

LA PLATA ELECTRIC ASSOCIATION, INC.
DURANGO, COLORADO

Board of Directors Policy

Subject: Financial Management & Practices			Policy No: 201
Original Issue: 9/18/85	Last Revised 8/17/11	Last Reviewed: 8/17/11	Page 1 of 1

I. OBJECTIVE

To ensure proper financing of capital needs of the Association

II. POLICY

A. PLANT ADDITIONS

1. Electric Plant. Generally, all electric plant additions will be financed through the use of loan funds, unless:
 - a. Loan funds are not available.
 - b. Non-refundable aid in construction has been advanced by the customer.
2. General Plant. Customarily all general plant additions will be financed with general funds unless:
 - a. The plant addition is major enough to warrant loan applications.

B. PLANS AND BUDGETS

See Policy No. 103 Section II-A, 3 and 5 which states the following:

1. Long and Short Range Plans: To conduct studies with the staff and outside consultants, if necessary, and recommend to the Board of Directors short and long-range plans, including plans in such areas as system studies, engineering work plans, power requirements and load forecasts, financial forecasts, energy management, member and public relations, construction, facilities, marketing, etc. and to report to the Board of Directors on results compared to such plans.
2. Work Plans and Budgets: To formulate, with the staff, annual work plans and budgets for LPEA and to recommend such plans and budgets to the Board of Directors or a committee of the Board of Directors for their consideration, and to provide detailed reports on revenue, expenses, and other results compared to such plans.

RESPONSIBILITY

The Chief Executive Officer is responsible for the administration of this policy.

August 17, 2011

Date



Secretary