

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, May 16, 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, May 16, 2018 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	Bob Lynch, President	Kirsten Skeeahan
Britt Bassett, Vice President		Jack Turner
Dan Huntington, Secretary	Kohler McInnis	Guinn Unger
Rachel Landis	Davin Montoya	Tim Wheeler, Treasurer

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: Doug Lyon. Directors Alley and Montoya left the meeting at 4:55 p.m.

GUESTS (from sign in sheet): The following guests were present: Richard Fultner, Betsy Romere, Charles Dickson, Karen Pontius, Kirby MacLaurin, Will Rietveld, Lauri Costello, Ann McCoy Harold, Sarah Ferrell, Emily Bowie, Karen Barger, Linda Ferrell, Annalee Barrett, Tom Compton, Michael Bell, Lisa Pool, Mark Pearson, Susan Atkinson, Laurie Dickson, Dave Peters, Monique DiGiorgio, Larry Zauberis, Gail Harriss, Carol Cure, John Shaw, Ben Jason, Werner Heiber, Wayne Barger

Betsy Romere led the Board, Staff, and guests in reciting the Pledge of Allegiance.

I. APPROVAL OF AGENDA

President Montoya addressed the May 16, 2018 Board meeting agenda.

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

REVIEW OF EXIT AND EGRESS FROM BUILDING AND MEET UP SITE IN EVENT OF EVACUATION – CEO Dreyspring reviewed the emergency evacuation procedures.

A former Director addressed the Board and asked Directors to keep in mind that continuity and building relationships is key to consider when placing Directors with LPEA affiliates. The Director praised LPEA Staff and employees as professional and exceptional, and encouraged the Board as a whole to not do anything that will make it difficult for them to do their work.

President Montoya advised Director Landis to make her request for an executive session to discuss Officer expectations. Landis made the request and Phil Bryson clarified that the intent of the executive session, as agreed upon at the most recent Director retreat, is to have honest conversation without negativity and hurt feelings, and to set aside ideology to discuss who are the best people for the positions and what the expectations are.

Bryson discussed agreed upon norms of Director behavior such as working more effectively together for the good of the cooperative and each other, avoiding polarization; working in partnership with one another and Staff rather than in divisions that have previously been very apparent; facilitating leadership that fosters communication, consensus, and collaboration; and building trust in relationships, letting go of the past, and moving forward from extremism and the deficit of trust. Bryson concluded by stating that today holds an opportunity to do things differently than the way they have been done in the past.

A member asked why all Directors were not making nominations. Directors responded that it is not a requirement that all Directors make nominations and is not an uncommon practice for Directors to only make nominations for candidates that they feel strongly will serve well in a particular position.

ELECTION OF OFFICERS – Attorney Denning apprised the Board of the policy and procedure for nominating and electing officers. Denning accepted and counted handwritten nominations for executive officers. Directors discussed each position and nominee, and nominees spoke to their desire and qualifications to potentially hold the position prior to voting. Bob Lynch was elected by majority vote to the office of Board President; Britt Bassett was elected by majority vote to the office of Board Vice President; Dan Huntington was elected by majority vote to the office of Board Secretary; Tim Wheeler was elected by majority vote to the office of Board Treasurer.

ELECTION OF LPEA REPRESENTATIVES TO ROUND UP BOARD – Director Unger asked to withdraw from his position as representative, Director Alley stated his desire to continue in his position, and Director Landis expressed interest in serving on the Round Up Board.

Motion: Director Montoya moved to elect Directors Landis and Alley as LPEA Director representatives to the Round Up Board, by acclamation. Motion seconded and carried without dissent.

ELECTION OF LPEA REPRESENTATIVES TO TRI-STATE, CREA AND WESTERN UNITED – Denning accepted and counted handwritten nominations for LPEA Director representatives to Tri-State, CREA, and Western United. Directors discussed each position and nominee, and nominees spoke to their desire and qualifications to potentially hold the position prior to voting. Kirsten Skeehan was elected by majority vote as the representative to the Tri-State Board; Jack Turner was elected by majority vote as the representative to the CREA Board; and Kohler McInnis was elected by acclamation as the representative to the Western United Board.

