

## **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 Director's regular meeting to order at 9:02 AM. The meeting was held in person at the Telluride office location and via Zoom Video/Teleconference. Director Cokes attended via Zoom Video/Teleconference, with Director Felicelli, Director Cooney, Director Alexander, Director Rhoades, Director Brown and Director Garvey attending in person at the Telluride office.

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

Director Garvey motioned to approve the revised consent agenda (August 22, 2023), including July 25, 2023, meeting minutes. Director Alexander seconded. The motion was voted and carried.

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

General Member/Consumer Comments

- Director Felicelli advised that he received comments from a member excited to learn about Time of Use (TOU) and how to manage their power use.
- Director Felicelli reported that a Town of Mountain Village Council Member contacted him to ask questions regarding details of the franchise agreement and net metering.
- Director Cooney stated a member asked about line extensions, why they are required, and how expenses are calculated.
- Director Cooney noted he is still addressing questions regarding the Wright Mesa One Solar project, stressing that SMPA has no involvement with the project.
- A San Miguel County Commissioner attended the meeting and expressed appreciation for all the work that SMPA does.
- Manager Zaporski shared a letter from the San Juan County Commissioners expressing gratitude for SMPA's well-trained and dedicated crews for their steadfast work during blizzard conditions, freezing temperatures and road closures, noting crew members went above and beyond to minimize the impact of the power outages to the citizens of Silverton.
- Manager Zaporski read an email that observed SMPA is involved in very compelling initiatives and thanked SMPA for pursuing grants and representing the membership so effectively.
- Director Garvey advised that SMPA received the Business of the Month Award from the Nucla-Naturita Chamber of Commerce (NNACC). Manager Zaporski joined NNACC for a round table discussion and learned some of the challenges the small businesses in the area are facing.

## **5. STRATEGIC PLANNING UPDATE**

Review Strategic Objective Final Wording and Team Leader Assignments

Manager Zaporski reviewed the strategic objectives the Board targeted for the SMPA's three-year strategic planning, including a focus on Safety, People and Culture, Member Engagement and Education, Technology, Power Supply/Rates/Financial, and Reliability and Resiliency. Manager Zaporski informed the Board of the team leaders assigned to specific objectives and that the next step is for team leaders to identify cross-departmental teams, followed by each team identifying the list of initiatives to achieve the objectives, as well as defining timelines to completion and Key Performance Indicators (KPI) to track process. Manager Zaporski stated that

each team will give an update report to the Board once a quarter, beginning February 2024. The objectives, along with each team's list of initiatives, result in SMPA's 2023 Strategic plan.

#### Approval of Revised Vision Statement

Manager Zaporski presented a revised version of SMPA's Vision Statement; proposed updates included an emphasis on being a model cooperative and prioritizing safety first. Following review, Director Rhoades motioned to accept the vision statement revisions as presented. Director Alexander seconded. The motion was voted and carried.

### **6. CEO REPORT**

#### **CEO Items**

##### Power Supply Update

Manager Zaporski reported that Tri-State (TS) and United are still involved in mediation in Adams County Court regarding United's case against TS regarding their actions to become FERC-regulated. Additionally, Tri-State's stated rate case at the Federal Energy Regulatory Commission (FERC) is still in review, noting that a recent conversation at FERC indicates TS may have some flexibility in defining the methodology to determine direct assignment assets. Staff continues evaluating Tri-State's new Partial Requirements Contract (PRC) Equalization Payment (EQP) methodology to explore how the EQP could benefit SMPA.

##### Rate Discussion

Manager Zaporski advised that neighboring cooperatives have paused the implementation of rate changes that introduce delivery charges. This includes Sanger De Christo's recent attempt at a rate change and Holy Cross'. Manager Zaporski noted that SMPA's approach to communicating the Time of Use (TOU) concept well in advance of making any changes to the rate has proven to be a good strategy to help educate and engage the membership and to help get them familiar with the concept, solicit feedback and troubleshoot challenges before rates are impacted. Manager Zaporski communicated that statewide net metering legislation is under review with a stakeholder engagement group; staff will monitor the situation and pass along pertinent information.

#### **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; Greg James, Purchasing and Stores Supervisor; Mark Prezbindowski, IT Specialist; 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 next donation review is scheduled for October 2023.

#### **Board Donations**

Director Brown donated \$200 to Tri-County Health for the Spanish Language Drivers Exam Workshop.

Director Brown donated \$100 to Just for Kids organization to support the Mountain to Dessert Bike Ride.

Director Cooney donated \$100 to KOTO.

Director Felicelli donated \$500 to the Go Hawkeye Foundation and requested to apply for a matching donation from Basin Electric.

## **Finance**

### **Financial Review**

Manager Lehigh reviewed the finance report, highlighting that revenues for the year continue to perform ahead of budget (4.9%) and prior years (6.6%), with a slight cost of power increase (3.8% above budget). If revenues continue to perform well through the end of the year, staff will amend the revenue deferral plan for RUS approval to move the 2023 funds to be used in 2024 to help with rate stabilization.

