

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. All Directors were present.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (July 25, 2017) to include: June 13, 2017 meeting minutes with the spelling correction of Brian Werner and withdrawal. Director Alexander seconded. The motion was voted on and carried.

3. MEMBER OR CONSUMER COMMENTS

- Member, Chris Myers spoke with the Board of Directors regarding his email to Director Justis outlining his concerns regarding the SMPA election. In brief, these are the items that he would like the Board to look at.
 - Address variations for ballots
 - How to increase voter turnout. Would like to see what other cooperatives are doing.
 - Spoiled ballots, is there a way to lower these numbers and make voting less confusing?
 - Is there a replacement ballot process should a member not receive, or if they receive an incomplete ballot?
 - Would like to see candidate information posted on our website. It was difficult for members to gain information on who was running and their bios.
 - Explore other third parties to monitor election instead of using SMPA's General Counsel.
- Manager Zaporski explained to Mr. Myers that we were bringing suggestions to the Board to improve our process.
- Director Felicelli suggested putting the candidate bios on our website moving forward and that he was surprised that the media didn't run an article regarding our election and candidates.
- Director Sibold will attend his Tri-State meeting next week and will inquire as to what other cooperatives processes are.
- Attorney, Jim Link gave praise for our SMPA team (Mark Castle 1st to arrive) promptly arriving at a fire scene in Ridgway to shut power off. Local first responders were very appreciative.
- Director Justis had several conversations with Kurt Johnson following up on the Annual Meeting. Mr. Johnson would like SMPA to look at our Request for Information (RFI) policy address timing and costs for RFIs and he still has outstanding questions regarding his request. Mr. Johnson also felt that Brad made commitment at the Annual Meeting to evaluate the Tri-State contract and our other energy options in the next year. Director Justis explained that this is the responsibility of the Board and staff both and that the 2017 Strategic Objectives were formed around a three year timeline but that they may take more or less time than that.
- Director Justis also heard comments from George Greenbeck regarding the decommissioning of the Howard's Fork Penstock. Director Justis explained that he didn't have an answer, but, would remind the Board of his strong position.
- Manager Zaporski gave an update on an upset member, Steve Pace regarding our line extension policy. He is looking for SMPA to negotiate the policy and pricing to connect. He says he is going to invest in solar to bypass our fees.
- Director Felicelli spoke with Randy Barnes, Town of Ophir Town Manager, who would like to partner with SMPA in an economic development program for broadband. Director Felicelli explained Sharing Success grant program with CoBank and to look for the press release that will be out soon.

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- Manager Zavorski and Manager Freeman had a meeting with Chris Arndt, Sara Holbrooke, and Adam Chambers from Pinhead Institute regarding their Request for Information (for peak data) to aid them with a project for a demand side management program, battery system to reduce peak energy. They also spoke about SMPA's Tri-State relationship. Pinhead Institute would like to learn about our industry.
- Manager Zavorski updated the Board on the Tri-State Contracts Committee meeting that he attended to request flexibility with the Wholesale Power Agreement (WPA). There was a unanimous vote to postpone any changes to the WPA and to reform committee in two years (versus 5 years) to re-evaluate.

4. STRATEGIC PLANNING

Impeccable Safety Culture- Duane Oliver & Paul Enstrom

Team: Safety Committee

Started Initiatives:

1. Slogan/Logo- 2016
2. Electrical Hazard Awareness Clinics
3. Safety Committee Training
4. Cover-Up Testing Procedure
5. Live Line Tools Procedure
6. Employees/Safety Committee Safety Presentations
7. Bring in Professional Safety Training (2 per year)

New Initiatives

1. Improve Safety Communications
2. Peer to Peer Job Observations
3. Safety/Security Improvements for Personnel and Facilities
4. Develop SMPA Safety Manual
5. Develop Job Hazard Analysis/Job Safety Analysis

Improve Member Outreach/Communication/Education- Alex Shelley & Wiley Freeman

1. Establish Baseline Data per Demographic
2. Utilize Targeted Marketing
3. Reduce Scholarship Processing Time
4. Improve Media Relations
5. Policy Makers Education Program
6. New Member Tools
7. Customer Info. Updating Process
8. Website Revamp
9. Identity Alignment/Coordination
10. Outage Communications 2.0

Follow Up Initiatives

1. Journalist Contact/Engagement
2. Media Tracking/Archiving Schedule
3. ReadyOp Contact Data Entry
4. Rates Messaging
5. Member Appreciation Days
6. Online Scholarship Application Development & Testing
7. "Power Hours" Community Meetings

5. CEO REPORT

Employee Guests

There was no employee guest this month.

Corporate Donations

Director Rhoades motioned for donation requests (that are budgeted) to donate half the requested amount and ask Basin Electric Power Cooperative to match SMPA's granted amount in order to meet the requested amount moving forward. Director Justis seconded. The motion was voted on and carried.

Director Cokes motioned to provide Ridgway Community Garden a letter of intent to donate \$2000 in 2018 for their project. Director Sibold seconded. The motion was voted on and carried.

Director Felicelli motioned to donate \$500 to the Telluride Rotary Club for their annual golf tournament, requesting Basin Electric Power Cooperative to match SMPA's donation. Director Justis seconded. The motion was voted on and carried.