ELECTION OF LPEA REPRESENTATIVE TO 4CORE - Discussion ensued on reinstating an LPEA Director representative to the 4CORE Board of Directors.

4CORE Executive Director, Laurie Dickson discussed 4CORE bylaws and expressed appreciation to have an LPEA representative on their Board. Members spoke in favor of reinstating an LPEA Director representative to the 4CORE Board of Directors. Director Landis expressed desire to serve as the LPEA representative to the 4CORE Board. Director Turner advised that he would resign from the 4CORE Board as a member at large if an LPEA Director representative to the 4CORE Board of Directors is reinstated.

Motion: Director Turner moved to reinstate an LPEA Director representative to the 4CORE Board of Directors. Motion seconded and carried 9 to 2, with Directors Montoya and McInnis opposed.

Motion: Director Wheeler moved to appoint Director Landis as the LPEA representative to the 4CORE Board. Motion seconded and carried 10 to 1 with Director Montoya opposed.

Discussion ensued on the election of an LPEA Director representative to the FastTrack Communications (FTC) Board of Directors. CEO Dreyspring advised that the FTC Board is nominated and elected as a slate of Directors at their Annual Shareholders Meeting which takes place in April, and that LPEA is a 76% owner in FTC and Empire Electric Association (EEA) is the minority interest. LPEA's partnership agreement with EEA provides that one Director may be appointed by EEA.

Attorney Denning is also General Counsel for EEA; Denning advised that as shareholders of the for-profit company, LPEA and EEA elect the slate of Directors in compliance with the FTC bylaws at the Annual Shareholders Meeting, and sent a voting delegate to the meeting for that purpose. Therefore, Karen Barger will remain on the FTC Board as she was elected by the Shareholders at the April 2018 Annual Shareholders Meeting.

A Director asked whether LPEA is able to nominate the Directors of their choice for the FTC Board. Discussion ensued on having LPEA Directors attend the FTC Board meetings in general, and the LPEA Board's prerogative to add more Directors to the FTC Board if desired. Attorney Denning advised that a special meeting of the Shareholders is required to nominate and elect new Board members. There was consensus among the Board to take action at the April 2019 FTC Annual Shareholders meeting, and Denning will make preparations.

A Director asked how to change the FTC bylaws to allow the FTC Annual Shareholders Meeting to follow the LPEA Officer elections. Attorney Denning advised that a bylaws change can be put on the agenda of the 2019 FTC Annual Shareholders Meeting, or a special meeting for the purpose of changing the FTC bylaws can be called by the LPEA shareholders.

President Lynch stated that LPEA voting representation will be an item of discussion for an upcoming LPEA Board meeting. A Director stated that he had a clear interest in understanding and sitting on the FTC Board, and asked the LPEA Board to consider an additional representative to the FTC Board. Attorney Denning asked that this be placed as a June agenda item so that she can research and prepare a memo on options for actions taken.

Discussion ensued on whether any liability exists to LPEA for not currently having a duly elected LPEA representative on the FTC Board, as the current FTC Board contains 2 unseated, former LPEA Directors. Denning advised that there was no legal liability, and that the current slate of Directors was duly elected.

REVIEW POLICY 129 CONFLICT OF INTEREST DISCLOSURE FORM – Attorney Denning reviewed Policy 129 Conflict of Interest Disclosure. Directors updated their individual Policy 129 Conflict of Interest Disclosure forms for review by the Board of Directors and CEO.

II. MEMBER COMMENTS AND CONCERNS

Members commented on the overwhelming number of bylaws changes on the election ballots, desire to see local generation to promote economic development, information transparency, the responsibility and importance for members to inform themselves on all sides of the issues and enlarge the collective knowledge base, the public health effects and per kwh healthcare costs from fossil fuel, and the frequency of Tri-State ads in the local papers and during the Super Bowl. Director McInnis advised that the Super Bowl commercial did not cost any member money and that Tri-State has a duty to tell their story through the *Generating Possibilities* campaign.

