

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 Mountain Village Town Hall in Mountain Village, CO and via Zoom Video/Teleconference. All Directors attended the meeting in person at Mountain Village Town Hall.

3. APPROVAL OF CONSENT AGENDA

Director Loczy motioned to approve the revised consent agenda (July 23, 2024), including June 25, 2024, meeting minutes and re-ratifications to approve resolution 2024-03 for staff to apply for grant funding under the New ERA Grant/Inflation Reduction Act. Director Alexander seconded. The motion was voted and carried.

5. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Manager Zaporski shared an email from a member who expressed frustration with net metering changes and the possible Time of Use (TOU) rate that is being discussed.
- Director Szwarc reported that government officials in Ridgway have requested proactive support from SMPA concerning the solar components of the Green Street Park project.
- Director Felicelli referred a member with inquiries regarding power lines on Hastings Mesa to staff for follow-up. The member subsequently reported to Director Felicelli that he had spoken with the staff and was very satisfied with the assistance provided.
- Director Brown reported that he had received feedback from several members who expressed a desire for SMPA to become more actively involved in supporting local resiliency projects.

5. STRATEGIC PLANNING

Safety – To promote our safety culture through training and reinforcement while instilling ownership and accountability within every employee. – Darcy Weimer and the Safety Committee

Safety and Regulatory Compliance Coordinator Darcy Weimer reviewed the initiatives developed to promote SMPA's safety culture through training and reinforcement while instilling ownership and accountability within every employee. The initiatives include fostering dialogue through small employee group discussions, enhancing community involvement by participating in school events, and conducting safety awareness exercises such as Mayday drills. Mrs. Weimer highlighted the successful completion and rollout of a comprehensive SMPA-specific safety manual to the staff, as well as the success of the small group discussions known as staff safety power hours. Mrs. Weimer informed the Board that SMPA received the 3-year no-loss time accident award from CREA. Additionally, she emphasized the crucial role of effective communication and provided insights into the timelines and Key Performance Indicators (KPIs) for each initiative.

People and Culture – To strengthen our positive work culture and environment to best support, encourage, and develop employees to maximize performance and efficiency while retaining and attracting top talent. – Danielle Rodriguez and MartyJo Davis

Human Resources Manager Danielle Rodriguez reviewed the initiatives developed to strengthen SMPA's positive work culture and environment. These initiatives focus on policies, programs and benefits, training and development opportunities, succession planning, and wellness initiatives to best support, encourage, and

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develop employees to maximize performance and efficiency while retaining and attracting top talent. Manager Rodriguez highlighted in alignment with these initiatives, an employee benefits survey was conducted to assess what employees value most and least, as well as their needs in areas such as financial education, mental health, and overall well-being. We received 45 responses, which will help identify where to focus attention and resources based on staff preferences and needs. Additionally, job shadowing has been promoted, and goal setting has been enhanced by implementing a 6-month check-in and introducing a learning management solution.

6. CEO ITEMS

Power Supply Update

Manager Zaporski reported that Tri-State's rate filing at the Federal Energy Regulatory Commission (FERC) is pending approval by FERC. Additionally, Tri-State's Bring Your Own Resource (BYOR) tariff filing at FERC is also FERC pending approval.

Rate Discussion

Energy Services Manager Phil Zimmer presented on the trends in beneficial electrification, explaining that electrical applications are considered 'beneficial' if they meet at least one of the following criteria without negatively impacting the others: saving consumers money, improving product quality or consumer quality of life, reducing greenhouse gas (GHG) emissions, or fostering a more resilient electric grid. Mr. Zimmer emphasized the significance of beneficial electrification, particularly in responding to state and federal goals and mandates aimed at increasing reliance on renewable energy to reduce carbon emissions. He highlighted that, for the first time in history, electricity generated from a renewable mix is less carbon-intensive than fossil fuels. However, he noted that while fossil fuels traditionally allowed for the near-instantaneous supply of energy to match demand, the shift toward 100% renewables requires aligning energy demand with the available power supply. This alignment underscores the importance of time-based rates, which send price signals to encourage energy use when power is abundant, thereby supporting the integration of more renewables. Manager Freeman then reviewed strawman examples to demonstrate how energy usage patterns correlate with rates and their impact on consumer bills.

