

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.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (February 25, 2020) to include the January 21, 2020 meeting minutes. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli reported he had attended a course at the CREA Annual Meeting that discussed decision making. He distributed a copy of the course materials noting that he felt the class provided good information that he felt everyone would find useful. Director Garvey, Director Cooney, and Director Cokes also attended the class and noted that they felt the class was very beneficial.
- Director Felicelli communicated that he received many positive comments regarding the Capital Credit checks, noting that it just reminds members of the co-op difference and reinforces the value of being a member of the co-op.
- Director Cooney informed the Board that a member communicated their desire that SMPA re-evaluate the rate increase impact on our lower-income members and consider a rate strategy that encourages energy conservation.
- Director Sibold noted new construction projects in our territory that will likely increase demand.
- Member Leif Juell and Susan Holland of Alternative Power Enterprises conveyed their desire that SMPA consider allowing net meter aggregation. Mr. Leif noted that net meter aggregation is combining multiple meters on adjacent properties into one meter. This allows for installing solar panels in a prime solar location on the property and offsetting the use for the other buildings on the same property to become more carbon neutral and offset electric costs. He noted that climate change is a major factor, and net meter aggregation can help Colorado achieve its renewable energy portfolio. Director Felicelli communicated that SMPA is in the early stages of exploring net meter aggregation.

Corporation Donation Presentations

San Juan LEADS Services, Anne Ryan

Anne Ryan informed the Board that the Leadership, Education, Adventure, Development, Services (LEADS) projects are designed to provide therapeutic support while engaging in physical activities in nature. She highlighted the upcoming program, Skiing Off the War. Noting participants are primarily 10th Group Special Forces Veterans that are reconvening to create a mission, team and intensive physical feat (4-day ski through the Sneffels Range) while immersed in both nature and the program's therapeutic effect. Various participants were present and spoke about the program, noting the importance of the program and the positive impacts it has on their lives.

Ah Haa School for the Arts, Kathleen Coles

Kathleen Cole reported that the Ah Haa Art Auction is the organization's main fundraiser each year, noting that all proceeds support general operating expenses, financial aid, tools and equipment, visiting artist workshops,

and much more. She noted the enthusiasm for the electric bike at last year's auction and is requesting funding for an electric trike for the 2020 auction.

4. STRATEGIC UPDATE

Improve Member outreach/communications/education – Wiley Freeman

Communications Executive Alex Shelly presented the strategic initiatives the member service team developed to increase member outreach and communication. Mr. Shelly highlighted that the information gained from the member survey has been very useful to establish baseline data per demographic. Mr. Shelly also noted that marketing efforts are working, measured by tracking member engagement through monitoring page likes, click through rates and direct queries- all these statistics are up and tracking above standard rates.

Improve System reliability. Complete final Red Mountain transmission analysis with final recommendations- Bill Riley

Manager Riley reported that the analysis stage of the project is complete and that we are currently in the design and permitting phase of the project. He reported that major activity is the beginning of the public outreach to communicate information regarding the project. Manager Zaporski noted that community feedback includes concern regarding visual impact and road closures. However, the project was well-received; people recognize the need for the project and are supportive.

5. CEO REPORT

CEO. Items

Power Supply Update

Manager Mertz reported that Tri-State held two contract committee meetings in February. The meetings focused on the Responsible Energy Plan and the Partial Requirements Contract (PRC). Manager Mertz highlighted that the design facets for the PRC included an "open season," which would allow for 10% (300 MW) of Tri-State load to be available for self-generation projects. He also noted that they are proposing two basic types of PRC, one that would be load-following Member self-supply based and the other would be intermittent, renewable Member self-supply.

Presentation by NRECA Field Representative James Jackson

Manager Zaporski introduced NRECA Field Representative, Mr. James Jackson. Mr. Jackson provided a brief update regarding changes that have occurred, including an overview of the 'Secure Act' and the 'Rural Act.'

Resolution 2020-01 Board Authorization of CEO/GM to act on behalf of the Corporation regarding the United States Forest Service (USFS) and the Bureau of Land Management (BLM).

