Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
May 26, 2026 (Ridgway 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 9:03 AM. The meeting was held at SMPA's Ridgway Office and via Zoom Virtual Meeting. All Directors attended the meeting in person at the Ridgway Office.

3. APPROVAL OF CONSENT AGENDA
Director Alexander motioned to approve the consent agenda for May 26, 2026, including the April 28, 2026, meeting minutes with corrections; ratification of the net metering true-up policy change to pay annual excess on-peak kilowatt-hours using an equal ratio based on SMPA's on-peak and off-peak retail kilowatt-hour charges for the single-phase residential rate, applied to all net metering rate classes; and ratification approving staff to move forward with Round Two of the Bring Your Own Resources (BYOR) application. Director Loczy seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS
General Member/Consumer Comments

- Director Kurzweil shared appreciation for SMPA's participation in the Silverton Community Wildfire Protection Plan meeting and noted the value of continued community preparedness and coordination. Appreciation was also expressed for SMPA's participation in local graduation scholarship presentations.
- A member provided comments and questions related to SMPA's April budget amendment for long-term interest expense, including how the amendment related to power supply commitments, forecasting, and member usage. Management clarified that the amendment was specific to long-term debt interest expense and noted that staff could provide individual follow-up to help explain the subject more fully.
- Manager Zaporski reviewed SMPA's general process for addressing member comments or complaints that may require follow-up. Clarifying that the process is generally the same whether the concern is reported by a Board member or initially received by staff, with staff working with the member to address the issue and reporting the resolution back to the Board when appropriate. For concerns initially received by staff, staff uses judgment to determine whether the matter should be elevated to the Board.

5. STRATEGIC PLANNING
To determine if our existing power supply contract best achieves SMPA's Mission while providing the financial and contractual flexibility necessary to meet our members' needs. – Brad Zaporski and Lance Lehigh

Manager Zaporski provided the final update on SMPA's Power Supply, Rates, and Financial strategic objective, noting it was developed following the prior strategic planning process to determine whether SMPA's existing power supply contract best achieves SMPA's mission while providing financial and contractual flexibility to meet members' needs. The history of SMPA's power supply evaluation was discussed, including Federal Energy Regulatory Commission (FERC) proceedings, Tri-State contract discussions, Bring Your Own Resources (BYOR) development, and the Board's decision to reaffirm its relationship with Tri-State by accepting updated contract terms while maintaining the existing 2050 termination date. Milestones included alignment of SMPA's retail rate strategy with wholesale price signals through implementation of Time-of-Use (TOU) rates, development of a Power Cost Adjustment (PCA) concept, transition from the Rural Utilities Service (RUS) to the National Rural

Utilities Cooperative Finance Corporation (CFC) as SMPA's primary lender, and continued pursuit of grant opportunities. Discussion also included future transmission cost considerations, Tri-State's participation in the Southwest Power Pool (SPP), radial transmission cost risk, opportunities under Bring Your Own Resources (BYOR) and Board Policy 115, and the importance of continued member communication regarding future wholesale power cost pressures.

6. C.E.O. REPORT

Bring Your Own Resources (BYOR)

Manager Zaporski advised that staff are currently working on the BYOR Round 2 application and are expected to submit the application in early June. Due to the confidential and contractual nature of the project, additional discussion on the topic will occur in executive session.

New ERA Grant Update

Management provided an update on SMPA's New ERA Grant change-of-scope request. RUS acknowledged the request and asked SMPA to provide long-term financial forecast sensitivity analysis for multiple project and grant scenarios. The grant status and final scope remain uncertain.

Public Safety Power Shutoff (PSPS)

Manager Zaporski provided an update regarding Public Safety Power Shutoffs (PSPS), noting the discussion focused on potential transmission-level shutoffs initiated by Tri-State or another upstream transmission provider, rather than distribution-level shutoffs initiated by SMPA. The Board discussed the possibility that SMPA may receive limited or no advance notice before a transmission-level PSPS impacts one or more SMPA substations, and the importance of preparing members in advance that such events may occur. Discussion included ongoing coordination with Tri-State, outreach to other Colorado cooperatives that have experienced PSPS events, potential notification challenges, and the need to use available communication channels, including newsletters, social media, the Annual Meeting, and future Power Hours, to educate members.

Introduction of Employee Guests

Manager Zaporski introduced Ms. Krystina Tollini as SMPA's new Ridgway Member Services Representative, noting she began employment on April 27. Ms. Tollini has more than 10 years of experience in administrative support and customer service, with a background in account management, accounts payable, budgeting, database accuracy, education, banking, and property management. Ms. Tollini expressed appreciation for the opportunity to join SMPA and shared her enthusiasm for working with the organization and living in the region.