Introduction of Employee Guests

Kelly Truelock, Senior Staff Accountant; Joshua Hainey, Senior Staff Accountant; Megan Rutherford, Energy Service Technician; Phil Zimmer, Energy Services Manager; Mark Prezbindowski, IT Specialist; Mike Therriault, Engineering Supervisor; Greg James, Facility Maintenance Technician and Alex Shelley, Communications Executive, attended 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 Felicelli motioned to award the Community Focus donation (as follows) and apply for Basin match when applicable. Director Brown seconded. The motion was voted and carried. The awarded amounts are as follows:

- Ouray County Soccer Association, \$1000 with a \$1000 Basin Electric match request.
- Ridgway Chautauqua Society, \$750 SMPA donation with a \$750 Basin Electric match request.
- Safet More Affirming Communities, \$500 SMPA donation with a \$500 Basin Electric match request.
- Fortuna Tierra Club, \$500 SMPA donation with a \$500 Basin Electric match request.
- Ouray Public Library, \$750 SMPA donation with a \$750 Basin Electric match request.

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- Hoof and Paw, \$2,000 SMPA donation with a \$2,000 Basin Electric match request.
- Telluride Foundation, \$2,000 SMPA donation with a \$2,000 Basin Electric match request.
- Ridgway Film Festival, \$1,000 SMPA donation with a \$1,000 Basin Electric match request.

Board Donations

Director Rhoades donated \$200 to the Silverton Hardrockers.

Director Rhoades donated \$200 to Ouray Highgraders.

Director Szwarc donated \$100 to Second Chance in Honor of Debbie Cokes.

Director Szwarc donated \$100 to Friends of Ridgway State Park.

Director Szwarc donated \$100 to Ridgway Community Garden.

Director Cooney donated \$200 to San Miguel Search & Rescue.

Finance

Board Education

Manager Lehigh presented Key Performance Indicators (KPIs), focusing on TIER (Times Interest Earned Ratio), OTIER (Operating Times Interest Earned Ratio) and DSC (Debt Service Coverage), noting that each of these is an indicator of SMPA's financial stability. Manager Lehigh further explained their significance, what they represent, and where they can be found in the financial reports.

Financial Review

Manager Lehigh reviewed the finance report, noting that cash on hand remains above 90 days but has decreased from the previous month. It is forecasted to decline further over the coming month due to anticipated large invoices. He highlighted that the interest earned on overnight investments exceeds the interest paid on loans. Additionally, Manager Lehigh explained that RUS loan funds contribute to replenishing cash on hand, as these loans provide reimbursement for cash expenditures, thereby supporting the funding of future projects.

Banking Update

Following the change in Board officers, new signature cards are required for the updated officers. Manager Lehigh informed the Board of a shift in program availability for SMPA accounts at US Bank. Specifically, the bank has discontinued the governmental overnight program and will transition SMPA to an FDIC-insured overnight investment program.

Marketing & Member Services

Manager Freeman reviewed his report, highlighting that the Silverton Team Gold has produced a video as part of their application to the Department of Energy (DOE) for a second-round prize of \$200,000. One of Silverton Team Gold's focuses of Round 2 is to create grants and rebates to help incentivize Silverton residents to install eligible beneficial electrification projects. Manager Freeman also reminded the Board that Silverton Team Gold successfully applied for and was awarded \$100,000 in the first round of DOE funding.

