

1. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:31 AM.

Director Felicelli stated that the first order of business is to go into executive session to discuss legal matters.

Director Cokes made a motion at 9:32 AM to enter executive session. Director Rhoades seconded. The motion was voted and carried. The Board entered executive session at 9:32 AM and came out at 9:48 AM. While in executive session, no decisions were made, nor votes taken.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (January 21, 2020) to include the December 18, 2019 meeting minutes. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Garvey stated that she was approached by an employee of the Nucla post office. The employee informed Director Garvey that SMPA's transition to the remit system in Ridgway has resulted in a reduction in mail received at the Nucla post office, such a decline that postmaster is considering eliminating a staff position. Manager Zaporski responded that while gaining several efficiencies and lowering costs through the new Remit processes of receiving and posting payments, the effects on the Nucla post office were not known or considered. Director Cokes mentioned that her experience as a post office employee does not corroborate the notion that this could lead to fewer positions at a post office.
- Director Sibold communicated that he spoke with a member who is very grateful for SMPA's net metering program.
- Director Felicelli reported that a restaurant owner thanked him for the member dividend checks.
- Director Felicelli informed the Board that he had received positive comments regarding the Ridgway Skijorning event and that they are glad that SMPA contributed to making the event possible.
- Director Felicelli informed the Board that he and Manager Zaporski had lunch with the new mayor in Telluride. He noted that she had a focus on West End Economic Development.
- Director Cooney communicated that he had received feedback regarding Tri-State's Responsible Energy Plan; members stated that it is a great first step mixed with disappointment that no projects were selected for our service territory
- Director Cokes stated that she had had some communication regarding the potential construction of a community solar project within SMPA's service territory. Manager Zaporski noted that the Request for Proposal (RFP) process is important to ensure the best price possible.
- Manager Zaporski communicated that SMPA had received a letter from a member questioning SMPA's donation to events such as Skijorning while proposing a rate increase. Management explained that we utilize a donation matching program with our partners as a way to help encourage local economic development and that in essence we were able to get free money for our communities with these matching funds.

- Director Rhoades reviewed a letter that he had received from a member regarding the importance of having staff available in Silverton when the Silverton staff member is scheduled to be out of town. Manager Oliver reported that beyond covering Silverton from the Ridgway office, and sending employees there on-call when the Silverton staff member is out of town for extended periods of time, we would consider additional options.

4. STRATEGIC UPDATE

2020 Strategic Planning Process Discussion and Calendaring

Manager Zaporski reviewed dates and facilitator options for the 2020 strategic planning session. Following discussion, Director Cokes motioned to schedule the session for May 12 – May 13 and to hire Phil Bryson to facilitate the session. Director Alexander seconded. The motion was voted and carried.

5. CEO REPORT

CEO. Items

Power Supply Update

Manager Zaporski provided a brief update on the contract committee meeting. He communicated that the last contract committee was primarily focused on a proposal for United Power. He stated that due to the size, location, and load characteristics of United Power, the proposal that they presented is not suitable for the rest of the member co-ops. Manager Zaporski communicated that Tri-State introduced the new consultant contracted to design the make-whole methodology; he noted that the consultant stated his goal was to design a formula that is simple and transparent.

Introduction of Employee Guests

Manager Zaporski introduced Darcey Weimer, Journey Line Technician. Darcey reported that she has been an employee with SMPA for 12 ½ years and that she loves the company and her community. Greg James, Mechanic/Warehouse; Dustin Smuin, Senior Mechanic; Rick Gabriel, Purchasing/Stores Supervisor; Alex Shelly, Communications Executive; Danielle Rodriguez, HR and Admin Coordinator were also in attendance.

Corporate Donations

Manager Zaporski reported that the corporate donation policy is in review, noting that we will continue to review donation requests as we have in the past until a new policy has been reviewed.

Board Donations

Director Rhoades donated \$100.00 to Silverton Skijoring.

Finance Update

Manager Zaporski informed the Board that Manager Mertz was attending Managers Meeting at Tri-State. In Manager Mertz's absence, Manager Zaporski reviewed the finance report, drawing attention to the final November report that shows SMPA pacing about \$400,000 above budget. He indicated that historically, December finishes very strong, and we are anticipating finishing the year better than budget. Manager Zaporski communicated that the SMPA team has been discussing strategic options regarding how to proceed with anticipated year-end margins.

Marketing & Member Services

Board Approval PV Systems in Excess of Policy Limit

Manager Freeman discussed Box Canyon Lodge's request for an override on the commercial PV system limitation. Following discussion, Director Rhoades motioned to override the 25kW commercial limitation to allow Box Canyon Lodge to construct a 36.2 kW PV system. Director Alexander seconded. Following discussion, the motion was voted and carried.

Annual Meeting Theme Discussion

Alex Shelly, Communications Executive, reviewed several ideas for the 2020 Annual Meeting theme. Following discussion, the Board selected 'The New Reality' for the 2020 Annual Meeting theme.

Manager Freeman reviewed the member services report, highlighting the history of the SMPA's Volkswagen Bug, he noted that SMPA originally received the Bug from the Ridgway School and now would like to return the vehicle to the school to be used as a learning tool for the school's new Electric Vehicle (EV) charging program. Following discussion, the Board was in favor of returning the bug to the school.

