

Record of Proceedings  
San Miguel Power Association  
Board of Director Meeting Minutes of  
December 18, 2024 (Nucla and Zoom Virtual Meeting)

## 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 location and via Zoom Video/Teleconference. Director Felicelli, Director Alexander, Director Brown, and Director Cooney attended the meeting in person at SMPA's Nucla Office, with Director Loczy, Director Szwarc and Director Rhoades attending the meeting virtually via the Zoom Meeting Platform.

## 3. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the consent agenda (December 18, 2024), including meeting minutes for November 19, 2024, with corrections. Director Cooney seconded. The motion was voted and carried.

## 4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cooney reported receiving predominantly positive feedback from members on the recently approved time-of-use (TOU) rate, including comments such as, "For 19 hours of the day, the rate is lower."
- Director Brown shared that his household is finding creative ways to adjust their discretionary power usage and expressed hope that other members are doing the same.
- Director Felicelli reported receiving comments from members expressing appreciation for SMPA's communication efforts regarding the Time-of-Use (TOU) rate. Members noted their gratitude not only for recent updates but also for the ongoing educational efforts over the past year and a half to inform the membership about the concept.
- Director Felicelli shared feedback from a leader at the Pinhead Institute, who expressed gratitude for SMPA's staff involvement in an engaging discussion about electricity with their group and students and highlighted how much the kids enjoyed it.

EcoAction Partners Annual Program Update, Emma Gerona and Kim Wheels

Emma Gerona, Executive Director of EcoAction Partners, along with Kendra Held and Kim Wheels, presented their annual program update. EcoAction Partners focuses on regional sustainability through emissions tracking, energy efficiency, renewable energy, waste reduction, and community engagement. Highlights included steady regional emissions trends until 2020, followed by increases due to methodology changes and tourism. Energy use reflected growing renewable adoption and SMPA's Totally Green program participation. Key initiatives included beneficial electrification strategies, expanded student climate education, green business support, and the income-qualified CARE program, which has served 298 homes since 2017. The team emphasized collaborative efforts with the Sneffels Energy Board, integration of San Juan County into the Climate Action Plan, and workforce development programs. Board members commended their efforts and discussed opportunities for green certifications and advancing sustainability goals.

## 5. STRATEGIC PLANNING

To determine if our existing power supply contract best achieves SMPA's Mission while providing the financial and contract flexibility necessary to meet our members' needs. – Lance Lehigh and Brad Zaporski  
Manager Lehigh and Manager Zaporski provided an update on the power supply, rates and financial strategic objective, highlighting progress on SMPA's long-term power supply strategy, regulatory proceedings at FERC, and the phased implementation of the 2025 time-of-use (TOU) rate. They discussed financial planning, including alternative capitalization strategies, and provided updates on grant-funded projects, such as community microgrids in Ridgway and Rico. It was noted that further conversation regarding the objective will occur during executive session due to the contractual nature of things.

## 6. CEO ITEMS

### Introduction of Employee Guests

#### Summary for Board Meeting Minutes:

Manager Brad Zaporski introduced Mr. Eric Pottorff, a 19-year employee currently serving as the Area Service Technician for the Ridgway office. Mr. Zaporski explained that the Ridgway Area Service Technician oversees new construction projects in Ouray County, SMPA's busiest and fastest-growing area, managing all aspects of the workflow from start to finish. Mr. Pottorff shared that work has been extremely busy and noted that his family life also keeps him plenty occupied.

### Employee Recognition Program Nomination Award

Executive Assistant MartyJo Davis represented the Employee Recognition Committee, presenting the awards as part of SMPA's Employee Recognition Program, which highlights exceptional contributions through peer nominations in various categories. Doug Tea was recognized for his *On-the-Job Excellence* and his proactive and efficient onboarding support, which enabled a new employee to hit the ground running and become an effective team member upon hire. Cindy Chiles was acknowledged for *Community Involvement* for her dedication to organizing the annual toy drive, which significantly benefits the community. Her recent promotion to Service Planning Coordinator was also celebrated, and appreciation was expressed for her leadership and commitment to streamlining processes. Both awardees were commended for their significant positive impact on SMPA and the broader community.

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 next donation review is scheduled for January 2025.

### Board Donations

Director Alexander donated \$400 to the Norwood Chamber of Commerce for Street Decorations.

Director Brown donated \$200 to Telluride Angel Baskets.

Director Cooney donated \$100 to the Telluride Angel Baskets.

