

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, August 29, 2018 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, Polly Oberosler, and Mark Daily (Districts 1-7 respectively).

Notice of this meeting was posted Thursday, August 16, 2018.

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 Bart Laemmel called the meeting to order at 9:00 a.m.

**Motion** by Director Mark Daily to accept the August 29, 2018 regular meeting agenda as amended to include discussion regarding GCEA's net metering policy and action regarding GCEA's Federated voting delegate carried unanimously.

Director per diems were submitted for Secretary/Treasurer Michelle Lehmann's review.

**Consent Agenda**

Per Director Daily's request, the regular meeting minutes for August 1, 2018 were removed from the consent agenda for a needed edit.

**Motion** by Director Mark Daily to approve the August 29, 2018 consent agenda as amended carried unanimously.

Items approved via the consent agenda include: Resolution No. 1 – August 2018 GCEA membership for July 2018, July 2018 Work Order inventory # 620 and related special equipment for July 2018, and the CEO expense report for July 2018.

The July 2018 net-to-plant total is \$103,377 and the year-to-date net-to-plant total is \$219,475 through July 2018. Special equipment and labor cost for the month of July 2018 is \$50,594. The year-to-date special equipment and labor cost through July 2018 is \$252,774.

Clarification regarding a typographical error in the August 1, 2018 regular meeting minutes was noted.

**Motion** by Director Mark Daily to approve the August 1, 2018 regular meeting minutes as amended carried unanimously.

**NRECA Employee Plans**

CFO Marcia Wireman explained the current medical and vision plans GCEA offers through NRECA. She noted that contribution percentages for the plans as used in example for 2019 costs are based on amounts previously established, and the Board can consider contribution percentage adjustments during its annual November budget review. Discussion followed.

**Motion** by Director Tom Carl to approve the existing NRECA Employee Insurance plans for 2019 carried unanimously.

**Meter Contract with Anixter**

COO Roger Grogg reviewed prior Board direction regarding meter change-outs. Staff recommends replacing older model residential 2S meters with new equipment that has remote disconnect ability. He reviewed anticipated benefits for a purchase agreement with Anixter and current policy and practices. Discussion followed.

**Motion** by Director Tom Carl to complete the purchase order with Anixter carried unanimously.

**New Policy A-34 PII Security**

CFO Wireman explained a new Colorado law requiring specific protections for personal identifying information (PII). Staff and legal counsel developed a new policy to address PII and explained its necessity to be effective by September 1, 2018. Discussion followed inclusive of Colorado residency determination of members.

**Motion** by Director Chris Morgan to approve new policy A-34 Personal Identifying Information carried unanimously.

**Taylor Hydro**

CEO Mike McBride reviewed Taylor Hydro engineering estimations for a 200kW project as previously developed by GCEA's consultant and the current work of a second engineer provided by a joint water users group. CEO McBride provided comparison of both proposals and extensive discussion followed.

**Executive Session**

**Motion** by Director Michelle Lehmann, second by Mark Daily to enter executive session at 10:02 a.m. to discuss contract negotiations carried unanimously.

**Motion** by Director Michelle Lehmann, second by Tom Carl to exit executive session at 10:40 a.m. carried unanimously.

**Audit Firm Contract**

CFO Wireman reviewed the three-year contract signed with audit firm DeCoria Maichel & Teague. Staff recommends retaining the firm.

**Motion** by Director Greg Wiggins to approve extension for audit services with DeCoria Maichel & Teague carried unanimously.

**Qualifying Facility Discussion**

CEO McBride reported on a dispatchable solar and battery project proposed by Convergent Energy + Power (CEP). CEP's target project size is for a 2-5 MW array with up to a 10 MWh battery. Per Board direction, staff can pursue further research with CEP to determine viability.

**Net Metering Limit**

CEO McBride reviewed GCEA's current policy regarding net metering. A residential member has requested permission to construct an array exceeding 120% of historical consumption and has asked GCEA to consider new load at the member's home.

CEO McBride reviewed calculations for the member's solar project. Extensive discussion followed. The Board directed staff to coordinate with the member in a controlled experiment to monitor production.

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

COO Grogg reviewed the Safety/Loss Control Activity report. He advised of cybersecurity and meter data management (MDM) updates and employee recognition for CREA's 2017 Excellence in Safety award.

COO Grogg reported on forklift training, safety manual review, and completion of tool inspections.

COO Grogg also provided a demonstration of dual voltage transformer switch and confusion regarding the switch position due to manufacturer's poor labeling design.

**Motion** by Director Tom Carl to approve the Safety/Loss Control Activity report for August 29, 2018 carried unanimously.

### **Budget Request**

Communications and Outreach Coordinator Logann Long joined the meeting at 11:37 a.m. She requested consideration for GCEA to continue advertising and sponsorship for the CREA supported Washington DC Youth Tour and Youth Leadership Camp in 2019. The Board gave direction to continue to seek two students each for both programs.

