

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 17, 2013, in the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 9:01 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	Michael Rendon

Excused Absence;

None

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

Drew Timmerman led the board in the Pledge of Allegiance.

MEMBER COMMENTS AND CONCERNS

None

AGENDA

President Montoya addressed the agenda.

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

GUESTS (from sign in sheet)

Jacqueline Garcia, James Cudworth, Ann McCoy Harold, B. Pomine, Elaine Stephenson, Margo Cotton, E. Cotton, James Hegeman, Sally Bellerue, Mike Ellis, Richard Grossman plus three additional guests whose names couldn't be deciphered on the sign in sheet, which is attached.

COLORADO COUNTRY LIFE AWARDS

President Montoya presented the Colorado Country Life Awards. The first award was for "Excellence in a Newsletter"; First place within division three went to Indiana Reid. "Best Safety article" to Indiana Reid and 2nd place for "Excellence in a Newsletter", with the best explanation of an industry situation, went to CEO Greg Munro.

CONSENT BOARD ITEMS

The consent board items were presented and reviewed. CFO Svanes responded to questions on the June write offs.

Motion: Director Erb moved to approve the June 19, 2013 minutes with three edits; delete one word and change the wording in two sentences, accept new members, capital credit payments to estates and June write offs; motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

LPEA Board Meeting 07/17/13

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	Tom Compton	\$219.43
Jack Turner	\$216.95	Michael Rendon	\$200.00

Ken Fox	RoundUp	\$200.00
Michael Rendon	Round Up	\$200.00
Ken Fox	Co Bank Energy Conference	\$1,122.04
Jeff Berman	CREA	\$200.00
Robert Formwalt	Western United	\$200.00

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

REVIEW BOARD POLICY 214

Director Berman discussed his request to review Policy 214. He asked to table the review of Policy 214 to the August board meeting and he would present a written memo with his concerns. President Montoya asked if Marty Blake with Prime Group and Bill McEwan were scheduled to discuss rate issues and design. CEO Munro responded that they were scheduled to address in the third quarter. President Montoya suggested that Director Berman put his memo together and have Marty Blake and Bill McEwan at the September board meeting to address his questions and concerns. Attorney Spear suggested for the board to complete its review in September before rates for 2014 are developed. It was determined to put Policy 214 on the August agenda. Director Berman will present his comments and concerns at the August board meeting for the LPEA Board to address. Discussion ensued.

APPOINT DELEGATES TO COUNTY FAIRS

President Montoya reviewed the county fair delegate process. It was determined that Director Formwalt would represent LPEA at the Archuleta County Fair and President Montoya would represent LPEA at the La Plata County Fair.

REVIEW/APPROVE BOARD COMMITTEES

President Montoya asked for comments concerning Board Committees. Discussion ensued on the need for the board committees and what their purposes were. CEO Munro discussed the history of the committees and how they operated in the past. He pointed out that the Committee of the Whole would need to be identified as the audit committee.

Motion: Director Berman moved to abolish current board committees and move into a committee of the whole and have LPEA staff re-draft the committee of the whole policies; motion seconded and passed without dissent.

REVIEW/APPROVE BOARD RETREAT AND STRATEGIC PLANNING SESSIONS

President Montoya asked for comments regarding having a Board retreat. Discussion ensued on what the purpose would be, how it would be organized, what the topics would be, and if a facilitator would be needed. It was determined to have CEO Munro contact potential facilitators and obtain enough information for the board to choose one at the August Board meeting. Attorney Spear noted that a board retreat would have to be noticed and would be open to members because it would be considered a meeting of the cooperative under the de-regulation statute. At the retreat the board could elect to go into executive session if the matters discussed were confidential. President Montoya discussed the potential dates. After some discussion of dates, it was determined that September 16 or 17, 2013 could be scheduled for the board retreat. Director Garcia asked if there was a master plan for board members. Director Compton responded that there was a board strategic goals plan created each year. CEO Munro would send the Strategic Goals to all of the board members for the past five years.

REVIEW/APPROVE CAPITAL CREDIT RETIREMENTS – RESOLUTION 2013-15

CFO Svanes reviewed the unretired capital credits. He took questions on his report.