Director Szwarc donated \$200 to the Voyager Youth Program.

## Finance

### Financial Update

Manager Lehigh presented the October financial packet, highlighting that while the month was predominantly warm, a late cold snap significantly increased purchased power demand. He noted that the October load factor was among the lowest recorded in recent years. Additionally, Manager Lehigh reported that the full November financial packet was not yet available due to the shortened month; however, preliminary data indicates that the November load factor appears to be one of the highest recorded in recent years, more details to follow at the January Board of Directors meeting.

### Board Education

Manager Lehigh presented Key Performance Indicators (KPIs), noting that this month's educational session is focused on controllable expense KPIs. Manager Lehigh emphasized the importance of balancing these expenses and tracking trends over time to ensure alignment with cooperative objectives and noted where this information can be found in the monthly financial packet.

### Member Dividend Review and Discussion

Manager Lehigh reviewed capital credits/member dividends and proposed a 1.1-million-dollar member dividend retirement to the membership. Following discussion, Director Brown motioned to retire 1.1 million dollars in capital credits/member dividends using the FIFO (First In, First Out) method. Director Alexander seconded. The motion was voted and carried.

### Duplex Bill Format

Manager Lehigh updated the Board on the new duplex bill format, which was developed to support the upcoming time-of-use rate structure and improve clarity for members. The revised design features clear breakdowns of on-peak/off-peak usage, demand data, and personalized messaging options. Testing and finalization are underway, with implementation aligned for May's time-of-use rate rollout. The effort reflects SMPA's focus on transparency and member engagement.

## Marketing & Member Services

### Sharing Success Grant

Key Accounts Executive Paul Hora reported that the Sharing Success Committee received twenty-four (24) applications requesting \$196,000 in funds. Following a review of the applications, the committee recommendations are below:

- Ouray Ice Park Youth World Championship Event \$5,000
- Rico Trails Alliance – Mountain Bike Trail System \$10,000
- West End Economic Development through Grant for Facade Improvements \$6,000

Following discussion, Director Alexander motioned to approve the 2024 Sharing Success Grants Committee recommendations as outlined above. Director Rhoades seconded. The motion was voted and carried.

## Information Technology

Manager Tea reviewed his report, advising that a third-party cybersecurity assessment of SMPA's systems yielded a positive overall score, reflecting recent upgrades to servers and databases. However, he noted a recent

email-related cyber incident, which will be discussed in detail during the executive session. Manager Tea emphasized the importance of maintaining vigilance against phishing scams.

Manager Tea provided details on the upcoming fiber switch upgrade scheduled for January 16, 2025, which will temporarily interrupt member access to SmartHub. The upgrade will improve system reliability and address challenges with aging infrastructure. Preparations include pre-installation of new switches at substations, with contingency plans in place to minimize disruptions.

### **Administration & Human Resources**

Manager Rodriguez reviewed her report, noting open positions, highlighting the successful three-year renewal of the IBEW union contract, and informing the Board of the upcoming January renewal of the workers' compensation plan.

The Board reviewed Policy 108, Association Legal Counsel. No changes proposed. Director Alexander motioned to approve Policy 108, Association Legal Counsel, as presented. Director Loczy seconded. The motion was voted and carried.

The Board reviewed Policy 110, External Communications. No changes are proposed. Director Brown motioned to approve Policy 110, External Communications, as presented. Director Alexander seconded. The motion was voted and carried.

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

Manager Fox reviewed his report, highlighting the vital role of SMPA's Safety Committee in promoting a culture of safety through cross-department collaboration, protocol reviews, and actionable recommendations. He recognized Mr. Eric Pottorff for over 13 years of dedicated service and significant contributions, including his work on the safety manual, presenting him with a token of appreciation for his commitment to enhancing safety standards.

Manager Fox also provided an update on Phase 2 of the Red Mountain Electric Reliability and Broadband Improvement Project (RMERBIP), noting that meetings with CDOT revealed the potential for significant highway closures, including brief spring closures for rockfall mitigation and fall closures for helicopter operations. A communication campaign is being developed to share with and engage stakeholders.

