

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

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, December 16, 2020 via webinar. President Bassett called the meeting to order at 9:00 a.m. with the following directors present:

Britt Bassett, President	Joe Lewandowski	Holly Metzler
Dan Huntington, Secretary	Bob Lynch, VP	Kirsten Skeehan
Rachel Landis	Kohler McInnis	Tim Wheeler, Treasurer
John Lee	Sue McWilliams	John Witchel

LPEA STAFF:

Garrett Hammer, Pagosa Springs District Manager
Dan Harms, VP of Grid Solutions
Hillary Knox, VP of Communications
Jessica Matlock, Chief Executive Officer
Nadine Ontiveros, VP of People and Culture
Karl Ramsey, VP of Finance
Graham Smith, Staff Attorney
Jerry Sutherlin, VP of Operations
Drew Timmerman, VP of Information Technology

BOARD ATTORNEY:

Shay Denning, Maynes, Bradford, Shipps & Sheftel, LLP

EXCUSED ABSENCE:

None

GUESTS:

Webinar attendees included Guinn Unger, Brad Fuqua, Jenny Taylor, John Purser, Betsy Romere, and Patrick Armijo.

APPROVAL OF AGENDA

President Bassett addressed the December 16, 2020 LPEA Board Meeting agenda. President Bassett added an Item C to the Executive Session for a Staff Update.

Motion: Director McInnis moved to approve the December 16, 2020 LPEA Board Meeting agenda as modified. Motion seconded and carried without dissent.

MEMBER COMMENTS

Members gave kudos to the board for a difficult job well done, commented on the status of LPEA negotiations on future power supply options, referenced the Holy Cross 100% renewable energy goal as admirable, and asked questions on the LPEA Virtual Town Hall Q & As posted on the LPEA website.

CONSENT BOARD ITEMS.

President Bassett addressed the Consent Board Items. Modifications were made to the minutes.

Motion: Director Wheeler moved to approve the Consent Board Items: November 18, 2020 Board of Directors meeting minutes with modifications, new member list, capital credit payments to estates, and monthly write-offs. Motion seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS

CEO Matlock reported on key performance indicators for safety, reliability, finance, beneficial electrification, and information technology; staff highlighted key items within each division and took questions.

VP of Finance Ramsey reported that LPEA had achieved all but one of the board's financial goals in November 2020. The exception was cash, which was slightly under the target range, mainly due to the capital credit retirement of \$3.5m in November. By December 16, cash was back at the target level of 16%. VP of Finance Ramsey took questions regarding transmission costs and VP of Grid Solutions Harms addressed questions regarding load forecasting and line loss.

2021-2025 OPERATIONAL PLAN PRESENTATION

The board acknowledged and commended LPEA's 2021-2025 Operational Plan, which was created to achieve LPEA's Mission, Vision, Strategic Goal, and Strategic Initiatives as set by the board. The board gave feedback, asked questions on several elements of the plan, and agreed to review the language of LPEA's Strategic Goal and Strategic Initiatives at their upcoming retreat.

BOARD ACTION AGENDA

FINANCE AND AUDIT COMMITTEE

Committee Chairman Wheeler reported on the financial review conducted in open session before the Committee moved to executive session to discuss potential Resolution 2019-10 on financial strategies. The Committee recommended that the board direct LPEA staff to complete and submit the Tri-State partial contract application utilizing the MARS option for the maximum amount.

Motion: Director Wheeler moved to direct LPEA staff to complete and submit the Tri-State partial contract application utilizing the MARS option for the maximum amount. Motion seconded and carried without dissent.

BROADBAND COMMITTEE

Committee Chair Skeehan reported on the open session presentation from Staff Attorney Smith on SB107. Attorney Smith provided a summary of SB107 for the non-Broadband Committee directors at the request of President Bassett. The public presentation on SB107 is available on the LPEA website on the board committee page.

UPDATE ON BOARD RETREAT

Board Retreat Committee Chair Landis sent out a proposal to the board and will update as needed moving ahead. The board determined that next steps would be to choose a facilitator and find a date for the retreat.

ANNUAL MEETING, ELECTION TIMELINE PROPOSAL, ESC

VP of Communications Knox presented a proposal on when and how to schedule and conduct the 2020 Annual Meeting and director elections during the uncertain time of COVID-19. The proposal would postpone setting the date for the business portion of the 2020 Annual Meeting until later in 2021 when and if it is safe to do so. In the meantime, a partial, virtual annual meeting to announce the results of the director election and Bylaw amendments would be scheduled for June 17, 2021. Directors for District 4 were also reminded to bring their nominations for the Election Supervisory Committee (ESC) to the January Board of Directors Meeting.

The board discussed the best timeline for conducting director elections in the future.

Motion: Director Wheeler moved to approve the Annual Meeting, Election Timeline Proposal. Motion seconded and carried without dissent.

Resolution 2020-15: 2021 Board Meeting Schedule – The board reviewed and discussed the amended resolution for the 2021 Board of Director meeting dates.

Motion: Director Lee moved to approve Resolution of 2020-15. Motion seconded and carried 10-1 with 1 abstention. Directors Lynch, Metzler, Skeehan, Huntington, Lee, McInnis, Landis, Lewandowski, McWilliams, and Witchel voted in favor to adopt the motion. Director Wheeler opposed and President Bassett abstained.

