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Anniversary 80th 1938 - 2018



Touchstone Energy® Cooperatives
The power of human connections®

THROUGH THE LENS

SAN MIGUEL POWER ASSOCIATION 2018 ANNUAL REPORT

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SAN MIGUEL POWER ASSOCIATION

A Touchstone Energy® Cooperative

Nucla 170 W. 10th Ave. P.O. Box 817 Nucla, CO 81424 (970) 864-7311 TF: 1-877-864-7311	Ridgway 720 N. Railroad St. P.O. Box 1150 Ridgway, CO 81432 (970) 626-5549 TF: 1-800-864-7256
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Both Offices Open: Monday - Thursday,
7:00 a.m. - 5:30 p.m.
• www.facebook.com/SanMiguelPower
• www.smpa.com

On the Cover:



Photo c. 1900 The Circle Route Stage; full of awestruck tourists, the stage was considered an “oddy.”
Used with permission from the The Ruth and Marvin Gregory Collection.

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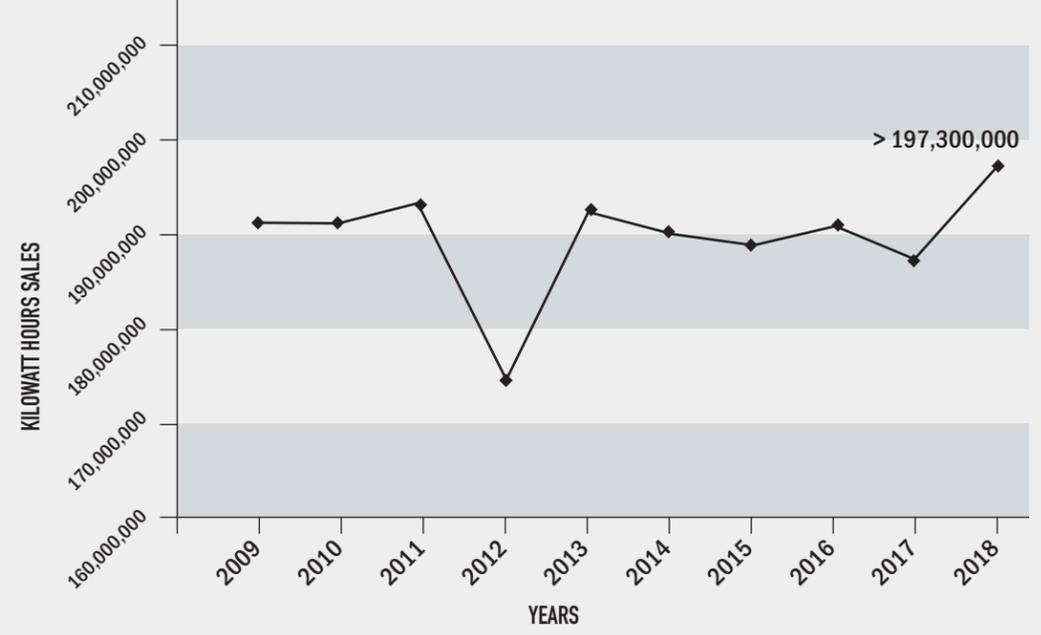
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Photo Entitled: “View on Ouray and Silverton Toll Road 3 miles above Ouray”
Used with permission from the Denver Public Library, Western History Photographic Collections.

SMPA AT-A-GLANCE

ANNUAL KILOWATT HOUR SALES



NOTICE OF THE ANNUAL MEETING OF SAN MIGUEL POWER ASSOCIATION, INC.

The 80th Annual Meeting of the Members of San Miguel Power Association, Inc. (SMPA) will be held at the SMPA Ridgway office (720 N. Railroad Street, Ridgway, Colorado) on the 6th day of June 2019. Registration will be open from 4:30 p.m. to 5:30 p.m. The business meeting will begin at 5:30 p.m. This meeting will be held for the following purposes:

- 1) The election of directors to the Board of Directors for District No. 2 (parts of San Miguel and Ouray Counties, including most of Telluride).
- 2) The reports of Officers, Directors & Committees.
- 3) Any other business that may properly come before the meeting.

OUR MISSION:

It is the mission of San Miguel Power Association, Inc. to demonstrate corporate responsibility and community service while providing our members with safe, reliable, cost effective and environmentally responsible electrical service.

