

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

2. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the revised consent agenda (October 26, 2021) and the September 28, 2021 meeting minutes. Director Cokes seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cooney, Director Cokes and Director Garvey reported receiving feedback regarding the Net Metering Policy changes, noting comments focused on the annual bank reset details and general surprise regarding the changes.
- Director Rhoades advised the Board that following the recent 12-hour outage in Silverton, he had received negative feedback from the Silverton community. While he tried to explain that the outage was on Tri-State's side, the membership is still unhappy with SMPA. Director Rhoades noted multiple individuals communicated they would be purchasing generators as a backup power option.
- Multiple members virtually participated in the meeting, expressing their desire to discuss the net metering policy updates further. The members stated dissatisfaction with specific policy components, including the annual bank reset date and requested consideration for a small carryover of unused kWh (bank).

4. STRATEGIC PLANNING UPDATE

Determine the optimal long-term power supply strategy that best achieves safe, reliable, cost-effective and environmentally responsible service to our members. – Brad Zaporski

Manager Zaporski advised the Board that SMPA and two other Colorado cooperatives that reserved capacity to move to a partial requirements contract with Tri-State are currently negotiating a non-binding Memorandum of Understanding (MOU) agreement with Tri-State. The proposed MOU will outline the Buy Down Payment (BDP) methodology and provide a general framework of how all ancillary services will work in a partial requirements contract situation. Manager Zaporski highlighted the importance of fully understanding/documenting how various ancillary services will work in different situations. The BDP calculation is a crucial data point for the formulaic analysis needed to make a data-based decision regarding power supply. Manager Zaporski reported that FERC is still reviewing the Contract Termination Payment (CTP) case.

5. CEO REPORT

CEO. Items

2022 Budget Review and Approval

CFO Lance Lehigh and department managers discussed the 2022 proposed budget presented during a budget work session. Staff reviewed top expense categories, upcoming capital projects and professional services contracts. Following discussion, Director Alexander motioned to approve the 2022 budget, with no rate increase, as presented. Director Cokes seconded. The motion was voted and carried.

Power Supply Update

Manager Zaporski reported that Tri-State is forming a rate committee to develop 2023 rates, noting that Tri-State rate structure will be changing as they are now under FERC jurisdiction. The rate will likely be a formulary rate, meaning the wholesale rate will fluctuate monthly and will impact how SMPA bills our membership.

Legislative Update

Director Cokes informed the Board that CREA is pursuing legislation for micro-grid projects funded through the state.

COVID-19 Discussion

Manager Zaporski advised the Board that staff continues to address COVID19 related matters on a daily basis, from supply chain challenges to staff quarantines. The safety of the membership and staff continues to be a top priority; current protocol levels are effective; however, the organization is prepared to pivot quickly to stricter protocols if needed.

Introduction of Employee Guests

Manager Zaporski introduced Mark Castle, noting while Mr. Castle is new to his role in the Systems Technician position, he is not new to SMPA; Mr. Castle has been an SMPA employee for 23 years. Mr. Castle reported he started with the coop as a meter reader, then moved into journey line technician before moving into this new Systems Technician position.

Manager Zaporski introduced Eric Mancilla, the new Ridgway-based Working Foreman. Mr. Mancilla informed the Board that he is from Austin, TX, he has over 20 years of linework experience, and he is excited for the opportunity to live and work in such a beautiful place.

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.

Community Focus Donations

The Board reviewed the application scorecard results. Following discussion, Director Garvey motioned to award the Community Focus donation funds as follows and apply for Basin match when applicable. Director Cokes seconded. The motion was voted and carried. The awarded amounts are as follows:

- UpstART Theater that Moves, \$500 SMPA donation with a \$500 Basin Electric match request.
- Telluride Mountain Club, \$3,000 SMPA donation with a \$3,000 Basin Electric match request.
- Norwood High School Wrestling, \$250 SMPA donation.
- WEEDC/West End Dark Sky Alliance, \$785 SMPA donation with a \$785 Basin Electric match request.
- Unawep Tabeguache Scenic & Historic Byway, \$1,300 SMPA donation with a \$1,300 Basin Electric match request.
- West End Visitor Center / Unawep Tabeguache Interpretive Center, \$2,300 SMPA donation with a \$2,300 Basin Electric match request.

Board Donations

Director Garvey donated \$200 to the West End Visitor Center, added to Community Focus donation qualifies for a Basin match.

Finance Update

Manager Lehigh reviewed the finance report, noting year-to-date (YTD) revenues are more than budgeted by 2.57%, and YTD purchased power is 3.64% above budget. Mr. Lehigh reviewed cash balances, citing that cash flow is an important topic that staff continues to monitor closely.

Marketing & Member Services

Manager Zaporski advised the Board that SMPA wants to encourage and facilitate net metering while navigating equity issues. He explained that the equity issues with net metering systems stem from SMPA's current rate structure that has a portion of the fixed costs recovered through energy rate line item, noting that a rate structure change that reflects fixed costs recovered through access charge and a direct energy pass-through rate would resolve the inequities. Manager Zaporski stated that until rate structure can be reviewed, managing the parameters of the Net Metering policy is the best approach to address equity issues. The policy should strike a balance of promoting net metering without having negative consequences on the members who can't afford to install a system. Manager Zaporski reported staff is reviewing member comments regarding the policy and will strive to address member feedback while protecting the coop against margin erosion and ensuring equity amongst the membership. Staff will bring policy refinement recommendations to the Board of Directors for consideration at a future meeting.

