

1. CALL TO ORDER

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:31 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 (May 19, 2020) to include the April 28, 2020 meeting minutes with corrections. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cooney commented on letters that thanked SMPA staff for doing a great job at keeping the lights on during these difficult times.
- Director Garvey reported that she had received feedback from a member regarding Key Accounts Executive, Terry Schuyler. The member reported that his interactions with Mr. Schuyler had been very positive, noting that Mr. Schuyler is very knowledgeable.
- Director Cooney commented that he had received a thank you letter from KOTO radio station for his Board donation to the station.
- Director Felicelli reported that he had received a thank you letter from EcoAction Partners for SMPA's donation to the organization.
- Manager Oliver reported that he received multiple calls regarding the crew's performance when responding to incidental outages. All calls were positive, praising the crews for professionalism and efficiency.
- Legal Counsel Link informed the Board that a member had contacted him. The member reported that he has multiple jobs that he has been able to keep going and, therefore able to keep people employed—noting that the SMPA crew's responsiveness is appreciated.

Corporation Donation Presentations

Ouray Public Library, Aimee Vann

Ms. Vann informed the Board that Ouray Public Library's primary goal in summer is to keep students engaged and promote reading. She reviewed details of how the library is adapting its summer reading program to include an outdoor socially distant option.

4. STRATEGIC UPDATE

2020 Strategic Planning Scheduling Update- Brad Zaporski

Manager Zaporski stated that the 2020 Strategic Planning Session is scheduled for July 14th and July 15th, 2020. He reported that we are still planning on those dates, but noted we could change if necessary, to comply with current social distancing guidelines. Director Felicelli advised the Board that the purpose of the strategic planning session is to set goals for the co-op to reach in over the next three years.

5. CEO REPORT

CEO. Items

Audit Call with Kevin Kelso

Kevin Kelso, CPA, P.C., P.A reviewed the 2019 audit report with the Board of Directors.

Director Rhoades made a motion at 10:52 AM to enter into executive session to review the 2019 audit report. Director Garvey seconded. The motion was voted and carried. The Board entered into executive session at 10:52 AM and came out at 11:10 AM. While in executive sessions, no decisions were made, nor votes taken.

Director Alexander made a motion to accept the 2019 audit report as presented with no questions or issues. Director Rhoades seconded. The motion was voted and carried.

Power Supply Update

Manager Zavorski informed the Board that SMPA had issued the Power Supply RFP on May 15th, 2020. He provided an overview of the timeline associated with the RFP, noting that staff is anticipating reviewing best and final proposals in early August and review with the Board at the following Board of Directors Meeting.

Legislative Review

Manager Zavorski reported that SMPA has filed two doc-less interventions with the Federal Energy Regulatory Commission (FERC). The first intervention was filed regarding Tri-State's contract termination payment (CTP) methodology and the second intervention filing was regarding the Delta-Montrose Electric Association (DMEA) settlement information. Manager Zavorski noted that the filings were an effort to gain as much information as possible and not a for or against statement.

COVID-19 Discussion

Manager Zavorski informed the Board that staff is beginning to filter back into the offices slowly. He noted that we are taking a cautious approach with plans to reopen the offices to the public on June 1, 2020. Additionally, he noted that there will likely be an uptick in services as projects that have been on hold begin to kick off.

Introduction of Employee Guests

Terry Schuyler, Key Accounts Executive. Alex Shelly, Communications 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.

Corporate Donations

Ouray Public Library

Director Garvey motioned to donate \$500 to the Ouray Public Library and apply for a Basin match. Director Rhoades seconded. The motion was voted and carried.

Board Donations

Director Felicelli donated \$75 to Mountain Film Festival.
Director Cooney donated \$200 to Trust for Community Housing.
Director Sibold donated \$100 to Dolphin House.
Director Cokes donated \$100 to Ouray County Response Fund.

Finance Update

Auditor RFP Process

Manager Mertz reviewed the components of the audit RFP process, highlighting the timeline of the process and the factors that are considered when reviewing proposals.

Manager Mertz reviewed the finance report, noting that April revenues were 13.6% less than budget and year to date revenues are within 96.5% of our targeted amount. Manager Mertz informed the Board that staff continues to operate with a cost-containment strategy to help control expenses during this time. The cost-containment strategy includes a hiring freeze, suspension of all non-critical travel and training, as well as scrutiny of non-work plan capital purchases.

Marketing & Member Services

Manager Freeman provided a delinquent account trend analysis. In the year over year analysis, Manager Freeman noted that currently, there has only been a small increase in 90-day delinquent accounts.

