

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, September 17, 2014, in the headquarters building in Durango, Colorado. President Rendon called the meeting to order at 9:02 A.M., with the following directors present:

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

Excused Absence:

None

Also present were:

Mike Dreyspring, CEO
Steve Gregg, Interim COO
Barry Spear, Attorney
Dennis Svanes, Chief Financial Officer
Justin Talbot, Interim Manager of Operations
Ron Meier, Manager of Engineering
Mark Schwantes, Manager of Corporate Services
Indiana Reed, Marketing & Communications Consultant
Laura Rome, Executive Assistant

Director Bassett led the board in the Pledge of Allegiance.

MEMBER COMMENTS AND CONCERNS

Rebecca Kaufman with SUAE discussed their community solar garden application and reviewed the grant they received. They gave a status update on the project, the size of the project and that everything must be completed and tested by the end 2016. She took questions on their potential community solar garden project.

AGENDA

President Rendon addressed the September 2014 agenda.

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

GUESTS (from sign in sheet)

The following guests were present; Betsy Romere, James Jensen, Rebecca Kauffman, J.R. Ford, Herb Brodsky, Kaycee Bennett, Logan Graham, and Sally Bellerue.

CONSENT BOARD ITEMS

The consent board items were presented and reviewed.

Motion: Director Garcia moved to approve the August 20, 2014 minutes with one edit; motion seconded and carried without dissent.

Motion: Director Berman moved to approve the capital credit payments to estates, August write offs, and accepting new members; motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

Committee of the Whole 9/15/14

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

Board meeting 9/17/14

Davin Montoya	\$219.43	Mark Garcia	\$263.28
Jeffrey Berman	\$200.00	Bob Lynch	\$266.60
Joe Wheeling	\$212.21	Britt Bassett	\$200.00
Robert Formwalt	\$266.60	Michael Rendon	\$200.00
Jack Turner	\$216.95	Tom Compton	\$219.43
Heather Erb	\$212.21	Jerry McCaw	\$216.65

Director Garcia	Dinner CEO search	\$182.41
Director Garcia	CFC Financial Workshop	\$895.26
Director Berman	CREA	\$600.00
Director Formwalt	Western United	\$200.00
Director Wheeling	Dinner for CEO search	\$159.85

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

REVIEW/APPROVE PAGOSA BIOMASS

President Rendon requested discussion. JR Ford addressed the board concerning the Biomass project. He gave a status update and noted that the PPA (Power Purchase Agreement) was submitted to the LPEA board and staff for review. Discussion ensued. It was approved for JR Ford to contact legal and staff for further development.

APPOINT DELEGATE/ALTERNATE TO BASIN ELECTRIC ANNUAL MEETING

Motion: Director Erb moved to appoint Director Garcia as the delegate and Director Wheeling as the alternate to the Basin Electric annual meeting; motion seconded and passed without dissent.

REVIEW/APPROVE BANK SIGNATURES

Motion: Director Formwalt moved for the Board of La Plata Electric Association, Inc. authorizing Michael Rendon, President of the Board; Michael Dreyspring, CEO; Dennis Svanes, CFO; and Rachel Gilman, Controller to be signers on LPEA's

Patronage Refund Account at First National Bank. Additionally, the Board authorizes Michael Dreyspring, CEO; Dennis Svanes, CFO; and Rachel Gilman to be signers on LPEA's General Fund Account, Construction Account, Payroll Fund, and Medical Fund Account at First National Bank; motion seconded and passed without dissent.

REVIEW/APPROVE RUS AUTHORIZATION, RESOLUTION 2014-24.

Motion: Director Formwalt moved to approve RUS authorization, Resolution 2014-24; motion seconded and passed without dissent.

ATTORNEY REPORT

Attorney Spear summarized his written report which was included in the September board packet. He highlighted: the Tri-State rates and the Public Utilities Commission case in detail. Discussion ensued with both Attorney Spear and Director Wheeling taking questions. Attorney Spear also highlighted the community solar gardens, grassy mountain lease and a subpoena that was served, that they were working with staff for a developer agreement, and a potential franchise agreement with the City of Pagosa Springs. He recommended discussing the Electric Service Regulations and Community Solar Garden items in executive session. He took questions on his report.

CEO AND STAFF REPORTS

CEO Dreyspring turned over the CEO report to COO Steve Gregg. He highlighted the 115 kV transfer and that staff had been working with Tri-State on three items. The lease agreement with Iron Horse, maintenance agreement between Tri-State and LPEA and a lien release on a RUS loan. He briefly touched on the franchise agreement with Pagosa Springs and took questions on his report.

CFO Svanes noted staff were working with the new audit firm and items were moving well. Manager of Corporate Services, Mark Schwantes highlighted the Community Solar Garden (CSG) and gave a detailed status update on each applicant. He took questions on his report. CEO Dreyspring remarked that Mark Schwantes would map out the current CSG applicant locations and present to the LPEA board at the October board meeting. Additionally he remarked that Mark Schwantes would start sending out weekly emails with FAQs and noted that communications with members were improving. It was requested that interested board members be copied on the correspondence. Discussion ensued on the Community Solar Gardens and renewables and the review of solar installation. The board enquired on time requirements for staff to address net metering and energy efficiency. The board requested Mark Schwantes to include more detail in his energy audits report.

