

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, February 19, 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	Tom Compton	

Excused Absence;
Michael Rendon

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 Montoya addressed the February 19, 2014 agenda.

Motion: Director Compton moved to approve the February 19, 2014 agenda with the ability to move around; motion seconded and passed without dissent.

EXECUTIVE SESSION

Motion: Director Compton moved to go into executive session for the Meg Carver update at 9:03 A.M.; motion seconded and passed without dissent.

The board came out of executive session at 10:12A.M.

The regular LPEA board meeting reconvened at 10:12 A.M.

Director Compton led the board in the Pledge of Allegiance.

MEMBER COMMENTS AND CONCERNS

None

GUESTS (from sign in sheet)

Betsy Romere, Jack Llewellyn, Jim Hartman, Gene Fisher, Robert Lea, and Ben Jason.

CONSENT BOARD ITEMS

The consent board items were presented and reviewed.

Motion: Director Formwalt moved to approve the January 18, 2014 meeting minutes with two corrections; accept new members, capital credit payments to estates and January write offs; motion seconded and passed without dissent.

CREA AWARDS

President Montoya presented the Colorado Country Life Awards for “Excellence in Newsletters” that was awarded at the CREA annual meeting. Best safety article, first place was Steve Gregg and second place went to Indiana Reed. Best story on an industry situation first place went to Greg Munro. Best story on a community program; Indiana Reed won both first and second place. Best newsletter photo; Indiana Reed won both first and second place. LPEA won seven out of eight possible awards in Division 3, cooperatives with 25,000 meters or more. Director Berman announced that LPEA was presented with their Rural Electric Safety Achievement Program certificate.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

LPEA Board Meeting 2/19/14

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
Tom Compton	\$219.43		

Ken Fox	Round Up	\$125.00
Robert Formwalt	Western United	\$200.00
Heather Erb	CSG meeting	\$200.00
Jeff Berman	CSG meeting	\$200.00
Britt Bassett	CSG meeting	\$200.00
Jeff Berman	CREA annual meeting	\$1,551.00
Jack Turner	CREA annual meeting	\$1,708.99
Jack Turner	CREA Director Orientation	\$1,069.00

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

REVIEW LPEA BYLAWS FOR APPOINTMENT OF DIRECTORS

President Montoya requested discussion. It included the review of policy 120; potentially changing the bylaws; Attorney Spear reviewing the bylaws, the complexities and details to change the bylaws. Discussion ensued on the various opinions of Directors. CEO Munro pointed out that a bylaw change would have to be adopted by the Board at the March Board meeting in order to present it for a membership vote.

Motion: Director Bassett moved to recommend a bylaw change in the vacancy section that the LPEA membership would elect a director to fill the vacancy in the normal election process and that the LPEA board would adopt the appropriate language in any needed policies; motion seconded and **did not pass**.

ANNUAL MEETING PLANS

CEO Munro pointed out the LPEA annual meeting plans which were included in the board packet and he requested more detail of what the board wanted for the meeting. Discussion included: presentations; agenda; speakers; what had been done in the past; giveaways; and was pointed out this year was scheduled at Fort Lewis College on May 22 in the evening. It was determined to find a speaker who could talk about the history of coops with photos, video and encourage members to participate. It was also determined for staff to move forward with attaining a guest speaker for the annual meeting.

LPEA BAYFIELD PROPERTY EASEMENT TO THE TOWN OF BAYFIELD – RESOLUTION 2014-02

Ron Meier, Manager of Engineering presented an overview of the easement to the Town of Bayfield. He took questions on the topic.

Motion: Director McCaw moved to adopt Resolution 2014-02 as amended per the reversion clause; motion seconded and passed without dissent.