Joshua Hainey, Senior Staff Accountant; Megan Rutherford, Member Billing Representative; Eric Pottorff, Operations Manager; Keli Busch, Plant Accountant; Phil Zimmer, Member & Energy Services Supervisor; Paul Hora, Key Accounts Executive; Byrd Williams, Service Planning Supervisor; Mark Prezbindowski, IT Specialist; Keila Carver, Member Service Representative; Evan Coleman, Fleet Technician; and Alex Shelley, Communications Executive, attended the meeting, either in person or virtually via the Zoom webinar platform.

Community Focus Donations

The next Community Focus donation review is scheduled for July 2026.

Board Donations
Director Cooney donated $110 to bolster each of the Telluride High School scholarship winners.
Director Brown donated $100 to West End Family Link.
Director Brown donated $100 to Fresh Foundation.
Director Brown donated $250 to the Telluride Foundation's Good Neighbor Fund.
Director Alexander donated $200 to Norwood School, Attn: 3rd Grade Shelly Donnellon
Director Alexander donated $300 to the Norwood Chamber of Commerce for the Music on the Mesa Series.
Director Alexander donated $100 to Norwood Food Bank.
Director Kurzweil donated $100 to the Silverton Volunteer Fire Department.
Director Kurzweil donated $100 to the Ouray Volunteer Fire Department.

Finance
Board Education
Manager Zaporski provided a Board education update regarding the audit process and noted that SMPA's current three-year audit engagement with Kelso-Lynch has concluded. Kelso-Lynch will complete the remaining 2025 tax-related filings, including forms related to applicable incentives and rebates for battery and solar projects. SMPA issued a request for proposals for future audit services, with proposals due in June. Staff anticipates bringing leading proposals and a recommendation to the Board for review at the July Board meeting. Discussion included the Board's role in selecting the auditor, proposal review criteria, cost comparisons, and confidentiality considerations.

Financial Review
Manager Zaporski also reviewed April financials, noting that operating revenues were significantly below budget for the month and year-to-date kilowatt-hour sales remained below the prior year. Lower purchased power costs helped offset part of the revenue shortfall, and controllable expenses remained below budget; however, financial performance continues to be affected by reduced sales related to mild winter weather, ski area impacts, lost large loads, and broader regional activity. Discussion included SMPA's continued reliance on kilowatt-hour sales to meet revenue requirements, the stabilizing role of fixed cost recovery through the access charge, current financial ratios, deferred revenue considerations, and ongoing cost-containment and capital planning efforts. Management also reviewed the reasons for the previously approved budget amendment to long-term interest expense, including lower-than-budgeted revenues, timing of grant project cash flow needs, higher borrowing levels, and the current interest rate environment.

Marketing & Member Services
Update on Net Meter On-Peak kWh Bank True-up
In Manager Freeman's absence, Manager Zaporski reviewed the update on the net meter on-peak kilowatt-hour bank true-up. Staff reported that communications were sent to net metering members regarding the additional on-peak true-up payment approved by the Board. Approximately 821 net metering accounts were reviewed, with approximately 321 accounts receiving an additional on-peak incentive payment. The total additional payment amount was less than $2,000. Discussion included how the on-peak true-up aligns with SMPA's Time-of-Use (TOU) rate structure and provides a price signal to encourage energy production or battery dispatch during higher-value on-peak periods. Staff noted that future distributed energy resources and battery storage programs may further support demand response opportunities.

Information Technology
Manager Tea reviewed his report, highlighting the announced merger between NISC and Meridian. Discussion included potential impacts to software platforms, long-term system transitions, mapping tools, project timelines, and member cooperative support. Staff will continue monitoring the merger and its potential impact on SMPA systems and operations. Discussion also included cybersecurity awareness and lessons learned from other cooperative experiences.

Administration & Human Resources
Manager Rodriguez reviewed the Human Resources report, including recruitment updates for the Ridgway Fleet Technician, Manager of Information Technology, and Chief Financial Officer positions. Discussion included recruitment platforms, application review processes, hiring committees, and the option to use recruitment firms if needed. Upcoming participation as a chaperone for the CREA Youth Tour to Washington, D.C., was also noted.

The Board reviewed proposed revisions to Policy 303, Net Metering. Discussion included the level of detail appropriate for the policy, annual excess energy true-up language, the distinction between on-peak and off-peak credits. Discussion also noted that, specific to the net metering policy, additional detail may provide members with clearer information about how annual excess energy is credited before the true-up process occurs. Director Brown motioned to approve Policy 303 as drafted. Director Alexander seconded. The motion was voted and carried, with five Directors voting in favor and Directors Szwarc and Cooney opposed.

The Board reviewed Policy 311, Scholarships. No changes were proposed. Director Alexander motioned to approve Policy 311, Scholarships, as presented. Director Loczy seconded. The motion was voted and carried.

