

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, July 17, 2019
Durango, Colorado

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, July 17, 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:

Britt Bassett, Vice President	Bob Lynch, President	Kirsten Skeeahan
Dan Huntington	Kohler McInnis	Jack Turner
	Holly Metzler	Guinn Unger, Secretary
Joe Lewandowski	Davin Montoya	Tim Wheeler, Treasurer

LPEA STAFF:

Mike Dreyspring, Chief Executive 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
Lonnie Tucker, Communications Coordinator

EXCUSED ABSENCE: Rachel Landis; Director Skeeahan arrived at 10:30 a.m.

GUESTS (from sign in sheet): The following guests were present: Larry Zauberis, Betsy Romere, Kirby MacLaurin, Karen Pontius, Katie Pellicore, Lissa Ray.

Lonnie Tucker led the Board, Staff, and guests in reciting the Pledge of Allegiance.

APPROVAL OF AGENDA

President Lynch addressed the July 17, 2019 Board meeting agenda, and advised that an executive session would take place at 3:20 with Special Counsel, Karl Kumli.

Motion: Director Bassett moved to approve the July 17, 2019 Board meeting agenda with the approved modification. 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.

MEMBER COMMENTS

Members expressed gratitude for the recent member meetings that were presented in each district discussing the Future of Power Supply for LPEA; as well as, concern over the optics of Tri-State's move to file for rate jurisdiction under the Federal Energy Regulatory Commission (FERC) as a means to avoid dealing with the new Colorado and New Mexico renewable energy standards.

A member asked whether the \$250,000 buyout calculation fee from Tri-State was a separate fee from the cost of the buyout, or if it would be applied toward the total cost of a potential buyout. Director Skeehan stated that the fee was a standalone fee and would not likely be waived for LPEA, though Delta Montrose Electric Association and Kit Carson Electric Cooperative did not pay the fee up front. CEO Dreyspring noted that buying out of the Tri-State contract honors the contract through negotiations that make Tri-State whole, and does not constitute a breaking of the All Power Requirements contract.

A member expressed frustration over the idea that if Tri-State had agreed to raise the 5% cap on local Distributed Generation to 10-20%, the conversation about a complex and costly buyout might not be necessary. President Lynch responded that the Tri-State Contract Committee is exploring options for partial requirements contracts and the path forward is still unfolding.

CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items. Directors noted corrections to the July 15 Committee of the Whole minutes, the July 17, 2019 Board minutes, and the July 2, 2019 Special Meeting minutes.

Motion: Director McInnis moved to approve the Consent Board Items: capital credit payments to estates, monthly write-offs, and minutes for July 15 Committee of the Whole, the July 17, 2019 Board, and the July 2, 2019 Special Meeting with approved modifications. Motion seconded, and carried without dissent.

CEO AND STAFF REPORTS

Staff addressed the written reports included in the monthly Board packet and took questions. Justin Talbot and Jerry Wills presented detailed Operations Reports, and Rachel Gilman presented an in-depth discussion of the July and Quarterly Financial Reports.

ITEMS REQUIRING BOARD ACTION

POLICY 110 COMMITTEES OF THE BOARD OF DIRECTORS – Attorney Denning reviewed revisions to the policy that were discussed at the June Board meeting. The temporary Finance and Audit Committee, as well as the Policy Committee will become permanent standing committees upon approval of Policy 110 Committees of the Board of Directors.

Motion: Director Unger moved to approve Policy 110 Committees of the Board of Directors as revised. Motion seconded and carried without dissent.

APPOINT COUNTY FAIR DELEGATES – President Lynch entertained appointments to represent LPEA at the 2019 La Plata County and Archuleta County Fairs.

Motion: Director Wheeler moved to appoint Director Lynch as the Delegate to represent LPEA at the 2019 Archuleta County Fair; and Director McInnis as the Delegate to represent LPEA at the 2019 La Plata County Fair. Motion seconded and carried without dissent.

APPOINT VOTING DELEGATE/ALTERNATE TO NRECA REGION VII, FEDERATED, CFC, NISC, AND NRTC – President Lynch entertained appointments to represent LPEA at the September 24, 2019 NRECA Regional meeting, and the Federated, CFC, NISC, and NRTC Annual Meetings.

Motion: Director Bassett moved to appoint Director Lynch as the Delegate and Director Skeehan as the Alternate to represent LPEA at the NRECA Regional meeting, and the Federated, CFC, NISC, and NRTC Annual Meetings. Motion seconded and carried without dissent.

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

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Holly Metzler	\$61.48
Dan Huntington	\$37.70	Davin Montoya	\$20.30
Rachel Landis	\$00.00	Kirsten Skeehan	\$82.36
Joe Lewandowski	\$00.00	Jack Turner	\$41.76
Bob Lynch	\$139.20	Guinn Unger	\$60.32
Kohler McInnis	\$18.56	Tim Wheeler	\$00.00

LPEA Board Meetings

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

Other External Meetings

Britt Bassett	\$00.00	Holly Metzler	\$1475.58
Dan Huntington	\$00.00	Davin Montoya	\$00.00
Rachel Landis	\$125.00	Kirsten Skeeahan	\$00.00
Joe Lewandowski	\$125.00	Jack Turner	\$125.00
Bob Lynch	\$00.00	Guinn Unger	\$612.03
Kohler McInnis	\$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

SPECIAL MEETING FOLLOW-UP – There was consensus among the Board to move this discussion to the executive session items.