Communications Executive Alex Shelly provided an update on the employee groups' efforts to establish a COVID-19 Donation Fund. He informed the Board that the employee committee had selected six organizations throughout the SMPA service territory for employees to choose to donate to. Mr. Shelly noted that the employee group is proud to give back to communities we work in and excited for the matching opportunities.

Information Technology

Manager Tea reviewed his report, noting an upcoming NISC system upgrade.

Administration & Human Resources

The Board reviewed Policy 304, Members at Board of Director Meetings. Following discussion, Director Garvey moved that Policy 304 be adopted with suggested updates. Director Rhoades seconded. The motion was voted and carried.

The Board also reviewed Policy 305, Members Information and Public Relations Line Extension and Alteration. Following discussion, Director Alexander moved that the policy be adopted as presented. Director Rhoades seconded. The motion was voted and carried.

Engineering

Ruby Walls GPR Survey Results

Manager Zaporski introduced Aaron Potts of ESC Engineering. Mr. Potts reviewed the results of the Ground Penetrating Radar (GPR) survey regarding the Ruby Walls section of the Red Mountain Line Rebuild Project. He reported that several passes of the section were conducted including shoulder areas for potential vault locations. Mr. Potts reviewed the cost-benefit analysis of constructing the Ruby Walls section underground as well as an analysis of constructing the section overhead. He highlighted the benefits of constructing underground including crew safety and long-term savings because the section would not be subject to rockfall damage and rebuild costs.

Joint use Allocation Rate Review

Jeremy Fox, Service Planner Supervisor, advised the Board that a Joint Use Rate is appropriate compensation for pole attachments on electric system assets. He informed the Board that current Joint Use Contracts are inconsistent and proposed a standardized fee utilizing a space allocation method. Mr. Fox highlighted the advantages of utilizing the space allocation method, which is considered best business practices. This method includes the allocation of usable space, an equal sharing of safety space, an equal sharing of support space providing an appropriate allocation of shared costs.

Following discussion, Director Alexander moved to approve the space allocation method to establish a standardized fee for joint use yearly pole attachment fees as presented. Director Cooney seconded. The motion was voted and carried.

Operations

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

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, did not have anything to add to his report.

6. ATTORNEY'S REPORT

Jim Link, Legal Counsel, reported that he did not have an update on the Nucla Franchise Agreement and that it will likely be reviewed at the June Board of Directors Meeting.

Director Garvey made a motion at 2:16 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 2:16 PM and came out at 4:32 PM. While in executive session, no decisions were made, nor votes taken.

Following executive session, Director Garvey motioned to re-adopt Resolution 2020-03 CFC Line of Credit adding Director Felicelli as an authorized signer. Director Cokes seconded. The motion was voted and carried.

Director Sibold motioned to re-adopt 2020-04 CFC Loan Resolution, adding Director Felicelli as an authorized signer. Director Alexander seconded. The motion was voted and carried.

Director Alexander motioned to approve the changes to the GM/CEO Contract as discussed in Executive Session and directed Legal Counsel to amend the contract appropriately. Director Rhoades seconded. The motion was voted and carried.

Legal Counsel Link recommended that the Board adopt a resolution regarding a Paycheck Protection Program (PPP) Loan from Citizen's State Bank. Following discussion, Director Sibold motioned to adopt a resolution approving Manager Zaporski to sign a PPP loan from Citizen's State Bank in the approximate amount of 1.5 million on the form provided by Citizen's State Bank. Director Felicelli seconded. The motion was voted and carried.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported that CREA continues to do a great job linking resources together and excelling at communication. Director Cokes informed the Board that CREA is working on a governance bill that would allow co-ops the ability to have an electronic voting option.

Western United- Dave Alexander

N/A

Eco-Action- Jack Sibold

Director Cooney informed the Board that EcoAction has not had a meeting and that most programs are on hold as the organization develops protocols to adapt to social distancing requirements.

Tri-State- Jack Sibold

Director Sibold reported that Tri-States meeting was held via teleconference and discussed COVID19 and how they are managing it, including challenges that were faced as 60 employees had to quarantine. Director Sibold also noted that March had minimal generation from wind, noting it is an example of how important it is to back up some of your renewable energy sources.

8. BOARD TRAVEL

N/A

9. MISCELLANEOUS

10. BOARD CALENDAR REVIEW

- A. 2020 Strategic Planning Session (July 14-15, Ridgway)

11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, June 23, 2020, in Ridgway and Via Zoom.
The July meeting will take place on Tuesday, July 28, 2020, in Nucla and Via Zoom.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 4:58 PM. Director Cokes seconded. The motion was voted and carried.

Doylene Garvey

Doylene Garvey (Jun 25, 2020 16:33 MDT)

Doylene Garvey, Secretary/Treasurer