

LA PLATA ELECTRIC ASSOCIATION, INC.  
Durango, Colorado

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, April 17, 2013, in the headquarters building in Durango, Colorado. President McCaw called the meeting to order at 9:03 A.M., with the following directors present:

Jerry McCaw	Joe Wheeling	Heather Erb
Jeffrey Berman	Davin Montoya	Ken Fox
Britt Bassett	Harry Goff	J. Robert Formwalt
Lindon Stewart	Tom Compton	Herb Brodsky

Excused Absence;

Also present were:

Greg Munro, Chief Executive Officer  
Barry Spear, Attorney  
Dennis Svanes, Chief Financial Officer  
Steve Gregg, Manager of Operations  
Mark Schwantes, Manager of Corporate Services  
Ron Meier, Manager of Engineering  
Indiana Reed, Marketing & Communications Consultant  
Laura Rome, Executive Assistant

Director Goff led the board in the Pledge of Allegiance.

GUESTS (from sign in sheet)

Vijay Bastawade, Betsy Romere, Alan York and Ann McCoy Harold.

AGENDA

President McCaw addressed the agenda.

**Motion:** Director Brodsky moved to approve the agenda with the ability to move around; motion seconded and passed without dissent.

MEMBER COMMENTS AND CONCERNS

None

CONSENT BOARD ITEMS

The consent board items were presented and reviewed.

**Motion:** Director Formwalt moved to approve the March 20, 2013 minutes with one grammar edit, accept new members, capital credit payments to estates and March write offs; motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

LPEA Committee of the Whole Meeting 04/15/13

Davin Montoya	\$219.43	Lindon Stewart	\$266.60
Jeffrey Berman	\$200.00	Ken Fox	\$266.60
Joe Wheeling	\$212.21	Britt Bassett	\$200.00
Robert Formwalt	\$266.60	Heather Erb	\$212.21
Jerry McCaw	\$216.65	Tom Compton	\$219.43
Herb Brodsky	\$200.00	Harry Goff	\$200.00

LPEA Board Meeting 04/17/13

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Jerry McCaw	\$216.65	Tom Compton	\$219.43
Herb Brodsky	\$200.00	Harry Goff	\$200.00

Tom Compton	CREA	\$400.00
Davin Montoya	Tri-State Annual meeting	\$1,582.50

**Motion:** Director Montoya moved to approve the director reimbursements as presented; motion seconded and passed without dissent.

**REVIEW/APPROVE CEDAR NETWORKS EASEMENT REQUEST- RESOLUTION 2013-08**

Steve Gregg, Manager of Operations introduced Vijay Bastawade from Cedar Networks. Mr. Bastawade did an overview of the Cedar Networks project. Steve Gregg reviewed the easement request and took questions. Director Montoya requested to review the request later in the day.

**JOHN VOELKER SCHOLARSHIP AWARD**

CEO Munro reviewed the selection committee recommendation and process.

**Motion:** Director Brodsky moved to approve the award for the John Voelker scholarship committee recommendations of Seumus McAliney, Durango High School and Lukas Morgan, Durango High School; Motion seconded and passed without dissent.

**TRI-STATE RATE ISSUES**

Attorney Spear reviewed the Tri-State motion to dismiss the Colorado Public Utilities Commission complaint. He requested to discuss a notice of deposition in executive session.

**ATTORNEY REPORT**

Attorney Spear summarized his written report which was included in the board packet. He briefly reviewed some easements and foreclosure activity. He noted that Resolution 2013-10 would need to be discussed in executive session. He took questions on his report.

**CEO REPORT AND STAFF REPORTS**

CFO Svanes summarized his financial plus written report and presented a PowerPoint presentation. Items included in his presentation; total kWh purchased YTD, total kWh purchased monthly, electric revenue YTD, total net margins YTD, accounts receivables and

delinquent accounts. CEO Munro reviewed the kWh usage of members from 2012 to 2013. He took questions on his report.

CEO Munro gave highlights of his written report which included that the April Tri-State Managers meeting was cancelled and rescheduled for sometime in May. He briefly reviewed the specifics of the Pagosa Verde geothermal project. He took questions on his report.

CFO Svanes stated that the year-end financial information was filed with the Colorado Public Utilities Commission as required and before the deadline of April 30, 2013.

