

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, October 18, 2023
In-person with Electronic Attendance Option
LPEA Headquarters | Durango, Colorado

CALL TO ORDER (9:01 a.m.)

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, October 18, 2023, via In-person with an electronic attendance option. President Compton called the meeting to order at 9:01 a.m. with the following directors present:

Ted Compton, President
Dan Huntington
Rachel Landis
John Lee, Jr., Secretary

Joe Lewandowski
David Luschen (Electronic)
Kohler McInnis
Holly Metzler

Nicole Pitcher
Kirsten Skeeahan, Vice President (Electronic)
Tim Wheeler, Treasurer
John Witchel

LPEA STAFF

Amanda Anderson, Strategic Communications Officer
Patrick Berry, VP of Finance
Dan Harms, Executive VP of Grid Solutions and Special Projects
Elizabeth Howe, VP of Business Services
Jessica Matlock, Chief Executive Officer
Graham Smith, General Counsel
Jerry Sutherlin, VP of Operations
Janelle Thunstrom, Executive Assistant
Drew Timmerman, VP of Information Technology

EXCUSED ABSENCE

None

WEBINAR ATTENDEES

Emelie Frojen, Mary Robins, and Elizabeth Romere

IN-PERSON ATTENDEES

None

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

President Compton addressed the agenda for the LPEA board meeting on October 18, 2023.

Motion: Director McInnis moved to approve the October 18, 2023, LPEA board meeting agenda as amended to remove section V., A.,1 (Motion to approve Net Metering and Qualifying Facilities Rate Tariffs) and to

add an update on broadband partnerships in the executive session. 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 a public comment by one member.

CONSENT BOARD ITEMS (9:06 a.m.)

President Compton addressed the Consent Board Items. Director Landis asked to remove the director's travel & training requests. Director Wheeler asked to remove director expenses.

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

Motion: After further discussion regarding director fees, per diem, and the monthly stipend in Policy 109, Director Wheeler moved to approve travel & training requests as presented in the current board packet that does not include director fees being paid and to allow the ability to allow those directors who submitted director fee requests to receive them if Policy 109 is amended. Motion seconded and carried without dissent.

Motion: After further discussion regarding claims for director fees for voluntary training, Director Wheeler moved to approve all director expense requests and to allow the ability to allow those directors requesting director fees for voluntary training to receive them if Policy 109 is amended. Motion seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:42 a.m.)

Chief Executive Officer (CEO) Matlock reported on the monthly board dashboard. The dashboard reports on the progress in meeting the targets listed in the [2023 Operational Plan](#). The dashboard was made public prior to the board meeting.

CEO Matlock reported that all key performance indicators besides the SAIDI (System Average Interruption Duration Index) and cash reserves were met for September. The cash reserves were below the board's target due to the timing variance of cash flow and capital expenditures. We were above the cash reserves target by the time of the board meeting.

VP Sutherlin addressed the red checkmark as reported on SAIDI. SAIDI has surpassed our end-of-year goal of 60 minutes out of power per member. This is due to an increase in member-caused outages, increased planned outages associated with increased capital project work, and the initial spike due to winter storms that did not meet MED (Major Event Day) criteria.

VP Berry gave an update on the financial health slide. VP Berry also addressed the cash reserves and stated that this is being monitored and stated there is a preference to avoid borrowing to maintain this ratio to avoid higher borrowing costs and that we had achieved the target at the time of the meeting.

CEO Matlock and staff members took questions about the discussed topics in the dashboard and appendix reports.

BOARD ACTION AGENDA (10:15 a.m.)

FINANCE AND AUDIT COMMITTEE UPDATE (10:16 a.m.)

Committee Chair Wheeler addressed his written FAC report which included a review of the preliminary financials YTD through September. The FAC recommended that the LPEA Board approve the 2024 Capital Items and Projects Budgets totaling \$33,403,896 that will be brought to the full board at the November board meeting.

CEO Matlock gave a brief update regarding Net Metering and Qualifying Facilities tariffs and the timeline for updating those tariffs.

COMMITTEE ON POLICIES UPDATE (10:24 a.m.)

Committee Chair Lee gave a verbal update. The Committee on Policies reviewed Policy [108](#) (Disclosure of Cooperative Information) and its exhibits. A red-lined draft version was sent to the board for review prior to the next COP meeting. Policy 108 will be presented to the full board for a vote at the November meeting.