-  **13,662 METERS**
-  **57 EMPLOYEES**
-  **1,749 MILES OF LINE**
-  **7.81 METERS PER MILE**
-  **\$0.134725 PER RESIDENTIAL KWH**
-  **\$20 ACCESS CHARGE**
-  **197.3 MILLION kWh SOLD**
-  **789 kWh PER MONTH**
-  **284 NET METERED ACCTS.**
-  **45,424 PEAK DEMAND (KW)**
-  **1938 YEAR INCORPORATED**
-  **7 COUNTIES SERVED:**
DOLORES, HINSDALE, MESA,
MONTROSE, OURAY, SAN JUAN,
SAN MIGUEL
-  **TRI-STATE POWER SUPPLIER**



MESSAGE TO THE MEMBERS

DEAR MEMBERS,

It's hard to picture what it must have been like 80 years ago when rural electrification activist, George Wilson paid his five dollars to become the first member of the San Miguel Power Association (SMPA). What is clear, however, is that he, and his successors, had an eye for the future.

Today, we the board and staff of SMPA, are constantly striving to continue that tradition of looking ahead. We are proud to report that 2018 was something of a banner year for innovations and forward-looking projects.

THE TELLURIDE/MOUNTAIN VILLAGE RELIABILITY PROJECT

Last year, we built a new underground tie line that now connects the Telluride and Sunshine substations. It provides a redundant power feed backing up the existing transmission line and equipment that serve these areas. This substantially boosts service reliability for our most heavily-populated communities.

The effect of this new infrastructure was felt in March of this year when a tree blew into the aforementioned transmission line, knocking out power to over 4,500 members. Although the repairs took over seven hours to complete, consumers had their power restored in under an hour.

IVUE / NISC AND SMARTHUB

Another critical part of the solution to the Telluride/Mountain Village outage was our new Outage Management System which automatically updated people who called in. This cutting-edge software came bundled with our new database and process management system called iVue. It's difficult to overstate the impact this software has had on our

organization. There's not one department that hasn't received upgrades.

This translates to improved service for you, and it also comes with an upgrade you can hold in your hand. Turn to page 5 to learn about SmartHub and how it can make your account management simpler, smarter and more efficient.

CARBON CLEAR

Today, looking forward means recognizing where the industry is headed. All over the United States, and particularly in Colorado, electric providers are converting to emissions-free sources like wind and solar. Consumers seem anxious to use this clean energy themselves, and we, at SMPA have built a suite of voluntary programs that can allow you to do just that. Turn to page 9 to learn about our Carbon Clear initiative and its components including the new "Totally Green" energy rate.

TRI-STATE AND THE FUTURE

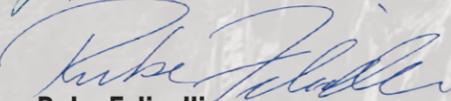
Any discussion about "green" power is sure to include our wholesale power provider, Tri-State Generation and Transmission (Tri-State). As it stands, we have a wholesale electric power contract with Tri-State that obligates them to meet all of our power needs while requiring us to purchase a minimum of 95% of our power exclusively from them.

In a market driven by the falling prices of renewable sources like wind and solar, Tri-State has been increasing their percentage of renewable power. As of today, approximately 30% of the wholesale power we purchase and re-sell to you is from emissions-free sources.

The future may hold even greater increases of renewable energy in our wholesale mix, or it may include more flexibility within the contract- perhaps both.

Whether it's in our record of safety, our financial management, our reliability projects or our efforts to protect the environment, you'll see SMPA moving toward a future centered on serving you, our members, in the best way possible.


Brad Zaporski
 CEO & General Manager


Rube Felicelli
 Board President



Operations & Reliability
 With reliability as a major focus, our Engineering and Operations Departments have taken on several projects. (Pg. 6)



Technology & NISC
 The rollout of our new database and process management software brings upgrades to outage and account management. (Pg. 5)



Renewables & Carbon Clear
 Providing options for members who desire electricity produced from carbon-free sources is the purpose of this new program. (Pg. 9)



Coordination with Tri-State
 Our wholesaler and cooperative partner provides scholarships, rebates and a host of other added value services. (Pg. 10)

The SMPA Board of Directors



Terry Rhoades, District 7; Bob Justis, District 2; Doylene Garvey, District 1; Dave Alexander, District 3; Rube Felicelli, District 5; Debbie Cokes, District 6; Jack Sibold, District 4

SMPA directors are elected from the membership, by the membership. They have the responsibility of setting the strategic direction for the cooperative. Directors represent the membership on a fair and impartial basis for the best interest of all members.

