

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 Nucla office location and via Zoom Video/Teleconference. Director Rhoades, Director Cokes, and Director Brown attended via Zoom Video/Teleconference, with Director Felicelli, Director Cooney, Director Alexander and Director Garvey attending in person at the Nucla office.

3. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (July 25, 2023), including June 27, 2023, meeting minutes with corrections and re-ratifications to approve a \$2,000 donation to Mesa Hotline School.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli received comments regarding the cost of electrical and transformer expenses associated with building a new house. Director Felicelli discussed the impacts of inflation and overall supply chain cost implications with the member.
- A member participating virtually expressed gratitude for SMPA's efforts to invest time researching and applying for grants to support renewable and resiliency projects.
- Manager Freeman advised he received feedback from a member that it could be viable for cooperatives to consider the cost of damages from wildfires into the undergrounding of power lines.
- Manager Freeman reported that staff received a thank you email from a Silverton member, expressing gratitude to SMPA's partnering with the Town of Silverton for the Energizing Rural Communities Grant Prize that resulted in Silverton receiving a \$100,000 prize.

5. STRATEGIC PLANNING UPDATE

Approval of 2023-2026 Strategic Objectives

Phil Bryson, the consultant selected to facilitate SMPA's 2023-2026 strategic planning session and Manager Zaporski reviewed the objective topics the Board had targeted at the 2023 strategic planning session. The topics focus on Safety, People and Culture, Member Engagement and Education, Technology, Power Supply/Rates/Financial, and Reliability and Resiliency. Mr. Bryson, the Board and Management team reviewed the objective verbiage and made a few grammatical changes to the original wording that helped streamline the statements. Following a review of the modified statements, Director Brown motioned to adopt the strategic objectives as modified. Director Rhoades seconded. Following discussion, the motion was voted and carried.

Approval of Revised Vision Statement

Manager Zaporski reviewed proposed changes to the vision, noting minimal changes. Following discussion, it was determined that the Board would further review the vision statement language and make a decision at a future Board of Directors meeting.

6. CEO REPORT

CEO Items

Power Supply Update

Manager Zaporski reported that Tri-State (TS) is offering on-bill repayment programs; one of the programs that Tri-State will be offering is modeled after SMPA's on-bill repayment program but is scaled to be available to all TS members. The program financing is made available through the Colorado Green Energy Fund. Manager Zaporski advised that TS is moving forward with Equalization Payment (EQP) to handle Partial Requirement Contracts (PRC); if approved by the Federal Energy Regulatory Commission (FREC), this will be the only way to participate in a Partial Requirements Contract (PRC) with TS. Staff are evaluating the EQP methodology and exploring ideas of how the EQP could work to SMPA's benefit.

Rate Discussion

Manager Zaporski communicated that one of the intents of the 'Timing Matters' was to engage the membership, inform them SMPA is considering this and solicit feedback. The members are responding and providing valuable feedback that allows staff to evaluate varying data points, unique situations and address concerns that arise. Manager Zaporski advised that neighboring cooperatives have paused the implementation of rate changes, and now a statewide group has been established to discuss net metering legislation and possible proposals for changes to this legislation.

Introduction of Employee Guests

Phil Zimmer, Energy Services Executive; Terry Schuyler, Key Accounts Executive; Kelly Truelock, Senior Staff Accountant; Joshua Hainey, Senior Staff Accountant; Megan Rutherford, Member Service Representative; Rebecca Lang, Member Service Representative; and Alex Shelley, Communications Executive, were in attendance at the meeting, either in person or virtually via the Zoom webinar platform.

Community Focus Donations

The Board reviewed the application scorecard results. Following review, Director Garvey motioned to award the Community Focus donation (as follows), apply for Basin match when applicable and carry forward the \$2,572 remaining donation funds to next quarter's review. Director Alexander seconded. The motion was voted and carried. The awarded amounts are as follows:

- Water Days Steering Committee, \$500 SMPA donation with a \$500 Basin Electric match request.
- Weehawken Creative Arts, \$500 SMPA donation with a \$500 Basin Electric match request.
- Montrose County Senior Citizens Transport (All Point Transit), \$1,000 SMPA donation with a \$1,000 Basin Electric match request.
- Mount Sneffels Education Foundation, \$1,300 SMPA donation with a \$1,300 Basin Electric match request.
- Ouray County Soccer Association, \$1,000 SMPA donation with a \$1,000 Basin Electric match request.
- Fortuna Tierra Club, \$500 SMPA donation with a \$500 Basin Electric match request.
- Hoof & Paw, \$650 SMPA donation with a \$650 Basin Electric match request.
- Western Slope Dark Sky Coalition, \$500 SMPA donation with a \$500 Basin Electric match request.

Board Donations

Director Rhoades donated \$200 to Silverton Hardrockers.

Director Cooney donated \$100 to the Second Chance Humane Society.

Finance

Financial Review

Manager Lehigh reviewed the finance report, highlighting that revenues for the year continue to perform ahead of budget and prior years.

2024 Budget Update

Manager Lehigh advised that the 2024 budget timeline is roughly a month ahead of historical schedules due to Tri-State publishing the wholesale rates earlier than in the past. The budget work session is scheduled for September 27, 2023, to review a draft budget with approval request at the October 24, 2023, Board of Directors meeting.

