

**LA PLATA ELECTRIC ASSOCIATION, INC.**  
**Durango, Colorado**  
**2014 ANNUAL MEETING**

The 75th annual meeting of the members of La Plata Electric Association, Inc. was held at the Community Concert Hall at Fort Lewis College on Thursday, May 22, 2014. President Montoya called the meeting to order at 6:42 p.m. and welcomed the membership to Fort Lewis College. He introduced Members of VFW Post 4031 who presented the United States and Colorado flags. The membership joined in the Pledge of Allegiance and a prayer was led by John Baird, a member of the Colorado guard. The National Anthem was also played.

**Agenda**

President Montoya asked for a motion to approve the meeting agenda.

**Motion:** Member J. Paul Brown moved to accept the agenda as presented, motion seconded and passed without dissent.

**Motion:** Member Rich Wark moved to accept the May 11, 2013 meeting minutes as presented, motion seconded and passed without dissent.

**Attendance report**

President Montoya reported that 272 members had registered prior to the meeting and a quorum was established.

**Appointment**

President Montoya appointed Laura Rome as Secretary and Barry Spear, LPEA Attorney, as Parliamentarian for the meeting.

**Official Notice of Meeting and Standing Rules and Procedures**

LPEA Attorney Spear confirmed the annual meeting notice was posted pursuant to the LPEA bylaws 45 days prior to the meeting. Attorney Spear requested for a motion to waive the reading of the annual meeting notice and adopting the Standing Rules and Procedures.

**Motion:** Member Sheryl Ayers moved to waive the reading of the annual meeting notice and adopting the Standing Rules and Procedures; motion was seconded and passed without dissent.

Attorney Barry Spear read Standing Rules and Procedures for the meeting and announced if Members had not voted by mail to make sure they voted before the polls were closed. Attorney Spear reported the third party accounting firm FredrickZink and Associates were tallying the votes.

## **President Introduces Board of Director Incumbents and Candidates**

President Montoya introduced the current LPEA Board: Robert Formwalt, Mark Garcia and Ken Fox from District 1; Jerry McCaw, Tom Compton and Davin Montoya from District 2; Jeff Berman, Britt Bassett and Jack Turner from District 3; and Michael Rendon, Heather Erb and Joe Wheeling from District 4. President Montoya introduced the candidates who ran for election. In District 1, candidate Bob Lynch ran against incumbent Ken Fox. In District 2 Davin Montoya was re-appointed. In District 3 candidate Bill Waters ran against Jeff Berman. In District 4, Alison Dance ran against incumbent Joe Wheeling. President Montoya asked if any of the candidates would like a chance to address the membership. Candidate Ken Fox addressed the membership and stated it had been a privilege to serve on the board and work with LPEA staff.

## **Close Voting Box**

President Montoya confirmed everyone had an opportunity to vote and announced the ballot boxes would be closed. The ballot boxes were then closed. President Montoya announced that the election results would be revealed at the end of the meeting.

## **Introduction of Guests**

President Montoya recognized local dignitaries and former board members in the audience including: Legislator Wanda Cason representing Mark Udall; House Representative J. Paul Brown; La Plata County Commissioners Julie Westendorff and Gwen Lachel; and Durango City Councilor Dick White. Former LPEA board members: Harry Goff, Ed Zink, Pam Patton, Lynn Stewart, and Virginia Cavanaugh. Former Round Up Board members: Gayle Broadbent, Michelle Harris, Sheryl Ayers, and Wanda Ellingson. Additionally he introduced 4CORE Director Richard Newman and representatives from Western United, Mike Prom and Kathy Jewel. President Montoya thanked the LPEA employee volunteers, community volunteers, VFW Post 4031 and LPEA scholarship students.

## **LPEA Financial Report**

Treasurer Joe Wheeling gave the financial report. He stated it had been his pleasure to serve as the treasurer and highlighted that fiduciary duties were met and the cooperative finances were healthy. He touched on the following items: key elements on loans; modified debt service was above requirements for 2013; operating earned ratio; equity level at 40%; electric sales; and reviewed in detail the decrease in kW sales due to the change in rates from Tri-State. He reported that LPEA was a viable part of the community with \$1 million in property taxes, that LPEA was retiring capital credits of \$3.1 million and, to-date, from the beginning, a total of \$45 million. He highlighted the three main lenders and concluded it was another good year at LPEA.

## **LPEA Report**

President Montoya introduced CEO Greg Munro and announced his retirement plans. CEO Munro thanked President Montoya and stated that this was the last time he was speaking at the

LPEA annual meeting; he enjoyed his time working for LPEA; and was proud of the staff and employees. He highlighted the following items from his tenure as CEO: keeping the power on; the Missionary Ridge fire; storms; education on energy efficiency; new technology and advanced skills; and stated that the employees all care for the membership. Additionally he highlighted the increased communications over the past few years; the seven new substations, specifically the Ponderosa substation in Pagosa, working with Parelli Natural Horsemanship, and creating a plan for the substation. He discussed the safety program and all the things that happen behind the scenes to keep the power on. President Montoya thanked CEO Munro.

### **Round Up Report**

Round Up Board Member Faye Schrater displayed the LPEA Round Up Foundation mission statement, and reported that the Round Up program has been going strong since its inception in 1997. She stated it was a not-for-profit and the funds were generated by LPEA customers that round up on their bill. Donations are 100 percent tax deductible. She noted in detail groups and programs that have applied and been funded. She announced that there were approximately 40,000 members, of which 14,000 round up; Round Up had collected more than one million dollars since its inception, and had given that much away. She encouraged members sign up to round up and that the total average cost to round up was six dollars a year.

### **CREA Report**

President Montoya introduced Executive Director Kent Singer with Colorado Rural Electric Association (CREA). Mr. Singer highlighted *Colorado Country Life* magazine, trade associations linked to the magazine with their support and who serve all of the membership. Additional items he touched on were the educational function of CREA, which included seminars, loss control and global functions. He reviewed the 20 days of legislature meetings, that CREA had a good 2014 session for the coops, and that CREA watches legislation that impacts coops and their rates. He mentioned Senate Bill 252, detailed the specifics of the bill and the challenges CREA had faced. He congratulated CEO Munro on his retirement.

### **Tri-State Generation and Transmission Report**

President Montoya introduced Interim Executive Vice President/General Manager, Mike McInnes of Tri-State. Mr. McInnes gave a brief report and echoed sentiments on working with CEO Munro and that Tri-State would certainly miss him. He noted that LPEA Director Wheeling was on the Tri-State Board and on the executive committee. He stated that it was good year for Tri-State with a significant decrease in illness and injuries and stated it was important that all employees go home safe. He highlighted the following items: Tri-State provides reliable and affordable power; the wind facilities; Colorado hydro; and noted that 23 percent of generation comes from renewable energy. He briefly reviewed challenges that included regulatory overreach with rules and regulations, which drive up costs on reliable power.

### **Attorney Spear with Maynes, Bradford, Shipps and Sheftel.**

President Montoya introduced Attorney Spear and stated that his firm had been representing LPEA for 47 years. Attorney Spear stated he appreciated the opportunity, and also noted Attorney Shay Denning and her assistance providing the services they provide to LPEA. He highlighted three major matters his firm worked on in the last year. One was an attempt to change the Tri-State bylaws to allow for an internal dispute resolution process by Tri-State members with complaints. As a result, in part due to LPEA's efforts, the Tri-State board adopted a policy for Tri-State members to challenge wholesale rates, but at the time of the LPEA Annual Meeting the Tri-State board had not adopted a dispute resolution policy for general complaints. The second matter was the on-going case in front of the Colorado Public Utilities Commission (PUC) challenging the wholesale rate imposed by Tri-State. LPEA's PUC challenge was based on its claim that the Tri-State wholesale rates were unfair, preferential and discriminatory in that they did not take into account certain costs incurred in providing the power service. Attorney Spear stated the PUC case was set for trial in November 2014. The third major task Spear's firm assisted LPEA on was the development of policy and agreements for the LPEA Community Solar Garden program where six applications had been submitted for licenses from LPEA. In closing he congratulated LPEA for 75 years of keeping the lights on.

### **Guest Speaker Ted Case, Executive Director, Oregon Rural Electric Cooperative in Salem, Oregon**

President Montoya introduced Ted Case. Mr. Case noted it was a historic night for LPEA and he was a lobbyist for rural coops. LPEA wears the white hat and reviewed the history of LPEA from 1939. He displayed a Franklin D. Roosevelt speech that he gave at the first dedication with over forty thousand in attendance. In 1939, 348 families in La Plata County were electrified and thanked Franklin D. Roosevelt for his vision. He reviewed Harry Truman and his history and vision for electricity, the Farm Bill and the support of coops and how it affected presidential campaigns. He continued the history of electricity through the decades highlighting noteworthy times with presidential influence. He concluded with the items in his speech which were also highlighted in his book *Power Play*.

President Montoya noted that LPEA's membership was very diverse, with some members who can't pay their bill or were on a fixed income. He stated the LPEA Board has a responsibility to be sensitive to the needs of all the members.

### **Unfinished Business**

President Montoya asked for any unfinished business items. There was none.

### **New business**

President Montoya asked if there were any members who had questions for the speaker panel, which included: President Davin Montoya, LPEA Treasurer Joe Wheeling, CEO Greg Munro,

Attorney Barry Spear, and CREA's Kent Singer. All questions were addressed by the speaker panel.

**Board of Directors Election Results**

President Montoya introduced John Lopez from FredrickZink and Associates to announce the Board of Director election results. Mr. Lopez announced there were 5,821 ballots received and the winning results were as follows;

District 1: Bob Lynch

District 3 Jeff Berman

District 4: Joe Wheeling

President McCaw requested a motion to adjourn the meeting

**Motion:** Member at large moved to adjourn the meeting; motion seconded and passed without dissent.

The 2014 Annual meeting adjourned at 8:22 P.M.

Respectfully submitted by Laura Rome.



Approved by: \_\_\_\_\_  
Jeff Berman, Secretary



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Davin Montoya, President