

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, January 15, 2020
Durango, Colorado

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, January 15, 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	
Rachel Landis	Holly Metzler	Guinn Unger, Secretary
Joe Lewandowski	Davin Montoya	Tim Wheeler, Treasurer

LPEA STAFF:

Jessica Matlock, Chief Executive Officer
Monica Rodriguez, Controller
Garrett Hammer, Interim District Manager, Pagosa Springs
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
Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: Jack Turner

GUESTS The following guests were present: Dave Peters, Betsy Romere, Werner Heiber, Donald Bruning, Levi Lloyd, Melissa Youssef, Barb Noseworthy, Kim Baxter, Imogen Ainsworth, Kevin Hall, Dick White, Dean Brookie, Amber Blake, Chris Bettin, Monique di Giorgio.

APPROVAL OF AGENDA

President Lynch addressed the January 15, 2020 board meeting agenda.

Motion: Director Unger moved to approve the January 15, 2020 board meeting agenda as presented. Motion seconded and carried without dissent.

MEMBER COMMENTS

A member discussed concerns about the LPEA Disconnect for Nonpayment (DNP) policy after experiencing a service interruption due to a failure with the online bill pay feature on his bank account. The board and staff will look into LPEA's current DNP policy to examine opportunities for improvement. Ron Meier addressed a letter to the board from a member who was concerned about meter reading fees and discussed the successful resolution of the matter.

Members thanked the board for their work to influence Tri-State towards renewables, expressed approval of Tri-State's divestment from coal in New Mexico and Colorado, and inquired if this development would slow down LPEA's buyout investigation. President Lynch advised that LPEA will know more after Tri-State announces their Responsible Energy Plan, and when the Tri-State Contract Committee concludes its work in April 2020.

CONSENT BOARD ITEMS.

President Lynch addressed the Consent Board Items. Directors noted modifications to be made to the minutes of the December 18, 2019 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 December 18, 2019 LPEA Board of Directors meeting with approved modifications. Motion seconded, and carried without dissent.

CEO AND STAFF REPORTS

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

COMMUNITY UPDATE – Ron Meier gave an update on the Giving Tree project which has received over \$12,000 in member donations that have been paid on 435 member accounts that were behind on payments. Dispatcher, Rachel Killinen discussed LPEA participation in the Meals on Wheels program with contributions of snack bags and over \$3,000 in cash donations since 2014.

DIVISION DASHBOARDS – CEO Matlock discussed the continuous improvement and development of the dashboard report by incorporating input from board and staff, tying it to the strategic plan and initiatives, aligning it with industry standards, and striving to parse data effectively for optimal comprehension.

Nadine Ontiveros introduced the dashboard purposes to bring education, strategic focus, and data context to all reporting. A deeper dive will be given to two strategic initiatives each month, as well as issues pertaining to the strategic goal ... *to reduce [LPEA's] carbon footprint by 50%*

from 2018 levels by year 2030 while keeping member's cost of electricity lower than 70% of its Colorado cooperative peers. Discussion ensued on report formatting and quantity of information, interpretational gaps in reporting, and addressing deviation from goals.

CEO Matlock discussed the unveiling of the LPEA Code of Excellence values statement developed in partnership with the IBEW. Directors discussed adopting the Code of Excellence among the full board, and refreshing the agreed upon board norms and Code of Conduct that were adopted in April 2018.

Monica Rodriguez addressed the Financial Report and requested approval for a time-sensitive resolution to approve a line of credit for right of way access for a project.

RESOLUTION 2020-02 IRREVOCABLE LETTER OF CREDIT – Monica Rodriguez presented a resolution to approve an irrevocable letter of credit as required by the State Board of Land Commissioners to secure access to rights of way.

Motion: Director Skeehan moved to approve Resolution 2020-02 Irrevocable Letter of Credit as presented. Motion seconded and carried without dissent.

Attorney Denning advised that the time sensitive nature of the resolution required by the State Board of Land Commissioners did not meet the 10-day notice requirement for board action. Denning advised to approve the resolution to satisfy the State Land Board requirement in a timely manner, and to ratify the board's decision to do so at the February 19 board meeting.

Motion: Director Wheeler moved to ratify the board's approval of Resolution 2020-02 Irrevocable Letter of Credit at the February 19 board meeting. Motion seconded and carried without dissent.