### **Students and Additional Guests**

Area students having participated in GCEA summer sponsored leadership activities joined the directors for lunch and provided a presentation of their DC Tour. Miss Sienna Truex and Mr. Juneau Barr, both of Crested Butte Community School, traveled to the country's capital this summer as part of the Washington DC Youth Tour. The students answered questions and thanked the Board for their opportunity.

*After lunch, student guests and employee Logann Long were excused to leave the meeting.*

### **Tri-State Survey Discussion**

Tri-State Director Mark Daily led a group review of TS Generation & Transmission's performance. Each question was discussed. The Board as a whole completed the 27-question survey to be electronically submitted by Executive Assistant Booth by its August 31 deadline.

### **Monthly Reports: Association Update**

CEO McBride led a review of association projects including updates for: solar project sites, a Rocky Mountain Institute (RMI) report, electric vehicle (EV) charging station requirements, and a policy 115 committee update.

Discussion was held for each topic.

### **Monthly Reports: Financial Review**

CFO Wireman reviewed financial highlights including July and year-to-date kWh sales and purchases, net revenue, cost of purchased power, additional operating expenses, and operating margins. CFO Wireman explained a net metering error due to incorrect meter configuration. Discussion followed.

CFO Wireman announced the hiring of Alliy Sahagun as GCEA's new Member Relations Supervisor. Mrs. Sahagun begins work September 17, 2018.

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

COO Grogg provided the reliability review for July 2018 and explained interruption causes for the month.

COO Grogg reviewed July load profile graphs provided by engineering staff along with GCEA's power bill and load graph statistics.

### **Form 990 Review**

The Form 990 and supporting calculations were previously provided for Board review in their meeting packets. Financial/HR Specialist Paula MacLennan joined the meeting to review the completed form with the Board. She advised that this form is required to maintain GCEA's federal income tax exemption. She noted that GCEA's hired auditors prepared the 2017 Form 990. Upon the auditor's submission, Paula reviewed the data and together they finalized the form. Paula highlighted the 85/15 calculation as a significant aspect of the form. The law requires that

GCEA receive 85% of its revenue from members. Effects of GCEA's discounted capital credit certificate programs were reviewed. Discussion followed.

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

**Attorney** David Dodero noted his work on the Blue Mesa contract, review of net metering statute, clarification of a conflict of interest question, the Hill 71 contract, pole attachment agreements, the power purchase agreement for one of the solar arrays, new PII policy as drafted by CFO Wireman, and confirmed authorization of GCEA's ability to offer the discounted capital credit programs.

Mark Daily reported on **Tri-State** (TS) activities. He spoke to highlights and the comments he added to the traditional TS report from its CEO and Board President. He noted renewable portfolio standards (RPS) compliance and the TS budget forecast and anticipated load growth. Director Daily also provided a clean power plan timeline created by TS. Discussion followed.

Tom Carl reported he will be attending both **CREA** and **WUE** Board meetings August 30-31.

Mike McBride relayed a **Paradigm** promissory note update.

### **Directors Miscellaneous**

As GCEA's elected NRECA delegate attending the Region 7 meeting in late September, CEO Mike McBride noted the need to appoint Bart Laemmel to also serve as GCEA's delegate for Federated Rural Electric Insurance Exchange at the same time.

**Motion** by Director Greg Wiggins to appoint Bart Laemmel as GCEA's delegate to vote in the Federated Rural Electric Insurance Exchange's election of directors carried unanimously.

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

1. Wednesday, **September 19, 2018** Regular Meeting (Convenes at 9:00 a.m.)
2. Tuesday, **October 9, 2018** Policy Committee/ Bylaws Review Meeting (Convenes at 9:00 a.m.)
3. **October 26-30, 2018** CREA Energy Innovations Summit & Fall Meeting
4. *Tentative* Monday, **October 29, 2018** offsite Technology Committee meeting while at Innovations Summit
5. Wednesday, **October 31, 2018** Regular Meeting (Convenes at 9:00 a.m.)
6. Thursday, **November 15, 2018** Budget Meeting (Convenes at 9:00 a.m.)
7. Wednesday, **November 28, 2018** Regular Meeting (Convenes at 9:00 a.m.)
8. Wednesday, **December 19, 2018** Regular Meeting (Convenes at 9:00 a.m.)

### **Adjournment**

**Motion** by Director Michelle Lehmann to adjourn the Gunnison County Electric Association Regular Board Meeting held on August 29, 2018 carried unanimously. There being no further business before the Board, President Bart Laemmel adjourned the meeting at 3:55 p.m.

Submitted by Executive Assistant Sherry Booth.

/ Bart Laemmel /  
President

/ Michelle Lehmann /  
Secretary/Treasurer

Date Approved: September 19, 2018