

### **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 Ridgway office location and via Zoom Video/Teleconference. Director Brown, Director Garvey and Director Rhoades attended via Zoom Video/Teleconference and Director Felicelli, Director Cokes, Director Cooney, and Director Alexander attended in-person at the Ridgway office location.

### **2. APPROVAL OF CONSENT AGENDA**

Director Brown motioned to approve the revised consent agenda (August 24, 2021) and the July 27, 2021 meeting minutes. Director Rhoades seconded. The motion was voted and carried.

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

General Member/Consumer Comments

- Director Cokes reported she experienced a very active month with member/consumer comments, noting most were to ask questions and/or communicate support regarding the Red Mountain Electrical Reliability and Broadband Improvement Project.
- Director Felicelli commented he had met with an Ouray County Commissioner who conveyed his support of the Red Mountain Electrical Reliability and Broadband Improvement Project.
- Director Felicelli stated he had conversations with a member that owns a restaurant in the Telluride area. The member is frustrated because his building is without power. Upon researching the situation, staff determined the issue is on the member's side of the meter. The member's HOA has items that need to pass state electrical inspections before SMPA can connect the power.
- Legal Counsel Jim Link advised he has received numerous comments regarding the Red Mountain Electrical Reliability and Broadband Improvement Project. Mr. Link stated the comments were varied, with the majority of the feedback being very supportive of what SMPA is trying to accomplish with the project; a few expressed an understanding of the need to strengthen portions of the line but inquired if there is a way to complete the project without shutting down Highway 550, some emphasized the importance of the Ouray Silver Mines to the Ouray economy and community while inquiring about the possibility of specifically strengthening the line to the mine, with a few others conveying their disapproval of the project.

### **4. BOARD TOPICS**

Telluride Foundation- Rural Housing Project, Paul Major

Paul Major and David Bruce from the Telluride Foundation presented the Rural Home Project. The project has been developed to address affordable housing challenges in the region. The program takes a multi-facet approach to attack the cost of building a house, including acquiring land for free, securing very low-cost capital funding from various foundations in the state, and tackling building costs by partnering with a production home builder from the front range. The homes will be deed-restricted, requiring purchasers to utilize the home as a primary residence, be in the workforce, and the units will have an appreciation cap. The foundation is targeting building homes in the Nucla, Norwood, Ridgway, and Ouray areas that are all-electric homes, Electric Vehicle (EV) & Photovoltaic (PV) wired, and Net-Zero Energy Ready. Colorado Clean Energy Fund (CCEF) is willing to finance ground source heat pumps for the homes if SMPA can assist with the remit process regarding processing payments from homeowners on the monthly utility bill and submit checks to the CCEF. Manager Zaporski advised that staff will evaluate the logistics of developing a remit process for the program.

## **5. STRATEGIC PLANNING UPDATE**

### **Fully Optimize All Technology- Doug Tea**

Manager Tea reviewed the strategic initiatives that were developed to fully optimize all technology. Manager Tea noted the initiatives, 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 are all on target, progressing in alignment with targeted timelines. Manager Tea highlighted that Crowd Strike Cyber Security Software is fully implemented and monitors our system 24-hours a day, seven days a week.

Engineering Supervisor Mike Theriault reviewed the 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. Theriault updated the Board on the team's progress and the next steps identified, including incorporating a lesson learned from past events, scheduling a blue-sky exercise with all staff this fall, and finalizing updates to existing ERP, including adding an ITERP section into one comprehensive document.

## **6. CEO REPORT**

### **CEO. Items**

#### **Power Supply Update**

Manager Zaporski advised the Board that the stated rate case with the Federal Energy Regulatory Commission (FERC) regarding Tri-State's rates has reached a final settlement, concluding with a 2% wholesale rate decrease in 2021 and another 2% wholesale rate decrease scheduled for 2022. Manager Zaporski reported that SMPA remains involved with three other cases with FERC, including the Open Access Transmission Tariff (OATT) case that will define what Tri-State can charge non-members to use their transmission facilities, the Buy Down Payment (BDP) case and the Contract Termination Payment (CTP) case, noting the cases are highly confidential. Mr. Zaporski commented that having a finalized BDP number from Tri-State is a key data point needed to thoroughly analyze all factors to help make a data-based decision regarding power supply options.

#### **Legislative Update**

Manager Zaporski reported that the Colorado Rural Electric Association (CREA) is considering pursuing legislation that would bring power marketing companies under the Colorado Public Utilities Commission (PUC) jurisdiction for resource planning purposes. Additionally, CREA is discussing the possibility of drafting and proposing new wildfire legislation.

