

## **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 9:02 AM. The meeting was held at SMPA's Nucla Office and via Zoom Virtual Meeting. Director Loczy, Director Brown, Director Kurzweil, Director Szwarc, Director Alexander and President Felicelli were present in person at the Nucla Office. Director Cooney participated virtually via Zoom.

## **3. APPROVAL OF CONSENT AGENDA**

Director Loczy motioned to approve the consent agenda (April 28, 2026), including meeting minutes for March 24, 2026. Director Kurzweil seconded. The motion was voted and carried.

## **4. MEMBER OR CONSUMER COMMENTS**

General Member/Consumer Comments

- Director Loczy reported that he had communicated with members regarding the recent member dividend/capital credit retirement, including questions about why only some members received checks, how estate retirements are handled, and whether capital credits may be transferred or designated through estate planning. Director Szwarc noted receiving similar feedback, including questions about why the cooperative pays out capital credit retirements while also raising rates. Discussion noted the need for continued member education regarding the cooperative business model, the capital credit retirement process, and how retirements differ from current electric rates.
- Director Kurzweil reported receiving a member inquiry regarding the Environmental Protection Agency's (EPA) approach to evaluating potential solar development on tailings piles, including whether there had been a recent change in that process.
- Director Szwarc shared member comments and questions received from net metering members regarding banked energy balances and related reimbursement.
- A member participating virtually provided comments related to education, transparency, and communication. The member informed the Board that they are developing a conceptual resource for new residential construction and expressed interest in coordinating with SMPA staff for review and input. The member also suggested that, in the event of future Board redistricting, the Board consider providing additional details, such as maps, member impacts, the reasoning for proposed changes, and how changes would be communicated to affected members.

## **5. STRATEGIC PLANNING**

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 provided the final update on SMPA's Reliability and Resiliency strategic objective, highlighting progress made over the past three-year strategic planning cycle to improve infrastructure hardening, wildfire mitigation, vegetation management, system monitoring, data analytics, and strategic partnerships. Updates included continued progress on the Red Mountain Reliability and Broadband Improvement Project (RMRBIP), substation and communication improvements, enhanced SCADA controls, drone inspection data, outage

reporting, vegetation management progress, and community and emergency response partnerships. Improved reliability metrics were reported during the strategic cycle, including reduced outage duration and fewer vegetation-related outages. Discussion also included Public Safety Power Shutoff (PSPS) considerations, including the potential for Tri-State to implement a PSPS affecting SMPA substations and the importance of proactive member communication. Looking ahead, continued focus areas include a new construction work plan, completion of RMRBIP, wildfire mitigation technology and plan updates, system automation, and metering infrastructure.

## **6. C.E.O. REPORT**

### **New ERA Grant Update**

Manager Zaporski provided an update on SMPA's New ERA Grant, noting that SMPA representatives met with the Rural Utilities Service (RUS) Administrator to discuss the status of the grant and SMPA's request for a waiver to allow additional time to submit a change of scope. The requested extension is related to the timing of Tri-State's Bring Your Own Resource (BYOR) Round 2 process, which remains the available pathway for a project of this scale under SMPA's all-requirements contract. Discussion noted that the meeting was positive; however, the waiver request and overall grant status remain uncertain at this time.

### **BYOR (*Bring Your Own Resources*) Update**

Manager Zaporski also provided a BYOR update, noting that SMPA and a cohort of four distribution cooperatives remain in the evaluation and analysis phase for several potential projects. The projects are being reviewed for economic and environmental benefits to the membership, with additional project analysis to be discussed in executive session due to timing and confidentiality considerations.

### **Introduction of Employee Guests**

SMPA's Employee Recognition Program was reviewed, noting that the program allows employees to recognize peers for outstanding contributions across several defined categories. Ms. Paula Riddle was recognized in the On-the-Job Excellence category for her consistent support of board meetings, safety meetings, and employee events through meal preparation and service. Ms. Riddle's positive attitude, reliability, and contributions to the success of company events were noted and appreciated.

