

1. CALL TO ORDER

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:32 AM. The meeting was held via Zoom Video/Teleconference. Director Garvey, Director Cooney, Director Alexander, Director Feliceli, Director Cokes and Director Rhoades attended via teleconference. Director Brown was absent.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (January 26, 2021). Director Rhoades seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Member Allyn Svodoba informed the Board the US Department of Energy is offering a program to provide technical assistance to communities in remote locations to investigate methods to improve energy resiliency. The program is called the Energy Transition Initiative Partnership Project (ETIPP). Mr. Svodoba advised the Board that The Rico Center is pursuing the ETIPP and requested a letter of support from SMPA to include with their program application.
- Manager Zaporski commented he received comments regarding the faulty design of the Silverjack building in Telluride that has resulted in a three-phase rate plan for residents.
- Director Felicelli reported he was contacted by a Telluride-Mountain Village Green Team member inquiring about the possibility of developing a Community Solar Garden. Director Felicelli informed the member of our current 5% contract limitations and provided contact information of SMPA staff for further follow-up.
- Director Felicelli reported a member had contacted him requesting to use a small area at the Telluride Station for a community composting site. Manager Zaporski advised this would not be possible due to safety concerns.

SHARING SUCCESS GRANT PRESENTATION

Key Accounts Executive Terry Schuyler gave a brief overview of the Sharing Success Grant Program, noting that the program has been offered for the past seven years and is designed to stimulate economic development within our communities. A sub-committee reviews the Sharing Success Grant applications and makes recommendations to the Board, and the Board votes on the recommendations. Mr. Schuyler reported funding for the program is a combination of SMPA funds and matching funds from CoBank. Mr. Schuyler introduced Seth Hart, Vice President of Electric Distribution Banking Group at CoBank. Mr. Hart provided a history of the Sharing Success Matching Grant Program at CoBank, noting the program was test piloted in 2012, and in 2013 it became a permanent program at the organization. The program embraces the cooperative principle of Concern for Community. Since its inception in 2012, CoBank has partnered with numerous organizations to distribute over \$55 million to help the communities where its members live and work.

- Mr. Schuyler awarded Al Lowande of Ouray County Nordic Council a \$2,200 check from Sharing Success Funds, announcing that Ouray County Nordic Counsel will receive an additional \$1,100 donation from Basin Electric.
- Mr. Schuyler presented Ashely Smith of Telluride Mountain Club (TMC) a \$2,600 check from Sharing Success Funds, announcing that the TMC will receive an additional \$1,300 contribution from Basin Electric.

- Mr. Schuyler awarded Paul Koski of Montrose West Recreation (MWR) a \$2,600 award from Sharing Success Funds, announcing that MWR will receive an additional \$1,300 contribution from Basin Electric.
- Mr. Schuyler presented Matt Iclsaac and Trisha Oakland from the Ridgway Bike Park Organization with a \$2,600 donation from Sharing Success Funds and reported Ridgway Bike Park is to receive an additional \$1,300 donation from Basin Electric.
- Mr. Schuyler awarded Deana Sherrif of the West End Economic Development Corp (WEEDC) a \$5,000 check from Sharing Success Funds and stated WEEDC is to receive an additional \$2,500 donation from Basin Electric.
- Mr. Schuyler awarded Kari Distefano and Nicole Pieterse from the Town of Rico a \$5,000 check from Sharing Success Funds and reported the Town of Rico is to receive an additional \$2,500 donation from Basin Electric.

COMMUNITY FOCUS FUNDS DONATION PRESENTATION

Voyager Youth Program, Abnieszka Przeszlowsk

Ms. Przeszlowsk reported the Voyager Youth Program provides year-round enrichment, prevention education and wellness programs to school-age Ouray County youth. She highlighted the organization's Adventure Wednesday program, a summer program that offers weekly outdoor activities and adventure-based learning that move participants out of their comfort zones to build self-awareness, interpersonal and social skills, as well as education about the environment and their surroundings.

Uncompahgre Watershed Partnership (UWP), Tanya Ishikawa

Ms. Ishikawa advised the Board the Uncompahgre Watershed Partnership is a 501(c)3 nonprofit devoted to protecting the economic, natural and scenic values of the Upper Uncompahgre Watershed. She noted the UWP organizes the Ridgway RiverFest. This platform serves multiple purposes, including an opportunity to educate the community and attendees about watershed conditions and issues and stimulate the economy by increasing visitation to the Ridgway area for the event.

Seas of Trees, Joanna Kanow

Ms. Kanow and her daughter, Ala Kanow, stated their organization's goal is to reduce carbon emissions by planting trees. The program engages area youth to get involved in the climate crisis and be part of the solution.

Silverton Skijoring, Karen Srebacic-Sites

Ms. Karen Srebacic-Sites reported that due to COVID-19 concerns, the actual Silverton Skijoring event had to be canceled. The organization is creating a documentary promoting the Silverton area and Skijoring event in place of the event.

