

LA PLATA ELECTRIC ASSOCIATION, INC.
Committee of the Whole Minutes of Meeting
April 17, 2017
Durango, Colorado

I. CALL TO ORDER

The LPEA Committee of the Whole meeting was held Monday, April 17, 2017 at the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 9:01 A.M., with the following Directors present:

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

LPEA STAFF:

Mike Dreyspring, Chief Executive Officer
Dennis Svanes, Chief Financial Officer
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
Brad Fuquay, Engineering IT Specialist

EXCUSED ABSENCE: Doug Lyon, Britt Bassett

GUESTS: Several guests were present, including Board candidates Guinn Unger and Michael Bell.

VIII. COMMITTEE OF THE WHOLE MEETING

STRATEGIC PLAN O&I PROPOSED CHANGES – Ron Meier walked through the new web-based Strategic Plan interface developed by LPEA Engineering IT Specialist, Brad Fuquay, which is still in refining stages and will be available on the LPEA website in the near future.

Ron Meier addressed the five Areas of Focus within the Strategic Plan: Communications, Board and Employee Development, Power Supply, Technology Innovation, and Core Fundamentals, and the Objectives and Initiatives within each that concentrate on Affiliate (FastTrack Communications), DG Technologies, Energy Use Programs, Power Quality and Reliability, Power Supply and Transmission, Risk Management, Safety, Succession Planning and Board and Employee Development, and Technology Development and Deployment (with the exception of

the Core Fundamentals O&Is which concentrate on Financial Stability and Regulatory Compliance).

STRATEGIC PLAN GAPS ANALYSIS – Staff discussed proposed changes to Action Items detailed within the Objectives and Initiatives of the Strategic Plan and took all questions. Of note, CEO Dreyspring addressed proposed changes to the Power Supply and discussed factors that the Board should consider before exploring a potential buyout from Tri-State, such as timing, the buyout cost calculation, pending developments in the RTO markets, and the need to understand how to mitigate transmission volatility that will drive up power costs. Dreyspring addressed the recent visit by Kit Carson Electric CEO, Luis Reyes at the Green Business Roundtable to discuss their decision to buyout from Tri-State, and operational requirements of the LPEA grid to serve the load requirements of its members that makes an LPEA buyout premature at this time.

Dreyspring advised that a path forward, if the LPEA Board wanted to pursue a buyout of the Tri-State Wholesale Service Contract, should include issuing RFPs for power supply proposals, investigating strategies to manage risk in transmission congestion, replacement power, and variable volatile costs, and study congested transmission paths in Southwest Colorado to ensure power reliability. Dreyspring urged focusing on near-term efforts to expand the 5% DG allowance in LPEA's contract with Tri-State to 10%. Discussion ensued on upcoming LPEA Resolution 2017-05 Request Increase of LPEA's 5% Allowance with Tri-State. There was consensus among Board and Staff to continue with an ongoing monthly review of Strategic Plan O&Is beginning in July 2017.

IX. DIRECTOR REPORTS AND OTHER BOARD ACTIONS

NRECA ANNUAL MEETING ATTENDEE REPORTS — Director Alley shared highlights from Director certification courses, Director Berman shared thoughts about the NRECA and Tri-State Annual Meetings, and Director Barger reported that she has completed the Director Certification Courses.

CREA — Director McInnis reported that he met with lobbyists, legislative aids, and Senator Coram at the State Capitol, and that the CREA Legislative Directory has been published.

FASTTRACK COMMUNICATIONS – Director Wheeling advised that the Board of Directors meeting takes place Tuesday, April 18th, and the Annual Shareholders' Meeting will take place prior to the LPEA Board Meeting at the LPEA headquarters Board Room.

TRI-STATE — Director Wheeling touched on the recent Annual Meeting and noted that a Strategic Planning meeting will take place in June for long-term planning. Wheeling addressed the Strategic Priorities Survey for which he will compile response averages and include Director comments for discussion at the June Tri-State Board Meeting. Directors Turner and Montoya shared highlights from the Tri-State Annual Meeting as well.

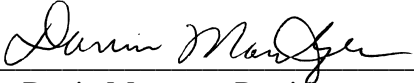
WESTERN UNITED — Director Formwalt reported that Gunnison Electric was the first to purchase EV charging stations.

XII. EXECUTIVE SESSION

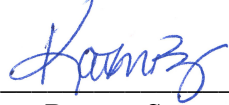
Motion: Director Barger moved to enter into executive session to discuss the CBA Update.
Motion seconded and carried without dissent.

The Board remained in executive session from 12:58 p.m. to 1:18 p.m. There being no further business, the LPEA Committee of the Whole meeting adjourned at 1:25 p.m.

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



Davin Montoya, President



Karen Barger, Secretary