

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, August 19, 2015, in the headquarters building in Durango, Colorado. President Rendon called the meeting to order at 9:02 A.M., with the following directors present:

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

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, Public Relations Coordinator
Don Short, Manager of GIS Services
Rachel Gilman, Controller

Karen Barger led the board in the Pledge of Allegiance.

AGENDA

President Rendon addressed the August 2015 agenda.

Director Rendon requested discussion of the issue of Director Reimbursements/Per Diem under Board Action items.

Motion: Director Berman moved to approve the August agenda with the ability to move discussion items; motion seconded and carried without dissent.

GUESTS (from sign in sheet)

The following guests were present; Betsy Romere, Ann McCoy Harold, Doug Lyon, Ray Kenny and Nancy Agro

MEMBER COMMENTS AND CONCERNS

No public comments or issues were raised.

Discussion ensued regarding the letter from a member that was included in the August board packet.

CONSENT BOARD ITEMS

The consent board items were presented.

Motion: Director Compton moved to approve the July 15, 2015 regular board meeting minutes as presented; motion seconded and carried without dissent.

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

Discussion ensued regarding the write offs list. CFO Svanes explained the collection process and the confidentiality of the list related to “third party” information.

DIRECTOR REIMBURSEMENTS

CFO Svanes reported an over payment of \$675 from October 2014 through March 2014, in Director Per Diem for attending monthly Round Up board meetings. According to Svanes, the errors occurred when there was a Committee of the Whole meeting on the same day. LPEA Board Policy 108 Board Per Diem was referenced.

\$200 for a whole day meeting attendance

\$125 for half day meeting attendance

Directors that received the per diem payments pointed out that the Round Up board meeting date was listed on the payment schedule as being the same date as the Committee of the Whole meeting, but was in fact a different date. The error in over payments will be investigated and findings reported at the next board meeting.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

LPEA Committee of the Whole meeting 8/17/15

Davin Montoya	\$220.13	Mark Garcia	\$00.00
Bob Lynch	\$269.00	Jeff Berman	\$200.00
Joe Wheeling	\$214.95	Britt Bassett	\$ 00.00
Robert Formwalt	\$269.00	Michael Rendon	\$200.00
Jack Turner	\$217.25	Tom Compton	\$220.13
Karen Barger	\$214.95	Kohler McInnis	\$209.20

LPEA Board meeting 8/19/15

Davin Montoya	\$220.12	Mark Garcia	\$269.00
Jeffrey Berman	\$200.00	Bob Lynch	\$269.00
Joe Wheeling	\$214.95	Britt Bassett	\$200.00
Robert Formwalt	\$269.00	Michael Rendon	\$200.00
Jack Turner	\$217.25	Tom Compton	\$220.12
Karen Barger	\$214.95	Kohler McInnis	\$209.20

Kohler McInnis	Round Up meeting	\$ 00.00
Bob Lynch	Round Up meeting	\$ 00.00
Bob Formwalt	Western United meeting	\$ 00.00
Jack Turner	Tri State Rate Meeting	\$217.25
Jeff Berman	CREA meeting	\$ 00.00

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

REVIEW/APPROVE ROUND UP RESOLUTION FOR SUBSCRIBERS

CEO Dreyspring explained that the proposed changes would ensure that when members move to a new location (within service territory) their current participation in the Round Up program would automatically remain intact. The change in procedure is to be communicated to those members involved.

Motion: Director Garcia moved to approve Board Resolution 2015-12 Round Up for Subscribers that Move; motion seconded and carried without dissent.

REVIEW/APPROVE RESOLUTION 2015-11, SOUTHERN UTE ALTERNATIVE ENERGY (SUAЕ) WHEELING AND INTERCONNECT AGREEMENTS

CEO Dreyspring requested this item be discussed in Executive Session. Nancy Agro, legal counsel for LPEA will be present to update the board on negotiations with the SUAЕ group.

REVIEW OF 2016 BUDGET PARAMETERS

CFO Svanes provided the Board with information regarding the 2016 Budget Forecast, and the components (succession planning, strategic planning, maintenance, amortization schedules and salaries) that are a part of the Forecast. Discussion ensued regarding compensation/salary surveys for union and nonunion employees. The board requested to receive information regarding the data and comparison guidelines used to set salaries. The information is to be provided at the September board meeting.

