

LA PLATA ELECTRIC ASSOCIATION, INC.  
Board of Directors Minutes of Meeting  
February 15, 2017  
Durango, Colorado

**I. CALL TO ORDER**

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, February 15, 2017 at the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 9:02 A.M., with the following Directors present:

|                         |                |                                |
|-------------------------|----------------|--------------------------------|
| Mike Alley              | Bob Formwalt   | Kohler McInnis, Vice President |
| Karen Barger, Treasurer | Dan Huntington | Davin Montoya, President       |
| Britt Bassett           | Bob Lynch      | Jack Turner                    |
| Jeff Berman             | Doug Lyon      | Joe Wheeling, Secretary        |

**LPEA STAFF:**

Mike Dreyspring, Chief Executive Officer  
Dennis Svanes, Chief Financial Officer  
Dan Harms, Manager of Rates, Technology, and Energy Policy  
Ron Meier, Manager of Engineering, Member Relations and Marketing  
Justin Talbot, Manager of Operations  
Linda Looman, Manager of HR and Customer Service  
Indiana Reed, Marketing & Communications Consultant  
C. E. Charistopoulos, Executive Assistant  
Shay Denning, Attorney  
Betsy Lovelace, Customer Service Supervisor

**EXCUSED ABSENCE:**

**GUESTS** (from sign in sheet): The following guests were present: Betsy Romere, Michael Bell, Tony Hudspeth, Karl Herr, Mary Lynne Herr, Michael Moravan, Susan Atkinson

Director Lynch led the Board, Staff, and guests in reciting the Pledge of Allegiance.

**I. APPROVAL OF AGENDA**

**Motion:** Director McInnis moved to approve the agenda as presented. Motion seconded and carried without dissent.

**II. MEMBER COMMENTS AND CONCERNS** — Member, and Community Solar Garden (CSG) subscriber, Mary Lynn Kerr voiced concern about the decrease in the amount of credit she receives for solar production on the Time of Use rate. She asked to establish a standard rate for CSG subscribers rather than adjust the rate to achieve parity with the Net Metered accounts. Dan

Harms pointed out that the new rate is co-incident with Tri-State peaks, which helps to offset load, and will meet with her for further discussion.

Member Susan Atkinson shared concerns about climate change. A member of Citizens Climate Lobby, she is advocating for less dependence on coal and asked what LPEA can do to shift to more renewables. Director Lyon advised her about the opt-in Green Power program that is available to members for 63 cents per month to offset usage with Green Power. Atkinson suggested that the program be an opt-out, rather than opt-in option for greater participation. CEO Dreyspring showed a graph that represents LPEA's 2016 fuel sources. Approximately 22% of LPEA's energy resources are renewable, with an additional 10% from other non-carbon, (Glen Canyon Dam) hydro resources. Director Wheeling advised that efforts to subscribe to the Green Power Program demonstrate public interest, which generates legislation, and makes a statement. Ron Meier shared that LPEA is working on re-marketing the Green Power Program, as well as the Green Block Fund, which is available to support local renewable projects.

Member Michael Moravan inquired if the Board had any desire to pursue large capacity storage, power packs, or battery walls. Moravan's foundation is providing 50% of the funding for the installation of a Tesla battery wall experiment at the Socorro Senior Living Apartments in Pagosa Springs. CEO Dreyspring affirmed that LPEA is exploring battery storage, and Director Bassett invited Mr. Moravan to contact him to discuss how his foundation might be able to collaborate.

**III. CONSENT BOARD ITEMS** — Director Montoya addressed the Consent Board Items. Director McInnis requested removal of a redundant word on page 1 of the minutes.

**Motion:** Director Barger moved to approve the consent items: accepting new members, capital credit payments to estates, monthly write-offs, and minutes for the January 18, 2017 Board meeting with the approved correction. Motion seconded, and carried without dissent.

**IV. CEO AND STAFF REPORTS** — CEO Dreyspring discussed an analysis of the 2016 Tri-State wholesale power costs, touched on House and Senate bills discussed at the CREA legislative session, and noted that LPEA Staff will follow issues closely, process Board input, and be actively involved in efforts to shape legislation. CFO Svanes advised that the financial audit went well, and that BKD Auditors and Advisors in Denver, CO will present findings at the March 15, 2017 Board meeting. In the Financial Report, Svanes noted that January revenue was down from forecast due to warmer weather than predicted.

Linda Looman highlighted initiatives underway to improve employee development and engagement through expanded orientations, LPEA Leadership Development, Supervisors Roundtable, and regular employee check-ins. Betsy Lovelace reported on call-center statistics for calls taken, average talk and hold time, nature of calls, number of payments taken, and kiosk activity. The most common member complaint was receiving a notice of disconnect for non-

payment, and a few complaints were received for not being able to pay by phone. Customer satisfaction was very high.

