

1. MEETING PROTOCOL

Executive Assistant MartyJo Davis presented an overview of meeting protocols and provided instructions on how to utilize Zoom Virtual Meeting platform features to 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 9:03 AM. The meeting was held in person at the Grand Imperial Hotel in Silverton, CO and via Zoom Video/Teleconference. Director Felicelli, Director Cooney, Director Alexander, Director Brown, and Director Cokes were present, in-person, at the Grand Imperial Hotel in Silverton, CO. Director Garvey was absent from the meeting.

3. APPROVAL OF CONSENT AGENDA

Director Felicelli adjourned the August 23, 2022, agenda item 7.a.i power supply noting no additional meetings were needed. Director Alexander motioned to approve the revised consent agenda (September 20, 2022), including the August 23, 2022, meeting minutes. Director Cokes seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cokes stated that a member communicated to her that because of new incentives offered through the Inflation Reduction Act (IRA) for renewable projects, they will be able to move forward with a solar project on their home.
- Director Cokes advised that a group of local climbers has formed an organization called 'Climbers Cut Carbon.'
- Director Felicelli reported he spoke with a member regarding a property for sale, noting that after reviewing the property maps, it appeared the meter was located outside of the property lines. Director Felicelli put the member in touch with staff to research the matter further.
- Director Felicelli informed the Board that he spoke with a member requesting information regarding the possibilities of extending the power line to the Hastings Mesa area.
- Director Cooney advised that he had received some feedback regarding the slash piles remaining following the Tri-State vegetation management project. He advised the members that the United States Forest Service manages the slash piles.
- Legal Counsel Jim Link advised that a member had contacted him regarding tree trimming in SMPA right-a-way. Manager Zaporski advised that for the safety of the membership, individuals should always contact SMPA regarding any tree trimming near powerlines.

5. BOARD TOPICS

N/A

6. STRATEGIC PLANNINGS

Identify and prioritize reliability and resiliency risks and issues. Initial focus shall be on fire mitigation- Jeremy Fox

Manager Fox provided a progress report on the initiatives developed to help achieve the objective to prioritize reliability and resiliency risk with an initial focus on fire mitigation. Mr. Fox advised that the vegetation management plan, a draft wildland fire mitigation plan, the Rural Utility Services (RUS) work plan submittal, the Red Mountain vegetation work and the master United States Forest Service (USFS) permit initiatives are

complete. Staff continues to work to finalize and fully execute the wildland fire mitigation plan, implement a drone inspection program and work on Phase 2 of the Red Mountain Electrical Reliability and Broadband Project (RMERBP). Mr. Fox advised that the team remains focused on supply chain planning and is also exploring microgrid options, alternate funding resources, installing pole wraps, and wildfire resource sharing/training opportunities.

Continue to improve SMPA's overall safety and work culture- Danielle Rodriguez, Human Resources and Administration Coordinator reviewed the five initiatives designed to improve SMPA's overall safety and work culture; a focus on enhancing safety training & programs, methods to promote safety, evaluation of policy/procedures, and an emphasis on workplace culture. Mrs. Rodriguez highlighted workplace culture initiatives that have been successful and focus on team building, wellness, employee recognition and achievement awards and other employee programs. She also noted completed and upcoming safety training programs.

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, noting the FERC decisions impact critical data points required to analyze power supply options thoroughly. Manager Zaporski added that Tri-State and United Power have started their own negotiations on a settlement to move to partial requirements contract with the idea that it will be a stepping stone to get to United's full exit. Mr. Zaporski stated that if the outcome of this negotiation results in a newly negotiated partial requirement settlement, it will need to be available to all members of Tri-State; otherwise, an objection will be filed at FERC. Manager Zaporski added that rising interest rates and increasing wholesale capacity and energy rates are fluctuating factors that may negatively affect potential Purchase Power Agreements (PPA).

Legislative Review

Manager Zaporski introduced Naomi Dobbs, Southwest Colorado Regional Director for Congresswoman Lauren Boebert. Miss Dobbs reported that Congresswoman Boebert has supported bills focusing on transportation infrastructure projects, communications, and fire mitigations and explained how each of these impacts rural America.

Manager Zaporski advised the Board that Senator Hickenlooper is scheduled to be in Telluride and has asked SMPA to participate in a roundtable discussion regarding climate action plan initiatives.

Guatemala

Manager Zaporski informed the Board that the trip to Guatemala went well, and he will report more in-depth on the Guatemala trip at the October Board of Directors meeting.

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; Greg James, Purchasing and Stores Specialist; 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.