Motion: Director Wheeling moved to adopt Resolution 2013-15, Capital Credit Retirements; motion seconded and passed without dissent.

ATTORNEY REPORT

Attorney Spear summarized the written attorney's report which included: Tri-State rate issues, PUC complaint, Bill McEwan will be present today via phone conference for the executive session; He stated the four-day hearing for the motion to dismiss the PUC complaint begins July 29, 2013. He discussed in summary the Tri-State rate issues and the PUC complaint. Discussion ensued on the Tri-State rates. Other items he reviewed included; Frame/McCarthy Foreclosure, Robinson foreclosure, a tree trimming maintenance issue, proposed Tri-State Bylaw amendments, the Alternative Energy Plan and the Fusco condemnation. He took questions on his report.

CEO REPORT AND STAFF REPORTS

CEO Munro highlighted items from his written report. He noted meetings he attended and took questions on his written report. CEO Munro requested an executive session about a personnel issue before Director Wheeling was excused.

CFO Svanes highlighted his written report and noted he would be attending the NRECA Financial Conference. He reported that interviews were ongoing for both a Customer Service Representative and Engineering Clerk. He took questions on his report.

Manager of Operations, Steve Gregg highlighted his written report and took questions on his report. Discussion ensued on the 115 kV facilities transfers.

Manager of Engineering, Ron Meier highlighted his written report which included the NERC audit and the 115 kV assets. He stated not included in his report was that Randy Ferris and LPEA's Engineering consultant, along with the Bureau of Indian Affairs (BIA) would be holding a meeting in Utah for Southern Ute Indian Tribal allottees that live in that area to sign permit extension of a power line LPEA has. He took questions on his report.

Marketing & Communications Consultant, Indiana Reed reported she is gearing up for LPEA's 75th year anniversary next year and she will do a presentation in August for the 2014 annual meeting plan.

Manager of Corporate Services, Mark Schwantes highlighted his written report and reviewed retrofits and commercial lighting. He took questions on his report.

CEO Munro noted that staff has been working with representatives from the Pagosa Verde organization. LPEA and Tri-State will be speaking at their symposium next Thursday July 25, 2013 in Pagosa Springs.

FINANCIAL REPORT PLUS

CFO Svanes highlighted the financial plus report included in the board packet and reviewed the following: total kWh purchased YTD; total kWh purchased-monthly; total net margins YTD; and the account receivables delinquent report. He reviewed the new Smart Hub program and noted it was implemented on July 15, 2013. He demonstrated the program on the LPEA website.

Discussion ensued on the meter readings and the different meters used by LPEA. CEO Munro and CFO Svanes both took questions on the financial plus report.

The regular board meeting recessed for lunch at 11:59 A.M. and President Montoya called the meeting back to order at 1:00 P.M.

CEO Munro reviewed the statistics report included in his written report and highlighted that since 2002 commercial lighting retrofits had saved over 966,500 kilowatt hours which is over a \$100,000.

EXECUTIVE SESSION

Motion: Director Garcia moved to go into executive session to discuss legal issues for the Alternative Energy Plan at 1:02 P.M. Director Wheeling was excused at 1:02 P.M. as the discussion may involve issues regarding Tri-State; motion seconded and carried without dissent.

The board came out of executive session at 1:37 P.M.

The regular LPEA board meeting reconvened at 1:39 P.M.

ALTERNATIVE ENERGY PLAN – POSSIBLE ACTION

Manager of Corporate Services, Mark Schwantes took questions on the Alternative Energy Plan (AEP) Draft III. Director Bassett asked if the draft resolution was accepted, what would happen next. Mark Schwantes responded that once the confidential information on members and companies were removed it would be added to the website. Discussion ensued on the technical editing and the final document that would be presented to the public.