COLORADO COUNTRY LIFE AND POSSIBLE ALTERNATIVES

President Montoya requested discussion regarding LPEA communication via Colorado Country Life. CEO Munro referred to the information he provided in the February board packet and took questions. Discussion included: options; how many Coops use Colorado Country Life (CCL); going to electronic newsletters only; keeping Colorado Country Life and offer an opt-out option if members don't want it to receive CCL. Additional discussion included Jack Llewellyn Executive Director for the Durango Chamber of Commerce noting his experience with electronic newsletters, pursuing advertising and sales, potential cost, and he pointed out that he personally reads Colorado Country Life. Director Wheeling also pointed out his experience with his business and the time it takes building a list of contacts. Discussion continued.

Motion: Director Compton moved to continue to communicate to the membership with Colorado Country Life; motion seconded and passed with Director Turner, Director Bassett, Director Garcia, Director Erb and Director Berman dissenting.

ATTORNEY REPORT

Attorney Spear summarized the written attorney's report which was included in the January board packet. Items he highlighted were the activities of the Colorado PUC complaint regarding the Tri-State rate. He stated that in the executive session he would give a more detailed update on the Tri-State PUC case; and he touched on the Tri-State proposed bylaws and amendments. Other items he discussed were the Community Solar Garden applications, and the Cooperative Independence Bill. He also mentioned that his firm responded to the Rico Telephone Company that had invoiced LPEA for damages they claim BWR did a year ago. He took questions on his report.

CEO REPORT AND STAFF REPORTS CONT.

CEO Munro reviewed his written report that was included in the February board packet. He gave an update on the financial report which included: January being a warm month; margins were down significantly from the forecast, but it was too soon to trend. He reported on the solar garden conference he attended. He announced that the auditor would be at the March Committee of the Whole meeting to give his report. He requested an executive session for two personnel issues. He took questions on his written report.

Dennis Svanes, Chief Financial Officer highlighted the audit activities. He took questions on his report.

Steve Gregg, Manager of Operations highlighted the transmission line project east of Bayfield, the Blanco Basin project and United States Forest Service requirement. He took questions on his report.

Ron Meier, Manager of Engineering highlighted the Bayfield Substation project and the solarize map his staff created. He took questions on his report.

Indiana Reed, Marketing & Communications Consultant highlighted the REA magazine and an article about long time employee Ben Cordoba retiring. Director Turner requested that the radio ads and LPEA announcements be played during LPEA board meetings.

Mark Schwantes, Manager of Corporate Services invited the board to attend the update on renewable energy meeting tomorrow. Other items he discussed were increased interest in Archuleta County for solar, and potential changes to policies concerning solar. He took questions on his report. Discussion ensued on the Washington Youth Tour and who was invited to apply.

Additional items discussed were on the financial report and the relationship between LPEA staff and Tri-State staff.

The board meeting adjourned for lunch at 12:05 P.M., and reconvened at 12:46 P.M

FINANCIAL REPORT

CFO Dennis Svanes highlighted the forecast revision page and that the year to date includes the actual and the forecasted numbers. He took questions on his report.

MEMBER OPPORTUNUTY REPORT

CEO Munro took questions on the written report.

COMMUNICATIONS PLAN UPDATE

CEO Munro referred the Board to the report that Indiana Reed put together in the Board Packet and some board members requested that it be discussed at the March board meeting

PRELIMINARY AUDIT REPORT

CEO Munro indicated the auditor would meet with the Board and give his report at the March Committee of the Whole meeting.

LA PLATA ELECTRIC ROUND UP FOUNDATION

Director Fox reported that the LPEA Round Up Foundation met on Monday February 10, 2014. This month there were four educational grant requests and three Round Up grant requests. Under educational Fort Lewis Mesa Elementary School requested and was funded \$500, The Garden Project requested \$5,000 and was partially funded for \$2,000, and San Juan BOCES

Science Fair requested \$4,000 and was partially funded for \$2,000, Healthy Communities Food Systems grant request was moved to the Round Up Grant category. Under Round Up Grant requests: Adult Day Care at Our Place requested and was funded for \$1,000; Durango Blue Grass Meltdown requested \$1,800 and was partially funded for \$750; GECKO (Giving Every Child Knowledge of the Outdoors) requested \$4,541 and was not funded; and Healthy Communities Food requested \$5,000 and was partially funded for \$2,500. He noted that members rounding up during the reporting period dropped by 15 to 13,990. He took questions on his report. Other discussion included the potential of the Round Up Board assuming responsibility of capital credit distribution. Director Fox indicated the Round Up Board was interested but the LPEA Board needed to provide more information on the expectations and responsibilities.

