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 Cooney called the San Miguel Power Association (SMPA) Board of Directors regular meeting to order at 9:02 AM. The meeting was held at the SMPA's Ridgway Office location and via Zoom Video/Teleconference. Directors Loczy, Cooney, Brown, Felicelli and Szwarc attended the meeting in person at SMPA's Ridgway Office; Directors Yonder and Kurzweil attended virtually via the Zoom platform.

3. APPROVAL OF CONSENT AGENDA
Director Felicelli motioned to approve the consent agenda (June 23, 2026), including meeting minutes for the May 26, 2026, meeting with corrections and the ratification to appoint Director Loczy as the Western United representative. Director Szwarc seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS
General Member/Consumer Comments

- Legal Counsel Jim Link relayed appreciation from several residents in his subdivision for SMPA’s efforts to maintain electric service while the area was under evacuation.
- Manager Zaporski relayed a member’s concern about trees that had been cut down but not yet removed. He explained that crews are currently prioritizing hazardous tree removal, with cleanup to occur when crews return on their regular cycle.
- Director Loczy recognized SMPA crews for their continued efforts patrolling lines and responding to wildfire-related conditions.

Rico Geothermal Project Presentation
Manager Zaporski introduced Teal Stetson-Lee, Rico Geothermal Community Liaison, who presented an overview of the community’s geothermal resource and ongoing project development. She highlighted Rico’s isolated location, long winters, single electrical distribution line and lack of natural gas service, noting that these conditions make energy resilience a central focus of the project. Four artesian boreholes currently produce geothermal heat, and the project is evaluating direct-use applications, including a small demonstration district serving public buildings, a greenhouse and snowmelt infrastructure, with possible future expansion to town-wide district heating. A monitoring well is planned for winter 2026–2027 to better assess the reservoir’s size, recharge and long-term capacity. The presentation also highlighted community support, local employment opportunities and potential coordination with Rico’s planned wastewater infrastructure and SMPA’s battery project. Discussion included project funding, responsible reservoir management and opportunities for SMPA to collaborate as the project progresses.

5. STRATEGIC PLANNING
Manager Zaporski reviewed the strategic planning session and noted that the Board and staff reached strong consensus around three primary strategic objectives. Discussion focused on refining, consolidating and prioritizing the related focus areas, developing measurable actions, timelines and progress updates, and ensuring future initiatives are considered during budget development. A Board subcommittee was formed to refine the wording and focus areas within the agreed-upon objectives. The committee consists of Directors Szwarc, Director Yonder

and Director Felicelli. The committee will coordinate with Manager Zaporski as needed and return at the August Board meeting with recommendations for Board consideration and possible approval.

6. CEO ITEMS

Bring Your Own Resources (BYOR)

Manager Zaporski reported that SMPA's application passed two of the three initial screening criteria. As anticipated, the economic portion will need to go through the program's rebid process, an opportunity for SMPA to try to improve competitiveness while preserving as much value as possible for the membership. A final decision is expected in September 2026.

New ERA Grant Funding Update

Manager Zaporski advised that SMPA's New ERA grant request remains active. As SMPA is not requesting changes to the grant amount or project economics, the application may continue through the remaining RUS review process. Remaining submission requirements include the Community Benefits Plan, supporting economic documentation, the power purchase agreement and other project information. Uncertainty remains whether permitting, siting and logistical work will be sufficiently advanced to meet the RUS deadline. Approval would provide significant financial benefit to SMPA, but the outcome remains uncertain.

Tri-State BP315

Manager Zaporski reviewed proposed revisions to Tri-State Board Policy 315, which governs the wholesale rate design process. A provision allowing the Tri-State Board to change rates without convening the Rate Design Committee was removed following concerns from member cooperatives. The remaining revisions are intended to streamline the process and shorten the timeline as Tri-State prepares for its 2029 rate redesign and responds to new market signals from Southwest Power Pool (SPP).

Introduction of Employee Guests

Manager Zaporski introduced Rick Baecker, SMPA's new Fleet Mechanic in Ridgway, who began June 8, 2026. Mr. Baecker brings more than 30 years of experience in heavy equipment, fleet maintenance, welding and safety programs, including extensive service with the Colorado Department of Transportation.

