

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, October 19, 2022
Hybrid (In-Person and Zoom Webinar)

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, October 19, 2022, via in-person and Zoom webinar. President Witchel called the meeting to order at 9:01 a.m. with the following directors present¹:

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

LPEA STAFF

Jessica Matlock, Chief Executive Officer
Garrett Hammer, Pagosa District Manager
Dan Harms, Executive VP of Grid Solutions and Special Projects
Elizabeth Howe, VP of Administrative Services
Hillary Knox, VP of Member Experience
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

Director Bob Lynch

IN-PERSON ATTENDEES

Emelie Frojen, David Hill, and Elizabeth (Betsy) Romere

WEBINAR ATTENDEES

None

APPROVAL OF AGENDA (9:02 a.m.)

President Witchel addressed the October 19, 2022, LPEA board meeting agenda.

Motion: Director McInnis moved to approve the October 19, 2022, LPEA board meeting agenda as amended. Motion seconded and carried without dissent.

¹ Per Article IV, Section 6 of LPEA's Bylaws, a director attending virtually is considered to be "present in person."

MEMBER COMMENTS AND CONCERNS (9:05 a.m.)

General Counsel Smith gave an overview of the ground rules for public commentary.

There was no public comment.

CONSENT BOARD ITEMS (9:08 a.m.)

President Witchel addressed the Consent Board Items.

Director Lee moved to approve the Consent Board Items: the September Board of Directors meeting minutes as presented, accepting new members, the retirement of Capital Credits to estates, monthly write-offs, director travel and training requests, director expenses, and director expenditures. Motion seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:08 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 within the report.

FINANCE REPORT UPDATE (9:26 a.m.)

VP of Finance Ramsey addressed the September 2022 financials. The financial results met all the board's approved goals for September, but operating margins were \$20k below budget, due to lower gross margins (revenue less cost of power). Both residential and commercial sales were below forecast, and these rate classes drive higher gross margins. Controllable costs were \$32k under budget. VP Ramsey took questions from board members on the financial report.

FINANCE AND AUDIT COMMITTEE UPDATE (9:32 a.m.)

Committee Chair McWilliams referenced the email that was sent for the FAC meeting held on Thursday, October 13, 2022.

General Counsel Smith addressed the excavation contract and requested a motion.

Motion: Director Wheeler moved to approve the contract with Ridgeline Drilling, LLC for \$402,800 for excavation work on Phases I and II of the Bodo Park project. Motion seconded and carried without dissent.

COMMITTEE ON POLICIES UPDATE (9:36 a.m.)

Committee Chair Compton gave an update on the committee's recommendations for proposed amendments to Policies 303, 304, and proposed Policy 111. The committee will review the Line Extension Policy at the next meeting in November. Committee Chair Compton and Counsel Smith took questions and comments from other directors regarding his COP report.

Motion: Director Lee moved to approve the proposed amendments to Policies 303, 304, and proposed Policy 111. Motion seconded and carried without dissent.

REPORTS

ATTORNEY REPORT (9:52 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 September meeting. Counsel Smith took questions from board members.

DIRECTOR REPORTS – TRI-STATE, ROUND-UP FOUNDATION, FASTTRACK COMMUNICATION (9:54 a.m.)

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

ATTORNEY UPDATE ON FERC ACTIONS (11:00 a.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). Counsel Larson took all questions from board members.

EXECUTIVE SESSION (11:09 a.m.)

President Witchel requested a motion to move into executive session to discuss an attorney update on the FERC actions, confidential vendor negotiations, an employee matter, and confidential questions on the attorney report.

Motion: Director Lee moved to enter executive session to discuss an attorney update on the FERC actions, confidential vendor negotiations, an employee matter, and confidential questions on the attorney report. Motion seconded and carried without dissent.

The board remained in executive session from 11:10 a.m. to 2:13 p.m.

The lunch break took place during the executive session from 12:06 p.m. to 12:36 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (2:15 p.m.)

President Witchel addressed the Sunnyside Solar project that was discussed during the executive session.

Motion: Director Lee moved to approve the reallocation of the 2022 Capital Project funds in the amount of \$1.2 million to purchase material for the Sunnyside Solar project. Motion seconded and carried without dissent.

REPORTS (CONT.)

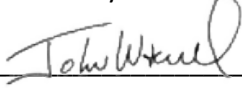
DIRECTOR REPORTS – CREA, WESTERN UNITED, TRI-STATE RATE DESIGN COMMITTEE (2:16 p.m.)

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

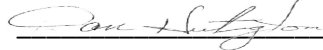
Board members asked LPEA staff to send a communication stating that LPEA is not involved in the Primergy Solar project taking place in Hesperus, Colorado.

ADJOURN (2:55 p.m.)

There being no further business, the LPEA Board of Directors' meeting adjourned at 2:55 p.m.
Recorded by J.P. Thunstrom and approved by:



John Witchel, President



Dan Huntington, Secretary