that there will be full SCADA functionality on both ends by the end of December.

#### **Operations**

Manager Oliver did not have any other updates other than his report. He showed photos of the recent work completed on Red Mountain Pass.

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

There were no updates other than what was in the safety report.

## **6. ATTORNEY'S REPORT**

Director Rhoades made a motion at 1:57 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 1:57 PM and came out at 3:52 PM. While in executive session no decisions were made, nor votes taken.

### Attorney Engagement Agreement

Director Alexander motioned to retain General Counsel, Jim Link and attorney, Mike Hockersmith. Director Sibold seconded. The motion was voted and carried.

## **7. ASSOCIATED MEETING REPORTS**

### CREA- Bob Justis

Director Justis distributed his notes via email to the Board of Directors. He requested attendance for the CREA Annual Meeting, earlier than normal due to conflicts with a NRECA conference.

### Western United- Dave Alexander

n/a

### Eco Action- Jack Sibold

n/a

### Tri-State – Jack Sibold

Director Sibold explained that the Tri-State Board will begin Strategic Planning in January. Some topics that will be discussed are: Bylaw amendments to include different types of contracts, contract committee preparation (to begin in early 2019), and potential LIFO (last in & first out) payouts for capital credits. Tri-State will review the wholesale requirements contract. They will look at different types of contracts to be considered since other organizations want to buy electricity from Tri-State (without a wholesale contract) who may want a partial requirements contract. There were thirty candidates submitted for the CEO position that closed on Dec. 15<sup>th</sup>. A selection committee has been formed and three candidates will be interviewed by the Board of Directors. 30 million dollars of patronage capital will be returned to member systems. This is three times more than the typical year.

## **8. BOARD TRAVEL**

The Board is invited to an informational meeting to be held in Mountain Village on January 10<sup>th</sup>.

## **9. MISCELLANEOUS**

Director Felicelli motioned to make Director Garvey the NRECA Annual Meeting voting delegate and Director Sibold as the alternate. Director Rhoades seconded. The motion was voted and carried.

## **10. BOARD CALENDAR REVIEW**

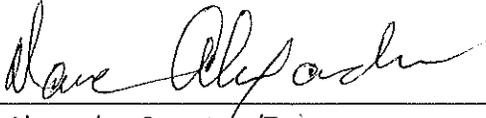
n/a

## **11. NEXT MEETING**

The next Board of Directors Meeting will be January 22, 2019 in Nucla.

**12. ADJOURN**

Director Garvey motioned to adjourn the meeting at 3:59 PM. Director Rhoades seconded. The motion was voted on and carried.



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Dave Alexander, Secretary/Treasurer