

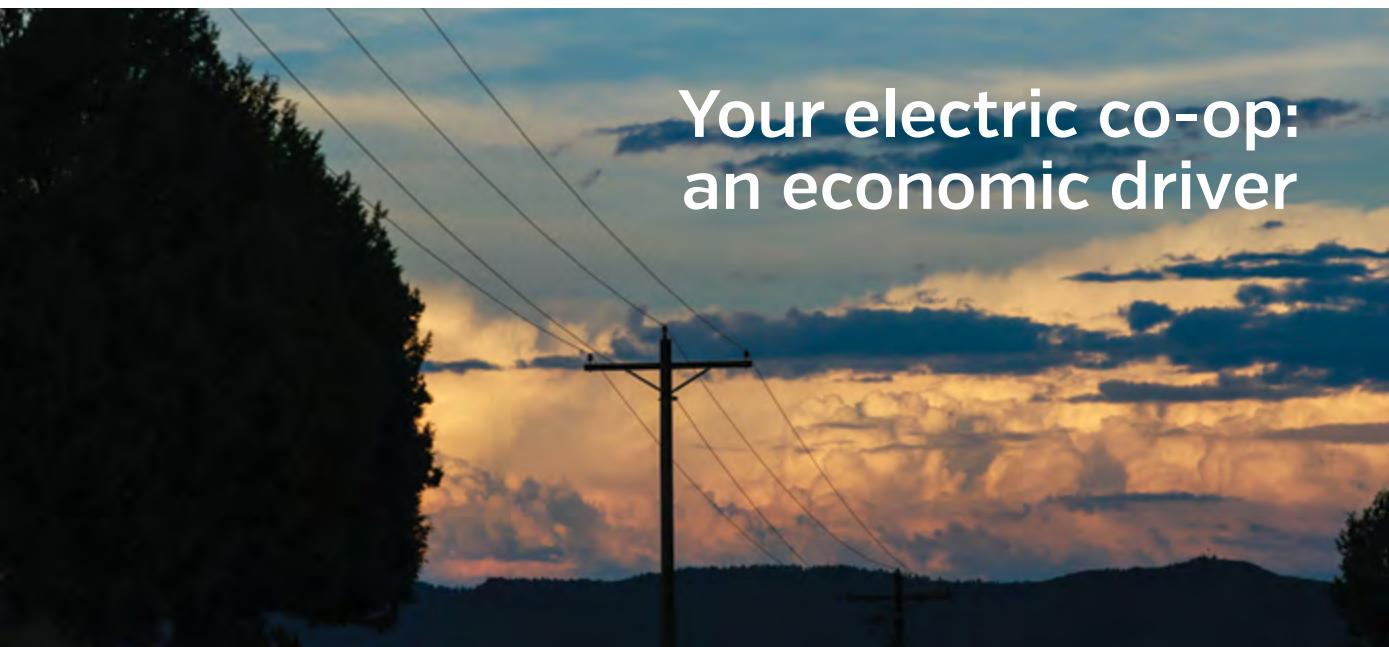


WATT'S UP

AT LA PLATA ELECTRIC ASSOCIATION

LPEA
La Plata Electric Association, Inc.
A Touchstone Energy® Cooperative 

FEBRUARY 2018



Your electric co-op: an economic driver

As you flip on your lights, glance at the utility poles in your neighborhood, or observe the glistening wires lining the highway as you make your morning commute, do you think "economic development"? Probably not, but make note: La Plata Electric Association is, and essentially always has been, a key economic driver in the region.

In addition to the rich history (the City of Durango was among the first in the nation to enjoy Tesla's invention of alternating current), and fore-thinking individuals who pooled their efforts to build a rural electric cooperative that brought electricity to the ranches and farms, and long before independent economic development councils were organized in Durango and Pagosa Springs, LPEA's early board members recognized the importance of a concerted economic development effort to sustain the region.

"LPEA staffed and maintained local economic efforts in our Durango headquarters," says CEO Mike Dreysspring. "Because we were formed as a non-profit cooperative, we never have supported economic development for the sake of our own profits. Your rural electric cooperative is an economic driver because of its importance to our members."

LPEA's importance in the region is more than providing the much needed life-blood of electricity. LPEA is one of the region's most significant employers, providing solid, stable jobs with benefits directly to 110 individuals.

"Additionally, LPEA employs a number of contractors," says Justin Talbot, manager of operations. "When it's more cost effective for us to retain contractors who have expertise in given areas – such as construction or tree trimming, functions that help ensure the reliability of the

system – we put those local residents to work."