#### **COVID-19 Discussion**

Manager Zaporski stated SMPA remains dedicated to keep members and staff safe. Staff continues to monitor county restrictions closely and evaluate infection and/or quarantine rates within the organization to help inform the leadership's decision on SMPA protocols. Currently, masks are optional; however, staff has been advised that more strict protocols are likely to be reinstated if the infection rate rises.

### **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 Theriault, Engineering Supervisor, were in attendance at the meeting virtually or in-person.

### **Community Focus Donations**

The next donation review is scheduled for October 2021.

### **Board Donations**

Director Cooney donated \$100 to KOTO Radio.

### **Finance Update**

Kelly Truelock, Staff Accountant, reviewed the finance report, highlighting that SMPA has received forgiveness for the 1.5 million Payroll Protection Program (PPP) loan noting it shows as non-operating income on the income statement. Mrs. Truelock also highlighted that the operations and maintenance expenses are a little lower than budget due to the shift of expenses to capital projects.

### **Marketing & Member Services**

Manager Freeman reviewed his report, highlighting a change in process regarding how net-metering accounts are handled. The new process includes a small-scale interconnection study on new installs to evaluate if there are issues we can get ahead of, including but not limited to upgrades that might be necessary that the member would be responsible for. Manager Freeman advised the Board that 60 PV systems have been installed in 2021, noting a 100% increase from the 30 systems installed in 2020. Manager Freeman shared an illustration of a remodel concept for the Nucla front office to increase the safety of the building, noting input from safety consultants and staff was considered when designing the remodel concept.

### **Sharing Success Grant Committee**

Manager Freeman reported that SMPA, in partnership with CoBank, will be offering the Sharing Success Grant again in 2021. The Sharing Success program provides grants to projects that promote economic development. A Board sub-committee reviews applications and makes award recommendations to the Board. Director Alexander and Director Rhoades serve on the committee, with Director Garvey as the committee chair.

### **Information Technology**

Manager Tea reviewed his report, highlighting that it is the 3-year anniversary of switching over to NISC utility software.

### **Administration & Human Resources**

Human Resource and Administration Coordinator Danielle Rodriguez reviewed her report, informing the Board that Mr. Lance Lehigh has accepted the Chief Financial Officer position. His first day is scheduled for September 20, 2021. Mrs. Rodriguez reported Mr. Mark Castle will be moving into the System's Technician position; Mr. Castle has been employed with SMPA for 20 years, beginning as a meter reader then moving into the lineman role after completing the apprenticeship program. Mrs. Rodriguez advised the Board of other open positions, including a Journey Line Technician, Safety and Regulatory Compliance Coordinator, and Working Foreman. The team decided not to move forward with creating a Groundman position.

The Board reviewed Policy 102, Functions of the Board of Directors. No changes were proposed. Director Alexander motioned to adopt Policy 102, Functions of the Board of Directors, as presented without changes. Director Cokes seconded. Following discussion, the motion was voted and carried.

The Board reviewed Policy 105, Delegations from the Board of Directors to the General Manager. No changes were proposed. Director Alexander motioned to adopt Policy 105, Delegations from the Board of Directors to

the General Manager, as presented without any changes. Director Cokes seconded. Following discussion, the motion was voted and carried.

### **Engineering**

Manager Fox reported an Aclara representative had been on-site to help troubleshoot challenges and identify system optimization opportunities to utilize it more effectively. Aclara is the vendor utilized for the Advanced Metering Infrastructure (AMI) systems SMPA uses. Manager Fox reported that meetings continue with Power Engineers to work on the Construction Work Plan (CWP); once the CWP is completed, it will be submitted to the Rural Utilities Service (RUS). Manager Fox noted that the Rural Utilities Service (RUS) is showing significant delays in Washington that could prolong the process up to a year before we receive finalized documents from RUS. This affects funding; therefore, the staff is working with the RUS general field representative (GFR) to explore options that might expedite the process. Manager Zaporski commented that the long lead time of RUS financing is one of the reasons SMPA has positioned itself with an arm of liquidity with CFC to ensure we have options to respond quickly to demands if needed.

