

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 9:04 AM. The meeting was held in person at the Nucla office location and via Zoom Video/Teleconference. All Directors were in attendance in person at the Nucla office location.

3. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the consent agenda (December 19, 2023), including the meeting minutes from November 14, 2023, with corrections. Director Alexander seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli expressed gratitude to a member from Rico for feedback regarding SMPA's rate structures.
- Director Felicelli advised that he spoke with a member interested in solar options in downtown Telluride; he referred the member to staff for more information.
- Director Cooney received comments and questions from members in the Ophir area regarding the outcome of the proposed solar array, observing a sense that information surrounding the project was unclear. Noting that perhaps the purpose of the project, which was to support the town's resiliency, was not communicated clearly.
- Director Cokes received comments from members expressing interest in the Timing Matters - Time of Use (TOU) information. Director Felicelli added that he received similar feedback, including how it helps change behavior in terms of when activities are scheduled, such as when to use the dishwasher or do laundry.
- Director Cokes reported a few members had challenges bringing their computer systems back up following a planned outage.
- Director Alexander stated a member had questions regarding solar panels; he referred the member to staff for more information.
- Director Alexander advised that a group of members remains opposed to OneEnergy Renewables' proposed Wright Mesa Solar Project in Norwood. The group is hosting meetings to discuss topics and submit letters of opposition to the Board of County Commissioners. Director Alexander communicated that he made sure the group was aware that SMPA has no involvement with the project.
- Member Tom Loczy attended the meeting and expressed interest in running for SMPA's District 1 Board of Directors seat in 2024.

CEO Items

Power Supply Update

Manager Fox reported that Tri-State (TS), as part of their Energy Resource Plan (ERP), has accelerated the proposed closure date for Craig Stations, now targeting closure for September 2028. Manager Lehigh advised that Tri-State anticipates adequate margins at year-end to maintain debt covenants. Director Cooney

commented that the utilization of revenue deferral from past years has played a significant role in buoying Tri-State's budget this year.

Rate Discussion

Manager Fox advised that staff continues to work on the Time of Use (TOU) project. Manager Tea discussed the challenges and gains the team has experienced to date and member engagement opportunities the project has provided.

Introduction of Employee Guests

Terry Schuyler, Key Accounts Executive; Kelly Truelock, Senior Staff Accountant; Joshua Hainey, Senior Staff Accountant; Greg James, Purchasing and Stores Supervisor; Mike Therriault, Engineering Supervisor; Megan Rutherford, Member Service Representative; Candida Fierro, Member Service Representative, Samantha Hall, Member Services Representative; Merrill Carpenter, Mechanic/Warehouseman; and Alex Shelley, Communications Executive, attended the meeting, either in person or virtually via the Zoom webinar platform.

Community Focus Donations

The next donation review is scheduled for January 2024.

Board Donations

Director Brown donated \$100 to Angel Baskets.

Director Rhoades donated \$50 to Angel Baskets.

Director Rhoades donated \$100 to Silverton Senior Center.

Director Rhoades donated \$50 to Ouray Senior Citizen (Neighbor-to-Neighbor).

Director Alexander donated \$100 to Norwood Schools.

Director Cokes donated \$200 to Ouray County Support and Advocacy.

Finance

Monthly Financial Review

Manager Lehigh reported that October's financials were good, and November's financials were slightly below forecast. However, year-to-date revenues are still up. Manager Lehigh stated that SMPA is in a strong position for the year-end; he anticipates proposing a revenue deferral amendment at the December meeting that may include additional funds to be added.

Manager Feeman and Manager Fox explained the load factor. The load factor is the ratio of actual kWh used divided by the total possible kWh that could have been used for a billing period. A low load factor means that electricity is being used inefficiently relative to how it could be used if able to control peak demand. The team also discussed the significance of weather/temperatures on load factors, revenues and expenses.

Member Dividend Retirement Approval

Manager Lehigh reviewed capital credits/member dividends and proposed a 1-million-dollar member dividend retirement to the membership. Following discussion, Director Rhoades motioned to retire 1 million dollars in capital credits/member dividends using the FIFO (First In, First Out) method. Director Alexander seconded. The motion was voted and carried.

Resolution 2023-03, RUS Loan Approval AE45

Manager Lehigh reviewed Resolution 2023-03, approval of RUS Loan AE45. The loan is through the Rural Utility Services (RUS) and aligns with the 2023-2026 Construction Work Plan (CWP). Manager Lehigh advised that loan

rates through RUS are significantly lower than those of other lenders. Following discussion, Director Alexander motioned to approve Resolution 2023-03- RUS Loan Approval AE45. Director Rhoades seconded. The motion was voted and carried.

