

1. MEETING PROTOCOLS

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 9:03 AM. The meeting was held in person at the Ridgway office location and via Zoom Video/Teleconference. Director Rhoades attended virtually via Zoom, Director Felicelli, Director Alexander, Director Garvey, Director Cokes, Director Cooney and Director Brown attended the meeting in person at the Ridgway office.

3. DIRECTORS CREED

Swearing-in

Board President Director Felicelli advised incumbent District 2 Director Kevin Cooney of the need to recommit to the Directors Creed. The Directors Creed is the Directors' pledge to abide by SMPA Bylaws, policies, and the rules and regulations of the power company. Director Cooney confirmed that he has read the Directors Creed in full and continues to agree to the statements within.

Election of Board Officers

Director Felicelli called for nominations for Board officers. Director Cokes motioned that the Board Officers remain as they are, with Director Felicelli as Board President, Director Alexander as Vice President and Director Garvey as Secretary/Treasurer. Director Brown seconded. No other nominations were made. Following discussion, the motion was voted and carried.

4. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (June 27, 2023), including the May 23, 2023, meeting minutes and re-ratifications to approve resolution 2023-01 to increase the debt limit and the re-ratification to direct legal counsel to amend the employee agreement for the CEO. Director Alexander seconded. The motion was voted and carried.

5. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli communicated he received positive comments regarding SMPA's Hybrid Annual Meeting.
- Director Cooney, Director Brown, Director Felicelli and Manager Zaporski advised they had received several comments from members regarding the Telluride Voodoo project and the associated fees.
- Director Felicelli reported receiving positive feedback regarding the Pano AI project and the collaboration with the Telluride Fire Department on advanced technology.
- Director Cooney reported that there is still conversation regarding the proposed Wright Mesa One Solar project, noting that there appears to be a lot of misinformation floating around. Director Cooney expressed appreciation for the recent article in the Telluride Daily Planet newspaper that helped clarify that SMPA has no involvement in the project.
- Manager Zaporski advised he had attended the Small Miners Association meeting and heard their concerns regarding the idle service policy. Additionally, SMPA will join the Small Miners Association and, as a member, will receive minutes and be able to stay aware of the challenges the organizations are concerned with.

- Manager Zaporski reported receiving feedback regarding the timing matters information campaign, noting that some of the feedback has been negative, with statements such as making individuals feel guilty for using power during peak hours.
- Manager Freeman stated SMPA received feedback from a member that they did not favor SMPA's Totally Green program. Manager Zaporski communicated that the Totally Green program complies with state regulations regarding Renewable Energy Credits (RECs).

6. STRATEGIC PLANNING UPDATE

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

Manager Fox reviewed the completed projects, such as a documented Vegetation Management Plan (VMP), the implementation of a drone inspection program and the finalization of a master United States Forest Service (USFS) Permit. Manager Fox also discussed continued initiatives/direction, including exploring grant opportunities, microgrid options and community education/involvement/partnerships.

Continue to improve SMPA's overall safety and work culture- Darcy Weimer and Danielle Rodriguez. Danielle Rodriguez, Manager of Human Resources, discussed how different safety and workplace culture looks in 2023 vs. 2020 during the peak pandemic while noting that the five initiatives designed to improve SMPA's overall safety and work culture are applicable in all situations. The initiatives include a focus on enhancing safety training & programs, methods to promote safety, evaluation of policy/procedures, and an emphasis on workplace culture, which have translated into a change in culture, improved safety results and more engaged employees.

Director Felicelli expressed his appreciation for the quarterly reports on the strategic objectives, noting the updates help measure the success of objective achievements.

7. CEO REPORT

CEO. Items

Power Supply Update

Manager Zaporski advised that two cooperatives have announced they will be moving to Guzman Energy as their power supplier. Manager Zaporski reported that Tri-State is dropping its case at the Federal Energy Regulatory Commission (FERC) regarding the initial details of a Partial Requirements Contract (PRC). Concurrently to dropping the case at FERC, Tri-State is working on a new version of a proposed PRC that includes an equalization payment; the equalization payment will be based on Tri-State's ability to 'sell' a coops portion of the load on the open market on the coop's behalf. If it sells for more than the coop would've paid, Tri-State will owe the coop; if it sells for less, the coop will receive an invoice for what is owed back to Tri-State. This proposed equalization payment would happen at the end of the year.

Rate Discussion

Manager Zaporski reported that neighboring coops have paused the implementation of a time-based rate structure that breaks out delivery and energy charges, noting the desire for more feedback and stakeholder meetings.

Introduction of Employee Guests

Terry Schuyler, Key Accounts Executive; Kelly Truelock, Senior Accountant; Megan Rutherford, Member Service Representative; Rebecca Lang, Member Service Representative; Alex Shelly, Communications Executive; Mark Prezbindowski, IT Specialist; Greg James, Purchasing/Store Specialist; and Mike Therriault, Engineering Supervisor, attended the meeting, either in person or virtually.

Executive Assistant MartyJo Davis 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, Mrs. Davis advised the Board of an award to be presented. Terry Schuyler, Key Accounts Executive, was recognized for his Community Involvement. Mr. Schuyler volunteers with several organizations in the community as well as involvement with community organizations, including serving on the Ridgway Town Counsel.

Community Focus Donations

The next donation review is scheduled for July 2023.

Board Donations

Director Brown donated \$200 to Ouray County Food Pantry.

Director Brown donated \$200 to the Telluride Foundation Housing Opportunity Fund.

Finance

Financial Review

Manager Lehigh reviewed the finance report, highlighting that revenue continues to outpace budget and prior year figures; however, as we move into summer months, revenue traditionally decreases. Manager Lehigh commented that residential kWh sales were up 7.1% from 2022 and commercial kWh sales were up 5.6% from 2022.