NISC Conversion

Who is NISC? What do they provide to SMPA?

National Information Solutions Cooperative (NISC) is a technology company that provides hardware and software solutions for SMPA and over 20 million other utility consumers. The NISC products installed at SMPA include software for Accounting, Customer Care and Billing, Phone Interactive Voice Recognition, GIS Mapping, Customer Online Payment Portal (SmartHub), Outage Management, and Mobile Workforce systems.

How has this benefited the Co-op?

Our goal at SMPA is to leverage technology and automation to continually improve our efficiency and to enhance our members' experience. For example, our outage management system lets our crews respond more efficiently to outages, allowing for faster identification and restoration of power. Our phone system upgrades now provide members with payment options and automated outage information and restoration callbacks. Most notably, we are now putting members in direct control of their account with the advanced online and mobile dashboard, called SmartHub.

SmartHub



In August 2018, we released SmartHub to the membership. Within one week, over 1000 members had logged in to use convenient features like the one-touch pay button, the paperless billing toggle and the power use history graphs, which incorporate data comparisons and local temperature data.

This powerful tool is customizable, and it is available in web browser, iOS® and Android® formats. Best of all, it's free.

<https://smpa.smarthub.coop>



The I.T. Guys

Our Information Technology Department consists of Manager, Doug Tea and Specialist, Mark Prezbindowski. With these two problem-solvers on site, tech issues don't stand a chance!

RADMINI GIVEAWAY



When we rolled out SmartHub, we wanted to get people's attention...

Making SmartHub users eligible to win a Radmini e-bike seemed to do the trick. This 750W, 48V battery-powered e-bike saves time, gas, and sweat. Congrats to Noah Sheedy of Telluride for taking it home!

A Culture of Safety

In 2018, we celebrated our second consecutive year with no lost-time accidents. In other words, in over 202,000 man hours, many of which were worked in hazardous conditions, no one had an injury serious enough to require taking any time off work or requiring light duty. This is a remarkable achievement in the field of electric distribution. It was achieved through:

- Strong communications
- Team work, and a willingness to speak up when necessary
- Participation, and direct involvement in our safety programs

Our safety committee received recognition at the NRECA Loss Control Conference in Denver. This award is a testament to a culture of working safely.



Colorado Rural Electric Safety Coordinator, Dan Whitesides (4th from left) presents the award to SMPA Safety Committee members, (left to right) Greg James, Eric Pottorff, Paul Enstrom, and Lester Oltjenbruns.

OPERATIONS



Our electric power grid demands constant maintenance, protection and adaptation. These tasks fall to the Operations Department. Staffed with trained professionals who often work in hazardous environments, our crews demonstrate time and again the same grit and determination that built the power grid 80 years ago.

Last year, we replaced 88 power poles in our Nucla area. Independent pole testers identify poles that have a structural need for replacement. Using non-subjective resistograph technology, they observe the exterior and interior of the structure. This ongoing maintenance program helps keep our system safe, up to date, and better prepared when mother nature hits.



After being torn down by a rock-slide, Our Red Mountain line, which serves as a critical backup power feed for Ridgway, Ouray and Silverton was in need of repair. This line is situated in extremely rugged terrain, which makes repairs very dangerous. To complete this project, line workers had to go through special training on rope rigging and rock climbing.



A critical need for high-speed communications at our Telluride office and substation drove the installation a new fiber optic line. This line feeds from the Sunshine substation to the Telluride substation.



It was installed in coordination with the Telluride reliability project and has tremendously improved daily operations at the SMPA Telluride facilities.

2018 FINANCIALS



STATEMENT OF REVENUE, EXPENSES & PATRONAGE CAPITAL

REVENUES	2018	2017
Residential	\$ 16,625,157	\$ 16,174,469
Commercial	\$ 12,127,348	\$ 11,401,593
Irrigation	\$ 201,368	\$ 154,969
Street Lights	\$ 43,615	\$ 41,879
Other Revenue	\$ 114,931	\$ 155,648
Total Operating Revenue	\$ 29,112,419	\$ 27,928,558