Motion: Director Garcia moved to approve the 2016 Budget Parameters as presented; motion seconded and carried without dissent.

REVIEW/APPROVE LPEA BOARD POLICY 127, DIRECTOR ELECTIONS AND ANNUAL METING VOTING PROCEDURES

Attorney Spear provided details of the red lined revisions and edits to the language in Board Policy 127 dealing with the annual appointment of the Election Supervisory Committee. The language in Article II Section 3 states as requested; that the recommendations of those selected to serve on the Election Supervisory Committee need to be made four (4) months prior to the election, and a vote to approve the recommended individual(s) is to take place no later than 60 days prior to Annual Meeting.

Motion: Director Wheeling moved to approve the revisions to Board Policy 127, Director Elections and Annual Meeting Voting Procedures; motion seconded and carried without dissent.

CONSIDERATION TO AMEND RESOLUTION 2013-07 TO NRECA

CEO Mike Dreyspring spoke to the red line changes made to the document based on board input and discussion during the Committee of the Whole meeting on August 17, 2015. Director Berman addressed the language changes (blue line) he provided in addition to the red line version provided by CEO Dreyspring. Discussion ensued regarding incorporating some, if not all of the proposed blue line changes recommended by Director Berman.

Motion: Director Montoya moved to approve Resolution 2015-07 as drafted by CEO Mike Dreyspring; motion seconded. Discussion on the motion ensued.

Amendment to

Motion: Director Bassett moved to amend the motion to approve Resolution 2015-07 as drafted by CEO Mike Dreyspring with the addition of Director Berman's blue line changes that include specific language proposed by Barry Hart; motion seconded and the amendment passed with one dissenting vote. Davin Montoya requested his dissenting vote be recorded.

Addressed along with Resolution 2015-07 to NRECA were guidelines for the position statements of LPEA in regard to the following NRECA Resolutions:

Federal Clean Air Regulations

Discussion ensued regarding the pros and cons of the language changes being proposed in the red line and blue line version submitted by CEO Dreyspring and Director Berman

Motion: Director Bassett moved to approve the language changes to the Federal Clean Air Regulations position document proposed by Director Berman; motion carried with two dissenting votes. Director Montoya and Director McInnis requested their dissenting votes be recorded.

Greenhouse Gas Emissions

Discussion ensued regarding the pros and cons of the language changes being proposed in the red line and blue line version submitted by CEO Dreyspring and Director Berman on this position statement being revised/drafted at the request of the Board.

Motion: Director Wheeling moved to approve the changes to the Greenhouse Gas Emissions document that is to include the proposed language changes of CEO Dreyspring; motion seconded and passed with one dissenting vote. Davin Montoya requested his dissenting vote be recorded.

Social Cost of Carbon

Discussion ensued regarding the language changes being proposed in the red line and blue line version submitted by CEO Dreyspring and Director Berman on this position statement being revised/drafted at the request of the Board. What language is to be included or excluded from this document was discussed at great length.

Motion: Director Turner moved to approve the adoption of the original redline version with the following changes; retain all language in first paragraph; retain only the first sentence in the second paragraph, striking the rest; include the red line version drafted by CEO Dreyspring; and change “are” to “can be” before ambiguous and arbitrary; remove the word quantifiable; motion seconded and failed by a 6 to 6 vote.

Motion: Director Montoya moved to approve the original redline version submitted by Mike Dreyspring; motion seconded. Discussion ensued.

Amended

Motion: Director Berman moved to amend the motion to approve the original redline version with the following changes; to strike the first sentence and the entire second paragraph regarding policy background; motion seconded and passed on a 7 to 5 vote.

Amended

Motion: Director Bassett moved to amend the original motion with the language to read as “We urge NRECA to consider environmental externalities...”; motion seconded and failed on a 6 to 6 vote.

Original

Motion A vote ensued on the original motion. The original motion as amended was approved with 8 voting in favor.