Marketing & Member Services

Sharing Success Grant

Director Garvey reported that the Sharing Success Committee received twenty-five (25) applications requesting \$368,750 in funds. Following a review of the applications, the committee recommendations are below:

Town of Rico	\$15,000
Ouray Ice Park	\$5,000

Following discussion, Director Garvey motioned to approve the 2023 Sharing Success Grants Committee recommendations as outlined above. Director Rhoades seconded. The motion was voted and carried.

Manager Freeman reviewed his report, noting that staff are working on microgrid feasibility studies for four communities in SMPA's service territory.

Information Technology

Manager Tea reviewed his report, highlighting that the phone system conversion to RingCentral is scheduled for January 5, 2024.

Administration & Human Resources

Manager Rodriguez reviewed her report, advising that the focus is on year-end activities and preparing to onboard the new mechanic/warehouseman.

Engineering | Operations | Safety and Regulatory Compliance

Manager Fox reviewed his report, noting that the contractor for the Red Mountain project is currently working with the Colorado Department of Transportation (CDOT) on permitting for the projects. Mr. Fox informed the Board that Tri-State will place a mobile substation at SMPA's Silverton substation in the summer of 2024. The placement will allow several maintenance projects to be completed on the transformer. Manager Fox advised that the Nucla front office safety remodel will begin in January. Mr. Fox highlighted that SMPA has gone three (3) years with no loss time accidents, and an SMPA-specific safety manual will be rolled out in early 2024.

6. BOARD TOPICS

Appointment to Tri-State Contract Committee

Director Felicelli communicated that per Tri-State bylaws, the organization must host a contract committee every four years to evaluate the existing Wholesale Electric Service Contract (WESC). It is anticipated the focus of this contract committee will be ideas for flexibility as a general principle that could change the WESC. Director Felicelli motioned that Director Cooney be appointed as SMPA's representative on the Tri-State Contract Committee. Director Cokes seconded. No other nominations were made. Following discussion, the motion was voted and carried.

7. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

Director Brown advised that Eco-Action is thriving and very engaged in the community. Director Felicelli commented that a few years ago, Eco-Action appeared to be on the verge of dissolving; however, it is remarkable how the organization has evolved and rebounded.

CREA- Debbie Cokes

Director Cokes attended the joint CREA Board/Manager meeting virtually. Several organizations are advocating for more flexibility in CREA's membership contract, including a menu of services to select from. Director Cokes advised that the CREA Board passed three policies: a conflict-of-interest policy/code of conduct policy, a non-discrimination policy, and rules for the conduct of meetings. Director Cokes communicated that a significant topic at the meeting was the importance of respectful behavior and how bad behavior can create a bad culture. The Power Act is a new law enacted in Colorado on October 1, 2023. The act is an amendment to current employment discrimination, essentially defining higher standards than previously in place.

Legislative Review

Director Cokes said she was invited to participate on CREA's Legislative Committee. The Colorado Energy Office recently shared draft updates to the clean energy planning for 2040, with a focus on reducing greenhouse gases by 2040. CREA is concerned about the proposals, anticipating that it will negatively impact reliability and cost.

Western United (WU)- Dave Alexander

N/A

Tri-State- Kevin Cooney

Director Cooney advised the Contract Termination Payment (CTP) case at the Federal Energy Regulatory Commission (FERC) is being reviewed today. The ruling and final numbers determined by FERC are critical data points needed for a thorough analysis of the power supply for all members. If the final numbers are low, it could result in several members pursuing an exit from Tri-State. Director Cooney informed the Board that La Plata Electric Association (LPEA) filed a case against Tri-State using the same legal counsel and similar terms that United used for the case in Adams County. Additionally, Tri-State has filed an updated Energy Resource Plan (ERP) with the Colorado Public Utility Commission (CoPUC). The filing includes several scenarios, noting the preferred scenario includes TS being awarded a large amount of grant funding to be used to add significant renewables and battery storage to Tri-State's system. The updated ERP filing anticipates an 89% reduction in carbon from 2005 levels to 2030 levels, which would surpass environmental groups' goals.

8. ATTORNEY'S REPORT

Executive Session

Director Rhoades made a motion at 11:47 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 11:47 AM and came out at 12:16 PM. While in the executive session, no decisions were made, nor votes taken.

9. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings and training opportunities, including the CREA Annual Meeting, scheduled for January 31 - February 3, 2024, in Westminster, CO.

10. MISCELLANEOUS

N/A

11. NEXT MEETING

The next regular Board of Directors meeting will be held on Tuesday, January 23, 2024, in Ridgway and via Zoom. The February 2024 meeting will occur on Tuesday, February 27, 2024, in Nucla and via Zoom.

12. ADJOURN

At 1:29 PM, Director Rhoades motioned to adjourn the meeting. Director Cokes seconded. The motion was voted and carried.


Doyleene Garvey (Jan 25, 2024 10:00 MST)

Doyleene Garvey, Secretary/Treasurer






12.19.23_Minutes_Approved

Final Audit Report

2024-01-25

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