

REGULAR MEETING OF THE BOARD OF DIRECTORS OF GUNNISON COUNTY ELECTRIC ASSOCIATION, INC.:

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The regular meeting of the Gunnison County Electric Association (GCEA) Board of Directors was held on Wednesday, October 25, 2017 at the GCEA headquarters located at 37250 W U.S. Highway 50, in Gunnison, Colorado.

A quorum of a majority of directors was met with all seven directors in attendance. Directors attending were Greg Wiggins, Chris Morgan, Bart Laemmel, Michelle Lehmann, Tom Carl, John Vader, and Mark Daily (Districts 1-7 respectively).

Notice of this meeting was posted Friday, October 13, 2017. A revised agenda was posted Monday, October 16 (to include an executive session for CEO review); a second revised agenda was posted Tuesday, October 24 (to include action regarding the North Fork Coal Working Group).

Attorney David Dodero, Chief Executive Officer Mike McBride, Chief Financial Officer Marcia Wireman, Chief Operations Officer Roger Grogg, and Executive Assistant Sherry Booth also attended.

President Greg Wiggins called the meeting to order at 9:01 a.m.

**Motion** by Director John Vader to accept the October 25, 2017 regular meeting agenda as amended carried unanimously.

Director per diems were submitted for Secretary/Treasurer John Vader's review.

**Consent Agenda**

**Motion** by Director Bart Laemmel to approve the October 25, 2017 consent agenda carried unanimously.

Items approved via the consent agenda include: September 26, 2017 regular meeting minutes; Resolution No. 1 – October 2017 GCEA membership for September 2017; September Work Order inventory #609 and related special equipment for September 2017; and the CEO expense report for September 2017.

The September 2017 net-to-plant total is \$63,850 and the year-to-date net-to-plant total is \$357,931 through September 2017. Special equipment and labor cost for the month of September 2017 is \$41,553. The year-to-date special equipment and labor cost through September 2017 is \$286,969.

**Action Items**

Per policy A-5, CEO Mike McBride was elected by acclamation as the GCEA voting delegate for the affiliated organization Touchstone Energy.

CEO Mike McBride was elected by acclamation as the GCEA delegate for the affiliated organization National Information Solutions Cooperative (NISC).

**North Fork Coal Working Group**

The North Fork Coal Working Group – Coal Mine Methane Sub Group (aka North Fork Coal Mine Methane Working Group (MWG)) submitted a proposed Memorandum of Understanding (MOU) for GCEA consideration. CEO Mike McBride reviewed the MWG proposal and provided staff recommendation. Discussion followed.

**Motion** by Director John Vader to approve signing of a memorandum of understanding with the North Fork Methane Coal Working Group – Coal Mine Methane Sub Group with amendments as directed carried unanimously.

**WSCU MEM Proposal**

CEO McBride explained a load control and energy monitoring pilot program proposed by a Master in Environmental Management (MEM) student from Western State Colorado University (WSCU). GCEA staff recommends participation; aspects of the project were detailed. Discussion followed.

**Motion** by Director Bart Laemmel to approve participation with Western State Colorado University in a load control and energy monitoring pilot program with a financial commitment up to \$3,105 for installation of devices in homes carried unanimously.

**Monthly Reports: Safety/Loss Control Activity Report**

COO Roger Grogg reviewed the Safety/Loss Control Activity report. He reported on annual training regarding unlawful harassment, the annual lockout/tagout training, and a new NRECA program for Teladoc access. COO Grogg noted a recent employee review of password protection information and per request from the Board, the same password presentation will be provided for the directors. Close calls and accidents reported included two out-of-area incidents resulting in fatalities. Guy to anchor grounding and a survey stake impalement resulting in a staph infection caused these deaths.

**Motion** by Director Michelle Lehmann to approve the Safety/Loss Control Activity report for October 25, 2017 carried unanimously.

**Monthly Reports: Association Update**

CEO Mike McBride provided an association update with CFO Marcia Wireman first responding to a director inquiry regarding response to the newly introduced Patronage Capital Certificate program. The high volume of member feedback has been primarily positive and has provided much member interaction and education opportunities. Discussion followed.

CEO McBride continued the association update with a demonstration of the NRECA produced "Understanding Time of Use" video now on the homepage of [www.gcea.coop](http://www.gcea.coop). He also noted the GCEA EV story featured on NRECA's [www.electric.coop](http://www.electric.coop) homepage, its pending January *RE Magazine* publication, and national cooperative feedback on the Adopt Spark-e program. Directors in attendance at a recent Mt. Crested Butte Town Council meeting reported on feedback from citizens regarding the EV program. The council meeting included a presentation on GCEA's environmentally beneficial programs as presented to other entities and feedback from this presentation was noted.

CEO McBride addressed the status of Lake City's Hill 71 electric needs for its radio repeater at 12,000 feet. GCEA had developed a new infrastructure route as requested by Hinsdale County representatives; however, after US Forest Service review, revisions are required before permits can be issued. A meeting with all parties, including GCEA, will be held November 1.

CEO McBride shared a DC Youth Tour video developed by Colorado Rural Electric Association (CREA). The video included footage of GCEA sponsored students Sydney Peterson (CB) and Madeline Johnson (GHS).

**Monthly Reports: Member Comments**

CEO Mike McBride, staff, and directors reported on member feedback. Linemen work crews were acknowledged for their professionalism and work ethic. Discussion followed with CEO McBride also suggesting a future Board level worksite demonstration regarding clearances and safety requirements.

