

1. CALL TO ORDER

President Felicelli called the San Miguel Power Association (SMPA) Board of Directors regular meeting to order at 9:04 AM. The meeting was held in person at the Ridgway office location and via Zoom Video/Teleconference. Director Garvey, Director Brown, Director Alexander and Director Rhoades attended via Zoom Video/Teleconference, and Director Felicelli, Director Cokes, and Director Cooney attended in-person at the Ridgway office location.

2. APPROVAL OF CONSENT AGENDA

Director Rhoades motioned to approve the revised consent agenda (December 15, 2021) and the November 16, 2021 meeting minutes. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Garvey reported the Farm Bureau had contacted her regarding EcoAction's Youth Truth or Dare Program that SMPA supports. Director Garvey advised that the Farm Bureau will be in touch with EcoAction to voice its disapproval of the program component that encourages youth to eat less meat and dairy.
- Director Cooney stated he had been contacted by a member expressing interest in Tri-State's electric resource plan that was recently filed with the state.
- Director Brown reported he had been contacted by members asking questions about how United Power's notice to withdraw from Tri-State could impact SMPA.
- Director Cokes advised she had received comments regarding Net Metering policy updates.

4. BOARD TOPICS

CREA Membership Overview – Kent Singer

Mr. Kent Singer, Executive Director of Colorado Rural Electric Association (CREA) provided a brief overview of the four core teams at CREA. The teams include a Safety & Loss Control Department, Communications Unit, Education Team, and Government Relations; Mr. Singer summarized each department's responsibilities and how they collaborate with members to benefit the cooperatives.

5. 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 reviewed the initiatives formulated to help achieve the objective of prioritizing reliability and resiliency risk with an initial focus on fire mitigation. He discussed the initiatives, including developing a vegetation management plan, a comprehensive wildland fire mitigation plan, a detailed system hardening plan and the Red Mountain Project. He provided a brief status update on each initiative.

Continue to improve SMPA's overall safety and work culture. - Paul Enstrom, Duane Oliver and Danielle Rodriguez.

Danielle Rodriguez, Human Resource & Administration 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 discussed trainings, guest speakers and workplace culture initiatives that have occurred recently and highlighted SMPA's recent accomplishment of going 12 months without a recordable incident. She advised the safety committee is discussing new ways to engage the employee group's focus on safety.

6. CEO REPORT

CEO. Items

Power Supply Update

Manager Zaporski advised the Board that Tri-State submitted a Contract Termination Payment (CTP) process document to the Federal Energy Regulatory Commission (FERC) that defined that a full exit would require that a two-year notice be given. Following Tri-State's filing at FERC, United Power officially filed a notice to withdraw from Tri-State, noting that it is the understanding the withdrawal notice is a non-binding document at this point.

Manager Zaporski provided a brief overview of his recent trip to Washington DC, noting that along with a few other cooperative CEO's he met with FERC Commissioners and the CEO of the National Rural Electric Cooperative Association (NRECA).

Legislative Update

N/A

COVID-19 Discussion

Manager Zaporski informed the Board that the uptick in COVID metrics has resulted in elevated protocols within the organization. Elevated protocols include mandatory masking and assigning staff to work in defined cohorts.

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 Alexander donated \$200 to the Neighbor-to-Neighbor Foundation.

Director Cokes donated \$200 to the Uncompahgre Watershed Partnership.

Director Cokes donated \$200 to the Ridgway Fire Protection District.

Finance Update

Manager Zaporski advised the Board that SMPA has received approval from the Rural Utilities Service (RUS) for the revenue deferral for the Payroll Protection Loan; the monies will be used to help solidify our rates and reinvested into SMPA's infrastructure.

Manager Lehigh reviewed the finance report, noting that revenues continue to be more than budget. Mr. Lehigh also highlighted that the inventory audit went very well, capital credit retirement notices have been included on member statements and staff are processing the retirements. Manager Lehigh provided a brief overview of the

financial market and the impacts on SMPA, including supply chain/inventory challenges and anticipated interest rate increased in the coming year.

Marketing & Member Services

Hybrid Election Process Overview by Matt Fiala of Survey and Ballot Systems (SBS)

Mr. Matt Fiala of SBS informed the Board that SBS has been doing election management for three decades and reviewed data/encryption information the organization uses to ensure a secure election. Mr. Fiala provided an overview of the mechanics of a hybrid election, noting that it allows for a paper ballot option and incorporates an electronic ballot option. He reviewed a draft election timeline, an example electronic ballot, and an example election report that will define the voting tallies and the voting method. Mr. Fiala highlighted that electronic voting will likely increase voter participation, as it has been shown to increase participation by three to five percent.

Sharing Success Grant

Director Garvey reported that the Sharing Success Committee received 13 applications requesting \$137,349 in funds. Following a review of the applications, the committee recommendations are below:

Ouray County Schools Community Resource Consortium dba Voyager Youth	\$5,000
Telluride Foundation Rural Housing Project	\$15,000

Following discussion, Director Cooney motioned to approve the 2021 Sharing Success Grants Committee recommendations as outlined above. Director Cokes seconded. The motion was voted and carried.

Communications Executive Alex Shelly presented options on hosting the SMPA Annual Meeting while taking into consideration the impacts of COVID-19 on gatherings. He discussed several options, including variations of virtual, in-person and hybrid possibilities and each's pros and cons. After reviewing the options, the Board determined the best option would be to move forward with a virtual/video option. The virtual/video event will be streamed live for members to attend 'virtually,' and it will be recorded to create follow-up video campaigns. Mr. Shelly also reviewed annual meeting theme ideas; following discussion, the Board selected the theme 'Stronger than Ever' for the 2022 Annual Meeting.

