

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Minutes of Meeting
April 20, 2016
Durango, Colorado

I. CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, April 20, 2016 in Durango, Colorado. President Rendon called the meeting to order at 9:00 A.M., with the following Directors present:

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

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, Ron Bishop, John Beebe, Trevor Hewitt, Tony Hudspeth, Dan Huntington, Lissa Ray, Harry Reigle, Doug Lyon, and Lori Schell

Vice President Compton led the Board, Staff, and guests in reciting the Pledge of Allegiance.

I. APPROVAL OF AGENDA

President Rendon addressed the April 20, 2016 agenda.

Motion: Motion by Director Lynch to approve the agenda; motion seconded and carried unanimously.

II. MEMBER COMMENTS AND CONCERNS – Lissa Ray restated a request previously made in 2015 to have audio transcripts of LPEA Board meetings available online for member reference. President Rendon stated that the topic was discussed Monday, April 18, at the

Committee of the Whole meeting. Dan Harms stated that the topic will continue at the May 18 Board meeting.

III. CONSENT BOARD ITEMS

The consent board items were presented.

Motion: Director McInnis moved to approve consent items: capital credit payments to estates, monthly write-offs, accepting new members and minutes of the March 2016 Committee of the Whole and Board meeting.

Motion seconded, and carried unanimously.

IV. CEO AND STAFF REPORTS

Written reports by CEO Dreyspring and Staff were included in the March Board packet and presented at the Committee of the Whole meeting. Quarterly Reports on Consultants and Contractors, Safety and Outages, and Construction and Maintenance were also included in the Board packet and staff took questions.

V. ITEMS REQUIRING BOARD ACTION

ANNUAL MEETING UPDATE -- CEO Dreyspring gave an update on the timeline, May 6 walk-through, and possible attendance of Tri-State representatives. The meeting will wrap up at noon with Q&A taking place during lunch. Name corrections on the timeline were noted and will be corrected.

REVIEW OF NEW MEMBER LIST APPROVAL TIMING -- It was determined that a Special Meeting will take place at 9:00 AM prior to the opening of the Annual Meeting at 10:30 AM to allow the Board of Directors to review and approve the New Member List. The meeting will be publicly noticed by Tuesday, April 26.

TIME ALLOCATION DETAIL FOR BUSINESS MEETING – Time allocation for presenters was reviewed with no discussion.

RESOLUTION 2016-05 DISTRICT 3 ELECTION CANCELLATION – Doug Lyon ran unopposed for Director for District 3, causing cancellation of the election.

Motion: Director Wheeling moved to approve Resolution 2016-05; motion seconded and carried unanimously.

RESOLUTION 2016-03 ESC, AMENDMENT TO DISTRICT 1 – The resolution was amended to remove Bruce Keunig, who is not a member, and add Mason Carpenter.

Motion: Director Formwalt moved to approve Resolution 2016-03; motion seconded and carried unanimously.

RESOLUTION 2016-06 ALLOCATION OF PREVIOUS YEAR MARGINS – Per bylaws and Board Policy 205, 100% of prior year operating margins are allocated to members annually.

Motion: Director Formwalt moved to approve Resolution 2016-06; motion seconded and carried unanimously.

VI. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

TRI-STATE POLICY 115, SUAE SOLAR FACILITY – CEO Dreyspring advised that all Purchase Power Agreements (PPA) with SUAE have been signed, and the solar project is now in the planning stages. In light of economic benefits, consideration is being given to making an application to Tri-State for the project under Policy 115, if it passes. It is believed that Tri-State will lower the rate tables in June.

Discussion ensued regarding Policy 115, net metering, Tri-State’s stated position, QFs, the timing of the FERC decision, and social responsibility of co-ops around coal plants. Decisions about other CSG projects will be postponed until after more clarity is achieved from the Power Supply Gaps Analysis discussion at the May 18 Board meeting.

NEW DIRECTOR ORIENTATION, MAY 9, 2016– CEO Dreyspring reviewed the process of orienting incoming Directors, and requested that outgoing President Rendon volunteer to assist with new Director orientation until officer elections are held at the May 16, Committee of the Whole meeting. Rendon agreed to assist, and there was agreement among the Board to permit Rendon to do so.

Director Turner joined the meeting at 10:15 AM

DIRECTOR REIMBURSEMENTS - Treasurer Barger reported the Director expense items which include the March 30 Power Supply workshop.

