

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, November 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, November 15, 2017 at the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 9:00 a.m., with the following Directors present:

Mike Alley	Dan Huntington	Kohler McInnis
Karen Barger, Secretary	Rachel Landis	Davin Montoya, President
Britt Bassett	Bob Lynch, Vice President	Jack Turner
Bob Formwalt,	Doug Lyon, Treasurer	Guinn Unger

LPEA STAFF:

Mike Dreyspring, Chief Executive Officer
Dan Harms, Manager of Rates, Technology and Energy Policy
Ron Meier, Manager of Engineering and Member Relations
Nadine Ontiveros, Assistant HR Director
Jerry Wills, Line Superintendent
Curt Marlatt, Line Superintendent
Lonnie Tucker, Communications Coordinator
Cindy Straight, Billing Administrator
Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: Dennis Svanes, Chief Financial Officer, Linda Looman, Manager of HR and Customer Service, Justin Talbot, Manager of Operations

GUESTS (from sign in sheet): The following guests were present: Michael Bell, Terry Beebe, Michiko Burns, Mark Krabath, Dave Peters, Sarah Ferrell, George Morley, Susan Atkinson, Kirby MacLaurin, Karen Pontius, Mae Morley, Emily Bowie, Jenn Wheeling, Laurie Dickson, Emily Birk, Nicolaas VanVonno, Werner Heiber, Charlie Page.

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

I. APPROVAL OF AGENDA

President Montoya addressed the November 15, 2017 Board meeting agenda.

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

II. PRESIDENT REVIEW OF EMERGENCY EVACUATION PROCEDURES

CEO Dreyspring reviewed the emergency evacuation procedures.

President Montoya reviewed time limitations for public comment in Policy 126 Professional Conduct During Board of Director Meetings.

III. MEMBER COMMENTS AND CONCERNS

Several members expressed appreciation to LPEA Directors who attended the recent Climate Change Symposium at Fort Lewis College; as well as, to CEO Dreyspring for movement toward a valuation of the Tri-State contract. A member spoke about the long-term fiduciary duty of LPEA to make decisions about renewables on science rather than politics.

A member addressed concern over a construction estimate by LPEA for line maintenance and upgrades related to a solar installation on her property. CEO Dreyspring, Kurt Marlatt, and Ron Meier will investigate and follow up. Another member expressed concern about possible loopholes in Director expense reporting and verifying conference attendance.

A member asked what LPEA's liability would be if Tri-State went out of business. Attorney Denning stated that LPEA and all Tri-State members are not liable for any Tri-State losses; however, the portion of ownership interest known as capital credits (similar to dividends) could not be recouped. Another member compared solar subsidies to rural subsidies, and stated that decisions based on subsidies should be studied. Discussion ensued on previous Staff presentations and Board discussions about the complexities and misconceptions about rural versus urban subsidies, rate design, and the 2015 Cost of Service Study.

Several members expressed frustration about the unaffordability of a solar installation for the average consumer, and the financial burden faced by low-income members if they are forced into expensive renewable power rates without the reliability of backup power provided by Tri-State. Two members shared their experiences of pursuing solar installations and challenges they faced with regard to reliability, sustainability, the illusion of 100% green RECs, storage technology, the carbon impact of solar and the dilemma of non-recyclable lithium, and the humanitarian risk and social responsibility impact of losing a stable demand energy source.

IV. CONSENT BOARD ITEMS.

President Montoya addressed the Consent Board Items.

Motion: Director McInnis moved to approve the Consent Board Items: accepting new members, capital credit payments to estates, monthly write-offs, and minutes for the October 2017 Committee of the Whole and Board meeting with approved modifications. Motion seconded, and carried without dissent.

V. CEO AND STAFF REPORTS

CEO Dreyspring addressed meetings attended, reviewed the System Performance Review highlighting LPEA and Tri-State outages, addressed Tri-State rates, wholesale rates, the calculation of weighted average prices and how the Southwest Power Pool is metrically driven by energy transactions, not bilateral trades that include demand charges. Charis Charistopoulos attended the NRECA Region VII Resolutions Committee and Business Meeting, and took questions on the written summary of discussions and voting outcomes.

Reporting for CFO Svanes, CEO Dreyspring addressed the Financial Report noting that Capital Credit Retirements were applied to member bills on October 24, and Purchasing Agent, Larry Redman will retire in February of 2018. Reporting for Operations Manager, Justin Talbot, CEO Dreyspring addressed the Operations Report and took questions. Reporting for Director of HR and Customer Service, Assistant HR Director, Nadine Ontiveros reported on new hires and highlighted the Wellness Team programs in Durango and Pagosa Springs. No questions were taken by Customer Service Supervisor, Betsy Lovelace. There were no questions on the Member Opportunity Report, and President Montoya stated that he would like a Future Agenda Item to discuss member deposits.

