

LA PLATA ELECTRIC ASSOCIATION, INC.
Committee of the Whole Meeting
April 18, 2016
Durango, Colorado

I. CALL TO ORDER

The Committee of the Whole of the regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Monday, April 18, 2016, in Durango, Colorado. President Rendon called the meeting to order at 9:00 A.M., with the following Directors present:

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

Excused absence:

None

LPEA Staff:

Mike Dreyspring, Chief Executive Officer
Dennis Svanes, Chief Financial Officer
Ron Meier, Manager of Engineering, Member Relations and Marketing
Dan Harms, Manager of Rates, Technology, and Energy Policy
Justin Talbot, Manager of Operations
Indiana Reed, Marketing & Communications Consultant
Charis Charistopoulos, Executive Assistant
Barry Spear, Attorney

GUESTS (from sign in sheet). The following guests were present: Betsy Romere, John Beebe, and Dan Huntington

VIII. RATE DESIGN REPORT: RATE DESIGN CONCEPT: TOU AND DEMAND –

Dan Harms presented the monthly rate design education topic in accordance with the LPEA rate timeline for the year. In order to establish a rate design framework for understanding cost variations within the LPEA service territory and explore differences in demand and customer expense based on location, Harms discussed findings of the impact of demand expense on the energy charges and base charges for urban and rural residential customers.

Harms discussed the challenges in defining rural boundaries, and explained the methodology of determining dollars per 2 square mile area on the service territory grid and based on the number of transformers per customer. The results will be displayed on a “heat map” that reflects high and low ranges of customer and demand expenses, and the corresponding impacts to base and energy rates during the May rate design discussion. CEO Dreyspring will check rates and distance charges in other service territories for comparison and report findings as well.

REVIEW RECORDING OF BOARD MEETINGS – Dan Harms reviewed technical options for audio and/or visual recording of Board meetings for public access. A recording device is currently being utilized for the sole purpose of accuracy in minute taking, the contents of which are deleted upon final approval of the minutes at the monthly Board meetings.

Discussion ensued around global concepts of transparency, the potential for misunderstanding information without access to visual presentations, discovery challenges associated with potential litigation, and practical issues of posting and maintaining such files. CEO Dreyspring will poll other coops about recording meetings and report findings at the May Board meeting. A request to continue discussion in May was met favorably with a 6/5 show of hands, and 1 abstention.

REVIEW VEGETATION MANAGEMENT POLICY – Justin Talbot reported that a rough draft of a Vegetation Management policy is being reviewed by Attorney Spear and Federated Insurance, and will be available for Board review in May and approval in June. The policy is in response to the Jemez fire liabilities, and addresses risk mitigation through tree removal and/or trimming outside of right-of-way easements.

CSG ROUND 2 – CEO Dreyspring discussed outcomes from the Power Supply workshop with the Board of Directors in March, and the importance of addressing the impact of Community Solar Gardens (CSG) on the 5% distributive generation (DG) allowance by Tri-State, relative to our All Power Requirements contract, within the Strategic Plan. Dan Harms provided an illustration of the 2015 local DG allocations and discussed the possibility of exceeding the 5% maximum allowance posed by potential outliers such as Williams waste heat generation, the loss of an industrial customer if they move into self-generation, and the Pagosa biomass project.

Harms recommended the development of an RFP for additional renewable generation to be added to LPEA's system with the possible incorporation of storage. If it is unable to produce below the Policy 115 credit, then consideration could be given to another CSG. The potential for storage and steering subsidies towards incentives for storage was discussed.

Dreyspring recommended postponing a decision to move forward with CSG Round 2, stating that information from the power supply gaps analysis and the 5% APR self-generation limit will be presented at the May Board meeting.

ROUND-UP FOUNDATION REPORT – Director McInnis reported that donations from large community partners have dried up, which has almost tripled the number of Round-Up applications as the Board considers how to increase membership. With Round Up reserves of more than \$50,000, and UCC reserves of more than \$23,000, the Board has been able to meet increased funding requests from the community.

FASTTRACK COMMUNICATIONS REPORT – Director Wheeling reported that the FTC Annual Shareholders meeting would be held Tuesday, April 19. Engineering specialist, John Monday was hired by DMEA to lead their fiber-to-the-home project. Sales are healthy and Monday's successor is being sought.

TRI-STATE REPORT – Director Wheeling, who was recently elected Vice President of the Tri-State Board of Directors, spoke about the recent Annual Meeting and bylaws changes.

CREA REPORT – Director Berman reported that due to adverse weather, a brief meeting was conducted via conference call rather than the scheduled meeting in Denver.

WESTERN UNITED REPORT – Director Formwalt noted the report included in the Board packet.

4 CORE REPORT – Director Turner reported that 4CORE requested \$28,000 from UCC to fund the Southwest Horizons CSG project.

IV. CEO AND STAFF REPORTS – Staff presented and took all questions on the written report included in the Board packet. Of note, CEO Dreyspring gave an update on the Pagosa Franchise Agreement, and reported that the Member Survey closed Monday and ballots will ship to the tabulation company tomorrow. Donna Graves will present results at the May Committee of the Whole meeting.

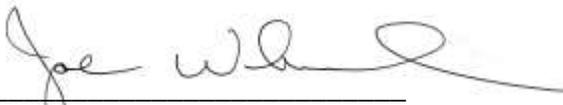
VII. ATTORNEY REPORT – Attorney Spear addressed and took questions on the written report included in the Board packet.

IV. QUARTERLY FINANCIAL REPORT – CFO Svanes presented and took questions on the written report included in the Board packet, which included 2015 sales, revenue, expenses, forecast and equity management policy. A report for the On-Bill Financing project will be presented at the May Board meeting.

There being no further business, the LPEA Committee of the Whole meeting adjourned at 1:45 PM.

Recorded by: Charis Charistopoulos

Approved by: 
Davin Montoya, President


Joe Wheeling, Secretary