

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. Director Garvey and Director Alexander were not present.

2. APPROVAL OF CONSENT AGENDA

Director Rhoades motioned to approve the revised consent agenda (October 23, 2018) to include the September 25, 2018 meeting minutes with correction. Director Cokes seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Member, Emma Marshall introduced herself and was part of the group that helped with the RMI report. She noted the cost savings with leaving Tri-State and expressed her support of the Board looking into this.
- Member and local energy consultant, Kurt Johnson introduced himself and thanked SMPA and staff for collaboration with Corinne Platt, Mayor of Ophir and other communities to help meet goals.
- Corinne Platt, Mayor of Ophir explained that Ophir is moving towards off setting the whole town with 100% renewable energy. Kurt Johnson continued conversation regarding his support of and urging SMPA with pursuing a comprehensive long-term analysis of leaving Tri-State.
- Joan May, San Miguel County Commissioner, read an editorial excerpt from a NY Times article in response to the newest UN study released regarding global warming. She posed several questions: What is SMPA doing to encourage Tri-State to move to more renewable energy? Explain how this would affect SMPA Members if we did break away from Tri-State. How could BOCC encourage and support the solar array project in the West End? She also was in support of the analysis of leaving Tri-State on behalf of San Miguel County.
- Manager Zaporski gave a brief response to the questions. He pulled up a New Mexico Public Regulatory Commission 2017 financial report for Kit Carson and explained that this is the only case study of a cooperative leaving Tri-State. He reviewed the finances that reflect the struggle since leaving. He also told Joan that he would be happy to meet with her to discuss her questions further.
- Director Felicelli told the audience that it is not the Board of Director's lack of desire to bring more local renewables to our services territory. The SMPA Board is trying to do everything possible to support renewable projects.
- Joanna Kanow from the Carbon Neutral Coalition introduced herself and asked Director Felicelli what is the Board of Directors are doing to upgrade and change our current infrastructure to prep and transition to more renewable energy. She had questions regarding RECs and where they would go for the potential array in the West End.
- Manager Zaporski responded to Joanna that the completion of the Telluride fiber ring will give SMPA the technology and base infrastructure to move forward with the analysis of the load data (that we have not had in the past).
- Joan May spoke again and believes that SMPA should communicate (to Members) about our commitment to renewables.
- Director Felicelli spoke with Ben Tisdell, Ouray County Commissioner, looking for help with a broadband network project that is partially funded with DOLA grant money. They have a financial gap and are looking for anyone to help with funding. Director Felicelli also spoke with

Pete Wagner who is having challenges with where the power will go for the solar array on the Palmyra building in Telluride.

- Director Justis spoke with Member, Kevin Cooney, who was looking on an update on the capacity study with the other coops.
- Manager Zaporski explained that he was referring to the Hosting Capacity Study. Several neighboring coops (including SMPA) put together a standard methodology with two consultants that we now have put to use.
- Director Cokes received a signed copy of *No Individual Heroes: Ouray Mountain Rescue Team*. Written by Karen Risch, local to our service territory. San Miguel Power helped with a rescue and is mentioned in the book.
- Manager Zaporski received a thank you from the Ridgway Fire Chief for help with their roof top solar. He also received several compliments on a planned outage in Telluride. Crews did an exceptional job making a six-hour outage much shorter.

4. STRATEGIC PLANNING

Improve System Reliability. Red Mountain transmission project update- Bill Riley

Proposal for selection of engineering firm

Manager Riley gave a presentation on the engineering firm selection. Staff is targeting ESC. He gave the Board an overview of the firm's qualifications and explained that the selection process is based on the best qualifications. The construction portion of the project will be focused on bids.

Improve Member Outreach/Communication/Education- Wiley Freeman

Manager Freeman gave the Board of Directors a strategic update. He highlighted the geofencing concept for targeted marketing, 26% of accounts managed with SmartHub, moving forward with revamping the website with Web Builder 3.0 that will be ADA compliant, and the NISC Outage Communications that will allow messages via text.

5. CEO REPORT

Introduction of Employee Guests

Manager Zaporski introduced several employees in attendance: Kelly Truelock in the Accounting Department, Jeremy Fox, Planning Supervisor, Alex Shelley, Communications Executive, and Mike Therriault, Staff Engineer.

