

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, September 16, 2020
Webinar <https://www.lpea.coop/board-directors>

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, September 16, 2020 via webinar. President Bassett called the meeting to order at 9:01 a.m. with the following directors present:

Britt Bassett, President	Joe Lewandowski	Holly Metzler
Dan Huntington, Secretary	Bob Lynch, Vice President	Kirsten Skeeahan
Rachel Landis	Kohler McInnis	Jack Turner
John Lee	Sue McWilliams	Tim Wheeler, Treasurer

LPEA STAFF:

Jessica Matlock, Chief Executive Officer
Karl Ramsey, Vice President of Finance
Dan Harms, Vice President of Grid Solutions
Garrett Hammer, Pagosa Springs District Manager
Jerry Sutherlin, Vice President of Operations
Drew Timmerman, Vice President of IT
Hillary Knox, Vice President of Communications
Nadine Ontiveros, Vice President of People and Culture
C. E. Charistopoulos, Executive Assistant
Don Short, GIS Services Specialist

BOARD ATTORNEY:

Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: None

GUESTS: Webinar attendees included Barbara Ellis, Elizabeth Romere, Guinn Unger, Jenny Taylor, Jim Tencza, Karen Barger, Kelly Hebbard, Lauri Costello, Mark Pearson, Pam Patton, Patrick Armijo, Brad Fuqua, Deborah Shisler, Karen Pontius, Katie Pellicore, Becky Herman, Diana Snodgrass, Mark Fackler, Gail Harriss, John Purser, Kirby MacLaurin, Ruth Weinfeld, and Philip Riffe.

APPROVAL OF AGENDA

President Bassett addressed the September 16, 2020 Board Meeting agenda and advised that the Attorney Update of FERC and CoPUC Actions will take place at 2:30 p.m., rather than 3:00 p.m., and that Review CEO Goals for 2021 and District 4 Director Vacancy will also be discussed during the executive session at that time.

Motion: Director Wheeler moved to approve the September 16, 2020 board meeting agenda with modifications. Motion seconded and carried without dissent.

MEMBER COMMENTS

Members expressed support for the Rate Stabilization Fund and encouraged members to contact 4CORE for a home energy audit; disappointment over the FERC ruling; commented on the importance of taking public health and safety, climate and environmental issues, and wildlife protection into consideration in the pursuit of affordable clean energy; and encouraged LPEA to partner with local entities for broadband service in rural areas. President Bassett took questions on the candidate selection process to replace District 4 Director Jack Turner whose resignation will go into effect at the close of the meeting.

CONSENT BOARD ITEMS.

President Bassett addressed the Consent Board Items. Directors noted corrections to the minutes.

Motion: Director McInnis moved to approve the Consent Board Items: August 17, 2020 Committee of the Whole minutes of meeting, August 19, 2020 Board of Directors minutes of meeting with corrections, capital credit payments to estates, and monthly write-offs. Motion seconded, and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS – CEO Matlock highlighted items in the Division Dashboard, took questions on meetings and the Code of Excellence launch, and advised that VP of Communications Hillary Knox would discuss a board correspondence proposal. VP of Operations Jerry Sutherlin gave an update on the fire mitigation plan, noting that current practices meet or exceed standards, are becoming more focused due to recent events, and a formalized plan is in development.

VP of Technology Drew Timmerman discussed the use of data to add an extra layer of intelligence into the billing system to pre-empt errors. VP of Communications Hillary Knox took questions on member engagement, the electric vehicle loaner program for employees, and received praise for LPEA’s communication campaigns. VP of Grid Solutions Dan Harms took questions on the Fort Lewis College solar park, and ground and air source heat pumps.

VP of Finance Karl Ramsey gave highlights from the Financial Report and took questions. LPEA has maintained a healthy balance sheet and cash position and bottom line margins have been retained through reduced operating expenses and interest costs. LPEA’s emergency bill

assistance program was rolled out on June 1, 2020 to offset overdue balances and remaining balances have been transferred to six month payment plans. LPEA will resume disconnecting services on delinquent accounts in September.