FASTTRACK REPORT

Director Wheeling gave a brief overview of the FastTrack board meeting: the staff was learning about “Distributed Denial of Services”, DDOS. He indicated it was when hackers flood a targeted internet and service provider and how it overwhelms the system. He stated there was a potential Colorado State Bill coming that may affect FastTrack. Director Wheeling took questions on his report.

WESODI REPORT

Director McCaw gave a status update on WESODI. He noted the office was closed, that there were no employees, one project was still in progress and that the Arizona project had been completed by a subcontractor. Other items included the collection of accounts receivables; all records were transferred to LPEA, and that some employees would return to help with the final closure. Also he noted that the Cortez property was listed for sale. He took questions on his report.

COMMUNITY SOLAR GARDEN APPLICATIONS AND RELATED POLICY AND PROGRAM CHANGES – RESOLUTION 2014-03

Director Erb summarized the CSG task force meetings and went through the applicants and gave details why some were not recommended for approval. Discussion ensued on: the application process; deadlines; incomplete applications; the details of each applicant that was not recommended for approval; specific verbiage of the CSG application; and application requirements. Director Erb continued to discuss the reviewing process. Manager of Engineering Ron Meier stated that LPEA was creating a map where the best locations were to build a community solar garden.

Motion: Director Bassett moved to adopt Resolution 2014-03 as presented with Board reviewing and deciding upon approval; motion seconded and did not pass.

President Montoya read Resolution 2014-03 concerning the two approved applicants. All applicants for the Community Solar Garden were represented and were offered the opportunity to review the details of their applications. Representatives from Sun Mesa Solar Gardens, Community Solar Works, Armadillo Solar Gardens, and Clean Energy Collective (CEC) all thanked the board and discussed their specific issues they had with the application requirements. Discussion included: if the applicants who were not accepted, if they would reapply or provide additional information. All but one indicated they would reapply. Discussion continued on:

limitation of allowed power; feedback from LPEA staff; amount of applications; withdrawing CSG applications; the best interest of members; and potentially opening another application window.

Motion: Director Bassett moved to amend the original motion for adoption of Resolution 2014-03 to include Sun Mesa Solar Garden for 50 kW; motion seconded and passed as amended.

CEO Munro pointed out the CSG program requirements and changes that would need to be changed with the passing of the program by including Sun Mesa Solar Garden for 50 kW.

Motion: Director Garcia moved to adopt the CSG program requirements as presented with any additional edits needed; motion seconded and passed without dissent.

Attorney Spear reviewed the legal requirements in the program and the ramifications of not following those. Additional discussion included: adding deadlines for the current CSG applicants to submit their additional items to be considered; keeping the requirements simple and to stick to the deadline for each application process; date certain for staff; and date certain for the CSG Task Force.

Motion: Director Berman moved to expand the deadline date for engineering review to thirty days before the applications were due. Also to strike item 7.A.2 in the requirements and for the CSG Task Force to meet again to set up dates; motion seconded and the motion was withdrawn.

Attorney Spear recommended revising the CSG requirements to make the amendment to the motion change. Discussion ensued for the CSG application projects being in accordance with the calendar year; a request for more structure and simplicity; submitting applications by deadline dates. Director Erb recommended removing item 7. B.

