

Record of Proceedings
San Miguel Power Association
Board of Director Meeting Minutes of
November 18, 2025 (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 a virtual-only meeting via Zoom Video/Teleconference, with all directors in attendance virtually.

3. APPROVAL OF CONSENT AGENDA

Director Alexander motioned to approve the consent agenda (November 18, 2025), including meeting minutes for October 28, 2025. Director Kurzweil seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- N/A

5. RATE PROPOSAL AND RECOMMENDATION PRESENTATION

Rate Proposal and Recommendation Presentation

Manager Freeman provided an overview of the 2026 rate recommendation, explaining that it reflects the cost-of-service study, department budgets, and SMPA's goals of fairness, cost recovery, and member acceptance. He noted that rising wholesale power costs and the cooperative's fixed infrastructure needs are primary drivers of the proposed adjustments, which include a modest \$5 increase to the monthly access charge and a 3-cent increase to the on-peak energy rate, while off-peak rates remain unchanged to encourage load shifting. Manager Freeman summarized the bill impact analysis, indicating that most residential and net-metered members would see modest monthly changes, with demand accounts experiencing proportionally similar impacts. No changes are proposed for outdoor lighting rates. SMPA anticipates implementing a power cost adjustment (PCA) in the future to help manage wholesale cost volatility. Manager Freeman concluded with an overview of outreach efforts and the proposed December 15, 2025, effective date.

Member/Public Comment on Rate Proposal and Recommendation

- The Board noted that several written comments were received in advance and reviewed by Directors. Directors expressed appreciation for the input and acknowledged concerns about raising rates in the current economic environment. Directors and staff noted that the comments highlighted areas where additional outreach may be helpful, particularly around the purpose of the on-peak period and the wholesale cost drivers behind it. Directors also recognized concerns from some solar-adopting members regarding peak-period impacts and discussed the importance of continued education and future incentives to support load shifting and related technologies. Board and staff highlighted that the goal of the proposed rate structure is not to restrict member usage, but to more accurately recover peak-period costs and encourage beneficial load shifting for the overall benefit of membership.
- A member participating virtually commented on alternative rate design approaches used by other cooperatives, suggesting that declining block rates paired with thermal storage programs may be worth evaluating in the future as SMPA continues exploring options that support load shifting and grid resilience.

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2025 Rate Proposal Discussion and Decision

The Board of Directors engaged in an in-depth discussion regarding the 2026 rate proposal, which includes a five-dollar monthly access charge increase and a three-cent increase to the on-peak energy rate, with no change to the off-peak rate under the Time-of-Use (TOU) structure. Following discussion, Director Brown motioned to approve the rate changes as presented, effective beginning with the December 15, 2025, billing cycle. Director Loczy seconded the motion. Directors noted the continued upward pressure on wholesale power costs, general increases in operating expenses, and the cooperative's ongoing need to upgrade the system for reliability and to keep pace with grid modernization as the industry evolves. They emphasized the importance of aligning rates with fixed cost recovery while supporting long-term system needs. The motion was voted on and carried, with all Directors in favor.

6. C.E.O. REPORT

Montrose County Land Use Regulation Update

Manager Zaporski informed the Board that a recent commissioner recall in Montrose County has temporarily delayed progress on the County's land use regulation process. He noted that administrative steps remain before the new commissioner is fully seated, with the next meeting expected to occur in early December. Emphasizing that completion of the County's land use regulations is critical for SMPAs to be able to pursue a special use permit for its project, and that, after several years of limited movement, timelines for securing a path forward are becoming increasingly constrained. Manager Zaporski reiterated that completing this regulatory process is essential to positioning the service territory for future cost-saving opportunities.

New ERA Grant Funding Update

Manager Zaporski provided an update on the New ERA grant supporting the Naturita Solar Project, noting that SMPA has received a formal grant award of nearly ten million dollars, but that uncertainty remains across the program. With the federal government back in session, staff are working to obtain confirmation that funding remains available; however, other grantees have expressed similar concerns, and staff have not identified any cooperative that has yet received a disbursement. He explained that while SMPA holds an official award letter, questions remain about whether federal funds will ultimately be released after project expenditures and contractual obligations are in place. Additional analysis and contractual considerations will be reviewed in executive session.

7. ATTORNEY'S REPORT

Director Kurzweil made a motion at 10:16 AM to enter into an executive session for personnel and contractual issues. Director Szwarc seconded. The motion was voted and carried. The Board entered into executive session at 10:16 AM and came out at 11:26 AM. While in executive session, no decisions were made, nor votes taken.

8. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings and training opportunities. Director Szwarc and Manager Zaporski advised that they were planning on attending CREA's joint Board and Director meeting in early December.

9. NEXT MEETING

The December 2025 regular Board of Directors meeting will occur on Tuesday, December 16, 2025, in Nucla and via Zoom virtual meeting.

The January 2025 regular Board of Directors meeting will occur on Tuesday, January 27, 2026, in Ridgway and via Zoom virtual meeting.

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10. ADJOURN

At 11:29 AM, Director Alexander motioned to adjourn the meeting. Director Felicelli seconded. Director Loczy, Director Brown, Director Kurzweil, and Director Szwarc voted in favor of the motion; Director Cooney voted in opposition. The motion was voted on and carried with a 6 to 1 vote.

Signed by:

Toby Brown

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Toby Brown, Secretary/Treasurer