

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, April 18, 2018
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 18, 2018 at the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 8:03 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
Dennis Svanes, Chief Financial Officer
Jerry Wills, District Manager of Pagosa Springs Office
Dan Harms, Manager of Rates, Technology and Energy Policy
Ron Meier, Manager of Engineering, Member Relations
Nadine Ontiveros, Manager of HR
Justin Talbot, Manager of Operations
Shay Denning, LPEA General Counsel
C. E. Charistopoulos, Executive Assistant

EXCUSED ABSENCE: None.

GUESTS (from sign in sheet): The following guests were present: Betsy Romere, Emily Bowie, Gene Fisher, Larry Zauberis, Tony Hudspeth, Sarah Ferrell, C.D. Dickson, Heather Rowe, Tim Wheeler, Perri MacLaurin, Kirby MacLaurin, Karen Pontius, Jenn Wheeling, Ron Bishop, Kristin Jensen

Justin Talbot led the Board, Staff, and guests in reciting the Pledge of Allegiance.

I. APPROVAL OF AGENDA

President Montoya addressed the April 18, 2018 Board meeting agenda.

Motion: Director Turner moved to approve the agenda. Motion seconded and carried without dissent.

II. REVIEW OF EXIT AND EGRESS FROM BUILDING AND MEET UP SITE IN EVENT OF EVACUATION

CEO Dreyspring reviewed the emergency evacuation procedures.

III. MEMBER COMMENTS AND CONCERNS

No member comments were given.

IV. CONSENT BOARD ITEMS.

President Montoya addressed the Consent Board Items.

Motion: Director Lyon moved to approve the Consent Board Items: accepting new members, capital credit payments to estates, monthly write-offs, and minutes for the March 21, 2018 Board meeting. Motion seconded, and carried without dissent.

VI. CEO AND STAFF REPORTS

CEO Dreyspring discussed and took Director input on a draft letter from LPEA to Tri-State CEO, Mike McInnes on the proposed changes to Tri-State Board Policy 115 regarding the treatment of battery storage as a Member System Generation Project. Directors expressed frustration that the 90-day notice was changed to 30 days and would like to see the decision-making process slow down to allow more research and time for member input. Dreyspring incorporated Director input and sent the revised final letter to CEO McInnes via email.

Dreyspring addressed the Legislative Update and noted that he was watching the status of Colorado SB-167, *Enforce Requirements 811 Locate Underground Facilities*, and that LPEA's Federal legislation tracking is available for Director reference.

CFO Svanes highlighted items from the Year End Form 7 (financial statement and statistics), reported that Quarterly Forecasts were consistent with Actuals, Net Margins are healthy, and took questions.

Discussion ensued on bill true-ups for excess Net Metering that occur at the end of March. Dan Harms discussed excess Net Metering which accounts for 2% of the 5% Tri-State cap on Distributed Generation, noting that this will be a topic in the Rate Education Series that will begin in May. Director Lyon requested regular reporting on excess Net Metering to gain understanding of fluctuation patterns.

Jerry Wills updated the Board on matters occurring in the Pagosa Springs Office. He reported that 576 poles were identified as having unapproved shared use by five different companies. Staff is set to attend required training on switching with Tri-State, and customer jobs are growing. Discussion ensued on pole attachment requests from internet service providers, and legislation aimed at preventing monopolization of assets to interfere with local broadband deployment capabilities.

Nadine Ontiveros reported that there is an employment opening for an additional IT Specialist. Ron Meier addressed the written report in the Board packet and took questions on the upcoming new Director orientation, and cyber-security on LPEA social media. Dan Harms highlighted the 2018 Rate Education Series that will begin in May to prepare for the 2019 rate approval that will take place in November. Harms took questions on Tri-State’s 2017 Generation Mix and 10-year rate projections.

Justin Talbot highlighted new service orders, system operation and maintenance, equipment upgrades, LED street light replacements, and discussed 74 planned and 1 unplanned outage on March 1, 2018 due to a switching error that was rectified. Talbot will set up a meeting with the Forest Service to address tree clearing. Talbot reported two OSHA non-reportable accidents that did not require medical attention or lost time, and that the Safety and Compliance Officer is dedicated to proper procedures and processes. Discussion ensued on meter tampering by electricians who are working without proper notification to LPEA.

V. ITEMS REQUIRING BOARD ACTION

RESOLUTION 2018-06 ALLOCATION OF PREVIOUS YEAR’S MARGINS – CEO Dreyspring requested Board authorization for the allocation of the 2017 operating and non-operating margins to its members.

Motion: Director Bassett moved to adopt Resolution 2018-06 Allocation of Previous Year’s Margins. Motion seconded, and carried without dissent.

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

LPEA Mileage Reimbursements

Mike Alley	\$65.40	Bob Lynch	\$196.20
Karen Barger	\$14.17	Doug Lyon	\$1.09
Britt Bassett	\$00.00	Kohler McInnis	\$8.72
Robert Formwalt	\$65.40	Davin Montoya	\$19.08
Dan Huntington	\$78.48	Jack Turner	\$14.72
Rachel Landis	\$5.45	Guinn Unger	\$85.02

LPEA Board Meetings

Mike Alley	\$1200.00	Bob Lynch	\$1450.00
Karen Barger	\$1200.00	Doug Lyon	\$1200.00
Britt Bassett	\$1450.00	Kohler McInnis	\$1200.00
Robert Formwalt	\$1200.00	Davin Montoya	\$1200.00
Dan Huntington	\$1450.00	Jack Turner	\$1200.00
Rachel Landis	\$1200.00	Guinn Unger	\$1450.00

Other External Meetings

Mike Alley	\$65.40	Bob Lynch	\$00.00
Karen Barger	\$2743.42	Doug Lyon	\$00.00

Britt Bassett	\$00.00	Kohler McInnis	\$65.40
Robert Formwalt	\$00.00	Davin Montoya	\$1213.86
Dan Huntington	\$135.90	Jack Turner	\$1693.57
Rachel Landis	\$00.00	Guinn Unger	\$00.00

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

VII. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

LONG-TERM STRATEGIES COMMITTEE REPORT – Committee Chairman Huntington reported that the Committee is preparing to give a full report to the Board of Directors and would like to present their findings at a Committee of the Whole meeting on Monday, June 18, 2018. The next Long-Term Strategies Committee Meetings will take place at 1:00 p.m. on May 3, and May 24, 2018 in the LPEA Board room in Durango, CO.