Information Technology

Manager Tea reviewed his report, adding that ten-digit calling is now required.

Administration & Human Resources

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, noting staff had recently attended an in-person all-employee meeting. The meeting marked the kick-off of open enrollment and featured a *Returning to Normal During COVID19* presentation from Triad, departmental updates, and a presentation from Aflac representatives.

The Board reviewed Policy 103, Board Availability. No changes to the intent of the policy were proposed, although minor grammatical changes were suggested. Director Brown motioned to adopt Policy 103, Board Availability, as presented. Director Alexander seconded. Following discussion, the motion was voted and carried.

The Board reviewed Policy 108, Association Legal Counsel. Director Brown motioned to adopt Policy 108, Association Legal Counsel, with changes. Director Alexander seconded. Following discussion, the motion was voted and carried.

Engineering

Manager Fox reported that staff is still working with Tri-State to determine the cause of the October 12, 2021, Silverton outage. Additionally, staff will attend the November 10 San Juan Board of Commissioners to discuss the outage and other resiliency questions that have come up from the extended outage.

Operations

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

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, reviewed his report, highlighting that training with Darcy is going well and that the organization has not had any reported injuries since October 2020.

6. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes reported the CREA dues will increase 5% in 2022. CREA's Energy Summit conference included discussions on such topics as Beneficial Electrification (BE), Electric Vehicles (EV's), Capital Credits, technologies, and interesting information regarding electric busses.

Western United- Dave Alexander

N/A

Eco-Action- Kevin Cooney

Director Cooney reported Eco-Action is planning to promote the Weatherization program for 2022 with additional marketing efforts and would like to increase from 30 homes per year to 40 homes per year. Eco-Action continues to work closely with SMPA staff regarding rebate programs.

Tri-State- Kevin Cooney

Director Cooney reported that the Open Access Transmission Tariff (OATT) case that defines what Tri-State can charge non-members to use their transmission facilities has reached a settlement with FERC. He noted this settlement could play an important role in the future if a Regional Transmission Organization (RTO) is established in this area.

7. ATTORNEY'S REPORT

Legal Counsel Jim Link advised the Board that changes in Colorado state statute allows for electronic voting for electric cooperatives. If the Board would like to consider allowing electronic voting, it will require bylaw changes and a new election policy. Mr. Link informed the Board he would provide a first draft of an election policy and suggested verbiage updates to the bylaws necessary to offer electronic voting options to the membership at the November Board meeting for discussion. If the Board is in favor of the updates, staff will notice the proposed bylaw changes, and following noticing period will be on future agenda for approval.

Director Alexander made a motion at 12:56 PM to enter into executive session for personnel and contractual issues. Director Brown seconded. The motion was voted and carried. The Board entered into executive session at 12:56 PM and came out at 1:38 PM. While in the executive session, no decisions were made, nor votes taken.

8. BOARD TRAVEL

N/A

9. MISCELLANEOUS

Manager Zaporski congratulated Director Cooney for receiving his Credentialed Cooperative Director Certificate (CCD) from the National Rural Electric Cooperative Association (NRECA). NRECA's Director Certificate Programs are offered in three levels, from fundamental to advanced and are designed to help electric cooperative directors, at every stage of their service, understand their roles and responsibilities, stay up to date on the key

issues and trends in the industry and prepare them to meet the challenges facing electric cooperatives now and in the future.

10. BOARD CALENDAR REVIEW

The Board reviewed upcoming training opportunities occurring virtually.

11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, November 16, 2021, in Nucla and Via Zoom.

The December 2021 meeting will occur on Wednesday, December 15, 2021, in Ridgway and Via Zoom.

12. ADJOURN

Director Cokes motioned to adjourn the meeting at 1:46 PM. Director Cooney seconded. The motion was voted and carried.

Doylene Garvey
[Doylene Garvey \(Nov 19, 2021 08:08 MST\)](#)

Doylene Garvey, Secretary/Treasurer



10.26.21_Minutes_Corrected.Approved

Final Audit Report

2021-11-19

Created:	2021-11-17
By:	MartyJo Davis (martyjo.davis@smpa.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA5WYqqu6E7DjOj10GEFdydU4i9DzENaup

"10.26.21_Minutes_Corrected.Approved" History

-  Document created by MartyJo Davis (martyjo.davis@smpa.com)
2021-11-17 - 8:41:14 PM GMT- IP address: 206.123.212.251
-  Document emailed to Doylene Garvey (doylene@smpa.com) for signature
2021-11-17 - 8:41:33 PM GMT
-  Email viewed by Doylene Garvey (doylene@smpa.com)
2021-11-19 - 3:08:01 PM GMT- IP address: 172.225.198.46
-  Document e-signed by Doylene Garvey (doylene@smpa.com)
Signature Date: 2021-11-19 - 3:08:33 PM GMT - Time Source: server- IP address: 69.55.98.33
-  Agreement completed.
2021-11-19 - 3:08:33 PM GMT