

### **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. All directors were present, in-person at the Nucla office location.

### **2. APPROVAL OF CONSENT AGENDA**

Director Felicelli adjourned the June 28, 2022, agenda item 6.a.i power supply noting no additional meetings were needed. Director Garvey motioned to approve the revised consent agenda (July 26, 2022), including the June 28, 2022, meeting minutes. Director Alexander seconded. The motion was voted and carried.

### **3. BOARD TOPICS**

CREA Legislative and Service Priorities Discussion

Director Cokes advised that the upcoming CREA joint Board and Manager meeting is a unique opportunity to provide feedback directly to CREA regarding the direction members would like to see the organization head. CREA has requested input regarding members' priorities for 2023, from education, safety and loss control to legislative topics. Manager Zaporski reviewed the dues structure associated with being a member of CREA, commenting that an updated fee structure that allows more flexibility to select specific services may be beneficial. Following discussion, resource adequacy legislation and a continued focus on education were identified as preferred priorities for CREA in 2023.

Tri-State Board Member Donations

Director Cooney informed the Board that Tri-State has a donation and contributions policy that states that upon written request of a Tri-State Director, they will donate up to \$1,000 per year to a single organization of the Directors choice that supports educational, social, charitable, or similar purposes following a review and approval by Tri-States External Affairs and Member Relations Committee.

### **4. MEMBER OR CONSUMER COMMENTS**

General Member/Consumer Comments

- Director Cooney communicated he had received several comments regarding Tri-State's Tree Removal Project in Ophir, expressing concern over the project, including proposed slash piles. Director Cooney advised he informed members that it is a Tri-State project, not an SMPA project. Therefore, SMPA has no impact on how the project is handled; however, he offered to help members get in touch with representatives at Tri-State and the United States Forest Service (USFS).

### **5. 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 reported that work continues on drafting a Power Supply Agreement (PSA) with Guzman Energy, noting fluctuating factors, such as increases in the wholesale market for energy and capacity rates and increasing interest rates, are making the process challenging. Additionally, the Buy Down Payment (BDP) settlement is still in review by the Federal Energy Regulatory Commission (FERC). That final decision will impact the calculations in the PSA as well. Staff continues to analyze all factors and incorporate all details into the proposed PSA.

## **6. CEO REPORT**

### **CEO. Items**

#### Power Supply Update

Manager Zaporski advised all power supply updates had been covered in the strategic objective update.

#### Legislative Update

N/A

#### COVID-19 Discussion

Manager Zaporski stated that SMPA continues to be vigilant in promoting the importance of sanitization and general hygiene. Additionally, the organization is poised to pivot to implement increased safety measures if necessary.

### **Introduction of Employee Guests**

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 introduced Mark Boss, SMPA's new Nucla-based mechanic. Mr. Zaporski advised the Board that Mr. Boss has had a long career in the mechanic field, including nearly 25 years of experience as the Master Lift Technician for Telluride Ski and Golf.

#### Employee Recognition Program Award

Manager Tea reviewed SMPA's employee recognition program, where the employees can recognize their peers. Following a brief overview of program guidelines and the committee review process, Mr. Tea advised the Board of an award to be presented. Tammi Magallon was recognized in the Community Involvement category for her dedication to organizing community blood drives. For over 20 years, Mrs. Magallon has organized several blood drives each year, scheduling the bloodmobile to come to the SMPA Nucla office location to provide an opportunity for employees and members to gather to give the lifesaving gift of blood. Each event is flawless, and all participating are grateful to have done so.

