

1. CALL TO ORDER

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:32 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 (August 25, 2020) to include the July 28, 2020 meeting minutes. Director Rhoades seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Garvey reported that a member had reported that he had contacted SMPA to report that tree branches were touching the power lines on windy days and had requested that someone address the situation. He stated his dissatisfaction that no one had contacted him to respond to his request.
- Director Cooney forwarded a letter from a member that came through EcoAction. The letter expressed gratitude for the IQ Program.
- Director Felicelli praised the team for putting fire mitigation as one of the key topics of SMPA's strategic goals and objectives.
- Manager Zaporski reported that he had been contacted by a member expressing concern over his access charge at his new condo. The member is on three-phase power.

4. BOARD TOPICS

Director Cokes presented an updated mission statement that includes removing the corporate and replacing it with a cooperative and an update to the SMPA's Vision Statement that incorporates a focus of safety. Director Cooney motioned to approve the updates to SMPA's Mission Statement and Vision Statement. Director Alexander seconded. Following discussion, the motion was voted and carried. Following further discussion noting a desire to emphasize certain aspects of the statements through a more thorough restructuring of the Mission Statement and Vision Statement, Director Brown motioned to rescind the previously passed motion and revisit it at a future Board of Directors meeting. Director Alexander seconded. The motion was voted and carried.

5. STRATEGIC UPDATE

Approval of 2020 Strategic Objectives

Director Cokes reviewed the outcome of 2020's strategic planning session, highlighting that the Board had targeted Reliability and Resiliency, Financial/Power Supply/Rates, Safety/Culture/People, Technology and Crisis Management as the strategic objective topics. Director Cokes highlighted a few grammatical changes to the original wording, noting that the intent of each remained the same. Director Felicelli stated that the strategic objectives are important as they set the organization's goals and policy for the next few years. Following a review of the statements, Director Cooney motioned to adopt the strategic objectives as presented. Director Rhoades seconded. Following discussion, the motion was voted and carried.

6. CEO REPORT

CEO. Items

Power Supply Update

Edwin Reyes, of Enchantment Energy Consulting, LLC; Edward Padilla Jr, of Rio energy Consulting, and Caitlin Liotiris of Energy Strategies introduced themselves and provided a brief history of their experience in the power supply industry. The consultants presented information regarding transmission, changes that would occur under an alternative power supply provider, as well as other education topics, including a discussion regarding Balancing Authorities (BA) and their role in the utility industry.

Following the consultant's presentation, Director Garvey made a motion at 10:42 AM 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 10:42 AM and came out at 12:34 PM. While in executive session, no decisions were made, nor votes taken.

Legislative Review

Manager Zaporski informed the Board that SMPA is currently participating in seven Federal Energy Regulatory Commission (FERC) filings, two Colorado PUC filings and two other district court filings. The filings allow SMPA to closely monitor filings including Contract Termination Payments (CTP) filings, Buy Down Payment (BDP) filings, following Policies 101 (Avoided Cost of Energy) and Policies 115 (the 5% allocation) filings. Manager Mertz reviewed helpful terms associated with the filings and the associations involved.

COVID-19 Discussion

Manager Zaporski reported that staff continues to monitor the pandemic situation closely, noting that staff is preparing for potential reduced services and/or longer time frames if there is an outbreak. Manager Zaporski stated that while we hope that it does not happen, the staff is dedicated to being prepared for anything.

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 on the webinar meeting.

Community Focus Donations

The Board discussed the donation review policy, highlighting that policy intends that donations be reviewed at quarterly intervals, and requested that the policy be reviewed again to consider removing the provision that allows for expedited reviews.

Hardrockers Holiday

Director Brown motioned to donate \$200 to Silverton Hardrockers Holiday. Director Garvey seconded. The motion was voted, with 4 in favor and two opposed. The motion carries.

Fortuna Tierra Club

Director Brown motioned to donate \$200 to Fortuna Tierra Club. Director Garvey seconded. The motion was voted, with 4 in favor and two opposed. The motion carries.

Board Donations

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

Finance Update

Audit RFP Review

Manager Mertz reviewed the results of RFP Audit Firms' submissions. Mr. Mertz informed the Board that staff had submitted multiple requests for proposal letters and that the team has thoroughly reviewed the submissions. Manager Mertz presented a weighted matrix evaluation process that staff used to assess the submissions. Following the review of submissions, Director Garvey motioned to retain Kelso as SMPA's auditor for the 2020 audit. Director Rhoades seconded. The motion was voted and carried.

Manager Mertz reviewed the finance report, reporting that July revenues were less than budgeted by 3.49%, with Year-To-Date (YTD) revenues 4.35% below budget. He noted that purchased power is down .42% below budget in July and 7.46% below budget YTD. Manager Metz also presented a trend analysis of purchase power and KWH consumption. Manager Mertz communicated that he anticipates ending the year with a positive net margin. He noted that having the option to utilize revenue deferral funds and potential relief from the PPP loan will likely result in a positive year-end finish.

