

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, February 19, 2020
Durango, Colorado

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, February 19, 2020 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
Karl Ramsey, Vice President of Finance
Garrett Hammer, Interim District Manager, Pagosa Springs
Justin Talbot, Vice President of Operations
Dan Harms, Vice President of Grid Solutions
Drew Timmerman, Vice President of IT
Hillary Knox, Vice President of Community and Member Relations
Nadine Ontiveros, Vice President of People and Culture
C. E. Charistopoulos, Executive Assistant
Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: None.

GUESTS The following guests were present: Betsy Romere, Laurie Dickson, Ron Bishop, Sue McWilliams, Sheryl Guy, Doug Fults; La Plata County Manager, Chuck Stevens, La Plata County Commissioners, Clyde Church, and Julie Westendorff.

APPROVAL OF AGENDA

President Lynch addressed the February 19, 2020 board meeting agenda.

Motion: Director Wheeler moved to approve the February 19, 2020 board meeting agenda as presented. A request was made to discuss open meeting criteria. President Lynch advised that this discussion would take place during the Attorney Report. Motion seconded and carried without dissent.

MEMBER COMMENTS

A member stated that they submitted a Policy 108 Request for Cooperative Information and asked that the request be approved. President Lynch advised that the request would be addressed during the Attorney Report.

A member expressed concern about the April 1 peak energy rate increase that will be in effect from 4:00 p.m. to 9:00 p.m., and asked for clarification about whether the revenue from the FastTrack Communications (FTC) subsidiary will be applied to offset rate increases. Harms advised that placing the peak energy charge in the demand component, rather than the base rate or the energy charge, is the only way to give consumers control over the cost of their energy use and that the LPEA Energy Management Team is available to perform an account analysis for the member.

LPEA representative to the FTC Board of Directors, Tim Wheeler advised that FTC profits are reinvested back into FTC to meet their commitment to build public telecommunications capacity, and that the LPEA Broadband Committee was formed to articulate a strategic goal around broadband. Wheeler encouraged the member to attend the Broadband Committee meetings which are open to the public.

CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items. Directors noted modifications to be made to the minutes of the January 15, 2020 Board of Directors meeting.

Motion: Director McInnis moved to approve the Consent Board Items: capital credit payments to estates, monthly write-offs, and minutes for the January 15, 2020 LPEA Board of Directors meeting with approved modifications. Motion seconded, and carried without dissent.

CEO AND STAFF REPORTS

President Lynch and CEO Matlock introduced and welcomed new leadership team members, Vice President of Finance, Karl Ramsey, and Vice President of Communications and Member Relations, Hillary Knox.

COMMUNICATIONS UPDATE – Communications Coordinator, Lonnie Tucker discussed recent LPEA news highlights, press releases, and ongoing communications projects, and took questions.

COMMUNITY UPDATE – Public Relations Coordinator, Jeannie Bennett gave an update on the John Voelker Memorial Scholarship open-houses in Durango and Bayfield, and will report back on awards at the March board meeting. Meter Technician, Deb Herrera reported on the LPEA Snowdown parade participation and discussed the arc demonstration trailer built by

Serviceman, Ty Mortensen that made its way down Main Street. LPEA Grid Solutions Advisor, Dominic May reported on a large scale LED change-over project that was set in motion by the upcoming April 1 rate change and resulted in energy savings cost of \$13,000 for an LPEA key account. CEO Matlock highlighted LPEA's high priority efforts to meet with community members and partners to address concerns and find ways to save money through energy efficiency.

DIVISION DASHBOARDS – Nadine Ontiveros gave an overview of the Division Dashboard structure that focuses on strategic, informational, and decision making needs for directors, and provided a brief walkthrough of what can be expected in each area of the report. Ontiveros addressed the restructuring of the organization and noted that Vice President positions will be posted internally and externally in the near future. CEO Matlock took questions and discussed the streamlining of service and communication that is reflected in the new structure.

Engineering IT Specialist, Brad Fuqua gave a presentation on Reliability Indices and discussed the Outage Management System of software and human response that serves as a wholistic solution for LPEA. Fuqua discussed indices of interruption, reliability metrics and goals, and demonstrated how the inclusion of data on Major Event Days (MEDs) distorts the actual trends and data necessary for establishing reliability goals. CEO Matlock discussed focusing LPEA's unique IT solutions for utility specific results, and using reliability information and data overlay to develop a prioritized list for capital planning and the budget building process.

VP Finance, Ramsey addressed the Financial Report and took questions.

