

LA PLATA ELECTRIC ASSOCIATION, INC.
Committee of the Whole Meeting
May 16, 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, May 16, 2016, in Durango, Colorado. Secretary Berman called the meeting to order at 9:01 A.M., with the following Directors present:

Mike Alley	Bob Formwalt	Kohler McInnis
Karen Barger	Dan Huntington	Davin Montoya
Britt Bassett	Bob Lynch	Jack Turner
Jeff Berman		Joe Wheeling

EXCUSED ABSENCE:

Doug Lyon

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, Lori Schell, and Donna Graves.

VIII. COMMITTEE OF THE WHOLE MEETING

OFFICER ELECTIONS -- Attorney Spear apprised the Board of the policy and procedure for nominating and electing officers. Spear accepted and counted handwritten nominations for executive officers. Davin Montoya was elected by majority vote to the office of Board President; Kohler McInnis was elected by majority vote to the office of Board Vice President; Joe Wheeling was elected by majority vote to the office of Board Secretary; Karen Barger was re-elected by majority vote to the office of Board Treasurer.

Motion: Motion by Director McInnis to accept officers as elected by majority vote; motion seconded and carried without dissent.

APPOINT REPRESENTATIVES: TRI-STATE, CREA, ROUND UP, 4CORE, WESTERN UNITED—Attorney Spear accepted and counted hand written nominations for representatives to Tri-State, CREA, Round Up Foundation, 4CORE, and Western United. Joe Wheeling was elected by majority vote to serve as the delegate to Tri-State; Kohler McInnis was elected by majority vote to serve as the delegate to CREA (Bob Formwalt agreed to serve as alternate); Mike Alley and Kohler McInnis were elected by majority vote to serve as the Board representatives to the Round-Up Board; Robin Duffy-Wirth was elected by majority vote to serve as the representative for 4CORE on behalf of the LPEA Board; Bob Formwalt was elected by majority vote to serve as the delegate for Western United (Kohler McInnis agreed to serve as alternate).

Motion: Motion by Director Huntington to accept representatives as elected by majority vote; motion seconded and carried without dissent.

APPROVAL OF COMMITTEE OF THE WHOLE MEETING AGENDA

Motion: Motion by Director Formwalt to approve the Committee of the Whole agenda as presented; motion seconded and carried without dissent.

RATE TOPIC: GEOGRAPHIC RATE DESIGN STUDY RESULTS— Dan Harms presented the monthly rate design education topic in accordance with the LPEA rate timeline for the year. Harms presented findings from a geographic rate design study designed to gain knowledge and understand cost variations across the service territory and discuss differences in customer and demand expenses, as well as costs related to capital expenditures. The study revealed that 90% of the customer expenses are within 5% of the \$16.44 system average; 90% of demand expenses are within 60% of the \$13.10 system average; and no natural boundaries exist to distinguish areas of higher expense. The study will be used to indicate that a capital project in an area with a high cost to serve may be more likely to have an alternative solution. Discussion on cost to serve included impact of line loss, LED use impact on demand, and the danger of violating the cooperative principle of serving concentrated and far reaching areas equitably.

EVALUATE TOU HOURS—Harms continued the rate design education presentation with an evaluation of off-peak and on-peak hours. Time of Use hours (TOU) were designed to avoid LPEA peaks and reduce the demand expense of power purchased from Tri-State (TS). Harms discussed the evolution of TS rates and LPEA’s resulting rate design response from 2013 to present. He discussed winter and summer load and demand peaks; and proposed changes in General Service, Commercial, and Irrigation customer TOU hours. Harms also recommended a requirement that ETS and water heaters controlled by an LPEA meter would be done at the discretion of LPEA in order to control load.

RFP FOR LEGAL SERVICES—There was consensus among the Board to move this discussion to take place in executive session.

MEMBER SURVEY RESULTS – Donna Graves presented the results of the April 2016 member survey which was designed to assess member satisfaction with the delivery of LPEA services.

REVIEW POLICY 127 DIRECTOR ELECTIONS AND ANNUAL MEETING VOTING PROCEDURES – CEO Dreyspring led a discussion of Policy 127 and asked for feedback about the 2016 LPEA Annual Meeting voting procedures. District 4 ESC representative, Betsy Romero advised that names of joint memberships were not on the ballot envelope and may have led to the discarding of ballots. Dreyspring stated that ballot envelopes will be revised to include names for joint members. Signature verification is used to authenticate a ballot before the ballot gets separated from the privacy sleeve; without an authenticating member signature, the ballot cannot be counted. Revisions to the policy will be presented at the June 2016 Board meeting. Third party ballot supervisor, LPC Clerk and Recorder, Tiffany Parker will be invited to review the election process with the Board. Discussion of approving New Members resulted in a recommendation by Attorney Spear to draft bylaw changes to allow attending members to approve the New Member List during the Annual Meeting.

CREA REPORT – Director Berman advised that CREA would like to survey member co-ops for feedback on important issues in order to improve service. CEO Dreyspring will seek input from staff and discuss results with the LPEA Board in June. Director Berman addressed the CREA report provided in the Board packet and took questions.

ROUND-UP FOUNDATION REPORT – Director McInnis addressed the written report included in the Board packet and took all questions.

FASTTRACK COMMUNICATIONS REPORT – Director Wheeling reported that April was the best month YTD; and that FTC is moving forward with a Fiber-To-The-Home-and-Business Initiative, beginning with Durango. Director McInnis reported that he attended FTC Shareholder meeting and was impressed with the Board of Directors. Director Barger also attended the Shareholder meeting and reported that she too was impressed with the Board and that the meeting was well run.

TRI-STATE REPORT – Director Wheeling, Tri-State Board Vice President, addressed the report provided by Tri-State CEO, Mike McInnes which was included in the Board packet. Wheeling touched on S&P rating upgrade, Kit Carson Electric Cooperative’s withdraw date of June 30, Strategic Planning topics, and Finance Committee discussion of change in usage of coal and the impact on jobs before taking all questions.

WESTERN UNITED REPORT – Director Formwalt addressed the written report included in the Board packet and touched on finances, the test lab, and credit retirements.

4 CORE REPORT – Director Turner reported that 4CORE’s presentation on SW Horizon’s CSG was received favorably. The LPEA Board asked that Kirk Schneider or Lori Dickson present again to the new Board and apply for UCC grant to fund the CSG project. CEO Dreyspring will contact Schneider and Dickson to present in June.

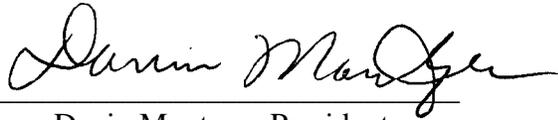
EXECUTIVE SESSION

Motion Director McInnis motioned to move into executive session to discuss the RFP for legal services. Motion seconded and carried without dissent. The Board went into executive session from 1:55-2:15 PM.

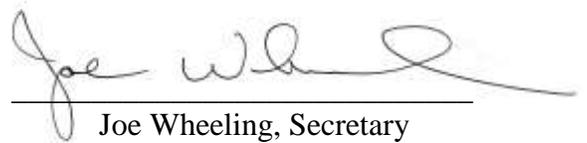
There being no further business, the LPEA Committee of the Whole meeting adjourned at 2:16 PM.

Recorded by: Charis Charistopoulos

Approved by:



Davin Montoya, President



Joe Wheeling, Secretary