

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, June 19, 2013, in the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 9:05 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;

Also present were:

Greg Munro, Chief Executive Officer
Shay Denning, 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

Director Compton led the board in the Pledge of Allegiance.

AGENDA

President Montoya addressed the agenda. Director Turner requested adding to the June agenda, scheduling a board retreat. It was determined to add this to future agenda items for the July board meeting.

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

President Montoya pointed out that Attorney Bill McEwan would attend the board meeting later in the day to discuss Tri-State rates. President Montoya reminded LPEA Board of Directors to request in advance to add items to the agenda.

GUESTS (from sign in sheet)

Betsy Pomere, Ann McCoy Harold, Andrea Powers, Herb Brodsky

MEMBER COMMENTS AND CONCERNS

Andrea Powers addressed the board and reviewed her concern on line extension construction costs. She requested that the policy to be reviewed and to include for members tying into a line extension to also incur the cost to build the line extension and refund the original members who incurred the costs. Director Formwalt pointed out that that the board had addressed the topic in the past and stated that it should be addressed again. Director Berman asked when the line extension policy was up for review. CEO Munro reviewed the process of changing the line extension policy. Discussion ensued.

CONSENT BOARD ITEMS

The consent board items were presented and reviewed. CFO Svanes took questions on the May write-offs and capital credit to estates. Discussion ensued on monthly write-offs.

Motion: Director Formwalt moved to approve the May 15, 2013 minutes, accept new members, capital credit payments to estates and May write offs; motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTIONS

Director reimbursements were presented and reviewed.

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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
Jeff Berman	CREA	\$400.00
Mark Garcia	Director Orientation	\$262.71
Jack Turner	Director Orientation	\$216.95
Michael Rendon	Director Orientation	\$200.00

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

REVIEW AND POSSIBLE ACTION ON PVREA PROPOSED TRI-STATE BYLAW AMENDMENTS

CEO Munro reviewed the items included in the board packet regarding the proposed Tri-State Bylaw amendments. Discussion ensued.

Motion: Director Garcia moved to give LPEA staff authority to move forward with the PVREA proposed Tri-State bylaw amendments concept with additional edits to the proposal; motion seconded and passed without dissent.

ANNUAL MEETING; SET UP NEXT YEARS DATE AND PLACE

CEO Munro discussed the potential dates available for the LPEA Annual meeting at Fort Lewis College Concert Hall. The dates available were either May 16 or May 22, 2014. Discussion ensued on the possible dates and event.

Motion: Director Turner moved to set the 2014 LPEA annual meeting date for May 22, 2014 and have it at the Fort Lewis College Concert Hall; motion seconded and passed without dissent

REVIEW/APPROVE AMI DEPLOYMENT RESOLUTION 2013-11

Manager of Engineering Ron Meier gave a PowerPoint presentation which included: the history of the AMI deployment, Time-of-Use, meter reading systems, TS1 and AMR systems, pre-pay, remote disconnect, outage management system integration, meter data management and

communications. He discussed in detail the member concerns, security, health, cost and safety. He noted that the AMI system provider would provide safety and training programs for staff. He reviewed the cost summary. He took questions on his report.

Motion: Director Berman moved to accept Resolution 2013-11; Director Turner abstained; motion seconded and passed without dissent.

APPOINT ROUNDUP DIRECTOR

President Montoya requested a motion.

Motion: Director McCaw moved to appoint Director Rendon to the La Plata RoundUp Board of Directors; motion seconded and passed without dissent.

MOTION TO APPROVE FIRST NATIONAL BANK SIGNATURE UPDATE ON THE PATRONAGE ACCOUNT

CEO Munro briefly reviewed the request that was included in the board packet.

Motion: Director McCaw moved to approve Davin Montoya, President; Greg Munro, CEO; Dennis Svanes, CFO; and Rachel Lasiewicz, Controller as authorized signers on LPEA's Patronage Account with First National Bank of Durango; motion seconded and passed without dissent.

AWARD 2013 JOHN VOELKER MEMORIAL SCHOLARSHIP TO ALTERNATE RECIPIENT

CEO Munro discussed the reason for changing the award to the alternate.

Motion: Director Compton moved to approve the award for the John Voelker Scholarship committee recommendation to alternate Brandon Little of Durango High School; Motion seconded and passed without dissent.