DISCONNECT POLICY UPDATE – Ramsey addressed concerns about poor communication and inconsistent application of rules and regulations with LPEA's Disconnect Policy. Ramsey advised that though LPEA is currently in compliance with LPEA Rules and Regulations, a new approach will minimize potential disconnects and give members more opportunities to pay or make arrangements. The Finance Department is reviewing proposed disconnects and are providing guidance to Customer Service Representatives regarding disconnect service, and to act with discretion and compassion when in doubt about medical issues or cold weather risks. Ramsey will draft a *Disconnect for Nonpayment Judgement Guidelines* memo to share with the board, and Hillary Knox will evaluate how to communicate and educate members about disconnects. CEO Matlock will gather data and information to plan a response for the board and community when addressing concerns about enforcement and communication.

ANNUAL MEETING UPDATE – Ontiveros addressed the Annual Meeting schedule in the board packet, no questions were taken.

DIRECTOR LANDIS TRAINING REPORT

Director Landis gave a presentation on takeaways from an NRECA director training course, *Cooperative Communications and Public Opinion*. Landis highlighted the importance of clarifying best practices in communication and public relations, emphasized the role of the board, and highlighted actionable steps for optimal communication internally and externally.

WORK SESSION WITH LA PLATA COUNTY MANAGER AND COMMISSIONERS

County Manager, Chuck Stevens and Commissioners Westendorff, and Church shared dialogue with the LPEA CEO and Board of Directors on a number of issues ranging from land use planning, radar installation, broadband, and electric vehicles. The County and LPEA expressed mutual appreciation for the annual dialogue and positive working relationship.

BOARD AGENDA AND POSSIBLE ACTION

FINANCE AND AUDIT COMMITTEE – Committee Chairman Wheeler addressed a memo in the board packet discussing the committee’s recommendation to approve a resolution that establishes a Large Commercial EV Time of Use and an AMI Opt-Out rate class. A director noted that a minor language correction was needed in the resolution. Discussion ensued on understanding the AMI Opt-Out base rate calculation of \$37.00 and an energy rate that remains at \$0.1256.

Motion: Director Bassett moved to adopt Resolution 2020-04 Large Commercial EV Time of Use and AMI Opt-Out Rate Tariffs with the agreed upon language correction. Motion seconded and carried without dissent.

Wheeler discussed the committee recommendation to approve the proposed EV charging fees on LPEA owned Level 2 public EV charging sites that will be implemented under LPEA’s miscellaneous fee schedule in the Rates and Regulations. Discussion ensued on the proposed rate which matches the Level 3 EV Rate with an off-peak energy charge of \$0.062/kWh (daily 9:00 p.m. to 4:00 p.m.), an on-peak energy charge of \$0.26/kWh (daily 4:00 p.m. to 9:00 p.m.), and also includes an idle time fee of \$5.00 per hour instead of \$1.00 per hour, after the first idle hour.

Motion: Director Turner moved to approve the LPEA-owned Level 2 Charging Fee as presented. Motion seconded and carried without dissent.

POLICY COMMITTEE: POLICY 119 STATEMENT OF FUNCTIONS FOR

COOPERATIVE ATTORNEY – Committee Chair Unger and Attorney Denning discussed recommendations for revisions and took input on Policy 119 Statement of Functions for Cooperative Attorney. Discussion ensued on the Policy Committee mandate to include language for risk management, the perception of conflict of interest by the attorney for representing other cooperatives, the common practice among cooperatives to share attorneys, and the possibility of investigating in-house counsel.

Motion: Director Huntington moved to approve the short version of Policy 119 Statement of Functions for Cooperative Attorney with agreed upon revisions and the committee mandate to strengthen language on risk management. Motion seconded. Motion failed 8 to 4 with Directors Bassett, Lynch, Skeehan, McInnis, Turner, Landis, Lewandowski, and Wheeler opposed.

The Policy Committee will continue to revise the policy for consideration at a later date.

POLICY COMMITTEE: POLICY 205 ALLOCATION AND RETIREMENT OF PATRONAGE CAPITAL – Committee Chair Unger and Attorney Denning discussed recommendations for revisions and took input on Policy 205 Allocation and Retirement of Patronage Capital.

Motion: Director Skeeahan moved to approve Policy 205 Allocation and Retirement of Patronage Capital with agreed upon revisions. Motion seconded.

Motion

To Amend: Director Landis moved to include, *in the best interests of the members*, to the policy language. Motion seconded and failed 8 to 4 with Directors Bassett, Lynch, Huntington, McInnis, Metzler, Unger, Montoya, and Wheeler opposed.

