

## **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 at the SMPA's Nucla Office location and via Zoom Video/Teleconference. All Directors attended the meeting in person at SMPA's Nucla Office.

## **3. DIRECTORS AFFIRMATION**

Swearing-in

Legal Counsel Jim Link reviewed the Directors' Affirmation, which serves as a pledge from the Directors to adhere to the SMPA Bylaws, policies, and the rules and regulations of the power company. The Affirmation also emphasizes the Directors' commitment to uphold the Cooperative's Vision Statement, Mission Statement and dedication to fostering a positive work culture and environment. Newly elected District 7 Director Jake Kurzweil and incumbent District 5 Director William (Rube) Felicelli confirmed that they have read the Director's Affirmation in full and agree to abide by its statements.

Election of Board Officers

Director Felicelli called for nominations for Board Officers. Director Alexander motioned that the Board Officers remain as they are, with Director Felicelli as Board President, Director Alexander as Vice President and Director Brown as Secretary/Treasurer. Director Loczy seconded. No other nominations were made. Following discussion, the motion was voted and carried.

## **4. APPROVAL OF CONSENT AGENDA**

Director Alexander motioned to approve the consent agenda for June 24, 2025, including the meeting minutes from May 27, 2025.

## **5. MEMBER OR CONSUMER COMMENTS**

General Member/Consumer Comments

- Director Szwarc relayed member praise for the Annual Meeting, particularly the quality of the food. He also thanked staff for promoting dark-sky-compliant LED bulbs at the event—an effort aligned with the growing number of Dark Sky Communities in SMPA's service territory.
- Director Cooney shared that members expressed appreciation for SMPA's decision not to extend its contract with Tri-State beyond 2050. He also noted growing local interest in Tri-State's proposed Policy 115 update, which would increase the self-generation cap from 5% to 20%.
- Director Brown noted that members are increasingly engaged on key issues, including SMPA's power supply decisions and Tri-State's preferred resource plan.
- Director Felicelli reported positive member engagement at two recent events. At Music on the Mesa in Norwood, SMPA was recognized as a primary sponsor and received public appreciation. He also participated in a community gathering in Mountain Village, where members inquired about the status of SMPA's microgrid and battery backup projects.
- A member participating virtually shared updates on federal geothermal tax credit extensions under Senate consideration, noted an upcoming energy conference, and encouraged continued support and public comment on Tri-State's Electric Resource Plan, particularly in relation to geothermal projects.

## 6. STRATEGIC PLANNING

Reliability & Resiliency – To ensure the ongoing reliability and resiliency of our power supply infrastructure while supporting our communities' overall resiliency efforts. Optimize the use of technology and strategic partnerships with a focus on wildfire mitigation. – Jeremy Fox and Mike Therriault

Manager Fox and Engineering Supervisor Mike Therriault presented an update on SMPA's strategic objective to strengthen system reliability and resiliency. Key initiatives included wildfire mitigation through revised fault protection settings and trip-saver deployment, enhanced grid-edge monitoring, and system modeling improvements using feeder-level Supervisory Control and Data Acquisition (SCADA) data. Vegetation management continues to be a focus, with new contractors and targeted trimming in high-risk areas. Staff also reported progress on conductor replacements, drone-assisted inspections, and mobile substation regulators. The presentation concluded with recognition of the operations and engineering teams for their ongoing commitment to performance, safety, and reliability.

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

Managers Lehigh and Zaporski provided an update on SMPA's strategic objective to evaluate and optimize the cooperative's power supply contract, rate design, and financial flexibility. They reviewed a timeline of Tri-State contract developments, including the Board's May 2025 decision to adopt the updated Wholesale Electric Service Contract (WESC) without extending its term beyond 2050. Federal Energy Regulatory Commission (FERC) reserved issues remain under discussion, with continued legal engagement and settlement activity ongoing. Staff also reported that key retail rate initiatives have been fully implemented, including TOU rate transition, new bill format rollout, and associated member education efforts. The power cost adjustment (PCA) has been deferred for future consideration. Discussions continue regarding long-term capitalization, including evaluation of a potential shift in financing partners later this year. Manager Freeman highlighted recent progress in grant-supported microgrid and storage projects. Two small-scale projects have been completed, while larger solar and battery systems in Nucla and Ridgway are entering the contract or RFP phase. SMPA is closely monitoring changes to federal tax credit programs and working to maximize direct pay opportunities under the Inflation Reduction Act. Staff shared early battery performance data from Ridgway's office system.

