

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, May 15, 2013, in the headquarters building in Durango, Colorado. President McCaw called the meeting to order at 9:01 A.M., with the following directors present:

Jerry McCaw	Joe Wheeling	Heather Erb
Jeffrey Berman	Davin Montoya	Ken Fox
Britt Bassett	Jack Turner	J. Robert Formwalt
Mark Garcia	Tom Compton	Michael Rendon

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

**AGENDA**

President McCaw addressed the agenda.

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

Director Fox led the board in the Pledge of Allegiance.

**GUESTS (from sign in sheet)**

Bill McEwan, Kate Waller and James Jensen

**CONSENT BOARD ITEMS**

The consent board items were presented and reviewed.

**Motion:** Director Compton moved to approve the April 17, 2013 minutes with one addition, add the names of the recipients of the John Voelker Scholarship, capital credit payments to estates and April write offs; motion seconded and carried without dissent.

**MEMBER COMMENTS AND CONCERNS**

None

**ITEMS REQUIRING BOARD ACTIONS**

Director reimbursements were presented and reviewed.

LPEA Board Meeting 05/15/13

Davin Montoya	\$219.43	Mark Garcia	\$263.28
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
Jack Turner	\$216.95	Michael Rendon	\$200.00

Robert Formwalt	Western Untied	\$200.00
Ken Fox	RoundUp	\$200.00
Tom Compton	CREA	\$400.00
Tom Compton	NRECA Legislative Conference	\$3,266.85

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

**ELECTION OF OFFICERS AND REPRESENTATIVES**

President McCaw introduced Attorney Spear to review the election process. Attorney Spear reviewed the voting process and different options for nominating and voting. He took questions on the process. Discussion ensued on the process and suggestions were made. It was determined after the nominations; the nominee could give a speech. It was also determined that nominations and voting would be by secret ballot, and in case of tie a second ballot would be taken, and then if there was a tie after the second balloting, the selection would be the winner of a coin flip. President McCaw appointed Attorney Spear to conduct the election of Officers.

The first office considered for nomination was President. Director Montoya, Director Berman and Director McCaw were nominated by secret ballot. Director McCaw withdrew his nomination. There were various comments supporting both Director Berman and Director Montoya made by other board members and the nominees. The vote went to a secret ballot vote ending in a tie. Both Director Berman and Director Montoya addressed the board and gave speeches and highlights of their work on the Board of Directors. Discussion ensued with comments from Board members supporting their candidate. The vote went to a secret ballot vote again and resulted in a tie. Director Garcia requested a vision on how the candidates were going to help the board come together. Both Director Berman and Director Montoya addressed the question. In response to a question by Director Bassett about board cohesiveness, Attorney Spear stated that the Board of Directors had a strategic planning session every year and had Committee of the Whole meetings where the LPEA Board could discuss board relations. It was recommended that the LPEA Board of Directors have a strategic planning retreat. Discussion ensued on suggestions for improving board intra-relations. Director Turner asked if the LPEA Board could move forward with a retreat and postpone the Election of Officers and Representatives. Attorney Spear responded that it is in the LPEA Bylaws to hold the election at the Board meeting after the Annual meeting. There was a coin toss to determine the President of the LPEA Board of Directors. Director Montoya won the toss and was elected President.

The second office was for Vice President. Director Erb, Director Compton and Director Berman were nominated by secret ballot. Director Erb addressed the board and gave highlights on how she would help the board move forward and change for the times. Director Berman removed his name from the nominees. Director Compton stated he would be happy to be part of the executive committee. The vote went to a secret ballot and resulting in a tie vote. The nominees agreed to forego a second round of balloting. There was a coin toss to determine the Vice

President of the LPEA Board of Directors. Director Erb won the toss and was elected Vice President.

The third office was for Secretary. Director Fox and Director Bassett were nominated for Secretary by secret ballot. The vote went to a secret ballot and the vote was tied. Discussion ensued on the vote. Director Garcia requested that the LPEA Board vote to change the election process and have the board vote, to postpone the election. Attorney Spear responded the election of officers had to be at the board meeting following the Annual Meeting and a postponement would not comply with the LPEA Bylaws. Director Bassett removed his name from the nomination as Secretary and Director Fox was elected as Secretary.

The fourth office was for Treasurer. Director Wheeling, Director Bassett and Director Turner were nominated for Treasurer. Director Bassett and Director Turner both removed their names as nominees. Director Wheeling was elected as Treasurer.

### **2013 ANNUAL MEETING REVIEW AND SET NEXT YEAR'S DATE AND PLACE**

CEO Munro reported on the annual meeting held May 11, 2013 at Sky Ute Casino. There were 238 registered members at the meeting and over 500 people enjoyed lunch. CEO Munro noted the cost for the annual meeting was less than last year and that there were forty votes cast at the meeting. Director Bassett recommended the meeting be held in Durango next year and Pagosa the following year. Discussion was held on the where and when and how to improve attendance. It was determined to have the annual meeting in Durango in 2014 with no meal, on a Thursday or Friday evening with entertainment and possibly later in May at the Fort Lewis College Concert Hall. LPEA Staff is to research the availability of the FLC Concert Hall. The final decision is to be made at the June LPEA board meeting. Director Fox pointed out Policy 117 and highlighted that the candidates must destroy and delete member lists. Attorney Spear stated that the candidate is to sign an affidavit that the list was returned or destroyed. Discussion ensued.

