

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, January 15, 2014, in the headquarters building in Durango, Colorado. President Montoya 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	Jack Turner	J. Robert Formwalt
Mark Garcia	Michael Rendon	

Excused Absence;
Tom Compton

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 Erb led the board in the Pledge of Allegiance.

AGENDA

President Montoya addressed the January 15, 2014 agenda.

Motion: Director McCaw moved to approve the January 15, 2014 agenda with the ability to move around; motion seconded and passed without dissent.

MEMBER COMMENTS AND CONCERNS

None

GUESTS (from sign in sheet)

Betsy Romere

CONSENT BOARD ITEMS

The consent board items were presented and reviewed.

Motion: Director Formwalt moved to approve the December 18, 2013 meeting minutes with two corrections; accept new members, capital credit payments to estates and December write offs; motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

Committee of the Whole Meeting 1/13/14

Davin Montoya	\$219.43	Mark Garcia	\$263.28
Jeffrey Berman	\$200.00	Ken Fox	\$266.60
Britt Bassett	\$200.00	Jack Turner	\$216.95
Robert Formwalt	\$266.60	Heather Erb	\$212.21
Jerry McCaw	\$216.65	Michael Rendon	\$200.00

LPEA Board Meeting 1/15/14

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	Jack Turner	\$216.95
Michael Rendon	\$200.00		

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

REVIEW/APPROVE LPEA MEMBERSHIP AND DISTRICTS – RESOLUTION 2014-01

President Montoya requested discussion on the LPEA Districts. Director Bassett discussed potentially changing the boundary for District 3.

Motion: Director McCaw moved to adopt Resolution 2014-01 as presented; motion seconded and passed without dissent.

APPOINT DELEGATE/ALTERNATE TO CREA AMND WESTERN UNITED ANNUAL MEETINGS

President Montoya requested discussion

Motion: Director Rendon moved to appoint Director Turner as delegate and Director Berman as the alternate for both the CREA and Western United 2014 annual meetings; motion seconded and passed without dissent.

REVIEW LPEA BOARD BYLAWS, FIDUCIARY DUTIES AND APPOINTMENT OF DIRECTORS

President Montoya requested feedback and discussion. Discussion included: alternatives for filling a director vacancy; and consideration of reducing district representation. It was determined to discuss further at the strategic planning meeting.

Director Erb discussed providing the CREA host election process on the LPEA website to help LPEA Members learn how to run for a public office.

Attorney Spear discussed fiduciary duties regarding potential conflict that a LPEA Board member may have when he also serves on the Tri-State Board. Discussion ensued. The Board

decided to revisit the matter this summer after the U.S. District Court rules on the issue in a Tri-State case with its Nebraska cooperative members.

REVIEW/APPROVE UNCLAIMED CAPITAL CREDIT FUNDING APPLICATIONS

President Montoya addressed the unclaimed capital credit funding and distribution of the funds. He reviewed the past history and reviewed the potential of delegating the task to the Round Up Board. Discussion included: reserving funds for projects that LPEA thinks would benefit the most members; both education and community should benefit from unclaimed capital credits; setting parameters; and education of our youth. CEO Munro stated he discussed the idea with the Round Up Board and they were receptive to taking on the responsibilities, but desired to have the LPEA Board give them some guidance and parameters of what they wanted. Additional items discussed included: request criteria; deadlines; suggestion of another scholarship, reserving funds to distribute throughout the year; decrease of funds available; a limit on the amount requested; and resetting the expectations of the applicants. Discussion continued. It was determined to invite the following applicants to attend the March 17, 2014 Committee of the Whole meeting to do a 5 minute presentation; Durango Adult Education Center, Manna Soup Kitchen, Companeros; and Pagosa Medical Center.

REVIEW/TAKE ACTION ON PROPOSED COLORADO LEGISLATIVE BILL

President Montoya requested discussion. CEO Munro noted what was discussed at the Tri-State External Affairs Committee meeting. The LPEA Board noted they thought the proposed bill needed work and had not been introduced yet, and no action was taken. Discussion ensued on the provision in the Wholesale Power Agreement with Tri-State regarding 5% local renewable generation.

REVIEW/APPROVE DRAFT LETTER TO TWIN BUTTES

President Montoya requested to discuss.

Motion: Director Turner moved to send the Twin Buttes letter as presented; motion seconded and passed without dissent.