## 7. CEO ITEMS

Power Supply/FERC (Federal Energy Regulatory Committee) Update

Manager Zaporski reported that FERC settlement discussions related to the power supply rate case are ongoing and will be addressed in executive session due to the contractual nature of the matter.

New ERA Grant Funding Update

Manager Zaporski remains optimistic about the New ERA grant award, having received the same commitment letter as Tri-State. However, the associated solar project faces delays due to a Montrose County moratorium on power generation permits, now extended through August. The site—zoned agricultural and requiring remediation from past industrial use—may face timeline risks. SMPA has already secured the maximum FERC schedule extension and continues to monitor developments.

Bylaws Review RE: Director Attendance

Director attendance requirements were reviewed and clarified. Manager Zaporski confirmed that attendance expectations are defined in SMPA's Bylaws, not in a standalone Board policy. Per Article V, Section 7, directors must attend at least five Board meetings within any consecutive six-month period or be deemed to have

submitted their resignation. As this language resides in the Bylaws, any changes would require a formal amendment process, including Board and membership approval. No changes are proposed at this time.

#### November Board of Directors Meeting

Manager Zaporski presented a plan for a condensed, virtual-only November Board meeting to accommodate the holiday schedule and limited agenda. Due to the early timing, financial reports will not be available, and substantive updates are expected to be minimal. The meeting will fulfill the Bylaws' monthly meeting requirement and will be limited to essential items, with minimal staff attendance. The Board voiced support for the approach, and no formal action was required.

#### Introduction of Employee Guests

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.

Manager Zaporski introduced Mark Castle, who has taken on the role of System Technician after a long tenure as a journeyman lineman. Mark has been with SMPA for 27 years and has shared his appreciation for the opportunity, expressing enthusiasm about the future of SCADA and advancements in system reliability. The Board expressed appreciation for Mark's long-standing service and dedication to the cooperative.

#### Community Focus Donations

The next donation review is scheduled for July 2025.

Executive Assistant Davis provided an overview of SMPA's Community Focus donation program, explaining that unclaimed member dividends are allocated quarterly to support initiatives in cultural heritage, youth, education, and member welfare. She noted that Basin Electric's matching funds have been significantly reduced, prompting the donation committee to explore creative funding strategies, including outreach to additional partners and a proposed \$5,000 increase to the 2026 program budget. Staff will continue applying for supplemental support through Basin's remaining year-end funds and evaluate Tri-State's co-branded marketing option for additional contributions. A separate \$1,000 deposit was received from Tri-State to bolster SMPA's *Sharing Success* economic development program.

#### Board Donations

Director Loczy donated \$100 to Nucla Cemetery.

Director Loczy donated \$100 to Paradox Cemetery.

Director Brown donated \$500 to the Good Neighbor Fund.

#### Finance

##### Financial Review

Manager Lehigh reported that May was a strong financial month. Year-to-date revenues remain slightly above budget despite a slight shortfall in May. Expenses are tracking close to budget, with earlier overages tied to power costs and grant-related spending now stabilizing. Commercial energy sales are lagging slightly, while residential and irrigation use are steady. SMPA's load factor rebounded to 70%, though ongoing trends suggest

seasonal dips are growing more pronounced, likely due to shifts in post-COVID occupancy patterns and electrification impacts.

#### Board Education

Manager Lehigh provided a brief overview of SMPA's key financial ratios, highlighting that the current ratio ensures short-term obligations are covered, while the debt service coverage ratio confirms that operations generate enough income to meet loan payments. Both indicators help monitor overall financial health.

#### Time of Use (TOU)/New Bill Update

Manager Lehigh also provided an update on the transition to the new time-of-use (TOU) rate structure and redesigned billing format, noting that feedback has been minimal and overwhelmingly positive. Of more than 15,000 bills issued, only two TOU-related comments and one billing design suggestion were received. Staff expressed confidence that the new rate structure is performing as intended, with early billing tests aligning closely with budget projections.

#### Marketing & Member Services

Manager Freeman reported that SMPA will launch the *Electrify and Save* program in early August. The on-bill repayment initiative, developed in partnership with Tri-State, will help members finance energy-saving technologies—such as heat pumps and water heater timers—by spreading installation costs across their monthly power bill. The program expands on a successful pilot previously implemented for affordable housing projects and will now be available to all members. Additional updates included the hiring of a new Member Services Representative in Ridgway, who will be introduced at the July meeting, and a reminder that member dividend checks must be deposited by June 30. Unclaimed dividends will be redirected to support SMPA's scholarship and Community Focus programs.

