

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, July 15, 2015, in the headquarters building in Durango, Colorado. President Rendon called the meeting to order at 9:00 A.M., with the following directors present:

Joe Wheeling	Michael Rendon	Karen Barger
	Davin Montoya	Bob Lynch
Britt Bassett	Jack Turner	J. Robert Formwalt
Mark Garcia	Tom Compton	Kohler McInnis

(Jeff Berman listened by phone)

Excused Absence:

None

Also present were:

Mike Dreyspring, Chief Executive Officer
Steve Gregg, Chief Operations Officer
Dennis Svanes, Chief Financial Officer
Barry Spear, Attorney
Ron Meier, Manager of Engineering
Justin Talbot, Manager of Operations
Indiana Reed, Marketing & Communications Consultant
Jeannie Bennett, Acting Executive Assistant

Steve Gregg led the board in the Pledge of Allegiance.

AGENDA

President Rendon addressed the July, 2015 agenda.

Motion: Director Turner moved to approve the July 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, Ann McCoy Harold, Lori Schell, and Lisa Costello. Jessica Terry and Tim Corrigan, NewGen rate consultants attended the Committee of the Whole meeting on Monday, July 15.

MEMBER COMMENTS AND CONCERNS

President Rendon asked for member comments. None of the attending members expressed comments.

CONSENT BOARD ITEMS

The consent board items were presented.

Motion: Director Garcia moved to approve the June 17, 2015 regular board meeting minutes, the June write offs and accepting new members; motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

LPEA Committee of the Whole meeting 6/15/15

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
Karen Barger	\$214.95	Kohler McInnis	\$209.00

LPEA Board meeting 6/17/15

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
Karen Barger	\$214.95	Kohler McInnis	\$209.00

Bob Formwalt	Western United meeting	\$200.00
Kohler McInnis	Director orientation	\$209.20
Jack Turner	4CORE board meeting	\$142.25
Jack Turner	CoBank meeting	\$681.50
Jeff Berman	CREA meeting	\$400.00

Director Berman, conferenced in via phone. President Rendon asked for clarification on the regular director per diem. Specifically, what meetings have to be attended to be paid the regular monthly per diem.

Director Montoya stated his understanding is that if any function is attended by a director on behalf of LPEA, then the director qualifies for the regular monthly per diem. Attorney Spear recommended that LPEA’s director compensation policy be revised to reflect that interpretation. President Rendon directed that the policy be placed on the August agenda for consideration.

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

REVIEW/APPROVE NRECA Regional Meeting Delegate/Alternate

President Rendon reviewed the prior month's appointment of Jeff Berman as NRECA delegate and Jack Turner as alternate for the upcoming NRECA regional meeting in Salt Lake City, Utah. No action required.

COUNTY FAIR DELEGATES APPOINTED

President Rendon asked which directors had an interest in serving as the LPEA delegate to the upcoming County Fairs in Archuleta and La Plata counties, specifically during the respective county's junior livestock auctions. Director Formwalt, Director Lynch and Director Garcia all stated they expected to attend the Archuleta County Fair and felt they could decide the day of the auction who would take the lead for LPEA. Director Montoya and Director Berman expressed interest in representing LPEA at the La Plata County Fair junior livestock auction.

Motion: Director Garcia moved to appoint Directors Formwalt, Lynch and Garcia as delegates to the Archuleta County Fair for the livestock auction and appoint Directors Montoya and Berman as delegates to the La Plata County Fair for the livestock auction. Motion seconded and passed without dissent.

REVIEW/APPROVE RESOLUTION 2015-11, S UAE WHEELING AND INTERCONNECTION AGREEMENTS

CEO Dreysspring requested that this item be moved to the August agenda.

REVIEW/APPROVE BOARD POLICY 212, IDENTITY THEFT PREVENTION PROGRAM

CFO Svanes reviewed Board Policy 212 with proposed changes to the policy. CFO Svanes also presented the annual "Red Flag Reporting", as required.

Motion: Director Wheeling moved to adopt Policy 212 as presented; motion seconded and passed without dissent.

REVIEW/APPROVE BOARD POLICY 213 PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

CFO Svanes reviewed Board Policy 213 with the board of directors. No action required.

REVIEW DIRECTOR QUALIFICATIONS IN LPEA BYLAWS

Attorney Spear reviewed options for proposed bylaw changes. Article III, Section 2 Qualifications and Tenure from La Plata Electric's bylaws were reviewed. The second subsection dealing with director qualifications was discussed, specifically subsection c. After considerable discussion it was decided that Attorney Spear would draft changes to Board Policy 129, Code of Ethics and Conduct, to strengthen the LPEA board's options in dealing with director conflicts of interest.

