

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, August 17, 2022
Zoom Webinar

CALL TO ORDER

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, August 17, 2022, via Zoom webinar. President Witchel called the meeting to order at 9:00 a.m. with the following directors present:

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

LPEA STAFF PANELISTS

Garrett Hammer, Pagosa District Manager
Dan Harms, Executive VP of Grid Solutions and Special Projects
Elizabeth Howe, VP of Administrative Services
Hillary Knox, VP of Member Experience
Jessica Matlock, Chief Executive Officer
Karl Ramsey, VP of Finance
Graham Smith, General Counsel
Jerry Sutherlin, VP of Operations
Janelle Thunstrom, Executive Assistant
Drew Timmerman, VP of Information Technology

EXCUSED ABSENCE

None

WEBINAR ATTENDEES

Elizabeth Romere, Lori Schell, and William Rowse

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

President Witchel addressed the August 17, 2022, LPEA board meeting agenda.

Motion: Director Landis moved to approve the August 17, 2022, LPEA board meeting agenda as presented.
Motion seconded and carried without dissent.

MEMBER COMMENTS AND CONCERNS (9:01 a.m.)

General Counsel Smith gave an overview of the ground rules for public commentary.

There was no public comment.

CONSENT BOARD ITEMS (9:03 a.m.)

President Witchel addressed the Consent Board Items.

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

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:03 a.m.)

CEO Matlock reported on key performance indicators for safety, reliability, finance, communications and outreach, beneficial electrification, and information technology. The division dashboard was made public prior to the board meeting. CEO Matlock and staff members took questions and suggestions related to the discussed topics within the report.

FINANCE REPORT UPDATE (9:31 a.m.)

VP of Finance Ramsey addressed the July 2022 financials. The financial results met all the board's approved goals. The gross margin was \$176k below forecast driven by residential and commercial peaks that drove up cost of power without corresponding rate revenue, whilst total operating costs were \$141k below forecast. VP Ramsey took questions from board members on the financial report.

UPDATE ON SUNNYSIDE RFP (9:42 a.m.)

Executive VP of Grid Solutions and Special Projects Harms gave an update on the Sunnyside Community Solar Project Request for Proposals (RFP). The presentation included information on the background, submittals, parameters with highlights, and evaluation considerations. VP Harms took questions in the open session before entering an executive session to discuss proprietary information pertaining to the RFP.

EXECUTIVE SESSION SUNNYSIDE RFP (9:50 a.m.)

President Witchel requested a motion to move into an executive session to discuss confidential aspects of the update on the Sunnyside RFP.

Motion: Director Lewandowski moved to enter an executive session to discuss confidential aspects of the Sunnyside RFP update. Motion seconded and carried without dissent.

The board remained in executive session from 9:51 a.m. to 10:30 a.m.

After the executive session, the board made a record that certain non-confidential aspects of the RFP were discussed during the executive session, including LPEA's water rights use on the property and county permitting. LPEA will negotiate a power purchase agreement (PPA) with Konisto Companies. The PPA will be brought to the board for approval. The project is scheduled to be completed by summer 2023.

FINANCE AND AUDIT COMMITTEE UPDATE (10:48 a.m.)

Committee Chair McWilliams gave an overview of the FAC meeting that was held last Thursday, August 11, 2022.

VENUE SELECTION DISCUSSION (10:49 a.m.)

Director Skeehan asked for the process regarding the future board of directors' meetings and if they are to be held in person or to continue to be held virtually. CEO Matlock gave an update regarding LPEA's process, which includes following the CDC and San Juan Basin Health guidelines and LPEA's own safety precautions. Director Compton included that the Committee on Policies will review the bylaw on the meeting venue selection. CEO Matlock and Board President Witchel will make the venue selection based on the board's monthly agenda which includes meeting once a quarter in person starting in October. President Witchel, CEO Matlock, and other staff members answered all questions from board members.

APPOINT DELEGATE/ALTERNATE TO NRECA REGIONAL MEETING (11:25 a.m.)

CEO Matlock will attend the meeting in September, which is taking place in Portland, OR.

Motion to Postpone: Because of time constraints due to Attorney Larson's attendance, Director Compton moved to postpone this discussion until after the executive session.
Discussion: Motion seconded and carried without dissent.

ATTORNEY UPDATE OF FERC, ADAMS COUNTY, AND COPUC ACTIONS (11:35 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), the Colorado Public Utilities Commission (CoPUC), and Adams County District Court. Counsel Larson took all questions from board members.

APPOINT DELEGATE/ALTERNATE TO NRECA REGIONAL MEETING – CONT. (11:42 a.m.)

Motion: Director McInnis nominated Director Wheeler as the NRECA regional meeting delegate.

Motion Amended: Director McWilliams moved to amend Director McInnis motion to have Director Wheeler as the NRECA regional meeting delegate and CEO Matlock as the alternate. Motion seconded and carried without dissent.

REPORTS

ATTORNEY REPORT (11:44 a.m.)

Referring to the written report included in the board packet, General Counsel Smith highlighted work done for LPEA staff and board members since the July meeting.

REPORTS – ROUNDUP & TRI-STATE (11:46 a.m.)

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

EXECUTIVE SESSION (12:30 p.m.)

President Witchel requested a motion to move into an executive session to discuss some additional attorney report questions, a confidential cybersecurity presentation, and an employee matter.

Motion: Director Lee moved to enter an executive session to discuss some additional attorney report questions, a confidential cybersecurity presentation, and an employee matter. Motion seconded and carried without dissent.

The board remained in executive session from 12:32 p.m. to 3:14 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (3:14 p.m.)

Motion: Director Lynch moved to approve the CEO's 2021-22 bonus in the amount discussed in the executive session. Motion seconded and carried without dissent.

Motion: Director Lynch moved to approve the CEO's 2022-23 salary and at-risk discretionary bonus pool in the amount discussed in the executive session. Motion carried 11-1 with directors Compton, Huntington, Landis, Lee, Lewandowski, Lynch, Metzler, McWilliams, Skeeahan, Wheeler, and Witchel in favor and Director McInnis opposed.

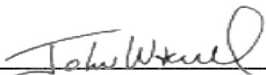
REPORTS – CONT.

DIRECTOR REPORTS – FASTTRACK COMMUNICATIONS, CREA, WESTERN UNITED, TRI-STATE RATE DESIGN COMMITTEE (3:16 p.m.)

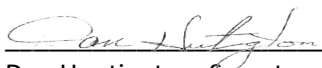
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ADJOURN (3:47 p.m.)

There being no further business, the LPEA Board of Directors' meeting adjourned at 3:47 p.m.
Recorded by J.P. Thunstrom and approved by:



John Witchel, President



Dan Huntington, Secretary