

**CALL TO ORDER**

President Felicelli called the meeting of the San Miguel Power Association Board of Directors to order at 9:35 a.m. All Directors were present.

**APPROVAL OF CONSENT AGENDA**

Director Garvey motioned to approve the consent agenda. Director Alexander seconded. The motion was voted on and passed unanimously.

**MEMBER OR CONSUMER COMMENTS**

Director Rhoades reported a consumer complaint regarding bill being over \$300 a month on two monthly billings; this consumer does not have electric heat. Jeff Shea followed up on the complaint.

GM Link stated there will be a presentation specifically to the Telluride/ Mountain Village February 13<sup>th</sup> outage later in the agenda.

Director Cokes attended the Coffee with the Co-op; multiple consumers were in attendance. Director Cokes communicated she, Alex Shelley, Paul Hora, and Coleman Summers attended the February 8<sup>th</sup> Knowledge Bowl. SMPA did an amazing job with awards, food, and organizing — thanks to Alex Shelley! Coleman Summers was a timer and she was a reader; the questions were tough. The kids have to know a lot of topics! Director Cokes and Wiley Freeman attended the Clean Energy meeting on February 16<sup>th</sup>. Clean Energy would like to be communicators for Green Blocks. Two nights later they attended a Sherbino meeting, which Wiley and Alex Shelley prepared a short Power Point Presentation and Handouts. People seemed interested and signed up for more information.

**CEO REPORT**

**Introduction of Employees and Guests**

Employee guests were Jeremy Fox and Scott Davidson. Manager Riley introduced Jeremy Fox. Jeremy has been employed with SMPA for 1.5 years and is the supervisor over service planners. Jeremy will offer his expertise regarding the outage later in the agenda. Next, Paul Hora presented the Employee Award and gift certificate for \$50 to Scott Davidson for his positive impact on SMPA's image, and for providing a solution to a consumer's issue and taking that extra step. Scott provided a pilot LED light in the consumer's yard; the consumer was very grateful. Scott described his move from California in 1989 to the Norwood area and employment with SMPA in Telluride. Later he moved into his current position as Journey Lineman in Ridgway and now lives in Montrose. He expressed how much he enjoys working for SMPA and never tires of looking at the beautiful views from his office. The Board thanked Scott and Jeremy.

**Board Donations**

Director Rhoades donated \$200 to Ouray Mountain Rescue from his director donation funds. The \$200 will go towards the purchase of a new truck.

### **Corporate Donations**

GM Link announced Ouray Schools are conducting a multi-million dollar remodel project. Paul Hora will work with architects and engineers regarding green energy efficiency programs and LED rebates. Ouray Schools will feature SMPA for their efforts. Brad Zavorski updated the Board that Norwood School entered into this same program at the end of 2015; Telluride Schools are leaving decisions up to their architect and owner's rep. SMPA informed Telluride Schools on SMPA's rebates and the special program with Tri-State for new construction. One of SMPA's goals is to help two schools per year with rebate and LED programs.

### **Finance**

The Board reviewed Cal Rutherford's Finance report and December financials. Director Felicelli cited sales were down; however, the net margin was good. Cal informed the Board expenses were lower than anticipated and some personnel vacancies were not filled. SMPA received 2.8M from Tri-State from sales of assets. Cal stated \$150,000 goes towards taxes.

### **Budget Override for Nucla office remodel**

GM Link requested up to \$8,000 to complete the Nucla office remodel. Remodel consists of restructuring the server room, customer service area, Cal's new office, Carla's office and the GM's office. Director Justis made a motion to approve the Budget Override for Nucla Office Remodel up to \$8,000. Director Alexander seconded. The motion was voted on and passed unanimously.

### **Budget Override for hiring Accounts Payable Accountant (2 extra months)**

Discussion will take place later in executive session.

### **Budget Override for hiring Senior Accountant (4 extra months)**

Discussion will take place later in executive session.

### **Citizens State Bank Resolution.**

Director Garvey moved to approve three Citizens State Bank Resolutions. Director Alexander seconded. The motion was voted on and passed unanimously.

### **Marketing & Member Services**

The Board reviewed Brad Zavorski's report. GM Link voiced that part of I.Q. will need to be discussed in executive session due to legal and contract matters.

