

## **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 9:01 AM. The meeting was held at the SMPA's Nucla Office, CO, and via Zoom Video/Teleconference. All Directors attended the meeting in person at SMPA's Nucla Office.

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

Director Alexander motioned to approve the consent agenda (October 22, 2024), including meeting minutes for September 24, 2024, and ratifications to appoint Tom Loczy as SMPA's representative at West End Sustainability Plan meetings and budget override for the purchase of delayed delivery fleet equipment. Director Loczy seconded. The motion was voted and carried.

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

General Member/Consumer Comments

- Director Brown reported that he had been contacted by a member with questions about work order pricing. Staff advised they had followed up with the member directly regarding specific questions and, in general, advised that any variance from the initial estimate (sometimes higher or lower) is reconciled through a final billing adjustment when the project is finalized.
- Director Cooney shared that a member reached out with questions about costs related to line extensions. It was noted that ongoing supply chain challenges continue to impact material costs.
- Director Felicelli noted that several member comment letters were included in the Board packets for directors to review prior to the meeting.
- A member participating virtually commended SMPA on its recent cost-of-service study, describing it as thorough and well-executed. The member suggested future analyses include more detail on the net metering rate class.

## **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 provided an update on the Safety objective, noting that, as this was the fourth presentation on the topic, the focus would be on key updates rather than a comprehensive overview. Highlights included leadership changes within the Safety Committee, a successful de-escalation training session, completed annual compliance training, community engagement through participation in Tri-State's annual safety competition, and upcoming trainings such as Tri-State switchman and CPR certification. Mrs. Weimer also shared plans to continue promoting the safety culture through new employee gifts. Looking ahead, field safety training will be scheduled, with the expansion of Wilderness First Responder training for all employees and the introduction of swift water rescue training to prepare staff for seasonal risks near water infrastructure. The discussion concluded by emphasizing the vital importance of ongoing, specialized safety training to keep SMPA staff prepared.

Record of Proceedings  
San Miguel Power Association  
Board of Director Meeting Minutes of  
October 22, 2024 (Nucla and Zoom Virtual Meeting)

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 and Executive Assistant MartyJo Davis provided a high-level update on SMPA's People and Culture initiative, which was developed to help promote a positive work environment that supports employee growth, performance, and retention. An employee survey identified medical and 401(k) benefits as highly valued, while recent volunteer activities, such as highway cleanup, promote team building and community involvement. Development efforts emphasized job shadowing and LinkedIn Learning, with plans to integrate these tools in goal-setting discussions. Succession planning remains a priority, with investments in apprentice technician roles and collaboration with Tri-State for accredited training programs. Wellness initiatives continue to offer holistic support, including financial education, community food drives, fitness room improvements, and health challenges, reinforcing SMPA's commitment to a positive, engaged workplace culture.

## 6. CEO ITEMS

### 2025 Budget Presentation and Approval

Chief Financial Officer Lance Lehigh and department managers discussed the 2025 proposed budget. Key budget points included projected revenues, power purchase costs, and rate stabilization funds, along with detailed capital allocations. Major capital projects for 2025 focus on enhancing system reliability and resiliency through infrastructure improvements, fire mitigation, and grid-hardening efforts. Staffing needs and plans for member dividend retirement were also highlighted. The proposed budget incorporates a \$3 access fee increase as well as a rate structure change that will include Time-of-Use (TOU) rates. Manager Zaporski noted that the budget approval is contingent on the rate proposal's approval, which is scheduled for November to provide members with an additional 30 days for review and comment. Consequently, while the budget is being approved today, if any adjustments are made to the rate in November, the budget will need to be revisited. Director Brown acknowledged that although the process is complex, it effectively engages members and encourages their involvement. Following this discussion, Director Brown moved to approve the 2025 budget as presented, with Director Alexander seconding. The motion was voted on and carried.

