

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, March 26, 2025
Zoom Webinar
LPEA Headquarters | Durango, Colorado

CALL TO ORDER (9:00 a.m.)

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. convened via Zoom Webinar on Wednesday, March 26, 2025. President Compton called the meeting to order at 9:00 a.m. and noted the attendance of the following directors:

Ted Compton, President	David Luschen	Nicole Pitcher, Secretary
Dan Huntington	Joe Lewandowski	Kirsten Skeehan
Rachel Landis, Vice President	Kohler McInnis	Tim Wheeler, Treasurer
John Lee, Jr.	Holly Metzler	John Witchel

LPEA STAFF

Chris Hansen, Chief Executive Officer
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, General Counsel
Jerry Sutherlin, VP of Operations
Janelle Thunstrom, Executive Assistant
Drew Timmerman, VP of Information Technology

EXCUSED ABSENCE

None

WEBINAR ATTENDEES

Michaela Dasteel, Marshall Erickson, Emelie Frojen, Terry Greiner, Kelly Hagarty, Gail Harriss, Werner Heiber, Sheryle Hunter, Darcy Hitchcock, Patrick Jonke, Dusty Mars, Mark Pearson, Dave Peters, Fran Reynolds, Lucy Rushfeldt, Deborah Shisler, Brigid Walsh

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

President Compton addressed the agenda for the LPEA board meeting on March 26, 2025.

Motion: Director McInnis moved to approve the amended agenda for the March 26, 2025, LPEA board meeting by removing Section II under the Finance and Audit Committee update. Motion was seconded and carried without dissent.

President Compton provided a safety moment.

MEMBER COMMENTS AND CONCERNS (9:06 a.m.)

Attorney Smith outlined the ground rules for public commentary. Members attending electronically made comments.

CEO Hansen commented on the common themes that were raised during the public comment period.

CONSENT BOARD ITEMS (9:42 a.m.)

President Compton addressed the Consent Board Items.

Motion: Director McInnis moved to approve the following consent board items: February Board of Directors Minutes, February Special Board of Directors Minutes, Accepting New Members, Capital Credits to Estates, Monthly Write-offs, and Director Travel and Training Requests. Motion seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:45 a.m.)

CEO Hansen 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 [2025 Operational Plan](#).

VP Berry provided February financials. LPEA continues to maintain a healthy balance sheet, with all but one of the board's financial goals being met in February. Cash reserves were approximately \$9M under the targeted level. Factors contributing to the decrease in cash reserves include our larger accounts payable disbursements to contractors working on capital projects, material costs, and a late receivable that was received at the beginning of March. LPEA reported a positive operating margin of \$210,099 in February 2025, compared to a budgeted margin of \$253,289, resulting in a negative budget variance of \$43,191 or 17%. In February, our gross margins were 5% or \$168,496 below budget, controllable expenses were 6% or \$131,236 under budget, and other expenses were at budget. Revenue for February was 7% or \$690,511 under budget, and cost of power was 8% or \$522,015 under budget, resulting in gross margins being 5% or \$168,496 under budget. Residential sales were 8% below budget, commercial sales were 6% below budget, and industrial sales were 5% below budget. Warmer temperatures had a negative effect on revenue for the month.

CEO Hansen and staff members answered questions about the topics discussed in the dashboard.

BOARD ACTION AGENDA (10:30 a.m.)

COMMITTEE ON POLICIES UPDATE (10:30 a.m.)

Committee Chair Pitcher provided the board with an update based on her written Committee on Policies (COP) report. She highlighted the committee's review of Policy 101 (Policy Formulation and Approval) and noted that a redlined version has been submitted for full board review. The policy will be placed on the COP's March consent agenda and is recommended for full board approval at the April meeting.

Additionally, the committee began discussions on Policy 102 (Functions of the Board of Directors), which will continue at the March COP meeting.

FINANCE AND AUDIT COMMITTEE UPDATE (10:40 a.m.)

Committee Chair Wheeler addressed his written Finance and Audit Committee (FAC) report, noting that the committee had a recommendation on Resolution 2025-04 during the committee meeting. He asked for any questions and directed the board to the shared document repository for further details.

Motion: Director Wheeler, as chair of the FAC, recommends to the full board to approve Resolution 2025 - 04; Final Patronage Capital Credit under Tri-State Rate Schedule No. 281(II)(B)(1)(b). Motion passed unanimously.

FINAL APPROVAL OF 2025 RATE TARIFF (11:08 a.m.)

President Compton addressed the approval of the final 2025 rate tariff and the feedback from members.

Motion: Director McInnis moved to approve the final 2025 Rate Tariff. Motion seconded.