### **Green Blocks Campaign**

Brad Zavorski reported the Green Fund balance is \$318,934.66 and remaining dollars in the 2016 Renewable Energy Rebates is \$105,587.50. Solar Gardens and Green Blocks can be purchased by consumers to offset energy use. Director Cokes requested SMPA provide more information to consumers on Green Blocks; perhaps an article in the "Watch" and in the SMPA Newsletter. The Board further discussed on how SMPA should interface with ROCC regarding the Clean Energy Plan. SMPA is scheduled to conduct a presentation at ROCC's April 21<sup>st</sup> meeting. Brad recounted information to purchase Green Blocks is also available on SMPA's website.

**Board direction on two recent donation requests**

West End BMX requested \$5,000 to install lights at the 3<sup>rd</sup> baseball field located at Naturita Town Park. GM Link recommended \$1,000. Director Cokes motioned to approve \$1,000 donation for installation of lights at the baseball field located at Naturita Town Park. Director Garvey seconded. The motion was voted on and passed unanimously.

WEEDC requested in-kind donation of equipment/trucks to remove and haul waste and scrap and a Letter of Commitment to submit with application. More specifically, WEEDC requests the use of 3 trucks and 6 SMPA volunteers over an 8 day period. GM Link stated that if he feels request is reasonable, he will move forward on this and will keep the Board informed.

**Information Technology**

As this is a security issue, the Board will meet with Susan later in executive session.

**Break/Resume**

At 10:45 a.m., the Board took a short break and at 11:00 a.m. the meeting resumed.

**Administration & Human Resources**

The board reviewed Carla Reams' report, which, in part, provided information on vacant positions; the progress of the 3-bay truck shed; and the Principles of Leadership training she attended February 9-11 in Denver. Carla further reported that she will be meeting with Jim and Duane to fill the mechanic position. And, on Thursday, they will also meet with Union Representative to discuss wage for area service technicians and the wage will be posted after that meeting. Regarding the lightning strike claim, it was paid as submitted in the amount of \$2,011.

**Engineering**

The Board reviewed Bill Riley's report updating them on the Tri-State BP-109; BLM Kelly Cabin; and DMEA Fiber Connection. Next, Bill and GM Link updated the Board on the Telluride Reliability Project. This project actually began in July 1994 with an agreement for Tri-State to acquire the SMPA facilities from Cascade to Telluride and convert the facilities to 115kV operation. October 1997, SMPA notified Tri-State of need for second line to Telluride. Then, June 1998, Amendment 1 to TS-94-0012 delaying operation of the Sunshine – Telluride line at 115 kV until the Nucla – Telluride 115 kV Line Project is energized. That line was energized November 7, 2012. Since then, many meetings were had and applications and designs were submitted for review. March 1, 2016, SMPA is scheduled to submit a USFS permit application. March – June 2016, Construction Specifications and RUS contract preparations will be underway. Bill provided a slide-show to the Board outlining the Concept Loop Transmission and Redundant Transmission and how this will offer a solution to the 22 hour blackout experienced in Telluride and Mountain Village on February 13-14, 2016. This project consists of two underground distribution circuits between the Sunshine Substation and the Telluride Substation. The distribution option is necessary due to the inability of Tri-State to get approval for looped transmission service to the Telluride Substation. Tri-State will fund 50% of the project per BP-110.

### **Operations**

Duane Oliver's report was included in the Board's packet. Duane reported the SPCC plan has been finalized and employee training on the proper process and procedures for handling spills will be conducted in the near future. Duane revealed he may be coming to the Board with an override request for some supplies as it appears no money was budgeted for regulatory compliance beyond some training and annual fees for 2016. He will seek Board approval when he has solid figures.

### **Set Date of Record for Voting – April 25, 2016 and Director District Modifications/Election Calendar/Election Forms**

Cal Rutherford investigated the accuracy of the reports since the submission of the September boundary map. Cal found discrepancies in the number of members in the Director District areas. To correct the problem, Cal ended up writing his own report which resulted in the need to update the boundary map. GM Link recommends April 25<sup>th</sup> as the date of record – members who join after this date are not eligible to vote in 2016. Director Garvey motioned to approve the Director District Modifications/Election Calendar/Election Forms as submitted. Terry Rhoades seconded. The motion was voted on and passed unanimously. Director Garvey motioned to approve April 25, 2016 as the Date of Record for Voting. Dave Alexander seconded. The motion was voted on and passed unanimously.

