Record of Proceedings
San Miguel Power Association
Board of Directors Meeting Minutes of
June 23, 2026 (Nucla)

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 9:01 AM. The meeting was held at the SMPA's Nucla Office location and via Zoom Video/Teleconference. All Directors attended the meeting in person at SMPA's Nucla Office.

3. DIRECTORS AFFIRMATION
Swearing-in
Legal Counsel Jim Link reviewed the Directors' Affirmation, which serves as a pledge from the Directors to adhere to the SMPA Bylaws, policies, and the rules and regulations of the power company. The Affirmation also emphasizes the Directors' commitment to uphold the Cooperative's Vision Statement, Mission Statement and dedication to fostering a positive work culture and environment. Newly elected District 3 Director Joanna Yonder and incumbent District 6 Director Val Szwarc confirmed that they have read the Director's Affirmation in full and agree to abide by its statements.

Election of Board Officers
Director Felicelli called for nominations for Board Officers. Director Szwarc motioned that Kevin Cooney serve as Board President. Director Loczy motioned to retain Director Felicelli as Board President. Legal Counsel Jim Link handed out ballots and collected votes after tallying them and announced that Director Cooney will be SMPA's Board President. Director Felicelli nominated Director Kurzweil to serve as Vice President. Director Yonder seconded. No other nominations were made. Following discussion, the motion was voted and carried. Director Felicelli motioned that Director Brown continue to serve as the Secretary/Treasurer. Director Kurzweil seconded. No other nominations were made. Following discussion, the motion was voted and carried.

4. APPROVAL OF CONSENT AGENDA
Director Kurzweil motioned to approve the consent agenda for June 23, 2026. Director Szwarc seconded. The motion was voted and carried.

Director Brown motioned to approve the meeting minutes from May 26, 2026. Director Kurzweil seconded. The motion was voted and carried.

5. MEMBER OR CONSUMER COMMENTS
General Member/Consumer Comments

- Director Kurzweil shared that a member asked whether SMPA would be represented at the upcoming Ridgway River Festival, hosted by the Uncompahgre Watershed Partnership (UWP). Director Kurzweil advised that he would be attending and speaking at the event and offered to wear SMPA hat and represent the cooperative. Management noted that current staffing constraints may limit employee participation in weekend and after-hours community events.
- Director Cooney reported receiving questions from several members regarding the status of the Naturita Solar Project. He advised that he informed the members that a proposal involving a project had been submitted for consideration through the current round of the Bring Your Own Resources (BYOR) program and that no additional information was available at this time.

6. STRATEGIC PLANNING

2026 – 2029 Strategic Planning Session Overview

Manager Zaporski reviewed preparations for the July 21–22 strategic planning session at Gateway. Directors were encouraged to complete their interviews with the facilitator and consider SMPA's mission, vision, core values, major risks, current strategic objectives, and future priorities. Discussion emphasized the need for clear Board direction on prioritizing major initiatives given current financial, staffing, and capital constraints.

7. CEO ITEMS

Board Education

Manager Zaporski led a discussion regarding Board education needs and requested feedback on whether Directors value education as a standing meeting item. Discussion emphasized each Director's responsibility to build general industry and governance knowledge through available NRECA and CREA courses and other training resources. The Board generally agreed that SMPA-specific education may be provided when questions arise or broader Board interest is identified, rather than scheduled as a standing monthly presentation.

New ERA Grant Funding Update

Manager Zaporski reported that SMPA's change-of-scope request is effectively a new application and requires substantial supporting documentation. RUS staff remain engaged and continue requesting financial and project information, indicating that the request is still under consideration; however, approval remains uncertain and no decision timeline has been provided.

Bring Your Own Resources (BYOR) Update

Manager Zaporski reported that SMPA's Round Two Bring Your Own Resources application has been submitted, accepted, and is undergoing initial review by ACES, Tri-State's third-party evaluator. Tri-State is expected to announce decisions on August 3, 2026. The application is part of a competitive process, and no outcome is known at this time. Additional discussion on the topic will occur in executive session due to the confidential and contractual nature of the information.

Light Up Navajo Presentation

Manager Zaporski provided an overview of SMPA's recent participation in the Light Up Navajo program. A four-person SMPA line crew helped extend electric service to four homes on the Navajo Nation that had never previously received power, with some residents waiting approximately 12 years for service. The presentation highlighted the challenging conditions, coordination with Navajo utility personnel, and the skill and teamwork demonstrated by SMPA's crew. Manager Zaporski shared appreciation expressed by the participating families and reported that the experience was meaningful and life-changing for the crew members. The Board expressed its appreciation to the employees who represented SMPA through the program.

Introduction of Employee Guests

Joshua Hainey, Senior Staff Accountant; Kelly Truelock, Senior Staff Accountant; Megan Rutherford, Member Billing Representative; Mark Prezbindowski, IT Specialist; Darcy Weimer, Safety and Regulatory Compliance Coordinator; Eric Pottorff, Operations Manager; Paul Hora, Key Accounts Executive; Keila Carver, Member Service Representative; 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 July 2026.