Members voiced concerns about wildfire mitigation. CEO Dreyspring advised that measures are being taken to restrict reclosers and ensure against re-energizing and igniting. Concerns were raised about Policy 117 Disclosure of Cooperative Information violations by LPEA Director candidates who had access to member information. CEO Dreyspring advised that investigations confirmed all member lists as having been destroyed by candidates and no policy or affidavit violations were found.

Concerns were heard about campaign finance disclosure, USPS violations, non-delivery of ballots, and unauthorized use and misappropriation of LPEA logo by an organization to affect the outcome of the election. CEO Dreyspring advised that the entity was contacted and asked to cease and desist. Concern was shared over perceived divisions in the group of Directors that seem to override Cooperative and member interest, the appearance of personal gain by Directors who are involved in the solar business, and frustration over Directors playing on their iPad during the meeting. A Director advised that Conflict of Interest Forms were submitted and open

to public review, and a Director requested a future discussion about members who have unpaid electric service balances and do not receive ballots.

Members requested that Attorney Denning explain the role of the PUC in relationship to LPEA; that kindness and respect among Directors would replace in-fighting; and a Director thanked former Directors Formwalt and Barger for their service on the Board. CEO Dreyspring advised that outgoing Directors have the choice to receive a gift or a charitable donation made in their name.

President Lynch asked Phil Bryson for comment on the officer election process. Bryson stated that he spoke to each Director about their greatest concerns, and overall was the ability to build trust. Bryson felt there was a missed opportunity to be magnanimous, empowering, and trust building; and going forward it is important to be mindful of what is said and done that triggers fear and distrust, and to commit to working together. President Lynch thanked Bryson and noted that communication in the small Long-Term Strategies Committee worked well and expressed hope that over time it would influence the larger group of Directors.

III. CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items. A request was made to correct the misspelling of a name and to add clarifying language to an item in section XI. Future Agenda Items.

Motion: Director Turner moved to approve the Consent Board Items: capital credit payments to estates, monthly write-offs, and minutes for the March 21, 2018 Board meeting with approved corrections. Motion seconded, and carried without dissent.

IV. CEO AND STAFF REPORTS

CEO Dreyspring advised that his report on FastTrack will take place in executive session under the guidance of the Attorney to ensure confidentiality. A Director requested that a column be added to the Legislative Update stating how the issues affect LPEA. Dreyspring took questions on legislation.

CFO Svanes attended the CFC conference in New York City for CFC borrowers. The conference covered banking and capital markets, ratings agencies view of the electric industry, and financing trends. April Revenue was close to Forecast, and Cost of Power was lower than Forecast. Net Margins were lean as expected for the season. Svanes took questions.

Jerry Wills addressed fire mitigation efforts and stated that in addition to the water-packs and line patrols, it is a very high priority to de-energize down lines so that the fire fighters can access the area safely. Pagosa Springs crews are busy with new customer jobs, contractors are working on Trujillo Road and San Juan River Village, and a lineman was injured during the installation of

a pole top fuse barrel that fell and hit him in the mouth. No lost time was reported. J.R. Ford is progressing with a Bio-char project and a line extension request is anticipated.

Nadine Ontiveros and Jeannette Simpson attended a CREA conference on Human Resources and presented a Performance Management program that LPEA has developed. Ontiveros noted that great candidates were applying for open positions, the Staff retreats with Phil Bryson have gone well, the Employee Health Fairs were successful, and Jeannie Bennett received a community award for the Blood Drive.

Ron Meier reported that the 46kv build is on-time and under budget, and LPEA is working to decertify some 115kv assets with the North American Electric Reliability Corporation (NERC) which would absolve LPEA of some compliance standards. The assets do not impact regional blackout potential and are eligible for decertification as a result. Meier took questions on the Member Opportunity Report.

Dan Harms discussed Tri-State's proposed changes to Policy 115 Member System Distributed Generation that governs the 5% Distributed Generation cap in LPEA's All Power Requirement Contract. The policies are reviewed annually, and Tri-State is contemplating how to handle energy storage (batteries) with the proposed changes, and whether they should be considered equivalent to DG.