Board Donations

- Director Alexander donated \$300 to the Just for Kids organization.
- Director Cooney donated \$250 to San Miguel Search & Rescue.

Finance Update

2021 Capital Credit Allocation

Manager Lehigh reviewed capital credits/member dividends and proposed moving forward with a member dividend retirement to the membership of \$448,000, noting this amount excludes the 1.5 million funding granted to SMPA through Payroll Protection Program (PPP). Manager Lehigh explained that the general theory of capital credit is that the cooperative collected too much revenue from the members in the form of payments they made on their monthly statements, which are returned to the membership. However, the PPP funds were not member money and need not be included in the capital credit retirement. Mr. Lehigh added that PPP funds will still benefit the membership as the funds were deferred and will be recognized in the coming years to help mitigate significant rate increases. Following discussion, Director Cooney motioned to exclude the PPP loan from the capital credit allocation and retire \$448,000 in capital credits/member dividends, net of the 2020 loss that occurred. Director Brown seconded. The motion was voted and carried.

2023 Budget Update

Manager Lehigh stated that the staff continues to work on the budget, noting it is an intricate process with many moving pieces.

2021 Form 990 Update

Staff is reviewing the Form 990 and will present it at an upcoming meeting.

Financial Review

Manager Lehigh explained that cash remains stable, adding that several pieces of equipment on order with long lead times became available sooner than anticipated.

Marketing & Member Services

Manager Freeman reviewed his report highlighting that the June newsletter featured a topic to help members think about what electricity means to them and how its use has evolved over the years. Manager Freeman added that it is possible that Telluride Foundation will bolster SMPA rebates for outdoor power tools and make them available for members and/or contractors that work in the service territory.

Information Technology

Manager Tea advised that SMPA is implementing a new iVUE Connect module for customer management.

Administration & Human Resources

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, highlighting that it is the time of year that benefits are reviewed and open enrollment for staff.

The Board reviewed Policy 203, Equity Management. Director Alexander motioned to adopt Policy 203 as presented. Director Rhoades seconded. Following discussion, the motion was voted and carried.

The Board reviewed Policy 307, Energy Conservation. Director Cooney motioned to adopt Policy 307 with the revised title of Energy Management. Director Cokes seconded. Following discussion, the motion was voted on and carried.

Engineering | Operations | Safety and Regulatory Compliance

Manager Fox reviewed his report highlighting that year-to-date new services show that the service territory is continuing to grow rapidly.

8. ASSOCIATED MEETING REPORTS

CREA – Debbie Cokes

Director Cokes stated the next meeting will be in November at the Energy Summit Conference. Director Cokes added that the state has established a Wildfire Matters review committee, putting forth ten bill ideas related to wildfires that might be proposed to the state.

Western United – Dave Alexander

Director Alexander advised that Western United (WU) continues to focus on addressing supply chain issues by maintaining high inventory counts where possible and prioritizing long-term cooperative member's orders. Director Alexander stated that WU currently has 38 members and prioritizes orders by seniority of membership. WU is currently one of the top 5 electrical supply distributors in the country. WU strives to keep high-demand material in inventory when possible and also explores adding new materials to inventory, such as EV chargers, to anticipate members needs.

Tri-State – Kevin Cooney

Director Cooney advised that Tri-State hit a new peak load of 3,000 megawatts in July. Director Cooney communicated that it is unlikely that Tri-State will be able to retire patronage capital, and a rate increase is likely on the horizon. Director Cooney advised that the Rate Committee is reviewing all aspects of Tri-State services to determine which items might be directly assigned versus associated costs amongst the membership, discussing the possibility of seasonal rates, and developing new programs regarding load management. Director Cooney advised that Tri-State staff is closely reviewing the Inflation Reduction Act to explore provisions that may be beneficial to Tri-State.

EcoAction Partners – Toby Brown

Director Brown advised that the next EcoAction Partners meeting is scheduled for September 30, 2022.

9. ATTORNEY'S REPORT

Director Rhoades made a motion at 1:33 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 1:33 PM and came out at 1:50 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.

Director Felicelli advised that he will attend NRECA's Gettysburg Leadership Experience in October.

11. MISCELLANEOUS

N/A

12. BOARD CALENDAR REVIEW

N/A

13. NEXT MEETING

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.

The November 2022 Board of Directors meeting will occur on Tuesday, November 15, 2022, in Nucla and Via Zoom.

14. ADJOURN

At 1:54 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 Rhoades seconded. The motion was voted and carried.

Doylene Garvey

Doylene Garvey (Oct 25, 2022 17:47 MDT)

Doylene Garvey, Secretary/Treasurer