

1. CALL TO ORDER

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

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (March 23, 2021). Director Alexander seconded. The motion was voted and carried. Director Felicelli noted the March meeting minutes will be approved at the May 2021 Board of Directors meeting due to the reconvened meeting timeframe.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Alexander stated he had been contacted by a member expressing dissatisfaction with the brightness of a streetlight near his property.
- Director Garvey received comments from a member communicating unhappiness with SMPA's aggressive approach to replacing fossil fuels.
- Director Felicelli reviewed an email the Board received from a member voicing frustration with the fee associated with the smart meter opt-out fee.

Community Focus Fund Donations

Top of the Pines, Brad Wallis

Mr. Wallis informed the Board that the Top of the Pines organization supplies education and recreation opportunities to the community. The organization oversees 175 public access acres and is currently requesting funding to assist with completing a disc golf course.

Community Options Inc, Lori Sharp, Tom Turner and Margaret Davey

Tom Turner and Margaret Davey advised the Board the Community Options agency serves people with intellectual disabilities and/or developmental delays anywhere from birth through adulthood in all six counties of region 10.

Sherbino Theater, Trisha Oakland

Trisha Oakland communicated the 'Ridgway 1K Rally Thru the Alley' event is designed to be a fun, family-friendly event that serves as a fundraiser and supports the organization's goal to bring awareness to the arts organizations in the Town of Ridgway.

Weehawken Creative Arts, Trisha Oakland

Trisha Oakland advised the Board that the Ridgway Fete de la Musique event will include participation from many musicians from all genres and levels at outdoor locations all over the Town of Ridgway. The event will be free to the public with the goal of stimulating the community economy by increasing visitation to the area for the event as well as provide income to musicians who have been out of work throughout the pandemic.

Ridgway Western Heritage Society, Eve-Becker Doyle

Ms. Eve Becker-Doyle, President of the Ridgway Western Heritage Society, informed the Board the society's mission is to foster the Western genre, support the arts and culture organizations in Ridgway, and promote the economic development of the area. Mrs. Becker-Doyle reviewed the success of the first Ridgway Old West Fest in 2019. She highlighted the activities scheduled for the 2021 festival, noting the organization is requesting funding to help support the film and concert portion of the festival.

San Juan County Search and Rescue (SJCSR), Jim Donovan

Mr. Donovan informed the Board that SJCSR was formed in 1961 and has provided search and rescue operations in both winter and summer months ever since. SJCSR is in the process of improving emergency communication in the mountainous area that rescues are performed. Mr. Donovan noted the proposed VHF radio repeater system would be a shared resource with other area search and rescue teams as well as law enforcement, EMS and wildland fire organizations.

Ouray County Food Pantry, Linda Hoeksema

Ms. Hoeksema stated the Ouray County Food Pantry was established in 2012. In the nine years of operation, the organization has had to move operations three times for various reasons. The organization has the opportunity to purchase a building to establish a long-term location and is requesting funding to assist with the purchase.

4. BOARD TOPICS

N/A

5. STRATEGIC PLANNING UPDATE

Financial/Power Supply Rate- Brad Zaporski and Bill Mertz

Manager Mertz reviewed the strategic initiatives developed to determine the optimal long-term power supply strategy that best achieves safe, reliable, cost-effective and environmentally responsible service to our members. Initiatives include focusing on three key areas: power supply, beneficial electrification, and cost of service and rates. Manager Mertz informed the Board that the deadline to submit an application for a Partial Requirements Contract (PRC) with Tri-State is May 10, 2021. Key elements staff is considering regarding a potential PRC include an analysis of the Buy Down Payment (BDP) methodology and consideration to the Tri-State policy that states a co-op must purchase a defined amount of power from Tri-State to retain a seat on the Board. Manager Zaporski advised the Board of the change in scope for the cost-of-service and rate structure review initiative. Initially planned for an all-encompassing study, it has evolved to be a targeted study focusing on defining programmatic rates, such as establishing a rate class for Electric Vehicle (EV) chargers and other Beneficial Electrification (BE) programs.