Political Advocacy Resolution:

Director Berman addressed the proposed amended Political Advocacy Resolution. Following discussion, it was determined that this proposed Resolution was not part of the original NRECA Resolution 2015-07, and not noticed on the agenda. President Rendon stated no formal action could be taken on this today, and that all discussion on the proposed Resolution were to cease. Discussion on the amended Political Advocacy Resolution can be placed on the September agenda.

SPECIAL PROJECT GRANT REQUEST, FORT LEWIS COLLEGE FOUNDATION PRESENTATION BY DOUG LYON

Doug Lyon, Senior Corporate and Foundation Officer, and Professor, Ray Kenny, spoke to the \$300,000 Special Project grant request supporting the capital campaign for the new GeoSciences, Engineering and Science building at Fort Lewis College. Lyon stated that the new 60,000 square foot, LEED certified building will complete their STEM complex. He explained the 7 to 1 funding match (4.2 million) they are required to raise. Tours of the new complex and program are available upon request. Discussion regarding the proposed funding request is to be on the September agenda.

REVIEW/APPROVE BOARD POLICY 108 INSURANCE FOR DIRECTORS

Attorney Spear addressed the proposed changes. Limited discussion ensued.

Motion: Director Berman moved to approve the changes to Board Policy 108 Insurance for Directors; motion seconded and carried without dissent.

REVIEW/APPROVE BOARD POLICY 128 BOARD DISTRICT BOUNDARIES

The annual review of Board Policy 128 regarding District Boundaries was presented to the board by Rachel Gilman and Don Short. The presentation included four (4) options with an emphasis on boundary changes in District 2 and District 4. Discussion ensued regarding the proposed boundary changes that involves Hermosa Creek, City of Bayfield, Falls Creek and Twin Buttes. Noting the current equalization of the member numbers in all four Districts, the board agreed no changes would be made to the district boundaries in 2015.

STRATEGIC RETREAT (SEPTEMBER 14, 2015) AGENDA REVIEW

CEO Dreyspring presented the board with a brief overview of the proposed agenda that will include an update on the electric industry as a whole. Director Garcia requested that information pertaining to Risk Intelligence be placed on the agenda as well. The Strategic Retreat will be held at the DoubleTree Hotel in Durango.

REVIEW REDLINE OF POLICY 129 CODE OF ETHICS AND CONDUCT

Attorney Spear described the policy changes (red line) made to Board Policy 129. Spear reported that the revised language of the policy will provide the board more enforcement power when a conflict of interest exists. Spear reported that adding additional language to give the board the power to remove a Director would require a Bylaw change.

Motion: Director Wheeling moved to adopt the changes to Board Policy 129 Code of Ethics and Conduct; motion seconded and carried without dissent.

REVIEW ROUND UP BOARD SUCCESSION PLAN

Director McInnis reviewed and reported on the current succession plan of the Round Up Board of Directors. Concern was raised regarding this year's number of outgoing directors (three). After reviewing the history and current board terms, McInnis recommended that no changes be made. The succession plan is to remain the same.

CREA CARE REQUEST

CEO Dreyspring reviewed the annual renewal request of ACRE and CARE, addressing the importance of the supporting the organization (staff and board). Dreyspring reference the \$10,000 contribution Poudre Valley made to the membership account. Discussion ensued regarding the pros and cons of supporting the aforementioned organizations. Director Berman will raise the question of opportunity for input and endorsement guidelines at the next CARE meeting. It was agreed that on an individual level support is encouraged, but no additional funds will come from LPEA.

REVIEW OF PER DIEM PAYMENTS FOR ROUND UP BOARD AND LPEA BOARD MEETINGS

The ruling and its potential implications were to be addressed during executive session.

REVIEW OF STRATEGIC OBJECTIVES AND INITIATIVES BY CEO/STAFF

CEO Dreyspring along with COO Gregg, CFO Svanes, Ron Meier, Manager of Engineering, Justin Talbot, Manager of Operations and Linda Looman, Manager of Human Resources, presented the Strategic Objectives and Initiatives quarterly report. Highlights of those reports included:

- *Establishing an MOU with FastTrack for communication and technology (fiber) to the Pagosa area, including the possibility of obtaining the communications easement necessary for FastTrack to utilize LPEA's fiber, with FastTrack paying LPEA to recover all costs incurred.*
- *Member's Satisfaction Survey agreement reached with FLC*
- *On-going communication efforts for Round Up program*
- *Partnering with Bayfield Library to support the STEM program initiative*
- *An Employee Survey will be conducted after the first of the year. Results unveiled at Employee Annual Meeting in January*
- *Electric vehicle has been delivered and being wrapped with logo*
- *A future RFP for Distributive Generation Technologies is under consideration*
- *An MOU with local bank regarding On Bill Financing will be brought forth for review in September*
- *4CORE relationship definition pending.*
- *New Joint Utilities Committee for La Plata County formed and meeting at LPEA*
- *Succession Planning moving forward*
- *New HRIS system has been purchase to assist with hiring process*
- *SCADA system upgrades in progress*

BIOMASS PROJECT UPDATE

CEO Dreyspring reported that he attended a meeting between J. R. Ford and Tri State last week. CEO Dreyspring is to present the Biomass project to Tri-State's Engineering and Operations Committee meeting scheduled for September 1, 2015.

CEO EVALUATION

President Rendon shared limited information on CEO Dreyspring's evaluation, stating only that Dreyspring scored very high in most areas; receiving a positive performance review. The official CEO performance review was conducted during an executive session at the Committee of the Whole meeting on Monday, August 17, 2015.

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 August board packet.

FINANCIAL REPORT

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

LA PLATA ELECTRIC ROUND UP FOUNDATION REPORT

Director McInnis gave the Round Up Foundation report. His report included:

- *No Round Up grants to review this month. The Round Up board heard a presentation by Heartbeat Durango, but consideration for funding will not occur until November (12 month grant renewal request date).*
- *The one (1) Educational grant reviewed from an organization called Know Your Dough was denied, after determining that the funding for this program was the responsibility of the 9R School District.*
- *The Round Up board provided \$4,000 in support to the Community Emergency Relief Fund (CERF) for employees of businesses affected by the Animas River contamination. A press release regarding the funding support has been written.*
- *Participant numbers increased (159) for the first time in over a year.*
- *Round Up Board has adopted the new tag line “Pocket Change for Positive Change”.*

FASTTRACK COMMUNICATIONS REPORT

Director Wheeling gave a brief overview of the FastTrack meeting and activities. Discussion ensued regarding FastTrack’s desired involvement with a fiber project for the Silverton/Cascade area.

TRI-STATE REPORT

Director Wheeling presented the Tri State report during the Committee of the Whole meeting.

CREA REPORT

Director Berman presented the CREA report during the Committee of the Whole meeting.

WESTERN UNITED REPORT

Director Formwalt reported that Western United’s next meeting is next week.

4CORE REPORT

Director Turner presented the 4CORE report at the Committee of the Whole meeting.

FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

President Rendon reviewed future agenda items that are to be included in the September board packet. No Committee of the Whole meeting will be held in September.

UPCOMING EXTERNAL MEETINGS

Director Garcia requested approval to attend the CREA Semi-Annual meeting. Approval given.

Director Berman requested approval to attend the upcoming Tri State meeting being held on September 1, 2015 and September 2, 2015. Approval given.

Director Compton reported that he would not be attending the Tri State meeting.

President Rendon noted the upcoming external meetings list to be included in the September board packet.

OTHER BUSINESS

Director Berman requested that cyber security be an agenda item for discussion; possibly in an executive session in September or later this year.

Attorney Spear left the meeting as his firm has a conflict of interest as it represents both LPEA and the Southern Ute Indian Tribe. LPEA has retained Attorney Nancy Agro as special counsel for the SUAE matter.

EXECUTIVE SESSION

Motion: Director Compton moved to go into executive session to discuss the SUAE Wheeling and Interconnect Agreement; motion carried and seconded.


The board entered executive session at 3:30 PM with Special Counsel Agro.

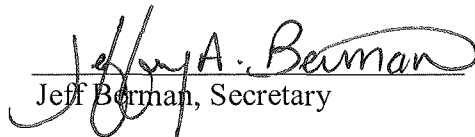
The board came out of executive session at 4:30 P.M. No action was taken.

With no further business, the regular board meeting adjourned at 4:30 P.M.

Recorded by: Jeannie Bennett

Approved by:


Michael Rendon, President


Jeff Berman, Secretary

