

1. CALL TO ORDER

President Felicelli called the San Miguel Power Association (SMPA) Board of Directors regular meeting to order at 9:01 AM. The meeting was held in person at the Nucla 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 Nucla office location.

2. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the revised consent agenda (September 28, 2021) and the August 24, 2021 meeting minutes. Director Cokes seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cooney reported a member had contacted him inquiring about SMPA's roles in Tri-States San Miguel River Enhancement Program. Director Cooney explained the program is a Tri-State initiative, and SMPA is not involved.
- Director Felicelli stated that a member had contacted him regarding a member dividend check that had expired before he received it due to an address change. Director Felicelli advised the member staff will contact him to follow up on the situation.
- Director Cokes reported that she had received comments regarding the Highway 550 road closures needed for fire mitigation work, advising that feedback was positive, including shop owners in Ouray reporting stronger than previous year numbers during the closure.
- Director Felicelli reported receiving comments regarding a recent power outage in the Telluride area and praised crews for quick restoration.
- Manager Zavorski advised that staff received a comment regarding right-of-way tree removal and a member dissatisfaction with how the removal debris was managed. Staff contacted the member, and the situation has been resolved.

4. BOARD TOPICS

N/A

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 provided a status update on the initiatives developed to help achieve the objective to prioritize reliability and resiliency risk with an initial focus on fire mitigation. He reported the Vegetation Management Plan is nearing completion and should be finalized in early 2022. The Wild Land Fire Mitigation Plan is progressing with the mapping layer analysis developed. Mr. Fox advised that work continues on the System Hardening Plan, noting CREA recently announced a Hazard Mitigation Plan that could provide funding via Federal Emergency Management Agency (FEMA) grants for mitigation and system hardening initiatives. Staff is reviewing requirements to be able to use it as a potential funding source. Additionally, Manager Fox explained the Construction Work Plan (CWP) outlines all line upgrades for the next four years and noted staff is working on finalizing the CWP, targeting late 2021 for submission to Rural Utility Services (RUS). The Red Mountain Project is underway with the first stage of Right-of-Way (ROW) clearing completed and conversations with the Stakeholder group beginning soon to discuss road closures needed in the spring to complete the ROW clearing.

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

Paul Enstrom, Safety and Regulatory Compliance 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. Mr. Enstrom communicated the SMPA Safety Manual is in the final edits before being submitted to a third party for review before implementation. Mr. Enstrom highlighted trainings, guest speakers and workplace culture initiatives that have occurred recently or are scheduled soon to further engage the employee group's focus on safety.

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 is involved in the Open Access Transmission Tariff (OATT) case that will define what Tri-State can charge non-members to use their transmission facilities, noting the OATT case may be nearing completion as a settlement is on the table, pending Commissioner's approval. SMPA is also involved in the Buy Down Payment (BDP) case and the Contract Termination Payment (CTP) case, noting the cases are highly confidential. Mr. Zaporksi 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

Director Cokes informed the Board that a Wildfire Matters Review Interim Committee has been organized in Colorado. It is a legislative group examining potential measures the state can take on a legislative level to assist with preventing wildfires.

COVID-19 Discussion

Manager Zaporski advised the Board that staff continues to monitor federal, state and county restrictions closely to help inform the leadership's decision on SMPA protocols, noting staff quarantine levels continue to be low. Manager Zaporski stated that the safety of the membership and staff continues to be a top priority.

Introduction of Employee Guests

Manager Zaporski introduced SMPA's new Chief Financial Officer (CFO), Mr. Lance Lehigh. Mr. Lehigh gave a brief introduction, highlighting his background in finance and non-profits.

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.

Manager Zaporski advised the Board that SMPA has an employee recognition program where the employees can recognize their peers. Following a brief overview of program guidelines and committee review process, Mr. Tea advised the Board of awards to be presented. Mike Morlang, Equipment Technician, was recognized for his

Community Involvement and serving on the Norwood School Board for five years. Joshua Hainey, Senior Staff Accountant, and Kelly Truelock were recognized for their work on the Payroll Protection Program (PPP), resulting in significant Cost Savings to the Cooperative.

Community Focus Donations

The next donation review is scheduled for October 2021.

Board Donations

Director Brown donated \$200 to the Just for Kids Foundation.

Director Rhoades donated \$200 to the Hardrockers Holiday.

Finance Update

Manager Lehigh reviewed the finance report, highlighting that SMPA has received patronage allocations from CFC and Western United. Mr. Lehigh reviewed cash balances noting liquidity continues to be an important topic that staff continues to monitor closely.