LPEA advocated for more engagement in the conversation and to slow the process down. Tri-State responded favorably to allow Tri-State Members to come back with input which was the focus of Dan's presentation. Tri-State responded with Bill Credit tables based on wholesale electric pricing that minimizes subsidies while providing incentives that are achievable with 1-4 MW solar installations. The tables aim for pricing that will make a project work and not prohibit it under Policy 115, knowing that policy 118 also might not allow it to be feasible. Tri-State further responded by changing the 90-day comment on approved policies, to 90-day pre-approval comment period which is greatly appreciated.

Member comments were brought to Tri-State about batteries stating that energy storage be required to be metered separately even when contained within in the same facility as other DG, to consider providing an option for an entire DG plus energy storage project to be compensated under Policy 115 net metering provision with a single meter, setting the ancillary and backup charges associated with a DG plus energy storage project equal to that of hydro, and instead of separate ancillary and backup charges for each technology, and to consider a fixed charge based on a project's average availability during peak periods each month.

Harms discussed Net Metering relative to the Bill Credit Tables based on solar with ancillary and backup charges included, noting that if the output of solar plus energy storage can look like hydro, it should be compensated as such, as the net present value (NPV) would be almost identical to the Bill Credit option. Discussion ensued on the industry belief that any generation stored in a battery is still on the system in transmission demand, that batteries are both load and generation, and FERC's ruling that for batteries on the Generation level, stored energy constitutes generation, and the unknowns of battery classification on the Transmission level.

Harms discussed suggestions by LPEA for the next revision of Tri-State Policy 118 Member System Participative Generation to allow capturing of Purchased Power Agreement price certainty of DG projects, changing language to reflect negotiated PPA rate plus Transmission Demand plus a Stranded Generation Recovery Charge, the Stranded Generation Recovery Charge should be equivalent to the Class A energy charge plus Generation Demand less the operating cost of Tri-State's highest cost generation asset at the time, Members would supply location and interconnection, Members would provide size and location of proposed projects to Tri-State annually, and Tri-State would aggregate member projects into a single RFP.

Tri-State Board will vote on the proposed changes at the June 6 meeting, though revisions will likely be ongoing.

Justin Talbot reported that Operations is keeping up with customer requests for service, highlighted Capital Projects for System Operations and Maintenance in the service territory, touched on the LED street lighting project, raptor protection upgrades, porcelain cutout replacements with poly, and successful radio and repeater reprogramming.

Talbot reported on outages that took place April 12 due to high wind gusts, April 23 due to a cable default which is being replaced, and an April 30 outage in Bayfield that took out three substations. Talbot reported on resiliency measures that help mitigate incidents on the system. A Director requested that Talbot provide Directors a map of LPEA substation locations.

V. ITEMS REQUIRING BOARD ACTION

OPEN LOCAL GREEN FUND FOR GRANTS – Dan Harms discussed LPEA's Policy 303 Renewable Distributed Generation fund which is grown by voluntary customer contributions to support Net-metered projects within the LPEA service territory. The fund policy allows grant applications to be open to not for profit organizations for a period of six months; after which, the Engineering Department performs analysis on the projects before presenting to the Board for review and approval for funding. Funding will be limited and Harms proposed opening the fund for a series of grant applications that would be awarded in January 2019.

Motion: Director Wheeler moved to open the Renewable Distributed Generation fund for grant applications. Motion seconded. Motion carried without dissent.

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

LPEA Mileage Reimbursements

Mike Alley	\$65.40	Bob Lynch	\$130.80
Karen Barger	\$00.00	Doug Lyon	\$00.00
Britt Bassett	\$00.00	Kohler McInnis	\$8.72
Robert Formwalt	\$00.00	Davin Montoya	\$19.08
Dan Huntington	\$52.32	Jack Turner	\$14.72

Rachel Landis	\$00.00	Guinn Unger	\$56.68
Kirsten Skeehan	\$65.40	Tim Wheeler	\$00.00

LPEA Board Meetings

Mike Alley	\$1200.00	Bob Lynch	\$1200.00
Karen Barger	\$1000.00	Doug Lyon	\$00.00
Britt Bassett	\$1200.00	Kohler McInnis	\$1200.00
Robert Formwalt	\$00.00	Davin Montoya	\$1200.00
Dan Huntington	\$1200.00	Jack Turner	\$1200.00
Rachel Landis	\$1200.00	Guinn Unger	\$1200.00
Kirsten Skeehan	\$1200.00	Tim Wheeler	\$1200.00