ADOPTION OF THE ALTERNATIVE ENERGY PLAN – RESOLUTION 2013-14

CEO Munro and Manager of Corporate Services, Mark Schwantes continued to address questions regarding the third draft of the AEP and Resolution 2013-14. Mark Schwantes stated that the last minute edits were not part of the AEP Draft III. Discussion ensued regarding the AEP Draft III and Resolution 2013-14 and if both were ready for approval at this time and to allow the LPEA members an opportunity for input. It was determined that the AEP needs more work before presenting to the public and members, but the policy for Community Solar Gardens

(CSG) should move forward . President Montoya requested CEO Munro to furnish the following items for the August LPEA board meeting:

1. CSG Policy for final approval next month.
2. Clean the AEP for eventual public review and comments
3. Ideas of what to do with renewable energy funds that are available.

President Montoya asked how we could get the AEP to the public. CEO Munro stated that there were several ways, but having local informational meetings would be the most effective, along with publishing it on our Website, and other places.

Director Bassett presented the Community Solar Garden (CSG) discussion and reviewed the three options-models for the CSG.

1. Utility does a CSG completely on their own; Empire Electric and other coops were examples of this model
2. Local utility contract with a company to build the CSG
3. Create a frame work for competitive companies to build the CSG.

Director Bassett's indicated that he hoped the Board would create and approve the CSG Policy and Program he presented to the board July 16, 2013. Attorney Spear stated that legal counsel would need to look at the CSG draft policy and after legal review; it would be presented for board approval at the August LPEA meeting. Discussion ensued.

QUARTERLY DIRECTOR REIMBURSEMENT REPORT

CEO Munro pointed out the report which was included in the board packet.

SAFETY AND OUTAGE REPORTS

CEO Munro pointed out the report which was included in the board packet. Manager of Operations, Steve Gregg briefly reviewed the employee injuries. He took questions on his report.

4CORE REPORT

Manager of Corporate Services, Mark Schwantes reviewed the last meeting and highlighted the following items; 4CORE completed their strategic plan with four areas of emphasis, Energy Efficiency, Innovative Solutions, Resource Efficiency Education and Energy Information Hub. Other items included; executive director review, housing solutions and special projects grant. He took questions on his report.

CONSULTANT AND CONTRACTOR REPORT

CEO Munro pointed out the report which was included in the board packet

CONSTRUCTION AND MAINTENANCE REPORT

CEO Munro pointed out the report which was included in the board packet

CAPITAL ITEMS REPORT

CEO Munro pointed out the report which was included in the board packet

LA PLATA ELECTRIC ROUND UP FOUNDATION

Director Fox reported that the RoundUp Board met on Monday July 15, 2013. The board considered three grant requests this month; two RoundUp and one educational. The Board welcomed its newest member Michael Rendon. Roundup grant requests came from the Community United Methodist Church Food Bank and La Plata Youth Services. The food bank request was for \$2,000 and was fully funded. The Youth Services request was for \$4,800 and was divided; \$1,800 from Roundup and \$3,000 from educational. The \$1,800 RoundUp grant was fully funded. The Education grant request was from Regional Substance Abuse Prevention

(RSAPP) for \$5,000. It was fully funded. The \$3,000 moved from RoundUp to educational for La Plata Youth Services was also fully funded. As of June 30, 2013 there were 13,945 members rounding up their bills with a decrease of 28 during the previous month. This decline appears seasonal. He also noted that discussion was held on possibilities for further emphasizing the benefits of rounding up to the membership.

FASTTRACK REPORT

Director Wheeling noted there had not been a board meeting since the last LPEA Board meeting. It is scheduled for July 18, 2013. He highlighted in his report that FastTrack had another solid month financially. He stated that their staff accountant had given notice and staff had been conducting interviews. He also gave a status update on the Eaglenet proposal. He took questions on his report

WESODI REPORT

Director McCaw gave an update on WESODI. He reviewed the details of the projects WESODI was working on, current financials and noted currently there were three part time and one fulltime employees working on the Three Springs project. He noted the board meeting is scheduled for July 23, 2013. He took questions on his report. Director Berman pointed out that the LPEA Board had not received financials since January 2013. CFO Svanes stated that the financials would be presented at the August LPEA board meeting.