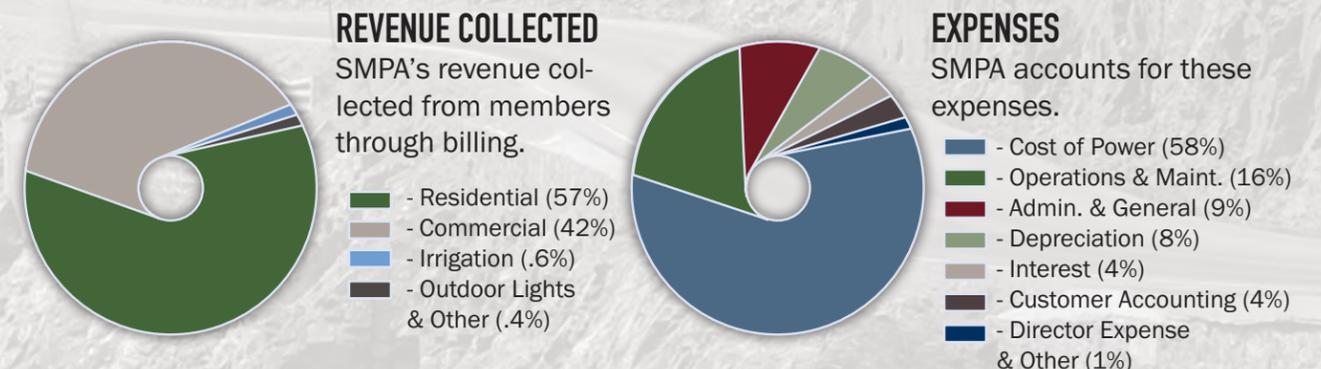
EXPENDITURES	2018	2017
Cost of Purchased Power	\$15,934,349	\$ 15,452,521
Transmission Expense	\$ 82,981	\$ 86,872
Distribution Expense	\$ 4,387,521	\$ 4,652,917
Consumer Accounting Expense	\$ 1,000,960	\$ 1,015,117
Consumer Service & Informational Expense	\$ 161,725	\$ 198,201
Sales Expense	\$ 236,293	\$ 324,726
Administration & General Expense	\$ 2,389,046	\$ 2,494,457
Depreciation	\$ 2,304,261	\$ 2,277,956
Interest Expense	\$ 1,245,541	\$ 1,228,308
Other	\$ 33,410	\$ 49,234
Total Cost of Electric Service	\$ 27,776,085	\$ 27,780,309

MARGINS	2018	2017
Operating Margin	\$486,334	\$ 148,249
Non-Operating Margin	\$227,336	\$ 158,622
Capital Credits	\$764,437	\$ 898,043
Extraordinary Items	\$0	\$ 0
Net Margin or Patronage Capital	\$1,478,107	\$ 1,204,914

COMPARATIVE BALANCE SHEET

ASSETS	2018	2017
Total Utility Plant	\$ 84,506,415	\$ 86,351,388
Less: Reserve for Depreciation	- \$ 28,660,796	- \$ 27,479,274
Net Utility Plant	\$ 55,845,619	\$ 58,872,114
Reserve Funds & Investments	\$ 19,913,317	\$ 19,298,323
Other Investments	\$ 0	\$ 0
General Funds	\$ 3,311,439	\$ 2,745,833
Special Deposits	\$ 958,097	\$ 3,354,321
Accounts Receivable	\$ 3,414,470	\$ 2,731,717
Material Inventory	\$ 1,158,043	\$ 1,069,843
Prepayment & Other Assets	\$ 200,139	\$ 92,974
Total Assets	\$ 84,801,124	\$ 88,165,125

LIABILITIES & EQUITIES	2018	2017
Total Equities & Margins	\$ 46,960,695	\$46,168,378
Total Long Term Debt	\$ 28,568,489	\$ 30,268,480
Notes Payable	\$ 0	\$ 0
Current & Accrued Liabilities	\$ 6,432,222	\$ 9,257,768
Deferred Credits	\$ 2,839,718	\$ 2,470,499
Total Liabilities & Equities	\$ 84,801,124	\$ 88,165,125



All figures are pre-audited. To see audited information, please call (970) 864-7311 during regular business hours.



“...to provide environmentally responsible electrical service.” - SMPA Mission Statement



Capital collected through these voluntary investments supports money-saving programs that produce emissions-free energy in our own territory.

