

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 9:04 AM. The meeting was held at the Grand Imperial Hotel in Silverton, CO and via Zoom Video/Teleconference. Director Felicelli, Director Cooney, Director Brown, Director Szwarc, Director Kurzweil, and Director Loczy attended the meeting in person at the Grand Imperial Hotel location, and Director Alexander attended virtually via Zoom.

3. APPROVAL OF CONSENT AGENDA

Director Loczy motioned to approve the consent agenda (September 23, 2025), including meeting minutes for August 26, 2025.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Cooney reported communication with the Rico Trails Alliance regarding possible trail use within SMPA rights-of-way, noting the group referenced state recreational statutes and may seek further discussion with staff.
- Director Cooney reported being contacted by a member regarding the heat tape program and referred the inquiry to Member Services for follow-up.
- Director Cooney reported receiving a member inquiry regarding the proposed West End solar facility, specifically whether the site is located within the San Miguel watershed.
- Director Loczy reported receiving a member complaint related to contractor line construction activity in which a gate was left open, allowing livestock to escape; noting the incident occurred several months prior and has since been acknowledged and discussed with staff.
- Director Loczy commented on the recent Nucla meeting, noting that while attendance was lower than anticipated, feedback from participants was positive both during the event and on social media.
- Legal Counsel Link shared positive feedback from two community members in Ouray who complimented SMPA crews and contractors for their professionalism and safe driving practices during local construction activities, noting crews were courteous and mindful of traffic and pedestrians.
- Director Szwarc reported attending an EV Task Force meeting where a participant asked if SMPA could help restore the inactive EV charger in Rico. Staff noted the Town of Rico previously chose to deactivate the charger due to administrative and fee-related challenges with the ChargePoint network. SMPA is exploring potential funding support through Tri-State that could offset costs and may re-engage with the town if interest in reactivating the charger increases.

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 & Regulatory Coordinator Darcy Weimer provided an update on SMPA's safety culture strategic objective, emphasizing continued efforts to promote ownership and accountability through training, communication, and community outreach. She reported that the Safety Committee is encouraging near-miss reporting through a new incentive program and reviewed recent training sessions, including FR clothing care, switchman training, and

Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
September 23, 2025 (Silverton and Zoom Virtual Meeting)

upcoming compliance, crane, and rescue certifications. SMPA also participated in the Ouray County Survival Games, offering electrical safety demonstrations for the public. Mrs. Weimer shared details of the upcoming "Why" safety awareness campaign, which encourages employees to reflect on their personal motivations for working safely. These efforts underscore SMPA's ongoing commitment to fostering a proactive safety culture that prioritizes the safety of employees, members, and the communities it serves.

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

Manager Rodriguez provided an update on the People & Culture strategic objective, emphasizing efforts to strengthen workplace culture and employee engagement through communication, development, and succession planning. Recent initiatives included financial wellness training, enhanced six-month check-ins focused on meaningful dialogue, and expanded use of LinkedIn Learning. A formal succession plan is in draft form to identify key roles and development needs. Ongoing wellness activities include the annual step challenge, updates to the Ridgway fitness room, and community engagement through the upcoming Shred Day and food drive. Mrs. Rodriguez noted these initiatives support SMPA's continued focus on employee engagement and development as essential drivers of the cooperative's long-term success.

6. C.E.O. REPORT

Power Supply/FERC (Federal Energy Regulatory Committee) Update

Manager Zaporski reported that Tri-State and the involved parties have reached a settlement on the FERC rate docket, providing greater cost certainty for the next three and a half years, particularly regarding the direct assignment of radial lines. He noted that Tri-State's new Wholesale Electric Service Contracts (WESC) have been filed with FERC, extending SMPA's contract through 2050, and advised that the proposed increase in self-generation limits under Board Policy 115 remains under review due to objections from Basin Electric affecting eastern interconnect members.