REVIEW/TAKE ACTION ON COMMUNITY SOLAR GARDEN PROGRAM AND POLICY

President Montoya noted after discussion that the Community Solar Garden Task Force would meet and go through the applications and make recommendation to the LPEA Board.

REVIEW/TAKE ACTION ON CREA PROPOSED NEW RESOLUTION

President Montoya requested discussion.

Motion: Director Fox moved to adopt the recommendation of the LPEA Committee of the Whole to state that LPEA thought the resolution was good but believed that CREA should incorporate it into existing resolutions; motion seconded and passed with Director Formwalt dissenting.

REVIEW/APPROVE REVISED BOARD POLICY 109, COMPENSATION FOR DIRECTORS

President Montoya requested discussion.

Motion: Director Berman moved to adopt Policy 109 with the additional edits presented: Per Diem effective February 1, 2014 of \$200 per day for meetings greater than four hours, and \$125.00 per day for meetings less than four hours, plus travel time and mileage from director's home and out-of-pocket expenses, will be paid to directors when attending meetings on official LPEA business as authorized by the Board of Directors, President or CEO; motion seconded and passed without dissent.

LA PLATA ELECTRIC ROUND UP FOUNDATION

Director Rendon reported that the LPEA Round Up Foundation met on Monday January 13, 2014. They considered two educational grant requests and two Round Up grant requests. For the Educational grants they awarded \$2,000 to the Ignacio FFA Chapter of the Ignacio School District and \$2,500 to the SOS Outreach. For the Round Up grant requests they awarded \$500 to Boy Scout Troop 501 and \$2,638 to KSUT. Other new items included the new appointments to the Round Up Board: Bruce Keuning was appointed President; Gayle Broadbent was appointed Vice President; and Debbie Lee was appointed Secretary. He reported that members rounding up were 14,005 which were thirteen less than last month. Director Rendon stated he would be gone for the February LPEA Board meeting, but would be attending the February Round Up Board meeting.

FASTTRACK REPORT

Director Wheeling gave a brief overview of the FastTrack board meeting which included: The end of the year audit; old inventory write offs, and potential loss for December; and collection of tariff billing accounts. Director Wheeling took questions on his report.

WESODI REPORT

Director McCaw gave a status update on WESODI. He stated there was a board meeting on Tuesday January 14, 2014. He reported on the two projects; there were currently four part time employees and staff would vacate the office space by the end of January; a subcontractor was hired to complete the project in Arizona; and work on accounts receivables for the second project was in process; and he gave a status update on the property in Cortez. He took questions on his report.

TRI-STATE REPORT

Director Wheeling reviewed his written report which was included in the January board packet. He discussed in detail: the capital allocations for 2013 and in 2014; Tri-State approved the capital credit refund; deferred revenue, and the presentation from the National Renewable Energy Lab (NREL). He discussed a lawsuit and insurance claims regarding the forest fires in New Mexico. He took questions on his report.

CREA

Director Berman noted there was no meeting

WESTERN UNITED REPORT

Director Formwalt noted there was not a meeting and that there was a sales and financial report included in the January board packet. He took questions on the report.

The board meeting adjourned for lunch at 11:49A.M., and reconvened at 12:58 P.M.

EXECUTIVE SESSION

Motion: Director Wheeling moved to go into executive session to discuss Tri-State Member issues and proposed Tri-State dispute resolution policies at 12:57 P.M.; motion seconded and passed without dissent.

The board came out of executive session at 1:47 P.M.

The regular LPEA board meeting reconvened at 1:47 P.M.

ATTORNEY REPORT

Attorney Spear summarized the written attorney's report which was included in the January board packet. He highlighted the PUC complaint, noted the bylaw amendment that had already been discussed, the cooperatives independence bill and the Bayfield property. There were no questions on his report.