**Monthly Reports: Financial Review**

CFO Marcia Wireman explained September 2017 year-to-date variance from budget. She spoke to contributing factors related to GCEA being well below national and state averages in kWh sales. Discussion followed inclusive of detailed explanation of the variance from budget graph prepared by CFO Wireman. She iterated Patronage Capital Certificate program details and retiring patronage capital procedures and philosophy. Discussion followed. Additionally, staff expressed appreciation for its National Rural Utilities Cooperative Finance Corporation (CFC) relationship and its operational and efficiency benefits.

CFO Wireman advised of monthly tracking reports provided by the IT department regarding cybersecurity and other information technology monitoring. Discussion followed.

### **Monthly Reports: Operations Update**

COO Roger Grogg provided the reliability review for September and explained interruption causes for the month and provided a construction schedule update. Discussion followed.

COO Grogg reviewed September load profile graphs and data comparisons provided by engineering staff.

### **Weatherization Proposal**

CEO Mike McBride introduced consultant Emily Artale of Lotus Engineering and Sustainability, Andy Caler, Utility Program Manager for Energy Outreach Colorado (EOC), Jennifer Kermode, Executive Director of Gunnison Valley Regional Housing Authority (GVRHA), and John Cattles, Sustainable Operations Director for Gunnison County. GCEA Energy Use Specialist Alantha Garrison was also present.

As Ms. Artale explained at the GCEA July Board meeting, Energy Smart Colorado has been awarded a conditional grant, requiring additional local funding, to GVRHA to address energy efficiency improvements in area housing. GVRHA has contracted with Ms. Artale's business for consultation in assessment and implementation of improvements. Ms. Artale explained the development of the Gunnison Valley Home Energy Advancement Team (GV-HEAT) program and identified the various partners for this program. She shared details regarding GV-HEAT's goals, oversight conditions, and its long-term proposed budget. Ms. Artale cited affordable housing statistics and spoke to income qualifications while explaining the program's intentions and proposed rebate structure. Ms. Artale's presentation noted goals for completing energy efficiency retrofits in low-income homes.

Should GCEA move forward, its contract for the program will be with EOC; Mr. Caler addressed the Board on EOC's behalf and spoke to the mission for Colorado's Affordable Residential Energy program (CARE). Mr. Caler provided additional details regarding: EOC's Low-Income Energy Assistance Program (LEAP); EOC's Crisis Intervention Program (CIP); and the Weatherization Assistance Program (WAP) of the Colorado Energy Office.

Both speakers answered director questions during their presentations. Discussion followed. Assessment of collectable data and its access were discussed extensively.

*Guests departed at this time.*

The directors and staff continued discussion of the GV-HEAT program proposal and the staff recommendation. Director Bart Laemmel advised of his recusal from any action pertaining to the program based on potential policy A-1 non-compliance. The Board requested that funds be earmarked for 2018 budget consideration to be further debated in November 2018.

### **Affiliated Organizations and Committee Reports**

David Dodero provided an **Attorney** report. Protection of member confidentiality was discussed; Mr. Dodero indicated that per policy GCEA would provide information requested by law enforcement only under the condition of properly executed subpoenas. He also proposed that a different response to subpoenas might also be considered.

Chris Morgan gave an update on **Tri-State** (TS) inclusive of August, year-to-date, and projected margins. He also spoke to deferred revenue and capital credit retirements. Chris provided presentations on TS generation facilities and fuel supplies. Discussion followed.

John Vader advised that the **WUE** meeting will be October 26 and that the **CREA** Board meets October 28.

**NRECA** delegate Bart Laemmel reported on the mid-October Region 7 meeting in Denver. Bart spoke to his appreciation that the GCEA Board and staff invest its time and efforts toward maintaining a well-run organization.

He noted resolution highlights and interaction observations, and Director Tom Carl who also attended the meeting, provided input as well. Discussion followed.

*Director John Vader was excused at 3:45 p.m. due to travel needs for cooperative business.*

### **Miscellaneous**

CEO Mike McBride advised of a pending vacancy for the NRECA director advisory group developed in 2015. He explained meeting obligations.

Tri-State Director Chris Morgan asked for feedback regarding \$1,000 funding for charitable purposes provided by GCEA's power supplier, Tri-State Generation and Transmission, to be distributed at Director Morgan's request. Chris did share his preference to provide donations to area organizations which appear underfunded compared to others that may enjoy more economic support from community efforts. Directors proposed support for local food banks and it was decided the \$1,000 should be divided between the food banks serving the Crested Butte, Gunnison, and Lake City areas.

### **Scheduling of Meetings and Events**

1. Wednesday, **November 8, 2017** Budget Committee Meeting (Convenes at 9:00 a.m.)
2. Wednesday, **November 29, 2017** Regular Board Meeting (Convenes at 9:00 a.m.)
3. Wednesday, **December 20, 2017** Regular Board Meeting (Convenes at 9:00 a.m.)
4. *Tentatively* Thursday, **January 18, 2018** Policy & Bylaws Committee (Convenes at 9:00 a.m.)
5. Tuesday, **January 23, 2018** joint staff meeting with Tri-State (GCEA headquarters; convenes at 10:00a.m.)
6. Wednesday, **January 24, 2018** Regular Board Meeting (Convenes at 9:00 a.m.)
7. *Tentatively* Tuesday, **March 13, 2018** Strategic Planning
8. Tuesday, **June 26 2018** Annual Meeting

### **Adjournment**

**Motion** by Director Michelle Lehmann to adjourn the Gunnison County Electric Association Regular Board Meeting held on October 25, 2017 carried unanimously. There being no further business before the Board, President Greg Wiggins adjourned the meeting at 4:12 p.m.

Respectfully submitted by Executive Assistant Sherry Booth.

/ Greg Wiggins /  
President

/ John P. Vader /  
Secretary/Treasurer

Date Approved: November 29, 2017