

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, October 16, 2019
Durango, Colorado

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, October 16, 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
Rachel Landis	Holly Metzler	Guinn Unger, Secretary
Joe Lewandowski	Davin Montoya	Tim Wheeler, Treasurer

LPEA STAFF:

Jessica Matlock Chief Executive Officer
Rachel Gilman, Interim Chief Financial Officer
Justin Talbot, Manager of Operations
Dan Harms, Manager of Rates, Technology and Energy Policy
Ron Meier, Manager of Engineering, Member Relations
Nadine Ontiveros, Manager of HR
C. E. Charistopoulos, Executive Assistant
Ryne Waggoner, Staff Engineer
Jeannie Bennett, Public Relations Coordinator
Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: Director Montoya left the meeting at 4 p.m.

GUESTS The following guests were present: Betsy Romere, Sarah Musil Burris, Nicole Johnson, Tom Compton.

Holly Metzler led the Board, Staff, and guests in reciting the Pledge of Allegiance.

APPROVAL OF AGENDA

President Lynch addressed the October 16, 2019 Board meeting agenda.

Motion: Director McInnis moved to approve the October 16, 2019 Board meeting agenda as presented. Motion seconded and carried without dissent.

MEMBER COMMENTS

A member acknowledged the passing of former LPEA Director, Ed Zink. A member thanked the Board for action taken to intervene in Tri-State's filing for rate jurisdiction under the Federal Energy Regulatory Commission. A member thanked the Board for looking into the Tri-State issue. Director Skeeahan relayed a question from the livestream audience about the Board's willingness to take public comment from the livestream audience; as well as, a concern that there are a lot of executive sessions in the meetings.

Cliff Field, Darrick Robinson, Monica Rodriguez, Jacque Ireland, Jeanette Simpson, and Amanda Miles of the LPEA Wellness Team, congratulated Director Wheeler for participating in the Step Challenge and logging over one million steps.

CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items. Directors noted corrections to the minutes for the September 16 Committee of the Whole, and September 18, 2019 Board of Director meetings.

Motion: Director Wheeler moved to approve the Consent Board Items: capital credit payments to estates, monthly write-offs, and minutes for the September 16 Committee of the Whole, and September 18, 2019 Board of Director meetings with approved modifications. Motion seconded, and carried without dissent.

CEO AND STAFF REPORTS

CEO Matlock recognized the LPEA Wellness Team for building morale and camaraderie in the organization, discussed weekly communiques to all personnel that open the door for dialogue on process improvements and collaborative problem solving, acknowledged the tireless work of line crews on late night outage repairs, and reported on meetings taken with LPEA members and stakeholders.

Ron Meier gave the Press Update and CEO Matlock discussed press engagement and media relationships. Jeannie Bennett gave a Community Update on LPEA's sponsorship of a fundraiser for the Community Treehouse in Bayfield, and introduced Founder, Nicole Johnson, who thanked the Board and Staff for helping to raise funds for the non-profit rural community hub.

Justin Talbot and Jerry Wills highlighted items from the Durango and Pagosa Springs Operations Reports and took questions. Interim CFO Gilman addressed the Financial Reports and requested Board approval to update bank authorizations. Discussion ensued on signature authority, proper procedures and controls, and revising the resolution language for clarity.

Motion: Director Bassett moved to adopt Resolution 2019-11 Bank Authorization with approved modifications. Motion seconded and carried without dissent.

ITEMS REQUIRING BOARD ACTION

2020 CAPITAL PROJECTS BUDGET – Ryne Waggoner gave an overview of the annual budget for multi-year Capital Works Projects and previous year budget comparisons for Transmission additions, Distribution additions, system improvements, new service, service improvements, and AMI. Waggoner discussed variances between the 2019 Budget and Actual Costs, and took questions.

Motion: Director Huntington moved to approve the 2020 Capital Projects Budget. Motion seconded and carried 10 to 2 with Directors Skeehan and Turner opposed.

ROUND UP DIRECTOR REPLACEMENT RECOMMENDATIONS – Ron Meier advised that LPEA District 1 and 4 Directors would need to provide nominations for outgoing Round Up Directors, Carmen Hubbs of District 1, and Jen Bartlet of District 4, for approval at the November LPEA Board meeting.

DIRECTOR EXPENSE APPROVAL – Director Wheeler reported the Director expense items to be reimbursed and advised that Directors Metzler and Lewandowski will receive a full day per diem for attending the October 14 three hour Committee of the Whole meeting as well as the, Round Up Foundation meeting. Discussion ensued on Committee budgets and training and travel budgets.