Telluride Foundation/ COVID-19 Relief Fund, Elaine Demas and Paul Reich

Ms. Demas and Mr. Reich advised the Board the COVID-19 Relief Fund had been established in March 2020 to provide direct support to individuals and families struggling with their most critical needs: housing, food, utilities, and medical bills. Over \$1 million have been distributed to support 600 members of our communities.

San Juan Board of Cooperative Educational Services (BOCES), Sheila Weahkee

Ms. Wehakee discussed two of BOCES Inspire Inspiration Programs; Destination Imagination (DI) and the San Juan Basin Regional Science Fair. The DI program combines the arts, sciences, and technology with creativity,

teamwork, and problem-solving. The San Juan Basin Regional Science Fair's goal is to encourage student learning and promote interest in math, science and technology.

Second Chance Humane Society, Kelly Goodin

Ms. Goodin communicated Second Chance's goal to promote the human-animal bond and its social, emotional, mental and physical benefits. Second Chance focuses on promoting responsible pet parenting, encouraging people to adopt shelter animals, and raising funds for the shelter and outreach services/programs.

4. BOARD TOPICS

Director Garvey reported the \$500,000 in transition funding Tri-State provided to Nucla following Nucla's shutdown is being managed by The West End Pay It Forward Trust. Director Garvey advised the funds were set up to award \$400,000 for resiliency awards and \$100,000 would remain in the fund to help the communities on an on-going basis.

5. STRATEGIC PLANNING UPDATE

Manager Zaporski and Manager Mertz identified the strategic initiatives that have been developed to help determine the optimal long-term power supply strategy that best achieves safe, reliable, cost-effective and environmentally responsible service for our members. They discussed the factors associated with each initiative, such as pending Federal Energy Regulation Commission (FERC) or Colorado Public Utilities Commission (COPUC) decisions, as well identified Key Performance Indicators (KPI) associated with each endeavor. Initiatives include continuing to explore power supply options, expanding Beneficial Electrification (BE) education and opportunities, completing a Cost of Service (COS) Study and a rate structure review.

6. CEO REPORT

CEO. Items

Legislative Review

Manager Zaporski stated the State of Colorado is reviewing a cooperative governance bill. Director Cokes advised the Board that Governor Polis's budget request includes \$20 million in vegetation management funding.

COVID-19 Discussion

Manager Zaporski informed the Board inventory lead times continue to pose a challenge and recently extended even further, putting some items availability delayed nine months or longer. To mitigate potential problems that may be created by these extended lead times, SMPA will turn some of our cash reserves into inventory. Manager Zaporski noted this is not a standard business practice for SMPA. It will affect the balance sheet, but we are doing it in a way that we feel will not have any severe impact on our ability to continue business operations. More importantly, it will improve our ability to provide services to our Members.

Introduction of Employee Guests

Danielle Rodriguez, Human Resources and Administration Coordinator; Terry Schuyler, Key Accounts Executive; Joshua Hainey, Senior Staff Accountant; Kelly Truelock, Staff Account; Mike Therriault, Engineering Supervisor; and Jeremy Fox, Service Planner Supervisor, were in attendance at the webinar meeting.

Community Focus Donations

Following discussion, Director Rhoades motioned to award the community focus donations funds following the results the Board arrived at via the evaluation scorecard and apply for Basin match when applicable. Director Garvey seconded. The motion was voted and carried. The awarded amounts are as follows:

- Voyager Youth Program, \$750 SMPA donation with a \$750 Basin Electric match request.
- Uncompahgre Watershed Partnership, \$500 SMPA donation.
- Seas of Tree's, \$500 SMPA donation with a \$300 Basin Electric match request.
- Telluride Foundation/COVID-19 Relief Fund, \$3,750 SMPA donation with a \$3,750 Basin Electric match request.
- Silverton Skijoring, \$500 SMPA donation with a \$500 Basin Electric match request.
- San Juan BOCES, \$1,000 SMPA donation with a \$1000 Basin Electric match request.
- Mt. Sneffels Education, \$750 SMPA donation with a \$750 Basin Electric match request.
- Second Chance Humane Society, \$500 SMPA donation with a \$500 Basin Electric match request.

Board Donations

N/A

Finance Update

Manager Mertz reviewed the finance report, noting the provided financials are preliminary year-end numbers and are unaudited. Mr. Mertz advised the Board that SMPA finished 2020 with a positive operating margin and positive net margins based on the preliminary year-end financials.

Manager Mertz reported the year-end audit is in progress. The Payroll Protection Program (PPP) has been filed and is pending approval. Staff is exploring the opportunity to potentially reprice some of our debt with Rural Utility Service (RUS) without any penalties or fees.