#### Information Technology

Manager Tea provided an overview of recent IT enhancements, including the launch of SMPA's new web-based outage map, now hosted on Amazon Web Services (AWS). The upgraded platform offers faster performance, a modern interface, weather overlays, and improved search functionality to help members and directors quickly view outage information. Manager Tea previewed the upcoming transition of SMPA's meter data management system to AWS, which will enhance access to hourly usage data. Manager Tea concluded with a cybersecurity update, noting SMPA's layered defenses, including Malwarebytes, KnowBe4 training, and 24/7 monitoring through CrowdStrike, which can isolate compromised devices in real time.

#### Administration & Human Resources

Manager Rodriguez reported that SMPA's commercial insurance policies were renewed on July 1 with an 18% increase—slightly higher than expected—due in part to newly insured assets such as the Mountain Village affordable housing unit and the mobile regulator. Manager Rodriguez provided a staffing update, noting that recruitment continues for the Service Planning Supervisor role, a specialized position requiring both staking and supervisory experience.

Policy 101 – Director's Affirmation

Policy 112 – Harassment

The Board reviewed Policy 101 – Director's Affirmation, with no changes proposed, and Policy 112 – Harassment, which included minor grammatical revisions. A single motion was made by Director Szwarc and seconded by Director Alexander to approve both policies as presented. The motion carried unanimously.

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

Manager Fox reported that material delays have slightly shifted the Red Mountain project timeline. Despite the adjustments, the project is still expected to wrap up by year-end. SMPA also transitioned from USIC to Novo Utility Services for 811 locate work, aiming to improve response and safety. Finally, the use of Western Line Builders will pause for the remainder of the year, with plans to reevaluate in 2026.

## **8. BOARD TOPICS**

N/A

## **9. ASSOCIATED MEETING REPORTS**

Eco-Action- Toby Brown

Director Brown reported that the next EcoAction Partners meeting is scheduled for the following month, with a full update to come. He commended the organization's increasing visibility and impact, noting their presence at local events and their effective coordination with regional governments through initiatives like the EV Readiness Task Force.

West End Vision

Director Loczy reported that while activity with West End Vision has been limited, a meeting is scheduled for early July. He also noted an upcoming ice cream social on July 21 at 6:30 PM.

CREA- Val Szwarc

Director Szwarc reported that CREA held a special Board meeting, and details will be discussed during executive session.

Western United (WU)- Dave Alexander

N/A – next meeting in August.

Tri-State- Kevin Cooney

Director Cooney provided an update on Tri-State developments, highlighting that FERC's anticipated approval of Policy 115 could expand SMPA's ability to pursue local generation projects, potentially increasing self-generation from 5% to 20%. In April, 53% of Tri-State's member load was served by renewable energy, a notable benchmark in the cooperative's energy transition. He also reported that Tri-State's CFO unexpectedly resigned last month to take a position with an independent power producer. An interim CFO has been appointed. CEO Duane Highly remains active on national reliability and cybersecurity councils.

## **10. ATTORNEY'S REPORT**

Director Alexander made a motion at 12:48 PM to enter into an executive session for personnel and contractual issues. Director Brown seconded. The motion was voted and carried. The Board entered into executive session at 12:48 PM and came out at 2:40 PM. While in executive session, no decisions were made, nor votes taken.

Following Executive session, Director Szwarc motioned to authorize staff to pursue financing options for SMPA's portion of CREA's new headquarters purchase. Director Alexander seconded. The motion was voted on and carried with six directors in favor (Directors Felicelli, Szwarc, Cooney, Alexander, Kurzweil, Loczy) and one against (Director Brown). This motion will be ratified at the July Board of Directors meeting.

**11. BOARD CALENDAR/TRAVEL**

The Board reviewed upcoming meetings and training opportunities. Director Loczy and Director Felicelli noted plans to attend the CREA Summer School for Directors in August, and Director Cooney shared his plans to attend the NRECA Summer School for Directors in July. Manager Zaporski also reported he will attend the CFC Forum to meet with new contacts and continue discussions regarding potential loan transitions from RUS to CFC.

**12. MISCELLANEOUS**

N/A

**13. NEXT MEETING**

The July 2025 regular Board of Directors meeting will occur on Tuesday, July 22, 2025, in Ridgway and via Zoom virtual meeting.

The August 2025 regular Board of Directors meeting will occur on Tuesday, August 26, 2025, in Mountain Village Town Hall and via Zoom virtual meeting.

**14. ADJOURN**

At 2:44 PM, Director Alexander motioned to adjourn the meeting. Director Kurzweil seconded. The motion was voted on and carried.

Signed by:  
  
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Toby Brown, Secretary/Treasurer