

LA PLATA ELECTRIC ASSOCIATION, INC.  
Board of Directors Meeting Minutes  
<https://lpea.coop/lpea-board-directors-resources>  
Wednesday, September 18, 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, September 18, 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	Joe Lewandowski	Nicole Pitcher
Dan Huntington	David Luschen	Kirsten Skeehan, Vice President (Electronic)
Rachel Landis	Kohler McClinnis	Tim Wheeler, Treasurer
John Lee, Jr., Secretary	Holly Metzler	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  
Janelle Thunstrom, Executive Assistant  
Drew Timmerman, VP of Information Technology

**EXCUSED ABSENCE**

None

**IN-PERSON ATTENDEES**

Emelie Frojen, Kent Singer

**WEBINAR ATTENDEES**

Elizabeth Romere, Emelie Frojen

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

President Compton addressed the agenda for the LPEA board meeting on September 18, 2024.

**Motion:** Director Lee moved to approve the amended September 18, 2024, LPEA board meeting agenda to add a discussion about a National Rural Electrical Cooperative Association (NRECA) regional meeting resolution adoption. Motion seconded and carried without dissent. Director Landis abstained from the vote due to her absence during the motion.

## **MEMBER COMMENTS AND CONCERNS (9:03 a.m.)**

Attorney Smith outlined the ground rules for public commentary. Public comments were made in person; no electronic submissions were received.

Kent Singer, Executive Director of CREA (Colorado Rural Electric Association), provided a brief update to the Board on CREA staff activities and legislative matters, including wildfire mitigation efforts, current bills, and net metering developments. He addressed all Board members' questions and acknowledged Director Metzler, LPEA's representative on the CREA Board of Directors, during the discussion.

## **CONSENT BOARD ITEMS (9:13 a.m.)**

President Compton addressed the Consent Board Items.

**Motion:** Director Lee moved to approve the following Consent Board Items: August Board of Directors minutes as presented, accepting new members, accepting the annual meeting new members list, 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 (9:15 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 August's financial performance. LPEA continues to maintain a healthy balance sheet and cash position, with all of the Board's key financial metrics met in August. LPEA reported a positive operating margin of \$22,523 in August 2024, compared to a budgeted positive margin of \$181,565, resulting in a net negative budget variance of \$159,041. In August, the gross margins were below budget, and controllable expenses were better than budget, resulting in a negative budget to actual variance in operating margins. Both electric sales and cost of power were under budget resulting in gross margins being under budget by 7%. Residential sales were at budget, commercial sales were 4% below budget, and industrial sales were 9% below budget. FERC (Federal Energy Regulatory Commission) approved Tri-State's rate increase effective August 1st. Therefore, we no longer deferred revenue from the rate increase we implemented on January 1st. For proper comparison, August budget figures have been adjusted to reflect amounts with the rate increase.

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

## **BOARD ACTION AGENDA (9:29 a.m.)**

### **FINANCE AND AUDIT COMMITTEE UPDATE (9:29 a.m.)**

Committee Chair Wheeler addressed his written Finance and Audit Committee (FAC) report, noting that the committee had two recommendations coming from the committee meeting. He asked for any questions and directed the board to the Google Docs Drive folder for further details.

**Motion:** Director Wheeler, as chair of the FAC, recommends that the full board approve [Resolution 2024-09](#), Approval of SPP (Southwest Power Pool) Credit Guarantee. The motion passed unanimously.

**Motion:** Director Wheeler, as chair of the FAC, recommends that the full board select Jackson Thornton & Co., P.C. as LPEA’s audit firm. The motion passed unanimously.

**COMMITTEE ON POLICIES UPDATE (9:42 a.m.)**

Committee Chair Lee provided a verbal report regarding the Committee on Policies (COP) meeting held on August 26, 2024. The Committee on Policies has reviewed Policy 129—Code of Ethics and Conduct for nearly a year. Following this thorough examination, the Committee has proposed several amendments, highlighted in the redline draft.