THIRD-PARTY APPROVAL FOR ELECTION SUPPORT (10:26 a.m.)

Attorney Smith addressed his Third-Party Approval memo to appoint Tiffany Lee, La Plata County Clerk & Recorder, as the independent third party to supervise the balloting process for LPEA's 2024 election of directors.

Motion: Director Huntington moved to approve [Resolution 2023-12; Independent Third-Party Appointment](#).
Motion seconded and carried without dissent.

ATTORNEY UPDATE ON FERC ACTIONS (10:41 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) and related matters.

Attorney Larson updated the board on the status of the Adams County litigation between United Power and Tri-State. Tri-State's appeal of the judge's ruling in that case was denied, and the case will go to trial. CEO Matlock stated that she had spoken with United's CEO and learned that the settlement conference in the case was not successful.

There are two ongoing cases at FERC that relate to the Contract Termination Payment (CTP).

First, Tri-State has appealed FERC's rejection of their proposed Withdrawal Agreement to the Court of Appeals for the D.C. Circuit. That appeal is pending. Tri-State also filed a motion for reconsideration of the issue at FERC. That motion was denied, so only the appeal is still pending.

Second, there is no decision yet in the CTP case. It is not on the agenda for the next FERC open meeting. It remains unclear as to when that will be on the agenda. There have been some letters from Colorado's congressional delegates and motion practices in front of FERC trying to implore FERC to issue a final decision, but nothing has yet to occur.

Tri-State Rate Case – A discussion between FERC and Tri-State on October 20 will help determine if the rate is accepted or rejected.

Tri-State and United Power also filed an unexecuted withdrawal agreement with FERC that is now pending. If approved, it will set the terms of how the actual exit payment is dealt with and other matters related to United's withdrawal. While not binding on other cooperatives, it may be illustrative of the general terms of future withdrawal agreements.

Attorney Larson took all questions from board members.

EXECUTIVE SESSION (10:48 a.m.)

President Compton requested a motion to move into an executive session to discuss an update on FERC actions, an update on the Three-Pronged Strategy, and an update on broadband partnerships.

Motion: Director Witchel moved to enter an executive session to discuss an update on FERC actions, an update on the Three-Pronged Strategy, and an update on broadband partnerships. Motion seconded and carried without dissent.

Director McInnis recused himself from the portion of the executive session addressing the FERC actions and the Three-Pronged Strategy update because of a possible conflict with his role as a Tri-State board representative but joined after these conversations.

The board remained in executive session from 10:50 a.m. to 12:27 p.m.

LUNCH BREAK (12:30 p.m.)

Ethan McGuiness gave a speech regarding his opportunity to serve as Colorado's Representative for the Youth Leadership Council through NRECA in 2024.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (12:48 p.m.)

No action was taken.

PURPA DETERMINATION (12:49 p.m.)

Attorney Smith addressed his PURPA (Public Utility Regulatory Policies Act) determination memo. Two new standards ("Standards") were added to PURPA as part of the Infrastructure Investment and Jobs Act, as signed into law on November 15, 2021. They relate to: (1) the promotion of demand-response and demand-flexibility practices and (2) the promotion of greater electrification of the transportation sector. LPEA is a "covered entity" under PURPA because our total annual retail sales of electric energy exceed 500 million kWh. Therefore, LPEA was required to notice a hearing date to consider these Standards. 16 U.S.C. §§ 2622(b)(7)(A). This matter was placed on the agenda for the regular board meeting in March 2023. LPEA has posted this notice and opened various avenues for the membership to comment on; it received one comment that was presented to the board in the March 2023 board packet. Because LPEA has already taken significant steps to promote the use of demand-response and demand-flexibility practices, as well as promote greater electrification of the transportation sector, staff recommends that LPEA implement these standards as attached to Resolution 2023-13.

Motion: Director Wheeler moved to approve [Resolution 2023-13; PURPA Determination](#). Motion seconded and carried without dissent.

REPORTS

ATTORNEY REPORT (12:59 p.m.)

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

DIRECTOR REPORTS (1:00 p.m.)

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

ADJOURN (1:30 p.m.)

There being no further business, the LPEA Board of Directors' meeting adjourned at 1:30 p.m.
Recorded by J.P. Thunstrom and approved by:



Ted Compton, President



John Lee, Jr., Secretary