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; Jacki Sinclair, ROW/GIS Analyst, Evan Coleman, Fleet Technician; Greg James, Facilities & Warehouse Technician; Phil Zimmer, Member & Energy Services Supervisor; Keli Busch, Plant Accountant; Byrd Williams, Service Planning Supervisor; and Alex Shelley, Communications Executive, attended the meeting, either in person or virtually via the Zoom webinar platform.

Community Focus Donations

The Board reviewed the application scorecard results. Following discussion, Director Felicelli motioned to award Community Focus donations as follows. Director Brown seconded. The motion was voted and carried.

- Minerva West - $500 SMPA Donation.
- Home Trust of Ouray County - $750 SMPA Donation.
- Veterans of Foreign Wars Uranium Post 9058 - $600 SMPA Donation and apply for a $600 matching donation from Basin Electric.

- Apple Core Project/SWIRL - $500 SMPA Donation and apply for a $500 matching donation from Basin Electric.
- Tri-County Health Network - $1,000 SMPA Donation.
- West End Family Link Center - $1,000 SMPA Donation and apply for a $1,000 matching donation from Basin Electric.
- San Miguel Rodeo Committee - $1,000 SMPA Donation.
- MountainFilm LTD - $500 SMPA Donation.
- Safer More Affirming Communities - $500 SMPA Donation.
- Just a Bunch of Roadies (DBA of the Alpine Institute) - $1,000 SMPA Donation.
- Nucla Naturita Area Chamber of Commerce - $1,000 SMPA Donation.

The next donation review is scheduled for October 2026.

Board Donations
Director Kurzweil donated $100 to Silverton Medical Rescue.
Director Kurzweil donated $100 to Ouray Mountain Rescue.
Director Cooney donated $200 to Telluride Fire Protection District.
Director Cooney donated $200 to Norwood Fire Protection District.

Finance
Update Bank Authorized Signatures (Resolution 2026-02)
Manager Zaporski reviewed the agenda item to update authorized bank signatures to reflect current Board officers and staff, noting that additional administrative details were identified and need to be finalized. Action on Resolution 2026-02 was deferred until the August meeting to allow the updates to be completed and presented together.

Power Cost Adjustment (PCA) Line Item
Manager Freeman presented additional information on the Tri-State Power Cost Adjustment (PCA) and other utility revenue stabilization mechanisms. The Tri-State PCA is currently shown on member bills at $0 to support member education before any charge is implemented and is intended to provide a defined mechanism for addressing future Tri-State and wholesale power costs. Manager Freeman also reviewed a separate margin stabilization approach and other revenue stabilization considerations that could help SMPA respond to difficult-to-forecast financial impacts, including unusually mild winters, loss of large loads, increased wildfire mitigation costs, tariffs affecting equipment and material costs, and other unexpected cost pressures. Several Board members expressed interest in ultimately having both tools available; however, discussion recognized the challenges of introducing two new mechanisms at the same time, particularly regarding timing, member communication and understanding. The Board supported continuing development of the Tri-State PCA as the immediate priority while keeping margin stabilization under consideration for future discussion. Staff will continue working on the details of the PCA framework, including modeling, tariff requirements and member communication.

Auditor Selection
Manager Zaporski reviewed the auditor selection process and staff's evaluation of seven proposals, including the weighted evaluation matrix, reference checks and other due diligence. Significant Board discussion focused on the level of detail provided for review and the appropriate roles of staff and the Board in future RFP selections. The

Board agreed that future auditor selections should return to a more streamlined process, with staff completing the detailed evaluation and presenting recommended finalists or a recommendation for Board consideration rather than providing all proposals for individual Board review. The Board also briefly discussed whether an audit committee would be beneficial and agreed that, given the size of the Board and existing level of oversight, a separate committee was not necessary at this time. Because pricing and contract terms were contractual in nature, the Board continued its discussion in executive session before making a final decision.