### **REVIEW/APPROVE AMI DEPLOYMENT RESOLUTION 2013-11**

This was postponed to the June board meeting.

### **REVIEW/APPROVE CONDEMNATION PROCESS ON THE 69 kV LINE PROJECT RESOLUTION 2013-12**

Manager of Engineering Ron Meier gave a detailed overview of Resolution 2013-12, condemnation for the 69kV line project with a PowerPoint presentation. He noted there were two properties affected by this project. He reviewed the purpose of the project. He showed a map of the project area, project budget and planning, engineering concept and design intent. He took questions on his presentation. He then discussed eminent domain and reviewed the process. He gave the details of the two property that would be impacted and gave the details of the negotiations. Ron Meier and Randy Ferris took questions. Discussion ensued on the specifics of the resolution and possible changes.

**Motion:** Director McCaw moved to accept Resolution 2013-12 Condemnation process of the 69kV line project that if the Final Offer is not accepted by each respective land owner, that LPEA staff and attorneys are authorized to proceed with eminent domain to acquire the necessary easement(s) in accordance with Colorado Law and to use the appraisals as a guide for determining what to pay the landowners as just compensation; motion seconded and passed without dissent.

## **REVIEW/APPROVE 2012-EQUITY ALLOCATION RESOLUTION 2013-13**

CFO Svanes reviewed the details of Resolution 2013-13, 2012 Equity Allocation. He took questions on his verbal report.

**Motion:** Director Compton moved to accept Resolution 2013-13, 2012 Equity Allocation as presented; motion seconded and passed without dissent.

The regular board meeting recessed for lunch at 12:02 P.M. and President Montoya called the meeting back to order at 12:39 P.M.

## **ALTERNATIVE ENERGY PLAN – POSSIBLE ACTION**

Manager of Corporate Services Mark Schwantes presented the first draft of the Alternative Energy Plan (AEP). He introduced James Jensen, the Project Manager with the Southern Ute Alternative Energy program. Discussion ensued including Director Wheeling explaining to the new board members the lead in on how the board got to this point with the AEP. Discussion ensued on specific edits to the plan. Other items discussed included; available renewable power, Tri-State allowed amount, executive summary, LPEA mission statement, historical overview, local renewable energy generation facilities, plan data and plan overview. Director Berman suggested having a contingency plan if one or more of the proposed items do not move forward. Discussion ensued on net metering.

Director Basset presented a PowerPoint presentation on Community Solar Gardens (CSG). Discussion ensued on the Director Bassett's presentation. Director Bassett pointed out possible options;

1. LPEA builds Community Solar Garden and he gave a case study.
2. How to implement a CSG and presented Coops that have a CSG.
3. Establish CSG policy

Director Bassett recommended option #3 and stated it would clearly demonstrate LPEA's leadership with this option. He reviewed the CSG general requirements, went through his draft policy he provided to the board and recommended a subscriber organization to market and sign up members for subscribing to the CSG. He took questions on his report. Discussion ensued on the 5% member generation, allowed in the contract with Tri-State, the three options that Director Bassett presented and which one to move forward with first. Discussion ensued on the policy proposal and what it would include. It was determined to have LPEA Staff bring a draft policy to the June LPEA Board meeting.

## **ATTORNEY REPORT**

Attorney Spear summarized his written report which included: LPEA obtaining subordination agreements from two banks foreclosing on property burdened by LPEA easements; an additional written report by Attorney Denning regarding her attendance at the CREA Legal Seminar; a proposal from Poudre Valley for changes to Tri-State's bylaws; and an article from the NRECA Legal reporting services regarding right of ways across tribal lands. He took questions on his report.

## **CEO REPORT AND STAFF REPORTS**

CEO Munro asked if there were any questions on his written report. Due to time constraints he asked if the LPEA Board had any questions on any of the Staff reports. Discussion ensued on AMI meters, AMI opt-out options, and customer service.

## **MEMBER OPPORTUNITY REPORT**

CEO Munro took questions on the written report. Discussion ensued on the how to improve customer service.

## **4CORE REPORT**

Manager of Corporate Services Mark Schwantes briefly reviewed the 4CORE report which included: strategic planning and past and upcoming budgets meetings.

CEO Munro requested to schedule the new director training and fiduciary duties review. He would contact the new directors to set up a date and time. It was determined that CEO Munro will send to the entire board the selected date for the new director training and fiduciary duties, and tour of the LPEA Facilities.