New ERA Grant Funding Update

Manager Zaporski provided an update on the New ERA Grant project, noting that the Montrose County Planning Commission recently rejected proposed regulatory redlines that would have prevented SMPA's project from moving forward on the identified site. The final decision now rests with the Montrose County Commissioners, who are expected to review the recommendation at their October 1 meeting, explaining that the current county moratorium on new solar development remains in effect through December and may be revisited at upcoming commissioner meetings. Manager Zaporski also clarified that the project timeline is tied to SMPA's existing Build Your Own Resource (BYOR) contract with Tri-State, which establishes a defined commercial operation date, and that alternative options to address potential delays were being evaluated.

Introduction of Employee Guests

Joshua Hailey, Senior Staff Accountant; Megan Rutherford, Energy Service Technician; Mike Therriault, Engineering Supervisor; Kelly Truelock, Senior Staff Accountant; Jackie Sinclair, GIS Specialist; Eric Pottorff, Operations Manager; Keli Busch, Plant Accountant; Dustin Smuim, Fleet & Facilities Supervisor; 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 October 2025.

Board Donations

Director Brown donated \$100 to the Just for Kids Foundation.
Director Felicelli donated \$100 to Telluride Adaptive Sports.
Director Kurzweil donated \$100 to Silverton Family Learning Center.
Director Cooney donated \$100 to Silverton Family Learning Center.

Finance

CFC Loan Package Approval

Manager Lehigh reviewed the CFC loan package and requested approval to establish a \$25 million line of credit under CFC's Choice Loan Program with a five-year draw period, positioning CFC as SMPA's primary lender. He noted that all required documents are in place, that the facility offers flexible draw terms and improved cash flow compared to RUS reimbursement loans. Director Brown motioned to approve SMPA to borrow from CFC an amount not to exceed \$25 million as set forth in the loan agreement for purposes outlined in the loan documents. Director Loczy seconded. Following discussion, the motion was voted and carried.

Form 990 Review

Manager Zaporski introduced George Lynch, P.C., CPA, from the auditing firm Kelso and Lynch. Mr. Lynch explained that the Form 990 serves as an information tax return and provided the Board with a high-level overview of the report. He emphasized that it maintains its nonprofit cooperative tax status by generating 85% of its revenue from its members, which supports the organization's charitable mission of delivering power to rural communities.

Financial Review

Manager Lehigh reported that August financial performance remains strong, with year-to-date revenues slightly ahead of budget and purchased power costs within expected parameters. Peak demand was higher than anticipated, with the annual system peak recorded on August 21. He noted that key financial ratios and debt service coverage remain solid, and overall performance is consistent with budget expectations.

Update to the 2024 Capital Credit Allocation

Manager Lehigh reviewed an amendment to the 2024 Capital Credit Allocation, explaining that the adjustment incorporates an additional Tri-State allocation related to United Power's contract termination payment. He noted that, consistent with industry practice and auditor guidance, the \$704,900 associated with this forfeited patronage will be added to SMPA's permanent equity rather than distributed as member patronage. The revised allocation reflects \$1,021,459 in cooperative margins, \$332,933 in G&T margins, and \$704,900 added to permanent equity. Director Cooney motioned to approve the amended allocation as presented. Director Brown seconded. Following discussion, the motion was voted and carried.

Marketing & Member Services

Manager Freeman reviewed the member service report, highlighting that SMPA is hosting a hands-on workshop at the Ridgway office for electricians to demonstrate the new heat tape automation technology offered through SMPA's rebate program. The system, developed by Powder Watts, uses camera and sensor controls to optimize efficiency and reduce unnecessary electric load.

Microgrids for Community Resilience Grant/Ridgway Solar Carports & Nucla Office Microgrid

Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
September 23, 2025 (Silverton and Zoom Virtual Meeting)

Manager Freeman reviewed the Microgrids for Community Resilience projects, noting both the Ridgway Solar Carport and Nucla Office Microgrid are primarily funded through DOLA grants, came in under bid estimates, and are behind-the-meter projects that do not impact Policy 115 limits. The Ridgway project includes approximately 115 kW of solar generation, four EV chargers, and covered fleet parking that supports operational readiness. Director Brown motioned that, based on the winning bid from the competitive RFP process, staff be authorized to enter into a stipulated sum contract with Stryker & Company, Inc. for the engineering, procurement, and construction of the Ridgway Office Solar Carport. Director Cooney seconded. Following discussion, the motion was voted and carried.