Update Bank Authorized Signatures (Resolution 2021-03)

Director Garvey motioned to change the authorized bank signatures (Resolution 2021-03) to remove Bill Mertz and Add Lance Lehigh and remove Dave Alexander and add Doyleene Garvey on all accounts for Alpine Citizens Bank and US Bank. Director Alexander seconded. The motion was voted and carried.

Revenue Deferral Proposal and Resolution (Resolution 2021-02)

Manager Lehigh advised the Board that the revenue deferral plan being submitted to RUS is unique because it is directly tied to the forgiveness of the PPP loan, noting that RUS is still determining how they will process revenue deferrals associated with PPP loan forgiveness. Manager Lehigh reported that staff is applying early, anticipating an extended processing period as the details are worked through. It is a situation no one has faced before, including RUS.

Following review, Director Rhoades motioned to approve Resolution 2021-02 Revenue Deferral, as presented. Director Garvey seconded. The motioned was voted and approved.

Marketing & Member Services

Manager Freeman reviewed his report, highlighting that the Sharing Success Grant application is available online. A deadline for application submissions is November 29, 2021, with an application review scheduled for the first week of December.

Information Technology

Manager Tea reviewed his report, noting a site visit from the Mountain Parks REA billing personnel to review SMPA's billing process. Mr. Tea advised the Board that six employees attended the NISC Member Information Conference (MIC), and it was a very informative conference.

Administration & Human Resources

Human Resource and Administration Coordinator Danielle Rodriguez reviewed her report, informing the Board that Mrs. Darcey Weimer will be moving into the Safety and Regulatory Compliance Coordinator when Mr. Enstrom retires at the end of the year. Darcey has been employed with SMPA for over 15 years as a Journey Line Technician; she will train with Mr. Enstrom throughout the end of the year.

The Board reviewed Policy 104, Board of Directors – General Management. No changes were proposed. Following discussion, a Board Committee was created to review and propose changes to the policy verbiage. Board President Felicelli appointed a policy review committee consisting of Director Cooney, Director Cokes and Director Brown.

The Board reviewed Policy 107, Board Committees. Director Alexander motioned to adopt Policy 105, Delegations from the Board of Directors to the General Manager, as presented. Director Rhoades seconded. Following discussion, the motion was voted and carried.

Engineering

Manager Fox reviewed his report, highlighting that several commercial fiber contracts are approaching expiration, and staff has begun the process to negotiate new contracts.

Operations

In his Manager Oliver's absence, Manager Fox advised the Board of outages scheduled to upgrade equipment due to increased load in Ouray. Manager Zaporski added that the increased load in Ouray requiring system upgrades is classified as an indeterminate load. He further explained that an indeterminate load is not included in the budget as it is typically related to a commodity-based industry subject to economic hardships and shutdowns. To mitigate risks associated with systems upgrades to accommodate the indeterminate load, the indeterminate load member is responsible for all expenses related to system upgrades.

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.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported the CREA is seeking \$5 million in state funding to build microgrid projects throughout Colorado.

Western United- Dave Alexander

Director Alexander reported Western United continues to do well even amidst experiencing lead time challenges.

Eco-Action- Kevin Cooney

Director Cooney reported Eco-Action's Weatherization program has filled the budget for the year and would like to increase from 30 homes per year to 40 homes per year in 2022. Director Cooney informed the Board the Greenlights program has been interrupted by supply chain issues.

Tri-State- Kevin Cooney

Director Cooney reviewed Tri-State's San Miguel River Enhancement Program, noting that the proposed program would ultimately route water back to the river, providing enhanced flow volume above the town of Naturita. Mr. Cooney added that Tri-State is currently presenting to area stakeholders regarding the proposed program details.

8. ATTORNEY'S REPORT

Legal Counsel Jim Link informed the Board he will be attending the CREA Legal Seminar. Topics on the agenda for discussion include governance requirements regarding electronic voting, easements, renewable projects under the new legislation and legislative preview and insurance issues regarding wildfire.

Director Alexander made a motion at 12:56 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 12:56 PM and came out at 1:17 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 occurring virtually and discussed the CREA Energy Summit Meeting scheduled for in-person mid-October.

12. NEXT MEETING

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.
The November 2021 meeting will occur on Tuesday, November 16, 2021, in Nucla and Via Zoom.

13. ADJOURN

Director Alexander motioned to adjourn the meeting at 1:23 PM. Director Cokes seconded. The motion was voted and carried.


Doylene Garvey (Oct 27, 2021 18:27 MDT)

Doylene Garvey, Secretary/Treasurer




09.28.21_Minutes_Approved

Final Audit Report

2021-10-28

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