

1. CALL TO ORDER

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:31 AM. All directors were present, Director Felicelli, Director Alexander, Director Brown, and Director Cokes attended in-person. Director Rhoades, Director Garvey, and Director Cooney attended via Zoom Video/Teleconference.

2. DIRECTORS CREED

Legal Counsel Jim Link reviewed the Directors Creed. He noted that the Directors Creed is the Directors pledge to abide by SMPA Bylaws, policies, and the rules and regulations of the power company. New District 4 Director, Tobin Brown confirmed that he had read the Directors Creed in full and that he agrees to the statement within.

Director Felicelli called for nominations for Board officers.

Director Cokes nominated Director Felicelli for Board President. Director Brown seconded. No other nominations were made. Following discussion, the election proceeded with Director Cokes making a motion for Director Felicelli to remain as the Board President. Director Brown Seconded. The motion was voted and carried.

Director Felicelli nominated Director Alexander for Board Vice-President. Director Garvey seconded. No other nominations were made. Following discussion, the election proceeded with Director Felicelli motioning for Director Alexander to remain as the Board Vice President. Director Garvey seconded. The motion was voted and carried.

Director Felicelli nominated Director Garvey for Board Secretary/Treasurer. Director Alexander seconded. No other nominations were made. Following discussion, the election proceeded with Director Felicelli making a motion that Director Garvey remain as the Board Secretary/Treasurer. Director Alexander seconded. The motion was voted and carried.

Director Felicelli nominated Director Cooney to serve as Tri-State Director. Director Cokes seconded. No other nominations were made. The election proceeded with Director Felicelli motioning to appoint Director Cooney as Tri-State Board Member. Director Cokes seconded. The motion was voted and carried.

3. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the revised consent agenda (June 23, 2020) to include the May 19, 2020 meeting minutes with corrections. Director Garvey seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli complimented the SMPA organization and staff, noting they have done an excellent job keeping the lights on while performing with the utmost professionalism.
- Director Cokes reported that she has found that community groups on social media are posting comments regarding power outages, that it was neat to see members helping each other by replying to posts, passing along phone numbers to call and such. Director Cokes noted that it was a new and fascinating way to interact with members, highlighting the ability to trace the times of the posts is an interesting aspect of this type of member engagement.

- Director Garvey discussed the recent high winds the area has received, and the subsequent outages linked to it, including one at her own house. Director Garvey thanked the crews for their quick response and repair to the lines.
- Director Garvey also reported that she had been contacted by a member who voiced concerns about a line that he concerned will result in an obstruction. Jeremy Fox, Service Planner Supervisor, communicated that he had been in touch with the member, and the situation has been resolved.
- Director Felicelli stated that he was contacted by a member regarding a property in Mountain Village that they are trying to develop and have questions regarding power lines that are running underneath their property. Director Felicelli submitted the information to staff who have been in touch with the members. Director Felicelli reported that a member regarding billing issues had also contacted him. Manager Zaporski reported that staff is working with the member to resolve the situation.
- Manager Zaporski reported that staff had received a letter that questions about the liability of the co-op in the event of a fire.

5. BOARD TOPICS

Director Felicelli informed the Board that the agenda format had changed slightly with the addition of a Board Topics item. The purpose of this new agenda item is to create a space that Directors can add topics that they would like to discuss formally. Director Felicelli stated that Directors will need to contact the Board President to present topics to be considered for the agenda. Following review and discussion of presented topics, the Board President will select the items that will be listed on the agenda in this new Board Topics section of the agenda. Manager Zaporski noted that it is important to keep in mind that the agenda needs to be noticed ten days in advance. Director Cokes also suggested that we develop a method to track topics that come up that are worthy of discussion or action but unrelated to the current agenda item, noting that this would help the meeting stay on track while keeping important topics on the radar.

Director Cooney expressed his approval of the Board Topics agenda item and stated he had an item he would like discussed at this time. Director Cooney stated that he had reviewed information from the Colorado Public Utilities Commission (PUC) regarding the Electric Resource Plan (ERP). He reported the information he reviewed stated that if an organization would like to file an intervention regarding the ERP, it needs to be filed by July 1st, 2020. Manager Zaporski communicated that staff is following the filing and will explore the option of trying to file an intervention internally. He further explained that money was not budgeted for this legal expense and staff is trying to manage as much as possible internally. If staff is unable to complete the filing and legal fees exceed \$25,000 staff will wait to proceed until the Board is able to approve a budget override for the expense.

6. STRATEGIC UPDATE

2020 Strategic Planning Scheduling Update- Brad Zaporski

Manager Zaporski stated that the 2020 Strategic Planning Session is still scheduled for July 14th and July 15th, 2020. Manager Zaporski confirmed that all Directors had received and reviewed the questionnaire from the Board hired facilitator. Manager Zaporski noted that reviewing the questions and having a good conversation with the facilitator results in an efficient and productive planning session.

7. CEO REPORT

CEO. Items

Power Supply Update

Manager Mertz provided an update on SMPA's Power Supply RFP. He reported a modification to the timeline resulting in the best and final applicants presenting to the Board at a special meeting in September. At the regularly scheduled September Board of Directors meeting, staff anticipates the Board will provide guidance on what direction to pursue, whether it be an instruction to continue to gather information to perhaps moving forward with selecting a supplier and all that entails.

Legislative Review

Manager Zavorski commented that 12 bills are in various states of approvals that will affect SMPA and advised that Directors review documents from Colorado Rural Electrical Association (CREA) for more detailed information.

COVID-19 Discussion

Manager Zavorski informed the Board that SMPA is open to the public, noting that we remain cautious and encourage staff to work from home when appropriate. Director Felicelli praised staff for performing in a prudent, safe and sensitive manner while still providing excellent member services. Manager Zavorski stated that SMPA's hiring freeze is still in effect, and staff is evaluating data to determine if we should continue or discontinue the hiring freeze.

Introduction of Employee Guests

Hugh Hardman, Journey Lineman Technician; Danielle Rodriguez, Human Resources and Administration Coordinator; Terry Schuyler, Key Accounts Executive; Alex Shelly, Communications Executive; Joshua Hailey, 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

N/A

Board Donations

N/A

Finance Update

Coop Director Finance Training

Manager Mertz reviewed key concepts and accounting terms. The presentation included a brief overview of cash vs. accrual cost accounting, fixed costs, variable costs, O&M costs, capital costs, and trend analysis, amongst other terms.

Manager Mertz reviewed the finance report, noting that May revenues were 3.97% less than budget and year to date revenues are 3.64% below budget. Manager Mertz advised the Board that staff continues to monitor and manage the cost containment strategy to address current and potential impacts from the decline in kWh sales.

Legal Counsel Link informed the Board that he had received the official bank resolution regarding the Paycheck Protection Plan (PPP) and that he recommends the Board adopt a resolution to ratify the PPP as written.

Following discussion, Director Garvey made a motion to adopt a resolution to ratify the PPP as written. Director Alexander seconded. The motion was voted and carried.

Marketing & Member Services

Board approval of PV Systems in excess of policy limits

Manager Freeman informed the Board that three systems have applied to SMPA for PV systems that exceed our policy limitations for solar net metering. Mr. Freeman reported that analysis done by SMPA staff shows that in each case, there is a legitimate reason for the size of the system selected. Manager Freeman reported that staff recommendation is that the systems be approved in excess of policy limits.

Following discussion, Director Cokes motioned for Board approval of PV systems in excess of policy limits. Director Alexander seconded. The motion was voted and carried.

Manager Freeman reported that a notice has been published in local papers stating the Board will be reviewing proposed changes to SMPA's General Rules and Regulations at the July Board of Directors Meeting. Manager Freeman stated that proposed changes include an agreement for SMPA's new SmartPay program. He highlighted the benefits of the new SmartPay, including that it is a great option for young members who are just starting out and don't have an account history with a utility.

Information Technology

Manager Tea reviewed his report, highlighting that security camera installation for Silverton is scheduled in early July and that will mark the completion of the security camera installation project.

Administration & Human Resources

Human Resource and Administration Coordinator Danielle Rodrigues informed the Board that a 22-year employee is preparing for retirement at the end of the month. Mrs. Rodriguez informed the Board that a temp service will be used to help fill the position and has been given specific instructions to try to utilize someone locally.

The Board reviewed Policy 307, Energy Conservation. After the initial review, Director Alexander moved that Policy 307 be adopted as written. Director Rhoades seconded. Following further discussion, the motion failed to pass, opting to discuss the verbiage further following the upcoming strategic planning session.

