

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, August 21, 2019
Durango, Colorado

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, August 21, 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
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
Barry Spear, LPEA General Counsel
C. E. Charistopoulos, Executive Assistant
Lonnie Tucker, Communications Coordinator

EXCUSED ABSENCE: None.

GUESTS (from sign in sheet): The following guests were present: Betsy Romere, Richard Grossman, Kirby MacLaurin, Karen Pontius, Lauri Dickson, Katie Pellicore, Werner Heiber, Harry Riegle.

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

APPROVAL OF AGENDA

President Lynch addressed the August 21, 2019 Board meeting agenda.

Motion: Director Unger moved to approve the August 21, 2019 Board meeting agenda as presented. Motion seconded and carried without dissent.

REVIEW OF EXIT AND EGRESS FROM BUILDING AND MEET UP SITE IN EVENT OF EVACUATION – CEO Matlock reviewed the emergency evacuation procedures.

MEMBER COMMENTS

Members welcomed the new LPEA CEO, Jessica Matlock, expressed concern about climate change, and urged the Board to expand the definition of *Safety* in the LPEA Mission Statement to include air quality and external health costs. Members look forward to collaborating on energy efficiency and the EV Recharge program, and expressed appreciation to the Board for filing a Motion to Intervene in response to a move by Tri-State to seek rate jurisdiction under the Federal Energy Regulatory Commission (FERC).

CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items. Directors noted corrections to the July 17, 2019 Board minutes.

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

CEO AND STAFF REPORTS

CEO Matlock discussed changes in Staff reporting to the Board and the utilization of dashboard format for data and analysis that ties together trends into a bigger picture to show where the cooperative is headed. Matlock discussed updates to LPEA's communications plan and the development of a robust communications strategy. Communications Coordinator, Lonnie Tucker gave a press update and Ron Meier discussed community engagement. Customer Service Representative, Jodi Patcheck spoke about an LPEA team building project that assembled bicycles which were donated to children in La Plata and Archuleta County.

Jerry Wills and Justin Talbot reported on Safety and Outage data, work orders and maintenance status, facility and equipment upgrades, personnel training, and took questions on the upcoming dashboard report format. Wills reported on a non-fatal, electrical contact injury sustained by a contract crew. CEO Matlock advised that Operations will be moving away from outside contractors on routine work and toward in-house crews; and that Staff will work with the Union and LPEA crews to improve safety procedures.

Interim CFO Gilman discussed a summary of the July 2019 Financial data and trends and took questions. Gilman took input and feedback on the format for the dashboard and will work to refine the presentation for the Board. CEO Matlock advised that a new CFO has been selected,

will join the Staff in October, and will informally and remotely assist Staff with the development of the financial reporting format in the meantime.

WASHINGTON YOUTH TOUR AND LEADERSHIP CAMP PRESENTATIONS

Due to a scheduling conflict, the Washington Youth Tour and Leadership Camp Presentations will be given at a later date.

ITEMS REQUIRING BOARD ACTION

APPOINT VOTING DELEGATE TO BASIN ELECTRIC ANNUAL MEETING – There was consensus among the Board that LPEA would not send a representative to the 2019 Basin Electric Annual Meeting.

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

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Holly Metzler	\$122.96
Dan Huntington	\$41.76	Davin Montoya	\$40.60
Rachel Landis	\$11.60	Kirsten Skeeahan	\$165.88
Joe Lewandowski	\$00.00	Jack Turner	\$41.76
Bob Lynch	\$139.20	Guinn Unger	\$60.32
Kohler McInnis	\$9.28	Tim Wheeler	\$00.00

LPEA Board Meetings

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

Other External Meetings

Britt Bassett	\$200.00	Holly Metzler	\$3537.19
Dan Huntington	\$00.00	Davin Montoya	\$00.00
Rachel Landis	\$125.00	Kirsten Skeeahan	\$00.00
Joe Lewandowski	\$00.00	Jack Turner	\$829.13
Bob Lynch	\$00.00	Guinn Unger	\$00.00
Kohler McInnis	\$00.00	Tim Wheeler	\$00.00

Motion: Director Unger moved to approve Director expenses as presented, with the exception of Director Metzler’s, which will be approved at a later time. Motion seconded.

Discussion ensued on Director expenses incurred when several Directors and Staff met with the Public Utilities Commission in Denver, CO .

Motion

To Amend: Director Huntington moved to separate the PUC meeting expenses from the general Director expenses. Motion seconded and carried 8 to 4 with Directors Wheeler, Unger, Lewandowski, and Bassett opposed.

Motion

Resumed: Motion to approve general Director expenses, except expenses for the PUC meeting expenses carried without dissent, with one abstention by Director Montoya.

Motion: Director Turner moved to approve the PUC meeting expenses. Discussion ensued on communication about intentions to meet, notification of meetings, CEO authority to request Director attendance at meetings, transparency in sharing information, and providing after-action reports to the Board as a follow-up to all meetings.

Call the

Question: Director Unger moved to Call the Question. Motion seconded and carried 10 to 2 with Directors Montoya and Skeehan opposed.

Motion

Resumed: Motion to approve the PUC meeting expenses carried 8 to 2, with Directors Montoya and Huntington opposed, and Directors McInnis and Metzler abstaining.

Director Wheeler reviewed and reported expenses for Director Metzler.

Motion: Director Unger moved to approve expenses for Director Metzler. Motion seconded and carried without dissent.

ITEMS FOR BOARD REVIEW AND POSSIBLE ACTION

DISCUSS EMAIL FROM, *CONCERNED MEMBER* – Attorney Spear addressed a letter sent to the Board of Directors by someone identified as *Concerned Member*, questioning the validity of the Election Supervisory Committee (ESC) determination that Jack Turner was eligible to run for the LPEA Board of Directors during the 2018 LPEA Annual Meeting of the Members (held May 2, 2019), based on residency requirements.

Spear stated that Policy 105 indicated that a decision by the ESC was final and not reviewable by the Board of Directors. To maintain the integrity and independence of, and to provide support for the ESC, Spear recommended that the Board not disturb the ESC decision. Spear advised that the qualifications of a Director may be reviewed by the Board at any time, and that the bylaws state that the Board can determine whether a Director is qualified with a three-quarter vote majority if they so choose. President Lynch advised that Directors have to maintain their qualifications and the ESC decision in favor of Director Turner’s qualifications will stand.

BROADBAND PLANNING DISCUSSION – Director Wheeler discussed the benefits of developing a broadband strategy and proposed forming a Broadband Committee with a term of six months and a \$10,000 budget, consisting of two to three volunteer (no per diem) Directors and two Staff members. Director Unger discussed the purpose of a Broadband Committee as a means to investigate and develop a strategy that would be handed over for implementation by Staff. Dan Harms presented a path forward which includes an education series, establishment of a broadband vision, and clarifying and aligning the goals of LPEA and FastTrack (FTC) Communications (a jointly-owned subsidiary of LPEA and Empire Electric Association), in order to develop a tactical roadmap for broadband planning and implementation.

Discussion ensued on support for a Broadband Committee and concerns about forming a business that would compete with LPEA members. CEO Matlock added that the purpose of the committee and its explorations is to identify broadband needs and provide better communication between LPEA and FTC; as well as, to discover how LPEA can implement measures for reliability, electrification, and build more energy consumption through broadband. Matlock affirmed that LPEA is not looking to form a new business; rather, broadband is an aspect of the Utility of the Future and LPEA needs to leverage opportunities to grow in partnership with FTC and other member service providers.

Motion: Director Bassett moved that LPEA form a six month, volunteer Broadband Committee with a \$10,000 budget. Motion seconded. President Lynch noted that a *Statement of Functions* and *Scope of Work* will be drafted for discussion and approval in September, if the formation of a Broadband Committee is approved. Motion carried 11 to 1, with Director Montoya opposed.

Lynch advised that the six month, volunteer Broadband Committee, with a \$10,000 budget would consist of Directors Wheeler, Unger, and Skeehan, CEO Matlock, Dan Harms, and other possible Staff members.

POWER SUPPLY STRATEGY AND POSSIBLE PARTNERSHIPS – President Lynch advised that discussion of this item would take place in executive session.

TRI-STATE SEEKING FERC JURISDICTION AND RESPONSE – President Lynch advised that discussion of this item would take place in executive session.

ATTORNEY REPORT

Referring to the written report included in the Board packet, Attorney Spear highlighted work done for LPEA and took all questions. The Attorney evaluation will be sent to Directors by President Lynch in the coming days, and the Attorney Engagement Letter will be discussed at the September Board meeting.

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

CEO Matlock advised that the Finance and Audit Committee will commence in September, and the Board will be notified when the date is set to be properly noticed. Policy Committee Chairman Unger advised that the Policy Committee will meet when Attorney Denning returns from maternity leave and is available for advisement.

DIRECTOR REPORTS AND OTHER BOARD ACTIONS

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

ROUND UP FOUNDATION REPORT – Director Metzler reported Round Up grants of \$1,400 to the Professional Women’s Network, \$2,250 to the Rainbow Youth, \$1,500 to the Youth Conservation Corps; and Education Grants of \$2,400 to the Colorado Outdoor Leadership School, and \$2,000 to Fort Lewis Mesa Elementary School to participate in the Colorado Outdoor Leadership School.

UPCOMING EXTERNAL MEETINGS

TRAVEL REQUESTS - President Lynch addressed the Upcoming External Meeting list. Directors Bassett, Lynch, Huntington, Landis, Unger, Lewandowski, and Montoya requested to attend the October 2019 CREA Fall Meeting in Denver.

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

EXECUTIVE SESSION

Attorney Spear advised that Director Skeeahan would be recused from the executive session discussions.

President Lynch requested to move into executive session to discuss the CEO Update on the Power Supply Approach, Tri-State Seeking FERC Jurisdiction and Response, and Power Supply Strategy and Possible Partnerships.

Motion: Director McInnis moved to enter into executive session to discuss the CEO Update on the Power Supply Approach, Tri-State Seeking FERC Jurisdiction and Response, and Power Supply Strategy and Possible Partnerships. Motion seconded and carried without dissent.

The Board remained in executive session from 2:38 p.m. to 5:05 p.m., with Director Skeeahan recused from all discussions.

Motion: Director Turner moved to adopt Resolution 2019-10 Power Supply Strategy. Motion seconded and carried 10 to 1, with Director Montoya opposed and Director Skeeahan recused.

Motion: Director Landis moved to ratify the action of the Executive Committee authorizing the Motion to Intervene in the FERC action. Motion carried 10 to 1, with Director McInnis opposed and Director Skeeahan recused.

Motion: Director Bassett moved to grant authority to the LPEA CEO to act on CoPUC and FERC related matters and possible filings based on advice from LPEA's retained counsel. Motion seconded and carried unanimously, with Director Skeeahan recused.

REVIEW CEO ACTION LIST

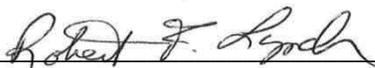
CEO Matlock reviewed action items for follow-up and confirmed that a Committee of the Whole meeting will take place on September 16, and the September 18 Board meeting will take place in Pagosa Springs.

FUTURE AGENDA ITEMS AND COMMITTEE SCHEDULES

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

There being no further business, the LPEA Board of Directors meeting adjourned at 5:22 p.m.

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



Bob Lynch, President



Guinn Unger, Secretary