

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, December 13, 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 in person on Wednesday, December 13, 2023, 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	Joe Lewandowski	Nicole Pitcher
Dan Huntington	David Luschen	Kirsten Skeehan, Vice President
Rachel Landis (Electronic)	Kohler McInnis	Tim Wheeler, Treasurer
John Lee, Jr., Secretary (Excused at 4:02 p.m.)	Holly Metzler	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

Mark Pearson, Elizabeth Romere, and Reuben Schafir

IN-PERSON ATTENDEES

None

APPROVAL OF THE AGENDA (9:01 a.m.)

President Compton addressed the agenda for the LPEA board meeting on December 13, 2023.

Motion: Director Wheeler moved to approve the December 13, 2023, LPEA board meeting agenda as amended to add an approval for the rate stabilization fund in December and an employee matter discussion in the executive session. Motion seconded and carried without dissent.

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

There was no public comment.

CONSENT BOARD ITEMS (9:07 a.m.)

President Compton addressed the Consent Board Items.

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

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:08 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 all key performance indicators besides the SAIDI (System Average Interruption Duration Index). SAIDI has surpassed our end-of-year goal to not exceed 60 minutes out of power per member. This is due to increased 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: November was a strong month. All board financial goals were met for the month. LPEA continues to maintain a healthy balance sheet and cash position.

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

SUNNYSIDE COMMUNITY SOLAR UPDATE (9:54 a.m.)

EVP Harms presented on the Sunnyside Community Solar project presentation that was given to the La Plata County Board of Commissioners. EVP Harms took all questions from board members.

BOARD ACTION AGENDA (10:13 a.m.)

FINANCE AND AUDIT COMMITTEE UPDATE (10:13 a.m.)

Committee Chair Wheeler addressed his written FAC report. One approved committee recommendation resulted from the discussions in the Executive Session regarding the building proposal. The FAC voted affirmatively to recommend to the full board that LPEA's 2024 Tri-State Pass-Through Rate Tariffs be adopted.

Motion to Implement

Recommendation¹: Director Wheeler moved to approve LPEA's proposed 2024 rate tariffs to accommodate the Tri-State pass-through rate increase, as presented in LPEA's November Board of Directors meeting and publicly posted in accordance with Policy 364. Discussion ensued.

Previous

Question: Director Huntington moved the previous question. The motion was not seconded and failed.

¹ A motion made by direction of a duly appointed committee requires no second. RRO 4:11 and 51:11.

Subsidiary

Motion: Director Skeeahan moved to change the base charge to \$25 from \$23 for residential.

Motion

Withdrawn: Director Skeeahan withdrew her motion.

Motion: Director Skeeahan moved to have the residential base charge be the original \$25 and \$2.73/kW for the peak power. Motion seconded and failed 3 – 8 with Directors Pitcher, Skeeahan, and Witchel in favor and Directors Compton, Huntington, Lee, Lewandowski, Luschen, Metzler, McInnis, and Wheeler opposed. Director Landis abstained.

Main Motion

Resumed: The main motion was resumed and carried 9 – 2 with Directors Compton, Huntington, Lee, Lewandowski, Luschen, Metzler, McInnis, Wheeler, and Witchel in favor and Directors Pitcher and Skeeahan opposed. Director Landis abstained.

ATTORNEY UPDATE ON FERC ACTIONS (10:54 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 LPEA-filed Lawsuit against Tri-State. The filing deadline to dismiss is due later this month or early next year if Tri-State files an extension.

Attorney Larson took all questions from board members.

EXECUTIVE SESSION (10:59 a.m.)

President Compton requested a motion to move into an executive session to discuss an update on FERC actions, the three-pronged strategy, and an employee matter.

Motion: Director Lee moved to enter an executive session to discuss an update on FERC actions, the three-pronged strategy, and an employee matter. 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 10:59 a.m. to 3:02 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (3:02 p.m.)

