

## **1. MEETING PROTOCOL**

Executive Assistant MartyJo Davis presented an overview of meeting protocols and provided instructions on utilizing features of the Zoom Virtual Meeting platform that allow members to participate virtually.

## **2. CALL TO ORDER**

President Felicelli called the San Miguel Power Association (SMPA) Board of Directors regular meeting to order at 9:02 AM. The meeting was held in person at the Mountain Village Town Hall meeting location in Mountain Village, Colorado and via Zoom Video/Teleconference. Director Rhoades attended via Zoom Video/Teleconference with Director Felicelli, Director Cokes, Director Alexander, Director Brown, Director Garvey and Director Cooney attending in-person at the Mountain Village Town Hall location.

## **3. APPROVAL OF CONSENT AGENDA**

Director Felicelli adjourned July 26, 2022, agenda item 7.a.i power supply, noting no additional meetings were needed. Director Garvey motioned to approve the revised consent agenda (August 23, 2022), including the July 26, 2022, meeting minutes. Director Alexander seconded. The motion was voted and carried.

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

General Member/Consumer Comments

- A member in attendance at the meeting expressed gratitude to SMPA for providing reliable service and submitted a petition requesting that SMPA consider undergrounding powerlines in the Trout Lake area as a wildfire mitigation technique.
- Director Felicelli reported he had received questions regarding the 10kW limitation on net metering. He advised members the 10kW limitation follows state statutes for utility cooperatives.
- Director Cooney stated a member contacted him asking questions regarding the amount of local renewables in SMPA's power supply portfolio. Director Cooney advised that the wholesale power supply contract with Tri-State allows for up to 5% of local renewable power supply and that SMPA strives to maximize that 5%, but it can fluctuate based on what is produced.

## **5. BOARD TOPICS**

EcoAction Partners, Climate Action Plan (CAP) Presentation, Kim Wheels

Director Felicelli introduced Emma Gerona, Executive Director for EcoAction Partners and Kim Wheels, Energy Specialist. Ms. Wheels and Ms. Gerona presented EcoAction's Climate Action Plan (CAP) for San Miguel and Ouray Counties. They explained the CAP is a working roadmap toward regional sustainability goals focused on community collaboration and stakeholder engagement, with one, three, five and ten-year benchmark goals. The CAP is a multi-faceted approach to climate action, including focused research in eight specific areas, resulting in 21 objectives and 74 actions. They reviewed the eight areas they targeted and the proposed recommendations. The eight focus areas are land use, water supply/use, emissions from food production/transportation, waste, transportation, building energy use, energy supply, community engagement, and policy.

## **6. STRATEGIC PLANNINGS**

Further Develop Crisis Management Plan (CMP) in order to best respond to external threats or crisis.- Mike Therriault.

Engineering Supervisor Mike Therriault reviewed the four initiatives identified to further develop the Crisis Management Plan (CMP), including an update and expansion to SMPA's existing Emergency Restoration Plan (ERP), staff education, blue sky exercises and a focus on mitigating supply chain disruptions. Mr. Therriault

provided a high-level overview of the measures that have been completed and reviewed the next steps, highlighting a recent all-staff blue-sky exercise focused on how staff would respond to fire within the service territory. The training focused on internal and external communication protocols, inventory management, load management and other response procedures.

#### Fully Optimize All Technology- Doug Tea

Manager Tea reviewed the strategic initiatives developed to fully optimize technology, including a concentration on cybersecurity, developing a documented Information Technology Emergency Response Plan (ITERP), implementing budgeted software projects, and optimizing and leveraging current technologies. Manager Tea reviewed challenges faced in the past few years, from COVID19, which triggered a work-from-home configuration, to the rapidly changing cybersecurity landscape. Mr. Tea highlighted that the initiatives developed to support optimizing all technology have positioned SMPA to handle the challenges of the future.

## **7. C.E.O. REPORT**

### **C.E.O. Items**

#### Power Supply Update

Manager Zaporski advised that SMPA is still waiting on a decision from the Federal Energy Regulatory Committee (FERC) regarding the stated rate and the Buy Down Payment (BDP) cases. He noted the FERC decisions impact critical data points required to analyze power supply options thoroughly. Manager Zaporski added that rising interest rates and wholesale capacity rates are fluctuating factors that may negatively affect potential Purchase Power Agreements (PPA).

#### Legislative Review

Manager Zaporski stated that the federal Inflation Reduction Act (IRA) will significantly impact clean energy, including but not limited to offering tax incentives for renewable projects. Manager Zaporski noted a summary of provisions in the IRA are covered in the white paper that had been distributed.

#### **Introduction of Employee Guests**

Phil Zimmer, Energy Services Executive; Terry Schuyler, Key Accounts Executive; Joshua Hainey, Senior Staff Accountant; Alex Shelly, Communications Executive; Danielle Rodriguez, Human Resource and Administration Coordinator; Darcy Weimer, Safety and Regulatory Compliance Coordinator; and Mike Therriault, Engineering Supervisor, were also in attendance at the meeting, virtually or in-person.

#### **Community Focus Donations**

The next donation review is scheduled for October 2022.

Director Felicelli reported that Manager Zaporski, Terry Schuyler, Key Accounts Executive Terry Schuyler and himself supported KOTO FM's Guest DJ Fundraising efforts, explaining that listeners call in during the Guest DJ program and pledge funds to support KOTO. Mr. Felicelli noted that over \$2,000 was fundraised during their Guest DJ time.

- Director Cokes motioned to donate \$1,000 to the KOTO guest DJ program and apply for a match from Basin Electric. Director Cooney seconded. The motion was voted and passed.

#### **Board Donations**

- Director Brown donated \$200 to EcoAction Partners.

