

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, December 14, 2022
Zoom Webinar

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, December 14, 2022, via Zoom webinar. President Witchel called the meeting to order at 9:01 a.m. with the following directors present:

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

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

None

WEBINAR ATTENDEES

Elizabeth Romere, John Simpson

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

President Witchel addressed the December 14, 2022, LPEA board meeting agenda.

Motion: Director McInnis moved to approve the December 14, 2022, LPEA board meeting agenda as amended. Motion seconded and carried without dissent.

MEMBER COMMENTS AND CONCERNS (9:03 a.m.)

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

There was no public comment.

CONSENT BOARD ITEMS (9:04 a.m.)

President Witchel addressed the Consent Board Items and noted that Director Lee's expense submission would be removed from the consent agenda and re-submitted in January to address a clerical issue.

Motion: Director McInnis moved to approve the Consent Board Items: the November Board of Directors 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 (9:05 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 (9:19 a.m.)

VP of Finance Ramsey addressed the November 2022 financials. All of the board's financial goals were met in November. Operating margins were \$122k over budget due to strong sales in all rate classes driving higher gross margins (revenue less cost of power). Expenses were \$59k over forecast due to an expense of \$150k (DER platform software license) that had been capitalized in error. Ramsey took questions from board members on the November financials.

FINANCE AND AUDIT COMMITTEE UPDATE (9:28 a.m.)

Committee Chair McWilliams gave a verbal update since there was no FAC meeting in December. Committee Chair McWilliams and VP Ramsey took questions regarding the Rate Stabilization Fund memorandum.

Motion: Director Wheeler moved that the Board direct staff to increase the rate stabilization fund by \$2.75 million, reducing the operating margins for 2022 to a level that meets the financial goals but is lower than the budgeted 2022 margin. Motion seconded and carried without dissent.

COMMITTEE ON POLICIES UPDATE (9:41 a.m.)

Committee Chair Compton gave an update on the committee's finalized recommendations for the proposed amendments to [Policy 103](#) and the posting of the proposed amendments to the [Line Extension Policy](#). Committee Chair Compton and staff members took questions related to the proposed policy changes.

Motion: Director Wheeler moved to approve the proposed changes to Policy 103(II)(C)(4)(b) and (h) as presented. Motion seconded and carried without dissent.

Motion: Director McInnis moved that the board direct staff to post LPEA's proposed Line Extension Policy for a 30-day public comment period in accordance with Policy 364. Motion seconded and carried without dissent.

ATTORNEY UPDATE ON FERC ACTIONS (10:20 a.m.)

Due to a scheduling conflict, FERC Attorney Matthew Larson was unable to attend the meeting. Instead, CEO Matlock 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). CEO Matlock took questions from board members.

REPORTS

ATTORNEY REPORT (10:25 a.m.)

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

EXECUTIVE SESSION (10:28 a.m.)

President Witchel requested a motion to move into an executive session to discuss CEO Matlock's update on FERC actions, the three-prong strategy, and confidential matters pertaining to the Attorney Report.

Motion: Director Compton moved to enter an executive session to discuss CEO Matlock's update on FERC actions, the three-prong strategy, and questions pertaining to the Attorney Report. Motion seconded and carried without dissent.

The board remained in executive session from 10:28 a.m. to 11:35 a.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (11:36 a.m.)

None

REPORTS

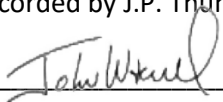
DIRECTOR REPORTS – (11:36 a.m.)

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

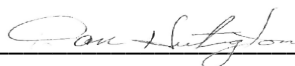
Motion: Director Huntington moved to direct staff to study Director Skeeahan's Tri-State Rate Committee request and give a memo of the pros and cons at the next board meeting. Motion seconded and carried without dissent.

ADJOURN (1:01 p.m.)

There being no further business, the LPEA Board of Directors' meeting adjourned at 1:01 p.m.
Recorded by J.P. Thunstrom and approved by:



John Witchel, President



Dan Huntington, Secretary