### **Community Focus Donations**

The Board reviewed the application scorecard results. Following review, Director Brown motioned to award the Community Focus donations following the scorecard results, allowing staff to adjust totals slightly to budget level. The motion failed to gather a second. Director Rhoades motioned to award the Community Focus donation (as follows) and apply for Basin match when applicable. Director Brown seconded. The motion was voted and carried. The awarded amounts are as follows:

- Norwood Roping Club, \$529 SMPA donation with a \$529 Basin Electric match request.
- Weehawken Creative Arts, \$500 SMPA donation with a \$500 Basin Electric match request.
- Fortuna Tierra Club, \$500 SMPA donation with a \$500 Basin Electric match request.
- San Juan Development Association, \$1,286 SMPA donation with a \$1,286 Basin Electric match request.
- Home Trust of Ouray County, \$2,143 SMPA donation with a \$2,143 Basin Electric match request.
- Ah Haa School for the Arts, \$429 SMPA donation.
- All Point Transit, \$711 SMPA donation with a \$711 Basin Electric match request.

- Ridgway Western Heritage Society, \$500 SMPA donation with a \$500 Basin Electric match request.
- Uncompahgre Watershed Partnership, \$421 SMPA donation.
- San Miguel Resource Center, \$714 SMPA donation with a \$714 Basin Electric match request.
- Mt. Sneffels Education Foundation, \$597 SMPA donation with a \$597 Basin Electric match request.

#### **Board Donations**

- Director Cokes donated \$100 to the Uncompahgre Watershed Partnership to be combined with the Community Focus Donation for a total of \$521 and requested to apply for a \$521 Basin Electric matching donation.
- Director Felicelli donated \$100 to the KOTO Radio Guest DJ Program.

#### **Finance Update**

##### Financial Review

Manager Lehigh reviewed the finance report, highlighting that margins for the year continue to follow anticipated seasonal flows for decreased revenues combined with construction season expense increases. Material purchase expenses remain sporadic due to continuing supply chain issues, noting that staff has pre-ordered certain items to soften anticipated price increase effects.

Manager Lehigh discussed the general economic outlook and its impacts on SMPA. He noted that the Federal Reserve has increased interest rates to slow inflation. Mr. Lehigh also commented on the fuel expenses, noting all these economic factors impact SMPA; staff will continue to monitor the general economic situation to mitigate the impact as much as possible.

#### **Marketing & Member Services**

Manager Freeman informed the Board that the Member Service team has been working with the Telluride Foundation and the Colorado Clean Energy Fund on the Pinon Park Affordable Housing Project to develop a pilot program for on-bill repayment programs. The Colorado Clean Energy Fund (CCEF) will finance the installation of energy-efficient heat pumps and the cost of up to five kilowatts of solar on the roofs of each of the 24 units. The initial expense of the heat pumps and solar will be paid for by CCEF and is essentially a loan that will be repaid through the power bill. SMPA will serve as the collector and remitter as each power bill for the residents of the unit will include repayment for the cost of the efficient heat pumps and solar. Manager Zavorski commented that the situation is a win-win-win; the members who move into these homes will have a lower bill. The community will benefit from added local housing, and SMPA will see added grid resiliency as these ultra-high efficiency appliances are paired with solar and, potentially, energy storage as well. The cost savings afforded by the SMPA incentives allow the on-bill repayment amounts to remain lower than the electric utility bill would have been without adding the upgrades.

Manager Freeman communicated that following the June presentation from Power Service Engineers (PSE) regarding the cost-of-service study, staff is prepared to move forward to work with (PSE) on the cost-of-service study. Manager Freeman provided a high-level overview of a cost-of-service study, noting the study analyzes all the expenses of the cooperative and designs a structure that is the best way to recover those costs. Director Alexander motioned to authorize staff to move forward with Power Service Engineering (PSE) for the Cost-of-Service Study. Director Cokes seconded. Following discussion, the motion was voted and carried.

### **Information Technology**

#### **Time of Use (TOU) Metering**

Manager Tea advised the Board of staff's efforts to establish a Time of Use (TOU) metering process. Mr. Tea communicated that a successful TOU metering process needs to have the ability to capture TOU at the account level, the ability to integrate with community solar array credits, work with prepay processing, integrate with Beneficial Electrification (BE) programs, have a user-friendly bill display, and have the flexibility to add or change rates and timeframes dynamically for future requirements. Mr. Tea reported that staff has thoroughly researched hardware and software options to implement a TOU and reviewed pros and cons of each. Additional research included reference checks from cooperatives that have implemented both options. The conclusion of staff research and analysis is to move forward with software system solutions and begin a pilot program.