**Motion:** Director Lee, chair of the COP, recommends that the full board adopt the proposed changes to Policy 129. The motion passed unanimously.

Committee Chair Lee addressed the proposed changes to [Policy 106](#) (Political Activity).

**Motion:** Director Lee, chair of the COP, recommends that the full board adopt the proposed changes to Policy 106. The motion passed unanimously.

**NRECA REGIONAL MEETING RESOLUTION ADOPTION (9:46 a.m.)**

Directors Pitcher and Skeehan discussed the NRECA resolution supporting geothermal energy exploration, which will be presented at the upcoming NRECA Regional meeting. Director Pitcher states the resolution language below.

*We urge NRECA to support the continuation and expansion of geothermal energy generation. Funding for research, development, and construction of geothermal power generation, a low-carbon, dispatchable resource, is critical for the reliability of our nation’s power supply. The oil and gas and geothermal industries have numerous similarities that provide new opportunities for geothermal expansion—from advances in drilling and well construction to co-production possibilities in existing oil and gas basins. We can leverage the extensive knowledge, technology, skill, and experience of the oil and gas sector, allowing the geothermal industry to tackle barriers to geothermal deployment while also including fossil-fuel-based communities and workers in the transition to clean energy. We urge NRECA to work with the Administration, Congress, and appropriate federal entities to support producing geothermal heat and electricity from existing subsurface infrastructure and support new areas of exploration.*

**Motion:** Director Wheeler moved to approve the NRECA Geothermal Resolution. Motion seconded.

**Motion**

**Amended:** Director Wheeler moved to amend his motion to add CREA support for the NRECA Geothermal Resolution. Motion seconded and carried without dissent.

**ATTORNEY UPDATE ON FERC ACTIONS (10:11 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.

The board received two key updates on the FERC proceedings. First, the sleeving issue, relevant to the exit and securing resources, remains in a settlement posture and is progressing under the guidance of a settlement judge. More details on this matter will be shared during the Executive Session. Second, the formula rate proceeding is set to begin with settlement judge procedures on Monday, September 23rd, with the initial conference expected to focus on scheduling. This proceeding includes discovery and several procedural steps under FERC guidelines. Additionally, discussions with Tri-State to advance the withdrawal are ongoing.

### **EXECUTIVE SESSION (10:13 a.m.)**

President Compton requested a motion to move into an executive session to discuss an update on FERC and related actions, a power supply contract review, and an update from the CEO Selection Committee.

**Motion:** Director Lewandowski moved to enter an executive session to discuss an update on FERC and related actions, a power supply contract review, and an update from the CEO Selection Committee. Motion seconded and carried without dissent.

The board remained in executive session from 10:14 a.m. to 11:46 a.m.

### **BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (11:46 a.m.)**

**Motion:** Director Lee moved to approve [Resolution 2024 – 10](#), Approval of Master Power Purchase & Sale Agreement. Motion seconded and carried without dissent.

**Motion:** Director Witchel, Chair of the CEO Selection Committee, moved to authorize Director Compton to execute the contract between LPEA and the CEO candidate, as discussed in the Executive Session, and upon execution, authorized staff to first notify LPEA employees of the decision, followed by informing the general public. Motion seconded and carried without dissent.

### **REPORTS**

#### **ATTORNEY REPORT (11:48 a.m.)**

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

#### **DIRECTOR REPORTS (11:51 a.m.)**

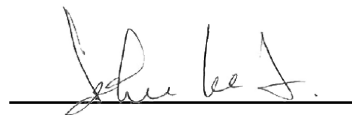
Directors referred to written and verbal reports in the board packet and took questions from board members and staff.

#### **ADJOURN (11:53 a.m.)**

There being no further business, the LPEA Board of Directors' meeting adjourned at 11:53 a.m. Recorded by J.P. Thunstrom and approved by:



Ted Compton, President



John Lee, Jr., Secretary