Justin Talbot reported that more system maintenance is taking place now that storms have passed, discussed the culture of safety and the critical nature of personal protective equipment, and noted that LPEA is hosting a statewide Operations and Engineering Personnel Conference in April. Dan Harms discussed the increase in TOU participation and the positive effect it has had on shifting load outside of Tri-State's peak period. In an effort to better communicate with 2% of CSG customers who are on the TOU rate and experiencing a negative impact on their bill, a new line item reflecting the difference has been added.

## **V. ITEMS REQUIRING BOARD ACTION**

**RESOLUTION 2017-01 LINE EXTENSION POLICY REVISION** – Ron Meier discussed revisions to the Line Extension Policy, which now allows a \$1,500.00 construction credit for permanent residential service, without proof of permanency in the form of a building permit. Meier took all questions.

**Motion:** Director Wheeling moved to adopt Resolution 2017-01 Line Extension Policy. Motion seconded and carried without dissent.

The revised policy goes into effect April 1, 2017.

**RESOLUTION 2017-02 ELECTION SUPERVISORY COMMITTEE APPOINTMENTS** – President Montoya addressed Resolution 2017-02 Election Supervisory Committee Appointments for the 2017 LPEA Annual Meeting, May 13, 2017, at the Sky Ute Event Center in Ignacio, CO.

**Motion:** Director Huntington moved to adopt Resolution 2017-02 Election Supervisory Committee Appointments. Motion seconded and carried without dissent.

**LPEA POLICY REVIEW AND POSSIBLE APPROVAL: POLICY 302 SCHOLARSHIP PROGRAM** – CFO Svanes addressed the consolidation of Policy 403 GED Testing Scholarships and Policy 416 LPEA/John Voelker Vocational Scholarship, into Policy 411 La Plata Electric Scholarship Program. Policy 411 La Plata Electric Scholarship Program is renumbered as Policy 302 Scholarship Program.

**Motion:** Director Barger moved to adopt Policy 302 La Plata Electric Scholarship Program. Motion seconded and carried without dissent.

**LPEA POLICY REVIEW AND POSSIBLE APPROVAL: DISCUSS RESCISSION OF POLICY 403 GED TESTING SCHOLARSHIPS AND POLICY 416 LPEA/JOHN VOELKER VOCATIONAL SCHOLARSHIP**

**Motion:** Director McInnis moved to rescind Policy 403 GED Testing Scholarships, and Policy 416 LPEA/John Voelker Vocational Scholarship, since provisions of these policies are included in the approved Policy 302. Motion seconded and carried without dissent.

**LPEA POLICY REVIEW AND POSSIBLE APPROVAL: DISCUSS RESCISSION OF POLICY 203 DEPOSIT OF MONEY RECEIVED**— CFO Svanes addressed the recommendation to rescind Policy 203 Deposit of Money Received, and took questions.

**Motion:** Director Formwalt moved to rescind Policy 203 Deposit of Money Received since provisions of this policy are included in Policy 103, Delegations of Authority from Board of Directors to CEO. Motion seconded and carried without dissent

**LPEA POLICY REVIEW AND POSSIBLE APPROVAL: DISCUSS RESCISSION OF POLICY 412 HAZARD COMMUNICATION PROGRAM AND POLICY 413 LOSS CONTROL PROGRAM FROM CREA** — CFO Svanes addressed the recommendation to rescind Policy 412 Hazard Communication Program, and Policy 413 Loss Control Program From CREA and took questions.

**Motion:** Director Huntington moved to rescind Policy 412 Hazard Communication Program and Policy 413 Loss Control Program From CREA since provisions of these policies are included in Policy 103. Motion seconded and carried without dissent

**APPOINT APRIL 19, 2017 FASTTRACK COMMUNICATIONS ANNUAL MEETING VOTING DELEGATE AND ALTERNATE MEETING** —

**Motion:** Director Lyon moved to appoint Director McInnis as the FastTrack Communications Annual Meeting voting Delegate. Motion seconded and carried without dissent.

**Motion:** Director Barger moved to appoint Director Huntington as the FastTrack Communications Annual Meeting Alternate Delegate. Motion seconded and carried without dissent.

## **VI. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION**

**ANNUAL MEETING UPDATE: REVIEW ANNUAL MEETING AGENDA** – Ron Meier led a discussion about considerations for the Annual Meeting theme and guest speaker; and reviewed public notice requirements for LPEA Bylaws compliance.