Manager of Operations Steve Gregg briefly reviewed the outages from April 16.

Manager of Engineering Ron Meier gave a brief overview of the status of the AMI deployment. He took questions on his report. CEO Munro pointed out the good working relationship that LPEA staff has with the Southern Ute Indian Tribe.

Marketing & Communications Consultant Indiana Reid briefly reviewed the advertising for the LPEA election and upcoming annual report. She took questions on her report.

Manager of Corporate Services Mark Schwantes briefly reviewed the USDA REAP Grant, noted there were four applicants for the John Voelker scholarship, and pointed out the changes to the appendix of Policy 359 that was included in the LPEA Board packet. He took questions on his report.

Director Bassett asked about the LPEA Board's ability to provide input for information provided in the annual report. President McCaw pointed out that typically the staff provided the information for the report. Director Bassett requested that he would like more data and statistics in the annual report. Discussion ensued. It was determined to discuss in November the content for the annual report being produced in the next year.

#### **FINAL ANNUAL MEETING UPDATE**

CEO Munro announced that Ken Singer with CREA will be the keynote speaker for the annual meeting. Manager of Corporate Services Mark Schwantes displayed the giveaways for the meeting and briefly discussed the registration for members and vendors attending. CEO Munro highlighted the election process and noted the digital invite he sent to the LPEA Board of Directors to invite guests to the annual meeting.

#### **QUARTERLY DIRECTOR REIMBURSEMENTS**

CEO Munro took questions on the written report.

#### **SAFETY AND OUTAGE REPORT**

Manager of Operations Steve Gregg gave highlights of the outages in the first quarter. He took questions on his report. Steve Gregg briefly discussed the safety report and discussed employee safety incidents, training for the first quarter and future training, which included the LPEA safety culture. Other items he discussed in detail included the electric point of connection between LPEA and the customer. He took questions on his report.

#### **CONSULTANT AND CONTRACTOR REPORT**

CEO Munro took questions on the written report

#### **CONSTRUCTION AND MAINTENANCE REPORT**

CEO Munro asked if there were any questions on the written report. He pointed out the Capital Projects report included in the board packet and Manager of Engineering Ron Meier took questions on his written report.

#### **RESOLUTION 2013-07, CANCELLING ELECTION IN DISTRICT 2**

**Motion:** Director Montoya moved to approve Resolution 2013-07 as presented; Motion seconded and passed without dissent.

**RESOLUTION 2013-09, CEO AUTHORIZATION ON LPEA'S RETIREMENT SAVINGS PLAN**

**Motion:** Director Montoya moved to approve Resolution 2013-09 as presented; Motion seconded and passed without dissent.

**REVIEW/APPROVE BOARD POLICY 109, COMPENSATION FOR LPEA DIRECTORS**

Director Stewart requested that the new provision in item III-B be deleted and keep the current policy as is. Discussion ensued.

**Motion:** Director Stewart moved to approve Board Policy 109 with no changes to the initial policy 109; Motion seconded and did not pass.

**Motion:** Director Montoya moved to approve revised Board Policy 109 as presented; Motion seconded and passed with two directors dissenting.

**ALTERNATIVE ENERGY PLAN UPDATE**

Manager of Corporate Services, Mark Schwantes asked if there were any question on his written report. CEO Munro pointed out the executive summary that was sent to the board for their review.

**LA PLATA ELECTRIC ROUND UP FOUNDATION**

Director Brodsky reported that the RoundUp Board met on Monday April 15, 2013. As of March 31, 2013 there were 13,994 members rounding up their bills with a decrease of four during the previous month. The board considered five roundup grant requests totaling \$13,535. Two requests were denied and two were funded for a total of \$5,500. One additional request was held over until next month as the requesting party was unable to attend to make a presentation. There were five educational grant requests totaling \$9,500 considered and two received funding totaling \$4,000. There was one request tabled until next fall when the requesting group will have more current information as to their needs. He took questions on his report.

**FASTTRACK REPORT**

Director Wheeling gave some highlights which included; FastTrack had their board meeting last Wednesday, financial results stay steady and they are finalizing General Manager, Kelly Hebbard's performance review. Additionally, FastTrack had positive sales locally. CEO Munro pointed out that the fiber build to Bayfield is very close to completion. Director Wheeling took questions on his report.