Marketing & Member Services

Communications Executive Alex Shelly presented options on hosting the SMPA Annual Meeting in the unprecedented COVID-19 times. He discussed several options, including variations of virtual options and potential in-person options and each's pros and cons. After reviewing the options, the Board determined the best option would be to move forward with a virtual option by creating a video campaign to share with the membership via social media platforms and our website.

Manager Freeman introduced Key Accounts Executive Terry Schuyler to present Beneficial Electrification and Microgrid Projects. Mr. Schuyler gave a brief tutorial on microgrids, noting microgrids are primarily used for energy resiliency. A microgrid is defined as systems with at least one distributed energy resource and associated loads. It can form intentional islands in the electrical distribution system to operate independently of the power grid, primarily for power outages. Mr. Schuyler informed the Board of San Miguel County's Clean Energy Challenge Grant from the Department of Local Affairs (DOLA). San Miguel County was awarded a \$750,000 matching grant (\$1.5 million total) to pursue solar energy generation and community resiliency. The project includes a concentration on reducing Green House Gas (GHG). One method to reduce GHG is to focus on Beneficial Electrification opportunities, including fuel switching projects such as changing out gas boilers to electric boilers. Fuel switching projects actually increase the electric load rather than decrease it, focusing on utilizing renewable energy systems to offset the increased load. The project includes eight Solar PV systems designed to cover significant portions of the annual energy through Net Metering. This helps the County

move towards its Green House Gas (GHG) emission goals. The balance of their energy use will be offset by their subscription to our Totally Green program. Four of the systems include battery backup to cover 'mission-critical' electric loads that will not depend on the larger backup generators to operate. The batteries provide redundant and instantaneous load protection should the generators fail to operate or fuel supplies are disrupted. Mr. Schuyler noted the battery backup the County has chosen can be recharged via solar, effectively enabling backup indefinitely as long as the sun is shining. Mr. Schuyler added two multi-dwelling projects are in progress in SMPA service territory. These multi-dwelling units will be all-electric, incorporating Solar PV, Air Source Heat Pump (ASHP), and Batteries.

Information Technology

Manager Tea reviewed his report highlighting the new fault indicator mapping. This new mapping technology will help shorten outage times by assisting crews to identify an outage origination location quickly.

Administration & Human Resources

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, adding Ridgway Working Foreman Brad Boulden recently announced his retirement.

The Board reviewed Policy 101, Directors Creed. Following discussion, Director Rhoades moved the policy be adopted as presented. Director Alexander seconded. The motion was voted and carried.

The Board reviewed Policy 310, Pole Attachments. Following discussion, Director Cokes moved the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

Engineering

Manager Fox reviewed his report and added staff continues to work on permitting for the Red Mountain Project.

Operations

Manager Zaporski reported the Manager Oliver is currently on leave. Manager Zaporski communicated Manager Fox and Manager Zaporski will oversee the operations department in Manager Oliver's absence.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, did not have anything to add to his report.

9. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes informed the Board the next CREA meeting is scheduled for Friday, January 29, 2021.

Western United- Dave Alexander

Director Alexander informed the Board the next Western United meeting is scheduled for Thursday, January 28, 2021.

Eco-Action- Kevin Cooney

Director Cooney stated Eco-Action Partners' structure is evolving as the organization moves to offer more fee-for-service programs and fewer grant dollars programs. Director Cooney added Eco-Action is exploring options to expand composting capabilities in communities.

Tri-State- Kevin Cooney

Director Cooney advised the Board Tri-State sales were down significantly for the month, and they do not have the end of the year numbers yet. Director Cooney informed the Board the partial requirements open season was delayed and will be reissued in early February.

10. ATTORNEY'S REPORT

Director Garvey made a motion at 3:11 PM to enter into executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted on and carried. The Board entered into executive session at 3:11 PM and came out at 3:49 PM. While in executive session, no decisions were made, nor votes taken.

11. BOARD TRAVEL

N/A

12. MISCELLANEOUS

Appoint an independent third party (election monitor) to oversee the election

Director Garvey motioned to appoint Jim Link as the independent third party to monitor the 2021 election.

Director Alexander seconded. The motion was voted and carried.

Set Date of Record (45 days prior to Annual Meeting: April 26, 2021)

Director Garvey motion to set April 26, 2021, as the date of record. Director Alexander seconded. The motion was voted and carried.

13. BOARD CALENDAR REVIEW

The Board reviewed upcoming training opportunities that are occurring virtually.


14. NEXT MEETING

The next Board of Directors meeting will be Tuesday, February 23, 2021, Via Zoom.

The March meeting will take place on Tuesday, March 23, 2021, Via Zoom.

15. ADJOURN

Director Rhoades motioned to adjourn the meeting at 3:57 PM. Director Garvey seconded. The motion was voted and carried.


Doylene Garvey (Feb 23, 2021 12:59 MST)

Doylene Garvey, Secretary/Treasurer




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Final Audit Report

2021-02-23

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