

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors Meeting Minutes
<https://lpea.coop/lpea-board-directors-resources>
Wednesday, June 19, 2024
Zoom Webinar
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 via Zoom Webinar on Wednesday, June 19, 2024. President Compton called the meeting to order at 9:01 a.m. with the following directors present:

Ted Compton, President
Dan Huntington
Rachel Landis

Joe Lewandowski
David Luschen
Kohler McInnis
Holly Metzler

Nicole Pitcher
Kirsten Skeeahan, Vice President
Tim Wheeler, Treasurer
John Witchel

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

Director John Lee, Jr., Secretary

WEBINAR ATTENDEES

Mark Pearson and Elizabeth Romere

APPROVAL OF THE AGENDA (9:02 a.m.)

President Compton addressed the agenda for the LPEA board meeting on June 19, 2024.

Motion: Director McInnis moved to approve the amended June 19, 2024, LPEA board meeting agenda to add an update from the FAC (Finance and Audit Committee) for the executive session. Motion seconded and carried without dissent.

MEMBER COMMENTS AND CONCERNS (9:04 a.m.)

There was no public comment.

CONSENT BOARD ITEMS (9:05 a.m.)

President Compton addressed the Consent Board Items.

Motion: Director Wheeler moved to approve the following Consent Board Items: May Board of Directors minutes as amended, June COW (Committee of the Whole) minutes as presented, accepting new members, Capital Credits to estates, the retirement of monthly write-offs, and director travel and training requests. Motion was seconded and carried without dissent.

CEO AND STAFF REPORTS

DIVISION DASHBOARDS (9:08 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 presented an analysis of May's financial performance. The positive variance previously observed was eliminated due to the timing in May. Revenue remained flat at the top line, while gross margins exceeded budget expectations. However, operating expenses were higher than budgeted. It was noted that the strategy budget would require further review moving forward. Despite these variances, the Board's financial goals for May were successfully achieved. VP Berry took all questions from board members.

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

BOARD ACTION AGENDA (10:06 a.m.)

FINANCE AND AUDIT COMMITTEE UPDATE (10:06 a.m.)

Committee Chair Wheeler addressed his written Finance and Audit Committee (FAC) report. The committee recommended postponing the proposal for Capital Credit Retirements from 2003 until the July board meeting. Committee Chair Wheeler took all questions. The committee discussed the Tri-State refiling at FERC during the executive session and made a recommendation regarding the management of the funds from the pass-through rate increase, which Tri-State hopes will take effect on July 1st.

Main

Motion: The Committee recommended the approval of Resolution 2024-07 as presented.

Motion

To Amend: Director McInnis moved to approve Resolution 2024 – 07: Treatment of Tri-State Rate Increase Funds as amended not to allocate funds to the rate stabilization. Motion seconded. Debate ensued.

Previous

Question: Director Skeehan moved the previous question. Motion seconded and carried 10 – 1 with Directors Compton, Huntington, Landis, Lewandowski, Luschen, McInnis, Metzler, Pitcher, Skeehan, and Witchel in favor and Director Wheeler opposed. The debate ended, and the Board immediately considered the motion.

Vote on**Motion**

To Amend: The subsidiary amended motion vote failed 4– 8, with Directors Huntington, McInnis, Metzler, and Skeehan in favor and Directors Compton, Landis, Lewandowski, Luschen, Pitcher, Wheeler, and Witchel opposed.

Motion

To Amend: Director Skeehan moved to approve Resolution 2024 – 07: Treatment of Tri-State Rate Increase Funds as amended to strike the bracket section for the 2025 retirement cycle. Motion seconded.

Motion**to Table the****Subsidiary and**

Main Motion: Director Landis moved to table the subsidiary and main motions at a later meeting. Motion seconded and carried 8 – 3 with Directors Compton, Huntington, Landis, Lewandowski, Luschen, Metzler, Pitcher, and Witchel in favor and Directors McInnis, Skeehan, and Wheeler opposed.

ATTORNEY UPDATE ON FERC ACTIONS (11:04 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.

Tri-State filed its updated rate case, which Attorney Larson is currently evaluating. The case requests a formula rate and defers certain issues, such as the direct assignment issue of non-network transmission, to settlement judge procedures. This would go into a settlement process under Tri-State's proposal. As of now, LPEA has not taken a position on this rate filing, and the filing did not go to FERC with LPEA support. Attorney Larson is evaluating the case, and the intervention deadline is at the end of this week. Attorney Larson intends to move forward with an intervention.

The Contract Termination Payment (CTP) appeals are beginning to move forward in both the 10th Circuit and the DC Circuit. They will be consolidated and tried in one of these two courts. Attorney Larson is engaged in this process and will continue to update the public and the board of directors as it progresses.

Tri-State's electric resource plan (ERP) continues to move through the Colorado Public Utilities Commission (PUC) administrative process. Tri-State has a settlement deadline on Monday to file a settlement with the PUC and a rebuttal testimony deadline next Wednesday. Depending on whether the case settles or not, a hearing is set for July. Attorney Larson has been engaged in discussions on this front and will provide an update in the executive session.

Attorney Larson took all questions from board members.

EXECUTIVE SESSION (11:07 a.m.)

President Compton requested a motion to move into an executive session to discuss an update on FERC and related actions, potential Energy Management Partners, CEO Selection Committee update, FAC update, Key Accounts, and a Communication Plan update.

Motion: Director Wheeler moved to enter an executive session to discuss an update on FERC and related actions, potential Energy Management Partners, CEO Selection Committee update, FAC executive session update, Key Accounts, and a Communication Plan update. Motion seconded and carried without dissent.

The board remained in executive session from 11:12 a.m. to 1:35 p.m.

BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (1:35 p.m.)

None

COMMITTEE ON POLICIES UPDATE (1:35 p.m.)

In Secretary Lee’s absence, President Compton provided a verbal report regarding the Committee on Policies (COP) meeting held on June 3, 2024. The Committee on Policies Committee continued the review of Policy 129—Code of Ethics and Conduct.

APPOINT LA PLATA COUNTY AND ARCHULETA COUNTY FAIR DELEGATES (1:36 p.m.)

President Compton addressed the appointment of delegates to the La Plata and Archuleta County fairs and requested nominations.

Director Skeeahan nominated Director Pitcher, who accepted the nomination. Director McInnis nominated himself. Following a discussion on the gifts and entertainment guidelines, Director Skeeahan nominated Director Landis, who also accepted. Consequently, Director McInnis withdrew his self-nomination.

Motion: Director Metzler moved to appoint Director Landis for the La Plata County Fair and Director Pitcher for the Archuleta County Fair. Motion seconded and carried without dissent.

REPORTS

ATTORNEY REPORT (1:44 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 May meeting and took all questions.

DIRECTOR REPORTS (1:45 p.m.)

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

ADJOURN (1:58 p.m.)

There being no further business, the LPEA Board of Directors’ meeting adjourned at 1:58 p.m. Recorded by J.P. Thunstrom and approved by:



Ted Compton, President



John Lee, Jr., Secretary