

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 9:05 AM. The meeting was held in person at the Ridgway office location and via Zoom Video/Teleconference. Director Rhoades and Director Alexander attended via Zoom Video/Teleconference, with Director Felicelli, Director Brown, Director Cooney, Director Cokes, and Director Garvey attending in person at the Ridgway office.

3. APPROVAL OF CONSENT AGENDA

Director Felicelli adjourned January 24, 2023, agenda item 7.a.i Power Supply, noting no additional meetings were needed. Director Garvey motioned to approve the revised consent agenda (February 28, 2023), including January 24, 2023, meeting minutes with corrections. Director Cokes seconded. The motion was voted on and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Rhoades informed the Board he had received positive feedback from members about the staff's dedication to restoring power in adverse weather conditions in Silverton.
- Manager Zaporski said he had received an email from a member who expressed his appreciation for SMPA's relevant, professional and timely communication.

5. STRATEGIC PLANNING

Fully Optimize All Technology- Doug Tea

Manager Tea reviewed the strategic initiatives developed to fully optimize technology, including updates on cybersecurity initiatives and software projects, including a progress update on staff efforts to develop a Time of Use (TOU) rate. Manager Tea explained that with a TOU rate, members would pay different energy rates depending on the time of day the energy is used instead of being billed a flat rate. TOU rates will help incentivize consumers to use power during off-peak hours, which will help shape usage and load. Manager Tea discussed the project's scope, noting challenges the team has faced, tasks that have been completed, and the next steps. Manager Tea advised that communication is of the utmost importance. Initially, the TOU will appear on bills with a zero-rate adjustment to allow members to get familiar with and understand how the time that energy is used can impact a bill.

Further Develop Crisis Management Plan 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, noting staff involvement with local county emergency management meetings and upcoming blue-sky exercises.

6. C.E.O. REPORT

C.E.O. Items

Power Supply Update

Manager Zaporski advised that the Federal Energy Regulatory Committee (FERC) has denied the rehearing request for the Buy Down Payment (BDP) filing, noting that it appears that Tri-State will be following up with litigation at FERC to attempt to get the BDP reheard. Manager Zaporski noted that the Contract Termination Payment (CTP) case is still in review. The CTP information is a critical data point needed to analyze and determine the optimal long-term power supply strategy that best achieves safe, reliable, cost-effective and environmentally responsible service for our members. Manager Zaporski informed the Board that staff continues to work with Guzman on various iterations of a partial and/or a full power supply contract, exploring possibilities and leaving options open for the future.

Legislative Review

Manager Zaporski reported that several pieces of legislation were discussed at the CREA Annual Meeting, including bills that directly impact cooperatives, such as resource adequacy bills, or indirectly such as land rights bills. Mr. Zaporski expressed his appreciation for CREA's efforts to monitor legislation topics.

State and Federal Grant Funding Update

Manager Zaporski, Manager Fox and Manager Freeman provided updates on the funding requests that SMPA is pursuing. Manager Zaporski advised that SMPA's application for Federal GRIP funding was declined; however, the staff will revise the application and be prepared to submit it for future funding rounds. Manager Fox reported that, in collaboration with other cooperatives in the state, paperwork has been submitted to the Colorado Energy Office regarding Fire Mitigation Equipment.

Introduction of Employee Guests

Joshua Hainey, Senior Accountant; Greg James, Purchasing & Store Specialist; Mark Prezbindowski, IT Specialist; Danielle Rodriguez, Human Resources & Administration Coordinator; Terry Schuyler, Key Accounts Executive; Dane Shaffer, Apprentice Line Technician; Alex Shelley, Communications Executive; Dustin Smuin, Fleet & Facilities Supervisor; Mike Therriault, Engineering Supervisor; Mike Morlang, Equipment Technician Kelly Truelock, Senior Accountant; Darcy Weimer, Safety & Regulatory Compliance Coordinator; and Phil Zimmer, Member & Energy Services Supervisor were also in attendance at the meeting, virtually or in-person.

Community Focus Donations

Executive Assistant MartyJo Davis informed the Board that the Community Focus Donation Program has \$1,872 in unspent funds for 2022. Board Policy 150, Community Focus, Section II, A, #4 states, 'any unused funds from a previous quarter will roll over to the next.' However, as it is the end of the year, a rollover requires Board approval. Following discussion, Director Cokes motioned to roll the \$1,872 of the 2022 unspent Community Focus Funds into the 2023 Community Focus program. Director Alexander seconded. The motion was voted and carried.

The next donation review is scheduled for April 2023

Board Donations

N/A

Finance Update

Annual Director Expense Summary for 2022

Director Cooney motioned to approve the 2022 Annual Director Expense Summary as presented. Director Alexander seconded. The motion was voted and passed.

2022 Financial Review

Manager Lehigh reviewed the 2022 unaudited financials and advised that SMPA met all financial ratios in 2022, noting that margins were slim; however, that was intentional for several reasons, including but not limited to minimizing rate impact on the membership. SMPA continues to grow, adding 204 new services and increasing overhead and underground line miles.

January 2023 Financial Report

Manager Lehigh reviewed the January financial report, noting that January revenues were less than budget by 1.25%, purchased power was 2.67% above budget, and January residential kWh sales increased from 2022 by 2.4%. January commercial kWh sales decreased from 2022 by 2,134 kWh or -.02%.

Marketing & Member Services

Idle Services Update and Discussion

Manager Freeman reviewed proposed changes to Policy 300, General Rules and Regulations, which includes adding a section to the policy that defines idle services and how they will be handled. Manager Freeman advised the proposed changes have been communicated to the membership through multiple channels, including email, newsletter, website, legal notices in newspapers, social media posts, and a redline version of the policy is available on the SMPA website. Policy 300 will be reviewed at the March 28, 2023, Board of Directors meeting with action requested to adopt proposed changes.