Engineering | Operations | Safety & Regulatory Compliance
Manager Fox reviewed the Engineering and Operations report. SMPA's participation in Light Up Navajo was highlighted, including appreciation for the crew members who took part in the mutual aid effort. Recent outages were also reviewed, including lightning-related and equipment-related outages, along with the value of drone technology in identifying issues and supporting restoration efforts. Discussion also included material cost increases, particularly for items affected by petroleum pricing, and the need to update cost estimates and line extension materials to reflect current pricing. Updates to the construction handbook are also underway, with completion anticipated later in the year. Safety updates included SMPA's participation in training related to wildfire response, electrical hazard awareness for emergency responders, and local evacuation exercises. Ongoing coordination with regional emergency management partners was also noted.

7. BOARD TOPICS
Board Self-Assessment/Evaluation Discussion
President Felicelli introduced a discussion regarding a potential Board self-assessment or evaluation process, including the value of periodically reviewing Board performance, governance practices, communication, roles and responsibilities, and the Board's relationship with the CEO. Director Cooney reviewed related NRECA guidance and noted that a formal process could help clarify governance expectations, including policy-level oversight, CEO evaluation, legal counsel, and auditor selection. The Board discussed incorporating this work into strategic planning or a future facilitated discussion.

Board Districts
The Board discussed Board district boundaries and the possibility of future redistricting review. Discussion included population balance, communities of interest, geographic representation, recent boundary changes, communication with affected members, and the importance of considering any future changes outside of an active election cycle when possible. The Board discussed revisiting the topic after the election and before the next election cycle.

NRECA Resolution Process
The Board discussed the NRECA resolution process and an opportunity to provide feedback through CREA. Discussion included the timing of the resolution process, the level of staff and Board involvement required, and SMPA's historical participation. It was noted that SMPA has not historically participated extensively in the process, in part due to the time and resources required. Discussion emphasized the importance of weighing whether potential resolution topics are significant enough to impact SMPA and its members before committing staff or Board time to the process. No specific resolutions were identified for action at this time.

Hosting Capacity
The Board discussed hosting capacity and how it relates to local generation, net metering, Policy 115 projects, BYOR projects, and future distributed energy resource planning. Discussion included feeder and substation capacity limitations, especially in areas where hosting capacity is already constrained, and the need for clear Board direction regarding SMPA's philosophy and priorities for local renewable energy development. Staff will continue preparing information to support future strategic planning discussions.

8. ASSOCIATED MEETING REPORTS
Eco-Action- Toby Brown
Director Brown updated the Board on recent EcoAction Partners activity, including successful spring cleanup and gear reuse events. The report also included discussion of the Norwood Floating Solar Project and broader interest in floating photovoltaic projects over waterways, including potential benefits related to drought conditions, water conservation, reduced evaporation, lower water temperatures, and reduced algae growth.

CREA- Val Szwarc
Director Szwarc provided the CREA report and reviewed recent state legislative activity. Updates included discussion of legislation related to plug-in solar meter collars and small solar devices. Discussion included safety considerations, UL listing requirements, the need for member education, and SMPA's preparation for related policy and operational considerations. Staff noted that SMPA is already reviewing equipment and planning a pilot project before the legislation becomes effective.

Western United (WU)- Dave Alexander
N/A

Tri-State- Kevin Cooney
Director Cooney communicated updates from Tri-State, including Tri-State's successful entry into the Southwest Power Pool (SPP), lower member sales due in part to warmer weather, increased fuel costs, recent communication with rating agencies, and continued work related to energy transition issues in the Craig area. Discussion noted that, with some members departing, Tri-State has additional capacity available, which may create opportunities for increased market sales. The report also noted that Tri-State set a new renewable energy record in late March,

with renewable generation reaching 105% of total load and excess power sold into the market, and that approximately 48% of the 2025 load was met by renewables. Additional topics included carbon reduction targets, the federal order related to Craig Unit 1 and wildfire legislation.

9. ATTORNEY'S REPORT

Manager Zaporski advised the Board in open session that the Dalwhinnie trial is scheduled for July 2027.

Executive Session

Director Loczy made a motion at 2:07 PM to enter into an executive session for personnel and contractual issues. Director Alexander seconded. The motion was voted and carried. The Board entered into executive session at 2:11 PM and came out at 2:24 PM. While in executive session, no decisions were made, nor votes taken.

10. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings, travel, and training opportunities. Directors were encouraged to share brief takeaways with the Board after attending training.

11. MISCELLANEOUS

N/A

12. NEXT MEETING

SMPA's 87th Annual Meeting will occur on Thursday, June 4, 2026, in Nucla and via Zoom virtual meeting.

The June 2026 regular Board of Directors meeting will occur on Tuesday, June 23, 2026, in Nucla and via Zoom virtual meeting.

SMPA's 2026 Strategic Planning Session will occur on Tuesday and Wednesday, July 21-22, 2026, in Gateway, Colorado.

The July 2026 regular Board of Directors meeting will occur on Tuesday, July 28, 2026, in Ridgway and via Zoom virtual meeting.

13. ADJOURN

At 2:21 PM, Director Loczy motioned to adjourn the meeting. Director Alexander seconded. The motion was voted and carried.

Signed by:
Toby Brown
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Toby Brown, Secretary/Treasurer