Board Donations
Director Loczy donated $100 to the Water Day Steering Committee.
Director Loczy donated $200 to VFW # 9058
Director Brown donated $100 to the San Miguel Resource Center.
Director Szwarc donated $100 to Ridgway Community Garden.
Director Szwarc donated $100 to Uncompahgre Watershed Partnership.

Finance
Financial Review
Manager Zaporski reviewed the financial report and noted that while revenue remained below budget, it showed significant improvement from the prior month, indicating that energy use and operating conditions may be moving closer to normal. SMPA continues to closely monitor its financial ratios due to lower-than-budgeted energy sales. Approximately $1 million remains in deferred revenue, with about half budgeted for use this year. Manager Zaporski explained that SMPA's revenue is highly seasonal and that current ratios are expected to decline through the lower-revenue summer months. Although meeting the year-end minimum ratios may be close, missing them for one year would not result in an immediate financial penalty or affect SMPA's access to credit. Depending on year-end projections, the Board may later consider whether preserving deferred revenue and intentionally allowing the ratios to fall below the minimums would be a prudent financial strategy. No recommendation was made at this time. Energy sales were approximately 10 million kilowatt-hours lower than the same period last year, primarily due to the mild winter and the loss of large commercial loads.

Marketing & Member Services
Manager Freeman reviewed Member Services programs and special projects. Positive feedback was received regarding the net metering On-Peak Bonus, with increased interest in home battery systems. SMPA also launched a service-territory-wide heat pump group-buy through the Electrify & Save program, allowing eligible members to combine group pricing with available rebates and on-bill repayment options. The Ridgway solar carports are complete and expected to generate approximately 15% to 18% of SMPA's own-use electricity, reducing operating costs and supporting electric vehicle charging. SMPA will also move forward with additional engineering and permitting for the proposed Rico battery storage project following a positive presentation to the Rico Town Council. Manager Freeman highlighted the new Tri-State Power Cost Adjustment (PCA) line item shown on member bills at a current value of $0. The line was added in advance to support member education before any charge is implemented. Manager Zaporski explained that a PCA is a separate bill charge or credit that may be adjusted to recover clearly defined costs without changing all base rates each time. As currently labeled, the Tri-State PCA is intended to address Tri-State and wholesale power costs. Discussion included whether the PCA should remain limited to Tri-State-related expenses, including wholesale power increases, true-ups, and potential radial line costs, or whether a broader PCA or separate cost-recovery line should address other significant cost changes, such as fuel, infrastructure tariffs, or emergency system expenses. The Board emphasized transparency, potential impacts to on-peak and off-peak rates, and the need to clearly define allowable uses within a tariff. Staff will provide additional information and options at the July meeting for further consideration.

Information Technology

Manager Teal reviewed the Information Technology report and reminded Directors to use strong passwords of at least 12 characters, preferably passphrases, and to remain alert for phishing emails.

Administration & Human Resources
Manager Rodriguez provided a staffing update, noting that the Ridgway Fleet Technician position has been filled and recruitment is currently focused on the Chief Financial Officer position, with initial interviews planned for early July. The Energy Services Technician and Manager of Information Technology positions remain open.
Manager Rodriguez also highlighted the Electric Cooperative Youth Tour in Washington, D.C., which provided high school students with education on cooperatives, civic engagement, and the legislative process.

Policy 101 – Director's Affirmation
The Board reviewed Policy 101 – Director's Affirmation, with no changes proposed. Director Felicelli motioned to approve Policy 101 as presented. Director Loczy seconded. The motion was voted and carried.

Engineering | Operations | Safety & Regulatory Compliance
Manager Fox reviewed the Engineering | Operations and Safety report, highlighting wildfire mitigation efforts. System settings have been adjusted in response to elevated fire conditions, which may result in longer outages while crews inspect lines before restoring power. SMPA is also piloting AiDash technology for wildfire forecasting and vegetation management, while Pano AI continues to support early fire detection. Manager Fox also reported on a new remotely operated switch that will help isolate faults on the line serving Rico and reduce outage impacts for upstream members. Wildfire preparedness and mitigation were identified as important topics and potential strategic planning considerations. No lost-time accidents were reported.

8. BOARD TOPICS
N/A

9. ASSOCIATED MEETING REPORTS
Eco-Action- Toby Brown
Director Brown reported that the next EcoAction Partners Board meeting is scheduled in three weeks and that a full update will be provided afterward. He expressed appreciation to EcoAction Partners for participating in SMPA's Annual Meeting and noted its continued community outreach and collaboration with SMPA on energy education and beneficial electrification initiatives.