Manager Zaporski informed the Board that subscriptions to the Last Dollar Community Solar Array will be available in the first part of February, noting that subscriptions are available for purchase by anyone in our service territory.

Information Technology

Manager Tea discussed his report, highlighting that Grand Valley Power is scheduled to visit to review SMPA's implementation of the NISC Barcoding system. Manager Tea informed the Board that he has also been contacted by Mountain Park Electric and San de Cristo Electric Association to schedule a meeting and site tour to evaluate the barcoding system.

Administration & Human Resources

Danielle Rodriguez, HR & Admin. Coordinator, reviewed her report. She noted that the Manager of Engineering position has been posted and that the first review of applicants is scheduled for February 17, 2020.

The Board reviewed Policy 201, Bonds and Insurance. Following discussion, Director Alexander moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

The Board reviewed Policy 202, Checks Drawn on Insufficient Funds. Following discussion, Director Alexander moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

Engineering

Manager Riley reported that the first public presentation regarding the Red Mountain Line Rebuild Project was presented to the San Juan Byway Committee in Cortez. He noted that this is the first step in starting the discussion about the local impacts of the project. Manager Zaporski communicated that those in attendance left in support of the project and with an understanding of the need for the project.

Operations

Manager Oliver reviewed the operations report noting that the team is continuing to hook up services, which is an indication that we are growing.

Rick Gabriel, Purchasing/Stores Supervisor; Dustin Smuin, Senior Mechanic; Greg James, Mechanic/Warehouse; and Darcey Weimer, Journey Line Technician presented on the International Construction and Utility Equipment Exposition (ICUEE) conference. They reported that the conference includes over 30 acres of exhibit space, features more than 1,000 exhibitors, and is attended by over 19,000 people. The team noted that it was a great opportunity; they were able to meet with vendors and ultimately purchased equipment that was scheduled for purchase at a significantly lower price than originally budgeted.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, informed the Board that 15 new Automated External Defibrillators (AED) have been loaded in work trucks, resulting in having an AED available at every job site.

6. ATTORNEY'S REPORT

Director Cokes made a motion at 1:25 PM to enter into executive session for personnel and contractual issues. Director Rhoades seconded. The motion was voted on and carried. The Board entered into executive session at 1:25 PM and came out at 2:16 PM. While in executive session, no decisions were made, nor votes taken.

Director Cokes motioned to approve the CEO/GM to execute IRU with Region 10 and Ouray County. Director Rhoades seconded. The motion was voted and carried.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported that CREA's new lobbyist seems to be engaged and heading in a good direction; however, she informed the Board that a few other co-ops are forming groups to get their own lobbyist, to ensure that the legislative topics they feel are important receive significant representation, with a focus to be more proactive and less reactive. The Board discussed and reviewed that they had explored hiring an outside legislative group in the past; ultimately, they decided to continue to work with CREA for legislative representation. The Board determined SMPA would closely monitor CREA's legislative representation to ensure the topics they pursue are in alignment with SMPA's goals.

Manager Zaporski discussed house bill 1064 PUC Study for Community Choice Energy (CCE). He noted that the bill appropriates \$900,000 for a feasibility study for community choice aggregation. Community choice aggregation allows a community or a group of communities to come together and choose their own power supply provider. Director Cooney noted that the study only applies to Investor Owned Utilities (IOU's) and does not apply to cooperatives.

Western United- Dave Alexander

N/A

Eco-Action- Jack Sibold

Director Cooney reported that Eco-Action is in the process of hiring a new Executive Director.

Tri-State- Jack Sibold

Director Sibold informed the Board that the vote was not unanimous regarding the decision to close the Craig and New Mexico facilities. He noted that the majority of the last Tri-State Board of Director Meeting was held in Executive Session.

8. BOARD TRAVEL

Director Cooney will be attending the CREA New Director Orientation scheduled for the end of January. Director Felicelli, Director Cooney, Director Garvey and Director Coke will all attend the CREA Annual Meeting in February.

9. MISCELLANEOUS

CREA Designated Voting Delegate and Alternate

Director Felicelli motioned that Directors Cokes be the designated CREA voting delegate, and Director Felicelli be the alternate voting delegate for CREA. The motion was voted and carried.

Appoint an independent third party (election monitor) to oversee the election

Director Alexander motioned to appoint Jim Link as the independent third party to monitor the 2020 election. Director Garvey seconded. The motion was voted and carried.

Set Date of Record (45 days prior to Annual Meeting: April 27, 2020)

Director Garvey motion to set April 27, 2020, as the date of record. Director Alexander seconded. The motion was voted and carried.

10. BOARD CALENDAR REVIEW

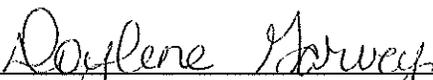
Following discussion, the Board scheduled the May Board of Directors meeting for May 19, 2020, a week before the Memorial Day holiday.

11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, February 25, 2020, in Ridgway.
The February meeting will take place on Tuesday, March 24, 2020, in Nucla.

12. ADJOURN

Director Rhoades motioned to adjourn the meeting at 2:59 PM. Director Cokes seconded. The motion was voted and carried.



Doyleene Garvey, Secretary/Treasurer