Marketing & Member Services

Sharing Success Grant

Manager Freeman provided a brief overview of the Sharing Success Grant program, highlighting that SMPA budgeted \$7,500 for the 2020 Sharing Success Grant program, noting that CoBank matches those funds for a total of \$15,000 in grants to be awarded. Mr. Freeman informed the Board that in response to COVID19, CoBank has offered to increase its match by an additional \$2,500 if the Board is interested. Staff requests that the Board increase the Sharing Success grant program by \$2,500 to fully leverage the CoBank matching program. Following discussion, Director Garvey motioned to approve a budget override to increase the Sharing Success Grant program by \$2,500. Director Rhoades seconded. The motion was voted and carried.

Manager Freeman reported that grant money is awarded through a Board sub-committee that currently consists of Director Cooney, Director Garvey, Director Rhoades and Director Cokes. Following discussion, Director Felicelli motioned that Director Garvey chair the Sharing Success Committee with Director Rhoades and Director Alexander to serve on the committee. 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 did not have anything to add to her report.

The Board reviewed Policy 307, Energy Conservation. Following discussion, Director Garvey moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

Engineering

Approval of Non-Site-Specific Construction Contract

Jeremy Fox, Service Planner Supervisor, informed the Board that a non-site-specific contract is a standard Rural Utility Services (RUS) that allows a utility to keep a contractor engaged in doing specific jobs, noting there is not a limit or cap on this type of contract. Following discussion, Director Rhoades motioned to approve the Electrical System Non-Site-Specific Construction Contract. Director Alexander seconded. The motion was voted and carried.

Mr. Fox commented on the member comment regarding three-phase power, noting that the building was designed with three-phase power for the residential units and when SMPA asked the builders about the three-phase power they moved forward with the plan. Mr. Fox communicated that SMPA does not have any jurisdiction past the meter, and that is where this particular problem originates.

Operations

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

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 will be following up with the results of the assessment soon. Manager Zaporski commented that the assessment is important as it will be the base that we use to set up our trimming cycles, noting that going forward the assessment is done by species by vegetation by the feeder.

7. ATTORNEY'S REPORT

Director Alexander made a motion at 3:10 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 3:10 PM and came out at 3:39 PM. While in executive session, no decisions were made, nor votes taken.

8. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported that the next CREA meeting is scheduled for August 28, 2020. She informed the Board that CREA is offering a series of Director Courses via complimentary webinars.

Western United- Dave Alexander

N/A

Eco-Action- Kevin Cooney

N/A

Tri-State- Kevin Cooney

Director Cooney stated that he had attended the Tri-State strategic planning session earlier in the month, noting that one of the items discussed was a cost reduction effort to stay competitive. Mr. Cooney informed the Board that a conversation has been started regarding how Tri-State is governed, the discussion is in the beginning stages, and he will continue to report on updates as they happen.

9. BOARD TRAVEL

Director Cooney informed the Board that he will travel to Denver to attend Tri-State New Director Orientation.

10. MISCELLANEOUS

Director Brown volunteered to serve as the NRECA Voting Delegate, and Director Felicelli volunteered to serve as the alternate voting delegate. No other Directors volunteered nor were any other nominations were made. Following discussion, the election proceeded with Director Rhoades making a motion that Director Brown to serve as the NRECA Voting delegate and Director Felicelli to serve as the Alternate Voting Delegate. Director Cokes seconded. The motion was voted and carried.

11. BOARD CALENDAR REVIEW

N/A

12. NEXT MEETING

The August 25, 2020, Board of Directors meeting will reconvene on September 15, 2020, in Ridgway and Via Zoom. The meeting will be held in Executive Session to review Power Supply Presentations. The regular September Board of Directors meeting will be Tuesday, September 22, 2020, in Nucla and Via Zoom. The October meeting will take place on Tuesday, October 27, 2020, in Ridgway and Via Zoom.

13. RECESS

Director Garvey motioned to recess the meeting at 4:06 PM and reconvene on September 15th, 2020. Director Brown seconded. The motion was voted and carried.

14. RECONVENE

On September 15, 2020, with Director Felicelli, Director Alexander, and Director Cokes attending in-person and Director Brown, Director Rhoades, and Director Garvey attending via Zoom Video Conference the August 25, 2020 meeting was reconvened. Director Garvey moved to return to session at 7:55 AM. Director Alexander seconded. The motion was voted and carried. Director Cooney recused himself from the meeting due to conflict of interest with his role as SMPA's Tri-State Director.

Director Alexander made a motion at 7:56 AM 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 7:56 AM and came out at 5:21 PM. While in executive session, no decisions were made, nor votes taken.

15. ADJOURN

Director Rhoades motioned to adjourn the meeting at 5:22 PM. Director Garvey seconded. The motion was voted and carried.


[Doylene Garvey \(Sep 23, 2020 10:30 MDT\)](#)

Doylene Garvey, Secretary/Treasurer

08.25.20_Minutes_Executed

Final Audit Report

2020-09-23

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