Manager Zaporski introduced Evan Coleman as the new Fleet Technician in Nucla, noting he began employment with SMPA in March. Mr. Coleman brings nearly two decades of experience in diagnostics, repair, and maintenance, along with welding and fabrication skills. Mr. Coleman expressed appreciation for the opportunity to join SMPA and shared that his experience with the team has been positive.

Joshua Hailey, 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**

Director Kurzweil disclosed two potential conflicts of interest related to organizations included in the donation review and indicated a preference to be recused from related discussion and voting. Legal Counsel Jim Link reviewed applicable bylaw and policy requirements, noting that SMPA's bylaws govern director participation, not applicant eligibility, and that potential conflicts are addressed through disclosure and, when appropriate,

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recusal from discussion and voting. Additional discussion distinguished between indirect affiliations, such as service on a nonprofit board, and more direct financial interests, emphasizing that decisions are based on whether a direct financial benefit or impact exists. Discussion also considered the nature and scale of the funding requests, noting the amounts under review were relatively modest and support established, legitimate community organizations within SMPA’s service territory.

Following discussion, Director Alexander motioned to recuse Director Kurzweil from voting on the Community Focus Fund donations due to the disclosed conflicts of interest. Director Szwarc seconded the motion. The motion was voted on and carried.

The Board reviewed the application scorecard results. Following discussion, Director Felicelli motioned to award Community Focus donations as follows. Director Alexander seconded. The motion was voted and carried, with Director Kurzweil recused from discussion and voting.

- Tabequache Trail Riders – \$500 SMPA Donation
- Sherbino Theater – \$500 SMPA Donation
- Weehawken Creative Arts – \$500 SMPA Donation
- Uncompahgre Watershed Partnership – \$500 SMPA Donation
- Second Chance Humane Society – \$750 SMPA Donation
- Fresh Foundation – \$1,000 SMPA Donation and apply for a \$1,000 matching donation from Basin Electric.
- Ouray Public Library – \$500 SMPA Donation and apply for a \$500 matching donation from Basin Electric.
- Fortuna Tierra Club – \$500 SMPA Donation
- Silverton Family Learning Center – \$1,000 SMPA Donation and apply for a \$1,000 matching donation from Basin Electric.
- Silverton Creative District – \$500 SMPA Donation
- West End Public Schools RE-2 – \$1,000 SMPA Donation
- Water Days Steering Committee – \$500 SMPA Donation

The next donation review is scheduled for July 2026.

**Board Donations**

Director Szwarc donated \$100 to the Second Chance Humane Society in honor/memory of Debbie Cokes. Director Cooney donated \$100 to the Second Chance Humane Society in honor/memory of Debbie Cokes.

**Finance**

**Financial Review**

Manager Lehigh provided the March financial review, noting that financial performance remained closely aligned with budget through the first quarter despite lower-than-anticipated kWh sales. March operating revenues were below budget, and year-to-date kWh sales were down from the prior year, with reductions in both residential and commercial usage. However, lower purchased power costs and continued cost-containment efforts helped offset the revenue shortfall. Year-to-date operating margin and net margin remained near budget, and cash on hand increased from the prior month. Discussion included the continued impact of weather on usage patterns, Tri-State peak demand, load factor trends, and the importance of ongoing expense monitoring.

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#### 2025 Audit Presentation and Acceptance

George Lynch, CPA, P.C., P.A., and Robert Lang, CPA, P.C., P.A., of Kelso-Lynch Accounting Firm, reviewed the 2025 audit report with the Board of Directors.

Director Brown made a motion at 11:39 AM to enter into executive session to review the 2025 audit report. Director Alexander seconded. The motion was voted and carried. The Board entered into executive session at 11:39 AM and came out at 11:52 AM. While in executive sessions, no decisions were made, nor votes taken.