Motion: Director Pitcher moved to withdraw LPEA membership representation on the Tri-State Board until further notice. Motion seconded and carried 11 – 1 with Directors Compton, Huntington, Landis, Lee, Lewandowski, Luschen, Metzler, Pitcher, Skeeahan, Wheeler, and Witchel in favor and Director McInnis opposed.

FINANCE AND AUDIT COMMITTEE UPDATE – CONT. (3:04 p.m.)

Committee Chair Wheeler continued with his written FAC report. The FAC voted affirmatively to recommend to the full board that the compromise scenario presented be adopted to the Net Metering and Qualified Facilities Tariff changes.

Motion to Implement

Recommendation: Director Wheeler moved to approve LPEA’s Net Metering and Qualifying Facilities rate tariffs, as currently presented in accordance with Policy 364. Discussion ensued.

Previous

Question: Director Wheeler moved the previous question. Motion seconded and carried 11 – 1 with Directors Compton, Huntington, Lee, Lewandowski, Luschen, Metzler, McInnis, Pitcher, Skeehan, Wheeler, and Witchel in favor and Director Landis opposed.

Main Motion

Resumed: The main motion was resumed and failed 2 – 9, with Directors McInnis and Wheeler in favor and Directors Compton, Huntington, Lee, Lewandowski, Luschen, Metzler, Pitcher, Skeehan, and Witchel opposed. Director Landis abstained.

Committee Chair Wheeler continued with his written FAC report. The FAC voted affirmatively to recommend to the full board that staff prioritize evaluating “new build” construction over “remodel” construction for the Durango Headquarters building.

Motion to Implement

Recommendation: Director Wheeler moved to approve the FAC recommendation for staff to prioritize evaluating “new build” construction over “remodel” construction for the Durango Headquarters building. Motion carried without dissent. Director Lee abstained.

Motion to Implement

Recommendation: Director Wheeler moved to direct staff to increase the rate stabilization fund by \$3.094mm, reducing the operating margins for 2023 to a level that meets the financial goal of a 2% operating margin. Motion seconded and carried without dissent. Director Lee was not present for the vote.

COMMITTEE ON POLICIES UPDATE (4:05 p.m.)

Motion: By unanimous consent, this was continued to the January meeting.

2024 ROUND UP FOUNDATION DIRECTOR APPOINTMENTS (4:06 p.m.)

Attorney Smith addressed the 2024 Round Up Foundation director appointments.

Motion: Director Skeehan moved to appoint the director nominees for the 2024 Round Up Foundation board as follows: Laurie Gutierrez for District 1. Motion seconded and carried without dissent. Director Lee was not present for the vote.

Motion: Director Huntington moved to appoint the director nominees for the 2024 Round Up Foundation board as follows: Jeff Dunn for District 2. Motion seconded and carried without dissent. Director Lee was not present for the vote.

NRECA ANNUAL MEETING (4:10 p.m.)

Attorney Smith addressed the NRECA Annual Meeting delegates/alternates.

Director Luschen nominated himself as the alternate, and Director Pitcher nominated herself as the delegate.

Motion: Director Wheeler moved to appoint the following Directors to the NRECA Annual Meeting - Director Pitcher as delegate and Director Luschen as the alternate. Motion seconded and carried without dissent. Director Lee was not present for the vote.

NOTICE OF NRECA DIRECTOR ELECTION – UNEXPIRED TERM (4:15 p.m.)

Motion: Director Huntington moved to appoint Director Metzler as the voting delegate to the NRECA Colorado Director Election and NRECA Colorado Member Meeting on January 31st. Motion seconded and carried without dissent. Director Lee was not present for the vote.

REPORTS

ATTORNEY REPORT

The item was removed from the agenda due to time constraints. Attorney Smith submitted a written report for the record.


DIRECTOR REPORTS

The item was removed from the agenda due to time constraints. Directors serving on external boards all submitted written reports for the record.

ADJOURN (4:18 p.m.)

There being no further business, the LPEA Board of Directors' meeting adjourned at 4:18 p.m. Recorded by J.P. Thunstrom and approved by:


Ted Compton, President


John Lee, Jr., Secretary