

1. CALL TO ORDER

President Felicelli called the San Miguel Power Association (SMPA) Board of Directors' regular meeting to order at 9:03 AM. The meeting was held in-person at the Ridgway office location and via Zoom Video/Teleconference. Director Brown, Director Garvey, and Director Rhoades attended via Zoom Video/Teleconference and Director Felicelli, Director Cooney, Director Alexander and Director Cokes attended in-person at the Ridgway office location.

2. DIRECTORS CREED

Swearing-in

Legal Counsel Jim Link advised incumbent District 5 Director Felicelli and incumbent District 7 Director Terry Rhoades of the need to recommit to the Directors Creed. The Directors Creed is the Directors pledge to abide by SMPA Bylaws, policies, and the rules and regulations of the power company. Director Felicelli and Director Rhoades confirmed that they have read the Directors Creed in full and continue to agree to the statement within.

Election of Board Officers

Director Felicelli called for nominations for Board officers.

Director Alexander motioned that the Board Officers remain as they are, with Director Felicelli as Board President, Director Alexander as Vice President and Director Garvey as Secretary/Treasurer. Director Rhoades seconded. No other nominations were made. Following discussion, the motion was voted and carried.

3. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (May 25, 2021). Director Cokes seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cokes shared a poster that youth in the community had made to promote solar energy in the community.
- Director Alexander communicated a member's dissatisfaction regarding a scheduled power outage that occurred during a high tourist event.
- Director Felicelli reported a member inquiry about where the power SMPA provides comes from. Director Felicelli explained the majority of our SMPA power comes from Tri-State Generation and Transmission, with 5% coming from locally generated.
- Director Felicelli stated a member had contacted him regarding power issues at his building; staff investigated and determined the problems are on the member side of the meter, noting the existing meters are antiquated.
- Director Brown reported two opportunities for member education when he explained how SMPA's seven districts are structured to answer why his name appears on their billing statements.
- Manager Freeman advised that portions of Ouray experienced a power outage on Sunday. Members from Ouray expressed frustration with the outage and the impact on business as well as individuals. Staff explained that with the current Stage 1 Fire Restrictions in place, SMPA takes extra precautions to reduce fire risk when restoring power, including requiring our line crews to patrol lines and be on-site

when power is restored. This practice reduces the risk of fire, but it can also extend the duration of a power outage.

- Legal Counsel Jim Link provided an overview of the District 7 Election, advising that ballots are mailed to the mailing address provided by the members when opening their account, the election is noticed in local newspapers, and newsletters to reach all members in the district up for election. Ballots were mailed on May 19, 2021, with a June 9, 2021, mailing deadline. On June 10, 2021, an in-person voting option was available in Ouray, of which one member participated and ten members participated in the Silverton in-person option. Mr. Link reported 21 spoiled ballots, explaining 16 of the spoiled ballots were signed but not by a member on our role, three were signed but illegible, and two had blank envelopes, which means they were unsigned. The election complied with Colorado Statute and SMPA's bylaws and policies.
- Via Teleconference, a member communicated their surprise and interest in low voter turnout.

5. BOARD TOPICS

SMPA Property List

Staff reviewed a document utilized when applying for loan packages with Rural Utility Services (RUS). The Staff will continue to develop a comprehensive property inventory document that includes a broad description of the use of the properties.

Cybersecurity Discussion

Manager Tea provided an overview of the steps SMPA is taking to address rising cybersecurity issues, discussed terms associated with cybersecurity, and reviewed the current cybersecurity landscape. Manager Tea informed the Board that SMPA had contracted a top-rated security solution organization to help protect SMPA assets and identified prevention techniques the company and individuals can implement to help prevent cybersecurity issues.

Accounts Receivable Update

Manager Freeman advised the Board that the past due account lists is trending down.

6. STRATEGIC PLANNING UPDATE

Identify and prioritize reliability and resiliency risks and issues. Initial focus shall be on fire mitigation- Jeremy Fox, Duane Oliver and Paul Enstrom

Manager Fox provided a status update on the four initiatives developed to help achieve the objective to prioritize reliability and resiliency risk with an initial focus on fire mitigation. He reported staff has developed an inventory control team to help address inventory, lead time issues, and current vulnerabilities. As a result, staff is ramping up on materials such as poles and wires. He reported the Vegetation Management Plan is nearing completion, targeting a completion early fall. The Wild Land Fire Mitigation Plan is progressing with the mapping layer analysis developed. The System Hardening Plan is underway, including equipment ordered for terminator upgrades. The Red Mountain Project is underway with Right-of-Way (ROW) clearing in progress and the United States Forest Service (USFS) permit finalized.

Continue to improve SMPA's overall safety and work culture- Paul Enstrom, Duane Oliver and Danielle Rodriguez
Danielle Rodriguez, Human Resources and Administration Coordinator

Danielle Rodriguez, Human Resources and Administration Coordinator and Paul Enstrom, Safety and Regulatory Compliance Coordinator reviewed the five initiatives designed to improve SMPA's overall safety and work culture; a focus on enhancing safety trainings, methods to promote safety, evaluation of policy/procedures, an

emphasis on workplace culture, and designing new safety programs. Mrs. Rodriguez highlighted that a leadership and safety speaker is scheduled to talk to employees in July, and an active shooter training has been scheduled in August. Mr. Enstrom communicated the SMPA Safety Manual is in the final edits before being submitted to a third party for review before rolling it out to all staff. Mrs. Rodriguez noted that these trainings, along with other projects, contribute to the Safety and Work Culture Objective progressing as projected to achieve identified timelines.

7. CEO REPORT

CEO. Items

Power Supply Update

Manager Zaporski advised the Board that the Federal Energy Regulatory Commission (FERC) ruled that Tri-States has 30 days to respond to their filing regarding Board Policy 125 regarding Contract Termination Payment (CTP), noting they redesign the policy. It was noted that as SMPA continues to pursue a potential partial requirements scenario, the outcome of the filing will have an impact on SMPA's decision-making as it will require additional analysis.

Legislative Update

Manager Zaporski reported that there are currently twelve bills being reviewed that could potentially impact co-ops and the Colorado Rural Electrical Association (CREA) continues to monitor the bills.

COVID-19 Discussion

Manager Zaporski reported SMPA protocols to continue to evolve as the COVID situation evolves; currently, the co-op has moved to masks as optional, anticipating the need to reinstate mask requirements in the fall.

Membership Topics

Manager Zaporski stated the purpose of the membership topics agenda item was to discuss election topics and member comments from Ouray regarding outages, noting both were covered in the member comments section.

Introduction of Employee Guests

Phil Zimmer, Energy Services Executive; Terry Schuyler, Key Accounts Executive; Kelly Truelock, Staff Accountant; Joshua Hainey, Senior Staff Accountant; Danielle Rodriguez, Human Resource and Administration Coordinator and Mike Therriault, Engineering Supervisor, were in attendance at the webinar meeting.

Community Focus Donations

The next donation review is scheduled for July 2021.

Board Donations

Director Cooney donated \$100 to San Miguel Search and Rescue.

Finance Update

Manager Mertz advised that liquidity remains an important topic highlighting that current liquidity is very strong, enabling SMPA to be responsive to various issues, including but not limited to supply chain responses. Manager Mertz reviewed the financial reporting noting that May revenues and year-to-date budgets are more than budget.

PPP Update

Manager Mertz advised the Board that staff has received verbal confirmation of the PPP loan forgiveness approval.

Phase 1 Public EV Charging Rate – Pilot Program

Manager Zaporski introduced Shaurice Moorman of Power System Engineering (PSE), the consultant working with staff to develop an EV Public Charging Pilot Rate. Ms. Moorman advised that 80% of charging will occur at home. The remaining charging stations will be at the workplace and public locations, highlighting the importance of defining a public charging rate program and a residential program that will encourage off-peak charging. Ms. Moorman discussed the different levels of charges, the load factor associated with each type of charger. Focusing on the public-facing DC Fast Charger, she reviewed proposed rate options and calculations behind them, noting that the proposed pilot rates will not cover all of SMPA's incurred cost; however, it can be considered the cost of adoption for electric vehicles. It will promote the adoption of electric vehicles and beneficial electrification while allowing SMPA to collect data to make a data-driven decision in the future when structuring future rates. Following discussion, Director Cooney motioned for staff to implement the EV Pilot Program for DC Charging stations as presented. Director Cokes seconded. The motion was voted and carried.

Marketing & Member Services

Board Approval of PV Systems in Excess of Policy Limits

Manager Freeman reported two requests for systems in excess of policy limits; having finalized the new Net Metering Policy parameters, these applications will not need to be approved by the Board as staff will be able to utilize the new policy guidelines to help the members move forward.

Board Consideration to Allocate Additional Funding from the Green Fund for the 2021 Solar Rebate Program
Manager Freeman reported the 2021 Solar Rebate program has been very successful, and appropriated funds have been exhausted. Staff requests the Board allocate additional funding from the Green Fund for the 2021 Solar Rebate Program. Following discussion, Director Cokes motioned to approve an additional \$25,000 from the Green Fund for the 2021 Solar Rebate Program. Director Alexander seconded. The motion was voted and carried.

Information Technology

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

Administration & Human Resources

Human Resource and Administration Coordinator Danielle Rodriguez reviewed her report, noting a change in insurance carriers, highlighting one reason and benefit for the switch is a nearly 27% cost savings.