Director Alexander motioned to accept the 2025 audit report as presented. Director Kurzweil seconded. The motion was voted and carried.

#### Budget Amendment

Manager Lehigh presented a proposed 2026 budget amendment to increase long-term interest expense by \$425,661. The amendment reflects updated borrowing assumptions, including additional long-term funding needs, timing of fund draws for upfront grant-related costs, and interest rates above the original budget assumptions. Discussion included the purpose of amending the budget at this time, with staff noting the adjustment would provide more accurate budget-to-actual reporting and financial management for the remainder of the year. Director Loczy motioned to approve the budget amendment as presented. Director Felicelli seconded. The motion was voted and carried, with six Directors voting in favor and Director Brown opposed.

#### Marketing & Member Services

Manager Freeman provided the Marketing and Member Services report, including updates on thermal energy network and geothermal activity within SMPA's service territory, continued coordination with the Town of Mountain Village, and state-level geothermal funding opportunities. Updates also included the Rico community meeting regarding the proposed battery storage project, where discussion focused on resiliency, backup power, grid support, and potential economic benefits of battery energy storage. Battery storage was discussed as a tool to reduce wholesale capacity costs and support demand response opportunities, including current use of the Ridgway battery system and future opportunities involving the Rico and Nucla projects, San Miguel County's Ilium battery, and other potential locations. Discussion also included battery storage scale, ownership and funding models, member impacts, and examples from other utilities.

#### Net Meter True-up Consideration for On-Peak Banked Energy

Manager Freeman presented a proposed change to SMPA's net metering annual true-up process for on-peak banked energy. Staff explained that, with the implementation of Time-of-Use (TOU) rates, SMPA now tracks net metered energy in separate on-peak and off-peak registers and recommended recognizing the higher value of excess on-peak energy by applying the same ratio reflected in SMPA's retail on-peak and off-peak single-phase residential energy rates. Discussion included the value of providing an appropriate price signal for solar, battery storage, and other distributed energy resources that may help reduce SMPA's wholesale power costs during peak periods, while using a methodology that is fair, balanced, and easily understood. Staff clarified that the single-phase residential rate would be used to establish the on-peak/off-peak ratio, but the methodology would apply to all net metering rate classes with annual excess on-peak kilowatt-hours. Due to the timing of the annual true-up process, staff requested Board action prior to the next regular meeting; however, because the item did not meet the 10-day notice requirement, the action will be brought back to the Board for ratification at the May Board

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of Directors meeting. Director Brown motioned to approve a change to SMPA's net metering true-up policy 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. Director Kurzweil seconded. Following discussion, the motion was voted on and carried.

### **Information Technology**

Manager Tea reviewed his report, highlighting an update on NISC's Call to Order application. The current application is expected to remain available through 2027, with a future transition to a web-based platform. Discussion noted that the updated platform is expected to provide similar functionality and access to archived materials, while changing the user login process. Staff will continue coordinating the transition and provide support as needed.

### **Administration & Human Resources**

Manager Rodriguez reviewed the Human Resources report, noting staffing updates and highlighting SMPA's participation in the Ridgway Career Fair, which provides an opportunity to connect with students and the local community. The Board also acknowledged Ms. Gay Carver's upcoming retirement and expressed appreciation for her 30 years of service to SMPA.

The Board reviewed Policy 111, Election of Directors. Minor grammatical changes were proposed. Discussion included the policy's existing waiting period for former employees to become eligible for Board service and whether that provision should be reduced, eliminated, or revised to distinguish between retirement and termination for cause. Legal Counsel noted that any related policy change may also require bylaw review for consistency. Following discussion, consideration of Board Policy 111 was tabled for further review.

The Board reviewed Policy 110 – External Communications. Minor grammatical changes were proposed. Director Brown motioned to accept Policy 110 as presented. Director Alexander seconded. The motion was voted and carried.

