

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 9:02 AM. The meeting was held in person at the Ridgway office location and via Zoom Video/Teleconference. All directors attended in person at the Ridgway office location.

3. APPROVAL OF CONSENT AGENDA

Director Felicelli adjourned November 15, 2022, agenda item 7.a.iii Power Supply, noting no additional meetings were needed. Director Alexander motioned to approve the revised consent agenda (December 13, 2022), including the November 15, 2022, meeting minutes. Director Rhoades seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Garvey received feedback from a member expressing dissatisfaction about seasonal reconnect fees.
- Director Cokes received comments regarding geothermal grant possibilities.
- Director Cooney reported communicating with members who had questions regarding the possibility of large local storage options and the possibility of applying for an Innovations Grant from the government to support the project.
- Director Cooney stated he responded to member comments regarding feedback about Tri-State's financial issues that have been in the news recently.
- Director Felicelli received feedback from a member desiring the rate increase to be the kWh vs. access fee.

5. BOARD TOPICS

Microgrids

Director Cooney discussed the successful Microgrid project at the San Miguel County building, noting it has received positive attention. Director Cooney observed that microgrid systems are important not only as an efficiency measure but as a resiliency tool, especially in light of current events occurring in the United States. Staff communicated they are discussing microgrids and exploring funding opportunities through state and federal grants.

6. STRATEGIC PLANNINGS

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

Manager Fox reviewed completed initiatives as well as new and continued initiatives, including work to finalize the wildland fire mitigation plan and a drone inspection program implementation. Mr. Fox advised that staff is exploring grant funding options, the possibility of increasing vegetation management, and pilot projects for resiliency measures, such as microgrids, to further support the objective of prioritizing reliability and resiliency risk and issues. Manager Fox communicated that staff is also focused on the Red Mountain Reliability and Broadband Improvement Project, including evaluating alternatives to line rebuild. Equipment Technician Mike

Morlang and Engineering Supervisor Mike Therriault demonstrated how field safety equipment works to help mitigate fire risk.

Continue to improve SMPA's overall safety and work culture- Danielle Rodriguez and Darcy Weimer
Danielle Rodriguez, Human Resources and Administration Coordinator, reviewed the five initiatives designed to improve SMPA's overall safety and work culture; a focus on enhancing safety training & programs, methods to promote safety, evaluation of policy/procedures, and an emphasis on workplace culture. Mrs. Rodriguez highlighted workplace culture initiatives that have been successful and focus on team building, wellness, employee recognition and achievement awards and other employee programs. She also noted completed and upcoming safety training programs.

7. C.E.O. REPORT

C.E.O. Items

Power Supply Update

Manager Zaporski advised that all exceptions have been heard at the Federal Energy Regulatory Committee (FERC) regarding the stated rate and the Buy Down Payment (BDP) cases. Staff is waiting for the final FERC decision to be announced as the decision is a critical data point needed to evaluate all options and determine the best method to move forward.

Legislative Review

Manager Zaporskia advised that CREA has voted to amend a proposed resources adequacy legislation.

Indeterminant Load Agreement (ILA)

Manager Zaporski reviewed that an Intermittent Load agreement (ILA) is a risk mitigation tool to ensure that the cost associated with infrastructure system upgrades are paid for by the organization requesting it and does not affect the membership.

Federal Funding

Manager Zaporski communicated that over the next five years, there will be several funding opportunities through state and/or federal grant programs. Staff is currently exploring multiple possibilities; the next steps will be to narrow down options and focus on specific grants. Manager Zaporski noted that federal funding is not genuinely free money as it requires an incredible amount of work to pursue. SMPA will likely hire a grant writer to assist with the process.

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

The next donation review is scheduled for January 2023.

Board Donations

- Director Felicelli donated \$50 to Angel Baskets.
- Director Felicelli donated \$50 to San Miguel Resource Center.
- Director Rhoades donated \$50 to Angel Baskets
- Director Rhoades donated \$100 to Ouray Mountain Rescue.
- Director Rhoades donated \$50 to Ouray Food Bank.
- Director Alexander donated \$200 to True North.
- Director Alexander donated \$150 to the Town of Norwood for the banner program.
- Director Alexander donated \$150 to the Town of Norwood for the fireworks program.
- Director Cokes donated \$200 to the Ouray County EMS.
- Director Brown donated \$150 to Telluride Foundation's Good Neighbor Fund.
- Director Brown donated \$50 to Angel Baskets.

Finance Update

Board Education

Manager Lehigh reviewed residential, commercial, and irrigation members served 2019-2022 revenue trends. Mr. Lehigh discussed revenues, kWh sold, and active meters in each rate category, noting the impact of COVID-19 pandemic, supply chain challenges, and the impacts of beneficial electrification and net metering.

Financial Update

Manager Lehigh reviewed the finance report, highlighting that SMPA is currently exceeding financial ratios.

