

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 9:05 AM. The meeting was held in person at the Nucla office location and via Zoom Video/Teleconference. Director Rhoades and Director Brown attended via Zoom Video/Teleconference, with Director Felicelli, Director Alexander, Director Cokes and Director Garvey attending in person at the Nucla office. Director Cooney was absent from the meeting.

3. APPROVAL OF CONSENT AGENDA

Director Felicelli adjourned December 13, 2022, agenda item 7.a.i Power Supply, noting no additional meetings were needed. Director Garvey motioned to approve the revised consent agenda (January 24, 2023), including the December 13, 2022, meeting minutes. Director Alexander seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli advised he had received positive feedback about the staff; the member noted that the staff has been good to work with on a large project in the Telluride area.
- Director Cokes, Manager Oliver and Manager Zaporski reported receiving compliments from members and the sheriff's department praising staff for the prompt, professional and efficient manner SMPA crews responded to the Ophir/Rico outage.
- Director Brown advised he received an email from a member regarding utility reliability and resiliency, noting that the email shows how SMPA's membership is aware and engaged on the landscape of the utility industry.
- Manager Freeman communicated that the staff had received negative feedback via an online review system, the member has been contacted, and the problem has been resolved.

Sharing Success Grant Presentation

Key Accounts Executive Terry Schuyler gave a brief overview of the Sharing Success Grant Program, explaining that a sub-committee reviews the Sharing Success Grant applications and makes recommendations to the Board. Then the Board votes on the recommendations. Mr. Schuyler reported funding for the program is a combination of SMPA funds and matching funds from CoBank.

- Mr. Schuyler presented Makayla Gordon, Interim Executive Director of the West End Economic Development Corporation (WEEDC), a \$10,000 check from Sharing Success Funds, announcing that WEEDC will receive an additional \$5,000 donation from Basin Electric.
- Mr. Schuyler presented Andrea Sokolowski, Executive Director of Ouray Home Trust and Jessica Frigetto, Ouray Home Trust Board Member, a \$10,000 check from Sharing Success Funds. Mr. Schuyler announced that Ouray Home Trust will receive an additional \$5,000 contribution from Basin Electric.

5. STRATEGIC PLANNING

Determine the optimal long-term power supply strategy that best achieves safe, reliable, cost-effective and environmentally responsible service to our members. Brad Zaporski

Manager Zaporski reported that staff has filed at the Federal Energy Regulatory Commission (FERC) requesting that the commission rehear SMPA's Buy Down Payment (BDP) filing. The filing list reasons why SMPA feels the commission should reconsider its initial decision to reject SMPA's initial BDP filing. Other items regarding the power supply topic will be discussed in the executive session.

6. C.E.O. REPORT

C.E.O. Items

Power Supply Update

Manager Zaporski informed the Board that staff continues to work with Guzman on various iterations of a partial and/or a full power supply contract, exploring possibilities and leaving options open for the future.

Legislative Review

Manager Zaporskia stated that CREA discussed the proposed resource adequacy bill, noting the bill legislation now includes verbiage that puts the burden for reporting responsibilities on the wholesale provider, not the distributor. Director Cokes added that, even if it passes, it could be tricky to administer and ensure it is obeyed. Additionally, the bill has some opposition as there is concern it may negatively impact future Regional Transmission Organization (RTO).

Federal Funding

Manager Zaporski, Manager Fox and Manager Freeman provided updates on the funding request that SMPA is pursuing. Manager Fox reported that, in collaboration with other cooperatives in the state, paperwork has been submitted to the Colorado Energy Office regarding Fire Mitigation Equipment. Manager Freeman advised that staff is working closely with town governments and various agencies in SMPA service territory to determine if they might benefit from a microgrid. Once determined if an area could benefit from a microgrid, work will begin on a planning grant to submit to the State of Colorado, which would help bring in resources to assess the project, complete a load analysis, and develop a shovel-ready project. Once a shovel-ready project is defined, a project grant would help with the project's construction.