RUS Loan Application Update

Manager Lehigh communicated that the Rural Utilities Services (RUS) loan application package is still in progress.

Audit RFP Update

Manager Lehigh stated that the audit Request for Proposal (RFP) has been distributed to several firms, with a deadline of July 15, 2023, for interested parties. Targeting a review of the proposals and recommendations to the Board at the July Board meeting.

Marketing & Member Services

Member Dividends Update

Manager Freeman advised that member dividends are sent out at the beginning of the year, and per SMPA bylaws, unclaimed member dividends become unclaimable six months after the issue date; this year, that date is June 30th. It has been advertised across several platforms, including legal notices in newspapers and on the SMPA.com website. A list of unclaimed credits is available in a searchable format on the smpa.com website.

Manager Freeman did not have anything further to add to his report.

Information Technology

Manager Tea reviewed his report, highlighting improved protection for the offsite backup strategy by implementing NISC's new cloud backup solution. Manager Tea provided an update on the Time of Use (TOU)

Meter Data Management (MDM) project, noting that 33% of accounts have been migrated to the new billing format, which allows members to see how the time they use power could affect their bills.

Administration & Human Resources

Manager Rodriguez reviewed her report, noting that commercial insurance policies are renewed annually, on July 1st.

The Board reviewed an updated Policy 109, Delegating of Certain Duties of the Secretary and the Treasurer. Proposed updates include minor grammatical updates and policy format. Director Brown motioned to adopt Policy 109 as presented. Director Alexander seconded. Following discussion, the motion was voted on and carried.

The Board reviewed an updated Policy 111, Board Election Policy. Proposed updates include policy format changes but no changes to the content of the document. Director Garvey motioned to adopt Policy 111 as presented. Director Alexander seconded. Following discussion, the motion was voted on and carried.

Engineering | Operations | Safety and Regulatory Compliance

Manager Fox reviewed his report, highlighting that new service requests are still tracking above prior years. Mr. Fox added that Tri-State will be adding protection to Silverton's Cement Creek Substation in 2024, expanding fencing to accommodate a mobile substation. Mr. Fox noted that the Nucla front office remodel is delayed due to material delay.

8. BOARD TOPICS

N/A

9. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

Director Brown reported that Eco-Action's Green Business program is growing; the CARE program (income-qualified weatherization program) has completed 17 homes in 2023, with a goal of completing 40 homes by the end of the year, and the Truth or Dare program is in the schools. The Truth or Dare program is an elective school program designed for 9-13-year-olds and teaches students about climate change, greenhouse gases, and how to lower their carbon footprint and conserve resources.

CREA- Debbie Cokes

Director Cokes reported that CREA is discussing Net Metering with the Colorado Energy Office. Manager Zaporski commented that several coops are upset that they were not invited to the net metering conversations that will likely impact legislation that will then impact the individual coops.

Director Cokes added that CREA Board is supporting NRECA's international Guatemala project in August.

Legislative Review

CREA is discussing 2024 legislation.

Western United (WU)- Dave Alexander

N/A

Tri-State- Kevin Cooney

Director Cooney reported that the Tri-State budget is on edge; they could have a rating issue if they miss a goal. The budget is the basis of the rate case at FERC, noting that peak demand becomes more important in the new rate structure.

10. ATTORNEY'S REPORT

Director Alexander made a motion at 12:47 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 12:47 PM and came out at 2:05 PM. While in the executive session, no decisions were made, nor votes taken.

Approval of new Ridgway Franchise Agreement or Extension of Existing Franchise Agreement.

Following executive session, Director Cokes motioned to extend the Town of Ridgway's existing franchise agreement. Director Garvey seconded. Following discussion, the motion was voted and carried.

Approval of new Mountain Village Franchise Agreement or Extension of Existing Franchise Agreement.

Following executive session, Director Cokes motioned to extend the Town of Mountain Villages' existing franchise agreement. Director Garvey seconded. Following discussion, the motion was voted and carried.

Approval of CEO compensation package as discussed with Legal Counsel in Executive Session.

Director Alexander motioned to approve the CEO compensation package as discussed with legal counsel. Director Garvey seconded. Following discussion, the motion was voted and carried.

11. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings and training opportunities, including NRECA's Summer School for Directors scheduled for July 21-25, 2023, in Santa Fe, NM.

12. MISCELLANEOUS

Off-premise Board Meetings

The Board reviewed upcoming meeting schedule and possible off-premises meeting locations. Following discussion, the Board decided to host the August Board of Directors Meeting at the Telluride office location and move the budget work session to September 27, 2023, in Ridgway.

Donation to Mesa Hotline School

Manager Zaporski explained the benefits of Mesa Hotline School and advised that the Mesa Hotline School is requesting additional donations to support its program. Director Cooney motioned to donate \$2,000 from general funds to Mesa Hotline School. Director Garvey seconded. Following discussion, the motion was voted and carried. The motion will be re-ratified at the July Board of Directors meeting as it was not defined as an action item on the June agenda.

13. NEXT MEETING

The 2023-2026 Strategic Planning Session will occur July 11-12, 2023, at Elk Mountain Resort.

The next regular Board of Directors meeting will be held Tuesday, July 25, 2023, in Nucla and Via Zoom.

The August 2023 meeting will occur on Tuesday, August 22, 2023, at SMPA's Telluride Office Location and Via Zoom.

14. ADJOURN

At 2:25 PM, Director Cokes motioned to adjourn the meeting. Director Garvey seconded. The motion was voted and carried.

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Doyleene Garvey (Jul 25, 2023 22:22 MDT)

Doyleene Garvey, Secretary/Treasurer