Resolution 2020-18: Independent Third-Party Appointment, Tiffany Parker

Motion: Director McInnis moved to approve Resolution 2020-18. Motion seconded and carried without dissent.

BOARD ATTORNEY DISCUSSION

President Bassett noted that Maynes, Bradford, Shippy & Sheftel, LLP had tendered its resignation as Board Attorney. Discussion ensued on having the LPEA Staff Attorney serve as the Board Attorney as well and how that would impact attorney-client privilege and related matters.

Motion: Director Wheeler moved to approve that: starting January 1, 2021, the LPEA board will use the services of the LPEA Staff Attorney as the LPEA Board Attorney consistent with Policy 119; the LPEA Staff Attorney will provide a legal memorandum at the January board meeting (to be updated annually) with a list of local attorneys or law firms available should additional council be needed and; an agenda item will be added to the April board meeting to review the continuing viability of utilizing the LPEA Staff Attorney as the LPEA Board Attorney. Motion seconded and carried without dissent.

Director Landis requested to see Attorney Smith’s resume and references at the next board meeting. Director Lewandowski requested to see information about how other cooperatives handle legal representation at the April review described in the motion.

DIRECTOR TRAVEL REQUESTS

No travel requests were presented to the board.

DIRECTOR EXPENSE APPROVAL

Treasurer Wheeler reported on the November 2020 director expenses. Per diems for Director Metzler for the CREA/NRECA Leadership Conference on November 4 and November 10, and Director Skeeahan for the Basin Electric Virtual Member Meeting on November 3-5 were confirmed, as well as an expense reimbursement to Director Metzler related to the above-mentioned Leadership Conference.

LPEA Mileage Reimbursements

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 Skeeahan	\$00.00
Joe Lewandowski	\$00.00	Tim Wheeler	\$00.00
Bob Lynch	\$00.00	John Witchel	\$5.52

LPEA Board and Committee Meetings

Britt Bassett	\$1,325.00	Kohler McInnis	\$1,200.00
Dan Huntington	\$1,325.00	Sue McWilliams	\$1,325.00
Rachel Landis	\$1,200.00	Holly Metzler	\$1,325.00
John Lee	\$1,200.00	Kirsten Skeeahan	\$1,450.00
Joe Lewandowski	\$1,325.00	Tim Wheeler	\$1,450.00
Bob Lynch	\$1,325.00	John Witchel	\$1,200.00

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	\$675.00
John Lee	\$00.00	Kirsten Skeeahan	\$375.00
Joe Lewandowski	\$00.00	Tim Wheeler	\$00.00
Bob Lynch	\$00.00	John Witchel	\$00.00

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

REPORTS

BOARD ATTORNEY REPORT

Referring to the written report included in the board packet, Board Attorney Denning asked for questions. This is Board Attorney Denning's last meeting. Several Directors thanked Maynes, Bradford, Shipp & Sheftel, LLP, and Attorney Denning personally, for their service over the years. Attorney Denning described how she is working with staff on the transition. There was discussion on the proposed Pagosa Springs Franchise Agreement and on municipal franchise agreements more generally.

DIRECTOR REPORTS

Directors referred to written reports in the board packet and took questions.

ROUND UP FOUNDATION REPORT

Director Skeeahan reported that Betsy Romere is a new member on the Round Up Board. Director Lewandowski stated that the Round Up Board is working on Non-Discrimination Policy.

ATTORNEY UPDATE OF FERC AND COPUC ACTIONS

Matthew Larson, outside counsel for LPEA, advised on the status of the cases related to the Tri-State exit fee at the Federal Energy Regulatory Commission (FERC); the Colorado Public Utilities Commission (CoPUC); and Adams County District Court. Cases are now fully adjudicated by CoPUC and dismissed without prejudice, so LPEA can refile if the FERC jurisdiction ruling is reversed. Settlement negotiations before FERC are ongoing. Attorney Larson also gave an update on United

Power litigation in Adams County District Court and answered board member questions relative to the topics of his public legal update.

EXECUTIVE SESSION

President Bassett requested a motion to move into executive session to discuss FERC-CoPUC strategy (Director McInnis and Board Attorney Denning recused), FastTrack, and the Board Attorney position and staff update (CEO Matlock and Board Attorney Denning recused).

Motion: Director Wheeler moved to enter executive session to discuss the FERC-CoPUC Strategy, FastTrack, and a staff update. Motion seconded and carried without dissent.

The board remained in executive session from 13:48-17:10.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION

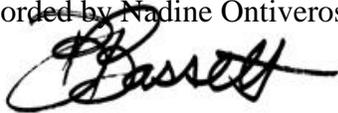
Motion: Director Witchel moved to approve a CEO bonus in the amount discussed in executive session. Motion seconded and carried 7 to 5. Directors Wheeler, Witchel, Landis, Bassett, Skeeahan, Metzler, and Lynch voted in favor to adopt the motion. Directors McWilliams, McInnis, Lewandowski, Huntington, and Lee opposed the motion.

DIRECTOR REPORTS

Discussions on Director Reports that were tabled to accommodate Attorney Larson’s appearance were resumed with questions.

ADJOURN

There being no further business, the LPEA Board of Directors Meeting adjourned at 17:19
Recorded by Nadine Ontiveros, and approved by:



Britt Bassett, President



Dan Huntington, Secretary