## **8. BOARD TOPICS**

### **CREA Relocating Headquarters – Special Assessment**

Director Szwarc provided an update on CREA's discussions regarding the potential relocation of its headquarters, noting that despite repeated deliberations in recent meetings, progress remains limited, with key decisions on leasing, purchasing, or financing options still unresolved. He recommended that CREA establish clear, weighted criteria for evaluating relocation options and explore financing alternatives instead of relying solely on cash purchases. Director Szwarc reported that CREA Executive Director Kent Singer raised the possibility of a special assessment to cover relocation costs exceeding the proceeds from the sale of the current property. The Board expressed concerns about this approach, advocating for a comprehensive evaluation of all financing and relocation options. Director Szwarc will draft a formal recommendation urging CREA to develop structured criteria, consider alternative financing methods, and avoid planning special assessments for members, which will be submitted for CREA's consideration.

## 9. ASSOCIATED MEETING REPORTS

### Eco-Action- Toby Brown

Director Brown advised that the majority of EcoAction updates were covered earlier in the meeting during the annual report. However, he would like to note that the organization is actively seeking to fill the position of Climate Action Development Director, having received several strong applications. A hiring decision is expected early in the new year.

### West End Sustainability Plan- Tom Loczy

Director Loczy informed the Board that the West End Sustainability Plan has undergone a name change and is now referred to as the West End Vision. He advised that the group is currently in a phase of strategic planning, carefully evaluating ideas and feedback to shape its objectives and overall direction. At this stage, there are no significant developments beyond this ongoing process to report.

### CREA- Val Szwarc

Director Szwarc reported advised that CREA is pursuing wildfire legislation with the Colorado Legislature aimed at managing insurance costs and reducing co-op liability for fire-related incidents. Initial feedback on this initiative has been positive. Director Szwarc also informed the Board that CREA has announced a 5% dues increase for members, noting that SMPA's dues may decrease slightly due to reduced safety training participation. Director Szwarc mentioned that CREA's Executive Director, Kent, has announced his intent to retire in January 2026. No significant new bills regarding energy policy are anticipated by the Colorado Legislature in 2025. Draft minutes from CREA's recent meetings were emailed to the Board for additional details or follow-up.

### Western United (WU)- Dave Alexander

N/A – Next meeting January 2025.

### Tri-State- Kevin Cooney

Director Cooney reported that Tri-State's renewable generation for October accounted for 45% of member load, driven by strong wind production. Director Cooney noted that with the anticipated 2025 launch of the Spanish Peaks solar facility, Tri-State is expected to exceed 50% renewable energy generation, advancing toward its 2030 goals. Director Cooney also discussed the ongoing work of Tri-State's Contracts Committee, which plans to finalize updates to the Wholesale Electric Service Contract (WESC) by March 2025, present a recommendation to the Tri-State Board in early April, and seek Tri-State Board adoption by the end of April. The Board discussed concerns about the proposed contract extension terms, including potential differential rates for non-participating members. The Board discussed the possibility of a special meeting in April to allow for a comprehensive review and discussion of the WESC updates, ensuring the Board is fully prepared to make an informed decision.

## 10. ATTORNEY'S REPORT

### Executive Session

Director Loczy made a motion at 1:25 PM to enter into an executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted and carried. The Board entered executive session at 1:25 PM and came out at 2:50 PM. While in the executive session, no decisions were made, nor votes taken.

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**11. BOARD CALENDAR/TRAVEL**

The Board reviewed upcoming meetings and training opportunities, including CREA's Annual Meeting scheduled for February 8-11, 2025, in Denver, CO.

**12. MISCELLANEOUS**

Appoint CREA Annual Meeting Voting Delegate and Alternate

Director Rhoades motioned to appoint Director Szwarc as the CREA Annual Meeting Voting Delegate, with Director Felicelli as the alternate voting delegate. Director Alexander seconded. The motion was voted and carried. This will be ratified at the January 2025 Board Meeting as it did not meet the 10-day notice requirement.

Director Felicelli motioned to appoint Director Szwarc as the Western United Annual Meeting Voting Delegate. Director Alexander seconded. The motion was voted and carried. This will be ratified at the January 2025 Board Meeting as it did not meet the 10-day notice requirement.

**13. NEXT MEETING**

The January 2025 regular Board of Directors meeting will occur on Tuesday, January 28, 2025, in Ridgway and via Zoom Virtual Meeting.

The February 2025 regular Board of Directors meeting will occur on Tuesday, February 25, 2025, in Nucla and via Zoom virtual meeting.

**14. ADJOURN**

At 2:51 PM, Director Cooney motioned to adjourn the meeting. Director Rhoades seconded. The motion was voted and carried.

Signed by:

  
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Toby Brown, Secretary/Treasurer