

LA PLATA ELECTRIC ASSOCIATION, INC.  
Board of Directors Meeting Minutes  
<https://lpea.coop/lpea-board-directors-resources>  
Wednesday, August 21, 2024  
Zoom Webinar  
LPEA Headquarters | Durango, Colorado

**CALL TO ORDER (9:06 a.m.)**

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held via Zoom Webinar on Wednesday, August 21, 2024. President Compton called the meeting to order at 9:06 a.m. with the following directors present:

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

David Luschen  
Kohler McInnis  
Holly Metzler

Nicole Pitcher  
Kirsten Skeeahan, Vice President (joined at 9:46 a.m.)  
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  
Graham Smith, Interim CEO and General Counsel  
Jerry Sutherlin, VP of Operations  
Janelle Thunstrom, Executive Assistant  
Drew Timmerman, VP of Information Technology

**EXCUSED ABSENCE**

Director Joe Lewandowski

**WEBINAR ATTENDEES**

Dusty Mars

**APPROVAL OF THE AGENDA (9:06 a.m.)**

President Compton addressed the agenda for the LPEA board meeting on August 21, 2024.

**Motion:** Director Huntington moved to approve the amended August 21, 2024, LPEA board meeting agenda, adding sections V., A., 2. for board action to approve the Capital Budget Modification and an update on FastTrack Communications in the Executive Session and removing the strategic goal update. Motion seconded and carried without dissent. Director Skeeahan was not present during the vote.

**MEMBER COMMENTS AND CONCERNS (9:08 a.m.)**

Interim CEO Smith gave an overview of the rules for public commentary. There was no public comment.

## **CONSENT BOARD ITEMS (9:09 a.m.)**

President Compton addressed the Consent Board Items.

**Motion:** Director McInnis moved to approve the following Consent Board Items: July Board of Directors minutes as amended, accepting new members, Capital Credits to estates, the retirement of monthly write-offs, director travel and training requests, and Resolution 2024 – 08; Canceling Elections in Districts 2 and 3. Motion was seconded and carried without dissent. Director Skeehan was not present during the vote.

## **CEO AND STAFF REPORTS**

### **DIVISION DASHBOARDS (9:12 a.m.)**

Interim CEO Smith reported on the monthly board dashboard, which was made public prior to the board meeting. The dashboard reports progress in meeting the targets listed in the 2024 Operational Plan.

VP Berry presented an analysis of July's financial performance. LPEA maintains a healthy balance sheet and cash position, with all of the Board's key financial metrics met in July.

LPEA reported a positive operating margin of \$155,381 in July 2024, which was \$15,712 below the budgeted margin of \$171,093. This variance was mainly due to gross margins falling 5% short of the budget, attributed to cooler-than-expected weather impacting electric sales and power costs. However, controllable expenses were 4% below budget for the month and remained 5% under budget year-to-date. VP Berry also presented a graph showing the percentage of past-due accounts relative to total billing as of July 2024.

Interim CEO Smith and other staff members answered questions about the topics discussed in the dashboard and appendix reports.

### **BOARD ACTION AGENDA (9:38 a.m.)**

#### **FINANCE AND AUDIT COMMITTEE UPDATE (9:38 a.m.)**

Committee Chair Wheeler addressed his written Finance and Audit Committee (FAC) report.

The Committee reviewed the Staff request to allocate \$200K from the unclaimed capital credits in the Innovation Project Fund to cover an unbudgeted 2024 National Renewable Energy Laboratory (NREL) study. Discussion ensued on the distribution of the funds.

**Motion:** Director Wheeler, chair of the FAC, recommends that the board approve the allocation of \$200,000 to the Innovative Project Fund from unallocated Capital Credits for the NREL Electro-Magnetic Transient (EMT) Simulation. Motion carried 10 – 1 with Directors Compton, Huntington, Landis, Lee, Luschen, Metzler, McInnis, Pitcher, Wheeler, and Witchel in favor and Director Skeehan opposed.

VP Harms addressed the staff's request to amend the 2024 Capital Project Budget to allocate \$144,394 for consulting services required to advance the PACE (Powering Affordable Clean Energy) loan for the 5MW Solar Plus Storage project awarded to LPEA, which has time-critical elements. Due to delays in other capital projects, this allocation will not increase the overall Capital Projects Budget for 2024.

**Motion:** Director Wheeler moved that LPEA approve the inclusion of a project for the preliminary administration and environmental compliance work for the 5MW Solar plus Storage PACE Loan for the 2024 Capital Project Budget. Motion carried without dissent.

Interim CEO Smith provided an update on the Tri-State FERC ruling. The Tri-State formula rate, effective August 1st, has been accepted and will be reflected on the next bill. This rate is under review for overall fairness and reasonableness beyond the specific issues previously discussed. Due to FERC settlement rules, public discussion is restricted, but the settlement process is moving forward. The rate, which adjusts annually based on Tri-State's budget, will be recalculated for next year based on Tri-State's 2025 budget. Tri-State will need to announce the 2025 rate by October 1st. The board has been notified of upcoming Tri-State budget meetings, and LPEA staff will continue to monitor and provide updates. Following the October 1st rate announcement, LPEA will evaluate any necessary rate adjustments to accommodate changes in Tri-State's rates.

Committee Chair Wheeler provided a brief update on the 2025 budget process and timeline.

Committee Chair Wheeler took all questions regarding his written report.

#### **COMMITTEE ON POLICES UPDATE (10:02 a.m.)**

Committee Chair Lee addressed the amendments to [Policy 129](#) as outlined at the last COP meeting in July.

#### **REPORTS**

##### **ATTORNEY REPORT (10:16 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 July meeting and took all questions.

##### **DIRECTOR REPORTS – ROUND UP (10:30 a.m.)**

Director Pitcher referred to her written Round Up report in the board packet and took questions from board members and staff.

##### **ATTORNEY UPDATE ON FERC ACTIONS (10:34 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.

The board was provided with a brief update on current FERC cases. There are two active cases: the implementation of the Contract Termination Payment (CTP), where the sleeving mechanism for PPA is in ongoing settlement negotiations, with another settlement conference scheduled for next month. The rate case has been accepted, subject to refund, and is now in a FERC settlement judge process, with the first settlement meeting scheduled for late September. This meeting will focus on scheduling future negotiations, and the entire rate will be included in the settlement discussions. Additionally, the Colorado Public Utilities Commission (PUC) has approved Tri-State's resource plan, and they will soon go out to bid for resources, which will be closely monitored. Larson took all questions from the board.

##### **EXECUTIVE SESSION (10:38 a.m.)**

President Compton requested a motion to move into an executive session to discuss an update on FERC and related actions, a power supply contract review, an update from the CEO Selection Committee, and an update on FastTrack Communications.

**Motion:** Director Wheeler moved to enter an executive session to discuss an update on FERC and related actions, a power supply contract review, an update on the CEO Selection Committee, and an update on FastTrack Communications. Motion seconded and carried without dissent.

The board remained in executive session from 10:39 a.m. to 2:42 p.m.

**BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (2:43 p.m.)**

Director Pitcher provided an update on the CEO Selection Committee, noting that four candidates have been identified for presentation to the full board.

**REPORTS CONT.**

**DIRECTOR REPORTS – WESTERN UNITED AND TRI-STATE (2:44 p.m.)**

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

**ADJOURN (2:45 p.m.)**

There being no further business, the LPEA Board of Directors' meeting adjourned at 2:45 p.m. Recorded by J.P. Thunstrom and approved by:



Ted Compton, President



John Lee, Jr., Secretary