Manager Tea reviewed his report, noting that Manager Freeman and himself were elected to the NISC software advisory committee. The advisory committee provides feedback directly to NISC software developers, potentially impacting the future of the software.

### **Administration & Human Resources**

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, highlighting that there are not any open positions.

The Board reviewed Policy 100, Qualifications for Directors. Legal Counsel Jim Link advised that policy 100 could be dissolved as all items in the policy have been incorporated into the new Election of Directors Policy (Policy 111) adopted in January 2022 in alignment with Colorado House Bill 21-1131 regarding Cooperative Electric Associations Governance. Director Alexander motioned to dissolve Policy 100 as it is now covered by Policy 111. Director Rhoades seconded. The motion was voted and carried.

The Board reviewed Policy 101, Directors Creed. Director Alexander motioned to adopt Policy 101 as presented. Director Rhoades seconded. Following discussion, the motion was voted on and carried.

### **Engineering | Operations | Safety and Regulatory Compliance**

#### **Sunnyside Development**

Manager Fox provided a summary of the Sunnyside Development project, including a project overview and an outline of the project's milestones and challenges.

Manager Fox reviewed his report, noting staff continues to work with ESC on design refinements for the Red Mountain Project. Manager Oliver communicated staff has removed poles that need significant repairs but no longer serve a load.

## **7. ASSOCIATED MEETING REPORTS**

#### **CREA- Debbie Cokes**

Director Cokes did not have anything further to add to the CREA discussion.

#### **Western United- Dave Alexander**

N/A

Eco-Action- Kevin Cooney

Director Cooney reported that Eco-Action staff is continuing work on updating and revising Eco-Action's Green Business Program. Eco-Action is behind schedule on audits due to staffing; however, rebate administration is going strong.

Tri-State- Kevin Cooney

Director Cooney stated that Tri-State is still waiting for decisions from FERC regarding the Buy Down Payment (BDP) case, the Contract Termination Payment (CTP) case and the possible direct assignment of radial line costs. Director Cooney reported that Tri-State staff is in the process of analyzing the cost of selling radial lines back to SMPA; however, it is unlikely to see more information until early 2023 regarding the cost. Director Cooney advised that the rate committee is discussing an unbundling of rates.

**8. ATTORNEY'S REPORT**

Director Rhoades made a motion at 1:20 PM to enter into executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted and carried. The Board entered into executive session at 1:20 PM and came out at 1:36 PM. While in executive session, no decisions were made, nor votes taken.

**9. BOARD TRAVEL**

The Board discussed the August CREA Meeting Durango; all Directors were invited and encouraged to attend.

**10. MISCELLANEOUS**

N/A

**11. BOARD CALENDAR REVIEW**

N/A

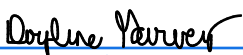
**12. NEXT MEETING**

The August regular Board of Directors meeting will occur on Tuesday, August 23, 2022, in Mountain Village at the Mountain Village Town Hall conference room.

The September 2022 regular Board of Directors meeting will occur on Tuesday, September 20, 2022, in Silverton at the Grand Imperial Hotel and Via Zoom.

**13. ADJOURN**

Director Rhoades motioned to adjourn the meeting at 2:03 PM with respect to all Agenda Items except item 6.a.i Power Supply Update. Discussion on Item 6.a.i and possible Executive Session regarding that topic is suspended so that if the CEO deems it necessary to update the Board regarding this topic, the Board can resume discussion without the need to call a Special Meeting. Director Cokes seconded. The motion was voted and carried.



Doylene Garvey (Aug 23, 2022 18:09 MDT)

Doylene Garvey, Secretary/Treasurer