Communications Consultant, Indiana Reed, reviewed a rough draft and photos to explain voltage.

Manager of Operations, Justin Talbot highlighted that the Bayfield 131 project had started. He took questions on his written report.

FINANCIAL REPORT

CFO Svanes presented the financial report which included; sales were down on the revenue basis, patronage allocation and noted it was a very good month. He took questions on his written report included in the September board packet.

DISCUSS COMMUNICATIONS – PSA

Director Erb made recommendations for clear and precise information relayed to members which would include: information on voltage; present PSA's (Public Service Announcements); community solar gardens; and renewables. Discussion ensued on the options to get the information out to the members. It was determined to discuss further in the LPEA Board strategic workshop, and for the board to provide CEO Dreyspring with a punch list on items for staff to address.

Manager of Engineering, Ron Meier highlighted the engineering report included in the September board packet. He highlighted the grassy mountain project, AMI, metering solutions, software, Chromo mountain; and challenges with the photovoltaic systems. He reviewed in detail the voltage, voltage control, regulation with options/solutions for policy, economics, physics, and noted that we must have generation to match loads. He took questions on his report.

CAPITAL ITEMS BUDGET – RESOLUTION 2014-16

President Rendon requested discussion. CFO Svanes took questions on Resolution 2014-16, preliminary capital items budget.

Motion: Director Wheeling moved to approve the preliminary Capital Items Budget, Resolution 2014-16 as presented; motion seconded and passed without dissent.

BAYFIELD TRANSFORMER PURCHASE – RESOLUTION 2014-17

President Rendon requested discussion. Manager of Engineering, Ron Meier reviewed and took questions on Resolution 2014-17 request for the Bayfield transformer purchase. Discussion ensued on purchase power costs, RUS guidelines, and substation transformer efficiency. COO Gregg addressed questions on purchasing transformers and their longevity.

Motion: Director Wheeling moved to approve Resolution 2014-17 Tri-State, Bayfield Transformer Purchase; motion seconded and passed with Director Berman dissenting.

REVIEW/APPROVE ELECTRIC SERVICE REGULATIONS

President Rendon requested further discussion. Discussion ensued.

Motion: Director Wheeling moved to approve Electric Service Regulations as presented with the update fees removed and subject to legal review; motion seconded and passed without dissent.

MEET WASHINGTON D.C. YOUTH TOUR STUDENTS

Kaycee Bennett and Logan Graham gave highlights of their trip to Washington D.C. Items they highlighted included: meeting people; trading pens; theme song; making new friends; the holocaust museum; state representatives; and their favorite events they attended. Each took questions on their report and thanked the board and LPEA for the opportunity to attend.

The regular board meeting recessed for lunch at 11:52 A.M., and President Rendon called the meeting back to order at 1:16 P.M.

REVIEW AND PRELIMINARILY APPROVE BOARD POLICY 359, RENEWABLE GENERATION AND ENVIROMENTAL ATTRIBUTES

Motion: Director Wheeling moved to approve the change to the appendix on Board Policy 359 as presented, renewable generation and environmental attributes; motion seconded and passed without dissent.

REVIEW AND PRELIMINARILY APPROVE UNCLAIMED CAPITAL CREDIT FUND REQUESTS FOR SPECIAL PROJECTS

President Rendon noted that the Round Up Foundation Board was tasked with this item.

LA PLATA ELECTRIC ROUND UP FOUNDATION REPORT

Director Lynch reported the Round Up board met on Monday September 15, 2014. They approved three educational grants. One to Bear Smart Durango for \$2,700 one for Know Your Dough for \$1,500 and 4CORE requested \$2,500 and awarded but were tasked with matching funds before funds would be distributed. On Round Up request Seeds of Learning requested \$2,500 and were awarded the full amount. Director Lynch reported that the Round Up Foundation recognized the request from the LPEA Board for a special meeting for reviewing the unclaimed capital credits special projects grant requests. Discussion ensued. It was determined to have the Round Up Foundation board have an additional meeting to review unclaimed capital credits and present their recommendations to the LPEA board at the October board meeting.

REVIEW AND PRELIMINARILY APPROVE COMMUNITY SOLAR GARDEN PROJECTS - TRI-STATE/LPEA SOLAR GARDEN PROJECTS

Attorney Spear and Attorney Denning reviewed and gave feedback on the individual community solar garden contracts. Discussion ensued.

EXECUTIVE SESSION

Motion: Director Turner moved to go into executive session to discuss Community Solar Garden and Tri-State Polices 115 and 117 at 1:27 P.M. with Director Wheeling being excused at 1:27 P.M.; motion seconded and passed without dissent.

The board came out of executive session at 2:40 P.M.

The regular LPEA board meeting reconvened at 2:40 P.M.