Director Alexander motioned to approve the Board Authorization of CEO/GM to act on behalf of the Corporation regarding the United States Forest Service (USFS) and the Bureau of Land Management (BLM) (Resolution 2020-01). Director Rhoades seconded. The motion was voted and carried. The motion was passed and will be re-ratified at the March meeting since the motion did not meet the 10-day advanced posting requirement.

Introduction of Employee Guests

Manager Zaporski introduced Terry Schuyler, Key Accounts Executive. Mr. Schuyler informed the Board that he developed a proactive strategy to reach out to key accounts, including working with them to enroll in the Totally Green Program. He noted that he is still performing in the Energy Services position while it is vacant. Alex Shelly,

Communications Executive; Danielle Rodriguez, HR and Admin Coordinator and Jeremy Fox, Service Planner Supervisor, were also in attendance.

Corporate Donations

San Juan LEAD Serves

Director Cokes motioned to donate \$2,400 to the San Juan LEAD Serves organization. Director Garvey seconded. The motion was voted passed.

The Board discussed other donations and decided to no action on any other donation this month, inviting applicants to reapply with the new application process.

Board Donations

Director Sibold donated \$300 to Friends of Ridgway Library.

Director Felicelli donated \$100 to the One to One Mentoring Program for the Cardboard Derby.

Finance Update

Coop Director Finance Training

Manager Mertz reviewed the January finance report, noting that we are only a month into the year, and we are within 97.8% of our targeted amount.

Annual Director Expense Summary for 2019

Director Alexander motioned to approve the 2019 Annual Director Expense Summary as presented. Director Cokes seconded. The motion was voted and carried.

Revenue Deferral Proposal and Resolution

Following review, Director Garvey motioned to approve Resolution 2020-02 Revenue Deferral, as presented. Director Sibold seconded. The motioned was voted and approved.

Loan Draw Down from CFC Discussion

Manager Mertz informed the Board that it is important to have a diverse financial portfolio to minimize risk. He reviewed the financial reports and recommended drawing a loan from CFC. Manager Mertz highlighted the benefits of a loan through CFC, including security in a diverse loan portfolio, quick access to funds and the opportunity to receive capital patronage distributions while noting that that CFC interest rates are slightly higher than RUS.

Marketing & Member Services

Policy 150, Donations

Manager Freeman reviewed the details of the proposed changes to the donations program (policy 150).

Proposed program policy changes include that the program be renamed to 'Community Focus' to reflect better the purpose of the program, funded from unclaimed member dividends, a quarterly review process, redefined qualifying donation categories and updated scoring criteria to utilize when reviewing donation requests.

Following discussion, Director Cokes moved to approve the changes to Policy 150, Community Focus Program, with discussed revisions. Director Garvey seconded. The motion was voted and carried.

Green Funds Dollars to Support the 2020 Greenlights Program

Manager Freeman reported that due to a 'resting requirement,' Eco-Action is not able to receive funds from the Telluride Foundation for the Greenlights program in the west end communities, therefore Eco-Action partners requested that SMPA provide the match from our Green Fun account.

Following review, Director Felicelli motioned to approve that Green Fund Dollars Support the 2020 Greenlights Program. Director Cooney seconded. The motioned was voted and approved.

Information Technology

Manager Tea reviewed his report, highlighting that the customer check remit address has returned to the original set-up, which split the payment stub addresses between the Nucla and Ridgway offices. Manager Tea reported that security camera installation at Ridgway and Nucla facility is complete; Telluride and Silverton are scheduled to be completed soon. Manager Tea also noted that the Grand Valley Power (GVP) site visit to review SMPA's implementation of the Barcoding system went well.

Administration & Human Resources

Danielle Rodriguez, HR & Admin. Coordinator provided an update on the Manager of Engineering position posting, noting the application review is complete, and interviews are scheduled for March 16 and March 17.

The Board reviewed Policy 100, Qualifications for Directors. Following discussion, Director Alexander moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

The Board reviewed Policy 203, Equity Management. Director Cokes moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and passed.

Engineering

Manager Riley did not have anything to add to his report.