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Holly Metzler	\$122.96
Dan Huntington	\$55.68	Davin Montoya	\$40.60
Rachel Landis	\$5.80	Kirsten Skeehan	\$106.72
Joe Lewandowski	\$00.00	Jack Turner	\$20.88
Bob Lynch	\$139.20	Guinn Unger	\$60.32
Kohler McInnis	\$18.56	Tim Wheeler	\$00.00

LPEA Board Meetings

Britt Bassett	\$1325.00	Holly Metzler	\$1600.00
Dan Huntington	\$1325.00	Davin Montoya	\$1325.00
Rachel Landis	\$1575.00	Kirsten Skeehan	\$1325.00
Joe Lewandowski	\$1600.00	Jack Turner	\$1200.00
Bob Lynch	\$1325.00	Guinn Unger	\$1325.00
Kohler McInnis	\$1325.00	Tim Wheeler	\$1325.00

Other External Meetings

Britt Bassett	\$00.00	Holly Metzler	\$311.48
Dan Huntington	\$00.00	Davin Montoya	\$00.00
Rachel Landis	\$00.00	Kirsten Skeehan	\$00.00
Joe Lewandowski	\$125.00	Jack Turner	\$200.00
Bob Lynch	\$1945.17	Guinn Unger	\$00.00
Kohler McInnis	\$00.00	Tim Wheeler	\$00.00

Motion: Director McInnis moved to approve Director expenses as presented. Motion seconded and carried 11 to 1 with Director Montoya opposed.

ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

UNCLAIMED CAPITAL CREDIT (UCC) SPECIAL PROJECT GRANT REQUESTS (POLICY 203) – Round Up Foundation Board President, Briggen Wrinkle and Vice President Ron Dunavant presented Special Project Grant recommendations for approval by the LPEA Board of Directors, and requested future guidance on defining special projects in order to better filter eligible applications.

Motion: Director Bassett moved to approve the UCC Special Project Grant recommendations as presented. Motion seconded and carried 10 to 2 with Directors Landis and Wheeler abstaining.

RESOLUTION 2019-11 CAPITAL CREDIT RETIREMENTS – Interim CFO Gilman discussed a Staff recommendation for the retirement of capital credits in the amount of \$3,000,000 to be distributed on a combination of First-In-First-Out (FIFO) for the year 1998, and \$750,000 (approximately 1.23%) for the entire remaining amounts, excluding Tri-State G&T allocations, for each year 1998 through 2018.

CEO Matlock advised that the 2019 Capital Credit Retirements will be \$2 million less than the previous year in lieu of the unknown impacts of Tri-State's action to seek rate jurisdiction under the Federal Energy Regulatory Commission and uncertainty about their future power supply. The Tri-State G&T Patronage Capital will be retained and ear-marked for LPEA member rate stabilization. Discussion ensued on revising the percentages within the retirement calculations as presented.

Motion: Director Turner moved to approve Resolution 2019-12 Capital Credit Retirements as written. Motion seconded.

Motion

To Amend: Director Unger moved to amend the motion to retire the entire \$3 million as FIFO. Motion seconded and carried 9 to 3 with Directors McInnis, Landis, and Lewandowski opposed.

Motion

Resumed: Motion resumed to approve Resolution 2019-12 Capital Credit Retirements as amended. Motion carried 8 to 4 with Directors Montoya, Huntington, McInnis, and Lewandowski opposed.

ATTORNEY REPORT

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

EXECUTIVE SESSION

Motion: Director Unger moved to enter into executive session to discuss the CEO Evaluation Process and Contract, and the Attorney Evaluation and Engagement Letter. Motion seconded and carried without dissent.

The Board remained in executive session from 2:10 p.m. to 5:15 p.m. Director Montoya left the meeting at 4 p.m.

APPROVE CEO CONTRACT REVISIONS

Motion: Director Bassett moved to approve the previously discussed amendments to the CEO contract. Motion seconded and carried without dissent.

APPROVE ATTORNEY ENGAGEMENT LETTER

Motion: Director McInnis moved to approve the attorney engagement letter as presented. Motion seconded and carried without dissent.

COMMITTEE REPORTS: FINANCE AND AUDIT COMMITTEE, POLICY COMMITTEE, AND BROADBAND REPORTS

Finance and Audit Committee Chairman Wheeler and Policy Committee Chairman Unger addressed the written reports in the Board packet.

DIRECTOR REPORTS AND OTHER BOARD ACTIONS

Directors referred to the written reports in the Board packet and took questions.

ROUND UP FOUNDATION (RUF) REPORT – Director Metzler reported a September RUF grant to Thrive Living Wages, for \$3,000; and an Education grant to the Community Foundation of SWCO for \$5,000. October RUF grants were awarded to Community Connections for \$3,000, Pagosa Housing Partners for \$500, and Project Merry Christmas \$3,000; and Education grants awarded to the Powerhouse Science Center for \$5,000, and Bayfield Early Education for \$3,000.

UPCOMING EXTERNAL MEETINGS

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

EXECUTIVE SESSION

Motion: Director Wheeler moved to enter into executive session to discuss the FERC-CoPUC Discussion. Motion seconded and carried without dissent.

The Board remained in executive session from 5:38 p.m. to 6:45 p.m.

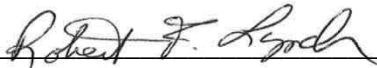
FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

President Lynch advised that he would work with CEO Matlock on the November Board meeting agenda.

ADJOURN

There being no further business, the LPEA Board of Directors meeting adjourned at 6:45 p.m.

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



Bob Lynch, President



Guinn Unger, Secretary