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

Manager Fox reviewed the Engineering and Operations report, highlighting SMPA's participation in the Light Up Navajo project. Several SMPA crew members will participate in the mutual aid effort, with equipment being sent to support work near Tuba City to help extend electric service to homes without power. Additional updates included apprentice training opportunities, continued success with quarterly inventory cycle counts, recent planned outages in the Mountain Village area, and preparation for a future outage related to switch installation. Wildfire mitigation efforts were also discussed, including the purchase of fire-resistant blankets for use under vehicles while crews are working in grassy areas.

## **7. BOARD TOPICS**

### **Member Comments Agenda Item Purpose/Format**

The Board discussed the purpose and format of the Member Comments agenda item, including how member feedback should be shared during Board meetings. Discussion recognized the value of hearing member concerns while balancing privacy, follow-up needs, and the distinction between broad member feedback and individual account or service matters that may be more appropriately directed to staff. Management noted that identified member concerns are generally more actionable and therefore preferred. The Board generally agreed that

member names should be included when appropriate and authorized, and that unnamed comments should be limited to matters that are meaningful and relevant to the broader membership or community.

## **8. ASSOCIATED MEETING REPORTS**

### **Eco-Action- Toby Brown**

Director Brown updated the Board on recent EcoAction Partners activity, including work related to the floating solar project with Colorado School of Mines. Upcoming spring cleanup events in Telluride, Mountain Village, and Norwood were also discussed as opportunities for community members to dispose of electronic waste, household items, used gear, and other materials.

### **CREA- Val Szwarc**

Director Szwarc provided the CREA report, noting discussion from recent CREA Board meetings regarding state legislative activity, including the Colorado Energy Planning Bill and its potential impact on generation resources. Updates also included discussion of CARE, CREA's political action committee, and related participation considerations, as well as recent and upcoming CREA activities, including Lineman Appreciation Day at the Capitol.

### **Western United (WU)- Dave Alexander**

Director Alexander informed the Board that Western United sales were reported as up from the prior month but down year-to-date, with contractor sales helping offset reduced purchases from some cooperative members.

### **Tri-State- Kevin Cooney**

Director Cooney communicated updates from Tri-State's abbreviated Board meeting and Annual Meeting, including the successful April 1 launch of Tri-State's participation in Southwest Power Pool (SPP) West, additional market sales opportunities, lower year-to-date member sales due in part to warmer winter weather, and the renewal of the Department of Energy order related to the Craig Unit 1 power station. Renewable resources served approximately 50% of Tri-State's member load in February. Discussion also included highlights from the Tri-State Annual Meeting, including recognition of regional electric history.

## **9. ATTORNEY'S REPORT**

### **Executive Session**

Director Brown made a motion at 2:11 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 2:51 PM. While in executive session, no decisions were made, nor votes taken.

Following the Executive Session, Director Alexander motioned for staff to move forward with the BYOR Round 2 application as discussed in executive session. Director Cooney seconded. The motion was voted and carried.

## **10. BOARD CALENDAR/TRAVEL**

The Board reviewed upcoming meetings, travel, and training opportunities.

## **11. MISCELLANEOUS**

### **Tri-State Director Donation**

The Board discussed the \$1,000 Director donation allocated through Tri-State to Director Cooney and considered how the funds could be used. Following discussion, the Board supported applying the donation toward the current year's scholarship program, with the funds to be divided equally among scholarship recipients.

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**12. NEXT MEETING**

The May 2026 regular Board of Directors meeting will occur on Tuesday, May 26, 2026, in Ridgway and via Zoom virtual meeting.

SMPA's 87<sup>th</sup> 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.

**13. ADJOURN**

At 2:55 PM, Director Brown motioned to adjourn the meeting. Director Kurzweil seconded. The motion was voted and carried.

Signed by:

*Toby Brown*

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Toby Brown, Secretary/Treasurer