ANNUAL MEETING UPDATE – Ron Meier reviewed the Public Agenda for the May 12, 2018 LPEA Annual Meeting of the Members at the Sky Ute Event Center in Ignacio. A dress rehearsal will take place at 3:30 p.m., Friday May 12, 2018. The 2018 meeting will feature live streaming on Facebook and a written Q&A process. Director Lyon noted that he will not be in attendance because of work commitments. A Special Board Meeting to approve New Members will be held prior to the Annual Meeting and notice of the meeting will be sent out in accordance with statute.

VII. ATTORNEY REPORT

Referring to the written report included in the Board packet, Attorney Denning highlighted work done for LPEA and addressed Board governance concerns pertaining to recent public media announcements and articles by a Director. Denning opined that she saw no violation of LPEA Board policy by the Director. However, Denning referred the Board to *Board Policy 103 Delegations of Authority from the Board of Directors to the Chief Executive Officer*, which guides Directors to defer to the CEO to speak on behalf of the cooperative and provided guidelines for Directors when speaking to the media or members regarding the cooperative.

Denning advised that when speaking at events or to the media, Directors should take affirmative steps to ensure that their LPEA title is not used in the announcements and articles unless the Director is authorized by Board action to act as the LPEA representative at the event, and to speak in first person when speaking to the media to avoid the appearance of speaking on behalf of LPEA unless granted specific authority to do so by action of the Board of Directors. It is the duty of the CEO to correct any public mis-statements or mis-representation. Director Huntington advised that the NRECA Director course, *How to Communicate Outside of the Boardroom with the Media and Public*, advises Directors to refer all media inquiries back to the Board of Directors.

VIII. DIRECTOR REPORTS AND OTHER BOARD ACTIONS

ROUND UP FOUNDATION REPORT – Director Unger reported Round Up Grants of \$1,000 to TRIO Student Center at FLC, \$1,500 to Durango Community After Prom Association, \$1,000 to Cloudbusters Rocket Team, and \$2,000 to The Liberty School; and Education Grants of \$1,000 to Liberty School, \$2,000 to La Plata Family Centers Coalition, \$1,000 to Pagosa Elementary School, and \$1,500 to the Women’s Resource Center.

TRI-STATE REPORT – Director McInnis addressed the written report in the Board packet and took questions. Discussion ensued on the opposition by Southwest Power Pool (SPP) members on the eastern interconnect to the proposed bylaws changes of the Mountain West Transmission Group (MWTG) of whom Tri-State (therefore, LPEA) is also a member. The highly anticipated Regional Transmission Organization (RTO) formation is expected to be delayed until a resolution is reached or SPP finds other RTO options.

There was discussion about the decision of DMEA to pursue an exit from their Tri-State contract and the comments their representative made at the Tri-State annual meeting about that process.

FASTTRACK COMMUNICATIONS REPORT – Director Huntington reported that the Annual Shareholders Meeting took place April 13, 2018 at Empire Electric Association in Cortez, CO. The company is in sound financial health and the slate of Directors was approved. CEO Dreyspring will address leadership and the Southern Route in Executive Session at a later date.

CREA REPORT – Director Barger highlighted the NRECA International program to electrify a city in Guatemala in September 2018. LPEA Dispatcher, Baker McKonly is a finalist in the selection process which ends in early May.

WESTERN UNITED REPORT – Director Formwalt reported that the April Board meeting will take place on the 26th, and the Board will make a decision on the hiring of a new CEO.

IX. UPCOMING EXTERNAL MEETINGS

TRAVEL REQUESTS - President Montoya addressed the Upcoming External Meeting list, no travel was requested.

X. REVIEW OF CEO ACTION LIST

CEO Dreyspring reviewed follow up action items for the CEO from this Board meeting and took questions.

XI. FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

Director Bassett requested that LPEA connect with local mechanical installers to promote the use of Marathon heaters. Director Lyon requested a comprehensive study of excess Net Metering reported monthly. Director Unger requested a discussion of Rural Broadband grant funds with FastTrack

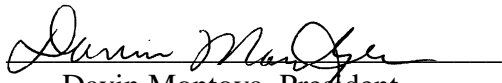
Communications. Director Landis requested to present a 4CORE grant proposal for the Energy Smart Colorado passthrough from the LPEA Unclaimed Capital Credits.

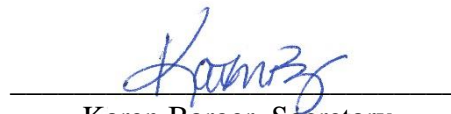
XII. EXECUTIVE SESSION

Motion: Director Lyon moved enter into executive session for the Director Board Retreat. Motion seconded and carried without dissent. The Board of Directors remained in Executive Session from 11:04 a.m. to 5:20 p.m.

There being no further business, the LPEA Board of Directors meeting adjourned at 5:21 p.m.

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


Davin Montoya, President


Karen Barger, Secretary