

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 (March 27, 2018) to include the February 27, 2018 meeting minutes with correction and the following re-ratifications: Approval of the election of Director Sibold as the Director of the Tri-State Board of Directors and Director Justis as the alternate. Director Sibold seconded. The motion was voted on and carried.

3. MEMBER OR CONSUMER COMMENTS

- Director Felicelli commented that he often is questioned regarding the coop. He was approached at Telluride Sports and the Member thanked us for what we're doing and questioned where we were at with renewables.

4. STRATEGIC PLANNING

DMEA fiber presentation

Jasen Bronec, CEO of Delta-Montrose Electric Association (DMEA) spoke about their subsidiary company, Elevate. Elevate Fiber is a for profit subsidiary of DMEA that began installations in the fall of 2016. Elevate is run by a separate Board of Directors and has both public and private partnerships. Mr. Bronec gave a brief history of himself and how Elevate was formed. He spoke about some of the funding that Elevate used to get started including Colorado Department of Local Affairs (DOLA) grant monies, Cooperative Finance Corporation (CFC) funding, Rural Utilities Service (RUS) Construction Work Plan loans, and cash. He spoke about some of the lessons learned with the start up of the company and how they created their brand. He stressed that without the effort of his staff this wouldn't have been as successful.

Update: Professional development of workforce and Board of Directors- Carla Reams

Manager Reams reviewed the improvements and key actions taken to achieve them. Most initiatives are in progress. Mrs. Reams is working on SMPA's succession planning and scheduling training for the Board of Directors.

Update: Gain full Board understanding of current long term financial policy, and options, to create financial flexibility while maintaining rate stability- Bill Mertz

Manager Mertz reviewed several key accounting terms in form of a Jeopardy game. Some of the topics that were reviewed, balance sheet formula, and TIER & OTIER. The Board decided to extend the May Board Meeting to include financial training in the afternoon.

5. CEO REPORT

Introduction of Employee Guests

There were several employees in attendance of the Board Meeting, Alex Shelley, Communications Executive, Jeremy Fox, Service Planner Supervisor, Paul Hora, Key Accounts Executive and Facilities Supervisor, Renee Koski, Custodian. Mrs. Koski gave a brief introduction. She began in 1995 part time and has been with the company for about 23 years.

Employee Recognition

Renee Koski presented Bob Coulson an Employee Recognition Award for cost savings to the co-op. In addition to his certificate, he received one paid day off.

Corporate Donations

There were no donations for review this month.

Board Donations

Director Felicelli donated \$100 to One to One San Miguel Mentoring Program for the 2018 Cardboard Derby. Director Garvey donated \$100 to Red Rock Rodders for their car show.

Finance Update

Manager Mertz reviewed his report with the Board. Director Sibold was appreciative for his use of percentages and new charts to visualize data.

Marketing & Member Services

Manager Freeman explained that he has been spending a great deal of time with the NISC project. Credit card information will be moved over from the company Heartland to First Data. The project has required the cleanup of data and tables. Some of the cleanup has included thousands of notes on accounts and determining relevant information, old district assignments or no district assigned at all. NISC was on site and went through work management and the processes for 25 service orders. Director Felicelli inquired about the re-branding of Green Blocks. Manager Freeman explained that we are working with outside marketing services out of Durango and he should have a better update as part of his Strategic Objective update. Alex explained CoBank's joined forces with No Barriers USA. This program targets military veterans who have returned home with various types of disabilities to push them out of their comfort zone, both mentally and physically, in planned outdoor adventures.

Annual Meeting update

Alex Shelley, Communications Executive gave an update on the 2018 Annual Meeting. He had a slide to give the Board a visual of the look and feel of the Annual Report incorporating this year's theme, "New Heights." He explained that we selected a printer for the ballots based on quotes, sent out special letters to those who have multiple accounts in multiple districts, created new documents for the mailings, and are working on getting word out to update your account address to make sure Members receive a ballot.

Information Technology

Manager Tea updated the Board on the progress of the NISC project. NISC staff was in Ridgway last week to review Work Management. In the three days that NISC was on site, staff reviewed and determined 25 different work flows. Jeremy Fox created a document outlining work flow of a new service request to include all the internal groups. This was very beneficial in this meeting due to the complexity and number of departments touched in this type of service order. Manager Tea felt it was a great team effort. Next week NISC will be on site in Nucla for the Accounting and Business Solutions (ABS) review.

Administration & Human Resources

Manager Reams explained that we will be interviewing a candidate for the Energy Services position on Thursday. We will hold off filling the Mechanic/Warehouseman position for six months to re-evaluate it similar to what we did with the Energy Services position. She explained that Union negotiations will take place April 25 and 26 and

that they will meet with Mike Kostelecky on the 12th as a pre-meeting to allow for preparation. Manager Reams noted Dave Kelly's retirement party in Ouray, March 29th and that the Norwood Post will highlight an article on the front page highlighting his 45 years with San Miguel Power.

Compensation and Expenses of Board Members (Policy 5.05)

Director Garvey made a motion to approve Policy 5.05 Compensation and Expenses of Board Members with the changes as discussed. Director Rhoades seconded. The motion was voted and carried.

Delegating of Certain Duties of the Secretary and the Treasurer (Policy 5.08)

Director Rhoades motioned to approve Policy 5.08 as presented. Director Sibold seconded. The motion was voted and carried.

Engineering

Manager Riley explained that we completed the Telecommunications Sharing Agreement allowing SMPA the use of Tri-State's fiber from Telluride to Nucla. Work has begun on the next phase of our fiber network and working closely with our fiber equipment manufacturer and with Tri-State. We are working with Tri-State on a Delivery Point Modification Application. The application will be the foundation for the letter agreement covering the Tri-State participation under BP-110. Engineering staff is still working on some clean up items with the Telluride/Mountain Village Reliability project.

Operations

Manager Oliver updated the Board on his travel to the NRECA Annual Meeting and TechAdvantage. He explained that the topics included how cooperatives can stay viable in the future with low growth. This ties in with Jasen Bronec's presentation with DMEA's creation of Elevate Fiber. Some of the discussion at the training was about how to stay valuable to our membership by adding phone and television services or teaming up with solar installations and remaining the provider of choice. There were several models discussed, including some staying as a not for profit.

Safety and Regulatory Compliance

Manager Zaporski updated the Board on safety. Paul Enstrom was out of town for the RMEL Safety Conference along with the Safety Committee. Manager Oliver talked about the near miss with our tree trimming company, Asplundh Tree Expert, LLC that was discussed last month. They are working on getting Asplundh trucks radio equipment for situations such as this, where there is not any cell phone service. SMPA is now 16 months with no accidents.

6. ATTORNEY'S REPORT

Director Garvey made a motion at 1:08 PM to enter into executive session for personnel and contractual issues. Director Cokes seconded. The motion was voted on and carried. The board entered into executive session at 1:08 PM and came out at 3:31 PM. While in executive session no decisions were made, nor votes taken.

7. ASSOCIATED MEETING REPORTS

CREA- Bob Justis

There was not a meeting this month.

Western United- Dave Alexander

There was not a meeting this month.

Eco Action- Jack Sibold

There was not a meeting this month. Director Sibold distributed Strategic Planning agenda and slides for review; next meeting scheduled March 29, 2018.

Tri-State – Jack Sibold

Springer Electric Cooperative and Southwestern Electric Cooperative in eastern New Mexico plan to merge due to losing $\approx 7\%$ of their population each year. Western Area Power Administration (WAPA) Colorado River Storage project has been extended to 2057. WAPA's Loveland Area project was extended from 2015-2054. They account for 12-15% of total power for Tri-State. California had large amount of solar generation in mid-May last year, however, when the sun went down in the evening, the demand was so high due to air conditioning, they had to supplement with the equivalent of 36 generation plants and buy hydroelectric from Northwest to meet the needs. The West Coast doesn't want any new gas generation due to the reliability issues. With gas, there are similar issues with intermittency of renewables that will need battery or hydroelectric storage solutions.

8. BOARD TRAVEL

Director Sibold will attend the Tri-State Annual Meeting April 4th. Director Justis is interested in attending the CoBank Energy Directors Conference in Colorado Springs in July. He will determine travel when the agenda is released.

9. MISCELLANEOUS

10. BOARD CALENDAR REVIEW

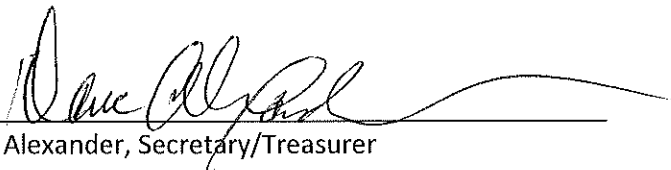
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11. NEXT MEETING

The April Board of Directors Meeting will be on Tuesday April 24, 2018 in Nucla. The May Board of Directors Meeting will be on Tuesday May 22, 2018 and begin at 8:30 AM. The second half of the meeting will be financial training.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 3:32 PM. Director Cokes seconded. The motion was voted on and carried.



Dave Alexander, Secretary/Treasurer