Financial Review
Manager Zaporski reviewed the June financial report and noted that SMPA's seasonal summer losses were less than budgeted for the month; however, year-to-date revenues remain approximately $1.2 million below budget, with energy sales down approximately 11 million kilowatt-hours from the prior year. Lower sales were attributed primarily to the mild winter, loss of large loads and reduced tourism associated with the ski area closure. Staff continues its cost containment strategies, including deferring lower-priority capital projects and purchases and limiting training. While these measures provide short-term relief, the deferred work and purchases will still need to be addressed, creating additional budget pressure in future years. Approximately $990,000 remains in deferred revenue, with $500,000 budgeted for use in 2026. Current projections indicate that meeting minimum financial ratios may remain challenging if revenues stay below budget. Discussion included whether preserving some deferred revenue for future years may be preferable to using it solely to meet current-year ratios. The Board will continue monitoring financial performance before determining the amount of deferred revenue to recognize at year-end.

Budget Calendar
Manager Zaporski reviewed the upcoming budget calendar and reminded the Board that a dedicated budget work session is scheduled for October 13, 2026. The session will provide an opportunity for focused review and discussion of the proposed 2027 budget in advance of the regular October Board meeting.

Marketing & Member Services
Cost Recovery for Postage and Print Services for Paper Billing Statements
Manager Freeman reviewed a proposal to implement a $2 monthly fee for members who continue to receive mailed paper billing statements. Approximately 52% of SMPA accounts are currently enrolled in paperless billing. The proposed fee is intended primarily to encourage additional paperless enrollment, improve the timeliness and reliability of statement delivery, and reduce printing and postage costs. Members who enroll in paperless billing would not be charged the fee. Discussion included current mailing costs, increasing postage rates, member access to electronic billing and the importance of keeping the program straightforward and easy to communicate.
Director Felicelli motioned to approve the $2 monthly paper billing statement fee. Director Yonder seconded. Following discussion, the motion was voted and carried. Because the agenda item did not meet the required 10-day notice period, the Board's action will be ratified at the August Board meeting. Staff will continue implementation planning, including member outreach, the required Rules and Regulations update and at least 30 days' advance notice before the fee takes effect.

Manager Freeman reviewed the member services report highlighting SMPA's participation in the Choose EV partnership, upcoming EV outreach at the Ridgway Rendezvous, and continued collaboration with EcoAction Partners and Sneffels Energy as informal member advisory groups. Manager Zaporski noted that broader member engagement opportunities may be considered following strategic planning discussions. The Board also congratulated Holly Johnson of Norwood on being selected as a 2027 NRECA Youth Tour ambassador.

Information Technology
Manager Tea reported that the NISC and Meridian merger was approved and will begin moving forward in early August. It was noted that this would be Manager Tea's final regular Board meeting and that he will continue assisting with the budget and transition as needed before fully retiring. The Board thanked Manager Tea for his service to SMPA.

Administration & Human Resources
Manager Rodriguez reviewed the Human Resources report, noting staffing updates and that the annual commercial insurance renewal reflected an approximately 11% premium increase with no changes to coverage. She also reported no new workers' compensation or loss claims. Scott Davidson's upcoming retirement was recognized, with appreciation expressed for his 36 years of service to SMPA. Recruitment efforts continue for the Service Planner, Manager of IT and CFO positions.

Policy 304 – Members at Board of Directors Meetings
The Board reviewed Policy 304, Members at Board of Directors Meetings; minor updates were proposed, including clarification that individuals participating in the member comment period must identify themselves so SMPA can confirm member or consumer status. Discussion also addressed the process and timing for requests to be placed on a Board meeting agenda, with the Board supporting the existing administrative process and CEO discretion. Director Loczy motioned to approve Policy 304 as amended. Director Kurzweil seconded. Following discussion, the motion was voted and carried.

Policy 305 – Member Information and Public Relations
The Board reviewed Policy 305, Member Information and Public Relations, as part of the regular policy review cycle. No changes were proposed. Discussion noted that the periodic review process allows the Board and staff to confirm that policies remain current, appropriate and consistent with SMPA practices.
Director Brown motioned to readopt Policy 305 as presented. Director Felicelli seconded. Following discussion, the motion was voted and carried.

Engineering | Operations | Safety & Regulatory Compliance
Manager Fox recognized the Operations and Engineering teams for their response to recent wildfire conditions, including extended outage response and line patrols required under SMPA's fire mitigation settings. Crews have also continued hazard tree removal efforts, with nearly 2,000 trees removed to date as part of ongoing system hardening. Manager Fox also noted completion of the quarterly inventory cycle count with minimal variance and reported that the Rural Electric Safety Achievement Program (RESAP) review was underway.

