

**LA PLATA ELECTRIC ASSOCIATION, INC.**  
**Durango, Colorado**  
**2013 ANNUAL MEETING**

The 73rd annual meeting of the members of La Plata Electric Association, Inc. was held at the Sky Ute Casino and Resort on Saturday, May 11, 2013. President McCaw called the meeting to order at 10:36 and introduced Charlie Flag, Interim General Manager of the resort. He welcomed the membership to the Sky Ute casino event center. The Members of VFW Post 4031 presented the Southern Ute, Colorado and United States flags. The membership joined in the Pledge of Allegiance and a prayer was led by a member of the Colorado guard. The national anthem was also played.

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

LPEA Attorney Spear confirmed the annual meeting notice was posted and that the notices of the meeting and LPEA bylaws were posted 45 days prior to the meeting. Attorney Spear requested for a motion to waive the reading of the annual meeting notice to accept the minutes from last year's annual meeting, for reading of the annual meeting notice and adopting the Standing Rules and Procedures.

**Motion:** Member at large moved to waive the reading of the annual meeting notice to accept the minutes from last year's annual meeting, for reading of the annual meeting notice and adopting the Standing Rules and Procedures; it 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 that the third party accounting firm FredrickZink and Associates were tallying the votes.

President McCaw introduced the current LPEA Board: Robert Formwalt; Lindon Stewart and Ken Fox from District 1; Jerry McCaw, Tom Compton and Davin Montoya from District 2; Jeff Berman, Britt Bassett and Harry Goff from District: and Herb Brodsky, Heather Erb and Joe Wheeling from District 4. President McCaw introduced the candidates that ran for election. In District 1, candidate Mark Garcia ran against incumbent Lindon Stewart. In District 2 Tom Compton was re-appointed. In District 3 candidate Michael Rendon and Richard Alan Yoder ran against each other to fill the vacant District 3 opening with Director Harry Goff's retirement. In District 4, Jack D. Turner ran against incumbent Herb Brodsky.

President McCaw asked if any of the candidates would like a chance to address the membership. Candidate Michael Rendon from District 3 addressed the membership and reviewed his background which included environmental and social work. He noted his reasons for running for the LPEA board and indicated he would follow the LPEA mission statement. He thanked the membership for the opportunity to run for the LPEA Board of Directors. Candidate Jack Turner

from District 4 stated his message was that as a community he believed in renewable energy development, support local and keep the rates low. He gave a history of his background and values he was inspired by and thanked the membership. Candidate Mark Garcia from District 1 noted the importance of turning out to vote and getting involved with the decisions. He reviewed his background and that he had been an active LPEA member. He told members to let your voices be heard and thanked the membership. Incumbent Lin Stewart from District 1 noted he was appointed when Director Terry Alley resigned and stated he was committed to continue being a representative of the members of District 1. He reviewed his background and stated he supported the LPEA mission and thanked everyone for coming today and voting. Incumbent Herb Brodsky from District 4 addressed the membership. He briefly reviewed the importance of being a Director, the LPEA mission statement and thanked the staff and membership. President McCaw thanked the candidates.

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

President McCaw reported that two hundred thirty eight members had registered prior to the meeting and a quorum was established. President McCaw asked for a motion for approval of the meeting agenda.

**Motion:** Member at large moved to accept the May 12, 2012 meeting minutes and new members as presented, motion seconded and passed without dissent.

**Motion:** Member at large moved to accept the agenda as presented, motion seconded and passed without dissent.

President McCaw gave a special recognition for Director Harry Goff for his twelve years of service on the LPEA board and Director Tom Compton for his fifteen years of service. They both were presented with a gift for their years of service.

President McCaw recognized local dignitaries and former board members in the audience including: City of Durango, Mayor Dick White, past LPEA Board members; Ed Zink and John Gardella. He introduced the LPEA Roundup Foundation Board members present including Vice President Bruce Keuning, Bob Boe, Herb Brodsky, and Ken Fox, Former Round Up Board members Patty Clark, Sheryl Ayers and Amy Bishop. Bruce Keuning addressed the membership and thanked everyone for rounding up on their statements. He noted that thirty members had signed up today. He reviewed in detail the foundation, grants and scholarships that have been given away since the inception. President McCaw then recognized Barbara Walz, Senior Vice President from Tri-State and Rube Felicelli a board member from San Miguel Power.

President McCaw introduced, LPEA CEO Greg Munro, LPEA Attorney Barry Spear, Executive Director Kent Singer of CREA and Bruce Keuning, Vice President of the Round Up Foundation.

## Reports

**LPEA President McCaw** welcomed the membership and thanked everyone for coming. He announced Director Davin Montoya and his family would be honored on May 24, 2013 by the La Plata County Historical Society with the Community Heritage Award for his contributions to the heritage of La Plata County. He announced that LPEA would be celebrating 75 years in 2014. He discussed new efficiencies, technology and that LPEA was now tweeting the status of outages. He noted that LPEA continues to look forward with taking us to the next level in the industry and gave thanks to technology for helping members be more in control. He highlighted renewable energy and that LPEA was making sure it is done right and that LPEA was a leader in the country. He then gave a brief overview of LPEA's past year of events.

**LPEA Treasurer Joe Wheeling** gave the financial report. He stated it was his pleasure to serve on the board of such a well run company. He highlighted in his report the following items: key performance indicators; that LPEA met all financial obligations of lenders; LPEA had a clean audit report; TIER and OTIER; modified debt service; equity level; revenue of electric sales; that property taxes were nearly 1 million per year; capital credits retired for 2012 were \$3.1 million and \$42.7 million for the total life of capital credits. He summarized in his report that LPEA continues working to be a sound financial company.

### **LPEA CEO Greg Munro**

CEO Munro presented a video presentation "God made a Farmer". He highlighted how LPEA got their start and that they continue to follow the notion of a cooperative and that LPEA came into existence in 1939. It was the generation through the Great Depression and World War II meeting the challenges of the needs of the community with more than one thousand Coops created in the 1930's in all 50 states with sixty six generation companies. He then displayed and reviewed Tri-State Generation and Transmission coverage and noted it was a forty four member membership and formed with NRECA for legislation, regulatory help, audits, and education for employees. He highlighted safety regulations, benefits programs, international program, finance mechanisms, National Cooperative Bank, Colorado Rural Electric (CREA) and their role for LPEA and other Colorado Coops. He noted that CREA supports Colorado Coops in the following items; legislation, regulatory, education for employee's and board members, safety programs, safety culture and legal assistance. CEO Munro briefly reviewed the history and role of Western United to LPEA. He displayed a map of rural Colorado Cooperatives and that electric coops were growing and changing with new technologies, renewable generation, green power rebates, and working with local firms. He highlighted two potential renewable energy projects in Pagosa Springs and that one could be online as soon as 2014. Additional items he highlighted included: that many in the LPEA employee workforce were retiring; safety; enhancing communications to members; alternative energy plan; transmission facility transfer to Tri-State; rate increases and that Tri-State had created a rate review committee. He thanked the membership, all of the LPEA employees and the LPEA Board of Directors for attending

**President McCaw introduced Kent Singer, Executive Director of Colorado Rural Electric Association.** Kent Singer thanked CEO Munro and the LPEA board for inviting him to the LPEA annual meeting. He displayed a map of Colorado Coops and the electric needs statewide

and functions of CREA. He stated there was a twenty six member CREA Board of Directors and he gave an overview of departments which included: publications and displayed examples of Colorado Country Life, the CREA newsletter and discussed the loss control & safety training departments. Additional items he reviewed included: regulatory compliance; job training; rural electric safety; achievement program; youth programs; state/national legislation activities; Colorado PUC commission; renewable energy; energy efficiency; and education for directors and employees.

**Attorney Spear with Maynes, Bradford and Shetfield.**

Attorney Spear highlighted the following items that his firm assists LPEA with: contracts; agreements; review of loan documents; major tasks which included the wholesale power rate that Tri-State introduced and he noted that LPEA purchases more than 95% of its power from Tri-State and that his office and special counsel Bill McEwan spent months investigating an unfair preferential and discriminatory rate increase by Tri-State.. The LPEA Board voted to file a complaint with the PUC against Tri-State regarding its rate increase and that it was filed on March 4<sup>th</sup>, 2013. He then reviewed the details of the Tri-State rate increase and how it affected LPEA Members and the costs. He stated that Tri-State filed a motion to dismiss the complaint and he gave the details. He indicated that the board, the staff and attorney’s office continue to address the issues surrounding he rate structure and how best to protect the interests of LPEA and its membership. He thanked the LPEA Board for having his firm represent LPEA for the last 46 years.

**Board of Directors Election Results**

President McCaw introduced John Lopez from FredrickZink and Associates to announce the Board of Director election results. Mr. Lopez announced there were 5,140 ballots received and the winning results were as follows;

District 1: Mark Garcia

District 3 Michael Rendon

District 4: Jack Turner

**Unfinished Business**

President McCaw asked for any unfinished business items. None

**New business**

President McCaw asked if there were any Members that had questions for the speaker panel which included; President Jerry McCaw, LPEA Treasurer Joe Wheeling, CEO Greg Munro, Attorney Barry Spear, and CREA’s Kent Singer. The following questions were taken from Members on the following subjects: Does the Public Utilities Commission (PUC) have authority over Tri-State; more information on the rate structure; what was the current renewable energy; how were Senate Bill 252 funds spent; options for a LPEA member to get financial help with installing solar or wind power; When would LPEA create a community solar garden; prior board member appointed to the PUC how would that affect the outcome of the PUC complaint and

what was the legislature rationale that hydropower was not a renewable energy. All questions were addressed by the speaker panel.

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 2013 Annual meeting adjourned at 12:44.

Respectfully submitted by Laura Rome.

Approved by:



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President, Jerry McCaw



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Secretary, Ken Fox