

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, May 15, 2019
Durango, Colorado

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, May 15, 2019 at the headquarters building in Durango, Colorado. President Lynch called the meeting to order at 9:00 a.m., with the following Directors present:

Holly Metzler	Bob Lynch, President	Kirsten Skeeahan
Britt Bassett, Vice President	Joe Lewandowski	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
Rachel Gillman, Interim Chief Financial Officer
Justin Talbot, Manager of Operations
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
Shay Denning, LPEA General Counsel
C. E. Charistopoulos, Executive Assistant

EXCUSED ABSENCE: None.

GUESTS (from sign in sheet): The following guests were present: Heath Rowe, Katie Pellicore, Kirby MacLaurin, Karen Pontius, Betsy Romere, Lissa Ray, Harry Riegle, Jeff Berman, Larry Zauberis

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

APPROVAL OF AGENDA

President Lynch addressed the May 15, 2019 Board meeting agenda.

Motion: Director McInnis 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.

ELECTION OF OFFICERS

Director Montoya asked the Board to consider re-electing the current slate of Directors to maintain continuity of leadership.

Motion: Director Montoya moved to retain the current slate of Directors for the 2019 Director term, with the exception of the office of Board Secretary, and both seats on the Round Up Foundation Board. Motion seconded.

Director Huntington advised that a Round Up Board position was vacant, and Director Landis advised that she would like to yield her position on the Round Up Foundation Board and maintain her position on the 4CORE Board of Directors. There was consensus among the current Board officers and affiliate representatives to retain their positions; however, Director Unger expressed interest in running against Director Huntington for the position of Board Secretary. Directors Metzler and Lewandowski expressed interest in serving on the Round Up Foundation Board.

Motion

Resumed: Motion carried without dissent.

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

Denning accepted and counted handwritten nominations for the Board Secretary. Directors Unger and Huntington spoke to their qualifications to hold the position prior to a vote by the Board of Directors. Director Unger was elected by majority vote to the office of Board Secretary.

Director Lynch was elected by acclamation to the office of Board President; Director Bassett was elected by acclamation to the office of Board Vice President; Director Wheeler was elected by acclamation to the office of Board Treasurer. Director Skeehan was elected by acclamation as the representative to the Tri-State Board; Director Turner elected by acclamation as the representative to the CREA Board; Director McInnis was elected by acclamation as the representative to the Western United Board; Director Landis was elected by acclamation as the representative to 4CORE; and Director Wheeler was elected by acclamation as the representative to FastTrack Communications.

Director Landis proposed a process of self-evaluation for Board officers and affiliate representatives. There was consensus among the Board to allow Director Landis to draft a process to define and evaluate the expectations and progress for the performance of Board officers and representatives.

APPOINT PROXY TO FASTTRACK COMMUNICATIONS JUNE 4, 2019 ANNUAL SHAREHOLDER MEETING

Motion: Director Wheeler moved to appoint Director Bassett as the voting proxy to the FastTrack 2018 Shareholder Meeting on June 4, 2019. Motion seconded and carried without dissent.

Motion: Director Skeehan moved to appoint Director Wheeler as the alternate voting proxy to the FastTrack 2018 Shareholder Meeting on June 4, 2019. Motion seconded and carried without dissent.

MEMBER COMMENTS

Members welcomed new Directors, Holly Metzler and Joe Lewandowski, gave positive feedback about the 2018 Annual Meeting of the Members, and expressed gratitude for the upcoming Member District meetings to discuss the PSC Consultant final reports. Members shared various issues encountered with the voting ballots and concern over alleged online death threats to a Director prior to the Annual meeting. President Lynch advised that he understood the Sheriff's department was immediately notified of the threat, and that Ron Meier would address ballot issues during the Annual Meeting Review discussion.

CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items.

Motion: Director Wheeler moved to approve the Consent Board Items: capital credit payments to estates, monthly write-offs, and minutes for the April 15 Committee of the Whole and April 17, 2019 Board meeting with approved modifications. Motion seconded, and carried without dissent.

CEO AND STAFF REPORTS

Staff addressed the written department reports in the Board packet and took questions. President Lynch thanked outgoing CFO, Dennis Svanes and welcomed Interim CFO, Rachel Gillman. Gillman presented the monthly Financial and Finance and Accounting Department reports, and requested authorization to update bank signatory authorizations to remove outgoing CFO, Dennis Svanes, and include CFO, Rachel Gillman and Controller, Monica Rodriguez.

Motion: Director Turner moved to approve Resolution 2019-07 Bank Authorization, granting signatory authorization to CEO Dreyspring, CFO Gillman, and Controller, Monica Rodriguez. Motion seconded and carried without dissent.