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 and Edward Padilla Jr of Rio Energy Consulting, were on the line and prepared to review power supply topics, including a presentation from a respondent to the Request for Proposal (RFP) for Power Supply. As the matters to be discussed are contractual in nature, Director Rhoades motioned to go into executive session at 12:59 PM; Director Alexander seconded, the motion was voted and carried. The Board

entered into executive session at 12:59 PM and came out at 3:24 PM. While in executive session, no decisions were made, nor votes taken.

Director Garvey motioned to authorize staff to submit an application for Partial Requirements Contract (PRC) with Tri-State. Director Cokes seconded. The motion was voted and carried. This motion will be re-ratified in May due to it not meeting the 10-day noticing period.

COVID-19 Discussion

Manager Zaporski reported the state has moved COVID19 related regulation to the county levels. SMPA operates in seven different counties and is facing varied regulations. The Leadership Team has reviewed the regulations as well as specific orders from each county and have developed company-wide regulations. The updated protocols prioritize the safety of both staff and membership and work for all the counties we serve.

Introduction of Employee Guests

Eric Pottorff, Area Serviceman; Phil Zimmer, Energy Services Executive; Alex Shelly, Communications Executive; Terry Schuyler, Key Accounts Executive; Kelly Truelock, Staff Accountant; Joshua Hainey, Senior Staff Accountant and Mike Therriault, Engineering Supervisor, were in attendance at the webinar meeting.

Community Focus Donations

Manager Freeman noted \$9,035 in funds were available for distribution in the first quarter.

Following discussion, Director Garvey motioned to award the community focus donations with the amounts listed below and apply for Basin match when applicable. Director Rhoades seconded. The motion was voted and carried. The awarded amounts are as follows:

- Top of the Pines, \$500.00
- Community Options Inc. \$750.00
- Ouray Public Library, \$500.00
- MountainFilm, LTD, \$500.00
- Telluride Mountain School, \$750.00
- Sherbino Theater, \$500.00
- Weehawken Creative Arts, \$500.00
- Ridgway Western Heritage Society, \$1,000.00
- San Juan County Search and Rescue, \$3,000.00
- Montrose West Recreation, Inc., \$1,000.00

Board Donations

Director Garvey donated \$500 to Montrose West Recreation, Inc.

Finance Update

Manager Mertz reviewed the financial report, noting liquidity remains an important topic that is constantly monitored and managed. A strong liquidity level enables the organization to be responsive to various issues including, but not limited to supply chain responses.

PPP Update

Manager Mertz reported that staff has been responding to data requests concerning SMPA's Payroll Protection Program (PPP) application. The application is still in review and pending approval.

2020 Audit Presentation and Approval

Kevin Kelso, CPA, P.C., P.A. and Robert Lang, CPA, reviewed the 2020 audit report with the Board of Directors.

Director Cokes made a motion at 10:14 AM to enter into executive session to review the 2020 audit report. Director Garvey seconded. The motion was voted and carried. The Board entered into executive session at 10:14 AM and came out at 10:30 AM. While in executive sessions, no decisions were made, nor votes taken.

Director Garver made a motion to accept the 2020 audit report as presented with no questions or issues. Director Cokes seconded. The motion was voted and carried.

Marketing & Member Services

Board Approval of PV Systems in excess of policy limits

Manager Freeman reviewed two member's requests for a PV system limit override. Manager Freeman advised SMPA policy follows the Colorado State net-metering law that limits PV systems to 10 kW for residential and 25 kW for a commercial system, noting any systems in excess of these amounts require Board approval. The Board discussed the challenges created by allowing larger PV systems, including margin erosion and mitigating equity issues created by allowing larger systems. Following discussion, Director Rhoades motioned for Board approval of the PV systems in excess of policy limits with stipulations advising members the rate structure of the net-metered accounts in excess of state law is being evaluated and is subject to change. Director Cokes seconded. The motion was voted and carried.