### **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 Update**

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.

### **2022 Capital Credit Allocation**

Manager Lehigh reviewed capital credits/member dividends and proposed moving forward with a member dividend retirement to the membership of \$671,166. Following the discussion, Director Brown motioned to allocate \$671,000 in capital credits/member dividends for 2022. Director Alexander seconded. The motion was voted and carried. This motion will be re-ratified at the September Board of Directors meeting as it did not meet the 10-day notice requirement.

### **Audit Engagement Letter**

Manager Lehigh advised that following the Board's selection of Kelso and Company as SMPA's audit firm, he has signed the engagement letter to retain the services for 2023-2025.

Manager Lehigh added that the Ouray Silver Mines has sold, and staff is working with the new owners to establish an Intermittent Load Agreement (ILA) with the company. An ILA is a risk mitigation tool to ensure that any costs associated with upgrading the system are paid for by the organization requesting it and do not affect the membership.

## **Marketing & Member Services**

### **Idle Services Policy Update**

Manager Freeman provided an update on the idle services project, noting that in the past year, staff has engaged in a significant member outreach campaign to educate and communicate about the idle service policy, noting the program has positioned staff to address safety concerns easily and helps ensure equitable cost recovery for grid maintenance amongst the membership.

## **Information Technology**

Manager Tea reviewed his report, noting the Time of Use (TOU)/Meter Data Management (MDM) team continues to progress in migrating accounts to TOU, targeting 95% of accounts migrated to the TOU by the October billing. The remaining accounts to be converted represent accounts with complexities to be addressed before migrating them to a TOU. Manager Tea advised that staff is targeting November to migrate SMPA's

phone system from Mitel to Ring Central, the new platform will provide improved applications while saving money.

#### **Administration & Human Resources**

Manager Rodriguez reviewed her report highlighting a reduction in workman comp rates and noted that group insurance plans will have an increase in the 2024 budget.

The Board reviewed an updated Policy 200, Issuance of Checks. Minor grammatical corrections proposed. Director Alexander motioned to adopt Policy 200 as presented. Director Garvey seconded. Following discussion, the motion was voted on and carried.

The Board reviewed an updated Policy 201, Bonds and Insurance. No changes proposed. Director Alexander motioned to adopt Policy 201 as presented. Director Garvey seconded. Following discussion, the motion was voted on and carried.

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

Broadband Easement through SB-107

Manager Fox reviewed SB-107, noting the benefits of the act as well as potential risks to be considered. Following the review of SB-107, Director Rhoades motioned to allow amendment of current and future joint use agreement contracts to utilize SB-107 options for fiber deployment within SMPA service territory. Director Alexander seconded. Following discussion, the motion was voted and carried.

Manager Fox reviewed his report, highlighting that the Paradox Solar Array has been repaired utilizing funds from the O&M account that was set up and paid for by subscribers to the array, not through the general funds account.

#### **7. BOARD TOPICS**

N/A

#### **8. ASSOCIATED MEETING REPORTS**

Eco-Action- Toby Brown

N/A

CREA- Debbie Cokes

N/A

Legislative Review

Director Cokes reported that CREA has meetings scheduled to discuss net metering and regular Directors' meeting.

Western United (WU)- Dave Alexander

N/A

Tri-State- Kevin Cooney

Director Cooney reported that a significant portion of the recent Tri-State meeting occurred during the executive session. Director Cooney advised Tri-State had a low availability of coal generation as the Craig Plant 3 was down for maintenance with renewable generation at 42% of member load, which is almost a record high. Tri-State continues to pursue building a more extensive renewable generation portfolio to meet the Energy Resource filed with the Colorado State Commission in 2021. Director Cooney advised that Tri-State has hired a consultant firm to help with applications for Federal funds for rural cooperatives and infrastructure expansions. Tri-State is pursuing multiple provisions for funding, including a stranded asset provision for plants that are being closed while they still have years of financing left on them and a direct pay provision that allows a cooperative to build their own renewable project.

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

Director Garvey made a motion at 1:29 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 1:29 PM and came out at 2:21 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 online training options and the CREA Energy Innovations Summit and Fall Meeting, scheduled for October 28-31, 2023, in Westminster, CO.

#### **11. MISCELLANEOUS**

N/A

#### **12. NEXT MEETING**

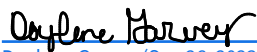
The next regular Board of Directors meeting will be held on Tuesday, September 26, 2023, in Ridgway and via Zoom.

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

The October 2023 meeting will occur on Tuesday, October 24, 2023, in Nucla and via Zoom.

#### **13. ADJOURN**

At 2:55 PM, Director Rhoades motioned to adjourn the meeting. Director Alexander seconded. The motion was voted and carried.



Doyleene Garvey (Sep 26, 2023 18:00 MDT)

Doyleene Garvey, Secretary/Treasurer