RENEWABLE ENERGY

SMPA OFFERS WAYS TO GO CARBON CLEAR

 Deep draughts of clean air. Clear trickles of snow-melt that feed cool streams. Tall branches rustling in the wind. These are some of the processes that characterize our natural landscape. But many are beginning to feel that these are not to be taken for granted. Since the concept of a “Carbon Footprint” became part of the public consciousness, more and more Americans are trying to lead a lifestyle that requires a lower emission of carbon dioxide to support it.

One of the first concerns is our reliance on electricity generated by fossil fuels. In recent years, the falling cost and proliferation of renewable energy has allowed consumers to be more selective about the electricity they use. San Miguel Power Association brings these selections to you in the form of the Carbon Clear Initiative.

The concept is simple: Members invest in renewable energy. That money goes into the Carbon Clear program, which funds local carbon-free projects, like community solar gardens, net metering & renewable energy rebates as well as the income-qualified (I.Q.) program. These programs save members money which fuels more investment in carbon-free power.

Learn more at:
www.smpa.com » Renewable Energy



BROOMFIELD, Colo. – June 4, 2018
All 11 Vail Resorts retail locations in Telluride began participating in the San Miguel Power Association Green Block Energy Program *The 100 percent purchase of renewable energy credits will support the Vail Resorts’ “Epic Promise for a Zero Footprint” All stores have also converted to LED light bulbs to reduce overall energy use.

-  I.Q. Programs
-  Net Metering
-  Renewable Projects
-  Renewable Rebates

ENERGY EFFICIENCY

HOW BUSINESSES SAVE: BIG AND SMALL

In 2018, The Franz Klammer Lodge / Fairmont Heritage Place in Mountain Village approached SMPA with a small request: Could we help them replace the existing refrigerators in 63 residences with high efficiency units?

The change would mean an energy reduction of 63,000 kWh which equates to over \$10,000 annually. The SMPA staff reached out to Tri-State program managers with the request and Tri-State was quick to approve. The refrigeration units were the brand Sub-Zero which are known for their high quality and generally large capacity. The Sub-Zero company had never before received such a large single order. They were happy to oblige and the units were delivered and installed in early 2018.

We are excited that organizations like Franz Klammer Lodge / Fairmont Heritage Place are interested in seeking ways to reduce energy consumption through efficiency measures and we look forward to partnering with others in the future as the efficiency rebates offered by Tri-State continue.

SMPA REBATES PROGRAM

 Our energy saving and rebate programs can help you utilize new technology for your home or work place. The rebates below were issued in 2018.

Rebate	Issued	Total \$	SMPA	Tri-State
Energy Star Appliance	156	\$16,710	\$6,520	\$10,190
LED Bulb	151	\$17,910	\$2,058	\$15,852
Commercial LED Bulb	12	\$16,340		\$16,340
LED Outdoor Light	3	\$135	\$135	
Energy Audits	2	\$300	\$300	
Electric Car	6	\$4,500	\$4,500	
I.Q. Solar	31	N/A	N/A	
I.Q. Weatherization	24	\$18,581	\$18,581	
Solar PV Residential	31	\$50,000	\$50,000	
Total	416	\$124,476	\$82,094	\$42,382



“The up-front cost was substantial but the life cycle payback was convincing. The rebate from SMPA made those numbers work even better.”

- Brandon Davis,
Engineering Manager

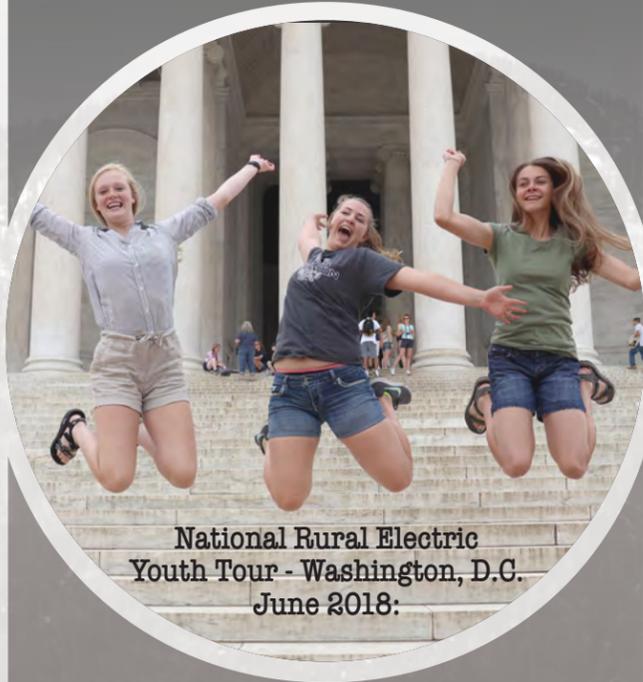


Another business that made an efficiency upgrade was Mountain Fever of Silverton. They replaced all the lights in their store with LEDs “We are very happy with the LED lights... With the SMPA rebate, we’re getting some money back for the LED bulbs, which is like icing on the cake!”