Information Technology

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

Administration & Human Resources

Human Resource and Administration Coordinator Danielle Rodriguez reviewed her report, remarking the Service Planner position remains open, and staff is exploring recruitment platforms to engage additional candidates for consideration. Mrs. Rodriguez added that staff has requested opening the bargaining agreement up for negotiations earlier than scheduled in anticipation of position openings.

The Board reviewed Policy 309, Renewable Energy Rebates. Following discussion, Director Cokes moved the policy be adopted with changes. Director Alexander seconded. The motion was voted and carried.

Engineering

Manager Fox provided an overview of the Red Mountain 44kV Transmission Project Action Plan. This includes vegetation clearing/access road building, environmental permitting engineering design, and project scheduling details. Manager Fox noted that reliability projects relate upward rate pressure. Manager Fox explained that staff evaluated bids for the vegetation management portion of the project utilizing a matrix, scoring bids in four categories based on price, mobility, response and local experience. After reviewing the bid details, the staff recommendation is to award the 2021 vegetation removal contract for the fire mitigation and vegetation management portion of the Red Mountain Rebuild Project to Vegetation Management West, LP. Following discussion, Director Rhoades motioned to approve awarding the 2021 vegetation removal contract for Red

Mountain Rebuild Project to Vegetation Management West, LP. Director Alexander seconded. The motion was voted and carried.

Operations

Manager Oliver reviewed his report, highlighting the importance of SMPA's efforts to harden the system through the fire mitigation plan. This has been further reinforced, as experts predict an extreme drought for Southwestern Colorado this year. Crews are aware of the conditions and are vigilant about following fire protocols.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, reviewed his report, noting staff is preparing for a Rural Electric Safety Achievement Program (RESAP) audit.

9. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes attended the virtual NRECA Legislative Session; key topics included a review of three federal bills pertaining to wildfires and discussion concerning the Forest Service's rulemaking regarding liability relief to co-ops. Director Cokes noted that CREA promoted multiple topics at the legislative meeting, including broadband, Rural Utility Services (RUS) Refinancing, and federal energy tax credits for non-profit cooperatives.

Western United- Dave Alexander

N/A

Eco-Action- Kevin Cooney

No report for Eco-Action partners in Director Cooney's absence.

Tri-State- Kevin Cooney

In Director Cooney's absence, Director Felicelli informed the Board that the Tri-State Board approved a 2% decrease in wholesale rates beginning March 2021 to be followed by another 2% decrease in 2022.

10. ATTORNEY'S REPORT

N/A

11. BOARD TRAVEL

N/A

12. MISCELLANEOUS

Order of Ballots

District 5 had one valid petition submitted; Director Felicelli will retain his seat with no election.

Director Garvey motion to approve the Independent Election Monitor, Jim Link, to choose the order of ballots for District 7. Director Rhoades seconded. The motion was voted and carried.

District 7 order of ballots will be as follows: Rory Cowie and Terry Rhoades.

Ballots will be mailed to District 7 in mid-May.

Legal Counsel and Independent Election Monitor Jim Link advised the Board that historically members could vote via mail-in ballot or in-person at Annual Meeting. The in-person aspect of the 2021 Annual Meeting was canceled due to uncertainty regarding social gathering restrictions related to COVID19. Mr. Link proposed offering an in-person option for District 7 members to hand-deliver ballots to the Independent Election Monitor or vote in person on June 10 from 3:30 PM – 5:00 PM at the Silverton Storehouse location or the Alpine Bank in Ouray. Following discussion, the Board was in favor of offering an in-person voting option, noting it was an opportunity to encourage member participation in the election.

13. BOARD CALENDAR REVIEW

The Board reviewed upcoming training opportunities that are occurring virtually.


12. NEXT MEETING

The next regular Board of Directors meeting will be held Tuesday, May 25, 2021, Via Zoom.

The June 2021 meeting will occur on Tuesday, June 22, 2021, in Ridgway and Via Zoom.

13. ADJOURN

Director Rhoades motioned to adjourn the meeting at 3:52 PM. Director Cokes seconded. The motion was voted and carried.


Doyleene Garvey (May 25, 2021 20:37 MDT)

Doyleene Garvey, Secretary/Treasurer