

LA PLATA ELECTRIC ASSOCIATION, INC.
Committee of the Whole Minutes of Meeting
Monday, June 18, 2018
Durango, Colorado

I. CALL TO ORDER

The Committee of the Whole meeting of La Plata Electric Association, Inc. was held Monday, June 18, 2018 at the headquarters building in Durango, Colorado. President Lynch called the meeting to order at 9:01 a.m., with the following Directors present:

Mike Alley	Bob Lynch, President	Kirsten Skeehan
Britt Bassett, Vice President	Doug Lyon	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
Nadine Ontiveros, Manager of HR
Ron Meier, Manager of Engineering, Member Relations, and Marketing
Justin Talbot, Manager of Operations
Jerry Wills, District Manager, Pagosa Springs
C. E. Charistopoulos, Executive Assistant
Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: Dan Harms, Manager of Rates, Technology, and Energy Policy.
Director Landis joined the meeting at 10:20 a.m.

GUESTS (from sign in sheet): The following guests were present: Betsy Romere, Kirby MacLaurin, Karen Pontius, Larry Zaubers, Lori Schell, Susan Atkinson, Werner Heiber, Lissa Ray, Chris Calwell, Harry Riegle, Karen Barger.

LONG TERMS STRATEGIES COMMITTEE FINAL REPORT – Committee Chairman, Dan Huntington reported that the Committee was engaged in a fact-finding process to present information to the Board for discussion and consideration. Director Bassett presented his information that he felt would address the information and defined tasks as directed by the Committee Mission and Vision Statements.

Bassett spoke to the task of LPEA's Load Forecast and presented data trends for annual load and demand over the previous 10 and 15-years, followed by predictions reaching into 2032 that growth in all classes would remain generally flat, with the exception of anticipated growth in the Residential Class due to electric vehicles.

Bassett spoke to the task of LPEA's current supplier, and drew on two of the Seven Cooperative Principles, *Democratic Member Control* (one coop, one vote), noting that LPEA is the third largest member in the Tri-State family and his feelings that LPEA members do not have a voice at Tri-State based on size; and *Autonomy and Independence*, expressing his view that the 5% Distributed Generation (DG) allowance in the All Power Requirements contract that runs through 2050 does not provide autonomy or independence. Bassett presented an analysis of Tri-State's Growth Forecast, Rate Increase Forecast, and Financials that demonstrate Member Sales are flat and Non-member Sales are decreasing. Director Bassett presented information that showed Tri-State expenses and the relative amount of expenses based upon inflation and showed the future bullet maturities of Tri-State debt in the future.

Director Bassett spoke to the task of Government Regulations and discussed his views about the undermining of the Public Utility Regulatory Policies Act on Qualified Facilities by large utilities, Retail Choice that could reduce LPEA to a "wires only" company, the implications of an increase to the Renewable Energy Standard, tariffs on imported PV panels, a reduction of the Investment Tax Credit for solar installations, the addition of a carbon fee that would drive the price of carbon-based fuels higher, and the City of Durango franchise fee.

Director Unger presented his information about government regulations. Director Lynch presented his information about electric vehicles. Director Huntington, Chairman of the LTS Committee, presented a summary for the Board.

REVIEW OF APRIL BOARD RETREAT – Phil Bryson reviewed goals from the April 18, 2018 Board retreat: Director focus on working together to achieve common goals, creating a culture that brings out the best in all, and setting common goals to work towards. Agreed upon Board norms include working in partnership with other Directors and Staff, trust and relationship building, collaboration, good communication, leadership that focuses on facilitation, meaningful dialog, consensus building and closure, and focus on continual learning, research, and education.

The Board drafted a joint resolution to provide a framework for setting and pursuing common goals:


As we look towards the future of the Coop, the Board commits to actively honor our mission: to provide safe, reliable, environmentally responsible power, while achieving the lowest reasonable costs to our members. In doing so, we will explore and carefully vet a holistic suite of options to increase LPEA's value to the membership. Moving forward, we will continue to pursue our mission with transparency, community engagement, acknowledgement of risk, and earning the trust of our members by performing our fiduciary responsibility.

Bryson reviewed common goals and areas of focus and led the Board through a prioritization exercise. The three top goals that were determined are: (1) Work with Tri-State to find ways to increase the percentage of renewable, cleaner energy; (2) Local economic development; and (3) Reducing costs. Next steps, as spelled out by President Lynch, are for LPEA Directors Landis

and McInnis to facilitate LPEA Board dialog to drill down and set specific goals for the Board consistent with the priorities established in the work session with Phil Bryson.

There being no further business, the LPEA Committee of the Whole meeting adjourned at 2:04 p.m.

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



Bob Lynch, President



Dan Huntington, Secretary