7. BOARD TOPICS
President Cooney noted several topics for future Board discussion, including development of a Board self-assessment process. Discussion included the potential use of outside facilitation, with interested Directors to help evaluate possible approaches and bring recommendations back to the Board. President Cooney also noted the importance of identifying future Board topics in advance so they can be included on the agenda with appropriate notice.

8. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

Director Brown reported that EcoAction Partners continues preparing for 2027 budgeting and has seen encouraging signs in regional funding and partnerships, including a strengthening relationship with the Telluride Foundation. Despite recent federal and state grant funding challenges, EcoAction Partners remains active throughout the service territory and is seeing improved momentum in its programs and community work.

CREA- Val Szwarc

Director Szwarc reported on recent CREA activities, including personnel changes and continued work related to wildfire liability and development of a potential parametric insurance option for Colorado electric cooperatives. CREA will continue evaluating both legislative and cooperative-based approaches as the concept develops.

Western United (WU)

Director Loczy was appointed as SMPA's primary representative to Western United Electric at the June Board meeting. Because Western United also requests an alternate representative, Director Brown volunteered to serve as the alternate. Director Loczy seconded to appoint Director Brown as the Western United Alternate Representative. No other nominations were made. The motion was voted and carried. The first meeting for representative attendance is scheduled for late August.

Tri-State- Kevin Cooney

President Cooney reported on several Tri-State updates, including progress on environmental remediation work at the New Horizon Mine, proposed changes to Board Policy 515 intended to streamline contract approval authority, and affirmation of Tri-State's BBB+ credit rating. He also noted that a federal order requiring Craig Station to remain available was extended for another 90 days and that Tri-State continues pursuing cost recovery associated with keeping the plant available. Renewable energy served approximately 54% of member load in May.

9. ATTORNEY'S REPORT

Policy 111 – Board Election / Bylaws Update Discussion

Legal Counsel Jim Link reported that, consistent with the Board's direction at the June meeting, proposed amendments will reduce the post-employment waiting period for Director eligibility from three years to one year. The required advance notice for the bylaw amendment has been issued, and the corresponding bylaw and Policy 111 changes will return to the Board for action at the August meeting. The Board also discussed confidentiality of Director nomination petition signatures. Counsel Link noted that disclosure is currently required by policy, but not by the bylaws or state statute. The Board supported revising Policy 111 so petition signatures are independently verified without making member information available for general disclosure. Counsel Link will incorporate the change into the Policy 111 revisions presented in August. Discussion also confirmed that election ballots may be mailed somewhat earlier under the existing process to allow additional time for delivery

Director District Discussion

Legal Counsel Jim Link revisited the three redistricting approaches presented at the June meeting: adjusting boundaries within the existing seven districts, reducing the Board from seven to six districts to create more regional representation, or reducing the Board from seven to five districts. Following discussion, the Board supported maintaining seven Director districts and further evaluating boundary adjustments within the existing structure to better balance membership and keep communities together where practical. Directors Brown and Yonder volunteered to work with Counsel Link on a focused review of district boundaries and criteria, with an emphasis on transparency and documenting the process. The group will work toward recommendations in the fall so any changes can be considered well in advance of the next election cycle. No formal action was taken.

Director Felicelli made a motion at 1:00 PM to enter into an executive session for personnel and contractual issues. Director Brown seconded. The motion was voted and carried. The Board entered into executive session at 1:00 PM and came out at 1:51 PM. While in executive session, no decisions were made, nor votes taken.

Upon returning to regular session, Director Felicelli motioned to award the three-year 2026–2029 audit contract to DeCoria Group. Director Szwarc seconded. Following discussion, the motion was voted and carried.

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

11. MISCELLANEOUS
N/A

12. NEXT MEETING
The August 2026 regular Board of Directors meeting will occur on Tuesday, August 25, 2026, in Silverton at the Grand Imperial Hotel and via a Zoom virtual meeting.
The September 2026 regular Board of Directors meeting will occur on Tuesday, September 22, 2026, in Mountain Village Town Hall and via Zoom virtual meeting.

13. ADJOURN
At 3:34 PM, Director Loczy 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