

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Minutes of Meeting
April 19, 2017
Durango, Colorado

I. CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, April 19, 2017 at the headquarters building in Durango, Colorado. President Montoya called the meeting to order at 9:01 A.M., with the following Directors present:

Mike Alley	Bob Formwalt	Kohler McInnis, Vice President
Karen Barger, Treasurer	Dan Huntington	Davin Montoya, President
Britt Bassett	Bob Lynch	Jack Turner
Jeff Berman		Joe Wheeling, Secretary

LPEA STAFF:

Mike Dreyspring, Chief Executive Officer
Dennis Svanes, Chief Financial Officer
Ron Meier, Manager of Engineering, Member Relations and Marketing
Justin Talbot, Manager of Operations
Linda Looman, Manager of HR and Customer Service
Indiana Reed, Marketing & Communications Consultant
C. E. Charistopoulos, Executive Assistant
Shay Denning, Attorney

EXCUSED ABSENCE: Doug Lyon

GUESTS (from sign in sheet): The following guests were present: Betsy Romere, Michael Bell, Tony Hudspeth, Mark Pearson, Jim Fogler, Susan Atkinson, Laurie Dickson, Ben Jason, Charles Shaw, Monique DiGiorgio, Tim Wheeler, Jacob Law, Guinn Unger, Derek Wadsworth, Sam Perry, Nick VanVonno, Karen Pontius, Kirby Maclaurin, Louise VanVonno, Ann McCoy Harold, James Cunningham, Barbara Nosworthy, Kristin Jensen, Laura Moorefield

Ron Meier led the Board, Staff, and guests in reciting the Pledge of Allegiance.

I. APPROVAL OF AGENDA

Motion: Director McInnis moved to approve the agenda as presented. Motion seconded. Director Turner asked for Chairman's discretion to address item VI.C. Review of Green Blocks Program, and item V.E. Resolution 2017-05 Request Increase of LPEA's 5% Allowance with Tri-State after Member Comments. President Montoya was in agreement. Motion carried without dissent.

II. MEMBER COMMENTS AND CONCERNS

Member, Tim Wheeler urged the Board to pursue an increase to the 5% DG allowance within LPEA's all power agreement with Tri-State, disputed the Williams waste heat recovery project as a fossil fuel project that encroaches unfairly on the 5% DG allowance, and asked that priority be given to renewable projects. Wheeler also asked for transparency by making the Williams contract public. Attorney Denning advised Wheeler that member contracts cannot be made public, and that information about the project could be obtained through Policy 117 Member Requests for Cooperative Information.

Member, Susan Atkinson praised Dan Harms for the April 13th workshop, *Integrating Renewables into LPEA's Resource Mix – Challenges and Opportunities*, and voiced support for LPEA's efforts to increase the 5% DG allowance with Tri-State. Atkinson reiterated a request to eliminate the Green Blocks Program on the basis that it does not provide for new construction of local renewables. Member, Nick VanVonno inquired about whether Tri-State's cost recovery provision is anti-competitive. CEO Dreyspring and Attorney Denning discussed the status of FERC rulings on the DMEA Qualified Facility (QF) case and Tri-State's subsequent case seeking approval of its revisions to Policy 101, and reminded the members that LPEA has elected to process applications from QFs directly as opposed to assigning that authority to Tri-State in an effort to maintain more flexibility and control over potential QF development within LPEA's territory.

Member, Guinn Unger read a prepared statement encouraging the Board to look to the future and move forward with energy independence. Member, Mark Pearson of San Juan Citizens' Alliance spoke in support of efforts to increase the 5% DG allowance with Tri-State and finding ways to keep power production local. Member, Sam Perry of the Western Colorado Small Hydro Association spoke about the multitude of small hydro DG that could be good for the community and voiced support for an increase in the 5% DG allowance with Tri-State. Members Karen Pontius, Lisa Govereau, Derek Porter, Barb Nosworthy voiced support for an increase in the 5% DG allowance with Tri-State.

Member, Charles Shaw asked about next steps if Tri-State does not approve an increase in the 5% DG allowance. Joe Wheeling responded that member issues are a huge concern at Tri-State and a partial requirements contract could be explored. Wheeling stated that he has pushed for raising the 5% DG allowance as more cooperatives are participating in Tri-State Policy 115 Member System Generation.

III. CONSENT BOARD ITEMS — Director Montoya addressed the Consent Board Items. Director McInnis requested two minor changes be made on page 7.

Motion: Director McInnis moved to approve the consent items: accepting new members, capital credit payments to estates, monthly write-offs, and minutes for the March 15, 2017 Board meeting with the approved corrections. Motion seconded, and carried without dissent.

RESOLUTION 2017-05 REQUEST INCREASE OF LPEA’S 5% ALLOWANCE WITH TRI-STATE– CEO Dreyspring addressed Resolution 2017-05 Request Increase of LPEA’s 5% Allowance with Tri-State. Discussion ensued. Director Berman requested to change the word “load” to “energy” in the resolution.