**TRI-STATE REPORT**

Director Wheeling summarized his written report. He mentioned his election to the Tri-State executive committee, Ken Anderson's review is coming up and strategic planning will start in May. He took questions on his report. Director Montoya gave highlights of the Tri-State annual meeting and discussed in detail the resolution he presented at the Tri-State Annual Membership meeting that was included in the LPEA Board packet. Discussion ensued on the topic. Director Compton formally thanked Director Montoya and CEO Munro for their representation on the resolution presented at the Tri-State Annual Membership meeting. CEO Munro noted a letter

from Tri-State included in the LPEA Board packet in reference to member's attorneys' attendance at Tri-State board meetings. Discussion ensued.

President McCaw presented a thank you card to Director Harry Goff for his years of service to the LPEA Board.

President McCaw presented a birthday card to Director Montoya and CEO Munro presented a picture that will be displayed at LPEA of Davin and his wife in honor of them being awarded the Animas Museum Heritage award this year.

The regular board meeting recessed for lunch at 11:49 A.M. and President McCaw called the meeting back to order at 1:17 P.M

### **WESTERN UNITED REPORT**

Director Formwalt noted there had not been a meeting this month but gave highlights of the happenings with Western United and summarized their written report which was included in the board packet.

### **CREA REPORT**

Director Compton noted the CREA meeting minutes included in the board packet and announced the last of the Colorado COOP's joined CREA. Other items discussed included the NRECA benefits plan costs that CREA and other coops are experiencing.

### **FUTURE COMMITTEE OF THE WHOLE MEETINGS AND FUTURE AGENDA ITEMS**

CEO Munro identified the following items for future agenda items and noted that they were also listed in the March board packet; annual meeting review/set next year's meeting date and location, election of officers, LPEA representatives to Tri-State, CREA and Western United, member opportunity report, alternative energy plan, allocation of 2012 margins, and Tri-State rate issues.

### **UPCOMING EXTERNAL MEETINGS**

CEO Munro mentioned the upcoming external meetings list which was included in the board packet. President McCaw pointed out that Director Fox would be attending the CoBank meeting in June in Colorado Springs and Director Compton would be attending the NRECA Legislative Conference in Washington DC the end of April.

### **REVIEW/APPROVE CEDAR NETWORKS EASEMENT REQUEST- RESOLUTION 2013-08**

**Motion:** Director Compton moved to approve Resolution 2013-08 Cedar Networks easement request; Motion seconded and passed with Director Montoya dissenting.

### **WESODI REPORT**

President McCaw noted the report would be discussed in executive session.

### **EXECUTIVE SESSION**

**Motion:** Director Compton moved to go into executive session to discuss the CEO evaluation, a confidential FastTrack matter, and a confidential WESODI matter at 1:36 P.M.; Motion seconded and passed without dissent.

The regular LPEA board meeting reconvened at 2:51 P.M.

**CEO EVALUATION**

President McCaw commented on the excellent job CEO Munro had done for the past twelve months. President McCaw entertained a motion for the renewal of CEO Munro's contract

**Motion:** Director Montoya moved to approve a twelve month extension to the existing contract for CEO Munro with the request of a nine month cancellation notice; Motion seconded and passed without dissent.

**EXECUTIVE SESSION**

**Motion:** Director Formwalt moved to go into executive session to discuss the Tri-State rate issues, and Resolution 2013-10 at 2:54 P.M. Director Wheeling was excused. Motion seconded and passed without dissent.

The regular LPEA board meeting reconvened at 4:08 P.M.

**RESOLUTION 2013-10, TRI-STATE EXECUTIVE COMMITTEE MEMBER RELATED MATTER**

President McCaw entertained a motion to approve Resolution 2013-10, Tri-State Executive Committee member related matter.

**Motion:** Director Montoya moved to approve Resolution 2013-10 with one edit; Motion seconded and passed without dissent.

**OTHER BUSINESS**

None

With no further business, the regular board meeting adjourned at 4:09 P.M.

Recorded by: Laura Rome



Approved by: \_\_\_\_\_  
Jerry McCaw, President



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Ken Fox, Secretary