

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. All Directors were present.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (July 24, 2018) to include the June 26, 2018 meeting minutes. Director Alexander seconded. Director Garvey revised the motion to approve the consent agenda (July 24, 2018) with revisions to the meeting minutes. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Sibold met with a property owner who is in opposition of the installation of overhead lines of one of his neighboring properties. He toured the area and listened to the Member's concerns. The potential buyers would need to upgrade their line to 3 Phase in order to power their potential grow facility. The neighboring property owners would like underground lines versus overhead. At the request of Ouray County, Jeremy Fox is attending a meeting regarding the issue and to explain power options.
- Director Justis received comment from a Member who was interested in receiving their bill and newsletter electronically and wanted to know if that was a possibility. Manager Zaporski instructed Director Justis to speak with Manager Freeman to contact the Member to make the billing adjustments.

Corporate Donation Presentations

Town of Nucla: Paul Koski

Mr. Koski spoke to the Board of Directors on behalf of the Town of Nucla, who is requesting monies for signs on a new trail system. The new trail system was constructed beginning in December of 2017 and has created a new two-mile intermediate biking/hiking loop in Nucla that spans over 80 acres of land owned by the Town of Nucla. The trail was constructed quickly with 17 volunteers making it happen in a short amount of time. The trail is in need of signage to ensure the safety of those on the trail and to deter any vandalism.

4. STRATEGIC PLANNING

Professional development of workforce and Board of Directors- Manager Reams

Manager Reams went over a presentation for succession planning and reviewed key points in developing high-potential individuals to fill employment needs and encourage employee empowerment. One of the tools is to create a career development plan. Manager Reams went over the new Career Development Plan for SMPA and the form to be completed by the employee. The new plan will be reviewed at the All Employee Meeting in October.

5. CEO REPORT

DMEA 316 Complaint

Manager Zaporski attended the hearing at Tri-State regarding the DMEA 316 complaint. The Tri-State Board will be asked to vote on the complaint. Director Sibold explained that Tri-State's Contract Committee engaged two external consultants to review potential methodologies for member withdrawal options. Further detailed discussion was saved for executive session.

Telluride Franchise Agreement extension

Director Garvey motioned to approve the Telluride Franchise Agreement extension. Director Alexander seconded. The motion was voted and passed.

Introduction of Employee Guests

Hugh Hardman was the employee guest in attendance this month. Hugh is from Norwood and graduated from Norwood High School in 2009. He is a 5th step apprentice and has approximately 2 years to complete to move to Journeyman. Hugh's family has a ranch in Norwood and is married with two small children.

Corporate Donations

Carbon Neutral Coalition- EcoAction Partners

Director Cokes made a motion to donate \$500 to the Carbon Neutral Coalition. With no second from the Board of Directors, the motion did not pass.

Town of Nucla

Director Garvey made a motion to donate \$1000 to the Town of Nucla; asking Basin Electric Power Cooperative to match SMPA's donation. If Basin Electric Power Cooperative is not in a position to match the donation, SMPA will honor their contribution of \$1000 (\$2000 total). Director Cokes seconded. The motion was voted on and carried.

Board Donations

Director Cokes donated \$200 to EcoAction Partners in support of the Carbon Neutral Coalition.

Director Rhoades donated \$200 to Hardrockers Holidays.

Director Felicelli donated \$250 to GoHawkeye Foundation for the San Juan Trail.

Director Justis donated \$250 to GoHawkeye Foundation for the San Juan Trail.

Finance Update

Manager Mertz reviewed his report and noted that due to the capital projects, specifically NISC, some of the labor costs have been shifted that may not have been otherwise. This has changed our margins. He explained that depreciation of software is between 5-7 years. Overall the cooperative is healthy. Director Felicelli inquired as to when we would begin to discuss the retirement of capital credits. This will happen after the NISC conversion in the fall.

Marketing & Member Services

Manager Freeman passed around a sample of the new bill layout to go out to members in August with the new NISC system. The Board and management discussed the roll out timeline, bill timing and how it will affect paperless customers. Manager Freeman will send an update to the Board with the timeline for marketing outreach for SmartHub and impacted paperless customers. He also noted the press release for Telluride Sports will be re-released.

Policy 115 project approval

Manager Freeman talked about applying to Tri-State for a new Policy 115 project, calling it the Last Dollar Community Solar Garden. Submitting the application by July 18th ensured the project was grandfathered in under the current credit tables prior to the tables being decreased. The application is nonbinding, so even if approved, SMPA is not committed to undertaking the project. There are still a number of factors that could

hinder the progression of the project. Manager Freeman was not necessarily looking for the Board to approve the project, but, looking for direction from the Board as to whether to continue to move forward. The Board was in support of the project and would like to see where it goes.

Information Technology

Manager Tea praised staff for the great teamwork and attitudes in the training and preparation for the NISC conversion. He explained that they are planning to meet to discuss the marketing of the new system and that we are ready for the Aug. 6th go live date. NISC staff will be onsite to aid in training and best practices with staff that week.

Administration & Human Resources

Manager Reams went over her report and explained an additional Workers Compensation claim since the report for a non-recordable and no lost time accident with a twisted bit on a drill. She explained that the new NRECA Representative will attend our next Board of Directors Meeting and requested the Board email her any specific questions they may have ahead of time since he is new to his position and may need additional prep time. Next month she explained that she would bring back new resolutions adopting the Roth option on NRECA 401K plan(s) with effective dates changed to Jan. 1, 2019.

Engineering

Manager Riley reported that they are working on the new fiber agreement with Tri-State and Zayo. Zayo has acquired the fiber assets of EagleNet.

Operations & Safety and Regulatory Compliance

Manager Oliver distributed his Board report in paper copy to the Board. He updated the Board that there was some damage to equipment due to the mud and rock slides on Red Mountain and we will be working on repairs. Most fire restrictions have been lifted to Stage 1 or lower and we have now moved back to normal operating procedures. There was a brief discussion regarding a planned outage on the West End (Nucla/Naturita area) and the survey that went out in the planning process.

6. ATTORNEY'S REPORT

Jim Link, General Counsel, informed the Board that next month we would have the RUS loan documents ready for signature. This is necessary and if the documents are not ready, they would need to call a Special Meeting in order to execute.

Director Sibold made a motion at 1:14 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 1:14 PM and came out at 2:28 PM. While in executive session no decisions were made, nor votes taken.

7. ASSOCIATED MEETING REPORTS

CREA- Bob Justis

Director Justis distributed notes via email to the Board and had nothing additional to report.

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 presentation Loads & Resources. He also reported that the 416 Fire located north of Durango, caused Tri-State to run the Nucla station for four days to maintain voltage. The New Mexico wild fire in 2011, Las Conchas Fire, has concluded its settlement and mostly was covered by insurance.

8. BOARD TRAVEL

Director Sibold noted an Agenda date correction for the Region 7 & 9 Meeting to reflect Sept. 26-27th.

9. MISCELLANEOUS

Director Alexander motioned to designate Director Felicelli as the Basin Power Electric Cooperative and Director Sibold as the alternate. Director Rhoades seconded. The motion voted and carried.

The motion will be re-ratified due to the item not added to the Agenda in the ten-day advanced posting timeframe.

10. BOARD CALENDAR REVIEW

n/a

11. NEXT MEETING

The Board of Directors changed the August 28, 2018 meeting location to Mountain Village (dependent on room availability) and they would like to host the September meeting in Silverton. Executive Assistant, Danielle Rodriguez will follow up with the Board on availability and location detail.

12. ADJOURN

Director Cokes motioned to adjourn the meeting at 2:51 PM. Director Garvey seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer