

### 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 (November 28, 2017) to include the October 24, 2017 meeting minutes with the correction of spelling of Town of Telluride Mayor Murphy from Director Justis. Director Alexander seconded. The motion was voted on and carried.

### 3. MEMBER OR CONSUMER COMMENTS

- Manager Zaporski updated the Board on the Power Hour in Norwood. He felt there was a good turn out and that there were several questions regarding solar rebates. Paul Hora noted that Katie Sapp a Norwood Planning and Zoning Commission Member, expressed appreciation of our continued support of the "dark sky" efforts.
- Director Garvey attended a healthy round table with West End Family Link Center. They were very appreciative for our donation for a freezer that was very much needed. There was also discussion where SMPA was recognized for our contribution to the Apple Core Project.
- Manager Zaporski updated the Board on the Power Hour in Ridgway. It was well attended. Most of the comments were around rebates. Leif Juell, Owner of Alternative Power Enterprises felt that our rebates were not 100% necessary in order to move forward with projects, although very helpful.  
Manager Freeman spoke with a member at the Ridgway Power Hour that expressed his appreciation for the newsletter article published last year explaining the access charge. He found it very helpful.  
Director Cokes attended the Ridgway Power Hour as well. Following the event, she received a positive email that she read to the Board. The email explained that the member found it enjoyable and thanked her for the invite and refreshments.
- Director Felicelli had a meeting with Telluride Sports, owned by Vail Resorts. At this meeting they discussed looking at all their stores and they would like to offset their carbon foot print. Vail Resorts has made a commitment that they will have a zero foot print by the year 2030.
- Paul Hora, Key Accounts Executive introduced four of the six Sharing Success Grant recipients who attended the Board of Directors Meeting to receive their checks. In attendance: Colin Lacy, Ridgway Area Chamber of Commerce (RACC), Brad Wallis, Top of the Pines, Marisa Marshalka on behalf of Melanie Eggers, Apple Core Project, and Bob Risch, Ouray Trail Group.
- Director Felicelli presented the NRECA and RESAP Certificate of Safety Achievement to Paul Enstrom. He also presented Director Sibold with his Credentialed Cooperative Director Certificate.

### 4. STRATEGIC PLANNING

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

Manager Reams explained to the Board that management worked to be very specific in the budget for training in 2018. In past years they have budgeted for several people to go to certain trainings, but, this year management really broke down who they are sending and to what training. With a rotation in mind so the same people are not going to the same trainings each year. Beginning in 2018 managers will begin a six month check in with staff on their Goal Setting sessions. Currently the succession plan is in draft form and will be reviewed in

Jan. of 2018. We have implemented the New Hire Orientation and currently have two new employees, but, are planning on bringing several other positions in early 2018. Manager Reams would like to hold off until a New Hire Orientation until the new hires are brought in. The job shadowing and intern program has been rolled out and Ouray High School has already had a student shadow at SMPA. Manager Reams sent out a list to the Board of training ideas. She would like the Board to reply with what they feel is the most important to least. Staff will slowly start to offer opportunities for the Board to train on these topics.

**Update: All-encompassing program to expand local renewables- Wiley Freeman**

Manager Freeman explained to the Board that Tri-State has been working on identifying what they consider renewable and the Western Electricity Coordinating Council (WECC) requirements to clear some confusion. City of Ridgway has a new charging station by the library, another charging station is in Telluride (near Society turn). Manager Tea is working with Member Services to create an Access database for our rebates to improve usability and tracking. Manager Freeman also noted that the IQ Solar project still has some availability for 2018. The team is still working on the Green Blocks and Green Fund marketing and education re-branding.

**Update: Implement beneficial technology- Doug Tea**

Manager Tea explained that we had the NISC kick off meeting in which the 'go live' dates were determined and he went over them in brief to the Board.

## **5. CEO REPORT**

### **Introduction of Employee Guests**

Kelly Truelock, Accounts Payable Accountant and Eric Pottorff, Area Serviceman were in attendance of this month's meeting. Eric has been working with SMPA for 13 years and gave a brief introduction.

### **Corporate Donations**

There were no donations for review this month.

### **Board Donations**

Director Felicelli donated \$150 to Angel Baskets.

Director Sibold donated \$200 to Angel Baskets.

Director Justis donated \$100 to Angel Baskets.

Director Justis donated \$350 to San Miguel Resource Center.

Director Alexander donated \$300 to Norwood Fire Protection District.

Director Alexander donated \$200 to Telluride Fire Protection District, for Station 3 Placerville.

Director Alexander donated \$100 to Angel Baskets.

### **Finance Update**

#### **Capital Credits**

Manager Mertz gave his monthly update. He would like to defer Capital Credits to 2018 due to our current cash position. SMPA has lower revenues this year and we are expecting lower November and December revenues since it has been so warm. We also are still waiting on the Tri-State reimbursement for their portion of the Telluride/Mountain Village Reliability Project. Manager Mertz is still confident that we will meet the minimum RUS tier requirements.

### 2018 Budget

Manager Mertz reviewed the changes from the original draft 2018 budget to the current proposed budget presented. There were several changes to the 2018 Capital Budget which came from reductions from the deferral of EagleView Imagery, deferral of the number of initial mobile devices to be integrated with the NISC mobile applications, deferral of an electrical vehicle, deferment of Ridgway carpeting and Ridgway 3 bay warehouse facilities. There was an increase to secure our Telluride facilities for repairs to the fence and install a gate. There was discussion regarding the retirement of Capital Credits in 2018 to change from the first in, first out approach to a hybrid to possibly include last in, first out.

Director Justis made a motion at 12:01 PM to enter into executive session for personnel and contractual issues. Director Garvey seconded. The motion was voted on and carried. The board entered into executive session at 12:01 PM and came out at 12:06 PM. While in executive session no decisions were made, nor votes taken.

Director Felicelli was very appreciative for the work that has gone in to the revised draft. Manager Zaporski discussed the change in where the renewable energy rebates are budgeted; moving from the general fund to now come out of the green fund and the reduction of some of the rebates.

Manager Zaporski presented the 2017 Rate and Cost of Service Study from Power System Engineering, Inc. He explained the revenue requirement assumptions using Tri-State's 2018-2021 projected power costs, other expenses based on the 2018 budget, forecasted expenditures for 2019-2021 based on the financial forecast, and an O-TIER of 1.60. In 2018 there is a required increase of  $\approx$  \$404,000 or 1.4%. It is recommended to have an overall rate increase of 1.2%. For proposed rate changes see **Appendix A**. The Board and staff discussed allowing members to comment at a Rate Hearing at the December Board of Director Meeting.

Director Alexander motioned to approve the budget for this year (proposed 2018 budget). Director Rhoades seconded. Discussion regarding the timing of the budget approval and the Rate Hearing occurred. The motion was voted on and carried.

Director Alexander made a motion to approve the proposed rate increase, effective the first billing cycle in 2018, as presented; with final approval at the December Board of Directors Meeting following member comment. Director Garvey seconded. The motion was voted on and carried.

### Marketing & Member Services

Manager Freeman updated the Board that the 2017 Christmas party will be in Ouray again this year on Saturday December 16<sup>th</sup>. We will offer rooms at the Ouray Chalet as we did last year. There is a scam that seems to just be in Ridgway targeting commercial accounts. The scam is a caller telling the member that their account is past due and that we are requesting a payment via a pre-pay visa account. If any members have questions about this scam or regarding the status of their account please have them call our office. Pandora hydro facility is back online. He updated the Board that Tri-State will be filming a commercial in Ouray, tomorrow. Manager Freeman met with Chris Arndt and Adam Chambers and they are discussing options to offset the power at the Sunshine Station.

### Information Technology

Manager Tea had no other updates other than the NISC project updates under Strategic Planning.

### **Administration & Human Resources**

Director Garvey motioned to approve Board Committees (Policy 5.04) as presented. Director Rhoades seconded. The motion was voted on and carried.

Staff would like to defer Policy 5.05, Compensation and Expenses of Board Members until we get the updated CREA Directors Compensation Survey to give a good idea of what other cooperatives are doing.

Discussion around Policy 5.01, Functions of the Board of Directors. The Board would like staff to clarify in our policy on communication with those outside and clarification on communication with internal staff and regarding dissenting votes.

### **Engineering**

Manager Riley updated the Board of Directors on the Telluride/Mountain Village Reliability project. The switchgear for the project was due for shipment in November. The manufacturer of the equipment informed our supplier that the switchgear will not ship until February 2018. Efforts are underway to ensure that the project will be available for emergency backup until the switchgear is received and installed. Our short-term line of credit will continue to be used. Manager Riley and Manager Mertz are working to see if there is anything we can do to get a partial payment from Tri-State. Director Felicelli has had questions regarding the revegetation near Two Rivers. Manager Riley explained that Jeremy Fox, Service Planner Supervisor, was going to inspect, but revegetation was complete by the road and water tank.

### **Operations**

Manager Oliver explained that there still have about 40 services to install by the end of the year and that he didn't have anything to add other than what was in his report.

### **Safety and Regulatory Compliance**

Paul Enstrom, Safety and Regulatory Compliance Coordinator, updated the Board on the improvements of the Rural Electric Safety Achievement Program (RESAP) onsite observation from 2014 inspection to the latest. He complimented staff on the many changes that gave such a positive result.

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

n/a

### **7. ASSOCIATED MEETING REPORTS**

CREA- Bob Justis

There were two major components of the last meeting: discussion of the budget and legislative report. The 2018 budget has very little changes on the work program and spending. They are not proposing any rate increase. There was an increase proposed for an international project. This proposal will add an additional \$50,000 out of the cash balance for a similar project. The cash budget is very healthy.

Legislative areas discussed:

1. Bill on open access and retail wheeling that failed last year and will come up again this year.
2. Another bill that would authorize an economic development rate that would be for larger loads in industrial area.
3. Staff of CREA drafted a bill to loosen the rules of eminent domain for the use of power poles for broadband.

Western United- Dave Alexander  
n/a

Tri-State – Jack Sibold

Director Sibold discussed the Tri-State presentation Loads & Resources. In this presentation he explained in brief what Tri-State considers to be renewable and the different resources counted as renewable and what is used towards compliance.

There was cyber and security issue recently where they are discussing options to secure the facility.

Tri-State has Strategic Planning scheduled for January 9-10<sup>th</sup>. The Board had fiduciary and communications training.

Twin Buttes wind project just started. Director Sibold supplied the long term financial forecast to Manager Zaporski and Manager Mertz that goes out ten years. It currently looks like there will not be as large of a rate increase as previously reported.

Since Director Sibold has been on the Tri-State Board, there has been about a 25% turn over.

Tri-State has committed to reducing 20% of coal generation by 2025. Things to keep in mind, that Tri-State has 1.4 billion of coal generation assets in addition to the remediation.

Eco Action- Director Justis filled in this month

Mostly budget discussions; noting that Mountain Village has cut funding.

#### **8. BOARD TRAVEL**

n/a

#### **9. MISCELLANEOUS**

Set Annual Meeting and election date and location

Director Garvey motioned to set the Annual Meeting date of June 7, 2018 in Nucla. Director Rhoades seconded. The motion was voted on and carried.

#### **10. BOARD CALENDAR REVIEW**


n/a

#### **11. NEXT MEETING**

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

#### **12. ADJOURN**

Director Sibold motioned to adjourn the meeting at 3:54 PM. Director Rhoades seconded. The motion was voted on and carried.

  
\_\_\_\_\_  
Dave Alexander, Secretary/Treasurer

Appendix A

## RATES

### 2017-2018 Rate Schedule Comparison

Schedule #1 - Single Phase - No Demand	2017 Rates	2018 Rates
Access Charge	\$18.00 / month	\$20.00 / month
Energy Charge	\$0.134725 / kWh	\$0.134725 / kWh

Schedule #2 - Single Phase - Demand	2017 Rates	2018 Rates
Access Charge	\$28.00 / month	\$30.00 / month
Demand Charge	\$16.00 / kW	\$17.00 / kW
Energy Charge	\$0.069446 / kWh	\$0.065375 / kWh

Schedule #3 - Three Phase - Demand	2017 Rates	2018 Rates
Access Charge	\$45.00 / month	\$45.00 / month
Demand Charge	\$16.00 / kW	\$17.00 / kW
Energy Charge	\$0.073889 / kWh	\$0.070926 / kWh

Schedule #4 - Three Phase - No Demand	2017 Rates	2018 Rates
Access Charge	\$35.00 / month	\$40.00 / month
Energy Charge	\$0.128346 / kWh	\$0.128346 / kWh

Public Street & Highway Lights	2017 Rates	2018 Rates
Monthly Charge	\$7.51 / month	\$7.51 / month

Record of Proceedings  
 San Miguel Power Association  
 Board of Director Meeting Minutes of  
 November 28, 2017 (Ridgway)

<b>Outdoor Lighting Services Level 1</b>	<b>2017 Rates</b>	<b>2018 Rates</b>
100 w MV or HPS	\$9.35 / month	\$9.75 / month
150 w MV or 175 S MV	\$12.71 / month	\$13.11 / month
250 w MV or HPS	\$17.12 / month	\$17.52 / month
400 w MV or HPS	\$24.78 / month	\$25.18 / month
200 w Incandescent	\$7.25 / month	\$7.65 / month
LED <40 w	\$6.20 / month	\$6.60 / month
LED 40 - 79.99 w	\$7.25 / month	\$7.65 / month
LED 80 - 119.99 w	\$10.50 / month	\$10.90 / month
LED 120 - 159.99 w	\$12.39 / month	\$12.79 / month
LED >160 w	\$18.90 / month	\$19.30 / month

<b>Outdoor Lighting Services Level 2</b>	<b>2017 Rates</b>	<b>2018 Rates</b>
100 w MV or HPS	\$9.80 / month	\$10.20 / month
150 w MV or 175 S MV	\$12.98 / month	\$13.38 / month
250 w MV or HPS	\$17.08 / month	\$17.48 / month
400 w MV or HPS	\$24.35 / month	\$24.75 / month
200 w Incandescent	\$6.86 / month	\$7.26 / month
LED <40 w	\$6.84 / month	\$7.24 / month
LED 40 - 79.99 w	\$7.81 / month	\$8.21 / month
LED 80 - 119.99 w	\$10.86 / month	\$11.26 / month
LED 120 - 159.99 w	\$12.61 / month	\$13.01 / month
LED >160 w	\$18.83 / month	\$19.23 / month

<b>Schedule #10 - TOU Single Phase - No Demand</b>	<b>2017 Rates</b>	<b>2018 Rates</b>
Access Charge	\$20.50 / month	\$22.50 / month
Energy Charge (On Peak)	\$0.278752 / kWh	\$0.278752 / kWh
Energy Charge (Off Peak)	\$0.088830 / kWh	\$0.088830 / kWh

<b>Schedule #20 - TOU Single Phase - Demand</b>	<b>2017 Rates</b>	<b>2018 Rates</b>
Access Charge	\$28.00 / month	\$30.00 / month
Demand Charge (On Peak)	\$20.00 / kW	\$20.00 / kW
Demand Charge (Off Peak)	\$5.00 / kW	\$6.00 / kW
Energy Charge	\$0.056657 / kWh	\$0.056657 / kWh

Record of Proceedings  
 San Miguel Power Association  
 Board of Director Meeting Minutes of  
 November 28, 2017 (Ridgway)

Schedule #30 - TOU Three Phase - Demand	2017 Rates	2018 Rates
Access Charge	\$45.00 / month	\$45.00 / month
Demand Charge (On Peak)	\$21.21 / kW	\$21.21 / kW
Demand Charge (Off Peak)	\$5.00 / kW	\$6.00 / kW
Energy Charge	\$0.053872 / kWh	\$0.051163 / kWh

Schedule #40 - TOU Three Phase - No Demand	2017 Rates	2018 Rates
Access Charge	\$35.00 / month	\$40.00 / month
Energy Charge (On Peak)	\$0.207962 / kWh	\$0.207962 / kWh
Energy Charge (Off Peak)	\$0.061450 / kWh	\$0.061450 / kWh

QF Rate	2017 Rates	2018 Rates
Energy Payment	\$0.040340 / kWh	\$0.042020 / kWh