Monica Rodriguez addressed the Financial Report and took questions. Several directors requested the inclusion of a written narrative of the financial highlights that would precede the financial dashboard. Director Wheeler advised that the Finance and Audit Committee can work with the new CFO on creating a financial summary.

ANNUAL MEETING UPDATE - Ron Meier highlighted reductions in the meeting budget and advised that director candidate packets will be available February 21, and are due back to LPEA staff by March 13. Election ballots must be turned in by 4:00 p.m. May 15. The board candidate FAQ will be updated, and an orientation for new directors will take place before the May 20 Board meeting. The Annual Meeting draft agenda will be presented for discussion at the February Board meeting.

BOARD AGENDA AND POSSIBLE ACTION

FINANCE AND AUDIT COMMITTEE – Committee Chairman Wheeler addressed the written report in the board packet and took questions. Wheeler advised that the committee recommendation will be presented to the board in the form of a resolution which is included in

the board packet, and Dan Harms will present the committee's findings in support of the recommendation.

Harms gave an overview of Policy 214 Rate Policy as the basis for a discussion of proposed 2020 rate changes that are necessary to meet the revenue requirement approved by the board in January. Harms discussed the committee recommendation to adopt a maximum revenue recovery allocation of 4.5% among the rate classes, and the introduction of a peak energy charge of \$1.50 per kW for the general services rate class to avoid an increase to the base or energy charge.

Harms stated that the proposed rate changes align costs to the cost of service study, ensure equitable contribution to the collection of additional revenue among rate classes, allow for continued investments in upgrading our grid, and provide future opportunities, such as beneficial electrification and demand side management. Discussion ensued on implementation, timelines, and communication with members for rate changes that will go into effect April 1, 2020. The committee recommendation was met with favor by the board and President Lynch requested a motion to adopt Resolution 2020-01 Rate Tariffs.

Motion: Director Wheeler moved to adopt Resolution 2020-01 Rate Tariffs. Motion seconded. Motion carried without dissent.

Discussion ensued on AMI customers that are not impacted by the rate change, and the formation of a new rate class for AMI Opt-out customers. The Finance and Audit Committee will discuss the possibility of forming an AMI rate class at the February 13 meeting and bring a recommendation to the full board at the February 19 board meeting.

POLICY COMMITTEE: POLICY 104 BOARD OF DIRECTORS – CHIEF EXECUTIVE OFFICER RELATIONSHIP – Committee Chair Unger and Attorney Denning discussed recommendations for revisions and took input on Policy 104 Board of Directors - Chief Executive Officer Relationship.

Motion: Director McInnis moved to approve Policy 104 Board of Directors - Chief Executive Officer Relationship with agreed upon revisions. 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. Denning will complete the revisions and bring those to the Policy Committee's next meeting. The Policy Committee will bring recommendations to the board for consideration at the February 19 board meeting.

POLICY COMMITTEE: POLICY 205 ALLOCATION AND RETIREMENT OF PATRONAGE CAPITAL – Committee Chair Unger and Attorney Denning discussed various recommendations for revisions and took input on Policy 205 Allocation and Retirement of Patronage Capital. There was consensus among the board to study calculation methods for

margin allocations at an upcoming Policy Committee meeting for further discussion and review with the board.

POLICY COMMITTEE: POLICY 215 AMI OPT-OUT PROGRAM – Committee Chair Unger advised that review of this policy will be deferred to a later date in lieu of the board’s upcoming discussion on the formation of a new rate class for the AMI Opt-out members.

Attorney Denning presented a proposed resolution in accordance with LPEA bylaws Article XIII, granting the CEO explicit authority to renew, join, and become a member of organizations as deemed beneficial to LPEA and its members, on an annual basis. Denning took input for revisions to the resolution language.

Motion: Director Bassett moved to adopt Resolution 2020-03 CEO Authorization to Renew Memberships with approved revisions. Motion seconded and carried without dissent.

BROADBAND COMMITTEE – Committee Co-Chair Unger reported on the January 9 meeting. Jasen Bronec, DMEA CEO and Ken Watson, DMEA Director discussed the formation and operation of Elevate Internet, the DMEA broadband subsidiary. The next Broadband Committee meeting is scheduled for February 13.

MISCELLANEOUS BOARD ITEMS: REVIEW VOLUNTARY GREEN FUND GRANT APPLICATIONS FOR APPROVAL – Dan Harms and Amanda Miles, Distributed Generation Energy Advisor, discussed five renewable generation grant applications for the Voluntary Green Fund Grant cycle, and took questions. There was consensus among the board to form a Voluntary Green Fund Grant Review Committee to review the applications in detail and present recommendations to the full board.

Motion: Director Bassett moved to form a Voluntary Green Fund Grant Review Committee to evaluate the applications and present recommendations to the board. Motion seconded and carried without dissent.

President Lynch appointed Director Landis as the committee Chair, and Directors Wheeler and Lewandowski to the voluntary committee.

MISCELLANEOUS BOARD ITEMS: APPOINT VOTING DELEGATE/ALTERNATE TO CREA, WUE, AND NRECA ANNUAL MEETINGS – President Lynch took nominations for voting delegates and alternates.

Motion: Director Bassett move to appoint Director Turner as the voting delegate, and CEO Matlock as the voting alternate to the CREA 2020 Annual Meeting.

Discussion ensued on allowing Directors to rotate in participation as voting delegates.

Motion

To Amend: Director Skeehan moved to appoint Director Wheeler as the voting delegate and CEO Matlock as the voting alternate to the CREA 2020 Annual Meeting. Motion seconded and carried 8 to 3 with Directors Basset, Unger, and Lynch opposed.

Motion

Resumed: Motion to appoint Director Wheeler as the voting delegate and CEO Matlock as the voting alternate to the CREA 2020 Annual Meeting carried without dissent.

Motion: Director Montoya moved to appoint CEO Matlock as the voting delegate and Director Wheeler as the voting alternate to the Western United Electric 2020 Annual Meeting. Motion seconded and carried 10 to 1, with Director Wheeler abstaining.

No delegates were appointed to the NRECA 2020 Annual meeting as no directors will be attending this meeting.

MISCELLANEOUS BOARD ITEMS: TRAVEL REQUESTS – President Lynch addressed upcoming external travel, no requests were taken.

MISCELLANEOUS BOARD ITEMS: DIRECTOR EXPENSE APPROVAL – Director Wheeler reported on the December Director Expenses. Questions were raised regarding Director Turner’s entitlement to compensation based on policy. Director Turner will not receive a per diem for the January board meeting, and will receive the \$1,000 stipend for representing LPEA at the Tri-State press release and attending to CREA legislative work on behalf of LPEA. President Lynch advised that Turner will submit January expense reimbursements for approval in February.

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Holly Metzler	\$60.95
Dan Huntington	\$27.60	Davin Montoya	\$20.13
Rachel Landis	\$00.00	Kirsten Skeehan	\$16.68
Joe Lewandowski	\$00.00	Jack Turner	\$00.00
Bob Lynch	\$69.00	Guinn Unger	\$59.80
Kohler McInnis	\$9.20	Tim Wheeler	\$00.00

LPEA Board and Committee Meetings

Britt Bassett	\$1325.00	Holly Metzler	\$1325.00
Dan Huntington	\$1325.00	Davin Montoya	\$1200.00
Rachel Landis	\$1200.00	Kirsten Skeehan	\$1200.00
Joe Lewandowski	\$1200.00	Jack Turner	\$1000.00
Bob Lynch	\$1200.00	Guinn Unger	\$1325.00
Kohler McInnis	\$1200.00	Tim Wheeler	\$1325.00

Other External Meetings

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

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

ATTORNEY REPORT

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

DIRECTOR REPORTS

Directors referred to the written reports in the board packet and took questions. The Training Report by Director Landis will be presented before noon at the February 19 board meeting.

ROUND UP FOUNDATION (RUF) REPORT – Director Metzler reported a January RUF grant was awarded to the Hive for \$3,000; and Education grants were awarded to the Hive for \$2,000 and Durango Reel Learning for \$1,500.

EXECUTIVE SESSION

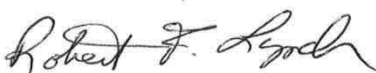
Motion: Director Unger moved to enter into executive session to discuss FERC-CoPUC Updates and Staffing Updates. Motion seconded and carried without dissent.

Director Skeeahan and Attorney Denning were recused from the discussion on FERC-CoPUC Updates. The board remained in executive session from 3:00 p.m. to 4:45 p.m.

ADJOURN

There being no further business, the LPEA Board of Directors meeting adjourned at 6:05 p.m.

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



 Bob Lynch, President



 Guinn Unger, Secretary