TRI-STATE REPORT

Director Wheeling reviewed his written report and items included; capital credit allocation in New Mexico; Senate Bill 252 issues; one RFP renewable project that was submitted was no longer an option; Tri-State has started the budgeting process and rate issues. He took questions on his report. Other items he touched on were the Time of Use program; incentives for large loads and discussion around seasonal rates. He announced the next Tri-State rate issues committee meeting is scheduled for August 6, 2013 and that the committee would make a recommendation to the board. He took questions on his report

CREA REPORT

Director Berman reported that he had attended the CREA board meeting. He highlighted items from the CREA meeting notes included in the board packet. He also pointed out his participation in communications with Kent Singer and that he had met with a DMEA board member while traveling through Montrose. He took questions on his report.

WESTERN UNITED REPORT

Director Formwalt gave highlights of the happenings with Western United and summarized their written report which was included in the July board packet. Items included in his report; good margins for 2012, discussed the current trends, sales increasing, 401k requirements and announced that he was elected as Secretary of the Western United Board of Directors. The next Western United Electric board meeting is scheduled for Aug 29, 2013.

COBANK DIRECTOR CONFERENCE

Director Fox gave highlights of his written report which was included in the board packet. He reminded the board that CoBank would match up to \$5,000 to local not for profits. He stated it was a good conference. He took questions on his report.

FUTURE COMMITTEE OF THE WHOLE MEETINGS AND FUTURE AGENDA ITEMS

CEO Munro identified the following items for future agenda items and noted that they were also listed in the July board packet; Member Opportunity Report, Washington Youth Tour Presentation, Communication Plan Update, Alternative Energy Plan, Tri-State Rate Issues, Operating Forecast Assumptions and appoint delegates and alternates to NRECA Region VII, Federated and CFC, NISC and NRTC. Additional items added to the August agenda included Community Solar Garden (CSG) program and policy review, Alternative Energy Plan (AEP) draft IV and review Board Policy 214.

UPCOMING EXTERNAL MEETINGS

President Montoya noted the upcoming external meeting list in the board packet which included the NRECA Director Summer School, July 19-24, 2013, Traverse City, MI, Region 7 & 9 Meeting, October 15-17, 2013 in Portland, OR and Basin Electric Annual Meeting, November 6-7, 2013 in Bismarck, ND. Director Berman indicated he would like to attend the NRECA regional meeting in Portland, OR. CEO Munro pointed out the date conflicted with the October LPEA board meeting.

Director Berman requested that the draft agenda be given to the board prior to the legal posting of the agenda for edits from all the board members. It was determined to send out the draft monthly agenda to the board when it was sent to President Montoya and legal counsel.

Director Erb requested to add to the August agenda the Ignacio School. They want to do a presentation to the board. Discussion ensued on the potential request. It was determined to request the Ignacio School to submit a written request to the LPEA Board if they want action on their request.

Director Berman requested LPEA's Board participation in Colorado County Life is on the August agenda for possible action.

It was announced there would be a Committee of the Whole meeting on Monday Oct 14, 2013

TRI-STATE RATE ISSUES

Executive session

EXECUTIVE SESSION

Motion: Director McCaw moved to go into executive session to discuss a personnel issue and Tri-State rate issues at 3:56 P.M. Director Wheeling was excused at 4:07 P.M., regarding the Tri-State rate issues; motion seconded and carried without dissent.

The board came out of executive session at 4:30 P.M.

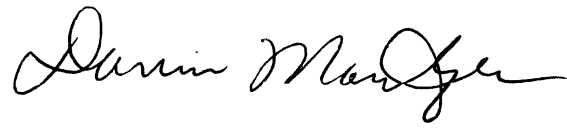
The regular LPEA board meeting reconvened at 4:30 P.M.

OTHER BUSINESS

None

With no further business, the regular board meeting adjourned at 4:31 P.M.

Recorded by: Laura Rome

A handwritten signature in black ink that reads "Davin Montoya". The signature is fluid and cursive, with the first name "Davin" being more prominent than the last name "Montoya".

Approved by: _____
Davin Montoya, President

A handwritten signature in blue ink that reads "Ken Fox". The signature is cursive and somewhat stylized, with the first name "Ken" being larger than the last name "Fox".

Ken Fox, Secretary