Director Brown motioned that, based on the winning bid from the competitive RFP process, staff be authorized to move forward with installation of the Nucla Office Microgrid Project with Alternative Power Enterprises, Inc., providing engineering, procurement, and construction as specified in the contract executed in May 2025. Director Alexander seconded. Following discussion, the motion was voted and carried.

Programs, Projects & Initiatives Review Presentation

Communications Executive Alex Shelley provided an update on SMPA programs, projects, and initiatives. Highlights included new leadership promotions and the addition of a locate-services partner to enhance damage prevention efforts; continued reliability improvements under the Red Mountain Project; and an upcoming planned outage in Silverton on October 7 to accommodate Tri-State substation work and concurrent SMPA system maintenance. Mr. Shelley also reviewed progress on local renewable and microgrid initiatives under Tri-State Policy 115 and the BYOR framework and introduced the Electrify & Save on-bill repayment program designed to support member electrification and energy-efficiency upgrades.

Member Comments/Participation RE: Programs, Projects & Initiatives

Member comments, participation, and questions focused on three main areas: community growth and resiliency, reliability and vegetation management, and electrification and member programs.

- **Community Growth & Resiliency:** Community representatives highlighted significant new residential and lodging developments in Silverton and San Juan County, emphasizing the importance of reliability, redundancy, and continued coordination with Team GOLD and emergency management partners to ensure preparedness during winter closures and outages. Attendees noted the growing year-round population and visitor traffic, underscoring the need for resilient infrastructure and emergency sheltering capacity.
- **Reliability & Vegetation Management:** Members expressed appreciation for SMPA's engagement and for recent vegetation management and reliability work under the Red Mountain Project. They noted the project's dual benefits for reducing wildfire risk and improving system dependability and acknowledged Tri-State's investment and collaboration in supporting the regional power grid.
- **Electrification & Member Programs:** Comments included support for expanding electrification, new all-electric construction, and a planned DC fast-charging project near the Visitor Center. Members expressed interest in SMPA's Electrify & Save on-bill financing program and rebate offerings to support energy-efficiency upgrades and electrified heating systems.

Information Technology

IT Specialist Mark Prezbindowski provided an update on departmental activities, noting continued system support and maintenance to ensure reliable tools for staff and members. He reported recent training with Cross Canyon Engineering to implement new cloud-based staking tools using iPads and shared that Member Services

Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
September 23, 2025 (Silverton and Zoom Virtual Meeting)

staff will soon return to the Ridgway front office following construction. Mr. Prezbindowski also noted ongoing coordination between billing and engineering to address meter read exceptions under the new Time-of-Use rate, no cybersecurity incidents for the month, and continued phishing awareness training. GIS staff are completing annual map reviews to verify field accuracy and support operational systems.

Administration & Human Resources

Manager Rodriguez provided an update on administrative and human resources activities, noting the successful hire of a new apprentice line technician for the Ridgway district and ongoing preparations for the upcoming open enrollment period for group benefit plans, scheduled for November 4–19. Employees and directors will receive benefit profiles to review, confirm elections, and make any necessary updates during the enrollment window. Manager Rodriguez concluded by emphasizing HR's continued focus on staffing support and employee engagement.

The Board reviewed Policy 150 – Donations | Community Focus. Proposed updates were minor, with clarifying verbiage regarding the defined recurring sponsorship process. Director Loczy motioned to approve Policy 150 as presented. Director Kurzweil seconded. Following discussion, the motion was voted on and carried.

Policy 306 was not reviewed, as it was inadvertently omitted from the packet. The policy will be reviewed at a future meeting.