Operations

Manager Oliver did not have anything to add to his report regarding operations. Manager Zavorski informed the Board that a remodel of the lobby areas is planned, beginning with the Nucla location. The focus of the remodel is to enhance employee safety by creating a more secure working space. A consultant was hired to evaluate the space and to design suggested changes to maximize staff security. Manager Freeman presented the redesign sketches for Board review. Following review and discussion, the Board was in favor of the proposed designs. Manager Oliver informed the Board that he will include Facilities updates in future reports.

Safety and Regulatory Compliance

In Paul Enstrom, Safety and Regulatory Compliance Coordinator, absence, Manager Mertz reviewed the tabletop exercise the management team executed on January 28, 2020, to address the Corona Virus, now called COVID-19. Manager Mertz highlighted the team's effort to gather information, define trigger points, create a flow chart for decision making, and how to address the communication to employees and members. Manager Mertz emphasized the importance of preparation vs. panic and focusing on being responsive, not reactive.

Manager Mertz also presented on Financial Security, displaying a spear-phishing email for review. The email was advanced, with a whole email 'chain' that included others in the organization requesting that funds be wired

before the end of the day. Manager Mertz credited staff and the awareness training they had received for helping stop the transaction. He praised the IT department for instituting many security measures to keep items like this at a minimum.

6. ATTORNEY'S REPORT

Director Rhoades made a motion at 3:05 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 3:05 PM and came out at 4:07 PM. While in executive session, no decisions were made, nor votes taken.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes attended the CREA Annual Meeting along with Director Felicelli, Director Cooney, and Director Garvey. Director Felicelli communicated that CREA's new legislative representative, Tim Coleman, appears to be a welcome addition to the CREA team. He noted that Mr. Coleman appears very engaged and proactive regarding co-ops' interest. Manager Zaporski stated that CREA scheduled a Western Slope CREA Orientation at Delta-Montrose Electric Association (DMEA) on March 23, 2020.

Western United- Dave Alexander

Director Alexander reported that Western United continues to do well. He highlighted their expanded services into Nevada, the potential addition of a Wyoming based co-op, and considering construction of a new warehouse in St. George, UT.

Eco-Action- Jack Sibold

Director Cooney informed the Board that Eco-Action is still in the hiring process for a new Executive Director.

Tri-State- Jack Sibold

Director Sibold discussed the closure of the Escalante and Craig plants. He noted that of 107 employees at the Escalante plant, 60% took an enhanced separation, and the staffing level will be around 47 employees by March. Director Sibold reported that the plant is scheduled to run through the summer, and a solar garden will be built around the facility. Director Sibold informed the Board that while the Craig plant closure will take place in 5 to 10 years, some jobs may last 1- to 15 years due to work involved in the closure and reclamation process.

8. BOARD TRAVEL

All Directors are anticipating attending the Tri-State Director Orientation as well as the Tri-State Annual Meeting.

9. MISCELLANEOUS

Certify Director Districts

Jim Link, General Council, reviewed member report allocation by district and recommended no changes.

Director Garvey motioned to certify the districts as presented, Director Alexander seconded. The motion was voted and carried.

Certification of Election to the Tri-State Board

Director Alexander made a motion to retain Director Sibold as the Tri-State Board member. Director Rhoades seconded. The motion was voted and carried.

Director Felicelli motioned to appoint Director Sibold as the voting delegate for Tri-State and appoint Director Cooney as the alternate voting delegate for Tri-State. Director Rhoades seconded. The motion was voted and carried.

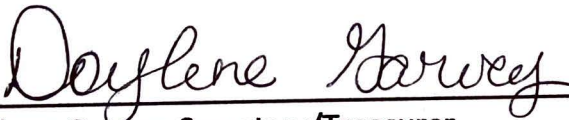
10. BOARD CALENDAR REVIEW

11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, March 24, 2020, in Nucla.
The April meeting will take place on Tuesday, April 28, 2020, in Ridgway.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 4:37 PM. Director Rhoades seconded. The motion was voted and carried.



Doyleene Garvey, Secretary/Treasurer