"And people don't often realize that our primary power supplier, Tri-State Generation and Transmission, maintains crews in the area to service and maintain the transmission lines," adds Ron Meier, manager of engineering and member relations. "Tri-State might be based outside of Denver, but it provides crucial jobs here."

In addition to employment, LPEA has a considerable "physical" presence. Audited numbers for 2017 are not yet complete, but in 2016 LPEA, throughout its 3,370 square mile service territory, maintained 3,692 miles of line and 31 substations. As part of its responsibility for overseeing such a substantial amount of land, the cooperative paid property taxes of \$872,568 in 2016.

Further, in the late 1990s, the LPEA Board recognized the need for "connectivity." The "big" internet and phone companies were not interested in bringing fiber and thus high-speed connectivity to rural communities, so LPEA (along with sister co-op Empire Electric) stepped up and created the company that is now known as FastTrack Communications.

"High speed communications is even more important today, especially for our economy," says Dreysspring, "and LPEA continues to be actively involved in FastTrack's efforts to improve connectivity throughout Archuleta and La Plata counties."

It's been said that the electric grid is the largest machine in the country, but the economies – including those of La Plata and Archuleta – are able to thrive because of the rural electric cooperatives that remain behind-the-scenes as key economic drivers.

Do we owe you money?

LPEA seeks members, or former members, who are due to receive a Capital Credits refund.

To that end LPEA is publishing in local newspapers, and posting on its website, www.lpea.coop, as of Feb. 1, 2018, a public notice naming those individuals or businesses whose Capital Credit money [aka patronage capital] has gone unclaimed because of an invalid address, or whose Capital Credit checks have not been cashed. The notice will appear in the *Pine River Times* on Friday, Feb. 9; in the *Durango Herald Weekend Edition*, Feb. 10-11 and the *Pagosa Springs Sun* on Thursday, Feb. 15, 2018.

"This is money that belongs to our members," says CFO Dennis Svanes, explaining that electricity payments made by members in excess of the cost of providing their electric service [called the "margin"] is placed into a patronage capital account in each member's name. "This capital, along with borrowed funds, is used to finance needed improvements to LPEA's system infrastructure. The margins allow LPEA to maintain system reliability at its highest level and help keep rates lower. But when we find we have patronage capital in excess of what we need, we refund it to members."

To claim funds, individuals and businesses noting their names on the public notice are asked to contact LPEA's Durango office, 45 Stewart St., Bodo Industrial Park, or call 970.247.5786. Identification will be required to claim the available funds.

Ontiveros new Manager of Human Resources

Nadine Ontiveros has been promoted to Manager of Human Resources at LPEA. The opportunity for the promotion became available with the retirement of Linda Looman.

Previously LPEA's Assistant Director of Human Resources, Ontiveros joined LPEA in 2015 as an HR Administrator, and has been instrumental in developing leadership initiatives, redesigning performance management, hiring and onboarding.

Born and raised in Zimbabwe, Ontiveros is a sixth generation African. She immigrated with her family to Orange County, Calif. at age 17. Ontiveros and her family have been residents of Durango since 2003.

She holds a degree in Business with an HR emphasis through the University of Phoenix. She also earned her SHRM-SCP® credentials from the Society of Human Resource Management.

Currently, Ontiveros is studying to complete her Masters of Business Administration with a Human Resources Specialty from Capella University.

LPEA offers a variety of apprenticeships and employment opportunities. To explore employment, or for additional information, visit www.lpea.coop.



Board Election Packets available

Election packets for those interested in running for a seat on the LPEA Board of Directors will be available Friday, Feb. 2, 2018, at co-op offices in Durango and Pagosa Springs and online at www.lpea.coop.

To be placed on the ballot, candidates must return completed petitions to either LPEA office by 1 p.m. by Wednesday, Mar. 14. LPEA's offices are located at 45 Stewart St., Durango [Bodo Industrial Park] and 603 S. 8th St., Pagosa Springs. Publicity materials must be submitted online to boardcandidate@lpea.coop.

As per LPEA bylaws, one-third of the directors' seats are up for election annually, one in each of LPEA's four districts. Candidates are required to be members in good standing and permanent residents of the district they seek to represent, and cannot work for a competing enterprise or supplier of the cooperative, plus not be employed or have a spouse or child employed by the cooperative in any position. A complete list of director qualifications can be reviewed in LPEA's bylaws (www.lpea.coop/pdf/policies/LPEA_Bylaws.pdf).

Submitted election petitions must contain at least 15 signatures from co-op members in a candidate's district. A map of LPEA's voting districts is available on the cooperative's website (www.lpea.coop/company_info/board/district_map.html).

Directors are elected for three-year terms. Incumbent directors up for re-election are Bob Bob Formwalt [District 1 – Archuleta County], Kohler McInnis [District 2 – south and west La Plata County], Britt Bassett [District 3 – City of Durango], and Karen Barger [District 4 – north and east La Plata County].

"LPEA is a cooperative, owned by and operated for the benefit of those who use its services," says Mike Dreyspring, LPEA CEO. "So, if you purchase your electricity from La Plata Electric, and haven't opted out of membership, you are entitled to run for a director seat and join the board that determines company policy."

Ballots will be mailed to the membership in mid-April, and the specific mailing date will be posted on LPEA's website and advertised when finalized, determined by printing schedules. Results will be announced at LPEA's Annual Meeting set for Saturday, May 12, 2018, at Sky Ute Casino Resort, Ignacio.

The candidate packets contain additional election information and instructions, including copies of LPEA's bylaws and board policies. Candidates with questions should contact Jeannie Bennett, 970.382.3505 or jbennett@lpea.coop.

Scholarship deadline approaching

All high school seniors, including home school students, who receive their electricity from LPEA are eligible to apply for the variety of college scholarship and awards available through the cooperative. Deadline for application is Mar. 1, 2018.

LPEA directly offers the LPEA Scholarship (four-year), LPEA/John Voelker Memorial Scholarship (two-year), and Lineman Scholarship for aspiring electric line workers, per LPEA Board of Directors policy 302. The co-op also provides for additional affiliated rural electric scholarships/awards offered by Tri-State Generation and Transmission and Basin Electric Power Cooperative.

Specifically, LPEA will award two, four-year scholarships (140 credit hours) for students attending any college or university beginning with the 2018 academic year. LPEA will cover tuition, books and fees, up to \$28,000 over four years, given that the students maintain minimum qualifications.

The LPEA/John Voelker Memorial Scholarship recognizes two students attending accredited vocational schools, technical schools or junior college. This two-year scholarship covers fees, books, tools and supplies up to \$10,000 over two years, per student.

The La Plata Electric Lineman Scholarship funds two annual scholarships covering tuition, fees and books, not to exceed \$12,000 for each scholarship for up to one year at an accredited institution, including a vocational school, technical school, junior college or university in the United States, majoring in an electric line worker program. Any scholarship overage, following payment of tuition and fees, can be applied to purchase of tools and supplies required in the trade.

Funds for the LPEA, LPEA/John Voelker Memorial and Lineman scholarships come from LPEA's unclaimed Capital Credits. Each year, the co-op endeavors to find "missing" members who are due a share of retired Capital Credits. Those funds unable to be returned to members are then put back into the community – in this case, into college scholarships.

Former scholarship recipients currently employed at LPEA include Manager of Rates, Technology and Energy Policy Dan Harms and Controller Rachel (Lasiewicz) Gilman, both of Durango and graduates, respectively, of Colorado State University (CSU) and Fort Lewis College. Also, Systems Engineer Jake Wills and Staff Engineer Rachel Schur Wagner, both Pagosa Springs High School and CSU graduates, were LPEA scholarship recipients.

For further information and to download applications, visit www.lpea.coop or contact Jeannie Bennett at 970.382.3505, or jbennett@lpea.coop.

CO-OP MEMBERS

Ask...

Q: Is LPEA still offering rebates for purchase of energy efficient appliances? And are LED light bulb rebates available to residents (we've noticed that businesses are eligible)? And tell me more about financing these improvements through LPEA.

A: Supported by our primary power supplier Tri-State Generation and Transmission, LPEA is pleased to offer rebates to members who purchase new Energy Star-rated appliances – \$20 for a dishwasher; \$30 per unit for refrigerator, freezer, clothes dryer and clothes washer. If you recycle your refrigerator/freezer, a credit of \$60 is also available.

For your household light bulb change out, LPEA offers up to \$8 per new LED light bulb purchased (with a lumen output of 500 or greater). Rebates are also available for water heaters, electric thermal storage heaters, heat pumps and more.

LPEA does indeed offer an opportunity for on-bill financing for energy efficiency measures. You can finance your investment for major purchases (up to \$7,500) with a low-interest loan that you repay on your LPEA monthly bill.

Visit www.lpea.coop for further information.

LIVE WIRES

Board meeting Feb. 21, 9 a.m.

The next meeting of the LPEA Board of Directors is set for Wednesday, Feb. 21. The agenda will be posted 10 days in advance of the meeting at www.lpea.coop. All members are reminded that public comment is heard at the beginning of the meeting shortly after 9 a.m.

President's Day closures

LPEA's offices in Durango and Pagosa Springs will be closed Monday, Feb. 19 in observance of President's Day.

Giving during the holidays

Through LPEA's inaugural Giving Tree program organized by the Customer Service Representatives, nearly \$7,500 was donated by LPEA members in Archuleta and La Plata counties. These voluntary donations were applied to the accounts of LPEA members experiencing challenges in paying their electric bills. Also, nearly \$1,300 was raised for the Salvation Army during LPEA's "Stuff the Red Kettle Green Chili Lunch."

Informational TV

Have you caught the Watt's Up informational episodes aired twice monthly on DurangoTV? Catch up with the past videos on LPEA's YouTube site.





Have you explored Prepay?

BY DENNIS SVANES | CHIEF FINANCIAL OFFICER | DSVANES@LPEA.COOP

The year 2017 is in the books for most individuals. Here at LPEA, however, your Finance and Accounting Department remains hard at work getting everything recorded and ready for our annual financial audit. It was a busy year at your cooperative. One notable activity was our refinancing of approximately \$100 million of long-term debt, and we are no longer a borrower of the Rural Utility Service (RUS – previously REA). We now have 100 percent of our long-term debt with CFC, a bank created by electric co-ops for electric co-ops. This refinance saved LPEA approximately \$6.5 million.

Additionally, last fall, we retired capital credits and returned just shy of \$4 million to you, our members. In December, we received word from our power supplier, Tri-State Generation and Transmission Association, Inc., that \$20 million of capital credits would be retired to its members. We will be receiving slightly more than \$2 million as a result of this retirement, which is a great way to start 2018.

One of my 2018 goals is to reduce the amount of our members' money we hold in deposits. We have in excess of \$1.2 million in deposits from approximately 4,000 members. The back story is, we require a deposit for all new accounts. This deposit is three times the monthly average bill and can be applied to the account after 12 months of consecutive bills being paid on time and in full. We waive the requirement through good credit with LPEA or other electric utilities, a positive credit check, or if the new member opts to join our Prepay Program. Indeed, one of the simplest ways to return the money held in deposit is for those members to opt for our Prepay Program.

The Prepay Program works simply. Instead of calculating bills monthly, it calculates daily

usage and deducts the appropriate amount from the member's balance. As the balance is reduced, the system will send daily text notifications when it estimates three days or less remaining available on the balance.

Our members on Prepay can add any amount at any time to their account via our SmartHub App, our website (SmartHub), our phone system (IVR), our drive-through kiosks at both of our offices, or in person at our offices during business hours. If an account goes to zero, the meter will shut off, but it will go back on as soon as a payment is posted, without late fees and no trip charges.

When a member opts for the Prepay Program and the usage since the last billing is calculated, any money on deposit is applied to the account for the Prepay. We will not mail a monthly bill (or disconnect notice), but usage and billing information is always available through the SmartHub App and/or from our website (SmartHub).

I equate Prepay with a gas station. At a gas station, we fill our fuel tank and pay for the future use of that energy stored in our vehicle's tank.

While the Prepay Program is not for everyone, it's definitely a good option for many of our members, especially those who may have a significant deposit with us. Please call our Customer Service Representatives, 247.5786 to explore your enrollment in LPEA's Prepay Program.

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81302-2750

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45 Stewart St.
Durango, CO 81303
603 S. 8th St.
Pagosa Springs, CO 81147

970.247.5786 | www.lpea.coop

Board of Directors:
Davin Montoya, President [District 2]
Bob Lynch, Vice President [District 1]
Karen Barger, Secretary [District 4]
Doug Lyon, Treasurer [District 3]
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Dan Huntington [District 2]
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Kohler McInnis [District 2]
Jack Turner [District 4]
Guinn Unger [District 4]



Mission Statement:
La Plata Electric Association provides its members safe, reliable electricity at the lowest reasonable cost while being environmentally responsible.

Chief Executive Officer:
Michael A. Dreyfuss