## **LA PLATA ELECTRIC ROUND UP FOUNDATION**

Director Fox reported that the RoundUp Board met on Monday May 13, 2013. As of April 30, 2013 there were 14,016 members rounding up their bills with an increase of twenty two during the previous month. This does not include an additional 39 members signing up at the Home And Garden show and twenty two more at the annual meeting, which still had to be verified. The board considered eleven grants requests this month; eight RoundUp and three education. The eight RoundUp grant requests totaled \$29,773.40. Of the eight requests, two were denied and the remaining six were partially funded in the amount of \$5,100. There were three education grant requests that totaled \$10,360. All three were partially funded in the amount of \$4,500. He took questions on his report. Director Rendon indicated he would be interested in being appointed to the RoundUp Board at the June Board meeting.

## **FASTTRACK REPORT**

Director Wheeling gave highlights of the last board meeting. He took questions on his report.

## **TRI-STATE REPORT**

Director Wheeling attended the Tri-State Manager's meeting and items reviewed included Ken Anderson's review, monthly board meeting, strategic planning, and executive committee work. He took questions on his report.

## **WESODI REPORT**

Director McCaw noted WESODI had a board meeting May 14, 2013. He reviewed the following items; selling equipment, the line of credit and making personnel changes. He noted there were two projects still in progress and gave the details of the projects. He briefly discussed the equipment auctions, clean up of the Cortez property and the current equipment being used to finish the current projects. He took questions on his report.

## **CREA REPORT**

Director Compton reported that CREA had their meeting April 25-26, 2013. He briefly reviewed the meeting minutes and the current Energy Bill. He encouraged the new LPEA Directors to read the Colorado Country Life and gave the statistics of readership. Director Compton commented that CREA opposed Senate Bill 252 and gave a brief overview of recommended changes to Senate Bill 252. Both CEO Munro and Director Compton reviewed the details of Senate Bill 252. Director Compton gave a brief overview of the NRECA Legislative Conference he attended in Washington DC. Director Bassett proposed that the LPEA Board support Senate Bill 252. Director Compton pointed out that Director Berman testified in support of the bill, but made it clear he was not speaking for the LPEA Board. Attorney Spear stated that if the LPEA

Board wanted to take action in support of Senate Bill 252 that such would have to be on the agenda so nothing could be done at this meeting.

### **WESTERN UNITED REPORT**

Director Formwalt gave highlights of the happenings with Western United and summarized their written report which was included in the May board packet. Next month's meeting will begin addressing budget matters. Director Formwalt gave a brief overview of what Western United is for the new directors.

### **Representatives to other boards were addressed.**

#### **Tri-State Representative**

Director Compton nominated Director Wheeling as the Tri-State representative.

**Motion:** Director Berman moved to appoint Director Wheeling as the Tri-State representative; motion seconded and carried without dissent.

#### **CREA Representative**

There were nominations for Director Compton and Director Berman for the CREA Representative. Discussion ensued from the two candidates. There was a secret ballot ending with a tie vote. There was a coin toss to determine the CREA Representative and Director Berman won the coin toss and was elected to be LPEA's representative on the CREA Board.

#### **CREA Alternate**

There were nominations for Director Compton and Director Erb for the CREA alternate representative. Director Compton declined the nomination.

**Motion:** Director McCaw moved to appoint Director Erb to be the alternate for CREA; motion seconded and passed without dissent.

#### **Western United**

There was a nomination for Director Formwalt as Western United representative.

**Motion:** Director Berman moved to appoint Director Formwalt to serve on the Western United Board; motion seconded and passed without dissent.

#### **Western United Alternate**

There was a nomination for Director Erb as Western United Alternate representative.

**Motion:** Director Wheeling moved to appoint Director Erb be the alternate for Western United; motion seconded and passed without dissent.

### **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 May board packet; Resolution 2013-11, AMI contract deployment, NRECA survey, Alternative Energy Plan. Benefits report, RoundUp Director appointment and Tri State rate issues. CEO Munro recommended a committee of the whole for June. Discussion ensued and it was determined not to have a Committee of the Whole meeting in June. Director Montoya asked about the survey that the board filled out on Tri-State.

**UPCOMING EXTERNAL MEETINGS**

CEO Munro noted the list in the board packet.

**TRI-STATE RATE ISSUES**

To be discussed in Executive session.

**EXECUTIVE SESSION**

**Motion:** Director Garcia moved to go into executive session to discuss Tri-State Rate issues and strategic planning at 4:20 P.M.; Motion seconded and passed without dissent. Attorney Spear and Bill McEwan were excused for the Tri-State rate issues and strategic planning. Director Wheeling was excused at 4:30P.M., for the discussion on the Tri-State A-37 rate and Attorney Spear and Attorney Bill McEwan were allowed in to discuss.

The board came out of executive session at 5:17 P.M.

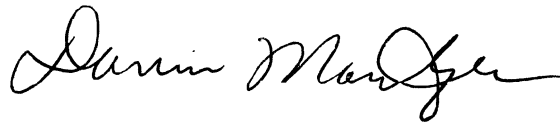
The regular LPEA board meeting reconvened at 5:18 P.M.

**OTHER BUSINESS**

None

With no further business, the regular board meeting adjourned at 5:19 P.M.

Recorded by: Laura Rome



Approved by: \_\_\_\_\_  
Davin Montoya, President



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Ken Fox, Secretary