VIRTUAL TOWH HALL MEETING UPDATE – VP of Communications Hillary Knox advised that virtual town hall meetings were scheduled for District 1 on October 26, in District 2 on October 27, in District 3 on October 20, and in District 4 on October 29 to address power supply, audience Q&A, and a door prize drawing. Meeting details and access information will be announced in the coming weeks.

VP of Communications Hillary Knox addressed a proposal to establish a protocol for responding to member letters and emails. Directors Lewandowski and Landis have volunteered to work with LPEA staff to poll other cooperatives, draft a Board Engagement Strategy for 2021, and work with VP of Communications Hillary Knox on a revised board correspondence proposal.

BOARD AGENDA AND POSSIBLE ACTION

FINANCE AND AUDIT COMMITTEE: RESOLUTION 2020-13 CAPITAL CREDIT RETIREMENT — Committee Chairman Wheeler discussed the 2021 budget goal to increase the Rate Stabilization Fund (RSF) to a level of \$4 million, and a recommendation to retire \$3.5 million in capital credits for 2020.

VP of Finance Ramsey discussed a proposal to transfer \$2 million into the RSF to increase it to the proposed \$4 million goal as part of the 2021 budget, as well as a \$3.5 million capital credit retirement proposal for 2020 to retire approximately \$2.8 million on a FIFO basis from years 1998 and 1999, and approximately \$664,000 on a LIFO basis from 2019, excluding G&T allocations from Tri-State.

Motion: Director Wheeler moved to adopt Resolution 2020-13 Capital Credit Retirement, as recommended by the committee. Motion seconded and carried 10 to 2 with Directors Bassett, Huntington, Landis, Lewandowski, Lynch, McInnis, Metzler, Skeehan, Turner, and Wheeler in favor; and Directors Lee and McWilliams opposed.

Motion: Director Wheeler moved increase the goal for the Rate Stabilization Fund to \$4 million from \$2 million based on the committee’s recommendation. Motion seconded. Discussion ensued.

Motion

To Amend: Director McInnis moved to increase the Rate Stabilization Fund to \$3 million instead of \$4 million. Motion seconded and failed 7 to 5 with Directors Lynch, Wheeler, Bassett, Metzler, Lewandowski, Landis, and Turner opposed; and Directors McInnis, Huntington, McWilliams, Skeehan, and Lee in favor.

Motion

Resumed: The original motion carried 8 to 3 with Directors Bassett, Metzler, Wheeler, Skeehan, Lynch, Lewandowski, Landis, and Turner in favor; and Directors Huntington, McWilliams, and McInnis opposed; and Director Lee abstaining.

FINANCE AND AUDIT COMMITTEE: 2021 BUDGET: STATEMENT OF OPERATIONS AND MARGIN REVIEW – VP of Finance Ramsey presented and discussed the 2021 Draft Margin Statement, as well as an innovative 2021 Budget Strategic Operations Statement that ties individual division budgets directly to strategic initiatives and demonstrates the contribution of each division to the overall operating margins. Discussion ensued. VP of Finance Ramsey and Committee Chairman Wheeler took questions.

POLICY COMMITTEE – Committee Chairman Huntington reported on policies addressed at the September 9, 2020 committee meeting and advised that proposed revisions will be presented to the board and recommended for adoption. President Bassett appointed Director Lewandowski to replace Director Turner’s seat on the committee, upon the fulfillment of Director Turner’s term at the conclusion of this board meeting.

POLICY 129 CODE OF ETHICS AND CONDUCT –Attorney Denning advised the committee will make further revisions to Policy 129 Code of Ethics and Conduct and present to the board at a later date.

POLICY 105 DIRECTOR ELECTIONS AND ANNUAL MEETING VOTING PROCEDURES –Attorney Denning reviewed the recommended revisions to the policy, and took questions and input for finalization.

Motion: Director McInnis moved to adopt Policy 105 as revised by the board. Motion seconded. Discussion ensued.

Motion

To Table: Director Lewandowski moved to table the discussion to the October board meeting, pending final review of all revisions. Motion seconded and carried without dissent.

POLICY 107 CAMPAIGN FINANCE REPORTING REQUIREMENTS – Attorney Denning reviewed the recommended revisions to the policy, and took questions and input for finalization.

Motion: Director Lynch moved to adopt Policy 107 as revised by the board. Motion seconded. Discussion ensued.