Board Approval of SMPA submission of multiple applications for the DOLA MCR Grant and authorization of SMPA Board's Letter of Commitment for each application.

Manager Freeman advised that Key Accounts Executive Terry Schuyler is strategically and diligently working on the Microgrid for Community Resiliency (MCR) grant applications. Manager Freeman communicated that grant applications require the governing body to approve the grants' submissions. Following discussion, Director Cooney motioned that the SMPA Board approve the applications prepared and submitted by staff for the 2023 DOLA Microgrids for Community Resilience Planning Grant and approve the Letters of Commitment from the Board for each application. Director Rhoades seconded. The motion was voted and carried. The motion will be re-ratified at the March 2023 Board of Directors meeting as it did not meet the 10-day notice requirements.

Information Technology

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

Administration & Human Resources

Manager Zaporski reviewed the Administration & Human Resources report, highlighting the upcoming lineman and employee appreciation luncheons.

The Board reviewed Policy 107, Board Committees. Proposed updates to the policy included grammatical updates and minor verbiage changes. Director Brown motioned to adopt Policy 107 as presented. Director Garvey seconded. Following discussion, the motion was voted on and carried.

The Board reviewed Policy 103, Board Policy Availability. Proposed updates to the policy included grammatical updates and minor verbiage changes. Director Brown motioned to adopt Policy 103 as presented. Director Garvey seconded. Following discussion, the motion was voted on and carried.

Engineering | Operations | Safety and Regulatory Compliance

Capital Budget Override for Nucla Front Office Remodel

Manager Fox discussed the Nucla front office remodel project, advising that staff only received one bid for the project, and the bid was considerably higher than budgeted.

Following the discussion, Director Garvey motioned to approve the budget override to move forward with the Nucla front office remodel project. Director Cokes seconded. The motion was voted and carried.

Manager Fox reviewed his report, commenting that supply chain challenges continue, including long lead times on items such as wire and conductor. However, on a positive note, an order placed 14 months ago for single-phase transformers has been delivered and eased inventory concerns for upcoming residential projects. Manager Zaporski commented that supply chain delays impact cash flow because when items are ordered, it is uncertain when they will be received, and the pricing is not provided until the items ship.

7. BOARD TOPICS

N/A

8. ASSOCIATED MEETING REPORTS

CREA – Debbie Cokes

Director Cokes informed the Board that she was invited to join CREA's legislative committee, which will be beneficial as she will receive more in-depth information to share with the Board regarding legislative topics. Director Cokes, Director Felicelli, Director Cooney, and Director Alexander attended CREA's Annual Meeting. The Directors reviewed topics discussed at the meeting, including general challenges cooperatives face as things rapidly change in the electric utility industry, Electric Vehicle (EV) strategy and policy considerations, and the economic landscape.

Western United (WU) – Dave Alexander

Director Alexander reported that Western United had another record year. WU is beginning to get some materials in faster; however, other items still have long lead times.

Tri-State – Kevin Cooney

Director Cooney reported that Tri-State has filed Phase II of the Electric Resource Plan (ERP) to Colorado Public Utilities Commission (CoPUC). Phase II of the ERP focuses on the acquisition of renewable assets to diversify the energy portfolio. Following an analysis of Tri-State's energy portfolio, it was determined that they only need to add a small increase of renewable resources to their mix to meet their renewable goals.

Director Cooney reported at the TS strategic planning session there was a focus on preparing for a future that anticipates that TS will join the Southwest Power Pool. The Southwest Power Pool is a Regional Transmission Operator (RTO). An RTO coordinates, controls and monitors the operation of the electrical power system.

Director Cooney advised that the Rate Design Committee has completed its work on the development of a rate recommendation to the Tri-State Board of Directors for a member rate in Tri-State's required filing at FERC. The committee did not recommend the direct assignment of radial line costs, but FERC will likely advise changes.

EcoAction Partners – Toby Brown

Director Brown reported that EcoAction has been awarded grants that help support the organization's operation throughout the year. Director Brown communicated that EcoAction completed 37 home IQ Weatherization's in 2022 and aims to complete 40 homes in 2023. The Income Qualified (IQ) Weatherization program includes an energy assessment and free energy efficiency upgrades that may include furnace/boiler replacement for older units, a new Energy Star refrigerator, attic, floor, and wall insulation, LED bulb replacement, and more.

ATTORNEY'S REPORT

Director Cokes made a motion at 1:32 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 1:32 PM and came out at 2:03 PM. While in executive session, no decisions were made, nor votes taken.

9. BOARD CALENDAR / TRAVEL

The Board reviewed upcoming meetings and training opportunities, including Tri-State's Annual Meeting scheduled for April 4-5, 2023, in Denver, CO.

10. MISCELLANEOUS

Tri-State Annual Meeting Voting Delegate and Alternate

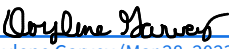
Director Cokes motioned that Director Felicelli serve as the Tri-State Voting delegate and Director Cooney to serve as the Alternate Voting Delegate. Director Garvey seconded. The motion was voted and carried.

11. NEXT MEETING

The March 2023 Board of Directors meeting will occur on Tuesday, March 28, 2023, in Nucla and Via Zoom. The April 2023 Board of Directors meeting will occur on Tuesday, April 25, 2023, in Ridgway and Via Zoom.

12. ADJOURN

At 2:05 PM, Director Brown motioned to adjourn the meeting. Director Garvey seconded. The motion was voted and carried.


[Doyleene Garvey \(Mar 28, 2023 18:37 MDT\)](#)
Doyleene Garvey, Secretary/Treasurer