Other External Meetings

Mike Alley	\$65.40	Bob Lynch	\$125.00
Karen Barger	\$559.88	Doug Lyon	\$00.00
Britt Bassett	\$125.00	Kohler McInnis	\$00.00
Robert Formwalt	\$200.00	Davin Montoya	\$00.00
Dan Huntington	\$125.00	Jack Turner	\$00.00
Rachel Landis	\$00.00	Guinn Unger	\$125.00
Kirsten Skeehan	\$190.40	Tim Wheeler	\$125.00

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

A request was made to discuss Director per diems for the Annual Meeting and rehearsal on a future agenda.

VI. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

ANNUAL MEETING REVIEW – Ron Meier led a discussion to determine the Board’s preferred date, location, and time for the 2019 LPEA Annual Meeting of the Members.

Motion: Director Bassett moved to hold the 2019 LPEA Annual Meeting of the Members at Fort Lewis College if it is available. Motion seconded.

Motion: Director Alley moved to table the motion to allow Staff to gather more facts about location availability. Motion seconded, and carried without dissent.

Meier will investigate available Annual Meeting dates at Fort Lewis College for May 2019 and report back to the Board. Director Montoya expressed displeasure about the 2017 and 2018 Annual Meetings for not being notified of changes in the Annual Meeting timeline, for the length of time taken during Q&A that interfered with the meal, and for speakers exceeding allotted speaking times. President Lynch advised that Staff will process Director Montoya’s feedback. CEO Dreyspring thanked Montoya and pledged to do better in the future.

4 CORE UNCLAIMED CAPITAL CREDITS GRANT PROPOSAL FOR ENERGY

SMART COLORADO – 4CORE Executive Director, Laurie Dickson presented a grant request of \$12,520 from Unclaimed Capital Credits (UCC) to fund the Energy Smart Colorado Program that provides education and services for energy efficiency audits and upgrades for families and homeowners in the LPEA service area. Discussion ensued on LPEA's relationship with 4CORE and service parallels between the two organizations. Director Landis advised that she would abstain from voting because of her work with the Fort Lewis College Environmental Center which may present an appearance of bias.

Motion: Director Turner moved to provide 4CORE with \$12,520 from Unclaimed Capital Credits for the Energy Smart Colorado Program. Motion seconded.

Discussion ensued on the UCC grant request application process that was suspended by the Board in 2017 to fulfill an award to Fort Lewis College, and the fairness of adhering to the official grant cycle, and remaining in compliance with the guidelines set forth in Policy 203 Disposition of Unclaimed Capital Credits. Discussion ensued in favor of funding the Energy Smart Colorado program based on LPEA's "special relationship" with 4CORE, and against funding the program because the request is outside of the customary grant cycle.

Motion:

Resumed: Motion carried 6 to 5 with Directors Skeeahan, Huntington, Montoya, McInnis, and Alley opposed.

Motion

Fail: Director Landis advised that she had recused herself from voting and forgot to abstain from voting on the 4CORE grant request for UCCs for the Energy Smart Colorado Program. The motion to provide UCC grant funds to 4CORE thus failed 5 to 5.

Motion: Director Skeeahan moved to reconsider the 4CORE grant request for UCCs for the Energy Smart Colorado Program. Motion seconded, and carried 5 to 4 with Directors Montoya, McInnis, Alley, and Huntington opposed, and Director Landis abstaining.

Director Turner stated that he is not a Director with 4CORE, does not have a Conflict of Interest in voting on the 4CORE grant request, and that 4CORE Executive Director, Laurie Dickson is aware of today's resignation. Attorney Denning reviewed the Conflict of Interest Disclosure, Turner deferred to the Board for discretion, and President Lynch recommended that Turner recuse himself from the vote.

Motion:

Resumed: The motion to provide 4CORE with \$12,520 from Unclaimed Capital Credits for the Energy Smart Colorado Program resumed. Motion passed 5 to 4 with Directors Montoya, McInnis, Alley, and Huntington opposed; and Directors Landis and Turner abstaining.

Discussion ensued on parliamentary procedures for recording votes. The current practice is to record Director names for opposing and abstaining votes only. President Lynch proposed that the current practice of recording votes stand, and during meetings the names of Director votes be spoken aloud for the sake of those in attendance. Director Bassett requested a future agenda item to discuss how to record votes in the minutes.

REVIEW POLICY 127 DIRECTOR ELECTIONS AND ANNUAL MEETING VOTING PROCEDURES – Issues that will be processed in Policy 127 revisions include complaints about the use of the member list by candidates and the correlating changes to Policy 117 Disclosure of Cooperative Information, the Election Supervisory Committee's (ESC) own recommendations for Policy 127 revisions; as well as, Director recommendations for consideration such as, announcing the uncertified election results prior to a recount to allow a candidate the opportunity to concede if so desired, that the 1% margin for a recount be reduced to .05%, clearing up confusion over the handling of business voting ballots, and clarifying signature requirements for joint tenants on accounts as either/or, both.

ESC President, Betsy Romere discussed the stringent protocols and procedures followed by La Plata County Clerk & Recorder Tiffany Parker, independent third party authorized by the Board to receive, prepare, and secure the return envelopes containing ballots, tabulate ballots, and report final voting results. CEO Dreyspring advised that Policy 127 provides compensation to the ESC members.

RATE TOPIC DISCUSSION – Harms reviewed the LPEA rate timeline considerations in lieu of the Tri-State September Board meeting during which rate changes are determined. LPEA brings the Financial Forecast to establish the next year's Revenue Requirements and a Review of draft rate possibilities in October, rate proposals in November, and a 30-day member comment period December 1-30. Rates take effect January 1, 2019 and any changes that come as a result of member comment take effect February 1, 2019.

Harms discussed rate structure and Policy 214 Rate Policy changes that may occur independent of revenue requirements and often require significant study and discussion; highlighted rate design Strategic Planning goals, and previewed upcoming rate discussion topics which include LED street lighting rates, demand charge on three phase small commercial, limiting excess generation buyback to 120%, change in buyback rate, energy storage TOU rate, a deep dive into residential rate design, a grid and/or energy defection study, and other topics as they arise.

VII. ATTORNEY REPORT

Referring to the written report included in the Board packet, Attorney Denning highlighted work done for LPEA and took all questions. Discussion ensued on mailing of ballots and capital credit checks through First Class mail, and USPS discretion when delivering bulk mail.

Denning addressed member complaints and an allegation that Board candidates provided the LPEA membership list to a third party in violation of Policy 117 Disclosure of Cooperative Information, and the non-disclosure agreement (NDA) attached to the policy. A membership list

is available to Director Candidates for the purpose of campaigning during the election cycle only. Denning investigated and found no policy or NDA violation has occurred by candidates. Should it be found that the member list was used for any purpose other than the candidate's campaign, which is a violation, it is up to LPEA to enforce the NDA. The resulting civil liability to the candidate who violates the NDA would be unlimited, because the NDA does not limit the liability for the person who signs the agreement with LPEA.

CEO Dreyspring put a letter on the LPEA website with contact information for members with information that the membership list was used for any purpose other than a candidate campaign, to come forward. Additionally, Dreyspring solicited and received confirmation from each candidate that they have destroyed their member lists, and that any organization that they provided the list to also destroyed it. Denning believes LPEA has responded to the complaints to the best of its ability, and should incriminating information come forth, Denning and Dreyspring will approach the Board for actions that would range from a cease and desist order, to an injunction, or a potential suit.

VIII. DIRECTOR REPORTS AND OTHER BOARD ACTIONS

ROUND UP FOUNDATION REPORT – Director Unger reported Round Up Grants of \$1,000 to Third Avenue Arts, and \$2,000 to Destination Imagination Archuleta School District; and Education Grants of \$2,000 to Pine River Shares, and \$3,000 to Animas High School.

