

1. CALL TO ORDER

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:41 AM. The meeting was held via Zoom Video/Teleconference and all directors were present via teleconference.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (April 28, 2020) to include the March 24, 2020 meeting minutes. Director Cokes seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Garvey communicated that she had been contacted by the Town of Nucla, asking for a status update on their franchise agreement proposal. Legal Counsel Link commented that the proposal is still being reviewed and will follow up next month.
- Director Felicelli advised the Board that a member had contacted him to ask why his bill had his name on it. Director Felicelli informed the member about the co-op structure and that he is their representative.
- Manager Zaporski reviewed a letter staff had received from staff regarding bill questions. Following discussion, it was decided that staff would follow up with the member for a discussion of the bill.

Corporation Donation Presentations

Eco-Action Partners, Kim Wheels and Jake Niece

Ms. Wheels reviewed Eco-Action Partners funding request to support two staff members Building Analyst Certification through the Building Performance Institute (BPI). She highlighted the benefits of having staff certified, including the ability to align energy audit procedures with industry standards, increase expertise among staff as demand for service grows and ensure consistency between current and future audits.

Top of the Pines (TOP), Brad Wallis

Mr. Wallis informed the Board that TOP is the only outdoor facility of its kind within the region and is, therefore, an exceptional asset to Ouray County and surrounding areas. He spotlighted the facilities hosts around 100 events each year. The facility is used by several school districts in the region, local and regional youth groups, families, organizations, recreation enthusiasts, visitors, and as a site for events. Mr. Wallis noted the funding request to help fund the completion of Phase III of the Pavilion kitchen will make TOP more user-friendly to support classes, groups, and events.

4. STRATEGIC UPDATE

Understand the full value, and options, of our membership and contract with Tri-State G&T- Brad Zaporski
Manager Zaporski updated the Board on the results of the Tri-State Contract Committee. He discussed the two options that were established by the Contract Committee to allow members to pursue Partial Requirements Contracts (PRC). Manager Zaporski informed the Board that Tri-State had filed the Contract Termination methodology with the Federal Energy Regulatory Committee (FERC). Manager Zaporski stated that SMPA could file an intervention with FERC regarding Tri-State's submitted documents, the filing could allow SMPA more flexibility when moving forward.

Following discussion, Director Alexander motioned for SMPA staff to file a dockless intervention with FERC regarding Tri-States filing, and up to a \$25,000 budget override if necessary, to pursue FERC filings. Director Rhoades seconded. The motion was voted and carried.

Manager Mertz gave a presentation regarding SMPA's Request for Proposals (RFP) for Wholesale Power Supply. He highlighted that beginning the RFP process fulfills the strategic objective to "explore all power supply options." Manager Mertz provided an overview of the requirements potential bidders must comply with in order to be considered, including the proposal must be a minimum 10-year proposal with fixed price schedule, bidder must identify the specific generation resources intended, or expected to be developed, that will provide for the firm delivery of energy to SMPA, and the bidder is required to provide all dispatch and scheduling services on behalf of SMPA required to coordinate generation and transmission with TSGT/WAPA, amongst other things.

Director Sibold requested to be recused from voting on releasing an RFP proposal, noting that he is SMPA's Tri-State Director, and it is a conflict of interest. Director Rhoades motioned to recuse Director Sibold from the vote regarding an RFP for Wholesale Power Supply. Director Alexander seconded. The motion was voted and carried.

Director Cooney motioned to approve staff to release an RFP for Wholesale Power Supply. Director Alexander seconded. The motion was voted, with six in favor and one recused, the motion carries.

5. CEO REPORT

CEO. Items

COVID-19 Discussion

Manager Zaporski informed the Board that staff is beginning to focus on establishing a re-entry plan for returning to work following the COVID-19 pandemic. Multiple factors are being considered in designing the plan, including consideration of what our members want and a thorough review of recommendations by Subject Matter Experts (SME) including the Centers for Disease Control (CDC), World Health Organization WHO and the State Government.

Consideration for the re-appropriation of budgeted funds

Manager Zaporski stated that with the social distancing guidelines in place, SMPA would not be holding its traditional company picnic or employee appreciation days. Manager Freeman informed the Board that the employee group is establishing an employee-funded donation program to support COVID-19 relief efforts in our service territory. Manager Freeman communicated that staff is requesting that a portion of the funds that were originally budgeted for company function be re-allocated to match employee contributions. He noted that SMPA matching funds would help to bolster the employee group's donation efforts and could also be further expanded by applying for other matching opportunities with cooperative partners.

Following discussion, Director Cokes motioned to reallocate a portion of company function funds to match employee donations towards COVID-19 relief and apply for Basin match when possible. Director Alexander seconded.

Introduction of Employee Guests

Terry Schuyler, Key Accounts Executive. Alex Shelly, Communications Executive; Joshua Hainey, Senior Staff Accountant, Kelly Truelock, Staff Account, Mike Therriault, Engineering supervisor, and Jeremy Fox, Service Planner Supervisor, were in attendance on the webinar meeting.

Corporate Donations

Ouray County Chorus

Director Garvey motioned to donate \$50 to the Ouray County Chorus organization. Director Rhoades seconded. The motion was voted passed.

Top of the Pines

Director Garvey motioned to donate \$225 to the Top of the Pines organization. Director Rhoades seconded. The motion was voted passed.

ECO Action Partners

Director Garvey motioned to donate \$225 to Eco-Action Partners. Director Rhoades seconded. The motion was voted passed.

Board Donations

Director Felicelli donated \$50 to Ouray County Chorus and \$100 to Eco-Action Partners.

Director Rhoades donated \$100 to Ouray County Chorus.

Director Cooney donated \$100 to KOTO Radio.