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 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 \$1,872 remaining donation funds to next quarter's review. Director Brown seconded. The motion was voted and carried. The awarded amounts are as follows:

- San Juan BOCES, \$1,000 SMPA donation with a \$1,000 Basin Electric match request.
- Nucla-Naturita Area of Chamber of Commerce, \$1,500 with a \$1,500 Basin Electric match request.
- Ouray Public Library, \$1,000 SMPA donation with a \$1,000 Basin Electric match request.
- Second Chance Humane Society, \$2,000 SMPA donation with a \$2,000 Basin Electric match request.

- Unaweep Tabaguache Scenic Byway, \$1,500 SMPA donation with a \$1,500 Basin Electric match request.

Board Donations

- Director Cokes donated \$250 to the Second Chance Humane Society to be added to the Community Focus donation and apply for Basin match.
- Director Garvey donated \$250 to the Second Chance Humane Society to be added to the Community Focus donation and apply for Basin match.

Finance Update

Annual Finance Audit Contract Discussion

Manager Lehigh advised that it is the final year of the contract with the financial auditor. Staff will issue a Request for Proposal (RFP) for auditing services for the next audit cycle. Staff will examine submissions and present candidates and recommendations for the Board in the upcoming months.

Financial Update

Manager Lehigh reviewed the finance report, noting that SMPA is in a good position with net margins and financial ratios. Year-end financials will be close, but on the good side of close, with an option to amend the revenue deferral plan if needed to ensure budget goals are met.

Marketing & Member Services

Idle Services Update and Discussion

Manager Freeman reviewed that in September 2022 staff presented an analysis of Idle/Seasonal Services in SMPA's membership to the Board of Directors. In the presentation, staff identified that the other Colorado cooperatives have an Idle/Seasonal service policy in place which is a recommended best practice as such a policy helps ensure equitable cost recovery for grid maintenance amongst the membership. Manager Freeman reviewed a communication plan designed to inform the membership of proposed changes; the communication plan includes multiple efforts across several channels, including email, newsletter, website, legal notice in newspapers and social media posts. The plan will allow members several weeks to provide comments regarding proposed changes for Board review prior to the possible decision at the March 28, 2023, Board of Directors meeting.

Information Technology

Manager Tea reviewed his report highlighting that there are twelve members on the Time of Use (TOU) project team. The project is progressing well and is going live with Alpha Testing—more details and updates on the project will be provided during next month's information technology strategic objective update.

Administration & Human Resources

Human Resources and Administration Coordinator Danielle Rodriguez reviewed her report, highlighting that SMPA will host the CREA Human Resources Conference at the Ridgway office in May. Staff is planning to visit local schools to promote SMPA's youth programs, including scholarships, youth tour/camp programs and youth career opportunities.

The Board reviewed Policy 102, Functions of the Board of Directors. Proposed updates to the policy included grammatical updates and minor verbiage changes. Director Alexander motioned to adopt Policy 301 as presented. Director Rhoades seconded. Following discussion, the motion was voted on and carried.

The Board reviewed Policy 105, Delegations from the Board of Directors to General Manager/CEO. Proposed updates to the policy included grammatical updates and minor verbiage changes. Director Alexander motioned to adopt Policy 301 as presented. Director Rhoades seconded. Following discussion, the motion was voted on and carried.

Engineering | Operations | Safety and Regulatory Compliance

Pano AI

Manager Fox reviewed Pano AI, a new wildfire detection technology that combines software, AI, and hardware designed to improve resiliency and situation awareness. It is proposed that four high-definition cameras be placed in strategic places in San Miguel County that will utilize AI to identify fire up to 10-15 minutes sooner than without it. San Miguel County and Telluride Fire Protection District would like SMPA to contribute up to \$24,000 towards the pilot program. Following the discussion, Director Cokes motioned to approve participation in the Pano AI pilot program. Director Alexander seconded. The motion was voted and carried. The motion will be re-ratified at the February 2023 Board of Directors meeting as it did not meet the 10-day notice requirements.

