

LA PLATA ELECTRIC ASSOCIATION, INC.  
Board of Directors Meeting Minutes  
<https://lpea.coop/lpea-board-directors-resources>  
Wednesday, December 11, 2024  
Zoom Webinar  
LPEA Headquarters | Durango, Colorado

**CALL TO ORDER (9:03 a.m.)**

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. convened via Zoom Webinar on Wednesday, December 11, 2024. President Compton called the meeting to order at 9:03 a.m., beginning with a safety moment and noting the attendance of the following directors:

|  |                |                           |
|--|----------------|---------------------------|
| Ted Compton, President   | David Luschen  | Nicole Pitcher, Secretary |
| Dan Huntington   | Kohler McInnis | Kirsten Skeehan           |
| Rachel Landis, Vice President <small>(Joined at 9:40 am)</small> | Holly Metzler  | Tim Wheeler, Treasurer    |
| John Lee, Jr.  |                | John Witchel              |

**LPEA STAFF**

Chris Hansen, Chief Executive Officer  
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, General Counsel  
Jerry Sutherlin, VP of Operations  
Janelle Thunstrom, Executive Assistant  
Drew Timmerman, VP of Information Technology

**EXCUSED ABSENCE**

Director Joe Lewandowski

**WEBINAR ATTENDEES**

Brad Blake

**APPROVAL OF THE AGENDA (9:06 a.m.)**

President Compton addressed the agenda for the LPEA board meeting on December 11, 2024.

**Motion:** Director McInnis moved to approve the amended December 11, 2024, LPEA board meeting agenda by adding section V., G., to discuss the Tri-State monitoring board position. Motion seconded and carried without dissent.

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

Attorney Smith outlined the ground rules for public commentary. Public comments were made electronically by an attending member.

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

President Compton addressed the Consent Board Items.

**Motion:** Director Skeehan moved to approve the following Consent Board Items: Accepting new members, Capital Credits to estates, and director travel and training requests. Motion seconded and carried without dissent.

**Motion:** Director McInnis moved to approve the amended November Board of Directors minutes and for clarification on the monthly write-offs for approval at the next board meeting. Motion seconded and carried without dissent.

## **CEO AND STAFF REPORTS**

### **DIVISION DASHBOARDS (9:15 a.m.)**

CEO Hansen 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. LPEA continues to maintain a healthy balance sheet and cash position, with all but one of the board's financial goals being met in November except for Cash Reserves as a % of operating costs, largely due to the timing of a debt payment. BE (Beneficial Electrification) sales were not met as an Operations goal, which is likely a lag in EV sales reporting.

VP Berry provided an update on LPEA's November financials, reporting a positive operating margin of \$341,346, which was \$43,148 below the budgeted margin of \$384,493. The gross margin for the month was \$3,751,557, exceeding the budget by 3% or \$119,192. Revenue came in \$41,817 over budget, and the cost of power was 1% or \$77,375 under budget. Controllable expenses were 13% or \$249,000 over budget for the month, though they remain 1% or \$325,675 under budget for the year. Legal and consulting expenses, tree trimming, and outside contracting for CEO recruiting drove the higher-than-expected costs. Sales performance was mixed, with residential sales 3% above budget, commercial sales 1% above budget, and industrial sales 6% below budget. LPEA continues to maintain a healthy balance sheet and cash position, with all but one of the board's financial goals being met in November. Cash reserves were approximately \$3M under the targeted level, primarily attributed to our quarterly debt payment and spending on capital projects.

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

## **BOARD ACTION AGENDA (9:34 a.m.)**

### **FINANCE AND AUDIT COMMITTEE UPDATE (9:34 a.m.)**

Committee Chair Wheeler addressed his written Finance and Audit Committee (FAC) report, noting that the committee had a recommendation during 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 maintaining the approved 2024 budget and allocating \$2.648M of deferred revenue collected from the Tri-State pass-through rate to the Rate Stabilization Fund. The motion passed unanimously. Director Landis abstained from the vote.

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

Committee Chair Pitcher updated the board based on her written report on the Committee on Policies (COP) meeting. She noted that at the upcoming meeting on December 16, 2024, the committee will review [Policy 103](#) (Delegations of

Authority from the Board of Directors to the Chief Executive Officer), [Policy 110](#) (Committees of the Board of Directors), and NRECA’s sample Artificial intelligence (AI) Usage Policy in conjunction with LPEA’s technology and data [Policy 212](#) (Identity Theft Prevention).

### **2025 ROUND UP FOUNDATION DIRECTOR REAPPOINTMENTS (9:42 a.m.)**

Attorney Smith addressed the written memo for the 2025 Round Up Foundation Director Appointments. The LPEA Board of Directors appoints the Round-Up Foundation board directors to serve up to two consecutive two-year terms. When a Round-Up Foundation director completes their term, LPEA directors in that district must nominate a replacement. Two vacant seats on the Round-Up Foundation Board need to be filled before the first Round-Up Foundation meeting on January 27, 2025.

#### **Unanimous**

**Consent:** By unanimous consent, the LPEA Board of Directors reappointed the following Round Up board members to serve a second consecutive term: Leonard Martinez, District 1, and Jillian Barkley, District 4. Motion seconded and carried without dissent.

### **CREA AND WESTERN UNITED ANNUAL MEETINGS (9:46 a.m.)**

Attorney Smith requested a motion from the board to appoint delegates and alternate representatives for the CREA (Colorado Rural Electric Association) and Western United Electric Supply Corporation (WUE) annual meetings on February 8 - 11, 2025.

Director Wheeler moved to nominate Director Metzler as the WUE delegate and Director Luschen as the CREA delegate for the annual meeting. Both directors accepted their nominations.