Manager of Engineering and Member Relations, Ron Meier addressed the written report and took questions on smart inverters and excess generation. Social Media Coordinator, Lonnie Tucker reported on LPEA Social Media insights, analytics, and trends on Facebook, Twitter, Instagram, and YouTube, and discussed the importance of social media in coordinating with local media for outages and emergency communication. Manager of Rates, Technology, and Energy Policy, Dan Harms reported on the Energy Outreach Colorado (EOC), Colorado's Affordable Residential Energy (CARE) program, and gave details about the eligibility requirements, qualifying upgrades, rebate schedule development, and the 2018 program achievement goal to install measures in 20-25 homes in the LPEA service territory.

VI. ITEMS REQUIRING BOARD ACTION

LPEA POLICY REVIEW AND POSSIBLE APPROVAL: POLICY 109 DIRECTOR

COMPENSATION – CEO Dreyspring and Attorney Denning advised that the current redline draft was incomplete and discussion of the policy would be moved to the December agenda for consideration.

LPEA POLICY REVIEW AND POSSIBLE APPROVAL: POLICY 117 MEMBER REQUESTS FOR COOPERATIVE INFORMATION

– Attorney Denning addressed proposed revisions to streamline and simplify Policy 117 Member Requests for Cooperative Information, and took all questions. Discussion ensued on LPEA bylaws, Sunshine Laws, Director compensation, and campaign finance reporting. Attorney Denning will revise the policy for further consideration in December. CEO Dreyspring will provide a quarterly report of all Policy 117 Member Requests for Cooperative Information beginning in March 2018.

RESOLUTION 2017-12 2018 FINANCIAL FORECAST AND CAPITAL BUDGET – CEO

Dreyspring addressed the 2018 Financial Forecast and Capital Budget that was presented in October and took all questions.

Motion: Director Turner moved to adopt Resolution 2017-12 2018 Financial Forecast and Capital Budget. Motion seconded and carried without dissent

RESOLUTION 2017-13 2018 LPEA BOARD MEETING CALENDAR– CEO Dreyspring addressed the 2018 Board meeting calendar and took all questions.

Motion: Director Lynch moved to adopt Resolution 2017-13 2018 LPEA Board Meeting Calendar. Motion seconded and carried 11 to 1, with President Montoya opposed.

2018 ROUND UP FOUNDATION DIRECTOR APPOINTMENTS – Directors discussed recommended appointees to serve an additional 2-year term in District 1, Carmen Hubbs, District 3, Briggen Wrinkle, and District 4, Jenn Bartlett; and District 2, Ron Dunavant to replace Teresa Campbell.

Motion: Director Alley moved to appoint Round Up Directors in District 1, Carmen Hubbs, District 3, Briggen Wrinkle, and District 4, Jenn Bartlett; and District 2, Ron Dunavant to replace Teresa Campbell. Motion seconded and carried without dissent.

DIRECTOR EXPENSE APPROVAL – Director Lyon reported the Director expense items to be reimbursed.

LPEA Mileage Reimbursements

Mike Alley	\$64.20	Bob Lynch	\$64.20
Karen Barger	\$13.91	Doug Lyon	\$2.14
Britt Bassett	\$00.00	Kohler McInnis	\$8.56
Robert Formwalt	\$64.20	Davin Montoya	\$18.73
Dan Huntington	\$25.68	Jack Turner	\$14.45
Rachel Landis	\$00.00	Guinn Unger	\$27.82

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
Robert Formwalt	\$1200.00	Davin Montoya	\$1200.00
Dan Huntington	\$1200.00	Jack Turner	\$1200.00
Rachel Landis	\$1200.00	Guinn Unger	\$1200.00

Other External Meetings

Mike Alley	\$00.00	Bob Lynch	\$00.00
Karen Barger	\$1141.24	Doug Lyon	\$00.00
Britt Bassett	\$00.00	Kohler McInnis	\$1386.20
Robert Formwalt	\$1652.74	Davin Montoya	\$1535.94
Dan Huntington	\$1193.27	Jack Turner	\$1435.43
Rachel Landis	\$379.99	Guinn Unger	\$1694.89

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

VII. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

ANNUAL MEETING: ELECTION SUPERVISORY COMMITTEE RECOMMENDATIONS – LPEA Billing Administrator and Annual Meeting Election Coordinator, Cindy Straight confirmed that the 2018 Election Supervisory Committee recommendations were available to serve at the 2018 LPEA Annual Meeting: District 1, Mason Carpenter, District 2, Sheryl Ayers, District 3, Marilyn Sandstrom, and District 4, Elizabeth Romere. The Board of Directors will vote to appoint the ESC at the December 13 Board meeting.

REVIEW REVISED PROPOSED BYLAWS CHANGES – Attorney Denning presented the second revision of the proposed changes to the LPEA bylaws. Discussion ensued regarding material changes to Article III, Section 2 – Director Qualifications and Tenure: length of membership, residency requirement, status of Colorado voter registration, family ties to the cooperative, competing interest, and campaign finance disclosure; as well as, Article XV – Amendments. Attorney Denning will present final revisions to the Board for approval at the December 13 Board meeting.

BOARD POLICY 215 AMI OPT OUT – There was consensus among the Board to move this discussion to mid-2018.