Motion: Director Bassett moved to adopt Resolution 2017- 05 Request Increase of LPEA’s 5% Allowance with Tri-State, with the approved language revision. Motion seconded and carried without dissent, with Director Wheeling abstaining.

IV. CEO AND STAFF REPORTS— CEO Dreyspring reported that he is working with Director McInnis to track legislation through CREA, Tri-State notes, Club20, and Colorado Capital Watch about which LPEA would have an interest. A regularly updated spreadsheet will be available to the Board on DirectorPoint in the near future.

CFO Svanes advised that he is analyzing the BKD audit proposal and will present to the Board for consideration at a later date. Linda Looman reported updates to the iVue system that will enhance customer service. Ron Meier reported that the Archuleta County Commissioners approved a request by LPEA to modify land use codes to allow existing overhead lines to remain in their current configuration; and the Putt Hill overhead line will be relocated per request by the Town of Pagosa. Staff is watching for demolition activity at 1111 Camino del Rio that could endanger powerlines, and is prepared to take action if necessary. Meier introduced Lonnie Tucker, Communications Coordinator.

Justin Talbot addressed work orders and projects being completed, system operations and substation maintenance, tree trimming and line locates, SAIDI numbers and outages. Talbot will bring a Capital Projects resolution to the Board for approval in May. The CBA was ratified and LPEA is moving forward with the new agreement. Dan Harms reported that LPEA received the Energy Outreach Colorado grant for electric vehicle charging stations, negotiations with Industrial members for self-generation projects are ongoing, and Dan will bring proposed standby rates to the Board next month.

ALLOCATION OF 2016 MARGINS – CFO Svanes presented the 2016 operating and non-operating margins for allocation to members by the Board of Directors.

Motion: Director Wheeling moved to allocate to members the 2016 operating margins of \$2,917, 484.43, and non-operating margins of \$2,949,571.53 which includes the \$1,598,163.00 allocation from Tri-State. Motion seconded and carried without dissent.

QUARTERLY FINANCIAL REPORT – CFO Svanes presented a brief overview of first quarter financials. Electric Revenue is trending upward, Total Net Margins are trending slightly heavier than anticipated, the Accounts Receivable Delinquent Report continues an overall downward trend, and checks for Net Metered Buyback of excess generation are going out to members soon.

V. ITEMS REQUIRING BOARD ACTION

RESOLUTION 2017-03 CFC FINANCING, COBANK PREPAYMENT, RUS FFB LOAN BUYOUT – CFO Svanes advised that individual resolutions to adopt CFC Financing, CoBank Prepayment, and RUS FFB Loan Buyout were not needed, and would be addressed in this single resolution. Svanes discussed elements of each proposal and took questions.

Motion: Director Turner moved to adopt Resolution 2017-03 CFC Financing, CoBank Prepayment, and RUS FFB Loan Buyout. Motion seconded and carried without dissent.

RESOLUTION 2017-04 CAPITAL BUDGET AMENDMENT: FIBER EXTENSION TO PINE VALLEY SUBSTATION – No action taken due to project cancellation.

RESOLUTION 2017-06 CANCELLATION OF DISTRICT 1 ELECTION – Director Montoya addressed Resolution 2017-06 Cancellation of District 1 Election, and took questions.

Motion: Director Formwalt moved to adopt Resolution 2017-06 Cancellation of District 1 Election. Motion seconded and carried without dissent.

LPEA POLICY REVIEW AND POSSIBLE APPROVAL: POLICY 129 CODE OF CONDUCT AND ETHICS, POLICY 104 BOARD OF DIRECTORS - CEO RELATIONSHIPS, HOLY CROSS ELECTRIC ASSOCIATION POLICY 4.2 BOARD OF DIRECTOR ACTS AND AUTHORITY, AND PROPOSED NEW LPEA POLICY 105 EMAIL AND COMMUNICATION – Attorney Denning led a discussion which referenced LPEA Board policies and a Holy Cross Electric Association Board policy in the formation of a new policy which is intended to set forth guidelines for the manner in which Directors engage and communicate individually with the media, community, and members of the cooperative. Directors discussed language and parameters of the potential policy and will send comments and recommendations to Denning for review and further discussion at the May Board meeting.

DIRECTOR EXPENSE APPROVAL — Treasurer Barger reported the Director expense items to be reimbursed.

LPEA Mileage Reimbursements

Mike Alley	\$128.40	Bob Lynch	\$128.40
Karen Barger	\$27.82	Doug Lyon	\$0.00
Britt Bassett	\$00.00	Kohler McInnis	\$17.12
Jeff Berman	\$00.00	Davin Montoya	\$334.78
Robert Formwalt	\$128.40	Jack Turner	\$28.89
Dan Huntington	\$51.36	Joe Wheeling	\$29.96

LPEA Board Meetings

Mike Alley	\$1400.00	Bob Lynch	\$1400.00
Karen Barger	\$1400.00	Doug Lyon	\$00.00
Britt Bassett	\$1200.00	Kohler McInnis	\$1400.00
Jeff Berman	\$1400.00	Davin Montoya	\$1400.00
Robert Formwalt	\$1400.00	Jack Turner	\$1400.00
Dan Huntington	\$1400.00	Joe Wheeling	\$1400.00

Other External Meetings

Mike Alley	\$00.00	Bob Lynch	\$00.00
Karen Barger	\$00.00	Doug Lyon	\$00.00
Britt Bassett	\$00.00	Kohler McInnis	\$600.00
Jeff Berman	\$1137.24	Davin Montoya	\$1207.90
Robert Formwalt	\$00.00	Jack Turner	\$1203.08
Dan Huntington	\$00.00	Joe Wheeling	\$00.00

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

VI. ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

REVIEW TRI-STATE STRATEGIC PRIORITIES SURVEY – Director Wheeling advised that Director responses to the survey would be compiled and brought to the Tri-State Board for discussion at the June Strategic Planning meeting.

CEO REVIEW OF POLICY 215 AMI OPT OUT PROGRAM – CEO Dreyspring discussed the administrative and financial impact of accounts belonging to members participating in the AMI Opt-Out program, and the need for consistent enforcement of policy compliance.

ELECTION SUPERVISORY COMMITTEE REPORT – Attorney Denning and ESC Chair, Betsy Romere reported on a meeting the ESC conducted to consider qualifications of LPEA Board candidates. The ESC found that all candidates were qualified to run in the districts they signed up to represent. ESC Chair, Betsy Romere noted that following the 2017 Annual Meeting, the committee would like to recommend changes to the policy that would streamline the vetting process.

REVIEW OF GREEN POWER PROGRAM – Dan Harms reviewed the purpose and differences between the (local renewable blocks) Green Power Program in which contributions are used to fund local renewable projects, and the Green Blocks Program in which attributes of green power are purchased from a green power source for .09 cents per block of 100kW energy, in the form of Renewable Energy. The programs each support renewable generation by meeting the goals of different members, such as allowing members to support local renewable programs through the Green Power Program or allowing members to receive specific tax incentives by purchasing certified renewables through the Green Blocks Program. The Board discussed ways

to educate LPEA members on the differences between the programs to ensure that members support the program that best meets their goals.

4CORE PROJECT FUNDING FOR SOCORRO SENIOR APARTMENTS – Laurie Dickson, Program Manager of 4CORE presented a request for \$27,000 from the Green Power Program Fund towards material and installation costs for a solar panel and battery storage project at the Socorro Senior Apartments. The \$63,000 project includes a 20kW rooftop solar system that proposes to reduce \$5,000 in utility costs annually, and is estimated to save 31,200 kWh of fossil fuel-generated electricity.

Motion: Director Wheeling moved to approve up to \$27,000 from the local Green Power Program for the Socorro Senior Apartments project, contingent on project completion, and with control and monitoring of battery by LPEA. Motion seconded and carried with Director Turner abstaining.

4CORE REPORT— Nancy Andrews reported that a grant was received for the installation of electric vehicle charging stations, 9 Nissan Leaf vehicles have been purchased through the electric vehicle fleet purchase program that runs through May 25th, and rain barrels are on order for members who are participating in the HomeH2O rain water capture program.

ANNUAL MEETING UPDATE— CEO Dreyspring reported that election ballots went out Thursday, April 13th.

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

IX. DIRECTOR REPORTS AND OTHER BOARD ACTIONS

ROUND UP FOUNDATION REPORT – Director McInnis reported Round Up and Educational grants made in April to the Southwest Center for Independence (\$3,000), Pine River Shares (\$2,000), Title VI Parent Advisory Committee (\$1,000), and the Women’s Resource Center (\$1,000-Round Up; \$4,000-Educational). Round up will have 3 gifts at the May 13, 2017 LPEA Annual Meeting of \$75 gift certificate drawings for new Round Up and Round Up Plus members, and a color TV drawing for Round Up members who increase their monthly contribution.

CREA REPORT— CEO Dreyspring disclosed that he was awarded a \$100 check for an article in Colorado Country Life and asked for Board direction on how they would like him to proceed with the check. The Board agreed to donate the check to the Round Up Foundation.

X. UPCOMING EXTERNAL MEETINGS — Director Montoya addressed the upcoming external meetings list, no requests were made.

XI. REVIEW OF CEO ACTION LIST — CEO Dreyspring reviewed the list of action items taken from the Board meeting and answered all questions. A request was made to keep copies of Policy 117 Member Requests for Information on hand for members.

XII. FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES — CEO Dreyspring reviewed the future agenda items with the Board of Directors.

There being no further business, the LPEA Board of Directors meeting adjourned at 2:22 P.M.

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


Davin Montoya, President


Karen Barger, Secretary