Information Technology

Manager Tea reviewed his report, discussing the issue with Cloudstrike software that caused downtime. The problem was caused by an update file that prevented Windows machines from rebooting – causing what's called a reboot issue that requires a manual update. Additionally, Mr. Tea highlighted that the SMPA hosted an NISCC Payroll training with around 23 attendees from across the country.

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Manager Tea reviewed a draft Cell Phone Procedure for the Board. The purpose of the policy is to allow the Board the flexibility of using personal phones to access SMPA emails while providing provisions for SMPA to access the phone to mitigate any cyber security issues that may arise.

Administration & Human Resources

Manager Rodriguez reviewed her report, highlighting that discussions have commenced with the IBEW Union to arrange a schedule for negotiation meetings.

The Board reviewed Policy 301, Line Extensions & Alterations. Manager Fox reviewed policy 301, highlighting its objective of setting forth the service and distribution line extension and alteration requirements to be observed by SMPA in a manner that fairly allocates the cost of system growth and minimizes the effect of growth upon rates. Manager Fox noted that the only proposed update is to adjust the temporary service definition from 18 months to 12 months to align with state electrical inspection guidelines. Following discussion, the Board decided to defer a decision on the policy to allow time for further review of the policy details.

The Board reviewed Policy 307, Energy Management. Manager Freeman recommended that the policy be archived as it is outdated and redundant to the verbiage in SMPA's Mission, Vision and Core Values. Director Loczy motioned to strike Policy 307, Energy Management. Director Brown seconded. Following discussion, the motion was voted on and carried with five in favor (Director Alexander, Director Brown, Director Felicelli, Director Loczy, Director Rhoades) and two opposed (Director Cooney and Director Szwarc).

Engineering | Operations | Safety and Regulatory Compliance

Manager Fox reviewed his report, noting that contractors on the Red Mountain Electrical Reliability and Broadband Improvement Project (RMERBIP) have made significant progress. He informed the Board that SMPA has received approval from CDOT for the project, which includes unique scheduling restrictions that prohibit work between 9 AM and 6 PM. Manager Fox also highlighted that all retired poles from the project will be removed upon completion of this project phase. Additionally, he announced that the Cement Creek Substation is scheduled to come back online on August 7th, following the completion of Tri-State's upgrades.

7. BOARD TOPICS

Appoint CREA Representative

Director Brown motioned for Director Szwarc to serve as SMPA's representative at CREA. Director Cooney seconded. No other nominations were made. Following discussion, the motion was voted and carried.

Director Brown motioned for Director Felicelli to serve as SMPA's alternate representative at CREA. Director Szwarc seconded. No other nominations were made. Following discussion, the motion was voted and carried.

SMPA Member Bill

Manager Tea advised that he is working with NISC to update SMPA Member Bills.

Board Letter Expressing Support of Solar in SMPA's Service Territory

The Board reviewed a draft letter of support that expresses SMPA's support of Solar in SMPA's service territory. After reviewing the draft letter, the Board determined it needed further refinement before being approved. The Board will collaborate on an updated letter and review it at the August Board meeting for final approval.

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Duane Highley Invitation

Director Cooney requested that SMPA extend a formal invitation to Tri-State's CEO, Duane Highley, to attend an SMPA Board of Directors Meeting. This will allow the Board to engage with Mr. Highley directly and address any questions. It was also suggested that another senior staff member accompany Mr. Highley to provide additional support. The Board decided that the CEO will send Mr. Highley an invitation with SMPA's upcoming meeting schedule, allowing him to select a convenient date.

SMPA Position on State Metering Regulations

Director Szwarc advised that at a recent CREA meeting, other coops expressed a position on net metering regulations and requested to begin a discussion on establishing an SMPA position on state metering regulations. Manager Zaporski acknowledged that SMPA will continue to monitor the issue. He stressed the importance of balancing adequate state statutes with the need to maintain local control over rate-making control, emphasizing the significance of allowing local governing boards to determine what is best for their members.

8. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

Director Brown reported that, although an EcoAction meeting had not taken place, he attended the Sneffels Energy Board Meeting, which is closely aligned with EcoAction's objectives. He shared key topics of discussion from the Sneffels Energy Board Meeting, including insights into geothermal technology and its significant availability within the SMPA service territory.

CREA- Brad Zaporski

Director Szwarc attended the CREA meeting and reported that the primary topic of discussion was Net Metering. He observed that there is currently no consensus among CREA Board members on the optimal path forward. Director Szwarc further informed the Board that the next CREA meeting is scheduled for the end of August in Westminster.

Western United (WU)- Dave Alexander

N/A

Tri-State- Kevin Cooney

Tri-State has submitted a transition plan to the Public Utility Commission (PUC) for a settlement with Craig Moffett County following the closure of TS coal plants. The plan includes funding and in-kind support, which may be credited against Tri-State's financial commitments to the county and has not been contested by environmental groups and The Colorado Office of Just Transition.

The Office of Just Transition helps communities and workers move away from coal by supporting job retention, economic diversity, and worker transitions. The Board noted that the Nucla power plant closure occurred before the Office of Just Transition was established, resulting in the absence of a community assistance plan for economic adjustments.

Director Cooney mentioned that TS is involved in two ongoing lawsuits with La Plata Electric Association (LPEA) and Northwest Public Power District (NPPD). Director Cooney added that Tri-State's recent reports show high wind and solar capacity.

9. ATTORNEY'S REPORT

Approval of Amended Ridgway Franchise Agreement

The Board discussed the Ridgway Franchise Agreement and decided to defer their decision until more detailed information regarding the amendment is reviewed.

Executive Session

Director Rhoades made a motion at 2:03 PM to enter into an executive session for personnel and contractual issues. Director Loczy seconded. The motion was voted and carried. The Board entered executive session at 2:03 PM and came out at 3:10 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 CREA's Energy Innovations Conference scheduled for October 26-29, 2024, in Westminster, CO and NRECA's Winter School for Directors scheduled for December 13-17, 2024, in Nashville, TN.

11. MISCELLANEOUS

SMPA company picnic will be held on August 10, 2024, at Buckeye Reservoir.

12. NEXT MEETING

The August 2024 regular Board of Directors meeting will occur on Tuesday, August 27, 2024, in Ridgway and via Zoom.

The September 2024 Board of Directors meeting will occur on Tuesday, August 27, 2024, at the Grand Imperial Hotel in Silverton, CO and via Zoom.

13. ADJOURN

At 3:52 PM, Director Rhoades motioned to adjourn the meeting with respect to all agenda items except item 9.A. regarding the approval of the Amended Ridgway Franchise Agreement, discussion and any potential Executive Session related to item 9.A. is temporarily suspended. Director Szwarc seconded. The motion was voted on and carried.

14. RECONVENE

On July 31, 2024, at 9:01 AM, Director Felicelli reconvened the July Board of Directors meeting regarding the approval of the Amended Ridgway Franchise Agreement. The meeting was held via Zoom Video/Teleconference. Director Felicelli, Director Alexander, Director Loczy, Director Cooney, Director Szwarc, and Director Brown attended the meeting via Zoom. Director Rhoades was absent. At 9:12 AM, Director Brown made a motion to enter into an executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted on and carried. The Board entered the executive session at 9:01 AM and came out at 9:25 AM. While in the executive session, no decisions were made, nor votes were taken.

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Director Cooney motioned to approve the amended franchise agreement with the Town of Ridgway, including Town of Ridgway Emergency Ordinance No. 01-2024. Director Szwarc seconded. Following discussion, the motion was voted and carried.

15. ADJOURN

At 9:30 AM, Director Alexander motioned to adjourn the meeting. Director Loczy seconded. The motion was voted and carried.

Signed by:

Toby Brown

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Toby Brown, Secretary/Treasurer