DIRECTOR CONDUCT – Director Turner proposed that the Board establish a code of conduct that would be incorporated into the Strategic Plan, and recommended a 360-degree evaluation of the Board as a whole. Discussion ensued regarding member complaints about Board dysfunction, the nature of personalities and disagreement, Board policies, and differing views on climate change and the path toward renewable energy. Director Barger stated, *The primary ingredient for progress is optimism and an unwavering belief that we can do something different.* The benefit of a diverse Board is protection against any kind of rubber stamp and Barger would like to see strong personalities sell their ideas to the Board and members. President Montoya advised that an agenda item to discuss a Director Retreat will take place in December.

DISCUSS FRAMEWORK FOR VETTING CEO VISION – CEO Dreyspring proposed addressing sections of the CEO Vision across several Board meetings, scheduling a retreat, and/or working with a facilitator. Discussion ensued around logistics, reaching across the aisle, goal setting, and standards of conduct as part of the Strategic Plan.

REVIEW TECHNOLOGY DEVELOPMENT AND DEPLOYMENT O & I – Dan Harms addressed the Strategic Statement within the Technology Development and Deployment Objectives and Initiatives, to *Evaluate and select technologies that continue to provide improved reliability or bring further efficiency to corporate business processes.* Harms highlighted accomplishments and discussed points within the Action Items of Information Technology Planning, Electric Vehicles, Energy Storage, and Systems Communications.

POLICY 117 REQUEST FOR COOPERATIVE INFORMATION, DAVE PETERS – CEO

Dreyspring deferred the request for information about Director Turner’s travel expenses to the Board of Directors on the basis that it was outside of the authority of the CEO to address the request. The Board agreed to grant the request if Peters would revise the request to include travel expenses for all Directors. The request was re-written, notarized, and received by the Board for their records.

Motion: Director Formwalt moved to approve Policy 117 Request for Cooperative Information by Dave Peters for the 2017 travel expenses of all LPEA Directors. Motion seconded and carried without dissent.

CEO Dreyspring will follow up with Peters to provide the approved information.

VIII. ATTORNEY REPORT

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

IX. DIRECTOR REPORTS AND OTHER BOARD ACTIONS

ROUND UP FOUNDATION REPORT – Director Unger reported on Round Up grants awarded to People Improving Community & Kids for \$500, Be Fit Be Able for \$1,000, Big Brothers Big Sisters of Archuleta County for \$1,500, and Durango Nature Studies for \$2,000; and Education grants awarded to Durango Nature Studies for \$2,000, Powerhouse Science Center for \$2,000, and Miller Middle School for \$1,340. Unger presented a request from the Upper San Juan Health Service for \$10,000 towards the purchase of a new ambulance that the Round Up Board asked to refer to the LPEA Board. There was consensus among the LPEA Board to investigate funding options and address the request at the December 13 meeting.

TRI-STATE REPORT – Director McInnis addressed the Colorado Education Institute report included in the Board packet, and stated that he would email the Tri-State Board report to the Directors later in the week. Staff advised that LPEA will work to keep the most current Tri-State Board Policies available on the LPEA website.

CREA REPORT – Directors who attended the CREA Fall Meeting and Energy Innovations Summit addressed their written reports and took questions.

FASTTRACK COMMUNICATIONS REPORT – Director Barger reported that FTC is looking at strategies to grow business in the LPEA and Empire Electric service territories. CEO Dreyspring reported on the DMEA-Region 10 broadband trip on Monday, November 13.

WESTERN UNITED REPORT – Director Formwalt reported that sales, membership, contractors, and margins continue to grow; and that construction for warehouse expansion was approved to accommodate demand.

X. UPCOMING EXTERNAL MEETINGS

Directors Lynch, Barger, Huntington, Formwalt, Turner, McInnis, and Dreyspring requested to attend the 2018 CREA Annual Meeting in February.

Motion: Director Alley moved to approve all requests 2018 CREA Annual Meeting in February. Motion seconded and carried without dissent.

XI. REVIEW OF CEO ACTION LIST

CEO Dreyspring reviewed the list of action items taken from the Board meeting and answered all questions.

XIII. FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

Director Unger requested a future agenda item to discuss Pros and Cons of forming a subcommittee for the long range strategic plan, and a low-key discussion on Climate Change. Director Landis requested to discuss a Director Retreat to address the CEO Vision in December. CEO Dreyspring requested a future agenda item to discuss Retail Deregulation.

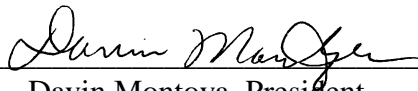
XII. EXECUTIVE SESSION

Motion: Director Lyon moved to enter into executive session to discuss an update on personnel and Tri-State data. Motion seconded and carried without dissent.

The Board met in executive session from 4:36 p.m. to 5:14 p.m. Director McInnis excused himself at 4:58 p.m. before discussion of Tri-State data.

There being no further business, the LPEA Board of Directors meeting adjourned at 5:14 p.m.

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


Davin Montoya, President


Karen Barger, Secretary