Marketing & Member Services

Sharing Success Grant

Director Garvey reported that the Sharing Success Committee received six applications requesting \$86,250 in funds. Following a review of the applications, the committee recommendations are below:

West End Economic Development Corporation (WEEDC)	\$10,000
Home Trust of Ouray County	\$10,000

Following discussion, Director Cokes motioned to approve the 2022 Sharing Success Grants Committee recommendations as outlined above. Director Cooney seconded. The motion was voted and carried.

Solar Net Meter System Request for Greater than Policy Limits

Manager Freeman advised that the Telluride School District has received grant funds from DOLA to aid in the construction of a large solar project on the Telluride High/Middle/Intermediate School. Manager Freeman noted that it will still have to go through the technical review process when they reach that stage of the project.

Following discussion, Director Garvey motioned to approve Telluride School to move forward with the solar project that is greater than policy limits. Director Cokes seconded. The motion was voted and carried.

Manager Freeman reviewed his report, advising that staff recently completed a billing rate code audit and identified several accounts that needed to be reassigned, noting that the audit is one piece of the puzzle as staff prepares for anticipated rate structure changes in the future. Additionally, staff continues to work on a draft idle service policy to present to the Board for review,

Information Technology

Manager Tea reviewed his report highlighting that the Time of Use (TOU) project is progressing well.

Administration & Human Resources

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, highlighting that requests have been submitted to various providers for worker compensation quotes.

The Board reviewed a revised Policy 301, Line Extension and Alteration. Proposed updates include an update to tap fee allocation, an update to the facility reinforcement fees service size, and defining idle service in the policy. Director Rhoades motioned to adopt Policy 301 as presented. Director Alexander seconded. Following discussion, the motion was voted on and carried.

Engineering | Operations | Safety and Regulatory Compliance

MIP Presentation, KJ Johnson

Area Service Technician KJ Johnson expressed his gratitude for the opportunity to attend the National Rural Electric Cooperative Association's (NRECA) Manager Internship Program (MIP). Mr. Johnson explained that the MIP course is a comprehensive, in-depth program about every facet of the cooperative business. Mr. Johnson chose to research Meters in the Wild as a project as part of the coursework. Mr. Johnson advised that a meter in the wild is a meter that is connected to the grid but not set up in the system. Mr. Johnson reviewed how a meter in the wild could occur, examined SMPA's existing processes, how to locate missing meters and developed new process recommendations.

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

8. ASSOCIATED MEETING REPORTS

CREA – Debbie Cokes

Director Cokes advised that CREA is pursuing legislation regarding resource management; however, there may be other tools more fitting to manage resource adequacy than legislation developed by public utilities. The proposed legislation could create significant reporting challenges for cooperatives instead of the targeted alternate power suppliers.

Western United (WU) – Dave Alexander

Director Alexander reported that WU continues to do well and has increased inventory by 35% over the prior year to help mitigate supply chain challenges.

Tri-State – Kevin Cooney

Director Cooney informed the Board that the Tri-State budget is very tight, as they plan to utilize the last of their deferred revenue, budgeting for no margins, and is precariously close to Debt Service Ratio (DSR). Director Cooney advised that the rate committee continues to review the information and work towards recommending a rate structure to the Board for approval, which then will be submitted to FERC for review and approval. Director Cooney noted that the direct assignment of radial line costs continues to be debated in the meetings.

EcoAction Partners – Toby Brown
N/A

9. ATTORNEY'S REPORT

Director Brown made a motion at 3:03 PM to enter into executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted and carried. The Board entered into executive session at 3:03 PM and came out at 3:35 PM. While in executive session, no decisions were made, nor votes taken.

10. BOARD TRAVEL

The Board reviewed upcoming meetings and training opportunities, including CREA's Annual Meeting scheduled for February 22-25, 2023, in Denver, CO.

11. MISCELLANEOUS

General Counsel Contract Renewal

Director Brown motioned to renew Jim Link's general counsel contract for another year with no changes. Director Alexander seconded. The motion was voted and carried.

Strategic Planning Session

Manager Zaporski reviewed dates and facilitator options for the 2023 strategic planning session. Following discussion, the Board decided to work with Phil Bryson to facilitate the session and targeted dates in July.

12. BOARD CALENDAR REVIEW

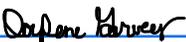
N/A

13. NEXT MEETING

The January 2023 Board of Directors meeting will occur on Tuesday, January 24, 2023, in Nucla and Via Zoom. The February 2023 Board of Directors meeting will occur on Tuesday, February 28, 2023, in Ridgway and Via Zoom.

14. ADJOURN

At 4:02 PM, Director Rhoades motioned to adjourn the meeting with respect to all Agenda Items except item 7.a.i Power Supply Update. Discussion on Item 7.a.i and possible Executive Session regarding that topic is suspended so that if the CEO deems it necessary to update the Board regarding this topic, the Board can resume discussion without the need to call a Special Meeting. Director Cokes seconded. The motion was voted and carried.


Doyle Garvey (Jan 25, 2023 09:55 MST)

Doylene Garvey, Secretary/Treasurer