C.E.O. Items

Draft budget presentation

CFO, Bill Mertz gave the 2019 budget presentation. The Board of Directors discussed the budget and the lower ratio goals presented for 2019. Making these changes will allow us to not raise rates. They discussed the idea of a revenue neutral rate change and agreed to make no adjustments.

Director Justis motioned to approve the 2019 Budget as presented. Director Rhoades seconded the motion. The motion was voted and carried. Two Directors were not present to vote (Director Garvey and Director Alexander). This motion will be re-ratified in November due to not meeting the 10-day noticing period.

Corporate Donations

There were no donations for review this month.

Board Donations

Director Sibold donated \$250 to the Voyager Youth Program for their capital project and donated \$150 to the Dolphin House Child Advocacy Center. Director Rhoades donated \$200 to the Silverton Fire Department.

Finance Update

Director Sibold motioned to approve retaining Kevin Kelso now with Jackson Thornton for the 2019 audit. Director Rhoades seconded. The motion was voted and carried. This motion will be re-ratified in November due to not meeting the 10-day noticing period.

Marketing & Member Services

Manager Freeman shared that Member Services budgeted for Coffee with the Coop in 2019. He also explained that the application deadline (October 19th) passed for the Sharing Success Grant monies and that Paul Hora, Key Accounts Executive, would be contacting the committee to get together to make their decisions.

Annual Meeting themes and direction- Alex Shelley

Communications Executive, Alex Shelley reviewed some initial ideas for a theme for the 2019 Annual Meeting. It was decided to not include a speaker but would like to include the 80-year anniversary of the cooperative. The Board also agreed to focus on the future. Director Cokes thought it would be nice to focus on community history for the booths and suggested to invite the Historical Society and the Ouray Mountain Rescue.

Information Technology

Manager Tea gave the Board an update that staff has been working to complete the Telluride fiber ring and have initiated the termination of three Century Link circuits. He also mentioned that Microsoft did an audit on our licenses.

Administration & Human Resources

Manager Zaporski updated the Board that we had no new claims this month and that having the All Employee meeting in one day was well received and we will aim to continue this.

Engineering

Manager Riley had no updates other than what was included in his report.

Operations

Manager Oliver didn't have any other updates other than his report. He did comment that we had 19 new services this past month and crews have remained busy.

Safety and Regulatory Compliance

There were no updates other than what was in the safety report. Paul Enstrom passed out Bluetooth speakers with the safety logo to the Board of Directors. These were also distributed to all staff at the All Employee Meeting.

6. ATTORNEY'S REPORT

Director Sibold made a motion at 2:43 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 2:43 PM and came out at 4:05 PM. While in executive session no decisions were made, nor votes taken.

7. ASSOCIATED MEETING REPORTS

CREA- Bob Justis
n/a

Western United- Dave Alexander
n/a

Eco Action- Jack Sibold
Director Justis will attended for Director Sibold this month. He explained that the meeting was mostly around the 2019 budget. He also explained some confusion with the Green Lights program and how it works and that Kevin Cooney had questions.

Tri-State – Jack Sibold
Montrose - Nucla - Capone transmission rebuild is delayed because anchor bolts and nuts out of round and threads are too shallow. These are the bolts that anchor the steel structures to the concrete bases and are about 2 ½ inches in inside diameter.
Basin Electric - between 20 and 30% of employees took the early exit offering.
The Loads and Resources Presentation, being sent, will point out integration costs of renewables as well as the adders of cost imposed by the Balancing Authorities.
The Nucla power plant ran for a month to take advantage of the high-priced sales in California and Arizona as well getting emissions testing completed. The plant will likely run again next July/August.
Wind Turbines are very noisy even a mile away according the Board Chairman, Rick Gordon's personal experience at his home.
A number of Distribution COOPs have utilized Tri State's offer of Board Orientation at Tri State headquarters and found it very useful. SMPA board should discuss availing itself of this orientation.

8. BOARD TRAVEL

All Directors with the exception of Director Alexander and Sibold will attend the CREA Energy Innovations at the end of October.

9. MISCELLANEOUS

n/a

10. BOARD CALENDAR REVIEW

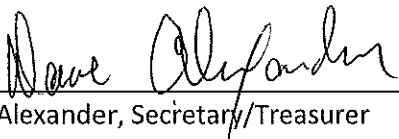
n/a

11. NEXT MEETING

The November 27, 2018 meeting will be in Nucla.

12. ADJOURN

Director Cokes motioned to adjourn the meeting at 4:19 PM. Director Rhoades seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer