

### **1. CALL TO ORDER**

President Felicelli called the meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:29 AM. All Directors were present except Director Alexander.

### **2. APPROVAL OF CONSENT AGENDA**

Director Garvey motioned to approve the revised consent agenda (October 24, 2017) to include the September 26, 2017 meeting minutes with the correction of legislator in the CREA updates from Director Justis. Director Rhoades seconded. The motion was voted on and carried.

### **3. MEMBER OR CONSUMER COMMENTS**

- Director Sibold met with Mayor, John Clark of Ridgway who commented that we would have to wait for another two years to push for more renewables. Director Sibold explained that not necessarily, that we are able to bring this up at the next meeting and we have other options. Director Felicelli had a similar conversation with Mayor, Sean Murphy who asked about Tri-State's meeting in two years. Director Sibold explained that 22 out of 43 of Tri-State's members have 115 contracts and 9 out of the 14 in Colorado. That we may want to look for them to gain support to increase the 5% cap.
- Director Cokes attended a dinner in Loghill Village and felt that everyone was pleased with SMPA and the former push back regarding the work in the area (Bristlecone) is now a non-issue.
- Manager Zaporski read an email from Wilson and Karin Jones with positive feedback regarding the replacement of underground power lines along Bristlecone Dr. and Crestwood Dr. in Loghill Village.

### **4. STRATEGIC PLANNING**

Update: Instill an impeccable safety culture- Paul Enstrom & Duane Oliver

Manager Oliver updated the Board on the initiatives to instill an impeccable safety culture. They are working on the final print of the Board Room posters with the slogan and logo and planning to budget in 2018 for safety apparel. The team educated members by having electrical hazard awareness clinics this summer and will schedule more in the coming months. A final draft is completed for the Cover-Up Testing Procedure and the Live Line Tools Procedure. Staff will present volt meter safety and mountain driving and brake safety to employees in 2018; dates to be determined. Several of the initiatives will be budgeted for in 2018 for training and communication improvements.

Update: Improve Member Outreach/Communication/Education- Wiley Freeman

Manager Freeman updated the Board on the Member Services strategic objective to improve member outreach, communication and education. The software tool Ready Op is shared with us by San Miguel County and we are testing communications with it to notify officials of outages and important emergency information. Manager Freeman showed a video clip created by Paul Hora, Key Accounts Executive and Alex Shelley, Communications Executive about the Sharing Success Grant that was awarded to Top of the Pines. He explained that we are making progress in regards to media relations. Member Appreciation days were very successful this year and his department is currently working on Power Hours. They are still working on the education of capital credits and will be using a Monopoly theme.

## 5. CEO REPORT

### Employee Guests

Kelly Truelock, Accounts Payable Accountant and Paul Hora, Key Accounts Executive were in attendance of this month's meeting.

### Corporate Donations

There were no donations for review this month.

### Board Donations

Director Cokes donated \$100 to the Wright Opera House.

Director Sibold donated \$100 to the Olathe Haven House.

Director Sibold donated \$100 to the Delta House.

Key Accounts Executive, Paul Hora announced the recipients of the Sharing Success Grant monies. In 2017 in addition to what SMPA and CoBank awards SMPA will request a match from Basin Electric Power Cooperative.

Grant Applicant	Project	SMPA Awarded
Top of the Pines	Pavilion Interior Improvements	\$1,000
Town of Ophir	Ophir Broadband Project	\$2,000
Ouray County Rodeo Assoc.	2018 San Juan Skijoring	\$2,000
Ridgway Area Chamber	Ridgway Online Presence Project	\$2,000
Ouray Trail Group	Ouray Perimeter Trail Safety Enh.	\$2,000
Apple Core Project	Community Demonstration Orchard Installation	\$1,000

### Finance Update

Manager Mertz reviewed the draft 2018 budget. Although in draft form, Manager Mertz reviewed some additional analytics that he included this year that has not been done in the past such as kWh Sales Comparison and Heating Degree Data.

### Coop Director Finance Training

Manager Mertz presented a training on cash vs. accrual costs, O&M costs, capital costs, and anchored costs this month when educating the Board.

### Capital Credits

Manager Mertz would like to wait to make a decision on Capital Credits.

### 2018 Auditor recommendation

Manager Mertz is neutral offering an opinion on retaining Mr. Kelso as our auditor and would recommend retaining him.

Director Sibold motioned to retain Kevin Kelso, CPA, P.C., P.A. as our auditor for 2018. Director Cokes seconded. The motion was voted on and carried.

### Marketing & Member Services

Manager Freeman updated the Board on some of the topics that were discussed at the last Power Hours. The group discussed the M.J. Bradley & Associates (2017) *Benchmarking Air Emissions of the 100 Largest Electric*

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*Power Producers in the United States.* It appears that there may be a misrepresentation of Tri-State in this report. Tri-State is working on a white paper to further explain their Renewable Energy Certificates (RECs) accounting. Another topic that was brought up by a member is that our community solar has an indirect impact on the rates to everyone else. Manager Freeman explained our Green Fund to this member. Director Sibold explained that there are at least 22 cooperatives that have 115 contracts and we may want to consider contacting them to find out if they as well would like to increase the 5% cap of locally-produced distributed generation in the Wholesale Electric Service Contract with Tri-State.

#### **Information Technology**

Manager Tea updated the Board on their travel to the NISC Conference where there were approximately 2500 members in attendance. He felt it was very positive and beneficial. The key note speaker was the former CIA Director (2013-2017), John Brennan. Staff thought it was helpful to network and great for team building with our other locations and got everyone excited about the capabilities of the new system. Manager Tea is working on solidifying roll out dates and finishing up the lightning strike work order.

#### **Administration & Human Resources**

Manager Reams explained that we had an Ouray student job shadow in Ridgway with Eric Pottorff, Area Serviceman and the line crew. All information of our internship and job shadowing programs have been distributed to the schools in our service territory. The Succession Plan is now in draft form. All Employee Meetings are scheduled in November for open enrollment.

Director Rhoades motioned to approve Functions of the Board of Directors (Policy 5.01) and Delegating of Certain Duties of the Secretary and the Treasurer (5.08) as presented. Director Garvey seconded. The motion was voted on and carried.

Discussion regarding Policy 5.05, Compensation and Expenses of Board Members due to the increases of health insurance premiums. Staff will research what we currently pay out for each single employee for health insurance and what other cooperatives are doing in regards to compensation of their Board of Directors in lieu of health insurance and will bring back recommendations at our next meeting.

#### **Engineering**

Manager Riley updated the Board of Directors on the Telluride/Mountain Village Reliability project. Ward Electric pulled the conductor fiber last week and should be complete by mid-November. He believes the project will be in service by the end of the year. Crews are still working on the revegetation of the area.

#### **Operations**

Manager Oliver didn't have anything to add other than what was in his report.

#### **Safety and Regulatory Compliance**

Manager Zaporski explained that Paul Enstrom will have two days of deposition in regards to the Beaver Fire. He is currently working on the Rural Electric Safety Achievement Program (RESAP) Onsite Observation.

#### **6. ATTORNEY'S REPORT**

Director Garvey made a motion at 1:51 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 1:51 PM and came out at 3:04 PM. While in executive session no decisions were made, nor votes taken.

**7. MISCELLANEOUS**

There were no miscellaneous items discussed.

**8. ASSOCIATED MEETING REPORTS**

CREA- Bob Justis

n/a

Western United- Dave Alexander

n/a

Tri-State – Jack Sibold

Tri-State didn't send help to Texas and Florida after the recent hurricanes because the bulk of the damage was in distribution. Coal and gas purchases were down and they purchased more on the market due to the cheaper prices. Tri-State's margins look good for the rest of the year. New Horizons have started putting together processes for both Union and non-Union severances. Mike McInnes feels that the employees are satisfied and the Nucla community will start to put together decisions. They are still evaluating what to do with the facilities after shut down. Director Sibold reviewed several slides with the Board regarding RPS/RES Compliance Progress and Operations Summary.

Eco Action Partners – Jack Sibold

Eco Action Partners is looking to promote the Green Lights program in Nucla, Naturita and Rico (unincorporated areas). They see interest ramping up for the SMPA IQ solar program at the Village Court Apartments in Mountain Village. There seems to be funding issues for 2018 with the government agencies and may come up short next year. Looking to start a composting project in Norwood/West End Montrose County.

**9. BOARD TRAVEL**

Director Justis, Alexander, Felicelli, and Garvey will attend the Energy Innovation Summit along with Manager Zaporski.

**10. BOARD CALENDAR REVIEW**

n/a

**11. NEXT MEETING**

The next Board Meeting will be November 28, 2017 in Ridgway. The December Board of Directors Meeting will be on Thursday December 21, 2017 in Nucla.

**12. ADJOURN**

Director Garvey motioned to adjourn the meeting at 3:25 PM. Director Rhoades seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer