

1. CALL TO ORDER

President Felicelli called the San Miguel Power Association (SMPA) Board of Directors regular meeting to order at 9:00 AM. The meeting was held in person at the Nucla office location and via Zoom Video/Teleconference. Director Garvey and Director Rhoades attended via Zoom Video/Teleconference, and Director Felicelli, Director Cokes, Director Brown, Director Cooney, and Director Alexander attended in-person at the Nucla office location.

2. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the revised consent agenda (November 16, 2021) and the October 26, 2021 meeting minutes with corrections. Director Cokes seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- A member stated that her neighborhood is working on a Wildfire Mitigation strategy and would like to discuss underground powerline options as a preventative measure. Staff will follow up with the member.
- A member expressed his dissatisfaction with the net metering policy updates, specifically with the element regarding the annual bank reset date, commenting that adjusting the reset date and allowing a small carryover bank could be an equitable option to consider.
- Director Cooney reported communication with a member regarding tree trimming efforts in the Lawson Hill area; he noted the member expressed dissatisfaction with the clean-up after the tree removal and the communication protocols with landowners.
- Director Felicelli, Director Cooney and Director Cokes attended the Clean Energy Coalition (CEC) meeting. They noted that the net metering policy was discussed at length, including a SMPA staff presentation regarding the data points evaluated and utilized to determine the suggested policy updates.
- Director Garvey advised the Board of a member comment expressing dissatisfaction with items listed on EcoAction Partner's youth Truth or Dare program that SMPA helps sponsor. Staff will follow up with EcoAction Partners.

4. STRATEGIC PLANNING UPDATE

Further Develop Crisis Management Plan in order to best respond to external threats or crisis.- Duane Oliver and Mike Therriault.

Engineering Supervisor Mike Therriault reviewed the four initiatives identified to further develop the Crisis Management Plan (CMP). Initiatives include an update and expansion to SMPA's existing Emergency Restoration Plan (ERP), staff education, blue sky exercises and a focus on mitigating supply chain disruptions. Mr. Therriault reported that the team has successfully completed staff education and blue sky exercises for 2021 and is planning education opportunities for 2022. Mr. Therriault added that efforts to mitigate supply chain disruptions have expanded to include collaborating with neighboring cooperatives and Western United in an effort to standardize certain equipment items. The ERP has been expanded to include an Information Technology Emergency Restoration Plan (ITERP). Manager Tea reviewed the ITERP, noting the plan provides the framework on how to manage cyber security threats, including a defined incident classification matrix to evaluate the level of the incident and the correlating actions to be taken to respond to the situation level.

Fully Optimize All Technology- Doug Tea

Manager Tea reviewed the strategic initiatives developed to fully optimize all technology, including a concentration on cybersecurity, developing a documented Information Technology Emergency Response Plan (ITERP), implementing budgeted software projects, and focusing on optimizing and leveraging current technologies. Manager Tea advised that all initiatives are on target, highlighting that the ITERP has been developed and implemented, budgeted software projects for 2021 have been executed, and cyber security will be an ongoing activity to stay current as it evolves.

5. CEO REPORT

CEO. Items

Power Supply Update

Manager Zaporski reported significant developments with the Federal Energy Regulatory Commission (FERC) cases regarding Tri-State's Contract Termination Payment (CTP) and Buy Down Payment (BDP) filings. He advised that FERC rejected the methodology Tri-State submitted regarding CTP/BDP's. Tri-State has 30 days to respond. The outcome of the filing will define essential details that can be used as fundamental data points to analyze SMPA's optimal power supply strategy going forward. While SMPA awaits the outcome of the Tri-State CTP/BDP case at FERC, staff will use the time to continue to explore all options and be prepared as possible to move in any direction necessary when the filing details are finalized.

Legislative Update

Director Cooney stated that Federal Infrastructure Bill was passed, noting provisions in the bill may benefit our infrastructure investments over the next couple of years.

COVID-19 Discussion

Manager Zaporski advised the Board of protocols SMPA developed using CDC guidelines, noting the protocols were implemented at the pandemic's beginning. They will remain in place as long as needed. Manager Zaporski highlighted the strict policy regarding quarantine time following exposure, sickness or family sickness and manager approval required for return to work status. Additionally, staff has been provided with designated COVID Paid Time Off (COVIDPTO) available for employees to use if they are sick and/or to handle family member needs. Danielle Rodriguez, Human Resources and Administration Coordinator provided a brief overview of the hours of COVIDPTO utilized by staff. The information gives a general idea of time used but isn't a complete account of quarantine time as some roles are able to work from home even when quarantined. Manager Zaporski added that the safety of the membership and staff remains a top priority and the leadership team continues to evaluate internal practices to ensure reliable service; the organization is prepared to pivot quickly to stricter protocols if needed.

Introduction of Employee Guests

Phil Zimmer, Energy Services Executive; Terry Schuyler, Key Accounts Executive; Kelly Truelock, Staff Accountant; Joshua Hainey, Senior Staff Accountant; Alex Shelly, Communications Executive; Danielle Rodriguez, Human

Resource and Administration Coordinator and Mike Therriault, Engineering Supervisor, were also in attendance at the meeting virtually or in-person.

Community Focus Donations

The next donation review is scheduled for January 2022.

Board Donations

Director Brown donated \$100 to Angel Baskets.

Director Brown donated \$100 to San Miguel Resource Center.

Director Brown donated \$100 to Trust for Community Housing.

Director Brown donated \$100 to Tri-County Health.

Director Cooney donated \$100 to San Miguel Watershed Coalition.

Director Cooney donated \$100 to the Telluride Fire Department.

Director Alexander donated \$100 to the Placerville Fire Department.

Director Alexander donated \$200 to the Norwood Fire Department.

Director Alexander donated \$200 to the Town of Norwood Firework Fund.

Director Felicelli donated \$100 to Angel Baskets.

Director Felicelli donated \$100 to Telluride Arts.

Director Felicelli donated \$100 to the Telluride Elks Scholarship Fund.

Finance Update

Capital Credit Retirement

Manager Lehigh informed the Board that capital credits could also be referred to as member dividends.

Manager Lehigh proposed a capital credit retirement in the amount of \$1,001,332.95. Director Rhoades motioned \$1,001,332.95 in capital credits be retired utilizing the First In First Out (FIFO) method. Director Alexander seconded. The motion was voted and carried.

Form 990 Review

Manager Lehigh reviewed the Form 990 with the Board.

RUS Data Systems Collection (DSC) Authorization Resolution (2021-04)

Manager Lehigh reviewed Resolution 2021-04, the Rural Utility Service's (RUS) Data Collection Authorization Resolution, following review Director Brown motioned to approve Resolution 2021-04 RUS Data Systems Collection (DSC) Authorization as presented in the packet. Director Alexander seconded. The motion was voted and carried.

Manager Lehigh reviewed the preliminary financial executive summary, noting pieces are still being finalized as it is a shortened month. Manager Lehigh highlighted that year-to-date (YTD) revenues are more than budgeted by 3.18%, and YTD purchased power is 3.96% above budget.

Marketing & Member Services

Electronic Balloting Overview

Communications Executive Alex Shelly explained that a hybrid election would expand opportunities for members/voters to participate in the SMPA Director election by offering an electronic voting platform in addition to the traditional paper ballots, potentially increasing member participation in our cooperative. Mr. Shelly reported staff has reviewed proposals from several election management companies, evaluated services offered, cooperative experience, cyber security systems, cost and references. After reviewing election management company proposals, staff recommends contracting with Survey & Ballot Systems to provide SMPA with hybrid election services for the 2022 Board Election. Services to be provided under the supervision of the Independent Election Monitor as selected by the Board. Director Alexander motioned to appoint Jim Link as the independent third party to monitor the 2022 election. Director Brown seconded. The motion was voted and carried.

Set Election Date and Location

Set Annual Meeting Date and Location

Director Cokes motioned to set the Annual Meeting and the Election Date for June 9, 2022, at the SMPA facility in Nucla. Director Alexander seconded. The motion was voted and carried.

Request Approval for Additional Funding from the Greenfund for PV Rebates

Director Cooney motioned to approve an extra \$10,000 of Greenfund monies for the PV rebate program. Director Brown seconded. The motion was voted and carried.

Information Technology

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

Administration & Human Resources

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report. She provided an update regarding staffing, highlighting that the Ridgway Line Crew will be fully staffed at the beginning of December.