**ANNUAL MEETING UPDATE: REVIEW OF POLICY 127 ANNUAL MEETING** – Ron Meier reviewed procedures established for Director elections at the Annual Meeting, and discussed timeline requirements for public notice as set forth in the Bylaws. The Board

discussed three scenarios for dealing with ballot printing logistics, and the timing of Board action required to cancel an uncontested election, and mailing of ballots.

**Motion:** Director Formwalt moved to mail contested ballots on April 13, 2017 and delay mailing of uncontested ballots until after the April 19, 2017 Board meeting. Motion seconded and carried without dissent.

**VII. ATTORNEY REPORT** — Referring to the written report included in the Board packet, Attorney Denning highlighted work done for LPEA and took all questions.

**VI. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION**

**COMMUNITY DONATIONS AND SCHOLARSHIPS** – The Community Donations and Scholarships Report was included in the Board packet for reference. No questions or comments were taken.

**CSG TOU COMPENSATION** – Dan Harms and Attorney Denning discussed how Time of Use credits are applied to Community Solar Garden subscriber accounts. The NISC billing system used by the cooperative is very sophisticated and broad in its application; however, it does not currently have the capability to automate LPEA’s method of applying credits as stated in the CSG Program Requirements. Currently, seven CSG TOU customers receive 63% more credit than Net Meter solar account customers. Attorney Denning recommended changing the requirements to avoid a discriminatory rate and treat all solar customers the same. Dan Harms applied a blended rate of on and off-peak compensation to the CSG accounts and achieved parity that is within 2% of the compensation received by Net Meter accounts.

**Motion:** Director Formwalt moved to adopt the revisions to the LPEA Solar Garden Requirements Program. Motion seconded by Director McInnis. Motion carried 7 to 5, with Directors Turner, Bassett, Berman, Lynch, and Barger opposed.

**DIRECTOR EXPENSE APPROVAL** — Treasurer Barger reported the Director expense items to be reimbursed.

LPEA Mileage Reimbursements

|                 |         |                |         |
|-----------------|---------|----------------|---------|
| Mike Alley      | \$64.20 | Bob Lynch      | \$64.20 |
| Karen Barger    | \$27.82 | Doug Lyon      | \$2.14  |
| Britt Bassett   | \$00.00 | Kohler McInnis | \$17.12 |
| Jeff Berman     | \$00.00 | Davin Montoya  | \$39.59 |
| Robert Formwalt | \$64.20 | Jack Turner    | \$13.91 |
| Dan Huntington  | \$25.68 | Joe Wheeling   | \$28.89 |

LPEA Board Meetings

|              |           |           |           |
|--------------|-----------|-----------|-----------|
| Mike Alley   | \$1200.00 | Bob Lynch | \$1200.00 |
| Karen Barger | \$1200.00 | Doug Lyon | \$1200.00 |

|                 |           |                |           |
|-----------------|-----------|----------------|-----------|
| Britt Bassett   | \$1200.00 | Kohler McInnis | \$1200.00 |
| Jeff Berman     | \$1200.00 | Davin Montoya  | \$1200.00 |
| Robert Formwalt | \$1200.00 | Jack Turner    | \$1200.00 |
| Dan Huntington  | \$1200.00 | Joe Wheeling   | \$1200.00 |

Other External Meetings

|                 |          |                |           |
|-----------------|----------|----------------|-----------|
| Mike Alley      | \$00.00  | Bob Lynch      | \$00.00   |
| Karen Barger    | \$925.00 | Doug Lyon      | \$00.00   |
| Britt Bassett   | \$00.00  | Kohler McInnis | \$1850.00 |
| Jeff Berman     | \$600.00 | Davin Montoya  | \$125.00  |
| Robert Formwalt | \$800.00 | Jack Turner    | \$600.00  |
| Dan Huntington  | \$800.00 | Joe Wheeling   | \$125.00  |

**Motion:** Director Turner moved to approve Director expenses as presented. Motion seconded and carried without dissent.

**VIII. DIRECTOR REPORTS AND OTHER BOARD ACTIONS**

**ROUND-UP FOUNDATION REPORT** — Director McInnis reported January Round-Up grants and Educational grants were made to the Bayfield Association for the Advancement of Music (\$1,500), ELHI Community Center (\$2,500), and San Juan Historical Society (\$1,000). Education Grants were SOS Outreach (\$2,000), Escalante Middle School (\$1,000), and Ignacio School District (\$1,100). In 2016, total contributions from members to Round Up were \$89,327, up \$4,167. Total Round Up grants in 2016 were \$90,501. Educational grants funds available in 2016 were \$48,000, and \$59,440 was granted. In both instances, the Round-Up Board opted to dip into reserves. Director Alley reported on the February Round-Up Board meeting activities and decisions.