Director Huntington moved to nominate Director McInnis as the CREA delegate and alternate as the WUE for the annual meeting. Director McInnis accepted his nomination.

#### **WUE Delegate Nominees**

Director Metzler

#### **WUE Alternate Nominees**

Director McInnis

#### **Unanimous**

**Consent:** By unanimous consent, the LPEA Board of Directors appointed the following delegates for the WUE annual meeting: Director Metzler as delegate and Director McInnis as the alternate. Director Metzler abstained from the vote.

#### **CREA Delegate Nominees:**

Director McInnis  
Director Luschen

Director McInnis was elected as the CREA delegate for the annual meeting by a majority vote (5 – 4). Directors McInnis and Luschen abstained from the vote.

Director Pitcher moved to nominate Director Luschen as the CREA annual meeting alternate. Director Luschen accepted the nomination.

#### **CREA Alternate Nominees:**

Director Luschen

## **Unanimous**

**Consent:** By unanimous consent, the LPEA Board of Directors appointed Director Luschen as the alternate for the CREA annual meeting.

### **ELECTION SUPERVISORY COMMITTEE MEMBERS NOMINATION & REAPPOINTMENT (10:02 a.m.)**

Attorney Smith requested a motion from the board to renominate the existing ESC members Mason Carpenter in District 1 and Sheryl Ayers in District 2.

**Motion:** Director McInnis moved to renominate the existing ESC member Sheryl Ayers in District 2. Motion seconded and carried without dissent.

**Motion:** Director Pitcher moved to renominate the existing ESC member Mason Carpenter in District 1. Motion was seconded and carried without dissent.

At this point, we are only seeking nominations for Districts 3 and 4. The appointments do not come for another month or two. Therefore, including the nominations in the Q1 2025 agenda is appropriate.

### **ATTORNEY UPDATE ON FERC ACTIONS (10:25 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 next major deadline in the 10th Circuit CTP appeal is the FERC brief, which is due on January 27, 2025. At that point, we will have 21 days, until February 17, to submit a joint brief with United and Mountain Parks, supporting FERC in opposition to Tri-State's appeal. This matter continues to move through the process, but no significant developments are expected before the next board meeting.

On the FERC side, the sleeving administrative fee tied to the PPA remains in settlement discussions. The next key event is a settlement conference scheduled for January 23, 2025. At this time, the matter is on pause, though some discussions are ongoing.

Regarding the rate case, a two-day settlement conference will take place at FERC starting tomorrow and running through Friday. This is expected to be one of several conferences.

Another significant update is that FERC issued an order on Tri-State's request for a rehearing regarding the compliance filing on the CTP. FERC found that Tri-State did not meet the required standards for transmission crediting and has been directed to submit another compliance filing per FERC's directives. FERC was critical of Tri-State in the order, which was issued late last week. We are currently working through the details of this order.

There were no questions for Attorney Larson in public session.

### **EXECUTIVE SESSION (10:28 a.m.)**

President Compton requested a motion to move into an executive session to discuss an update on FERC and related actions, and power supply progress.

**Motion:** Director Wheeler moved to enter an executive session to discuss an update on FERC and related actions, and power supply progress. Motion seconded and carried without dissent.

The board remained in executive session from 10:29 a.m. to 11:13 a.m.

## **BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION (11:13 a.m.)**

None

## **2025 ANNUAL MEETING ONLINE VOTING (11:13 a.m.)**

Attorney Smith requested a motion from the board to approve Resolution 2024 – 16; Authorization of Electronic Ballots for the 2025 Election and Annual Meeting.

**Motion:** Director McInnis moved to approve Resolution 2024 – 16, Authorization of Electronic Ballots for the 2025 Election and Annual Meeting. Motion seconded.

### **Motion to Postpone**

**Definitely:** Director Huntington moved to table the motion until next month’s board meeting. Motion seconded and carried 8 – 3 with Directors Huntington, Lee, Luschen, Metzler, McInnis, Pitcher, Skeehan, and Wheeler in favor and Directors Compton, Landis, and Witchel opposed.

## **TRI-STATE MONITORING PERSON (11:26 a.m.)**

President Compton requested that a person serve as a Tri-State monitor, which would become a full-time Tri-State board position upon settlement of the outstanding La Plata County litigation with Tri-State.

**Motion:** Director Skeehan moved to appoint the Tri-State monitor with the duties and the budget of \$240 monthly. Motion seconded and carried 9 – 2 with Directors Compton, Landis, Lee, Luschen, Metzler, Pitcher, Skeehan, Wheeler, and Witchel in favor and Directors Huntington and McInnis opposed.

Director Wheeler nominated Director McInnis for the Tri-State monitoring position. Director McInnis declined his nomination.

Director Wheeler nominated Director Skeehan for the Tri-State monitoring position. Director Skeehan accepted her nomination.

### **Unanimous**

**Consent:** By unanimous consent, the LPEA Board of Directors appointed Director Skeehan as the Tri-State monitoring person.

## **REPORTS**

### **ATTORNEY REPORT (11:37 a.m.)**

Attorney Smith referenced the written report in the board packet and inquired if any board members had questions since the November meeting. No questions were raised.

### **DIRECTOR REPORTS (11:38 a.m.)**

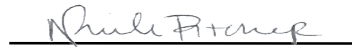
Directors referred to written and verbal reports in the board packet and took questions and suggestions from board members and staff.

**ADJOURN (12:01 p.m.)**

There being no further business, the LPEA Board of Directors' meeting adjourned at 12:01 p.m. Recorded by J.P. Thunstrom and approved by:

A handwritten signature in cursive script, appearing to read "Ted Compton", written over a horizontal line.

Ted Compton, President

A handwritten signature in cursive script, appearing to read "Nicole Pitcher", written over a horizontal line.

Nicole Pitcher, Secretary