Director Felicelli and the Board congratulated Hugh Hardman on completing the lineman apprenticeship program to become a Journey Lineman. Director Felicelli presented Mr. Hardman with Journey Lineman certificates, jacket, and belt buckle. Manager Zaporski also congratulated Mr. Hardman and reported that he is SMPA's first Lineman to complete SMPA's accredited lineman apprenticeship program in 10 years. Mr. Hardman stated that he grew up in Norwood and always wanted to work for SMPA. He is grateful to be here, noting that it is an outstanding place to work. Mr. Hardman thanked SMPA and the management team for the opportunity.

Engineering

Ruby Walls GPR Survey Results

Jeremy Fox, Service Planner Supervisor, reviewed the results of the Ground Penetrating Radar (GPR). He informed the Board that the results of the GPR has produced excellent data, defining the location of the bedrock

underneath the pavement and how deep it is. ESC Engineering has evaluated the new data and has recommended the underground route be located in the northbound lane with an estimated cost between two and 2.5 million. Mr. Fox reviewed the cost-benefit analysis of constructing the Ruby Walls section underground as well as an analysis of constructing the section overhead. He highlighted the benefits of constructing underground including crew safety and long-term savings, because the section would not be subject to rockfall damage and rebuild costs.

Following discussion, Director Cooney motioned to approve the underground option for the Ruby Walls section of the Red Mountain Line Rebuild Project. Director Brown seconded. The motion was voted and carried.

Operations

Manager Oliver reviewed his report, emphasizing that the team has had a very busy month, completing a plethora of work orders, pole change outs and responding to outages caused by intense winds the area has been affected by recently.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, reviewed his report highlighting the staff's effort to work safely during these difficult times.

6. ATTORNEY'S REPORT

Director Alexander made a motion at 1:07 PM to enter into executive session for personnel and contractual issues. Director Garvey seconded. The motion was voted and carried. The Board entered into executive session at 1:07 PM and came out at 1:43 PM. While in executive session, no decisions were made, nor votes taken.

Following executive session, Director Brown motioned to approve the Nucla Franchise Agreement. Director Alexander seconded. The motion was voted and carried.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported that CREA is concentrating on the wildfire topic, analyzing aspects of the subject, and formulating ideas for next quarter legislative session to address the issue of wildfires. Director Cokes also informed the Board that Governor Polis established an Economic Committee designed to focus on methods to turn the economy around following the downturn created by COVID-19, noting that two of the committee members were from the cooperative family. Director Cokes reported that Tri-State's CEO, Duane Highly, presented at the CREA's meeting; he highlighted Tri-States efforts to promote beneficial electrification and that Tri-State is doubling their energy efficiency budget. Director Cokes informed the Board that CREA's Energy Summit will be held online this year.

Western United- Dave Alexander

Director Alexander reported that the meeting was held virtually. He stated that Western United sells for the month of May were down slightly, but the organization is still doing well and on track for a record-breaking year.

Eco-Action- Kevin Cooney

Director Cooney reported that a portion of the organization's regular funding comes from festival fees and as a result of festivals being canceled in response to COVID-19, the organization's funding is down. Director Cooney also reported that Eco-Action is trying to grow a Green Business Certification program.

Director Sibold had previously been SMPA's representative to Eco-Action Partners, with his retirement Director Felicelli nominated Director Cooney to be SMPA's representative to Eco-Action Partners. Director Brown seconded. No other nominations were made. Following discussion, the election proceeded with Director Felicelli making a motion for Director Cooney to serve as SMPA's representative to Eco-Action Partners. Director Brown seconded. The motion was voted and carried.

Tri-State- Jack Sibold

Director Sibold attended the Tri-State meeting prior to retiring from the SMPA Board. He distributed his notes from the meeting to the Board for their review. Following the review of Tri-State information, Director Felicelli thanked Mr. Sibold for his years of service on the SMPA Board as well as the Tri-State Board.

8. BOARD TRAVEL

N/A

9. MISCELLANEOUS

N/A

10. BOARD CALENDAR REVIEW

- A. 2020 Strategic Planning Session (July 14-15, Ridgway)

11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, July 28, 2020, in Nucla and Via Zoom. The August meeting will take place on Tuesday, August 25, 2020, in Ridgway and Via Zoom.

12. ADJOURN

Director Cokes motioned to adjourn the meeting at 2:12 PM. Director Alexander seconded. The motion was voted and carried.



[Doylene Garvey \(Jul 28, 2020 21:40 MDT\)](#)

Doylene Garvey, Secretary/Treasurer

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Final Audit Report

2020-07-29

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