Motion

To Amend: Director Skeeahan moved to amend the motion to change the base rate to \$33.69, the peak charge to \$3.27, and the energy charge to \$0.1156. Motion seconded and failed 2 – 9 with Directors Lee and Skeeahan in favor and Directors Compton, Landis, Lewandowski, Luschen, McInnis, Metzler, Pitcher, Wheeler, and Witchel opposed. Director Huntington abstained.

Main

Motion

Resumed: The main motion resumed and carried unanimously.

POLICY 112 (PROCEDURES FOR INTRODUCING BYLAW AMENDMENTS) CONSIDERATION OF PROPOSED BYLAW AMENDMENTS (11:47 a.m.)

President Compton addressed the proposed Bylaw amendments as brought to the board by Director Huntington from members. Due to the timing of this request with ballots being printed today at 4 p.m., these bylaw amendments cannot be considered for the annual meeting in May.

Motion: President Compton moved to refer these Bylaw amendments to the Committee on Policies for review and recommendation for the 2026 Annual Meeting. Motion seconded.

Motion to

Postpone

Definitely: Director Witchel moved to postpone the motion to next month's regular meeting and requested that Attorney Smith provide procedural clarification. Motion seconded and carried 8 – 4 with Directors Compton, Huntington, Landis, Luschen, Lewandowski, Wheeler, and Witchel in favor and Directors Lee, McInnis, Pitcher, and Skeeahan opposed.

ATTORNEY UPDATE ON FERC ACTIONS (12:26 p.m.)

Matthew Larson, Outside Counsel for LPEA, was absent from the board meeting. In his place, Attorney Smith provided an update on ongoing regulatory and legal matters, including cases concerning Tri-State's wholesale electric rates and exit fees before the Federal Energy Regulatory Commission (FERC).

The first issue, the sleeving case, involves fees for departing members who wish to sleeve power purchase agreements through Tri-state. This case is being monitored following a settlement, with no active involvement by LPEA.

The second matter, the formula rate case, is progressing slowly in the settlement process, with continued discussions among the interveners. A settlement conference is scheduled for March 31, 2025, and LPEA is continuing to monitor the case without active litigation.

Lastly, the contract termination payment appeal is nearing full briefing. Tri-state's appeal regarding the calculation of contract termination payments is being handled collaboratively with United Power and Mountain Parks, as instructed by the 10th Circuit Court. A December 5th FERC compliance order regarding how Tri-State calculates termination payments was disputed by Tri-State and consolidated into the ongoing appeal. The outcome of this case will ultimately result in a unified decision from the U.S. Court of Appeals for the 10th Circuit.

Attorney Smith addressed board members' questions, and further discussions took place in the executive session.

EXECUTIVE SESSION (12:32 p.m.)

President Compton requested a motion to move into an executive session to discuss an update on FERC and related actions, the progress of the power supply, the review of the requests for proposals (RFP) process, the Mercuria Confirm review, financial performance of the employee benefits program, and consideration of member request for information under [Policy 108](#) (Disclosure of Cooperative Information).

Motion: Director Wheeler moved to enter an executive session to discuss updates on FERC and related actions, the progress of the power supply, the review of the requests for proposals (RFP) process, Mercuria Confirm review, financial performance of the employee benefits program, and consideration of member request for information under Policy 108 (Disclosure of Cooperative Information). Motion seconded and carried without dissent.

The board remained in the executive session from 12:33 p.m. to 3:42 p.m.

Directors Landis and Lee were excused following the conclusion of the executive session.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (3:45 p.m.)

Two actions resulted from the executive session.

President Compton requested a motion to approve Resolution 2025-05: Mercuria Signing Authority.

Motion: Director Wheeler moved to approve Resolution 2025-05; Mercuria Signing Authority. Motion seconded and carried without dissent.

President Compton requested a motion to approve items requested by members under [Policy 108](#), Disclosure of Cooperative Information.

Motion: Director Wheeler moved to approve the items requested by members under Policy 108 (Disclosure of Cooperative Information), as reviewed during the executive session. Motion seconded and carried without dissent.

REPORTS

ATTORNEY REPORT (3:50 p.m.)

Attorney Smith referenced the written and verbal report in the board packet and inquired if any board members had questions since the February meeting. No questions were raised.

DIRECTOR REPORTS (3:50 p.m.)

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

ADJOURN (3:54 p.m.)

There being no further business, the LPEA Board of Directors' meeting adjourned at 3:54 p.m. Recorded by J.P. Thunstrom and approved by:



Ted Compton, President



Nicole Pitcher, Secretary