

LA PLATA ELECTRIC ASSOCIATION, INC.  
Board of Directors Meeting Minutes  
<https://lpea.coop/lpea-board-directors-resources>  
Wednesday, May 22, 2024  
In-person with Electronic Attendance Option  
LPEA Headquarters | Durango, Colorado

**CALL TO ORDER (9:01 a.m.)**

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held in person on Wednesday, May 22, 2024, with an electronic attendance option. President Compton called the meeting to order at 9:01 a.m. with the following directors present:

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

Joe Lewandowski  
David Luschen  
Kohler McInnis  
Holly Metzler

Nicole Pitcher  
Kirsten Skeeahan, Vice President  
Tim Wheeler, Treasurer  
John Witchel (joined virtually at 10:13 a.m.)

**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  
Charlene Sandoval, Corporate Assistant  
Janelle Thunstrom, Executive Assistant  
Drew Timmerman, VP of Information Technology

**EXCUSED ABSENCE**

None

**WEBINAR ATTENDEES**

Michael Gallagher, Emelie Frojen

**IN-PERSON ATTENDEES**

Emelie Frojen

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

President Compton addressed the agenda for the LPEA board meeting on May 22, 2024.

**Motion:** Director McInnis moved to approve the amended May 22, 2024, LPEA board meeting agenda to add an update on the CEO Selection Committee, financials, FastTrack, and Board Strategic Planning in the Executive Session. Motion seconded and carried without dissent. Director Witchel was not present for the vote.

#### **MEMBER COMMENTS AND CONCERNS (9:07 a.m.)**

Attorney Smith gave an overview of the ground rules for public commentary. There were public comments in person and electronically.

#### **CONSENT BOARD ITEMS (9:08 a.m.)**

President Compton addressed the Consent Board Items.

**Motion:** Director Lee moved to approve the following Consent Board Items: April Board of Directors minutes as amended, accepting new members, Capital Credits to estates, the retirement of monthly write-offs with clarification, and director travel and training requests. Motion was seconded and carried without dissent. Director Witchel was not present for the vote.

#### **CEO AND STAFF REPORTS**

##### **DIVISION DASHBOARDS (9:09 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 delivered an analysis of April's financial performance. Operating margins surpassed projected gross margins, while adept expense management ensured April remained on track with its targets. Throughout this timeframe, all financial goals set by the board were accomplished with success.

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

##### **AUDIT PRESENTATION (10:18 a.m.)**

Tammy Totzke, representing Forvis, LLP., provided an overview of LPEA's financial audit for 2023. She outlined their duties, the audit's scope, and LPEA's fiduciary obligations. Notably, LPEA received an unqualified opinion with no adjusting entries. Ms. Totzke discussed key points from the balance sheet, focusing on cash and cash equivalents, plant additions, debt, Capital Credit allocations and refunds, and the FastTrack sale. The Statement of Margins highlighted operating revenues and net margins. Additionally, Ms. Totzke summarized the Round Up Foundation Statement of Activities and addressed various financial matters before fielding questions from board members.

**Motion:** Director McInnis moved to accept the board audit report as presented. Motion was seconded and carried without dissent.

##### **RESOLUTION 2024 – 06; ALLOCATION OF PATRONAGE CAPITAL (11:18 a.m.)**

**Motion:** Director Lee moved to approve Resolution 2024 - 06; Allocation of Patronage Capital. Motion was seconded and carried without dissent.

##### **BOARD ACTION AGENDA (11:20 a.m.)**

## **FINANCE AND AUDIT COMMITTEE UPDATE (11:20 a.m.)**

Committee Chair Wheeler addressed his written Finance and Audit Committee (FAC) report, asked for any questions, and directed the board to the Google Docs Drive folder.

## **COMMITTEE ON POLICIES UPDATE (11:28 a.m.)**

Committee Chair Lee provided a verbal report regarding the Committee on Policies (COP) meeting held on April 22, 2024. [Policy 129](#)—Code of Ethics and Conduct has been under review by the Committee on Policies for close to six months. Following this thorough examination, the Committee has put forth several amendments, highlighted in the redline draft. Given the significant impact of this policy, the Committee urges all non-committee directors to carefully consider the proposed alterations and provide their feedback to the committee before the upcoming meeting on June 3, 2024.

Committee Chair Lee addressed the proposed changes to [Policy 203](#) (Disposition of Unclaimed Capital Credits).

**Motion:** The proposed change to Policy 203 was passed by unanimous consent.

## **ATTORNEY UPDATE ON FERC ACTIONS (11:37 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.

Starting with FERC, the Tri-State formula rate filing was rejected, and they are in the process of refiling by the end of this month. Attorney Larson has been actively engaging with them on this matter and will continue to do so leading up to the refiling anticipated around May 31st.

Both United Power and Tri-State have filed appeals regarding the Contract Termination Payment (CTP). One appeal is in the 10th Circuit Court of Appeals, likely in Denver, and the other in the DC Circuit. Attorney Larson intervened in the case to monitor and participate as necessary. The cases are expected to be consolidated in the 10th Circuit, but proceedings are in the early stages.

Moving to the Colorado Public Utilities Commission (PUC) case on Tri-State's Energy Resource Plan (ERP), LPEA's answer testimony is due today, with a hearing scheduled for this summer after a procedural deadline for rebuttal testimony.

Returning to FERC and the CTP, settlement judge procedures have begun concerning administrative fees related to sleeving PPAs, progressing through the summer with ongoing procedural deadlines.

Further details discussed are subject to settlement privilege and unsuitable for public discussion. That concludes the updates spanning FERC, the PUC, and the Court of Appeals.

Attorney Larson took all questions from board members.

## **EXECUTIVE SESSION (11:43 a.m.)**

President Compton requested a motion to move into an executive session to discuss an update on FERC and related actions, Power Supply partner evaluation, CEO Selection Committee update, financial review, FastTrack, and Board Strategic Planning.

**Motion:** Director Wheeler moved to enter an executive session to discuss an update on FERC and related actions, Power Supply partner evaluation, CEO Selection Committee update, FAC financial review update, FastTrack, and Board Strategic Planning. Motion seconded and carried without dissent.

The board remained in executive session from 11:43 a.m. to 4:27 p.m.

**BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (4:27 p.m.)**

None

**APPOINT ALTERNATE REPRESENTATIVE TO CREA (COLORADO RURAL ELECTRIC ASSOCIATION) (4:30 p.m.)**

Interim CEO Smith addressed the appointment of the alternate representative to CREA.

**Motion:** Director Wheeler moved to ratify the Executive Committee’s appointment of Director Luschen as the CREA alternate. Motion seconded and carried without dissent.

**REPORTS**

**ATTORNEY REPORT (4:35 p.m.)**

Referring to the written report in the board packet, Attorney Smith highlighted the work done for LPEA staff and board members since the April meeting and took all questions.

**DIRECTOR REPORTS (4:36 p.m.)**

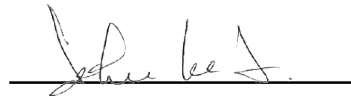
Directors referred to written and verbal reports in the board packet and took questions from board members and staff.

**ADJOURN (4:57 p.m.)**

There being no further business, the LPEA Board of Directors’ meeting adjourned at 4:57 p.m. Recorded by J.P. Thunstrom and approved by:



Ted Compton, President



John Lee, Jr., Secretary