

LA PLATA ELECTRIC ASSOCIATION, INC.
Committee of the Whole Minutes of Meeting
Monday, November 12, 2018
Durango, Colorado

I. CALL TO ORDER

The Committee of the Whole meeting of La Plata Electric Association, Inc. was held Monday, November 12, 2018 at the headquarters building in Durango, Colorado. President Lynch called the meeting to order at 9:05 a.m., with the following Directors present:

Mike Alley	Bob Lynch, President	Kirsten Skeeahan
Britt Bassett, Vice President	Doug Lyon	Jack Turner
Dan Huntington, Secretary	Kohler McInnis	Guinn Unger
	Davin Montoya	

LPEA STAFF:

Mike Dreyspring, Chief Executive Officer
Dennis Svanes, Chief Financial Officer
Nadine Ontiveros, Manager of HR
Ron Meier, Manager of Engineering and Member Relations
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 Energy Rates and Technology was not present. Tim Wheeler, Treasurer arrived at 11:50 a.m., Director Landis arrived at 11:00 a.m., Director Lyon left at 12:00 p.m.

GUESTS (from sign in sheet): The following guests were present: Betsy Romere, Dan Hunt, Mark Pearson, Katie Pellicore

QF RISKS AND REWARDS – CEO Dreyspring recapped PURPA regulations and definitions and gave an overview of CPUC Interim Rules 3902c which impact Infeasible Rights of Use for Qualified Facilities (QF) by making Colorado State rules consistent with PURPA regulations.

Discussion ensued on that status and impact of Tri-State’s Motion for Rehearing, which asks FERC to reconsider its ruling related to the changes made to Tri-State Board Policy 101, and how FERC’s delay in deciding this matter has caused risk and uncertainty for QFs and member co-ops under Tri-State policies. Dan Harms is working on options under Tri-State Policy 118 that would separate costs and benefit all parties.

REVIEW OF PVEA LETTER TO TRI-STATE – CEO Dreyspring discussed a Poudre Valley Rural Electric Association (PVEA) resolution that was unanimously adopted by the PVEA Board of Directors on September 19, 2018, which presented the following request to Tri-State:

to work expeditiously in a transparent process to determine if significant cost savings are achievable by adjusting Tri-State's fuel mix and provide the findings to Tri-State's members by the end of calendar year 2018; to consider future legislative, regulatory and litigation risks, as well as opportunities when conducting their resource planning; to review alternative electric service contract arrangements and to ensure any arrangement will not have an adverse impact on Tri-State or Tri-State members. to develop policies that work on providing member-side electric supply resources, so Poudre Valley can actively participate with retail members who opt to move to such resources; and encourages Tri-State to consider partnering with their member systems on these opportunities to proactively adjust to changes within the industry.

The Board discussed the timing of supporting PVEA and the work and timeline of the LPEA Power Supply Committee (PSC). The PSC plans to meet with PVEA and United Power in the near future and will evaluate any potential action at a later date.

CEO ATTRIBUTES AND SEARCH OPTIONS – President Lynch discussed two CEO search firm candidates that the Board will evaluate for a final vote at the November 14, 2018 Board meeting. Director Landis led the Board and Staff in an exercise to define the desired attributes, character traits, leadership qualities and qualifications of a potential CEO. The Board took a conference call from a candidate to discuss approach, recommendations, and vetting process.

IX. DIRECTOR REPORTS

FASTTRACK COMMUNICATIONS – Director Wheeler reported that YTD sales were up 5%, margins were good, and numerous projects were underway including a fiber project with LPEA in Pagosa Springs. A network outage spanning two days was the result of a highly unusual equipment failure.

POWER SUPPLY COMMITTEE – Committee members discussed takeaways from the November 5, 2018 discussion with Louis Reyes, CEO and Bob Bresnahan, Director of Kit Carson Electric Cooperative in Taos, NM.

CREA – Director Turner advised that CREA will pursue ballot secrecy sleeve legislation changes in 2020, that there will be no increase in 2019 membership dues, and the 2018 Guatemala Electrification Project was so successful that they will do it again in 2019. Director Skeehan reported highlights from the CREA Innovation Summit and Director training on Board governance. Director Huntington shared takeaways from the CREA Innovation Summit and Director training on financial statements and a break out session on battery storage.

WESTERN UNITED – Director McInnis advised that retiring WUE CEO, Mike Prom will give a presentation to the Board at the November 14, 2018 LPEA Board meeting. McInnis reported

that tariffs are a concern for increased prices and slimmer than usual margins, the Board approved new land for warehouse expansion, and Greg Mordini will step in as the CEO in April of 2019.

4CORE – CEO Dreyspring addressed a request by 4CORE for funding in the amount of \$50,000. Discussion ensued on LPEA’s budget and history with 4CORE, special project grants through Unclaimed Capital Credits, and the level of perceived duplication between the work of LPEA and 4CORE. Director Wheeler requested an ongoing budget line item with conditional support to help sustain the work of 4CORE.

There being no further business, the LPEA Committee of the Whole meeting adjourned at 1:56 p.m.

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



Bob Lynch, President



Dan Huntington, Secretary