ATTORNEY REPORT

Attorney Denning summarized the written attorney's report which included; Tri-State rate issues, which she indicated would be discussed in greater detail during the executive session, Attorney Bill McEwan attendance at the June board meeting, Frame/McCarthy foreclosure, Dickinson foreclosure, Tri-State Bylaw amendments, Utility Partners of America agreement and new director orientation. Director Compton requested to receive the updated memo on director fiduciary duties and obligations. She took questions on her report.

CEO REPORT AND STAFF REPORTS

CEO Munro pointed out the statistics report included in the board packet. He noted he added installed kW on net metered accounts to the statistics report. He reviewed the Tri-State committee and board meetings he attended. He took questions on his written report.

NRECA ENERGY EFFICIENCY SURVEY

CEO Munro pointed out the report which was included in the board packet. Director Rendon stated he thought the NRECEA end survey was fascinating and asked how you reach people to educate them.

RESIDENTIAL END USE SURVEY

CEO Munro pointed out the report which was included in the board packet. Discussion ensued on the details and results of the Tri-State Residential End Survey.

CEO REPORT AND STAFF REPORTS cont.

CFO Svanes highlighted the CFC Forum, he and Controller Rachel Lasiewicz attended. Manager of Operations, Steve Gregg highlighted new journeyman lineman apprentices hired, and reviewed in detail the fire prevention and mitigation that staff and crews were implementing which included; Crews are stepping up patrol on the lines for potential fire hazards and noted that outages could be longer due to patrolling the line and making sure the line is clear of fire hazards. He also stated that LPEA has crews taking trucks home to cover in their area and asked for members to be more aware and be aware of the emergency response network.

Manager of Engineering, Ron Meier gave a condemnation update and took questions on his written report.

Marketing & Communications Consultant, Indiana Reed also gave an update on the fire mitigation media and an update on advertizing of energy efficiency rebates.

Manager of Corporate Services, Mark Schwantes reviewed his written report and took questions. One item he discussed was the Tri-State Energy Efficiency credits. Discussion ensued on energy efficiency credits and rebate programs.

FINANCIAL REPORT

CEO Munro highlighted the financial report included in the board packet. CEO Munro and CFO Svanes both took questions on the financials.

STAFF CONFERENCE & TRAINING REPORT

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

BENEFITS REPORT

Human Resource Manager Linda Looman gave a PowerPoint presentation on the benefits report. Items in her report included: compensation elements, LPEA benefits, NON-NRECA benefits, active joint committees, summary of benefits offered, 401(k) retirements savings plan, she reviewed the move to Schwab Index Advantage, Roth 401(k), LPEA Medical plan (self funded) and the 2012 costs for the medical plan. She took questions on her report.

The regular board meeting recessed for lunch at 11:53 A.M. and President Montoya called the meeting back to order at 1:02 P.M.

ALTERNATIVE ENERGY PLAN – POSSIBLE ACTION

Manager of Corporate Services, Mark Schwantes presented the second draft of the Alternative Energy Plan (AEP). He gave an overview of the changes from Draft I to Draft II, and reviewed the updated executive summary. Other items discussed included: available renewable power, Tri-State allowed amount, historical overview, local renewable energy generation facilities, plan data and plan overview. He took questions on his report. Director Bassett asked if there were any micro hydro projects. Mark Schwantes indicated that LPEA had two so far. CEO Munro noted some of the irrigation canals had received grant moneys to get feasibility studies for micro hydro projects. CEO Munro reviewed the biomass and geothermal projects in Pagosa Springs and noted the representatives could come later in the year to discuss the projects with the Board. Mark Schwantes took additional questions on his report. Discussion ensued on the following items: renewable energy, list of potential companies to be included in the AEP Draft Plan III, policies to be identified for review and the schedule. Mark Schwantes gave a summary of the

edits and additions that would be added to Draft AEP version III which would include: plan document appendix, definitions, green power pricing, RPS analysis, generic power purchase agreement. Discussion ensued on the 5% allowed amount on renewable energy. Director Berman requested to consider a motion to move forward on the draft AEP, look at policies that need to be reviewed and creating policies needed for the AEP Plan. CEO Munro listed potential action items for the July LPEA board meeting. CEO Munro requested what the LPEA Board wanted to do to move forward with solar gardens. Director Bassett reviewed the three options for Solar Gardens from the May board meeting. It was determined to go forward with option 3 and that the parameters would be developed to be discussed in July for all three options to be presented at the July board meeting. Manager of Corporate Services Mark Schwantes will present an updated AEP draft III with recommended changes and will send out two weeks before the July board meeting for input.