POWER SUPPLY UPDATE – CEO Dreyspring recapped highlights from the Member District Meeting discussions on the Future of Power Supply for LPEA, and confirmed that a 10-year Forecast and financial modelling for a potential buyout are in development, transmission sources and options continue to be analyzed, and RFIs for indicative pricing and sensitivities regarding power supply are being evaluated

BEGIN BROADBAND STRATEGY DISCUSSION – Director Unger discussed takeaways from presentations on the Colorado Broadband Office, the Education Superhighway, and Open Access Networks at the June 24, 2019 Mountain Connect Broadband Conference. Dan Harms shared takeaways about grants and questionable data on rural connectivity that hinders access to grants, the shortcomings of a potential 5G network, fiber versus wireless deployments, and collaborative community models. Board and Staff will begin the Telecommunications Strategic Planning discussion in August

INTERVENOR AND STATUS OF DMEA CASE – Director Skeeahan reported that she made a request to Tri-State CEO Highley that the figure for Tri-State’s settlement with DMEA be made public. President Lynch advised that further discussion would take place in executive session.

DISCUSS BOARD RETREAT PLANNING – President Lynch confirmed that December 10, 2019 was the date selected for the 2019 Board Retreat and agenda planning will begin with incoming CEO, Jessica Matlock.

REVIEW AND CONSIDER CANIDATE CONTRIBUTION REPORTS – Attorney Denning addressed some initial challenges associated with observing the new Policy 107 Campaign Finance Reporting Requirements prior to the 2018 Annual Meeting of the Members in May of 2019. Discussion ensued on the logistics and practical parameters of campaign finance reporting, and working through the Policy Committee to draft revisions for consideration by the full Board at a later date.

ATTORNEY REPORT

Referring to the written report included in the Board packet, Attorney Denning highlighted work done for LPEA and took all questions. Denning advised that she will be taking maternity leave in August, and that MBSS attorneys, Barry Spear and Daniel McCarl, will serve as General Counsel for LPEA in her absence.

EXECUTIVE SESSION

President Lynch advised that the Board would move into executive session to review of the DMEA case with Attorney Kumli, and the Requests for Indicative Pricing for power supply.

Motion: Director Turner moved to enter into executive session to discuss the review of the DMEA case with Attorney Karl Kumli, and the Requests for Indicative Pricing for power supply. Motion seconded. Discussion ensued on the recusal of Director Skeeahan from participating in the call with Attorney Kumli.

Motion: Director Wheeler moved to recuse Tri-State Director Skeeahan from the review of the DMEA case with Karl Kumli. Motion seconded. Discussion ensued on advising Attorney Kumli that Tri-State Director Skeeahan would be present on the call. Attorney Denning advised Skeeahan to recuse herself from the discussion when the topic of legal strategy arises. Motion failed 8 to 3 with Directors Turner, Skeeahan, Metzler, McInnis, Montoya, Huntington, Bassett, and Lewandowski opposed.

The Board remained in executive session from 3:30 p.m. to 4:41 p.m. Director Skeeahan was recused at 3:43 p.m. for discussion of legal recommendations and returned at 4:41 p.m. for open session.

Motion: Director Bassett moved to authorize the LPEA CEO to send a letter within the next 24-hours to the Colorado Energy Office to ask them, as an intervenor in the Colorado PUC case between DMEA and Tri-State, to request that the CPUC require that any settlement agreement be made available to Tri-State members. Motion seconded and carried 7 to 3 with Directors McInnis, Huntington, and Montoya opposed; and Director Skeeahan recused.

Motion: Director Bassett moved that LPEA direct its counsel to file a motion with the Colorado PUC to request to comment on the impending settlement before it is made to clarify to the CPUC the importance of obtaining exit charge guidance for all Colorado co-ops. Motion seconded and carried 7 to 3 with Directors McInnis, Huntington, and Montoya opposed; and Director Skeeahan recused.

Motion: Director Unger moved to enter into executive session to discuss the Requests for Indicative Pricing for power supply. Motion seconded and carried without dissent.

The Board remained in executive session from 4:59 p.m. to 5:53 p.m.

DIRECTOR REPORTS AND OTHER BOARD ACTIONS

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

ROUND UP FOUNDATION REPORT – Round Up grants of \$2,000 to Loaves and Fishes for Archuleta County, \$1,057 to the Pagosa Springs Historical Museum, \$2,187 to Upper San Juan Search and Rescue; and Education Grants of \$4,791 to Wings Early Childhood Center of Archuleta County.

UPCOMING EXTERNAL MEETINGS

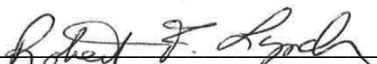
TRAVEL REQUESTS - President Lynch addressed the Upcoming External Meeting list. No travel requests were made. Director Skeeahan advised that she would attend the September 24, 2019 NRECA Regional Meeting as a Tri-State Director.

FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

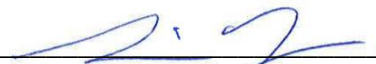
President Lynch advised that he would work with incoming CEO, Jessica Matlock on the August Board meeting agenda.

There being no further business, the LPEA Board of Directors meeting adjourned at 6:04 p.m.

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



Bob Lynch, President



Guinn Unger, Secretary