Motion

To Table: Director Lee moved to table the discussion to the October board meeting, pending final review of all revisions. Motion seconded and carried without dissent.

POLICY 113 DIRECTOR RECALL PETITIONS –Attorney Denning addressed the new policy as a companion policy to Policy 112 Procedures for Introducing Bylaws Amendments.

Motion: Director McInnis moved to adopt Policy 113 as presented. Motion seconded. Discussion ensued.

Motion

To Amend: Director Lewandowski moved to eliminate sentence two of paragraph B.4. in the policy. Motion seconded. Discussion ensued.

Motion

To Table: Director Lee moved to table the discussion to the October board meeting, pending further research and clarification. Motion seconded and carried without dissent.

POLICY 201 FINANCIAL MANAGEMENT AND GOALS – VP of Finance Karl Ramsey discussed revisions made to align the policy with the financial goals approved by the board at the July 15, 2020 board meeting. VP of Finance Karl Ramsey took questions and input for finalization of the policy.

Motion: Director Wheeler moved to approve Policy 201 as revised by the board. Motion seconded and carried without dissent.

POLICY 304 ON-BILL FINANCING FOR ENERGY EFFICIENCY AND BENEFICIAL ELECTRIFICATION – Attorney Denning reviewed the recommended revisions to the policy, and VP of Finance Karl Ramsey took questions and input for finalization. A motion was not presented. There was unanimous consent to approve revised Policy 304.

BROADBAND COMMITTEE: APPOINT CHAIR – President Bassett advised that Directors Metzler and Wheeler were appointed to the committee, and Director Skeehan will serve as committee chair. Committee Chairman Skeehan advised that a meeting for the reactivated committee is being scheduled.

DISTRICT 4 DIRECTOR APPOINTMENT – This discussion took place following the executive session which concluded at 4:50 p.m. President Bassett addressed the District 4 director vacancy and advised that George Heppner, Pam Patton, Guinn Unger, and John Witchel were selected as candidates for the board vote. Director Turner advised that he would recuse himself from the vote. Anonymous votes were tallied electronically to eliminate candidates before a final anonymous vote was taken. John Witchel was announced as having received a majority of votes and named as the District 4 director to replace Jack Turner. The electronic anonymous vote verification was sent to Attorney Denning and the Board President for documentation.

RESOLUTION 2020-14 DISTRICT 2 AND 4 BOUNDARIES – President Bassett addressed Resolution 2020-14 to change the shared boundaries of District 2 and District 4. GIS Services Specialist Don Short took questions, and the resolution was revised for clarification.

Motion: Director McInnis moved to adopt Resolution 2020-14, as revised by the board. Motion seconded and carried without dissent.

APPOINT DELEGATES TO NRECA VIRTUAL REGION 7 MEETING – President Bassett addressed nominations for a voting delegate and alternate to attend the NRECA Virtual Regional meeting. Director Skeehan was named as voting delegate, and Director McWilliams was named as the voting alternate to the NRECA Virtual Regional meeting by a vote of acclamation.

ELECT CREA DIRECTOR REPRESENTATIVE – President Bassett requested nominations for the CREA director representative to replace Jack Turner. Directors Metzler and McWilliams gave statements of interest as potential representatives. Director Metzler was announced as having received the majority vote and named as the CREA director representative. Director Metzler will also remain as the Western United director representative. Director McWilliams was named as the alternate director representative for CREA and Western United by a vote of acclamation.

DIRECTOR TRAVEL REQUESTS – President Bassett addressed requests to attend virtual meetings and online training. Directors Skeehan and McWilliams requested to attend the NRECA Virtual Regional meeting.

Motion: Director Wheeler moved to approve the director travel requests. Motion seconded and carried without dissent.

DIRECTOR EXPENSE APPROVAL – Treasurer Wheeler reported on the August 2020 director expenses.

Motion: Director Lee moved that a full per diem be approved for the September 11, 2020 District 4 director candidate screening process. Motion seconded and carried 8 to 1 with Directors Huntington, Landis, Lee, Lewandowski, Lynch, McInnis, McWilliams, and Turner in favor; Director Skeehan opposed; and Directors Bassett, Wheeler, and Metzler abstaining.