McInnis reported that the Round-Up Foundation Board elected Theresa Campbell as President, Sheryl Ayres as Vice President, and Carmen Hubbs as Secretary.

**CREA** — Directors who attended the CREA Annual Meeting commented on their experience. Directors Huntington, Barger, and Turner reported that they were pleased with the quality of the Director Education courses. Director Formwalt reported that the CREA Annual Meeting breakfast sponsored by Western United was well attended; and Director Berman stated that he was pleased with the number of legislators that were available.

Director McInnis met with CREA Executive Director, Kent Singer, to get a preview of legislative issues so that LPEA Staff and Directors can process and participate in the legislative process. McInnis reviewed legislative issues, Energy Outreach Colorado, CREA Director election results, and the NRECA Speak Up Listen Up program.

**FASTTRACK COMMUNICATIONS** – Director Wheeling discussed progress on the Strategic Plan initiative, and plans to move forward with establishing a subscriber base through the CrowdFiber marketing platform. Wheeling reported that a Sales Manager has been hired, FTC submitted an RFP to provide backhaul support to a major carrier, and a public-private Broadband initiative with Montezuma County is moving forward.

**TRI-STATE** — Director Wheeling reported on the February Tri-State Board meeting. The Regional Transmission Organization (RTO) timeline has been revised to move forward in late Summer of 2017; followed by FERC approval, modifications, and software implementations in 2018, to prepare for launch in 2019. Tri-State is planning to survey its members and Board of Directors on general satisfaction in the coming months.

The Finance Committee discussed variable financing rates, and the Basin rate increase; the Contract Committee and Attorney discussed Partial Requirement Contracts for members; and the Rate Committee discussed standby rates for non-dispatchable and intermittent resources.

**WESTERN UNITED** — Director Formwalt reported that Western United has over 250 vendors and is breaking \$100 million in sales. They currently have \$9.5 million in back orders, and the Board voted to retire 2010 patronage certificates totaling \$1.7 million.

**4CORE REPORT** – Laurie Dickson discussed the Tesla battery wall experiment at the Socorro Senior Living Apartments in Pagosa Springs which is being funded by a 50% contribution from the Michael Moravan Foundation, and a \$25,000 EPA grant. Director Britt Bassett stated that his foundation would contribute the remaining funds needed to complete the project. Dickson reported on efforts to make headway on a utility solar project in conjunction with BP, the Refuel Colorado charging station installation initiative, and conversations with Energy Outreach Colorado to assist with energy audit and upgrade rebates for low income LPEA members.

**IX. UPCOMING EXTERNAL MEETINGS** —The Board discussed upcoming external meetings. Directors Montoya, Berman, and Lynch submitted requests to attend the Tri-State Annual Meeting, Director Turner requested permission to attend the Directors Conference, Director Lyon requested permission to attend Director Summer School and the Gettysburg Leadership Conference, and asked the Board to approve all external meeting travel requests.

**Motion:** Director Lyon moved to approve travel requests by Directors Montoya, Berman, Lynch, Turner, and Lyon. Motion seconded and carried without dissent.

**APPOINT APRIL 5, 2017 TRI-STATE ANNUAL MEETING VOTING DELEGATE AND ALTERNATE MEETING**

**Motion:** Director Lynch moved to appoint Director Montoya as the Tri-State Annual Meeting voting Delegate, and Director Berman as the Alternate Delegate. Motion seconded and carried without dissent.

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

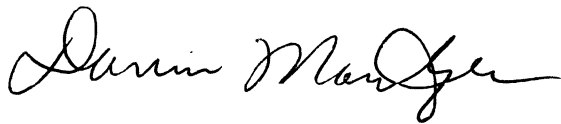
**XII. FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES** — CEO Dreyspring reviewed the future agenda items with the Board of Directors. *Tri-State Survey*, will be added to Non-Specific Date Items.

**XI. EXECUTIVE SESSION** — President Montoya entertained a motion to move into executive session to discuss an Employee Lost Time Injury for 2016, the Formal Complaint Update, Renewal of Cogeneration PPA Negotiations and Tri-State Policy 115, and the Biomass Update.

**Motion:** Director Formwalt moved to enter into executive session at 3:15 P.M. Motion seconded and carried without dissent.

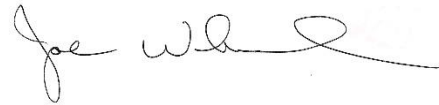
The Board came out of executive session at 4:11 P.M. There being no further business, the LPEA Board of Directors meeting adjourned at 4:11 P.M.

Recorded by C.E. Charistopoulos, and approved by:



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Davin Montoya, President



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Joe Wheeling, Secretary