Engineering | Operations | Safety & Regulatory Compliance

Manager Fox previewed his report, highlighting that the current phase of the Red Mountain Reliability and Broadband Improvement Project (RMRBIP) is nearing completion, with final contract work wrapping up and one remaining switch scheduled for installation in spring 2026. Planning is underway for future phases and substation upgrades, with material acquisition and permitting efforts already in progress. Manager Fox also noted upcoming Tri-State maintenance at the Cement Creek Substation on October 7 and commended SMPA crews for completing recent recloser replacements without service interruptions.

7. BOARD TOPICS

N/A

8. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

Director Brown provided an update on EcoAction Partners and the Sneffels Energy Board, noting their participation in the upcoming Mountain Town 2030 conference in Breckenridge. Topics will include rural renewables, mountain town mobility, and energy-efficient building codes. He highlighted ongoing regional efforts to reduce emissions through progressive construction standards and decarbonization goals.

CREA- Val Szwarc

Director Szwarc reported on the September CREA Board meetings, noting continued efforts to fill the Executive Director position and the pending sale of CREA's Western Street property, expected to close in early October. He also summarized the discussion on proposed legislation to advance Colorado's 100% renewable goal to 2040,

Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
September 23, 2025 (Silverton and Zoom Virtual Meeting)

noting CREA's decision to join a coalition opposing the measure and emphasizing the value of collaboration and engagement in shaping future policy.

Western United (WU)- Dave Alexander

Director Alexander reported on the recent Western United Board meeting, noting strong financial performance with July sales up 11%. He stated that supply chain conditions continue to improve, allowing the company to reduce inventory levels while maintaining reliable access to materials.

Tri-State- Kevin Cooney

Director Cooney reported that Tri-State's 2026 wholesale rate filing remains under FERC review and includes a proposed hybrid rate design balancing demand and energy components. Director Cooney reported a projected 7.5% power cost increase for 2026, noting that further increases are expected in subsequent years. Tri-State will treat Colowyo Mine closure costs as a regulatory asset to be recovered over time. Additional updates included renewable generation reaching 45% in July, the hiring of a new Chief Financial Officer (CFO), and continued progress toward potential participation in the Southwest Power Pool (SPP).

9. ATTORNEY'S REPORT

Director Brown made a motion at 1:42 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 1:42 PM and came out at 2:11 PM. While in executive session, no decisions were made, nor votes taken.

10. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings and training opportunities. Manager Zaporski noted Tri-State's regional member meeting on October 23 in Gunnison, the CREA Fall Meeting in early November, and the SMPA Budget Work Session on October 14 in Ridgway, noting the session allows time for in-depth budget discussion and preparation without formal action.

11. MISCELLANEOUS

Director Certification Presentations

Director Felicelli stated that NRECA's Director Certificate Programs, offered at three levels from fundamental to advanced, are designed to equip electric cooperative directors with the knowledge and skills needed to fulfill their roles, stay informed on industry trends, and navigate current and future challenges. He congratulated Director Szwarc on earning the Credentialed Cooperative Director (CCD) certificate and Director Cooney on earning the Director Gold Certificate. He emphasized that participation in these programs strengthens directors' ability to serve the cooperative and its members effectively.

CREA's Delegate & Alternate to NRECA Colorado Meeting

Director Felicelli motioned to appoint Director Szwarc as the CREA Voting Delegate and Director Cooney as the alternate. Director Kurzweil seconded. The motion was voted and carried.

12. NEXT MEETING

On October 14, 2025, a Budget Work Session will be held in Ridgway via Zoom virtual meeting.

The October 2025 regular Board of Directors meeting will occur on Tuesday, October 28, 2025, in Nucla and via Zoom virtual meeting.

Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
September 23, 2025 (Silverton and Zoom Virtual Meeting)

The November 2025 regular Board of Directors meeting will occur on Tuesday, November 18, 2025, as a virtual-only meeting via Zoom platform.

13. ADJOURN

At 2:23 PM, Director Kurzweil motioned to adjourn the meeting. Director Brown seconded. The motion was voted on and carried.

Signed by:

Toby Brown

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Toby Brown, Secretary/Treasurer