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Kohler McInnis	\$00.00
Dan Huntington	\$00.00	Sue McWilliams	\$10.93
Rachel Landis	\$00.00	Holly Metzler	\$00.00
John Lee	\$00.00	Kirsten Skeehan	\$00.00
Joe Lewandowski	\$00.00	Jack Turner	\$00.00
Bob Lynch	\$00.00	Tim Wheeler	\$00.00

LPEA Board and Committee Meetings

Britt Bassett	\$1725.00	Kohler McInnis	\$1600.00
Dan Huntington	\$1725.00	Sue McWilliams	\$1735.93
Rachel Landis	\$1600.00	Holly Metzler	\$1400.00
John Lee	\$1850.00	Kirsten Skeehan	\$1725.00
Joe Lewandowski	\$1725.00	Jack Turner	\$1925.00
Bob Lynch	\$1725.00	Tim Wheeler	\$1525.00

Other External Meetings

Britt Bassett	\$00.00	Kohler McInnis	\$00.00
Dan Huntington	\$00.00	Sue McWilliams	\$00.00
Rachel Landis	\$00.00	Holly Metzler	\$00.00
John Lee	\$00.00	Kirsten Skeehan	\$00.00
Joe Lewandowski	\$00.00	Jack Turner	\$00.00
Bob Lynch	\$00.00	Tim Wheeler	\$00.00

Motion: Director McInnis moved to approve director expenses as presented. Motion seconded and carried without dissent.

FERC AND COPUC UPDATE

2:30 PM PUBLIC UPDATE FROM ATTORNEY – Matthew Larson, outside counsel for LPEA, advising on cases related to the Tri-State cases at the Federal Energy Regulatory Commission (FERC) and the Colorado Public Utilities Commission (CoPUC), gave a public legal update, noting that several exceptions have been filed with the CoPUC with a written order of decision expected November 5, 2020.

FERC issued an order at the end of August reversing their finding of concurrent jurisdiction with the CoPUC over Tri-State’s exit charges, resulting in the preemption of the CoPUC case. FERC also noted that if the CoPUC issues a decision that invalidates Tri-State’s addition of the non-utility member, then they will reassess the current jurisdictional finding. Petitions for reconsideration of this decision are due September 28, 2020. The Contract Termination Case at FERC continues, with a technical conference on October 7, and a settlement conference on November 7, 2020.

EXECUTIVE SESSION

President Bassett requested a motion to move into executive session to discuss FERC-CoPUC Strategy, Attorney Evaluation, Review CEO Goals for 2021, and District 4 Director Vacancy. Director McInnis (Tri-State representative) and Attorney Denning were recused from the FERC-CoPUC Strategy discussion; Attorney Denning was recused from a portion of the Attorney Evaluation and the CEO Goals discussion.

Motion: Director Wheeler moved to enter into executive session to discuss all executive session items. Motion seconded and carried without dissent.

The board remained in executive session from 2:45 p.m. to 4:50 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION

President Bassett requested a motion to extend the Board Attorney contract for one year.

Motion: Director Landis moved to extend the Board Attorney contract for one year.
Motion seconded and carried without dissent.

REPORTS

ATTORNEY REPORT – Referring to the written report included in the board packet, Attorney Denning highlighted work done for LPEA, and took all questions.

DIRECTOR REPORTS – Directors referred to written reports in the board packet and took questions. The board acknowledged and thanked Jack Turner for his years of service and dedication to the members of the cooperative, community, and CREA.

ROUND UP FOUNDATION REPORT – August 2020 Round Up grants were awarded in the amounts of \$2,500 to Seeds of Learning in Pagosa Springs, \$3,000 to La Plate Youth Services, \$4,500 to Community Foundation Serving SW Colorado, and \$500 to KDUR Community Radio at FLC. Education grants were awarded in the amount of \$4,001.49 to Pagosa Peak Open School, \$4,000 to PC for Kids of La Plata County, and \$2,000 to Four Corners Rainbow Youth Center of Durango.

ADJOURN

There being no further business, the LPEA Board of Directors meeting adjourned at 6:32 p.m.
Recorded by C.E. Charistopoulos, and approved by:



Britt Bassett, President



Dan Huntington, Secretary