### **Red Mountain Project Update**

Manager Fox shared photos of the vegetation management work that has been completed on the Red Mountain Project, showing the challenging Red Mountain terrain and cleared Right-Of-Ways. Manager Fox advised that SMPA has received permitting from the Colorado Department of Transportation (CDOT) to close Highway 550 for fire mitigation work for the following times: September 13 -16, 2021, 8:30 AM-Noon and 1:00 PM – 5:30 PM; September 17, 2021, 8:30 AM-Noon and 1:00 PM – 4:00 PM; September 20-24, 2021, 8:30 AM-Noon and 1:00 PM – 5:30 PM. Manager Fox reported these closure dates were selected after communicating with the stakeholder's group to identify the most agreeable dates. Manager Fox stated that not all necessary work will be finished in this short time frame. Staff anticipates needing to resume the project in the spring with more closures necessary to complete the vegetation management portion of the Red Mountain project. Manager Fox added that staff is working with consultants to review the construction portion of the project to explore further options that might minimize road closures, noting staff will provide updates and cost analysis when more details are available.

### **Operations**

Manager Oliver reviewed his report, advising the Board that this is one of the busiest construction seasons in SMPA's history. Mr. Oliver noted that staff's proactive inventory purchases at the onset of the pandemic have helped SMPA navigate supply chain delays and maintain adequate material supply levels. Manager Oliver added that the team continues to navigate supply chain challenges and is currently purchasing inventory in anticipation of the 2022's building season to try to stay ahead of supply chain delays.

### **Safety and Regulatory Compliance**

Paul Enstrom, Safety and Regulatory Compliance Coordinator, reviewed his report, highlighting that the organization has not had any reported injuries since October 2020. Mr. Enstrom added that an all-staff active shooter training had been well received, noting the situational awareness aspect of the training was very interesting.

## **7. ASSOCIATED MEETING REPORTS**

CREA- Debbie Cokes

Director Cokes reported the next CREA meeting is scheduled later in the week at Grand Lakes, CO.

Western United- Dave Alexander

Director Alexander reported the next Western United meeting is scheduled later in the week in Denver.

Eco-Action- Kevin Cooney

Director Cooney reported Eco-Action has completed 15 IQ Weatherization with five more in progress and another five in the queue. Director Cooney communicated that Eco-Action is experiencing delayed shipments of LED bulbs for the GreenLights program. Director Cooney advised that Eco-Action has scheduled a roundtable event in Ridgway to increase the Green Business program awareness.

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State's Annual Meeting took place earlier in the month, noting Rick Gordon did not seek re-election after serving for 11 years as Chairman and President of the Board. He will be replaced by Tim Rabun from Cloudcroft, New Mexico's Otero County Electric Cooperative. Director Cooney advised there will also be a new Vice-Chairman, Don Keairns from Pueblo, Colorado's San Isabel Electric Association, noting most of the other officer positions remained the same. Director Cooney relayed other highlights of the meeting, including discussion regarding the potential of a Regional Transmission Organization (RTO) being established for the regions Tri-State operates in and how that could affect Tri-State operations. Director Cooney informed the Board that a letter was sent to the State Senators in all states Tri-State operates in, requesting funding from the Rural Recovery Act to assist with the stranded asset expenses following voluntarily closed coal plants. Director Cooney noted the majority of Tri-State member cooperatives signed the letter.

#### **8. ATTORNEY'S REPORT**

Legal Counsel Jim Link informed the Board that the sketch plan for Genesse Properties Development was approved with conditions by the San Miguel County Planning Commission.

Director Alexander made a motion at 12:47 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 12:47 PM and came out at 1:41 PM. While in the executive session, no decisions were made, nor votes taken.

#### **9. BOARD TRAVEL**

N/A

#### **10. MISCELLANEOUS**

N/A

#### **11. BOARD CALENDAR REVIEW**

The Board reviewed upcoming training opportunities that are occurring virtually and discussed the CREA Energy Summit Meeting that is scheduled for in-person mid-October.

#### **12. NEXT MEETING**

The next regular Board of Directors meeting will be held Tuesday, September 28, 2021, in Nucla and Via Zoom. A Budget Work Session Meeting is scheduled for October 19, 2021, in Ridgway and via Zoom. The regular October 2021 meeting will occur on Tuesday, October 26, 2021, in Ridgway and Via Zoom.

**13. ADJOURN**

Director Alexander motioned to adjourn the meeting at 1:44 PM. Director Rhoades seconded. The motion was voted and carried.

*Doylene Garvey*

[Doylene Garvey \(Oct 1, 2021 17:32 MDT\)](#)

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Doylene Garvey, Secretary/Treasurer

# 08.24.21\_Minutes\_Approved

Final Audit Report

2021-10-01

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