LPEA Mileage Reimbursements

Karen Barger	\$42.12	Bob Lynch	\$129.60
Britt Bassett	\$00.00	Kohler McInnis	\$25.92
Jeff Berman	\$00.00	Davin Montoya	\$56.70
Tom Compton	\$56.70	Michael Rendon	\$00.00
Robert Formwalt	\$129.60	Jack Turner	\$42.12
Mark Garcia	\$194.40	Joe Wheeling	\$42.12

LPEA Board Meetings

Karen Barger	\$1600.00	Bob Lynch	\$1600.00
Britt Bassett	\$1600.00	Kohler McInnis	\$1600.00
Jeff Berman	\$1600.00	Davin Montoya	\$1600.00
Tom Compton	\$1600.00	Michael Rendon	\$1600.00
Robert Formwalt	\$1400.00	Jack Turner	\$1600.00
Mark Garcia	\$1600.00	Joe Wheeling	\$1600.00

Other External Meetings

Karen Barger	\$00.00	Bob Lynch	\$899.16
Britt Bassett	\$00.00	Kohler McInnis	\$220.28
Jeff Berman	\$928.07	Davin Montoya	\$00.00
Tom Compton	\$00.00	Michael Rendon	\$00.00
Robert Formwalt	\$00.00	Jack Turner	\$2702.75
Mark Garcia	\$00.00	Joe Wheeling	\$00.00

Motion: Director Garcia motioned to approve Director expenses as presented. Motion was seconded and carried.

REVIEW OF TRI-STATE GENERATION PLANT DEPRECIATION AND VALUE, GUEST PRESENTER: CEO, MIKE MCINNES – Following introductions from Tri-State CFO Pat Bridges, V.P. of Marketing, Trading, and Risk Management, Brad Nebergall, V.P. of Member Relations, Jennifer Goss, and General Counsel, Ken Reif, CEO, Mike McInnes described Tri-State’s perspective that itself and the 44 member co-ops are stronger collectively than they are individually; and though Tri-State’s views may differ, the underlying focus is for the greater good of all.

Goss shared Tri-State’s focus on member engagement through the establishment of several Member Advisory Councils, a member review of contracts and rate design, orientation programs for member system’s managers and Boards of Directors, and developing Relationship Managers to provide customer service and support for a portfolio of members on a 24-hour basis.

CFO Bridges spoke to Tri-State’s endeavor to manage costs and not require additional revenue to manage growth. Member sales are slow but above the national average, and rates have held steady for three years.

Nebergall reported that Tri-State remains operationally strong and noted the Colowyo mine operations, the J.M. Schafer natural gas station integration, improved systems reliability and reduced cost by joining the Southwest Power Pool for eastern interconnect facilities. Renewables are becoming a bigger part of the portfolio. Three new projects have been approved for utility scale wind and solar projects, and the Colorado Highlands wind project has been expanded. Member Distributed Generation projects are expected to reach nearly 100 MW by May of 2016; and the Department of Energy named Tri-State the Large Wind Co-op of the Year.

Reif reported that Tri-State remains 100% compliant with all regulations, with a safety record above the national average, and that the Board’s strategic goals include mitigating unreasonable regulation where costs outweigh benefits. Reif discussed Tri-State’s challenge with the Clean Power Plan and its work with states to address implementation challenges, stating that the US Supreme Court stayed implementation of the CPP prior to ruling on the merits which was a signal that the regulation was unlawful.

CEO McInnes gave some closing words and opened the floor to questions.

XI. EXECUTIVE SESSION

Motion: Motion by Director Compton to go into executive session to discuss a Tri-State issue pertaining the San Juan Connect transmission line. Motion seconded and carried unanimously. The Board of Directors went into Executive Session from 1:02 PM to 2:52 PM.

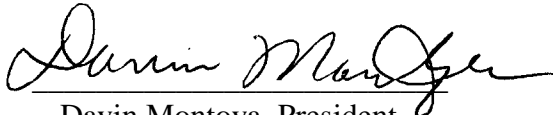
IX. UPCOMING EXTERNAL MEETINGS – Upcoming external meetings were discussed and no additional training and travel was requested.

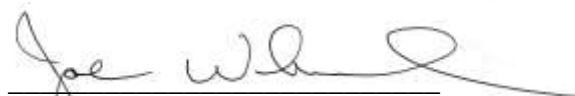
X. REVIEW OF CEO ACTION LIST -- CEO Dreyspring reviewed the list of action items taken from the Board meeting, and answered all questions.

XII. FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES – The Board reviewed the items and schedule and had no questions.

There being no further business, the LPEA Board of Directors meeting adjourned at 3:11 PM.

Recorded by: Charis Charistopoulos

Approved by: 
Davin Montoya, President


Joe Wheeling, Secretary