

### **1. CALL TO ORDER**

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:30 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 (September 22, 2020) to include the August 25, 2020 meeting minutes with corrections. Director Alexander seconded. The motion was voted and carried.

### **3. MEMBER OR CONSUMER COMMENTS**

General Member/Consumer Comments

- Director Felicelli reported that he was contacted by a member from Rico asking questions regarding SMPA's Power Supply explorations. Director Felicelli communicated SMPA continues to explore Power Supply options.
- Director Felicelli reported that he had been contacted by a member who listened to SMPA's presentation to the Telluride Town Council regarding power supply. The member stated that he is very happy with the direction SMPA is going.
- Director Cokes read a letter that she had received from a member regarding an outage. The letter expressed gratitude that SMPA responded quickly to the outage and were able to restore service so quickly on a holiday. The member noted, 'that performance certainly indicated dedication and commitment to reliable service.'

### **4. BOARD TOPICS**

Director Brown and Director Cokes presented an updated version of SMPA's Mission Statement, emphasizing safety and being a cooperative. Following review, Director Cokes motioned to accept the mission and vision statement revisions as presented. Director Brown seconded. The motion was voted and carried.

### **5. STRATEGIC UPDATE**

Manager Zaporski reviewed the strategic objectives that the Board targeted for the SMPA's three-year strategic planning and advised the Board of the team leaders assigned to specific objectives. Manager Zaporski informed the Board the next step is for team leaders to identify cross-departmental teams, followed by each team identifying the list of initiatives to achieve the objectives, as well as defining timelines to completion and Key Performance Indicators (KPI) to track process. Manager Zaporski stated that each team will give an update report to the Board once a quarter. The objectives, along with each team's list of initiatives, results in SMPA's 2020 Strategic plan.

### **6. CEO REPORT**

#### **CEO. Items**

Power Supply Update

Manager Zaporski informed the Board that SMPA's power supply consultants; Edwin Reyes, of Enchantment Energy Consulting, LLC; Edward Padilla Jr, of Rio Energy Consulting, and Caitlin Liotiris of Energy Strategies were on the line and prepared to follow up with the Board regarding the recent power supply presentations. As the matter is contractual in nature, Director Rhoades motioned to go into executive session at 9:58 AM; Director Alexander seconded, the motion was voted and carried. Director Cooney recused himself from the executive session due to conflict of interest with his role as SMPA's Tri-State Director. The Board entered into executive

session at 9:58 AM and came out at 12:20 PM. While in executive session, no decisions were made, nor votes taken.

Manager Zaporski reported that member cooperatives had formed a special advisory council, Technical Advisory Committee (TAC), to work with Tri-State's CEO, Duane Highley. The focus of the meetings will be to discuss member cooperatives' viewpoints on certain topics, with the first topic being power supply issues.

#### Legislative Review

Manager Zaporski informed the Board that SMPA is currently participating in several Federal Energy Regulatory Commission (FERC) filings, noting that the process is currently in a holding pattern as FERC is in the process of combining multiple filings into fewer dockets.

#### COVID-19 Discussion

Manager Zaporski reported the organization will continue to utilize established protocols to protect SMPA's workforce, while being prepared to evolve as needed to face new situations that might arise in the coming winter months. Additionally, Manager Zaporski reported that the moratorium on late fees and/or disconnect fees has been extended.

#### 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

The next quarterly review is scheduled for the October Board of Directors Meeting.

#### Board Donations

Director Brown donated \$100 to the Just for Kids Foundation.

#### Finance Update

##### Form 990 Review

Manager Mertz reviewed the "Return of Organization Exempt From Income Tax," yearly IRS Form 990 Questionnaire.

##### Capital Credit/Member Dividend Retirement Discussion

Manager Mertz introduced the possibility of a capital credit retirement in 2020. He informed the Board that a careful evaluation of the current status, coupled with cautious optimism of the outcome of contingent elements, will result in a recommendation the organization move forward with a capital credit retirement in 2020. Mr. Mertz stated that he will have a thorough presentation regarding the specifics of capital credit retirement for the Boards review and consideration at the October Board of Directors Meeting.

Manager Mertz reviewed the finance report, highlighting that we are still better than budgeted, noting the proforma modeling that the organization utilizes indicates that we should at least meet the budget, if not surpass it.

### **Marketing & Member Services**

#### **Sharing Success Grant**

Manager Freeman informed the Board that the deadline for the Sharing Success Grant application submission will be November 11, 2020. Mr. Freeman advised that staff will compile the applicant packets for committee review and decision at the November 17, 2020 Board of Directors Meeting. Manger Freeman and Director Garvey discussed the criteria organizations must meet to apply for the grant; Manager Freeman noted that he would follow-up with CoBank to ensure criteria requirements are met.

Manager Freeman reviewed SMPA's outage communication plan. He identified two categories of outages, planned outages and unplanned outages. Manager Freeman highlighted how the different types of outages are handled. Manager Freeman advised the Board that three main counties in SMPA's service territory utilize a text-based communication system, the Wireless Emergency Notification System (WENS) and/or Code Red program. Manager Freeman informed the Board that staff has been in contact with each of the counties to learn how they are using the two products and how SMPA might be able to integrate our outage communications with those platforms to reach members through that avenue as well.

### **Information Technology**

Manager Tea reviewed his report and added that the Board could expect to see a few changes in the IT's budget at the October presentation, noting a few additional items to the IT budget, such as Zoom Software to host virtual meetings.

### **Administration & Human Resources**

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, highlighting that the two positions that are currently posted. She informed the Board that Becky Riley announced her retirement, resulting in a Member Service Representative (MSR) position opening. The second posting is for the Energy Services position that has been vacant since last December. Additionally, Mrs. Rodriguez communicated that open enrollment will occur in October via a virtual platform for the first time.

The Board reviewed Policy 308, Energy Efficiency Credit (EEC) Rebates. Following discussion, Director Garvey moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

The Board reviewed Policy 150, Community Focus Fund. Following discussion, Director Alexander moved that the policy be adopted as presented, removing the mission statement and the option for expedited review. Director Cokes seconded. The motion was voted and passed with Director Cooney, Director Alexander, Director Brown, Director Felicelli, Director Cokes and Director Rhoades in favor and Director Garvey voting against.

### **Engineering**

#### **Red Mountain Project Update**

Jeremy Fox, Service Planner Supervisor, updated the Board on the Red Mountain Project. Mr. Fox communicated that staff recently received the timber sale guidelines from the US Forest Service (USFS). After reviewing the information and discussion with potential bidders regarding the detailed requirements of the timber sale guidelines, it is apparent the project cost will be increased. Manager Zaporski commented that considering the new information, staff are reviewing the original plan and breaking it down into smaller segments. Manager Zaporski highlighted that the vegetation management portion of the project is in alignment

with the new strategic objective to prioritize fire mitigation and could potentially be seen as its own project, not just a portion of the Red Mountain Line Rebuild Project.

### **Operations**

Manager Oliver reviewed his report highlighting that staff continues to be very busy with work orders, terminator inspections and connecting temporary as well as new services.

### **Safety and Regulatory Compliance**

Paul Enstrom, Safety and Regulatory Compliance Coordinator, communicated that the only item he had to add to his report is that the ACRT team has finished the vegetation assessment, and they are ready to present the results of the assessment. Mr. Enstrom informed the Board that staff is concentrating on developing initiatives to achieve the Reliability and Resiliency objective's focus on fire mitigation.

### **7. ATTORNEY'S REPORT**

Director Garvey made a motion at 2:46 PM to enter into executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted and carried. The Board entered into executive session at 2:46 PM and came out at 3:30 PM. While in executive session, no decisions were made, nor votes taken.

Following executive session, Director Brown motioned to approve the acquisition of assets, assumption of leases and assignment of customer agreements from SMPA Solar 1, LLC, and execution and delivery by CEO/GM, Brad Zaporski, of all documents needed to finalize the acquisition. Director Rhoades seconded. The motion was voted and passed.

### **8. ASSOCIATED MEETING REPORTS**

CREA- Debbie Cokes

Director Cokes informed the Board that CREA is offering a webinar series that is well presented and very informational. Director Cokes also recommend the Board review the document CREA had put together regarding public policy and wildfire risk.

Western United- Dave Alexander  
N/A

Eco-Action- Kevin Cooney

Director Cooney stated that Eco-Action will be requesting additional funding for the weatherization program. Manager Freeman commented that participation in the weatherization program has increased significantly in 2020 and that he would request additional funds for the weatherization program at the October Board of Directors Meeting.

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State staff informed the Board they are exploring options that could result in rate reductions and/or other cost savings opportunities for the member co-ops, noting there is not much detail yet but that the concepts are being discussed. Director Cooney also advised the Board that Tri-State's CEO, Duane Highley, offered to visit co-ops if they were interested. Director Cooney informed the Board that Tri-State continues to examine the draft Partial Requirements Contract (PRC), remarking that details, updates, and

revisions are still being discussed. Director Cooney reported that he attended new director orientation in person at Tri-State and that COVID protocols were followed.

**9. BOARD TRAVEL**

N/A

**10. MISCELLANEOUS**

The Board discussed the possibility of meeting minutes being available sooner or some other discussion summary type of document to help keep topics fresh for Directors. Following the discussion, it was determined that Board President Felicelli and Manager Zaporski would discuss options.

**11. BOARD CALENDAR REVIEW**

N/A

**12. NEXT MEETING**

The next Board of Directors meeting will be Tuesday, October 20, 2020, Via Zoom.  
The November meeting will take place on Tuesday, November 17, 2020, Via Zoom.

**13. ADJOURN**

Director Rhoades motioned to adjourn the meeting at 4:02 PM. Director Garvey seconded. The motion was voted and carried.

  
[Doylene Garvey \(Oct 20, 2020 14:42 MDT\)](#)

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Doylene Garvey, Secretary/Treasurer

# 09.22.20\_Minutes\_DRAFT

Final Audit Report

2020-10-20

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