REVIEW/APPROVE VOTING PROCEDURES, BOARD POLICY 127

Attorney Spear presented highlighted sections of Board Policy 127 and redline versions reflecting proposed changes LPEA's board of directors had considered thus far. Discussion ensued on policy details and procedures regarding the appointment of members of the Election Supervisory Committee. Policy 127 will be considered further at the August LPEA board meeting.

REVIEW TERMS, ROUND UP BOARD MEMBERS

CEO Dreyspring reviewed an email from Round Up Board Member Michele Harris, suggesting, in light of the Round Up Board's succession planning issues, namely that four of the eight directors are cycling off at the end of this year, that LPEA's board of directors consider extending or staggering Round Up Board directors terms.

Discussion ensued. The LPEA board of directors decided to receive additional information and specific input from the Round Up Board at the August LPEA board meeting.

DISCUSSION EMPLOYEE BREAKFAST WITH LPEA BOARD OF DIRECTORS

The LPEA Board of Directors expressed their desire to repeat 2014 employee events whereby the board cooked breakfast for the Durango employees and hamburgers for the Pagosa Springs employees during the fall. CEO Dreyspring was asked to plan/arrange those activities.

REVIEW OF BOARD POLICIES AND PROCEDURES FOR MEDIA RELATIONS

Director Barger requested that CEO Dreyspring review with the board LPEA's policies regarding communications with media. CEO Dreyspring reviewed Board Policies 104, Board of Director-CEO Relationship, and Policy 417, Communications Policy, with the directors. Discussion ensued. Attorney Spear reiterated the issues raised if First Amendment Rights are infringed in any way by policy. President Rendon reminded directors that it is important to speak only for himself/herself when speaking to media, members or others, unless specifically authorized by the board to speak on behalf of the association.

REVIEW PAGOSA SPRINGS BIOMASS PROJECT

Member JR Ford, attended this part of the LPEA board meeting on behalf of Pagosa Land Company in order to discuss the biomass project with the LPEA board of directors. CEO Dreyspring provided a brief update of the project. Board discussion occurred in executive session.

CEO EVALUATION

President Rendon moved this item to the August LPEA regular board agenda.

ATTORNEY EVALUATION

The LPEA Board of Directors reviewed their evaluation with Attorney Spear in executive session.

TRI-STATE DRAFT LETTER 5%

This item was addressed in executive session.

ATTORNEY REPORT

Attorney Spear reviewed his written report at the Committee of the Whole meeting.

CEO AND STAFF REPORTS

CEO Dreyspring reviewed his written report at the Committee of the Whole meeting. At the regular board meeting. CFO Svanes, COO Gregg, Manager of Engineering, Ron Meier and Manager of Operations, Justin Talbot took questions on their written reports included the June board packet.

FINANCIAL REPORT

CFO Svanes took questions on the written report included in the board packet.

DIRECTOR REPORTS AND OTHER BOARD ACTIONS

President Rendon provided a summary of the Committee of the Whole meeting with the rate consultants, NewGen's Jessica Terry and Tim Corrigan, who discussed the preliminary cost of service study their firm is preparing for LPEA.

LA PLATA ELECTRIC ROUND UP FOUNDATION REPORT

Director Lynch gave the Round Up Foundation report.

FASTTRACK COMMUNICATIONS REPORT

Director Wheeling gave a report of the FastTrack board meeting and activities.

TRI-STATE REPORT

Director Wheeling gave his Tri-State report.

CREA Report

Director Berman gave his CREA report.

WESTERN UNITED REPORT

Director Formwalt gave his Western United report.

4CORE

Director Turner gave his report.

FUTURE AGENDA ITEMS

President Rendon reviewed future agenda items.

UPCOMING EXTERNAL MEETINGS

President Rendon noted the upcoming external meetings. Directors Lynch, Wheeling and Turner requested board approval to attend the CREA Fall Meeting. Director Garcia moved that those three directors be approved to attend the CREA Fall meeting. Motion seconded and passed without dissent.

EXECUTIVE SESSION

Motion: Director Lynch moved to go into executive session to discuss the Pagosa biomass project, FERC decision in the DMEA case, Attorney evaluation, and the Tri-State 5% letter.

The board went into executive session at 1:56 P.M.

The board came out of executive session at 3:56 P.M.

Motion: Director Garcia moved that LPEA establish a non-binding term sheet between LPEA and Renewable Forrest Energy, (Biomass), per the terms discussed in executive session subject to final LPEA board approval of a Purchase Power Agreement. Motion seconded, and passed with one nay, Director Montoya, and two abstentions, Directors Barger and McInnis.


OTHER BUSINESS

None

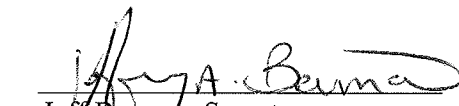
With no further business, the regular board meeting adjourned at 4:03 P.M.

Recorded by: Mike Dreyspring

Approved by:



Michael Rendon, President



Jeff Berman, Secretary