RUS Loan Application Approval

Manager Lehigh advised that the RUS loan application is not finalized; however, staff continues to work with RUS representatives to get the application finalized for future approval.

Audit RFP Review and Auditor Selection

Manager Lehigh reviewed the results of the RFP Audit Firms' submissions. Mr. Lehigh informed the Board that staff submitted multiple requests for proposal letters and that the team has thoroughly reviewed the submissions. Manager Lehigh advised that staff utilized a matrix evaluation process to assess the submissions. Following the review of submissions, Director Cooney motioned to retain Kelso for a 3-year engagement, stipulating that a new audit manager and partner be assigned to SMPA. The 3-year engagement encompasses audit services, 990 and retirement reviews. Director Rhoades seconded. The motion was voted and carried, with six in favor and one opposed.

Marketing & Member Services

Member Response to Timing Matters Update

Manager Freeman did not have anything further to add to the Timing Matters topic beyond the statements reviewed during the rate discussion in the CEO report.

Manager Freeman reviewed his report, noting that SMPA has been engaged with the contractor on a large construction project in Telluride, discussing what type of electrification rebates we have for our members and how they might be utilized in the project. The collaboration has resulted in one of SMPA's most significant rebate reimbursements at \$133,000, with a significant portion of the funds coming from Tri-State. The rebates for the project were for heat pumps, washers, refrigerators, dryers and LEDS.

Information Technology

Manager Tea reviewed his report, noting the Time of Use (TOU)/Meter Data Management (MDM) team continues to make progress in migrating accounts to TOU, targeting 12,000 accounts on TOU for the August billing. The team continues to fine-tune the TOU process as the project moves along.

Administration & Human Resources

Manager Rodriguez did not have anything to add to her report.

The Board reviewed an updated Policy 200, Signing of Checks. Following discussion, the Board decided to review the policy at the August Board of Directors meeting.

The Board reviewed Policy 303, Net Metering Policy. No updates proposed. Director Garvey motioned to adopt Policy 303 as presented. Director Alexander seconded. Following discussion, the motion was voted on and carried.

Resolution to Adopt the 457(b) Plan

Manager Rodriguez advised that the 457(b) provides supplemental retirement savings and/or incentive compensation to certain executive-level employees. Mrs. Rodriguez presented resolution 2023-02 Executive Compensation 457(b) Plan for adoption. After a review of the plan, Director Brown motioned to adopt resolution 2023-02 Executive Compensation 457(b) Plan. Director Rhoades seconded. Following discussion, the motion was voted on and carried.

Engineering | Operations | Safety and Regulatory Compliance

Manager Fox reviewed his report, highlighting the organization's recognition from CREA for three years of no loss time incidents. Manager Fox advised that Tri-State will resume vegetation management efforts on the line near Ophir in September/October. Manager Fox reported that staff met with potential contractors for the first rebuild phase of the Red Mountain project and will discuss the project details and the updated costs with the Board at the August Board meeting.

7. BOARD TOPICS

N/A

8. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

N/A

CREA- Debbie Cokes

Director Cokes reported that the CREA meeting was virtual, with the most prominent topic being net metering and the statewide group established to discuss net metering and possible rate changes.

Legislative Review

Director Cokes reported that CREA is being proactive about 2024 legislation, including proposed increased penalties for substation damage.

Western United (WU)- Dave Alexander

N/A

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State received both letters of support and letters of objection regarding their rate filing at FERC. FERC will decide before the end of the year regarding the proposed rates. In May, 41% of the member load was met by renewables, which was higher than projected for renewable planning. TS's financial performance is lagging; however, TS continues to keep financial ratios above bylaw requirements. Director Cooney advised that the United vs. Tri-State court case in Adams County is still active; the case is related to United challenging Tri-State's entry into FERC by allowing members that are not utilities. Additionally, Tri-State

staff is exploring federal grant funding to identify opportunities that a generation and transmission cooperative could take advantage of.

9. ATTORNEY'S REPORT

Director Alexander made a motion at 11:34 AM 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 11:34 AM and came out at 12:03 PM. While in the executive session, no decisions were made, nor votes taken.

10. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings and training opportunities, including the CREA Energy Innovations Summit and Fall Meeting, scheduled for October 28-31, 2023, in Westminster, CO.

11. MISCELLANEOUS

The Board discussed SMPA's Company Picnic scheduled for August 19, 2023, at Pa-co-chu-puk, Montrose, CO, with lunch served at noon.

12. NEXT MEETING

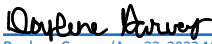
The next regular Board of Directors meeting will be held Tuesday, August 22, 2023, at the SMPA Telluride Office Location and Via Zoom.

The September 2023 meeting will occur on Tuesday, September 26, 2023, in Ridgway and via Zoom.

The 2024 Budget Work session meeting will be held on Wednesday, September 27, 2023, in Ridgway and via Zoom.

13. ADJOURN

At 2:45 PM, Director Garvey motioned to adjourn the meeting. Director Rhoades seconded. The motion was voted and carried.


Doyle Garvey (Aug 22, 2023 18:18 MDT)

Doyle Garvey, Secretary/Treasurer