Information Technology

Manager Tea reviewed his report, advising the Board of staff efforts to bolster the organization's cyber security, highlighting that the focus is on prevention and setting the organization up for a quick recovery if an event were to occur.

Administration & Human Resources

Manager Zaporski reviewed an updated organizational chart, highlighting changes, the elimination of the Manager of Engineering position, the elimination of the Purchasing/Stores Supervisor, and the creation of three new positions including Chief Operating Officer, Purchasing & Store Specialist and Fleet & Facilities Supervisor. Manager Zaporski advised the changes will be effective January 1, 2022.

Human Resources and Administration Coordinator Danielle Rodriguez advised the Board that the Ridgway Journey Line Technician has been filled with Mr. Thomas Brew, she noted that Mr. Brew hit the ground running, and we are excited to have him join the SMPA team.

The Board discussed Policy 303 Net Metering policy updates. The policy will be on the January 2022 agenda for action to adopt proposed changes. Proposed changes include changing the annual period end date to April 1, allowing the kWh bank to continue, but scaling it back to 1,000 kWh with the carry-forward provision expiring on December 31, 2023.

The Board reviewed Policy 110, External Communications. Director Brown motioned to adopt Policy 110, External Communications, as presented. Director Alexander seconded. Following discussion, the motion was voted and carried.

Engineering

Manager Fox informed the Board that staff has met with the local Stakeholder group regarding proposed spring road closures for the vegetation management that still needs to be done on Red Mountain. Mr. Fox advised the Board the meetings have been productive, and feedback has been positive.

Operations

Manager Oliver reviewed his report, highlighting that it has been extremely busy, including 22 new service hook-ups since the last meeting.

Safety and Regulatory Compliance

Darcy Weimer, Safety and Regulatory Compliance Coordinator, reported that the linemen have been issued new Buckingham harnesses, noting these new harnesses are able to self-rescue.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reviewed CREA's new Legislative Review Process. The process begins when legislation is introduced, and CREA staff starts analysis, next CREA solicits feedback from Managers Working Groups. CREA staff presents analysis and findings to a Legislative and Tax Committee, who discusses the bill and makes a recommendation to the CREA Board of Directors. The Board of Directors then takes a position on legislation with 2/3 vote and directs staff to engage on legislation. Positions include support, amend or oppose. And lastly, if the Board is in favor, CREA begins lobbying efforts, including developing position papers, coordinating lobbying activities with co-ops, engaging grassroots networks, testifying in committee of reference and lobbying with support of Brandeberry McKenna Public Affairs (BBMK). Director Cokes reported that the legislative session begins in January and weekly updates will be shared with the Board.

Western United- Dave Alexander

Director Alexander reported that Western United's November 2021 sales exceeded November 2020 sales by 30%, and they continue to increase inventory to help alleviate supply chain issues.

Eco-Action- Kevin Cooney

Director Cooney stated he will communicate the comments Director Garvey has received regarding the organizations' Truth or Dare program at the next EcoAction meeting. Director Cooney informed the Board that EcoAction is administering a Green Grant Program for the Town of Telluride. The program provides grants to businesses in Telluride for energy and/or sustainability upgrades.

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State's February meeting is the strategic planning session, and the annual meeting will be in April. Director Cooney reported Tri-State has hired a new Chief Innovations Officer to lead Tri-State's Beneficial Electrification (BE) projects. Director Cooney advised that Tri-State capital credit retirement was significantly lower than anticipated for various reasons, including but limited to cash flow challenges related to discounts rates.

8. ATTORNEY'S REPORT

Legal Counsel Jim Link advised the Board that notice has been published that SMPA is considering making changes to our bylaws. Mr. Link proposed that references to 'written communication' be expanded to allow for electronic communications as well and updating timeline and deadlines within the policy as to still comply with State Statute but also allow for potential streamlining process such as coordinating electronic ballot deadline with the mail-in-ballot deadline. Mr. Link advised that the proposed bylaw changes that will allow for electronic voting and the new election policy will be on the January agenda for action.

Director Cokes made a motion at 3:02 PM to enter into executive session for personnel and contractual issues. Director Rhoades seconded. The motion was voted and carried. The Board entered into executive session at 3:02 PM and came out at 3:41 PM. While in the executive session, no decisions were made, nor votes taken.

9. BOARD TRAVEL

The Board discussed CREA's Annual Meeting schedule in February 2022.

10. MISCELLANEOUS

N/A

11. BOARD CALENDAR REVIEW

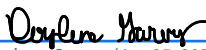
The Board reviewed the calendar and following discussion updated the February Board of Directors meeting from February 22, 2022, to February 23, 2022

12. NEXT MEETING

The next Board of Directors meeting will be Tuesday, January 25, 2022, in Nucla and Via Zoom.
The February 2022 meeting will occur on Wednesday, February 23, 2022, in Ridgway and Via Zoom.

13. ADJOURN

Director Cooney motioned to adjourn the meeting at 3:44 PM. Director Rhoades seconded. The motion was voted and carried.


Doyleene Garvey (Jan 25, 2022 17:46 MST)

Doyleene Garvey, Secretary/Treasurer

12.15.21_Minutes_Approved

Final Audit Report

2022-01-26

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