- Tamara Gulde, Owner

Protect Dark Skies!

Communities in our region are seeing the value of Dark Sky Preservation and we at SMPA support these efforts. Learn how LEDs can help preserve this priceless resource. (970) 626-5549 ext.207



National Rural Electric Youth Tour - Washington, D.C. June 2018:

Scholarship Winners

SMPA awards multiple scholarships. This year, a total of \$23,000 is going to local graduates seeking to further their education.



Alexa Gardner
Telluride High School
Tri-State G&T \$500 Scholarship



Samantha Scherner
Ridgway High School
Tri-State G&T \$2000 Scholarship



Raquel Johnson
(Norwood High School) Basin Electric \$1000 Scholarship



Taryn Sickels
SMPA Nucla Vocational \$2000 Scholarship



Jace Sinks
SMPA Norwood Vocational \$2000 Scholarship



Zoey Truelock
SMPA Norwood High School \$2000 Scholarship & Basin Electric \$1000 Scholarship



Owen Juell
SMPA Ridgway High School \$2000 Scholarship



Cooper Rondinelli
Ouray High School \$2000 Scholarship



Addison Davis
SMPA Paradox Valley Charter School \$2000 Scholarship



Hamo Thorneycroft
SMPA Telluride Mountain School \$2000 Scholarship



Jessica Pack
SMPA Telluride High School \$2000 Scholarship

● **William Gabriel**
SMPA Nucla High School \$2000 Scholarship

● **Blaze Braford-lefebvre**
SMPA Silverton High School \$2000 Scholarship

YOUTH OPPORTUNITIES

LOOKING AHEAD MEANS LOOKING TO THE YOUTH

San Miguel Power Association (SMPA) is a member-owned power cooperative. We embrace education as one of our core principles. Therefore, we are always looking to advance learning opportunities for our local youth.

HOTLINE DEMO & OTHER SAFETY DEMONSTRATIONS

San Miguel Power is always happy to provide safety demonstrations for student groups. Our outdoor high voltage demonstration trailer allows us to educate the community about power line safety.

TRI-STATE'S 'THE STORY BEHIND THE SWITCH'

Tri-State and SMPA are proud to offer this complete lesson, reader and presentation including the electrifying plasma ball and the hair-raising Van de Graff machine.

SMPA KNOWLEDGE BOWL SPONSORSHIP

SMPA empowers the San Juan Basin Knowledge Bowl League by sponsoring one regularly scheduled knowledge bowl competition each season. Competitors are treated to dinner, volunteer help and participation gifts.

CREA-CEEI YOUTH LEADERSHIP CAMP

Each summer, one winner joins nearly 100 high school students in Clark, Colorado (north of Steamboat Springs) to learn about electricity, safety and the cooperative business model. All expenses paid.

NRECA NATIONAL COOPERATIVE YOUTH TOUR

The Youth Tour offers students a week-long look into the electric cooperative network while exploring our nation's capital. Students visit monuments, and meet their representatives. All expenses paid.

These are just a few of the offerings we have for young people. To learn more, visit:

www.smpa.com »Community»Youth Programs

COMMUNITY BLOOD DRIVES

Not everyone knows why SMPA has been hosting blood drives since 2001. It is to honor the memory of Miranda Magallon, SMPA employee Tammi Magallon's daughter, who passed away due to liver failure at 16 months old. The Magallons credited blood transfusion for giving them several extra months with Miranda while she waited for a liver transplant.

"Donating blood is giving someone somewhere the best gift that can ever be given—the gift of life. I never understood this more until my daughter received her first transfusion from a stranger," said Magallon. "I knew from that day forward, I would always want to be a part of this group of heroes and be a part of the ultimate act of paying it forward."



A Vital Gift
According to the American Red Cross, someone in the United States needs blood every two seconds, and more than 41,000 blood donations are needed every day.

Blood Drives like the ones hosted at SMPA are a community benefit that affect not just the blood recipients, but the community as a whole.



An SMPA Tradition: Pictured here in 2019, Gail Daniels (left) has been donating and Chad Herbranson (right) has been assisting with the Nucla Blood drive since the very first one in 2001. That's 18 years!

EMPLOYEES



THROUGH THE LENS OF DAVE KELLY

Working for a single company for 45 years is bound to give a man some perspective. To gain insight, we asked one of the longest serving SMPA employees a few questions:

What would you say is the most significant change between SMPA in the '70s and today?

...the type of consumer. Back then, it was ranchers and miners. Now, there are more tourists, skiers & ice climbers.

How much has the system grown since you started?

It hasn't really grown, but it changed a lot in '75 when SMPA acquired territory from Western Colorado Power.

What would you say has remained the same?

The morale of the company. We have a really good family. We always have had a great environment here.

What's your best memory of working at SMPA?

I got great satisfaction from upgrades to our system over the years. For the most part, I had a great career--lots of camaraderie.

In December, 2018, Fran Graybeal ended a 26 year, career at SMPA. We wish her happy days ahead!



30 + Years of Service

David Kelly, System Planner.....45 (Retired March, 2018)	Kim Nickolaus, AMI Technician.....13
Duane DeVeny, Service Planner36	Jackie Sinclair, GIS/ROW Analyst.....13
Rick Gabriel, Supervisor, Purchasing/Stores.....33	Tom McLeod, Area Service Technician.....12
Paul Enstrom, Safety & Regulatory Compliance Coordinator.....32	Byrd Williams, Service Planner...12

26 - 29 Years of Service

Scott Davidson, Journeyman Line Technician.....29	Darcy Weimer, Journeyman Line Technician12
Frances Lendin-Graybeal, Member Service Rep26 (Retired December, 2018)	
Clint Colson, Working Foreman.....26	

21 - 25 Years of Service

Claude Barrett, Area Service Technician.....25	Becky Riley, Member Service Representative.....7
Shawna Sinks, GIS Specialist25	Joshua Hainey, Senior Accountant ..7
Lester Oltjenbruns, Systems Technician24	Wiley Freeman, Manager of Member Services.....7
Tammi Magallon, Plant Accountant..24	

16 - 20 Years of Service

Marvin Walisky, Service Planner....24	Jeremy Fox, Supervisor of Service Planning.....5
Daniel Hubert, Journeyman Line Technician22	Duane Oliver, Manager of Operations.....5
Gay Carver, Billing Representative ...22	Alex Shelley, Communications Executive4
Keri Kling, Billing Representative ..22	Paul Hora, Key Accounts Executive..4
Carla Reams, Manager of Admin. & Human Resources.21	Kelly Truelock, Staff Accountant.....3
Renee Koski, Custodian21	Dustin Smuin, Senior Mechanic3
Mark Castle, Journeyman Line Technician.....21	Chris Falk, Apprentice Line Technician.....3

11 - 15 Years of Service

Grant Kennedy, AMI Technician.....20	Greg James, Mechanic/Warehouseman.....3
Jon Puderbaugh, Working Foreman...19	Danielle Rodriguez, Executive Assistant.....2
Preston Joseph, Journeyman Line Technician18	Doug Tea, Manager of Technical Services.....2
Johnathan Smith, Journeyman Line Technician16	Kerri Trosper, Member Service Representative.....2
	Bill Mertz, Chief Financial Officer.....1
	Mike Therriault, Staff Engineer.....1
	Mark Prezbindowski, IT Specialist...1
	Hugh Hardman, Apprentice Line Technician1
	Cookie Loczy, Member Service Representative.....1
	Terry Schuyler, Energy Services Executive1
	Merrill Carpenter, Mechanic/Warehouseman.....<1
Penny Gabardi, Member Service Representative.....15	
Michael Morlang, Equipment Technician.....15	
KJ Johnson, Journeyman Line Technician.....15	
Bart Reams, Journeyman Line Technician.....14	
Eric Pottorff, Area Service Technician.....14	
Brad Boulden, Working Foreman...13	
Bob Coulson, Facility Maintenance Technician.....13	

2018 ANNUAL MEETING MINUTES

- Call to Order:** The 79th Annual meeting of the San Miguel Power Association (SMPA) members was called to order by Board President Rube Felicelli on June 7, 2018 at 5:33 pm at the San Miguel Power Association offices located at 170 W. 10th Ave., Nucla, CO 81424.
 - Board members present: Doyle Garvey, Assistant Secretary/Treasurer (District 1); Robert Justis, Vice President (District 2); Dave Alexander, Secretary Treasurer (District 3); Rube Felicelli, President (District 5); Debbie Cokes (District 6); and Terry Rhoades (District 7)
- National Anthem:** Telluride High School student, Kaila Relej, sang the National Anthem.
- Invocation:** Invocation was delivered by SMPA lineman, KJ Johnson.
- Introduction of Guests:** President Felicelli introduced the SMPA Board of Directors, General Counsel and election monitor Jim Link, General Manager Brad Zaporski, and other community guests who were in attendance.
- Determination of a Quorum:** SMPA staff advised President Felicelli that 100 members were registered and present for the meeting, meeting the required quorum of at least 50 members.
- Reading of Notice of the Meeting and Proof of Publication and/or mailing thereof:** Secretary/Treasurer Dave Alexander read the Notice of Meeting and advised members that the appropriate legal notices regarding the meeting had been published in all newspapers within the service territory.
- Reading of the unapproved minutes of the 2017 Annual Meeting of the Members and the Treasurer's Report and the taking of necessary action thereon:** The 2017 Annual Meeting minutes and the Treasurer's Report were published in the annual report. A motion was made by Member, Chris Daniels and seconded from the floor to waive the reading of the minutes. The motion was voted on and carried.
- Scholarship Award Announcements:** The Scholarship Awards were announced with Kalli Starks from Norwood High School and Christopher Pfifer from Nucla High School in attendance to accept their checks.
- President's Report, Rube Felicelli:** President Felicelli welcomed members to the meeting. In the President's Report, Director Felicelli highlighted a major investment by Telluride Sports, part of Vail Resorts. Telluride Sports purchased enough SMPA Green Blocks to offset 100% of their energy use. He explained that still only 3% of residents have Green Blocks and if carbon neutrality is a goal we need to see greater participation from residents. He explained that in February 2017 the Board of Directors developed a strategic objective to understand the full value and options of our membership and contract with Tri-State while encompassing programs to expand local renewables. Since then, Tri-State

- has moved to 30% renewable energy, is working with us on several large projects including our fiber-optic communications system, the Telluride/Mountain Village Reliability Project, and committing to help with other future projects to increase reliability. Currently we are working on a large renewable project under Policy 118. Director Felicelli spoke highly of the SMPA staff and their commitment to work in the best interest of our members. He commended Key Accounts Executive, Paul Hora and Communications Executive, Alex Shelley for extraordinary efforts to assist in the suburb of Houston in Dickenson, TX after hurricane Harvey. They collected money and supplies and helped mitigate flood and mold damage for homeowners.
- General Manager's Report, Brad Zaporski:** Manager Zaporski introduced himself to the members and gave praise to two long term employees who recently retired, Cal Rutherford and Dave Kelly. This year Dave Johnson, a 42 year employee passed away; he will be missed dearly. Mr. Zaporski explained how the energy industry has changed significantly in recent years with the shift to renewables. Other challenges for the co-op have been the shift in energy usage. We have been selling less energy yet have more meters. These changes have moved SMPA to change the structure of our rates and increasing our access charge. Manager Zaporski touched on the Telluride/Mountain Village Reliability Project that was nearly completed in 2017 and moving forward with the Red Mountain line rebuild. This terrain is some of the toughest in the US and the project will increase reliability to Ouray County. Lastly, he explained the computer software change to NISC, with features to include SmartHub, which will give members the ability to monitor their usage and pay their bills from any device.
 - Unfinished Business:** None presented.
 - New Business, Question and Answer Session:** Members posed questions and made comments regarding SMPA's new software and how that will change staffing, how the access charge has changed over the years, and how the weather affects energy use.
 - Announcement of Election Results by independent Election Monitor Jim Link:**
 - District No. 5: Candidates: Joanna Kanow, Allyn Svoboda, and Dave Alexander. There were 288 total valid votes, and the winner was Dave Alexander.
 - District No. 6: Candidate: incumbent Debbie Cokes. No opposition, Director Cokes retained seat.
 - Prize give-away:** Every member attending the meeting received a \$10 bill credit, a gift bag with hat and insulated tumbler. Additional door prizes were given via drawing at the end of the meeting.
 - Adjournment:** The meeting was adjourned at 6:34 pm.



THROUGH THE LENS