### Rate Recommendation (For a Rate Hearing in November)

Manager Freeman presented the staff's rate recommendations to address rising costs and advance renewable energy goals. The plan proposes a \$3 monthly access charge increase and a shift to time-based rates in line with the state's renewable energy mandates. This transition from fossil fuels to renewable sources like solar and wind necessitates rate structures that encourage load shifting to off-peak hours, supporting grid modernization. Additionally, Mr. Freeman highlighted SMPA's unique operational challenges within its rugged service territory, which require special considerations in rate design compared to urban utilities. Manager Freeman explained that the time-based rate system, paired with consumer energy management tools such as smart thermostats and EV chargers, would help balance peak demand. He reviewed past rate adjustments, noting SMPA's efforts to keep increases below inflation, and outlined how the proposed rate adjustments will gradually raise the access charge to reflect fixed infrastructure costs better. Mr. Freeman also described targeted programs like rebates for smart devices and storage solutions to assist members in managing energy use, reducing peak demand, and enhancing grid stability. Proposed changes are set to take effect by May 2025, with resources available to help members adapt, and are open for feedback.

### **Introduction of Employee Guests**

Kelly Truelock, Senior Staff Accountant; Joshua Hainey, Senior Staff Accountant; Megan Rutherford, Energy Service Technician; Phil Zimmer, Energy Services Manager; 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 discussed the Community Focus Funds program, noting that Basin Electric, SMPA's electric partner, has exhausted its matching donation funds for the year. Consequently, today's donations reflect SMPA contributions only. Additionally, the Board emphasized the importance of receiving applications promptly, ideally before events occur, and recommended updating the website to display an average donation range of \$500-\$2,500, providing applicants with guidance on typical award amounts and acceptable request levels. The Board reviewed the application scorecard results. Following review, Director Felicelli motioned to award the Community Focus donation (as follows). Director Brown seconded. The motion was voted and carried. The awarded amounts are as follows:

- Apple Core Project/SWIRL, \$500 SMPA donation.
- Home Trust of Ouray County, \$500 donation.
- Valley Food Partnership, \$1000 SMPA donation.
- Community Options, Inc. \$500 SMPA donation.
- Telluride Academy, \$1,000 SMPA donation.
- Silverton Avalanche School, \$1,000 SMPA donation.
- Telluride Mountain Club, \$1,000 SMPA donation.
- MountainFilm, \$500 SMPA donation.
- Grace Reins Equine Therapy, \$1,000 SMPA donation.

The next donation review is scheduled for January 2025.

### **Board Donations**

Director Szwarc donated \$100 to Ouray Mountain Rescue.

Director Szwarc donated \$100 to the George Gardner Foundation.

Director Brown donated \$200 to the West End Family Link Food Bank.

Director Alexander donated \$100 to the West End Family Link Food Bank.

Director Cooney donated \$100 to West End Family Link Food Bank.

Director Felicelli donated \$100 to the West End Family Link Food Bank.

Director Felicelli donated \$200 to MountainFilm.

Director Felicelli donated \$500 to Go Hawkeye Foundation.

### **Finance**

#### **Financial Review**

Manager Lehigh reviewed SMPA's financials, highlighting a rise in cash due to a short-term loan covering significant invoices and a deferred Rural Utility Services (RUS) loan draw to benefit from anticipated lower interest rates. Key financial ratios remain strong, with a slight current ratio dip due to invoice timing.

### **Marketing & Member Services**

Manager Freeman reviewed the Member Services report, highlighting SMPA's ongoing Beneficial Electrification (BE) promotions, noting that 50 rebates have been issued for outdoor electric tools. He shared SMPA's positive experience with electric thermal storage (ETS) units, particularly in the Silverton School, which is fully heated by these systems. He noted that ETS units, which use bentonite bricks to store heat during off-peak hours, have proven efficient but face accessibility challenges due to high shipping costs. Freeman advised that staff plans to request increased funding for the IQ Weatherization Program at the November meeting.

### **Information Technology**

Manager Tea reported that facility security enhancements are in progress, with SMPA collaborating with a door lock company to install key cards and personalized access codes for all staff. The new system allows centralized control for adjusting access, eliminating the need for on-site changes at each location, thereby improving efficiency and enhancing monitoring capabilities.