Motion: Director Bassett moved to recommend doing an additional edit on item III, D in the requirements to read - A Subscriber Organization of a CSG must have at least 10 LPEA member subscribers. While a member with multiple meters may include all or some of those meters in their subscriptions, one member will only count as one subscriber. The CSG Application must demonstrate both the intent of at least 10 LPEA members to subscribe, and that the intended subscribers will cover at least 50% of the CSG system production at the time of going online; motion seconded and passed with Director McCaw dissenting.

Discussion continued on potential applicants who were not approved to re-apply at the next open application process; one of the applicants not approved requested a compromise, to be offered a little more time and would submit proposed additional items within a set time frame and for it to be decided upon next month.

Motion: Director Compton moved to grant an additional two weeks to the two CSG applicants to complete and meet the requirements on their applications. At the end of that time, the CSG Task Force would review and make recommendations

to be brought before the LPEA board for approval at the March board meeting; motion seconded and passed without dissent.

Motion: Director Garcia moved to add an amendment which would include Sun Mesa Solar Gardens and their application for the 175 kW by March 5th, 2014; Motion seconded and passed without dissent.

Discussion ensued on adding new rules to the CSG Program reflecting the changes that the previous motions had suggested. Attorney Spear recommended for the board to be consistent with the guidelines they created. Director Berman pointed out that the applicants had turned in their applications by the deadline and due to this being the first time of LPEA accepting applications, he suggested revising the established rules and that all the applicants be considered.

TRI-STATE REPORT

Director Wheeling reviewed his written report which was included in the February board packet. He discussed in detail: strategic planning session; RUS issues; contract committee; and a presentation on advantages of the A38 rate. He took questions on his report.

CREA

Director Berman gave a detailed report on his attendance at the regular CREA board meeting and annual meeting. Items he highlighted included: Senate Bill 82 that would allow aggregation of distributed generation as required in Senate Bill 252-2013. He attended the presentation that LPEA staff member Ray Pierotti gave and stated he did an excellent job; that the annual meeting was the best he ever attended and the speakers were engaging and did a fantastic job. He took questions on his report.

Director Turner noted his CREA annual meeting report which was included in the board packet. He noted the courses he attended, the awards LPEA received, and that he appreciated the chance to attend the meeting. He took questions on his report.

WESTERN UNITED REPORT

Director Formwalt noted the sales were typical business for the last month. He mentioned that they have six delivery trucks and next month would review the budget and prepare for the audit. He took questions on the report.

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 February board packet: committee of the whole on March 17th; review auditor report; capital credits applicant presentations, CSG requirements and awards, Pagosa Biomass update, communications update discussion; financial class; staff annual reports; finalize annual meeting plans; appoint election supervisory committee; election independent third party contract; appoint delegate to Tri-State annual meeting; attorney engagement letter; and the CEO travel report

UPCOMING EXTERNAL MEETINGS

President Montoya noted the upcoming external meeting list that was included in the February board packet. Meetings included: 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. Both Director Erb and Director Berman requested to attend the Tri-State annual meeting. President Montoya requested to attend the NRECA Legislative conference.

TRI-STATE RATE ISSUES

Executive session

EXECUTIVE SESSION

Motion: Director Compton moved to go into executive session to discuss two personnel issues and Tri-State membership and rate issues at 4:33 P.M. Director Wheeling was excused at 5:05 regarding the Tri-State issues; motion seconded and passed without dissent.

The board came out of executive session at 5:15 P.M.

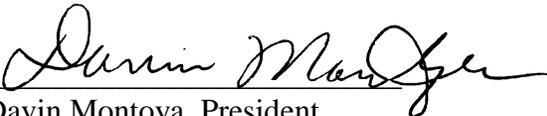
The regular LPEA board meeting reconvened at 5:15 P.M.

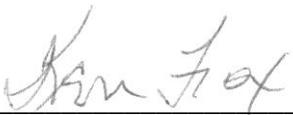
OTHER BUSINESS

None

With no further business, the regular board meeting adjourned at 5:16 P.M.

Recorded by: Laura Rome

Approved by: 
Davin Montoya, President


Ken Fox, Secretary