### **Lunch Break/Reconvene**

At 12:10 p.m., the Board recessed for lunch. The Board reconvened at 1:00 p.m.

### **Rate Study/Off Peak Rates**

GM Link set forth information on the rate study: access charge vs. energy charge. A rate study report is expected in March, and a presentation will be scheduled at the April board meeting. SMPA is behind on the access charge. Options to correct the situation were discussed as well as what time-line this process needs to take place. Tri-State is also raising their access charge. GM Link summarized that layers of management has already been cut and SMPA is reusing and repurposing where they can – SMPA will be lean.

### **Q.F. Obligation**

After a brief discussion, Director Felicelli summarized Board position that the obligation is retained in order to retain options. GM Link and Brad will meet later to discuss the concern in more detail and report back to the board.

### **Annual Director Expense Summary**

The Board reviewed the expense summary prepared by Sherry Spor. Director Justis motioned to approve the Annual Director Expense Summary as submitted. Director Garvey seconded. The motion was voted on and passed unanimously.

### **Certification of Election to the Tri-State Board and Credentials**

Director Rhoades motioned to certify Jack Sibold as the Tri-State Director for SMPA and to be the credentialed voting delegate during the Tri-State annual meeting and to appoint Rube Felicelli as the alternate voting delegate. Director Alexander seconded. The motion was voted on and passed unanimously.

Record of Proceedings  
San Miguel Power Association  
Board of Director Meeting Minutes of  
February 23, 2016 (Nucla)

GM Link reported the auditors sent an engagement letter due to name change. Effective January 1, 2016, Dreyer & Kelso, P.C., P.A. changed its name to Kevin S. Kelso, CPA, P.C.,

**Break/Reconvene**

At 1:50 p.m., the Board took a short break and reconvened at 2:00 p.m.

**Attorney's Report**

At 2:00 p.m., Director Garvey motioned for the Board, GM, Managers, and Susan McNamee (IT) to go into executive session for discussion of personnel matters, contract matters and the Beaver Mesa Fire Litigation update. Director Rhoades seconded. The motion was voted on and passed unanimously.

The Managers and Susan came out of executive session at 2:15 p.m.

At 3:15 p.m., Director Sibold came out of executive session. At 3:30 p.m., the remaining Board and GM Link came out of executive session and the meeting resumed; no decisions were made or votes taken. Note: Director Sibold returned to the regular meeting as well.

**Resolution:**

Upon motion duly made by Director Alexander, seconded by Director Garvey and carried, it was RESOLVED: To approve a Budget Override for hiring Accounts Payable Accountant (2 extra months); and FURTHER RESOLVED: To approve a Budget Override for hiring Senior Accountant (4 extra months).

**Associated Meeting Reports**

CREA – Dave Alexander updated the Board on HB's that are now in the Senate and the House. HB 1661 has been opposed – not sure how to track it. Briefs have been submitted on DMEA vs. City of Delta – expected to be a long process. The April board meeting will be at Cobank at their new building.

Western United – Dave Alexander – New Mexico building is up and the testing program is going well.

Tri-State – Jack Sibold commented that two-thirds of the 44 Co-ops do not have 115 contracts. Next, a slide-show was presented to the Board.

Eco Action Partners – Jack Sibold remarked most of the meeting was on composting.

Record of Proceedings  
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GM Link presented some hi-lights on 101 discussions. No additional capacity payment for Q.F.'s until 2023. Tri-State is not purchasing or selling additional Q.F.'s either.

**Strategic Planning**

None

**Board Travel**

None

**Miscellaneous**

None

**Board Calendar Review**

No changes

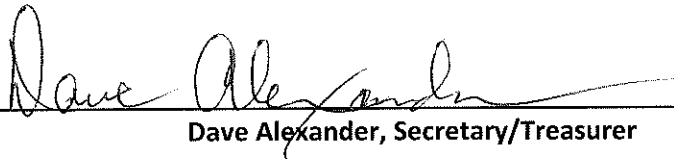
**Next Meeting**

Discussion to reschedule the March 22, 2016 Board Meeting to March 23, 2016 in Nucla.

**ADJOURN**

**Resolution:**

Upon motion duly made by Director Garvey, seconded by Director Alexander and carried, it was  
RESOLVED: To reschedule the March Board Meeting to March 23, 2016, and  
FURTHER RESOLVED: To adjourn this meeting. (4:00 p.m.)



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Dave Alexander, Secretary/Treasurer