## **Finance Update**

### Financial Review

Manager Lehigh reviewed the finance report, noting that supply chain challenges have loosened slightly, allowing staff to procure items that had been waitlisted, resulting in several large transactions in the past month. Mr. Lehigh stated that net metering is causing a decreased load factor, and a decreased load factor results in increased kWh costs. Additionally, Manager Lehigh noted that the coop is currently experiencing savings in the form of delayed expenses for power supply consultants related to delays caused by the cases being held up at FERC.

## **Marketing & Member Services**

### Seasonal/Idle Services Presentation

Energy Services Executive Phil Zimmer explained that an Idle Services is defined as any electrical service that has been disconnected and has remained disconnected for more than 90 days and for which no revenue is being generated for the cooperative. Seasonal Services are described as services that are disconnected and reconnected periodically. Mr. Zimmer advised that Idle/Seasonal Services are problematic for cooperatives for multiple reasons, including that they cause stranded assets, line losses, tax burdens for the cooperative, safety issues and they create upward pressure on rates as the coop has maintenance costs associated with these services but does not collect revenue to offset which results in 'active' members subsidizing these accounts. Mr. Zimmer noted that the other cooperatives in Colorado have an Idle/Seasonal Service policy in place, and it is a recommended best practice that results in cost savings for the cooperative and its membership. Mr. Zimmer advised that staff will bring forth more information in the coming months regarding the possibility of a policy and/or proposed bylaw updates.

Manager Freeman communicated that staff is moving forward with the Nucla office remodel plan and is currently seeking a contractor to complete the remodel.

## **Information Technology**

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

## **Administration & Human Resources**

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, highlighting that there are no open positions. Adding that all staff recently attended a Diversity, Equity, Exclusion and Harassment training facilitated by a representative from Triad, the Employee Assistance Program (EAP) organization SMPA utilizes.

The Board reviewed Policy 106, Compensation and Expenses of Board Members. Director Brown motioned to adopt Policy 106 as presented. Director Alexander seconded. Following discussion, the motion was voted on and carried.

The Board reviewed Policy 302, Interconnection Policy. Director Brown motioned to adopt Policy 302 as presented. Director Alexander seconded. Following discussion, the motion was voted on and carried.

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

### Safety Achievement Recognition Award

Safety and Regulatory Compliance Coordinator Darcy Weimer informed the Board that SMPA recently received a safety recognition award from CREA, commemorating the milestone of one year with no loss time incidents.

Manager Fox reviewed his report and added that staff will use an online auction company to dispose of old equipment. He advised that utilizing the online platform will save staff time, money and effort as all aspects of the transaction are handled electronically, and the purchaser will come to pick up the item when sales are finalized.

## **8. ASSOCIATED MEETING REPORTS**

CREA – Debbie Cokes

Director Cokes advised that the recent CREA Director Meeting was a joint meeting with the CEO/Managers. The conversation at the meeting focused on how CREA can best support cooperatives in the future. Suggested areas of improvements included expanding training opportunities without extra fees and for CREA to lean into the future, proactively addressing emerging subjects that distribution cooperatives face. Additionally, Board members discussed rate making and the challenges associated with it.

Western United – Dave Alexander

N/A

EcoAction Partners – Kevin Cooney

Director Cooney communicated that Director Brown will be assuming the role of SMPA's representative at EcoAction Partners to allow him to focus more on his responsibilities as the Tri-State Director and involvement in related committees.

Tri-State – Kevin Cooney

Director Cooney informed the Board that significant increases in expenses at Tri-State impacted financial statements, causing an adjustment in the use of deferred revenue funds to offset increased expenses. Increased expenses included an increase in the power supply cost and an underestimate of expenses associated with asset retirements. Director Cooney observed that costs will likely continue to increase in coming years as legislative requirements tighten. Director Cooney stated that, pending Public Utilities Commission (PUC) approval, the Craig facility might remain operational longer than initially planned to increase resource adequacy as renewable construction plans are behind schedule due to supply chain issues. Director Cooney advised that the rate committee has decided to include United and the Northwest Power District in the rate modeling despite their filing for an unconditional withdrawal from Tri-State. He added that while the committee is still waiting on a final ruling from FERC regarding the direct assignment of radial line costs, the committee is developing calculations on the direct assignment of radial line costs.

## **9. ATTORNEY'S REPORT**

Director Alexander made a motion at 1:33 PM to enter into executive session for personnel and contractual issues. Director Garvey seconded. The motion was voted and carried. The Board entered into executive session at 1:33 PM and came out at 2:16 PM. While in executive session, no decisions were made, nor votes taken.

## **10. BOARD TRAVEL**

The Board reviewed upcoming meetings and training opportunities, including CREA's Energy Innovations Summit and Fall Conference scheduled for November 5 – November 8, 2022.

**11. MISCELLANEOUS**

Manager Zaporski advised that the SMPA will open late on Thursday, August 25, 2022, to allow for staff training on a new software module.

**12. BOARD CALENDAR REVIEW**

N/A

**13. NEXT MEETING**

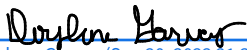
The September 2022 Board of Directors meeting will occur on Tuesday, September 20, 2022, in Silverton at the Grand Imperial Hotel and Via Zoom.

On October 18, 2022, a budget work session will take place in Ridgway and via Zoom.

The October 2022 regular Board of Directors meeting will occur on Tuesday, October 25, 2022, in Ridgway and via Zoom.

**14. ADJOURN**

At 2:22 PM, Director Cokes motioned to adjourn the meeting with respect to all Agenda Items except item 7.a.i Power Supply Update. Discussion on Item 7.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 Garvey seconded. The motion was voted and carried.

  
Doylene Garvey (Sep 20, 2022 21:32 MDT)

Doylene Garvey, Secretary/Treasurer