The Board reviewed an updated Policy 303, Net Metering Policy. The updates included an introduction to a Net Meter Avoided Cost (NMAC) and system configuration options for those who would like to construct a Net Meter System above a 10kW capacity for residential or above 25kw for commercial. An update to Annual Excess Generation now will be paid within 60 days of the end of the annual period at the Net Meter Avoided Cost of Energy (NMAC), as determined by SMPA. After reviewing proposed changes, Director Cooney motioned to adopt Policy 303, Net Metering, with updates as presented. Director Cokes seconded. Following discussion, the motion was voted and carried.

Engineering

Manager Fox reviewed his report, highlighting a significant increase in new service requests as the post-pandemic construction surge continues.

Operations

Manager Oliver informed the Board of the need to purchase a new three-reel trailer; he noted funding for the purchase will come from a reallocation of funds that were budgeted for a different project that will not take place. Manager Oliver reported that all counties SMPA operates in are in Stage 1 Fire Restrictions; crews have been advised not to reenergize until a line patrol has been completed to help protect against fire danger. These extra precautions are a necessary safety measure; however, they will result in extended outages.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, noted the Rural Electric Safety Achievement Program (RESAP) observation took place earlier in the month; the observing team seemed impressed with SMPA's facilities and operations.

9. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported that CREA's recent meeting was in-person at the United Power facility in North Denver. She stated a large portion of Colorado Co-ops are currently working on cost of service studies and rate structure studies.

Western United- Dave Alexander

N/A

Eco-Action- Kevin Cooney

Director Cooney reported Eco-Action is focusing on promoting the IQ weatherization program, targeting completing up to 30 homes in 2021. Director Cooney advised the organization is advocating for commuter e-bikes noting a policy may need to be established to define what type of e-bikes are eligible for rebates.

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State Board held the first in-person Board meetings since the onset of the pandemic. The meeting included strategic planning for the year and feature guest speakers discussing various topics, from new technologies to strategy regarding stranded assets for coal plants that will be retired before they are fully paid. Director Cooney advised the Board that the Tri-State Annual Meeting is scheduled for August 4, 2021, noting one bylaw amendment will be presented to the membership to be voted on by the general membership to limit the number of non-utility members to ten. Director Cooney reported SMPA needs to appoint a voting representative and alternate for the meeting. Director Garvey motioned to appoint Director Cooney as SMPA's voting representative and Director Brown as the alternate voting representative. Director Rhoades seconded. The motion was voted and carried. The motion to appoint a Tri-State voting delegate and alternate will be re-ratified at the July Board of Directors Meeting as it did not meet the 10-day noticing requirement.

10. ATTORNEY'S REPORT

Director Alexander made a motion at 2:46 PM to enter into executive session for personnel and contractual issues. Director Brown seconded. The motion was voted and carried. Director Rhoades was recused from the

executive session due to conflict of interest regarding topics being discussed. The Board entered into executive session at 2:46 PM and came out at 32:32 PM. While in the executive session, no decisions were made, nor votes taken.

11. BOARD TRAVEL

N/A

12. MISCELLANEOUS

N/A

13. BOARD CALENDAR REVIEW

The Board reviewed upcoming training opportunities that are occurring virtually.

12. NEXT MEETING

The next regular Board of Directors meeting will be held Tuesday, July 27, 2021, in Nucla and Via Zoom. The August 2021 meeting will occur on Tuesday, August 24, 2021, in Ridgway and Via Zoom.

14. ADJOURN

Director Brown motioned to adjourn the meeting at 3:36 PM. Director Garvey seconded. The motion was voted and carried.


[Doyleene Garvey \(Jul 28, 2021 15:29 MDT\)](#)

Doyleene Garvey, Secretary/Treasurer

06.22.21_Minutes_Approved

Final Audit Report

2021-07-28

Created:	2021-07-28
By:	MartyJo Davis (martyjo.davis@smpa.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA2aRMgAqHitZf0eTca5RTPMim5kMDk2-__

"06.22.21_Minutes_Approved" History

-  Document created by MartyJo Davis (martyjo.davis@smpa.com)
2021-07-28 - 8:11:46 PM GMT- IP address: 206.123.212.251
-  Document emailed to Doylene Garvey (doylene@smpa.com) for signature
2021-07-28 - 8:12:08 PM GMT
-  Email viewed by Doylene Garvey (doylene@smpa.com)
2021-07-28 - 9:28:21 PM GMT- IP address: 69.55.98.33
-  Document e-signed by Doylene Garvey (doylene@smpa.com)
Signature Date: 2021-07-28 - 9:29:56 PM GMT - Time Source: server- IP address: 69.55.98.33
-  Agreement completed.
2021-07-28 - 9:29:56 PM GMT