

1. CALL TO ORDER

President Felicelli called the meeting of the San Miguel Power Association Board of Directors to order at 9:37 a.m. All Directors were present except Director Sibold who attended via telephone.

2. APPROVAL OF CONSENT AGENDA

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

3. MEMBER OR CONSUMER COMMENTS

Director Garvey brought up a concern from Deanna Burbridge, San Miguel County Fairground Manager, regarding solar panels that are being installed for the arena. She wanted to know if the extra generated electricity could then be used for the office. There may be a possibility to place one meter on the service. Duane Oliver will get with Tom McLeod and Wiley Freeman to follow-up on this.

Director Garvey was contacted by Trisha Joy with regard to the REDLG (Rural Economic Development Loan- Grant) Program. It was purposed that SMPA apply for the grant and help the Basin Clinic or other organizations in the communities that need funding.

The Loans or Grants would be applied for by SMPA and lent out by us. Repayments would then be held by SMPA and we would consider and disperse to the approved rural projects.

Loans can equal up to \$300,000 and are to be used specifically for maintaining or creating jobs. SMPA would be responsible for the administration and is allowed to add 1% to the interest rate to offset administration costs. On the grants, 20% would need to come from the recipient of the grant or SMPA. Staff will do more research into the REDLG program and come back to the board with recommendations.

4. CEO REPORT

Board Donations

Director Garvey requested to donate \$200 to West End Senior Citizens and \$100 to Red Rock Rodders.

Director Cokes motioned to donate \$1,000 to the Friends of the Ridgway Schools for the Elementary Fun Run as part of a corporate donation. Director Garvey seconded. The motion was voted on and carried.

Company Events

A retirement dinner for Sherry Spor and Gary Crawford is scheduled for Thursday, April 28, 2016 at 6:30 at the 5th Avenue Grill in Nucla.

Finance

Director Justis questioned the year-end \$35 million cash flow. Manager Link deferred this to next month since Cal Rutherford is currently on vacation.

There were no other questions or concerns with regard to the financials.

Marketing & Member Services

President Felicelli discussed his thoughts that SMPA needs to pay more attention to the Mountain Village since they are our largest source of revenue. Some discussion took place with regard to changing the name of the Telluride Reliability Project to the Telluride and Mountain Village Reliability Project.

Brad Zaporski discussed the utility net metering program proposal. We are currently looking for possible financial partners for the program. Manager Link requested that Staff put this on hold for 6 or 7 months until we get our access charge up to where it should be.

The special use application permit was submitted to San Miguel County as well as the application to the Colorado Department of Public Health and Environment for the site for the IQ Solar project. Brad anticipates the ground breaking to be in late October to early November. A minimum of 65 accounts will be served.

Brad reminded the board that all of the office personnel will be on the same work schedule beginning May 2. This has been advertised in our newsletter as well as local newspapers and Facebook page. All of SMPA will be on the Monday- Thursday schedule working 7 AM- 5:30 PM as of this date.

Alex Shelley briefly went through the election process with the board. The order of ballots were then drawn by lot, by attorney Michael Hockersmith. For Board District 4, the order of the ballot will be Jack Sibold listed first, Toby Brown listed second. For Board District 1, the order of the ballot will be Thomas Loczy listed first, Doyleene Garvey listed second.

Executive Session

Director Garvey made a motion to enter into executive session to discuss possible litigation. Director Alexander seconded. The motion was voted on and carried. The board entered into executive session at 11:12 AM and came out at 11:50 AM. While in executive session, no decisions were made and no votes were taken.

Information and Technology

No report this month.

Administration & Human Resources

In addition to the report, Carla Reams mentioned that we recently allowed a student from the Nucla High School, who is enrolled to attend line school in the fall, an opportunity to job shadow with our linemen.

The linemen were very appreciative of their gift cards and lunch celebrations during linemen appreciation day(s).

Carla reported that the three-bay shop and wash bay project in Ridgway will be more than what was put in the budget due to some additions to the project, but also in getting realistic estimates for the total project. A budget over-ride not to exceed \$125,000 was requested. Dave Alexander made a motion to approve the budget over-ride as requested. Debbie Cokes seconded. The motion was voted on and carried.

Engineering

In addition to the report, Bill Riley briefly gave an update on the West End Reliability Project. More planned outage will occur in the month of May and will affect Monogram, Paradox/Bedrock, Gyp Valley and Uravan.

We plan to rebuild the 69kV line from the plant to the Nucla substation sometime in 2018.

The work on the Monogram substation transformer repair has been completed and load was placed back on the transformer. We are currently collecting final invoices to be turned in to the insurance company.

Bill reported on the Kelly Cabin. We will be purchasing a new generator in lieu of rebuilding the line to the cabin. A proposal was presented while in Executive session. Director Garvey made a motion to approve the proposal. Director Justis seconded. The motion was voted on and carried.

Manager Link discussed solar installation project at SMPA offices. The directors gave him the approval to move forward with this.

Operations

In addition to the report, Duane requested a \$25,000 budget over-ride to purchase the proper oil storage containers as part of the spill control requirements of our new SPCC plans. Director Alexander made a motion to approve the budget over-ride not to exceed the \$25,000 as requested. Director Garvey seconded. The motion was voted on and carried.

Policy Review

Policy Line Ext-1; Line Extension and Alteration was presented with changes by Jeremy Fox. The main change being that the single-phase residential transformer will now be provided to the customer. Director Rhoades made a motion to accept the Line Extension and Alteration policy as presented with the changes. Director Alexander seconded. The motion was voted on and carried.

Attorney's Report

Director Rhoades made a motion to enter into executive session to discuss matters of fiber optics, personnel and Executive Search. Director Alexander seconded. The motion was voted on and carried. The board entered into executive session at 1:23 PM and came out at 3:00 PM. While in executive session no decisions were made nor votes taken. To avoid a conflict of interest, Manager Link was dismissed during the discussion regarding the General Manager search except where it involved him. Brad Zavorski and Duane Oliver, who are other candidates for the position were also called in at different times.

Associated Meeting Reports

CREA – Dave Alexander

Director Alexander reported on a Bill that CREA is working on concerning residential meters.

Western United – Dave Alexander

Director Alexander reported that Western United is in great financial condition and doing well.

Tri-State – Rube Felicelli

President Felicelli and Director Justis attended the Tri-State Annual Meeting. The impression of the meeting was that Tri-State tried too hard in justifying their position on everything. Tri-State carried a message that they are now 24% renewable. Director Justis does not feel that Tri-State's 2% projection in growth is realistic.

There was a brief discussion on the Patronage Capital Credits. TS is currently 95 years from retiring patronage capital.

Manager Link mentioned that he would find out who would be representing Tri-State for our Annual Meeting on June 9th to be certain that whoever they send will be able to answer some of the tougher questions from members concerning the Nucla plant.

Strategic Planning

The board will be holding a work session on May 16th in Ridgway.

For Strategic Planning they would like staff to provide more information on the REDLG program and the requirements of that.

Director Cokes mentioned her concern of the board following through with championing strategic planning goals, which has been a past concern of the board. She will be putting together a list of more specific topics for the board to work through.

Next Meeting

The next board meeting will be held on Tuesday, May 24, 2016 in Telluride at the SMPA office.

Adjourned

Director Garvey made a motion to adjourn the meeting at 3:45 PM. Director Rhoades seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer