

WATT'S UP

2018 Annual Report to the Members of
 La Plata Electric Association, Inc.

A special side of your rural electric cooperative

It's part of the cooperative difference, and the impetus behind LPEA's promotional tag line "The Heart of Your Power." A rural electric cooperative is about people and commitment to community – as well as provide reliable electric service.

Each year LPEA hosts a variety of events and activities that "give back" to the community, such as the Green Chili Lunch, Fill the Bucket Food Drive and most recently added, the "Giving Trees" during the holidays that helped support fellow co-op members-in-need.

The broadest program organized by LPEA is the Round Up Foundation. And it's likely the simplest for community members to support... pennies add up to make a big difference. Since its formation, Round Up has provided more than \$1 million in support of some 300 agencies and organizations in Archuleta and La Plata counties.

At its core, Round Up is a community service program organized through LPEA and funded by members who chose to opt in. It derives its funding when members sign-up to "round up" their electric bills each month to the next higher dollar. Many cooperatives across the country have formed similar foundations to facilitate a way for the co-op and its members to support deserving friends and neighbors in need.

"In the mid-'90s we first learned about a cooperative in South Carolina that had organized a round up foundation," explains Jeannie Bennett, LPEA public relations coordinator who oversees the program for the cooperative. "Once we heard about it, the late, wonderful Bill Mashaw firmly believed it was something we needed to do here and, with the help of our LPEA board, he made sure it happened."

The inaugural Round Up board was formed in 1996, and, according to Bennett, by 1997, the foundation had issued its first grant - \$1,000 to the Manna Soup Kitchen. Since then the foundation has endured as a win-win enterprise.

Volunteers note that Round Up is probably the most painless way to help out local communities. The average member donation is 50 cents per month, or less than \$6 per year. If a bill was rounded-up at the maximum automatic level (99 cents) each month, the annual gift would top out at \$11.88. Or members can opt to increase their donation to any specified amount – and donations are tax deductible.


Currently, LPEA's participating members donate approximately \$7000 per month, and that money is entrusted to the Round Up board, a volunteer group that includes representation from all of LPEA's districts. The members convene monthly to review applications and make grants based on the need of the applicant and potential benefits to the community.

Automatically, 25 percent of the funds received are granted to the Community Emergency Assistance Coalition (CEAC) and the Pagosa Springs Outreach Coalition. These entities provide funds in support of individuals in need, as opposed to organizations or projects. The remaining funds are available for non-profit organizations, and the board endeavors to spread the grant dollars throughout LPEA's service territory.

"It varies throughout the year, but we tend to receive about eight grant requests per month," says Bennett. "The board generally distributes about \$5000 among those requesting agencies – though sometimes they do deny the grants, and sometimes they pledge larger amounts for a big project, contingent on the organization meeting its fundraising goals."

At this juncture, funding requests continue to surpass the donations received. Even so, in 2018, Round Up made a significant impact (as noted in the adjacent listing).

Individually, the contributions may be very small, but, as indicated in the list above, those pennies add up. Sign up to "round up" at www.lpea.coop, or call 247.5786.

2018  Donations:	
Community Assistance:	
Community Emergency Assistance Coalition	22,186
Housing Solutions of the Southwest	1,168
Pagosa Springs Outreach Coalition	7,754
Total Community Assistance	\$31,108
Community Service Programs:	
Aid for Pets	500
Animas High School	1,500
Aspire Medical Services	3,000
CEAC Special Payment Fire Relief	5,000
DAV Chapter 48	4,000
Destination Imagination/Arch County School District	2,000
Durango Arts Center	1,000
Durango Community After Prom	1,500
Durango Elks Lodge	1,500
Durango Nordic Ski Club	1,500
Dust2	2,000
FCCLA	750
FLC El Centro	800
FLC Modern Languages Dept	1,030
FLC Police Parking Services	2,000
Fraternal Order of Police Lodge 8 Foundation	3,000
Great Old Broads	1,500
iAM Music	1,500
The Herb Hut	1,000
Justice Ministries	2,310
LASSO	1,500
The Liberty School	2,000
Merely Players	2,000
Pagosa Bible Church	1,000
Pagosa High School Skills USA Cab	1,000
Pine Tree Youth Circle	1,000
Rise Above Violence	1,995
Cloud Busters	1,000
Sacred Heart Catholic Youth	2,000
SW Rural Philanthropy Day	2,000
Thingamajig Theatre	1,500
Third Avenue Arts	1,000
Trails 2000	2,500
Trio Student Success Center	1,000
Veterans Memorial Park	4,500
Total Community Service Programs	\$63,385
TOTAL ROUND UP DONATIONS: \$94,493	



From the President

BY BOB LYNCH | BOARD OF DIRECTORS

One of the great things about La Plata Electric Association is that our members have a keen interest in their electric co-op and want to be kept up-to-date on issues and decisions,

plus have access to information. With the increasing pace of change in the world of electricity, it is important that we continue to provide transparency to the governance process of the board and use technology to make sure members have easy ways to stay informed and engaged.

The monthly board meetings of LPEA are always open to the public and are held the third Wednesday of each month. At these meetings it is standard practice to listen to member comments and concerns during the first hour of the meeting. There are always members who offer comments, with attendance varying, but input is always valued.

Over the past few years members have raised a concern that meeting attendance is not feasible. To address this, the board made the decision at the September 2018 meeting to begin live streaming the monthly board meeting. If you would like to watch a board meeting live via your computer, you can click the link on the LPEA website and tune in. After test-driving the technology for a few months, the board decided to record the live-streamed video and now maintains an archive of board meetings on the website.

LPEA has also made major strides in the world of social media with a presence on Facebook and Twitter. The next generation of members need to be engaged via the tools they use in their daily life and we'll meet them there with useful and timely information. The recent addition of texting the status of outages is the latest addition to provide important information to members.

LPEA is among the best electric cooperatives in the USA at being transparent to members and we will continue down this path in the coming years.



From the CEO

BY MICHAEL A. DREYSPRING | CEO | MDREYSPRING@LPEA.COOP

Eighty ... 80 is a big number, especially if you're 30 and doing retirement planning. But 80 is a not-so-big number for, say, kilowatt-hour sales

for LPEA for 2018, or 957,000,000. So, it's all about your perspective.

This year, 2019, is my last year at La Plata Electric as I am retiring. I am grateful to the LPEA board for allowing me to serve you and to work with some of the finest individuals I've known in this industry.

LPEA is celebrating its 80th anniversary, and for a company that hasn't changed its core business in 80 years, we like to think we're providing electric service to you

that's more reliable, more competitively priced, and more environmentally responsible. There certainly is always opportunity for improvement, and that's our constant focus at LPEA, as it has always been.

LPEA is embarking on a bold goal to reduce LPEA's carbon footprint. We're working as I write this on just what that means, in metric form. Our goal will be to do this while keeping electric rates competitive and affordable.

What exactly is LPEA's carbon footprint? How do we reduce that 50 percent by 2030, when we'll be celebrating LPEA's 91st anniversary? How do we keep electric rates affordable? I'll miss being a part of that challenge. But there's no doubt in my mind it's achievable. There are more than a hundred examples of why LPEA will achieve this goal, and those reasons will do all of this, and keep the lights on for you, too.

FINANCIALS

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2018 AND 2017

Assets			Liabilities and Equity		
	2018	2017		2018	2017
Utility Plant & Nonutility Plant, Net	\$175,326,442	\$177,523,632	EQUITIES		
Investments, Other Assets & Other Properties	\$92,030,629	\$104,035,325	Patronage Capital	\$141,660,944	\$142,249,413
CURRENT ASSETS			Donated Capital	45,136	183,820
Cash and Cash Equivalents	14,836,091	10,992,117	Total Association Equities	\$141,706,080	\$142,433,233
Accounts and Notes Receivable	12,485,961	11,980,812	Noncontrolling Interest	2,058,813	1,852,921
Materials and Supplies	1,709,634	1,521,537	Total Equities	\$143,764,893	\$144,286,154
Prepayments and Other Assets	936,765	564,916	Long-Term Liabilities	\$122,026,717	\$127,127,956
Total Current Assets	\$29,968,451	\$25,059,382	CURRENT LIABILITIES		
Deferred Debits	\$5,241,626	\$5,091,510	Current Maturities of Long-Term Debt	5,106,499	5,030,260
Total Assets	\$302,567,148	\$311,709,849	Accounts Payable	7,795,746	8,252,991
			Accrued Expenses	4,422,274	4,284,839
			Accrued Taxes	1,616,567	1,554,534
			Customer Deposits	1,306,088	1,248,987
			Total Current Liabilities	\$20,247,174	\$20,371,611
			Deferred Credits	\$16,528,364	\$19,924,128
			Total Liabilities and Equity	\$302,567,148	\$311,709,849

CONSOLIDATED STATEMENTS OF MARGINS AND PATRONAGE AND OTHER EQUITIES FOR THE YEARS ENDING DECEMBER 31, 2018 AND 2017

	2018	2017
OPERATING REVENUE		
Electric Energy Revenue & Gross Sales	\$106,513,533	\$104,789,645
Miscellaneous Revenue	5,753,525	6,680,261
Total Operating Revenue	\$112,267,058	\$111,469,906
OPERATING REVENUE DEDUCTIONS		
Cost of Power & Goods Sold	\$71,991,594	\$72,010,480
Operating Expenses - Transmission	1,195,196	799,515
Operating Expenses - Distribution	9,095,161	8,245,977
Maintenance of Distribution Plant	3,243,071	3,485,159
Accounting and Collection Expenses	1,703,479	1,800,057
Other Customer Expenses	2,886,735	2,372,419
Administrative and General	5,654,121	5,190,934
Depreciation	10,251,669	10,134,055
Total Operating Revenue Deductions	\$106,021,026	\$104,038,596
Operating Margin Before Fixed Charges	\$6,246,032	\$7,431,310
Less: Interest on Long-Term Debt	4,778,047	4,800,798
Operating Margin Before Capital Credits	\$1,467,985	\$2,630,512
G&T and Other Capital Credits	\$3,016,838	\$4,088,362
Operating Margin	\$4,484,823	\$6,718,874
Interest Income	\$563,423	\$515,650
Other Revenue	720,962	620,679
Nonoperating Margin	\$1,284,385	\$1,136,329
Net Margin Before Income Taxes	\$5,769,208	\$7,855,203
Provision for Income Taxes	250,937	(36,124)
Net Margins	5,518,271	7,891,327
Less Net Margins Attributable to Noncontrolling Interest	\$205,892	\$203,970
Net Margins Attributable to the Association	\$5,312,379	\$7,687,357



Michael Juliano



Jeannie Dittmar

Charis Charistopoulous



Jeremy Gurule



Jeannie Bennett, Charlene Sandoval and Aubrey Gillespie



Doug Moore



Jerry Sutherlin

Jerry Wills

2018 EMPLOYEES

EXECUTIVE OFFICE

Mike Dreyspring – CEO (2014)
Charis Charistopoulous – Executive Assistant (2015)

PAGOSA DISTRICT

Jerry Wills – Pagosa Springs District Manager (1983)
Tracy Allen – Customer Service Representative (2003)
Debbie Bass – Energy Management Advisor (1993)
Nathan Bryant – Serviceman (1994)
Riley Christensen – Journeyman Lineman (2013)
Renee Davis – Customer Service Representative (2008)
Phil Dietrich – Working Foreman (1979)
Lorraine Gurule – Engineering Clerk (1985)
Jeremy Gurule – Mechanic I (2007)
Garrett Hammer – Equipment Operator (2011)
Steve Haning – District Storekeeper (2000)
Eric Hoover – Equipment Operator (2004)
Jeremy Matney – Journeyman Lineman (2012)
Jurgen Montgomery – Journeyman Lineman (2007)
Gregg Smith – Journeyman Lineman (2013)
Faron Sullivan – Journeyman Lineman (2014)
Brent Tanner – Working Foreman (1989)

OPERATIONS

Justin Talbot – Manager of Operations (1994)
Toby Allred – Line Superintendent (2017)
Trey Buffalo – Apprentice Lineman (2015)
Ryan Carman – Working Foreman (2014)
Bret Cochrane – Safety/Regulatory Compliance Superintendent (2000)
Brandon Debates – Journeyman Lineman (2016)
Randy Dunton – Equipment Operator (2004)
Joe Frankland – Electronic Technician (2016)
Matt Gallaway – Working Foreman (2016)
Les Hahn – Relief Dispatcher (1984)
Debbra Herrera – Meter Technician (2016)
Dalton Hotter – Apprentice Lineman (2016)
Gary Hubbs – Working Foreman (2000)
Michael Juliano – Journeyman Lineman (2014)
Matt Kibel – Electronic Technician (2017)
Rachel Killinen – Dispatcher (2012)
Tim Lee – Journeyman Lineman (2016)
Robert Lloyd – Inventory Control Specialist (2012)
Donnie Lucero – Plant Maintenance Person (1991)
Steve Lynch – Substation Maintenance (1995)
Joel Mann – Lead Meter Reader (2007)
Brian Marshall – Storekeeper (2017)
Dennis McCarthy – Equipment Operator (2012)
Baker McKonly – Dispatcher (2001)
Michael Messier – Journeyman Lineman (2013)
Doug Moore – Meterman Foreman (1978)
Evan Moore – Apprentice Lineman (2015)
Ty Mortensen – Serviceman (2013)
Decker O’Rand – Meter Reader Collector (2017)
Ryan Peacock – Substation Maintenance Foreman (1998)
Curt Piccoli – Mechanic I (2016)
Edward Quintana – Journeyman Lineman (2018)
Aaron Renner – Dispatcher (2007)
Archie Ribera – Equipment Operator (2007)
Dusti Riggs – Dispatcher (2006)
Darrick Robinson – Superintendent of System Operations (2006)
Charlene Sandoval – Engineering Clerk (1999)
Jerry Sutherlin – Serviceman (2000)
Fernando Zubia – Journeyman Lineman (2015)

ENGINEERING & MEMBER RELATIONS

Ron Meier – Manager of Engineering & Member Relations (1993)
Amy Paylor – Customer Service Representative (2013)
Jeannie Bennett – Public Relations Coordinator (1994)
Monty Caudle – Staking Engineer (2006)
Jeanne Dittmar – Customer Service Representative (2006)
Jerry Fleener – Staking Engineer (1991)
Carolyn Foster – Apprentice Staking Engineer (2013)
Aubrey Gillespie – Customer Service Representative (2010)
Denver Hutchins – Customer Service Representative (2018)
Betsy Lovelace – Customer Service Supervisor (1985)
Julie McIntyre – Customer Service Representative (2016)
Amanda Miles – Distributive Generation Energy Advisor (2014)
Gayle Norman – Manager of Staking Services (1974)
Jodi Patcheck – Customer Service Representative (2017)
Cynthia Pierce – Customer Service Representative (2017)
Tiffany Quimby – Engineering Clerk (1996)
Ashley Tokarczyk – Apprentice Staking Engineer (2013)
Lonnie Tucker – Communications Coordinator (2017)
Ryne Waggoner – Staff Engineer (2016)
Johnnie Walker – Right of Way Agent (2018)
Jake Wills – Systems Engineer (2004)

RATES, TECHNOLOGY & ENERGY POLICY

Dan Harms – Manager of Rates, Technology & Energy Policy (1995)
Nancy Andrews – Energy Management Advisor (2009)
Suzy Bynum – Energy Management Advisor (2001)
Clifford Field – Engineering Technician (2018)
Misty Fredrickson – GIS Field Technician (2004)
Brad Fuqua – Engineering IT Specialist (2013)
Tracy Graybeal – Network Administrator (1998)
Sue Maxwell – Project Specialist (2007)
Dominic May – Energy Management Supervisor (2018)
Rachel Schur – Staff Engineer (2015)
Don Short – GIS Services Specialist (1997)
Tyrell Stapp – IT Specialist (2018)
Drew Timmerman – IT Supervisor (2009)

FINANCE & ACCOUNTING

Dennis Svanes – CFO (2008)
Jennifer Colomb – Billing Clerk (2017)
Howard Dickman – Billing Clerk (2016)
Jackie Doyle – Engineering Clerk (1995)
Brandi Fassett – Work Order Specialist (1994)
Rachel Gilman – Controller (2012)
Jacque Ireland – Billing Clerk (2016)
Sandie Marlatt – Billing Clerk (1999)
Shea Rivers – Accounting Clerk (2017)
Monica Rodriguez – Assistant Controller (2017)
Cindy Straight – Billing Administrator (1975)

HUMAN RESOURCES

Nadine Ontiveros – Manager of Human Resources (2015)
Jeannette Simpson – Human Resources & Payroll Specialist (2002)