Director Cokes donation \$400 to Ouray County Response Fund.

Finance Update

Coop Director Finance Training

Manager Mertz reviewed the finance report, noting that March revenues were slightly less than budget and year to date revenues are within 99.5% of our targeted amount. He noted that the year-end audit was completed remotely, and we should have results soon. He communicated that we are anticipating the possibility of declining revenue due to COVID-19 shutdowns. Manager Mertz informed the Board that staff had implemented a cost-containment plan to help control expenses during this time, including establishing a hiring freeze and eliminating all non-essential training and travel. He stated that SMPA is working diligently with other co-ops across the state to apply for the Payroll Protection Plan (PPP) and we are waiting for a status update from the State.

Manager Mertz gave a brief overview of the rate-making process; he noted the main focus points and goals in the rate-making process are to recover costs fairly, recover cost based upon cost causation, and that rate structure is financially adequate to ensure cash sufficiency. He emphasized the importance that rates need to be designed in an easy to explain and administer structure. Manager Mertz highlighted that co-ops are unique in that they return profits to the members versus investor-owned utilities return profits to its investors.

Manager Mertz reviewed the CFC Loan and Line of Credit documents, noting that these items support SMPA's cash on hand and liquidity goals, as we weather the COVID-19 situation.

Director Garvey motioned to approve resolution 2020-03 CFC Loan. Director Cokes seconded. The motion was voted and carried.

Director Cokes motioned to approve resolution 2020-04 CFC Line of Credit. Director Alexander. The motion was voted and carried.

Marketing & Member Services

Manager Freeman informed the Board that staff is working with two key accounts, Telluride School and San Miguel County, on their PV system projects. He noted that both projects exceed policy limits and are requesting approval to proceed in excess of policy limits.

Following project review and discussion, Director Cokes motioned to approve the San Miguel County DOLA PV system in excess of policy limits, specifying that they must adhere to all other aspects of the Net Metering Policy. Director Cooney seconded. The motion was voted and carried.

Following project review and discussion, Director Alexander motioned to approve Telluride School to build a PV system in excess of policy limits, specifying that they must adhere to all to all other aspects of the Net Metering policy. Director Rhoades seconded. The motion was voted and carried.

Information Technology

Manager Tea reviewed his report, noting upcoming system upgrades and encouraged a heightened awareness of cybersecurity including a recommendation to change passwords.

Administration & Human Resources

The Board reviewed Policy 206, Purchase of Automobile or Heavy Equipment and Policy 301, Line Extension and Alteration. Following discussion, Director Cokes moved that the policies be adopted as presented. Director Alexander seconded. The motion was voted and carried.

Engineering

Manager Zaporski reported that Manager Riley is retiring after 50 years in the electric cooperative utility. He thanked him for his service. Manager Zaporski added that due to the current hiring freeze, SMPA will not be filling the Engineering Manager position, noting Jeremy Fox, Service Planner Supervisor and Mike Therriault, Engineering Supervisor will be reporting directly to Manager Zaporski.

Operations

Manager Oliver praised the crews, noting that they are doing a great job. He did not have anything to add to his report.

Safety and Regulatory Compliance

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

6. ATTORNEY'S REPORT

Jim Link, Legal Counsel, and Alex Shelly, Communications Executive, provided an election update. They noted that the process had been adapted to allow members to 'sign' petition via phone call or email to Mr. Link. Mr. Shelly reported that two complete election packets had been submitted; Toby Brown had submitted a petition

with 19 nominations for District 4 and Director Garvey submitted a petition with 21 nominations for District 6. He noted, with only one candidate from each District, no election is needed. Legal Counsel, Jim Link advised the Board to make an official motion to cancel the election.

Director Cokes motioned to cancel the election while adhering to the policy to provide members a ballot if requested. Director Alexander seconded. The motion was voted and carried.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes noted that she had distributed copies of the CREA's legislative update to the Board, highlighting that the state of Colorado is currently reporting a 3-billion-dollar deficit. Manager Zaporski reported that Kent Singer, CREA Executive Director, has been hosting a weekly manager meeting that has been very informative and communicated his thoughts that CREA has been a valuable resource during the pandemic.

Western United- Dave Alexander

N/A

Eco-Action- Jack Sibold

Director Cooney informed the Board that Ema Gerona has accepted the Executive Director position with Eco Action Partners. He noted that she has an August 1st start date. He noted that Ms. Gerona grew up in Telluride and is excited to be returning to the area.

Tri-State- Jack Sibold

Director Sibold reported that Tri-States meeting was held via teleconference and covered the importance of Tri-State becoming FERC regulated. Tri-State has members in Wyoming, New Mexico, Colorado and Nebraska; FREC regulation would provide one regulation to follow for all members as opposed to multiple different regulations that vary by state.

8. BOARD TRAVEL

N/A

9. MISCELLANEOUS

10. BOARD CALENDAR REVIEW

The Board discussed SMPA's Annual Meeting scheduled for June 11, 2020. Following discussion, it was determined that due to COVID-19 and social distancing requirements, it would not be possible to host an annual meeting this year. The Board directed staff to expand communication efforts via newspapers, radio, and other methods to update members on SMPA business matters.

The Board discussed the 2020 strategic planning session that is scheduled for May 12-13, 2020. Following discussion, the Board decided to postpone the strategic planning, citing a desire that the session be an in-person event if possible and it will also allow time for the new District 4 Director to be involved.


11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, May 19, 2020, in Nucla.

The June meeting will take place on Tuesday, June 23, 2020, in Ridgway.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 2:46 PM. Director Cokes seconded. The motion was voted and carried.


Doyleene Garvey (May 19, 2020 19:59 MDT)

Doyleene Garvey, Secretary/Treasurer