Motion: Director Erb moved to approve the 115 and 117 contracts with Solar Garden partners 1, LLP and Armadillo Community Solar Garden, LLC, reserving the right to challenge whether community solar gardens should be considered as distributed or renewable generation owned or controlled by LPEA such that it counts against the 5% cap set forth in LPEA's wholesale Electric Services contract with Tri-State; motion seconded and passed without dissent. Director Wheeling was not present for the motion or discussion.

Mark Schwantes gave an update on the status of the current Community Solar gardens applications and status. He discussed in detail the various projects and took questions.

SGP1 BOYS AND GIRLS CLUB, RESOLUTION 2014-19

No action taken on Resolution 2014-19

ARMADILLO, RESOLUTION 2014-20

No action taken on Resolution 2014-20

SUN MESA @ MESA SITE, RESOLUTION 2014-21

No action taken on Resolution 2014-21

LPEA/SOLAR GARDEN PARTNERS IN PROJECTS

SGP1 IGNACIO, RESOLUTION 2014-22

No action taken on Resolution 2014-22

SGP1 BOYS AND GIRLS CLUB, RESOLUTION 2014-23

No action taken on Resolution 2014-23

FASTTRACK COMMUNICATIONS REPORT

Director Wheeling gave highlights of the last board meeting and it included: best month of the year; still working through the CABS billing (carrier access billing system); and the auditor selection process. He took questions on his report.

TRI-STATE REPORT

Director Wheeling highlighted items from the board meeting which included: budget; New Mexico rate; weather; the Laramie station has been down and noted the non-rate dispute resolution was passed. He took questions on his report. Additional items he reviewed included: that Tri-State is offering educational courses to the member boards. Both Director Wheeling and CEO Dreyspring encouraged all board members to participate. He then also reviewed the contract committee. Discussion ensued on the 5% allowed amount and contract with Tri-State. Director Compton reported on the rate committee meeting and stated the group would come together and do the best for all. Director Compton took questions on specifics of the meeting. Discussion ensued on the Tri-State rate committee meeting with Director Wheeling pointing out that the rate committee was chaired by a distribution member third party member.

CREA REPORT

Director Berman highlighted items from the CREA meeting and the meeting notes from CREA that were included in the September board packet. He took questions on his report.

WESTERN UNITED REPORT

Director Formwalt reported on the financial report; that the last meeting was in August, new auditor; received an audit report; gross sales still going up; bylaws; voted to change the bylaws to allow other states to have only one representative; currently twenty eight members. He stated they have had an excellent year and next meeting there could be a proposal to take monies out of cash reserves and there was no debt. He took questions on his report.

WESTERN UNITED DISCUSS BIDDING PROCESS

President Rendon requested discussion. Director Montoya requested how we do the bidding process. Discussion ensued.

FUTURE COMMITTEE OF THE WHOLE MEETINGS AND FUTURE AGENDA ITEMS

CEO Dreyspring identified the following items for future agenda items and noted that they were also listed in the September packet; director reimbursement report, safety and outage report; capital items report; consultant and contractor report, construction and maintenance report, financial report plus, review/approve Electric Service Regulations (ESR) rate tariffs, review/approve capital credit retirement, Tri-State rate and membership issues, Pagosa Biomass

PPA update, review/approve energy audit rebate program , review unclaimed capital credit fund requests for special project grants, appoint delegate/alternate to the FastTrack Annual meeting, review/approve board policy 215, review/approve capital project budgets, and developer contracts associated with the community solar garden projects.

UPCOMING EXTERNAL MEETINGS

President Rendon noted the upcoming external meetings list included in the September board packet. Strategic planning meeting on October 2-3, 2014. Discussion ensued on including the staff at the strategic planning session and the end result with feedback from board members on the desired results. The CREA Fall meeting was also discussed with requests to attend by Director Turner, Director Berman, Director Lynch, Director Wheeling and Director Garcia. All were approved to attend.

It was determined to have the special meeting minutes presented at the October board meeting for approval

TRI-STATE RATE AND MEMBER ISSUES

EXECUTIVE SESSION

Attorney Spear reviewed the matters to be discussed in executive session, including community solar garden issues and the PUC case regarding tri-State wholesale rates. Director Wheeling left the board meeting at 5:15 PM.

Motion: Director Berman moved to go into executive session to discuss Community Solar Garden issues, tax issues and Tri-State rates issues 4:16 P.M.; Director Wheeling was excused from the session to discuss Tri-State rate issues at 5:15 P.M.; motion seconded and passed without dissent.

The board came out of executive session at 6:58 P.M.

The regular LPEA board meeting reconvened at 6:58 P.M.

OTHER BUSINESS

None

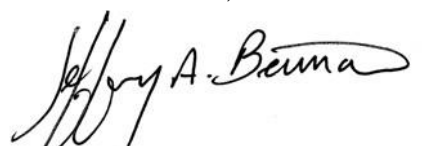
With no further business, the regular board meeting adjourned at 6:59 P.M.

Recorded by: Laura Rome

Approved by:



Michael Rendon, President



Jeff Berman, Secretary