CREA- Val Szwarc
Director Szwarc reviewed the May CREA Board meeting. Topics included early consideration of a shared or self-insurance approach to help cooperatives address wildfire liability, a possible three-year commitment to CREA safety and loss-control programs, and several member resolutions submitted for consideration by NRECA. Manager Zaporski noted concerns with portions of the proposed insurance structure but supported continued evaluation. Discussion also recognized the value of mutual aid among CREA cooperatives and expressed appreciation for the support cooperatives provide one another during major emergencies and wildfire recovery efforts.

Western United (WU)-
The Board addressed the need to fill SMPA's Western United representative role, as the director previously serving in that role is no longer on the Board. Manager Zaporski noted that Western United supplies most of SMPA's

electric system materials and provides access to a cooperative network that can assist with equipment needs during supply shortages and emergencies. Director Loczy volunteered to serve. Director Kurzweil nominated Director Loczy as SMPA's Western United representative, and Director Yonder seconded. After calling for additional nominations and receiving none, Director Loczy was appointed as SMPA's Western United representative. The appointment will be ratified at the next regular Board meeting, as the item did not meet the 10-day noticing requirement.

Tri-State- Kevin Cooney
President Cooney provided the Tri-State report, noting the reinstated $27 million GRIP grant will support continued development of Tri-State's demand response program. All Nebraska member cooperatives have now submitted withdrawal notices, with Tri-State continuing to evaluate options and potential impacts to remaining members. Renewable resources supplied approximately 53% of member energy in April. Additional updates included continued federal requirements for Craig Unit 1 and preliminary indications that Southwest Power Pool participation may provide market savings and opportunities to sell excess power.

Manager Zaporski suggested adding the Sneffels Energy Board to the associated meeting reports and establishing more consistent Board representation. The group, administered by EcoAction Partners, has served as an informal advisory resource for SMPA on energy and community matters. Director Yonder expressed interest in participating. The Board agreed that she would be added to the meeting distribution list and could coordinate with President Cooney regarding future involvement.

10. ATTORNEY'S REPORT

Policy 111 – Board Election / Bylaws Update Discussion
Legal Counsel Jim Link reviewed proposed revisions to Policy 111, Board Election, focusing on the three-year waiting period for former SMPA employees. Discussion included potential conflicts of interest, chain-of-command concerns, the value of cooperative experience, and how other cooperatives address similar eligibility requirements. The Board also discussed candidate petition language and whether ballots could be mailed earlier, subject to privacy, statutory, and election timeline requirements.
Director Loczy motioned to eliminate the three-year waiting period. The motion failed to gain a second. Director Brown then motioned to reduce the waiting period from three years to one year. Director Szwarc seconded. Counsel advised that the same requirement is contained in SMPA's Bylaws and could not be changed through policy alone. Because the related Bylaw amendment had not been noticed for action, the motion was withdrawn with Board approval.
Counsel will return at the July meeting with coordinated revisions to Policy 111 and the Bylaws, including proposed changes and clarifying language regarding former employee and legal counsel eligibility, candidate petition requirements, and the ballot mailing timeline.

Director District Discussion
Legal Counsel Jim Link reviewed SMPA's current Director district boundaries and presented three options for consideration: limited adjustments while retaining seven districts, reducing the Board to six districts, or reducing the Board to five districts organized more closely around communities and member concentration.
Discussion included fair representation, communities of interest, impacts to current Director terms, potential cost savings, staff workload, and member communication. Meter-based mapping was noted as an initial planning tool; however, the number of meters does not always equal the number of voting members. A member may have multiple meters or accounts but receives one vote per membership through the membership's designated primary

account. Staff would then need to review the meter data at the membership level and confirm the appropriate voting account before final district boundaries could be established. Because this additional review would require significant staff time, detailed mapping would begin only after the Board narrows the options and provides direction on which approach should be developed further. The Board agreed to consider the options, gather member input, and provide direction at the July meeting. No formal action was taken.

Director Felicelli made a motion at 2:07 PM to enter into an executive session for personnel and contractual issues. Director Kurzweil seconded. The motion was voted and carried. The Board entered into executive session at 2:07 PM and came out at 3:05 PM. While in executive session, no decisions were made, nor votes taken.

11. BOARD CALENDAR/TRAVEL
The Board reviewed upcoming meetings and training opportunities.

12. MISCELLANEOUS
N/A

13. NEXT MEETING
The 2026 – 2029 Strategic Planning Session will occur July 21-22, 2026, at Gateway Canyons Resort.
The July 2026 regular Board of Directors meeting will occur on Tuesday, July 28, 2026, in Ridgway and via Zoom virtual meeting.
The August 2026 regular Board of Directors meeting will occur on Tuesday, August 25, 2026, in Silverton and via Zoom virtual meeting.

14. ADJOURN
At 3:12 PM, Director Felicelli motioned to adjourn the meeting. Director Kurzweil seconded. The motion was voted on and carried.

Signed by:
Toby Brown
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Toby Brown, Secretary/Treasurer