4CORE REPORT

CEO Munro noted the strategic planning for 4CORE was moving forward. Manager of Corporate Services Mark Schwantes briefly reviewed 4CORE's downsizing and that they are figuring out what the new 4CORE will look like.

LA PLATA ELECTRIC ROUND UP FOUNDATION

Director Fox reported that the RoundUp Board met on Monday June 17, 2013. The board considered four grant requests this month; three RoundUp and one educational. The Roundup requests included Pagosa Youth Archery Program and it was fully funded for \$400; Smile Makers Dental Clinic was fully funded for \$1,300; Durango Railroad Historical Society was partially funded for \$1,250. There was one educational request from Music in the Mountains and it was fully funded for \$1,400. As of May 31, 2013 there were 13,973 members rounding up their bills with a decrease of 43 during the previous month.

FASTTRACK REPORT

Director Wheeling gave highlights of the last board meeting which included the Bayfield fiber build, update on Eaglenet proposed project and potential office lease space for FastTrack. He took questions on his report.

WESODI REPORT

Director McCaw noted WESODI had a board meeting June 17, 2013. He noted that the following items in his report: accounts payable would be up to date by next week, still working on two projects, one in Arizona and one at Three Springs, downsized the staff to four full time employees, update on the sale of equipment and that the line of credit would be paid in full by the first of August. He took questions on his report.

TRI-STATE REPORT

Director Wheeling reviewed his written report and noted he attended the Tri-State Manager's meeting and items reviewed included, renewable RFP, reference to the SB 252, discussion on capital credits for New Mexico and the Tri-State Rate Issues Committee. He took questions on his report.

CREA REPORT

Director Berman reported that he had attended the CREA meeting which was held at Holy Cross Energy in Glenwood Springs. He noted that Holy Cross had reported they had seen a two and half percent decrease in the efficiency measures and conservation endeavors. He briefly

reviewed the Substation that looks like a barn at Holy Cross Energy and the Colorado Country Life ad on Senate Bill 252. Discussion ensued.

WESTERN UNITED REPORT

Director Formwalt noted the Western United meeting was not until next week. He gave highlights of the happenings with Western United and summarized their written report which was included in the June board packet.

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 June board packet; Director reimbursement report, capital credits and refunds, safety report, outage report, capital items report, consultant and contractor report, construction & maintenance reports, financial report plus, county fairs discussion, AEP draft plan III and Tri-State rate issues.

Discussion ensued on potentially scheduling a board retreat, the purpose and if to include it in the strategic planning meeting in the fall. CEO Munro stated the strategic planning meeting is in October and asked the Board for a decision to either include the board retreat during the strategic planning or to keep it separate. It will be an agenda item for July. Director Berman requested to add policy 214 on the agenda for July for review.

Director Wheeling left the LPEA board meeting at 3:29 P.M.

UPCOMING EXTERNAL MEETINGS

President Montoya noted the list in the board packet. CoBank Energy Directors Conference, June 25-27 in Colorado Springs, NRECA Director Summer School, July 19-24, 2013, Traverse City, MI, Region 7 & 9 Meeting, October 15-17, 2013 in Portland, OR.

President Montoya addressed the Member (Andrea Powers) request on line extension construction costs. Manager of Engineering, Ron Meier reviewed the property and the line extension policy. Discussion ensued on the topic of line extension costs. It was determined to contact the member and reiterate that the line extension policy cannot be changed for one member.

President Montoya noted the Board Committees and left everyone on the committees they were on and added the new directors to the committees. President Montoya asked CEO Munro to put the subject of Committees on the July Agenda.

TRI-STATE RATE ISSUES

Executive session

EXECUTIVE SESSION

Motion: Director McCaw moved to go into executive session to discuss Tri-State rate issues at 3:50 P.M. motion seconded and carried without dissent.

The board came out of executive session at 5:07 P.M.

The regular LPEA board meeting reconvened at 5:07 P.M.

OTHER BUSINESS

None

With no further business, the regular board meeting adjourned at 5:08 P.M.

Recorded by: Laura Rome

A handwritten signature in black ink, appearing to read "Davin Montoya".

Approved by:

Davin Montoya, President

A handwritten signature in blue ink, appearing to read "Ken Fox".

Ken Fox, Secretary