CFO Svanes presented a pro forma spreadsheet with data obtained from the Power Supply Committee (PSC) consultant reports, and discussed the impact of various assumptions on member rates and LPEA cashflow. CEO Dreyspring presented highlights from the 2019 Legislative Session and the passage of Colorado Senate and House Bills that affect LPEA. Ron Meier addressed plans for upcoming Member District Meetings to discuss the PSC consultant reports and LPEA's process for determining a path forward.

Ryne Waggoner discussed the status of the Transmission Study and Dan Harms gave an update on responses to LPEA's Request for Information for Indicative Pricing from various power suppliers (June 14 is the response deadline).

ITEMS REQUIRING BOARD ACTION

POLICY 108 DISCLOSURE OF COOPERATIVE INFORMATION REQUEST – The Board discussed a request by the Pagosa Sun Daily Post and the Durango Herald for salary and contract information for incoming CEO, Jessica Matlock and CEO, Mike Dreyspring. Attorney Denning advised that salary information is included on the Form 990 that is posted to the LPEA website, but personnel files are protected information.

Motion: Director Landis moved to deny the request to release the employment contracts for Dreyspring and Matlock. Motion seconded and carried 10 to 2 with Directors Lewandowski and Unger opposed.

Motion: Director Bassett moved to approve a press release disclosing the salary of the current and incoming CEOs; as well as, biographical information for the incoming CEO. Motion seconded.

Motion

To Amend: Director Skeehan moved to provide salary and benefit information in the press release. Motion to amend seconded and failed 8 to 4 with Directors Lynch, Bassett, Metzler, Turner, Huntington, McInnis, Landis, and Montoya opposed.

Motion

Resumed: Motion to approve a press release disclosing the salary of the current and incoming CEOs; as well as, biographical information for the incoming CEO, carried 9 to 3 with Directors Unger, Lewandowski, and Turner opposed.

RESOLUTION 2019-06, 2019 CAPITAL PROJECT CONSTRUCTION CONTRACTOR BID – Justin Talbot discussed the request to approve the 2019 Capital Project Construction Contractor Bid and took questions.

Motion: Director Skeehan moved to approve Resolution 2019-06, 2019 Capital Project Construction Contractor Bid. Motion seconded and carried without dissent.

INNOVATIVE PROJECT FUND GRANT REQUEST FOR LPEA TESTBED PV SYSTEM – Ron Meier discussed a funding request of up to \$18,000 to install the LPEA testbed PV system to test smart inverter settings under different system conditions.

Motion: Director Bassett moved to approve the request for up to \$18,000 to install the LPEA testbed PV system. Motion seconded and carried without dissent.

STRATEGIC PLAN DISCUSSION: GOAL NAME – Nadine Ontiveros took input to name the overarching goal for the Strategic Plan that was adopted by the Board on January 16, 2019.

LPEA will strive to reduce its carbon footprint by 50% from 2018 levels by year 2030 while keeping member’s cost of electricity lower than 70% of its Colorado cooperative peers.

Motion: Director Bassett moved to adopt the name *Strategic Goal* for the goal to reduce LPEA’s carbon footprint by 50% from 2018 levels by year 2030 while keeping member’s cost of electricity lower than 70% of its Colorado cooperative peers; and to change the name of the six *Strategic Initiatives* to *Operational Goals*. Motion seconded and carried without dissent.

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

LPEA Mileage Reimbursements

Mike Alley	\$00.00	Kohler McInnis	\$9.28
Britt Bassett	\$00.00	Holly Metzler	\$00.00
Dan Huntington	\$27.84	Davin Montoya	\$20.30
Rachel Landis	\$00.00	Kirsten Skeeahan	\$82.24
Joe Lewandowski	\$00.00	Jack Turner	\$19.72
Bob Lynch	\$69.60	Guinn Unger	\$30.16
Doug Lyon	\$00.00	Tim Wheeler	\$00.00

LPEA Board Meetings

Mike Alley	\$00.00	Kohler McInnis	\$1200.00
Britt Bassett	\$1200.00	Holly Metzler	\$1200.00
Dan Huntington	\$1200.00	Davin Montoya	\$1200.00
Rachel Landis	\$1200.00	Kirsten Skeeahan	\$1200.00
Joe Lewandowski	\$1200.00	Jack Turner	\$1200.00
Bob Lynch	\$1200.00	Guinn Unger	\$1200.00
Doug Lyon	\$00.00	Tim Wheeler	\$1200.00

Other External Meetings

Mike Alley	\$125.00	Kohler McInnis	\$200.00
Britt Bassett	\$00.00	Holly Metzler	\$00.00
Dan Huntington	\$00.00	Davin Montoya	\$00.00
Rachel Landis	\$1717.75	Kirsten Skeeahan	\$1853.35
Joe Lewandowski	\$00.00	Jack Turner	\$1969.81
Bob Lynch	\$00.00	Guinn Unger	\$00.00
Doug Lyon	\$00.00	Tim Wheeler	\$00.00

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

ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

REVIEW POLICY 110 COMMITTEES OF THE BOARD OF DIRECTORS – President Lynch and CEO Dreyspring addressed recommended changes to Policy 110 Committees of the Board of Directors and took input for revisions. The Board will continue the discussion of revisions to the policy in June.

DISCUSS COMMITTEES, FINANCE, AND POLICIES – President Lynch discussed the formation of a Finance Committee and a Policy Committee, and asked that Directors who are interested, submit their names for planning and inclusion.

NEW POLICY 112 DRAFT AND PROPOSED CHANGES TO LPEA BYLAWS – CEO Dreyspring proposed a policy to address specific issues and provide a procedure for processing member petitions for bylaws changes. Discussion ensued on the current bylaws language and editing and approving a basic policy to refine through the upcoming Policy Committee.

Motion: Director Bassett moved to adopt Policy 112 Draft and Proposed Changes to LPEA Bylaws, amending the 90-day provision in Section II.B.9 to 120 days.

The board of Directors shall have ninety (90) days after validation of signatures to call the special meeting of the members subject to LPEA Bylaws Article II.

Motion seconded and carried 7 to 4 to 1, with Directors McInnis, Skeeahan, Montoya, and Huntington opposed; and Director Landis abstaining.

The upcoming Policy Committee will refine Policy 112 Draft and Proposed Changes to LPEA Bylaws for presentation to the LPEA Board at a later date.

ANNUAL MEETING REVIEW AND 2020 MEETING DATE AND LOCATION – Ron Meier led a discussion to determine the Board’s preferred date, location, and time for the 2019 LPEA Annual Meeting of the Members in May 2020. Discussion ensued on members who did not receive ballots, issues with mailed ballots, returned ballots, secrecy sleeves, and ballot graphics. Meier reported positive social media feedback on the Q&A session and addressed concerns about the privacy of Election Supervisory Committee investigations. The 2019 Annual Meeting 2020 date and location will be presented to the Board for consideration in June.

RENEWABLE GENERATION FUND DISTRIBUTION CYCLE – Dan Harms sought Board direction on whether to open up grant applications for funds available in the January 2020 grant cycle, or delay the grant cycle to January 2021 in order for the fund to double for more projects.

There was consensus among the Board that the grant cycle would remain an annual event, opening in July 2019 with applications due in November 2019, and \$37,000 in grants awarded in

January 2020. Harms will clarify grant parameters and present a formal request to open the grant cycle at the June Board meeting.

ATTORNEY REPORT

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

DIRECTOR REPORTS AND OTHER BOARD ACTIONS

Directors gave highlights from the written reports in the Board packet and took questions.

ROUND UP FOUNDATION REPORT – Director Landis reported Round Up grants of \$3,200 to Companeros – Immigrants’ Rights Training, and \$440 to Bombulos Draconis Destination Imagination Nationals Team, and \$1,560 to CloudBusters Rocket Team Nationals; and Education Grants of \$2,400 to Treasure Ministries Scholarships for disabled.

IX. UPCOMING EXTERNAL MEETINGS

TRAVEL REQUESTS - President Lynch addressed the Upcoming External Meeting list. Holly Metzler requested to attend the Tri-State Contract Committee meetings, June 5-6; Directors Metzler, Landis, and Unger requested to attend the Tri-State Contract Committee meetings, July 10-11.

Motion: Director Turner moved to approve Director travel requests. Motion seconded and carried without dissent.

REVIEW OF CEO ACTION LIST

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

FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

President Lynch discussed the process for discussion requests and upcoming agenda items.

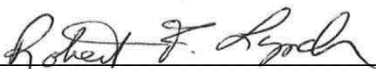
EXECUTIVE SESSION

Motion: Director McInnis moved to enter into executive session to discuss the Supplier Proposal, a PUC Update, an Affiliate Matter, a Contractor Issue, and a Personnel Matter with Board, Attorney and HR Manager only. Motion seconded and carried without dissent.

Director Skeehan was recused from the Supplier Proposal. Director Skeehan and Attorney Denning were recused from the PUC Update discussion. All staff, except the HR Manager, were recused from the Personnel Matter discussion. The Board of Directors remained in Executive Session from 5:05 p.m. to 7:33 p.m.

There being no further business, the LPEA Board of Directors meeting adjourned at 7:33 p.m.

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



Bob Lynch, President



Guinn Unger, Secretary