Board Donations

Director Felicelli donated \$200 to the GoHawkeye Foundation.

Director Felicelli donated \$100 to KOTO.

Director Justis donated \$250 to the GoHawkeye Foundation.

Director Justis donated \$100 to KOTO.

Director Rhoades donated \$100 to Hardrockers Holidays.

Director Cokes donated \$100 to Hardrockers Holidays.

Director Alexander donated \$100 to Hardrockers Holidays.

Finance Update

Manager Rutherford gave a mid-year update on SMPA finances.

Director Garvey motioned to approve the following RUS loan documents: Certification Regarding Debarment, Suspension, and Other Responsibility Matters- Primary Covered Transactions; Assurances Required by 49 CFR Section 24.2 (A); Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants; Lobbying Certification; Useful Life Certification; Secretary's Certificate; and Federal Debt Delinquency Certification. Director Cokes seconded. The motion was voted on and carried.

Capital Credits were discussed, the Board decided that they would take a look at financials at the next Board of Directors Meeting in August to make a decision.

Joshua Hainey began going over the Annual Yearly Form 7 and will continue with the yearly form in the next couple meetings.

Marketing & Member Services

Manager Freeman explained the IQ Solar project is ready to close out now. Money was donated from affiliates of the Telluride Foundation: Johnson Family Fund, McManemin Family Fund, Hermitage Fund, and Paradox Community Trust Fund. We are now accepting applications for the Sharing Success Grant. The deadline is Monday October 16th.

Information Technology

Manager Tea explained to the Board that the Ridgway office was struck by lightning. He has been working closely with Mark from Networks Unlimited to get the office running. Networks Unlimited loaned SMPA two switches in order to get us up and operational. Manager Tea is working on getting the proper hardware ordered and has been working with insurance. He explained that he is still on track to get a scope of work and PO to the Board for review for August or September's meeting.

Administration & Human Resources

Director Garvey motioned to approve Employee Training and Education (Policy 6.01), Employee Drivers (6.11), Substance Abuse and Drug-Free Workplace (6.12), and CDL Drivers Drug and Alcohol Testing (6.15) as presented. Director Rhoades seconded. The motion was voted on and carried.

Engineering

Director Rhoades motioned to approve the Emergency Restoration Plan as presented. Director Alexander seconded. The motion was voted on and carried.

Director Alexander motioned to approve the Load Forecast as presented. Director Rhoades seconded. The motion was voted on and carried.

Operations

Manager Oliver explained that crews have been very busy due to the many outages and there are a lot of new services in the Ridgway, Ouray, and Silverton areas.

Safety and Regulatory Compliance

The last safety meeting the crews did the annual pole top rescue exercise and every lineman passed.

6. ATTORNEY'S REPORT

Director Rhoades made a motion at 4:11 PM to enter into executive session for personnel and contractual issues. Director Sibold seconded. The motion was voted on and carried. The board entered into executive session at 4:11 PM and came out at 5:04 PM. While in executive session no decisions were made, nor votes taken.

7. MISCELLANEOUS

2017 NRECA Regional Meeting Voting Delegate

Director Garvey made a motion to appoint Director Felicelli as the NRECA Regional Meeting Voting Delegate. Director Alexander seconded. The motion was voted on and carried.

The Board of Directors and Management took a tour of Dahwhinnie Ranch at 1:00 PM.

8. ASSOCIATED MEETING REPORTS

CREA- Bob Justis

The hail storm from last month has accumulated approximately 161K in insurance claims. There is a Pot and Power Conference September 11th that some may be interested in going to. EPA Administrator had a meeting about the Clean Power Plan, how EPA should be pursuing that in the future that Mike McInnes attended.

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Administration in Washington considered selling the power marketing organization, but, have decided against. CREA had a clean audit this year and is sound financial position.

Western United- Dave Alexander

Western United is doing very well financially. They gave all their employees a cost of living increase of 2.4% increase. They were looking at expanding to Utah and decided against doing so. May move to four meetings a year instead of six. August the 24th is the Annual Fish Fry. They are now starting to supply and manufacture drones.

Tri-State – Jack Sibold

115/117 Policies - six members had new projects, 10 total projects of a total of 37 megawatts of solar, and 180 kilowatts of hydro. 22 members now using their 115 Policy with 53 projects. 2.5% of total generation in 2019. Past month 37% total renewable, including WAPA (10-12% of total). Rate stabilization meeting to keep rates low, they changed some of the requirements. They did a cyber security presentation to the Board.

Eco Action Partners – Jack Sibold

Put out the first Annual Report. They would like Jack to continue as our representative at the Board Meetings, and Rube will sub in as an alternate.

9. BOARD TRAVEL

Director Felicelli would like to attend the Energy Summit in October. As soon as information is available, Danielle Rodriguez will send out to the Board.

10. BOARD CALENDAR REVIEW

Discussion of the future visit by Tri-State to SMPA is scheduled for August 15th in Ridgway.

11. NEXT MEETING

The next Board Meeting will be August 22, 2017 in Mountain Village.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 5:27 PM. Director Alexander seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer