

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, April 20, 2022
Zoom Webinar

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, April 20, 2022, via Zoom webinar. President Witchel called the meeting to order at 9:02 a.m. with the following directors present:

Ted Compton	John Lee	Holly Metzler
Dan Huntington, Secretary	Joe Lewandowski	Kirsten Skeehan
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, Executive VP of Grid Solutions and Special Projects
Elizabeth Howe, VP of Admin Services
Hillary Knox, VP of Member Experience
Jessica Matlock, Chief Executive Officer
Karl Ramsey, VP of Finance
Graham Smith, General Counsel
Jerry Sutherlin, VP of Operations
Janelle Thunstrom, Executive Assistant
Drew Timmerman, VP of Information Technology

EXCUSED ABSENCE

None

WEBINAR GUESTS

Tammy Totzke – BKD, Managing Director

WEBINAR ATTENDEES

Thomas Compton, Emelie Frojen, James Garrick, and Elizabeth Romere

APPROVAL OF AGENDA (9:03 a.m.)

President Witchel addressed the April 20, 2022, LPEA board meeting agenda.

Motion: Director Landis moved to approve the April 20, 2022, LPEA board meeting agenda as presented.
Motion seconded and carried without dissent.

MEMBER COMMENTS AND CONCERNS (9:04 a.m.)

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

CONSENT BOARD ITEMS (9:05 a.m.)

President Witchel addressed the Consent Board Items.

Director McInnis asked to remove Capital Credits to estates from the consent board items for further discussion.

Motion: Director McInnis moved to approve the remaining Consent Board Items: The March Board of Directors' meeting minutes as amended, accepting new members, Capital Credits, monthly write-offs, director travel and training requests, director expenses, and director expenditures. Motion seconded and carried without dissent.

Discussion ensued on the Capital Credits to estates item from the consent agenda.

Motion: Director McInnis moved to approve the Capital Credits to Estates as amended and explained by VP of Finance Ramsey. Motion seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:10 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 (9:36 a.m.)

VP of Finance Ramsey addressed the March 2022 financials. Most financial goals were met, although the equity percentage was higher than the board-approved goal of 45-50%. Cash reserves are at 18.3% of operating costs, which is within the board-approved range of 16 to 20%. VP Ramsey took questions from board members regarding the financial report.

BOARD ACTION AGENDA

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

Committee Chair Lynch gave a verbal FAC update on the board-approved goals as discussed in the FAC meeting on April 14, 2022. VP Ramsey discussed margins regarding the board-approved goals and required financial reporting. The FAC will reevaluate the goals at its May meeting. Committee Chair Lynch and VP Ramsey took questions regarding the FAC update.

UNCLAIMED CAPITAL CREDITS DECISION (10:20 a.m.)

VP Ramsey presented an allocation proposal for available Unclaimed Capital Credits as follows: \$83k to scholarships, \$60k to Educational Grants, \$2k for GED, \$95k to the Innovative Project fund, \$150k for enhanced beneficial electrification incentives, \$100k to the Fort Lewis College Johnson Scholarship Foundation, and \$50k to support local STEM education. VP Ramsey and CEO Matlock took questions and suggestions from board members.

Motion: Director Lynch moved to approve the recommended use of Unclaimed Capital Credits as presented. Motion seconded. Discussions ensued on the allocation of funds to better serve the communities.

Previous

Question: Director Huntington moved the previous question. Motion carried 9-2 with Directors Compton, Huntington, Landis, Lewandowski, Metzler, McInnis, Skeehan, Wheeler, and Witchel in favor and Directors Lee and Lynch opposed. Director McWilliams abstained.

Main Motion: Motion proceeded to immediate vote and carried 10-2 with Directors Compton, Huntington, Landis, Lewandowski, Lynch, Metzler, McInnis, Skeehan, Wheeler, and Witchel in favor and Directors Lee and McWilliams opposed.

ELECTION SUPERVISORY COMMITTEE UPDATE (11:04 a.m.)

General Counsel Smith gave a quick update on the election supervisory committee.

AMENDMENT TO POLICY 107 – CAMPAIGN FINANCE REPORTING REQUIREMENTS (11:06 a.m.)

Motion: Director Lewandowski moved to adopt the amendment to Policy 107 – Campaign Finance Reporting Requirements. Motion seconded and carried without dissent.

Director Lee was excused and was absent from the vote.

AUDIT PRESENTATION (11:09 a.m.)

Tammy Totzke with BKD gave an overview of LPEA’s financial audit. There were no findings that were required to be communicated with those charged with governance. Patronage allocations/refunds from investments, property taxes, and equity in earnings of FastTrack Communications have adjusted audit entries. Balance sheet graph highlights were presented on cash and cash equivalents, plant additions, debt, and Capital Credit allocations and refunds. The Statement of Margins was also presented with highlights on operating revenues and net margins. Totzke spoke about other financial topics and took questions from board members.

REPORTS

ATTORNEY REPORT (11:49 a.m.)

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

ATTORNEY UPDATE OF FERC, ADAMS COUNTY, AND COPUC ACTIONS (12:30 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 (12:33 p.m.)

President Witchel requested a motion to move into an executive session to discuss litigation matters.

Motion: Director Compton moved to enter executive session to discuss litigation matters, an update on union contract negotiations, and to discuss self-generation penalty in more detail.
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 rejoined the executive session for other topics not related to Tri-State litigation.

The board remained in executive session from 12:35 p.m. to 1:12 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (1:13 p.m.)

There was no action from the executive session.

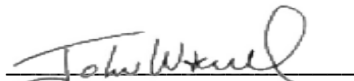
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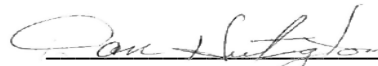
DIRECTOR REPORTS (1:13 p.m.)

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

ADJOURN

There being no further business, the LPEA Board of Directors' meeting adjourned at 2:13 p.m.
Recorded by J.P. Thunstrom and approved by:


John Witchel, President


Dan Huntington, Secretary