The Board reviewed Policy 104, Board of Directors – General Manager Relationships. Director Brown motioned to adopt the amended Policy 104, Board of Directors – General Manager Relationships, as presented. Director Alexander seconded. Following discussion, the motion was voted and carried.

The Board reviewed Policy 109, Delegating of Certain Duties of the Secretary and Treasurer. Director Brown motioned to adopt Policy 109, Delegating of Certain Duties of the Secretary and Treasurer, as presented. Director Alexander seconded. Following discussion, the motion was voted and carried.

Engineering

Manager Fox reported staff presented to the Town of Silverton Commissioners regarding the recent outage in Silverton and discussed resiliency options in the area. Additionally, the staff has initiated scheduling stakeholder meetings to begin conversations regarding the fire mitigation spring work schedule and potential road closure dates.

Operations

Manager Oliver reviewed the Operations report, noting workloads continue to be very busy.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, reviewed his report, highlighting that training with Darcy is going well and that the organization has not had any reported injuries since October 2020.

6. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported the next CREA meeting is scheduled for the first week of December and will be a joint manager/director meeting. Director Cokes report CREA's Executive Director, Kent Singer, will attend SMPA's December 15, 2021 Board Meeting to provide an overview of CREA services.

Western United- Dave Alexander

N/A

Eco-Action- Kevin Cooney

Director Cooney conveyed Eco-Actions' gratitude for SMPA's continued support of the IQ Weatherization Program, noting Eco-Action will be contacting SMPA regarding the name and branding of the program.

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State's capital expenditures are budgeted to be down in 2022, with member sales flat and non-member sales up. Tri-State staff is developing a strategy of selling excess power generation not consumed by its membership. Director Cooney reported that the 200 megawatt Niyol Wind Energy Center wind farm is up and running. Director Felicelli stated Tri-State is developing a rate design committee, and he recommended Director Cooney serve on the committee as SMPA's representative.

7. ATTORNEY'S REPORT

Legal Counsel reviewed the voting member count by district, noting the variance between districts is minimal (less than 4.5%). At this time, there is not a recommendation to update the Board Districts. Following discussion, the Board decided to maintain the Board Districts as presented for the 2022 election, with no changes.

Proposed Changes to Bylaws

Legal Counsel Jim Link advised the Board that changes in Colorado state statute allows for electronic voting for electric cooperatives. If the Board considers allowing electronic voting, it will require bylaw changes and a new election policy. Mr. Link reviewed proposed bylaw changes, including refining the definition of joint memberships and how a joint membership can vote, clarifying voting by entity memberships, expanding the definition of member quorum, increasing the date of record to 60 days, making changes to Director qualifications and election procedures and allow for electronic voting in Director elections.

After reviewing proposed bylaw changes and review of 30 day noticing provisions, Director Rhoades motioned for staff to publish notice to the membership that SMPA is considering bylaw changes. Director Cooney seconded. The motion was voted and carried.

Proposed Policy 111 – Election of Directors

Mr. Link reported that the statute requires an election policy, the proposed Policy 111 – Election of Directors is a carbon copy of the bylaws regarding election procedures. Any changes to the election procedures in the bylaws will need to be updated in the new policy.

Director Cooney made a motion at 3:02 PM to enter into executive session for personnel and contractual issues. Director Cokes seconded. The motion was voted and carried. The Board entered into executive session at 3:02 PM and came out at 3:31 PM. While in the executive session, no decisions were made, nor votes taken.

8. BOARD TRAVEL

Manager Zaporski reported he will travel to Washington DC in December with representatives from La Plata Electric Association (LPEA) and United Power. The purpose of the trip is to meet with FERC commissioners and Department of Energy (DOE) officials. Additionally, he will meet with representatives from RUS to discuss SMPA's deferred revenue plan.

9. MISCELLANEOUS

General Counsel Contract

Director Brown motioned to renew Jim Link's general counsel contract with no changes. Director Alexander seconded. The motion was voted and carried.

10. BOARD CALENDAR REVIEW

N/A

11. NEXT MEETING

The next Board of Directors meeting will be Wednesday, December 15, 2021, in Ridgway and Via Zoom. The January 2022 meeting will occur in Nucla and Via Zoom on Tuesday, January 25, 2022.

12. ADJOURN

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


Doylene Garvey (Dec 15, 2021 18:03 MST)

Doylene Garvey, Secretary/Treasurer