Western Line Builders, Inc.

Manager Fox advised that staff has utilized Western Line Builders to assist with capital projects and projects on the construction work plan. Mr. Fox noted the contract with Western Line Builders is nearing expiration; however, the staff is working with the company on a contract amendment that would extend the contract for another year.

Manager Fox discussed the Nucla front office remodel project, advising that staff only received one bid for the project, and the bid was considerably higher than budgeted. However, the staff would like authorization to move forward with contracting for the project with Asset Engineering Limited, even with the anticipated cost increase. Following the discussion, Director Rhoades motioned to authorize staff to move forward with contracting for the Nucla front office remodel project with Asset Engineering Limited. Director Alexander seconded. The motion was voted and carried. The motion will be re-ratified at the February 2023 Board of Directors meeting as it did not meet the 10-day notice requirements.

Manager Fox reviewed his report, noting that supply change challenges continue. The supply chain/purchasing committee meets frequently to assess inventory, and supply change challenges and develop strategies/methods to help mitigate the impact on SMPA's membership. Even with these efforts, it is the staff's opinion that, by the summer months, it is probable that projects might not be able to move forward on the contractor's timeline due to supply chain challenges and SMPA's inability to get necessary items in the projected timelines. Staff will communicate challenges to membership while continuing to explore all options to obtain proper materials.

7. BOARD TOPICS

Update/Discussion on Government Funding

Manager Zaporski noted that most items related to government funding were provided during the CEO report; however, he would like to add that a grant writer has been retained for state funding requests and staff intends to seek a grant writer for federal grants.

8. ASSOCIATED MEETING REPORTS

CREA – Debbie Cokes

Director Cokes noted that the CREA Annual Meeting is scheduled for February 22-25, 2023, in Denver, CO.

Western United (WU) – Dave Alexander

N/A

Tri-State – Kevin Cooney

N/A

EcoAction Partners – Toby Brown

N/A

9. ATTORNEY'S REPORT

Director Garvey made a motion at 11:24 AM to enter into executive session for personnel and contractual issues. Director Cokes seconded. The motion was voted and carried. The Board entered into executive session at 11:24 AM and came out at 12:11 PM. While in executive session, no decisions were made, nor votes taken.

10. BOARD CALENDAR / 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

Appoint Election Monitor

Director Alexander motioned to appoint Jim Link as the independent third party to monitor the 2023 election. Director Rhoades seconded. The motion was voted and carried.

Set Date of Record

Director Alexander motioned to approve the date of record, April 24, 2023. Director Cokes seconded. The motion was voted and carried.

CREA Annual Meeting Voting Delegate and Alternate

Director Cokes is the current CREA Annual Meeting voting delegate, and Director Felicelli is the alternate voting delegate. Following discussion, the Board opted to keep the same representatives for the 2023 meeting; no action was necessary as no changes were made.

Western United Annual Meeting Voting Delegate and Alternate

Director Alexander is the current Western United (WU) Annual Meeting voting delegate, and Director Cokes is the alternate voting delegate. Following discussion, the Board opted to keep the same representatives for the 2023 meeting; no action was necessary as no changes were made.

12. NEXT MEETING

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

The March 2023 Board of Directors meeting will occur on Tuesday, March 28, 2023, in Nucla and Via Zoom.

13. ADJOURN

At 12:57 PM, Director Cokes motioned to adjourn the meeting with respect to all Agenda Items except item 6.a.i Power Supply Update. Discussion on Item 6.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 Garvey seconded. The motion was voted and carried.

Doylene Garvey

[Doylene Garvey \(Feb 28, 2023 17:35 MST\)](#)

Doylene Garvey, Secretary/Treasurer