### **Administration & Human Resources**

Manager Rodriguez reviewed her report, providing an update on staffing changes, including internal transfers and new vacancies in operational roles. She also highlighted a new second-tier classification for the Member Services Representative (MSR) position that will allow for added responsibilities and career progression within the role. Manager Rodriguez noted that union negotiations remain a focus.

The Board reviewed Policy 103, Board Policy Availability. No updates proposed. Director Rhoades motioned to readopt Policy 103, Board Policy Availability, as presented. Director Loczy seconded. The motion was voted and carried.

The Board reviewed Policy 105, Delegations from the Board of Directors to the General Manager. Proposed updates included grammatical revisions for consistency, clarification of the CEO's delegated authority (except where Board approval is specified), removal of outdated physical publication requirements, and adjustments for virtual auditor participation. Director Loczy motioned to approve Policy 105, Delegations from the Board of Directors to the General Manager, with proposed updates. Director Alexander seconded. The motion was voted and carried.

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

Manager Fox provided several updates regarding the Red Mountain Project, noting that Phase 1 is now fully operational, with preparations underway for material orders and construction bidding for Phase 2. This next phase, planned for next summer, will address infrastructure improvements between the Red Mountain Substation and Engineer's Pass. Manager Fox also outlined plans for completing other key sections in future phases. Additionally, Manager Fox reported that inventory has been successfully completed with minimal variance, thanks to quarterly counts and team efforts.

### **8. BOARD TOPICS**

N/A

### **9. ASSOCIATED MEETING REPORTS**

Eco-Action- Toby Brown

N/A – No Meeting

West End Sustainability Plan Committee

Director Loczy provided an update on recent and upcoming meetings related to the West End Sustainability Plan Committee. An early October meeting served primarily as an introductory session where participants explained their roles and the Committee's objectives. Additional meetings are planned for Naturita and Norwood later in October. Director Loczy noted that the program is in its early stages, and he will continue to provide updates as it develops.

CREA- Val Szwarc  
N/A – No Meeting

Western United (WU)- Dave Alexander  
N/A – No Meeting

Tri-State- Kevin Cooney

Director Cooney highlighted Tri-State's recent \$650 million federal support secured through the Inflation Reduction Act, noting that these funds will be utilized primarily as zero-interest loans rather than grants to finance renewable energy projects and infrastructure upgrades. Director Cooney also addressed Tri-State's focus on environmental reclamation costs, which have increased due to accelerated coal mine closures. Tri-State is working to meet these obligations, emphasizing the importance of proactive budgeting and long-term planning for future site closures. These expenses underscore the need for financial preparedness for environmental remediation as Tri-State transitions to renewable resources. Lastly, Director Cooney summarized Tri-State's recent regional meeting in Dolores, noting that while the presentation was generally informative, it concluded with a contract extension sales pitch that was not well-received.

**10. ATTORNEY'S REPORT**

It was determined that no executive session was necessary.

**11. 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. Additionally, in consideration of Director's travel to the NRECA Winter School for Directors, the December Board of Directors meeting will be rescheduled to Wednesday, December 18, 2024.

**12. MISCELLANEOUS**

N/A

**13. NEXT MEETING**

The November 2024 regular Board of Directors meeting will occur on Tuesday, November 19, 2024, in Ridgway and via Zoom virtual meeting.

The December 2024 regular Board of Directors meeting will occur on Wednesday, December 18, 2024, in Nucla and via Zoom virtual meeting.

Record of Proceedings  
San Miguel Power Association  
Board of Director Meeting Minutes of  
October 22, 2024 (Nucla and Zoom Virtual Meeting)

**14. ADJOURN**

At 1:45 PM, Director Rhoades motioned to adjourn the meeting. Director Szwarc seconded. The motion was voted and carried.

Signed by:

*Toby Brown*

9FE36C3833714E2...

Toby Brown, Secretary/Treasurer