Motion

Resumed: Original motion to approve Policy 205 Allocation and Retirement of Patronage Capital with agreed upon revisions carried without dissent.

POLICY COMMITTEE: POLICY 215 AMI OPT-OUT PROGRAM – Committee Chair Unger and Attorney Denning discussed recommendations for revisions to Policy 215 that support the recently approved AMI Opt-Out rate class.

Motion: Director Wheeler moved to approve Policy 215 AMI Opt-Out Program as presented. Motion seconded and carried 11 to 1, with Director Lewandowski opposed.

POLICY COMMITTEE: CONSIDER ADDITIONAL POLICIES – POLICY 112 DRAFT AND PROPOSED BYLAWS CHANGES – Committee Chair Unger and Attorney Denning discussed recommendations and took input for the proposed new Policy 112 Draft and Proposed Bylaws Changes, including renaming the policy as Policy 112 Procedures for Introducing Bylaw Amendments, and drafting a bylaws petition form for members to utilize.

Motion: Director McInnis moved to adopt Policy 112 Procedures for Introducing Bylaw Amendments. Motion seconded

Motion

To Amend: Director Turner moved to amend the motion to change the date requirement in Section B.1. from 30 to 15 days prior to the date of the Annual Meeting to make corrections to an invalid petition. Motion seconded and failed 9 to 3 with Directors Lynch, Skeeahan, Huntington, McInnis, Landis, Metzler, Unger, Montoya, and Wheeler opposed.

Motion

Resumed: Motion carried 10 to 2, with Directors Turner and Lewandowski opposed.

BROADBAND COMMITTEE – Committee Co-Chair Unger reported on the February 13 meeting and a discussion with Jeff Christensen, CEO of EntryPoint Networks on open-access networks in Ammon, Idaho, and took questions.

MISCELLANEOUS BOARD ITEMS

UNCLAIMED CAPITAL CREDIT DISPOSITION REVIEW; AND OPEN UNCLAIMED CAPITAL CREDIT SPECIAL PROJECT GRANT CYCLE – VP Finance Ramsey addressed the balance of funds available in the Unclaimed Capital Credits Fund and discussed the grant request cycle that will open up in fall. Ramsey requested to allocate \$200,000 for an LPEA Rate Stabilization Fund, noting that commitments to scholarships, Round Up, GED programs, and other donations would continue to be funded at the 2019 levels. Discussion ensued on allocation of the remaining \$122,473 in funds.

Motion: Director Wheeler moved to approve a rate stabilization fund of \$200,000, and a defined carryover balance of \$10,000 after a “to-be-determined” grant distribution process. Motion seconded and carried 7 to 4 with Directors Skeehan, Unger, Huntington, and Montoya opposed and Director Landis abstaining.

APPOINT VOTING DELEGATE TO TRI-STATE ANNUAL MEETING

Motion: Director Wheeler moved to appoint President Lynch as the voting delegate, and Jack Turner as the voting alternate to the April 7 Tri-State Annual Meeting. Motion seconded and carried without dissent.

RESOLUTION 2020-02 IRREVOCABLE LETTER OF CREDIT – President Lynch addressed the ratification of Resolution 2020-02 Irrevocable Letter of Credit as approved at the January 15 board meeting.

Motion: Director Bassett moved to ratify Resolution 2020-02 Irrevocable Letter of Credit as approved at the January 15 board meeting. Motion seconded and carried without dissent.

REVIEW AND APPROVE VOLUNTARY GREEN FUND GRANT REQUESTS – Director Landis discussed the Voluntary Green Fund Grant Request Review Committee decision making process for grant assessments and approval for recommendations to the LPEA Board.

Motion: Director Wheeler moved to approve the Voluntary Green Fund Grant Request Review Committee recommendations to approve grants for \$13,000 to Geothermal Greenhouse Partnership, \$18,000 to Unitarian Universalist Fellowship, and \$16,000 to Durango VOA Senior Housing. Motion seconded and carried 10 to 1 with Director Montoya opposed, and Director Huntington abstaining.

DISCUSS VOLUNTARY GREEN FUND GRANT REQUEST REVIEW PROCESS – Due to time constraints, no discussion took place.

DIRECTOR TRAVEL REQUESTS – President Lynch addressed upcoming external travel. Director Turner requested to attend the Tri-State Annual Meeting with no per diem, and to attend the NRECA Legislative Conference in Washington, DC. Directors Skeehan and Bassett requested to attend the NRECA Legislative Conference in Washington, DC; President Lynch advised he would attend the Tri-State Annual Meeting and Contract Committee.

Motion: Director Wheeler moved to approve the director travel requests. Motion seconded.

Motion

To Amend: Director Montoya moved to deny Director Turner’s request to attend the NRECA Legislative Conference in Washington, DC. Motion seconded and failed 10 to 1 with Director Montoya in favor and Director Turner abstaining.

Director Wheeler advised that the Finance and Audit Committee is working on a revised reporting format that will provide greater clarity on director budgeting.

Motion

Resumed: Motion to approve director travel requests carried 11 to 1 with Director Montoya opposed.

DIRECTOR EXPENSE APPROVAL – Director Wheeler reported on the January 2020 Director Expenses.

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Holly Metzler	\$60.95
Dan Huntington	\$27.60	Davin Montoya	\$20.13
Rachel Landis	\$00.00	Kirsten Skeeahan	\$101.20
Joe Lewandowski	\$00.00	Jack Turner	\$21.80
Bob Lynch	\$00.00	Guinn Unger	\$59.80
Kohler McInnis	\$18.40	Tim Wheeler	\$00.00

LPEA Board and Committee Meetings

Britt Bassett	\$1325.00	Holly Metzler	\$1200.00
Dan Huntington	\$1650.00	Davin Montoya	\$1200.00
Rachel Landis	\$1325.00	Kirsten Skeeahan	\$1325.00
Joe Lewandowski	\$1600.00	Jack Turner	\$2525.00
Bob Lynch	\$1200.00	Guinn Unger	\$1400.00
Kohler McInnis	\$2125.00	Tim Wheeler	\$1775.00

Other External Meetings

Britt Bassett	\$00.00	Holly Metzler	\$00.00
Dan Huntington	\$479.57	Davin Montoya	\$00.00
Rachel Landis	\$00.00	Kirsten Skeeahan	\$00.00
Joe Lewandowski	\$152.00	Jack Turner	\$199.82
Bob Lynch	\$00.00	Guinn Unger	\$00.00
Kohler McInnis	\$1063.95	Tim Wheeler	\$821.24

Motion: Director Bassett moved to approve Director Expenses as presented. Motion seconded and carried without dissent.

ATTORNEY EVALUATION – This discussion took place in executive session.

ATTORNEY REPORT

Referring to the written report included in the board packet, Attorney Denning highlighted work done for LPEA and took all questions. Denning also addressed the Policy 108 Request for Cooperative Information received by a member, seeking specific analysis of information on money spent by LPEA on study of the Tri-State buyout request, Capital Credit information paid out and received by LPEA, and the approved 2020 budget and equity position for LPEA.

Denning advised that it is up to the Board of Directors and the CEO to authorize the use of staff time to compile unique reports, and that the member has received regularly produced reports. Discussion ensued on the costs associated with the use of Staff time.

Motion: Director Wheeler moved that the Board approve the member request with the conditions that it is up to the CEO's discretion as to whether the use of staff time is warranted and; if so, sufficient to require payment by the member. Motion seconded.

Discussion ensued on the impossibility of producing the unique analysis within five days of the member request approval. Director Wheeler withdrew the motion. Director Skeehan requested that an ongoing report of the expenses related to the buyout be provided to directors.

Motion: Director Wheeler moved that the Board approve the member requests with reasonable limits on time, money, and staff effort as defined by the CEO in discussion with the member. Motion seconded and carried without dissent.

A director requested the CEO Expense Reports from July 2019 to present.

DIRECTOR REPORTS

The Board of Directors took a conference call from Pat Bridges, CFO Tri-State G&T to discuss the impact of several partial requirements scenarios.

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

ROUND UP FOUNDATION REPORT – The Round Up Board meeting did not take place due to the February 17 President's Day holiday.

EXECUTIVE SESSION

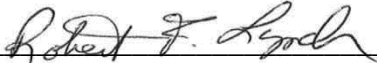
Motion: Director Turner moved to enter into executive session to discuss FERC-CoPUC Updates and Six Month Attorney Evaluation. Motion seconded and carried without dissent.

Director Skeehan and Attorney Denning were recused from the discussion on FERC-CoPUC Updates. Attorney Denning was recused from the discussion on the Attorney Evaluation. The board remained in executive session from 3:19 p.m. to 5:10 p.m.

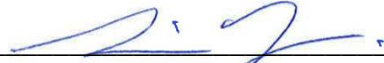
ADJOURN

There being no further business, the LPEA Board of Directors meeting adjourned at 7:06 p.m.

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



Bob Lynch, President



Guinn Unger, Secretary