

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, March 16, 2022
Zoom Webinar

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, March 16, 2022, via Zoom webinar. President Witchel called the meeting to order at 9:05 a.m. with the following directors present:

Ted Compton	John Lee	Holly Metzler
Dan Huntington, Secretary	Joe Lewandowski	Kirsten Skeeahan
Bob Lynch, Treasurer	Kohler McInnis	Tim Wheeler, Vice President
Rachel Landis	Sue McWilliams	John Witchel, President

LPEA STAFF PANELISTS

Garrett Hammer, Pagosa District Manager
Dan Harms, VP of Grid Solutions
Hillary Knox, VP of Member Experience
Jessica Matlock, Chief Executive Officer
Karl Ramsey, VP of Finance
Graham Smith, Staff & Board Attorney
Jerry Sutherlin, VP of Operations
Janelle Thunstrom, Executive Assistant
Drew Timmerman, VP of Information Technology

EXCUSED ABSENCE

None

WEBINAR GUESTS

Russ Schneider, EES Consulting
Gail Tabone, EES Consulting

WEBINAR ATTENDEES

Thomas Compton, Emelie Frojen, Bill Luthy, Mark Pearson, Elizabeth Romere, and Lori Schell

APPROVAL OF AGENDA (9:06 a.m.)

President Witchel addressed the March 16, 2022, LPEA board meeting agenda.

Motion: Director Lynch moved to approve the March 16, 2022, LPEA board meeting agenda as amended, to include action on Resolution 2022-07 as provided by the FAC Committee, and to have a discussion in executive session. Motion seconded and carried without dissent.

MEMBER COMMENTS AND CONCERNS (9:07 a.m.)

Attorney Smith gave an overview of the ground rules for public commentary. There was no public commentary.

CONSENT BOARD ITEMS (9:09 a.m.)

President Witchel addressed the Consent Board Items.

Director McInnis asked to remove the February Board of Directors' meeting minutes and director expenditures from the consent board items for further discussion.

Motion: Director McInnis moved to approve the Consent Board Items (B, C, D, E, F): accepting new members, Capital Credits, monthly write-offs, director travel and training requests, and director expenses. Motion seconded and carried without dissent.

Motion: Director Wheeler moved to approve the February Board of Directors' meeting minutes as amended. Motion seconded and carried without dissent.

Motion: Director McInnis moved to approve the director expenditures as amended by changing Director Metzler's CREA (Colorado Rural Electric Association) expense from discretionary to mandatory. Motion seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:15 a.m.)

CEO Matlock reported on key performance indicators for safety, reliability, finance, communications and outreach, beneficial electrification, and information technology. The division dashboard was made public prior to the board meeting. CEO Matlock and staff members took questions and suggestions related to the discussed topics.

FINANCE REPORT UPDATE (9:47 a.m.)

VP of Finance Ramsey addressed the February 2022 financials. Most financial goals were met, although the equity percentage was higher than the board-approved goal of 45-50% and cash reserves were lower than the approved goal range of 16-20%. VP Ramsey took questions from board members regarding the financial report.

BOARD ACTION AGENDA

FINANCE AND AUDIT COMMITTEE UPDATE (10:02 a.m.)

Referring to the written FAC report, Committee Chair Lynch gave an update on the financial review, Cost of Service Analysis, and future agenda items.

RESOLUTION 2022 – 6; DISTRICT ELECTION CANCELLATION (10:09 a.m.)

President Witchel addressed Resolution 2022-6, District Election Cancellation.

Motion: Director Lee moved to approve [Resolution 2022-6, District Election Cancellation](#). Motion seconded and carried without dissent.

COSA PRESENTATION (10:26 a.m.)

VP Ramsey gave an overview of the Cost-of-Service Analysis (COSA) process and its value to LPEA staff as a baseline to assess future rates and programs. No rate adjustments were recommended at this time.

Russ Schneider and Gail Tabone with EES Consulting gave a PowerPoint presentation on the LPEA COSA results. Topics discussed included the rate-setting process, COSA allocation buckets, background approach, aligning costs and rates, using COSA in rate setting, inter-class results, rate design and unit costs, rate design indications, special rate topics, and the next steps. Schneider and Tabone took all questions and suggestions related to each topic within the presentation. VP of Grid Solutions Harms discussed the next steps which include maintaining LPEA's existing rate structure and revisiting after a new power supply contract is enacted.

ATTORNEY UPDATE OF FERC, ADAMS COUNTY, AND COPUC ACTIONS (12:33 p.m.)

Matthew Larson, Outside Counsel for LPEA, advised on the status of the cases related to Tri-State's wholesale electric rates and exit fee at the Federal Energy Regulatory Commission (FERC), the Colorado Public Utilities Commission (CoPUC), and Adams County District Court.

EXECUTIVE SESSION (12:38 p.m.)

President Witchel requested a motion to move into an executive session to discuss litigation matters and Resolution 2022-7, CEO Infrastructure Opportunities Investigation & Report.

Motion: Director Lynch moved to enter executive session to discuss litigation matters and the FAC recommended Resolution 2022-7, CEO Infrastructure Opportunities Investigation & Report. Motion seconded and carried without dissent.

Director McInnis recused himself from part of the Tri-State litigation strategy discussion during the executive session because of a possible conflict with his role as a Tri-State board representative but planned to rejoin the executive session for other topics not related to Tri-State litigation.

The board remained in executive session from 12:40 p.m. to 2:09 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (2:10 p.m.)

None. Specifically, no action was taken regarding proposed Resolution 2022-7, CEO Infrastructure Opportunities Investigation & Report.

REPORTS

ATTORNEY REPORT (2:15 p.m.)

Referring to the written report included in the board packet, Attorney Smith highlighted work done for LPEA staff and board members since the February meeting. Attorney Smith took all questions from board members.

DIRECTOR REPORTS (2:22 p.m.)

Directors referred to written and verbal reports in the board packet and took questions and suggestions from board members and staff.

President Witchel left the meeting at 2:30 p.m., Vice President Wheeler filled in for President Witchel until 2:51 p.m.

Director Skeeahan nominated herself as the Tri-State delegate and Director McWilliams nominated Director Lee as the alternate for the Tri-State Annual Meeting. Director Lee accepted the nomination.

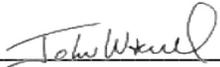
Motion: Director Lee moved to nominate Director Skeeahan as the Tri-State Annual Meeting delegate and himself as the alternate. Motion seconded and carried without dissent.

Director Metzler asked for an LPEA representative for the next CREA board meeting since both she and alternate Director McWilliams will be out on Spring Break. Director Lewandowski will sit in for Director Metzler at next week's CREA board meeting.

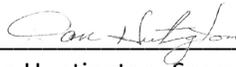
ADJOURN

There being no further business, the LPEA Board of Directors' meeting adjourned at 3:07 p.m.

Recorded by J.P. Thunstrom and approved by:



John Witchel, President



Dan Huntington, Secretary