TRI-STATE REPORT – Director McInnis highlighted Tri-State's total renewable energy supply as leading among regional utilities, noting that all renewable generation was 32% of member sales and 28% of the total power supply. McInnis discussed Tri-State's updated cyber-security protocols that prevented a total security breach when one of their vendors was compromised when their email server was hacked. CFO Svanes advised that Cyber-security insurance is exorbitant, does not cover scams, and discussed LPEA's security protocols.

FASTTRACK COMMUNICATIONS REPORT – CEO Dreyspring advised that the FastTrack report will take place in executive session.

CREA AND WESTERN UNITED REPORTS – President Lynch addressed the CREA and Western United reports. As Directors Barger and Formwalt were unseated in the election, no reports were available.

IX. UPCOMING EXTERNAL MEETINGS

TRAVEL REQUESTS - President Lynch addressed the Upcoming External Meeting list, no travel requests were made.

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

President Lynch took Director input for future discussion items. Director Bassett requested individual Director input when crafting the Board agenda. There was consensus among the Board that the draft agenda would be reviewed by the President and open for Director input on the Tuesday and Wednesday of the week the agenda is posted.

Director Landis requested discussions of goals from the Long-Term Strategies Committee at the June Committee of the Whole (COW) meeting, and a process for mapping goals and planning a day to work on them.

Director Unger would like to add a time schedule to the Board meeting agenda, present an overview of the Kit Carson buyout, clean up Policy 117 Request for Cooperative Information, and have discussions on LPEA's interest in getting into broadband, the indirect costs of energy, climate change, and evaluating what a Tri-State buyout would look like.

Director Turner would like a strategic vision with goals set by the Board and Staff, a discussion on the new Board leadership acting in partnership with Staff, and three goals set by the end of the next Board meeting. CEO Dreyspring confirmed that a COW will take place monthly beginning in June, on the Monday before the regularly scheduled Wednesday Board meeting.

Discussion ensued on the process for creating the Board meeting agenda. President Lynch will give thought to the proposed options to set the agenda through work sessions, committees, executive committee involvement, and COW meetings to find a path forward. CEO Dreyspring noted that he would like to utilize subcommittees to process work that the Board wants to get done.

LONG TERM STRATEGIES COMMITTEE REPORT – Committee Chairman Director Huntington reported that the Committee met seven times as approved by the Board, and is requesting an additional non-compensated meeting to prepare a final report to the full Board at the June 18 COW meeting. CEO Dreyspring advised that LPEA will promote the LTSC report at the June 18 COW on social media to promote member awareness and encourage attendance.

Motion: Director Landis moved to authorize an additional non-compensated Committee meeting to prepare a final report for presentation to the full Board at the June 18 COW meeting. Motion seconded and carried without dissent.

Discussion ensued on Tri-State Director compensation and issues of personal prerogative, Tri-State's rights, taxable income, self-employment tax, charitable donations, and exclusions. A Director advised that the conversation would be best served when all Directors are present.

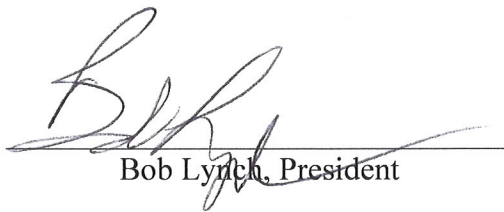
XII. EXECUTIVE SESSION

Motion: Director McInnis moved to enter into executive session to discuss the FastTrack Report, an update on employee morale, and a member request for Attorney opinion. Motion seconded and carried without dissent.

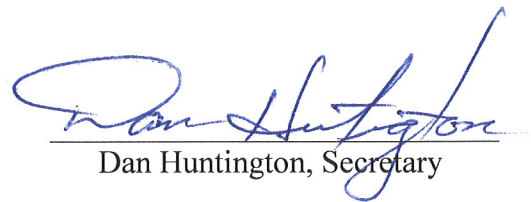
The Board of Directors remained in Executive Session from 5:43 p.m. to 6:29 p.m.

There being no further business, the LPEA Board of Directors meeting adjourned at 6:30 p.m.

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



Bob Lynch, President



Dan Huntington, Secretary

