

## February 26, 2024 SDCEA Board Meeting Summary

### Members Attending:

Board Members: All were present.

Staff: Gary, Sarah, Tracy, Mike, Bud. (Chris was out of town)

Members/Guests (In Person): Sandy Long, Carlin Walsh

Members (Online): Not aware of any.

### Public Comments:

- Sandy: Asked how the strategic planning workshop on February 8-9 went, and when they would inform members about the outcome.
- Carlin Walsh of Aristata: Informed the board that Aristata would be acquired by Visionary Broadband on February 29. Will continue relationship with SDCEA. Focus will be on reliability and growth of the network.

CFO Crites presented the preliminary capital credit allocation. This will be voted on in the March meeting.

Bud Robb, IT: Presented a high-level view of SDCEA cyber security status. They have identified potential threats and have done scenario planning.

Scholarship Committee will consist of Directors Boyle, Fiedler, and Attebery. They will meet in March.

### Policy updates:

- Staff updated Policy A-2 Qualifications for Directorship to clarify when directors can attend Board Meetings remotely. Board agreed to make it with permission from the Board Chair. Staff to revise the wording.
- Staff updated Policy E-4 Sick and Family Emergency and Supplemental Paid Leave to reflect the latest Colorado state requirements. Director Abel prefers to refer to the Colorado statutes so the co-op doesn't have to update the policy documents as much. Attorney Martin mentioned that other co-ops opt to have this information in their employee handbook. SDCEA does not have an employee handbook but they do have policies and procedures. Staff will revise Policy E-4 to refer to Colorado requirements and bring to the Board next month.

Strategic Discussions/Strategic Plan update: CEO Kelly will use this agenda item in future meetings to report on the strategic plan. He won't have a first draft of the strategic plan until the April Board meeting. Director Boyle asked if the Industry Presentation from the Strategic Planning session was OK to share with members. Board agreed that it was.

### Director Roundtable:

- Boyle: Thanks to Gary Kelly and staff for the strategic planning sessions. Hope we can keep the momentum up.
- Hellbusch: Strategic plan went well. April is a long time for updates but it is what it is. CEO Kelly said that staff needs to work on tasks, not the board.
- Fiedler: Happy on how the 1.5 day strategic planning went. Staff presence was helpful.
- Attebery: Strategic planning well worth the time.
- Abel: No report
- Bennetts: Enjoyed strategic planning sessions. Moderator did a great job.

#### Associated Organization Reports:

- CREA, Atteberry: At Friday CREA meeting, Colorado State Senator Chris Hansen spoke to the CREA board. SB 24-159 would place a moratorium on oil and gas permitting in Colorado. Hansen does not think the bill will survive. CREA members were asked to vote on it. Chair Atteberry said that SDCEA's position was that of "Monitoring." In other words, we would not approve or oppose. This is because we don't have much oil and gas in our area.
- Tri-State, Abel: Sent a report to the board. Tri-State is waiting on FERC to decide on rates, which is expected to come soon.
- Western United, Bennetts: Western United has a huge backlog of orders mostly due to transformers. Certain size of transformers can take 18 to 24 months to get. Western United is doing more business with non-coop members so margins are slightly higher.

#### Attorney Report:

- Next month will start sending report on non-confidential items and then only address questions.
- La Plata Electric and Tri-State lawsuit is continuing with Tri-State trying to get it dismissed and La Plata responding. Court can hold hearings on the motions or go ahead and rule. No court date has been set.
- Tri-State Electric Resource Plan is before the CO Public Utilities Commission with intervening parties asking questions to Tri-State. Some parties are questioning the requirement for a new natural gas plant and if carbon capture technology will be viable. Moffat and Craig want money for their economic impacts with the transition away from coal.
- Attorney Martin thanked the board for including him in the strategic planning sessions.

#### CEO Report:

- As announced last month, they won't go into details unless there are questions.
- Gary Kelly did cover that they will re-bid the BV headquarters HVAC project. It will take 6 weeks for re-engineering. They hope that they can get more competitive bids now that the market may have softened a bit. May be more than the \$2.5M that the board originally approved but would be less than the \$4M bid received last month.
- Sandy Long asked how members find out about updates if they only put that in reports and not talk about items during the meetings. Example of this was that they scrolled past a bullet on adding batteries to Trout Creek Solar and it looks like this might be a lower priority to the Queida/Kettle project. Gary Kelly responded that he had not thought about this. Sandy Long mentioned that a monthly email from the CEO and/or Board Chair would be helpful. They have talked about this but sounds like they don't have this email capability yet.

#### Upcoming Board Meetings: Dates for the September through December meetings were updated.

- No changes to March 27, April 30, May 30, June 11 Annual Meeting, June 26, July 24, August 28
- September 30 (Board education session)
- October 30
- November 21
- December 19

Lunch Break: They have changed the format to have a working lunch. There is only a 15-minute break. Visitors may want to bring their own lunches in the future.

CFO Report: (This will continue to be presented in the board meetings.) January revenues were within 1% of budget. Expenses were around 20% under budget due to no tree trimming charges, the delay of the Tri-State transmission cost increase, and director's expenses being under budget.

There have been minimal calls regarding the rate change. The FAQ online page has had a lot of traffic. They expect more calls after members get their bills with the new rates.

Engineering Report: Working on a report to show all projects and where they are in progress.

Operations Report: Director Fiedler had a question on if they look at future capacity needs when they replace cable.

Sustainable Energy Initiatives: What is presented is close to what is submitted to Tri-State (Policy 117). (It's hard for audience members to read the numbers and doesn't look like any analysis, just numbers.)

Around 1:30 p.m., meeting moved to Executive Session for personnel matters.