FINANCIAL PLUS REPORT

CFO Dennis Svanes gave the quarterly financial report. Items included in his report were: 2013 kWh sold comparison, residential, commercial and industrial; 2013 electric revenue comparison, residential, commercial and industrial; 2013 electric revenue comparison, current, forecast, and prior; and total net margins, with cumulative year-to-date. CEO Munro reviewed the operating margins. CFO Svanes continued with his report including accounts receivables; delinquent report, bad debt collection changes made in 2011 and noted that in 2011 the collection percentage was 15.2% and in 2013 it was 22.7% and stated the average in the industry was 16.6%. He took questions on his report

SAFETY AND OUTAGE REPORTS

Manager of Operations, Steve Gregg highlighted his Outage and Safety report for the 4th quarter. Items included; major outages, outage by cause, including animal, defective equipment, lightening, overload, planned outages, trees, vehicle, and weather/wind. He also covered outage, urban vs. rural, average outage minutes for customers and he took questions on that portion of his report. He then gave the safety report for the 4th quarter which included: safety training; each month the staff attended training and topics included: defensive driving; safety data sheets; future safety training; standard operating procedures; safety culture; and vehicle inspections. He took questions on his report. The LPEA Board recognized LPEA employees' dedication to safety

Director Garcia requested more information on the Cortez property that subsidiary WESODI owned. CFO Svanes addressed the question. Discussion ensued and CFO Svanes continued to address questions on the financials.

CEO REPORT AND STAFF REPORTS CONT.

CEO Munro reviewed his written report that was included in the January board packet. He gave an update on the biomass project with JR Ford and Tri-State and indicated he was coordinating a joint meeting in the next few weeks. Other items he highlighted were potential candidates to conduct the communications membership survey for LPEA. He requested how the Board wanted

to move forward with the survey. Discussion ensued and it was determined for CEO Munro to present costs and options for electronic and printed newsletters. CEO Munro took questions on his written report.

CEO Munro discussed the Tri-State proposed policy for a dispute resolution process. He stated that he worked with Attorney Spear and included in the January Board report a draft memo for the LPEA Board to review. President Montoya requested a consensus of the board. Director Wheeling pointed out that the letter was due to Tri-State before January 31st, 2014. It was determined to have Attorney Barry Spear and CEO Munro compose a letter for President Montoya's signature supporting the proposed policy changes with suggested changes to be sent to Tri-State before January 31, 2014.

QUARTERLY DIRECTOR REIMBURSEMENT REPORT

It was included in the January board packet.

CONSULTANT AND CONTRACTOR REPORT

It was included in the January board packet.

CONSTRUCTION AND MAINTENANCE REPORT

It was included in the January board packet.

CAPITAL ITEMS REPORT

It was included in the January board packet.

FUTURE COMMITTEE OF THE WHOLE MEETINGS AND FUTURE AGENDA ITEMS

CEO Munro identified the following items for future agenda items and noted they were listed in the January board packet: Director reimbursement; member opportunity report; communications plan update; annual meeting plans; Meg Carver update; preliminary audit committee; financial report plus; CEO evaluation forms distributed to the board; Tri-State membership issues; Tri-State rate issues; review of the LPEA Bylaws and appointment of directors and review/approve policies that pertain to LPEA Bylaws and appointment of directors; options and costs for a electronic and printed newsletter vs. Colorado Country Life.

UPCOMING EXTERNAL MEETINGS

President Montoya noted the upcoming external meeting list that was included in the January board packet. Meetings included: the CREA Annual meeting February 9-11, 2014 in Denver; the Annual NRECA meeting February 27-March 7, 2014 in Nashville, TN; CFC Annual meeting March 3, 2014 in Nashville; Tri-State Annual meeting April 2-3, 2014 in Denver; and the NRECA Legislative Conference May 4-7, 2014 in Washington, DC.

Director Erb requested permission for the directors from District four to do a simple meeting with their members and see what there issues were. The LPEA Board supported.

TRI-STATE RATE ISSUES

Executive session

EXECUTIVE SESSION

Motion: Director Berman moved to go into executive session to discuss Tri-State rate issues at 3:16 P.M. Director Wheeling was excused from the meeting at 3:16 P.M.; motion seconded and carried without dissent.

The board came out of executive session at 4:20 P.M.

The regular LPEA board meeting reconvened at 4:20 P.M.

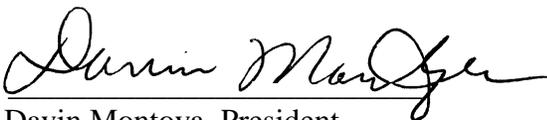
Motion: Director McCaw moved to authorize the LPEA legal team to participate in developing and filing a motion to reconsider the January 3, 2014 PUC interim order on grounds explained in the executive session; motion seconded and passed without dissent.

OTHER BUSINESS

None

With no further business, the regular board meeting adjourned at 4:25 P.M.

Recorded by: Laura Rome

Approved by: 
Davin Montoya, President


Ken Fox, Secretary