

LA PLATA ELECTRIC ASSOCIATION, INC.  
Board of Directors' Minutes of Meeting  
Wednesday, February 17, 2021  
Webinar <https://www.lpea.coop>

**CALL TO ORDER**

The regular monthly meeting of the Board of Directors of La Plata Electric Association, Inc. was held Wednesday, February 17, 2021 via webinar. President Bassett called the meeting to order at 9:01 a.m. with the following directors present:

Britt Bassett, President  
Dan Huntington, Secretary  
Rachel Landis  
John Lee

Joe Lewandowski  
Bob Lynch, VP  
Kohler McInnis  
Sue McWilliams

Holly Metzler  
Kirsten Skeeahan  
Tim Wheeler, Treasurer  
John Witchel

**LPEA STAFF:**

Brad Fuqua, Engineering IT Specialist  
Garrett Hammer, Pagosa Springs District Manager  
Dan Harms, VP of Grid Solutions  
Hillary Knox, VP of Member Experience  
Jessica Matlock, Chief Executive Officer  
Dominic May, Energy Resource Program Architect  
Nadine Ontiveros, VP of People and Culture  
Karl Ramsey, VP of Finance  
Graham Smith, Staff Attorney/Board Attorney  
Jerry Sutherlin, VP of Operations  
Jenny Taylor, Visual Communications Specialist  
Janelle Thunstrom, Executive Assistant  
Drew Timmerman, VP of Information Technology

**EXCUSED ABSENCE:**

None

**GUESTS:**

Matthew Larson, Outside Counsel for LPEA  
Jonathan Bartsch, CDR Associates  
Taber Ward, CDR Associates

**WEBINAR ATTENDEES:**

Kyle Amstadter, Ted Compton, Werner Heiber, Steve Orr, Katie Pellicore, John Purser, Lori Schell, Deborah Shisler, Nancy Van Dover, and Guinn Unger

## **APPROVAL OF AGENDA**

President Bassett addressed the February 17, 2021 LPEA Board Meeting agenda.

**Motion:** Director Wheeler moved to approve the February 17, 2021 LPEA Board Meeting agenda as modified. Motion seconded and carried without dissent.

## **MEMBER COMMENTS AND CONCERNS**

President Bassett addressed and responded to members comments and concerns.

Members expressed gratitude to the Linemen and Member Service Reps for getting service back online so quickly during the last snowstorm.

## **CONSENT BOARD ITEMS**

President Bassett addressed the Consent Board Items. Modifications were noted to the minutes.

**Motion:** Director McInnis moved to approve the Consent Board Items: January 20, 2021 Board of Directors meeting minutes with modifications, accepting new members, Capital Credits, and monthly write-offs. Motion seconded and carried without dissent.

## **CEO AND STAFF REPORTS**

### **DIVISION DASHBOARDS**

CEO Matlock reported on key performance indicators for safety, reliability, finance, beneficial electrification, and information technology; staff highlighted key items within each division and took questions.

### **FINANCE REPORT**

VP of Finance Ramsey gave an update on January 2021 financials and highlights. LPEA continues to maintain a healthy balance sheet and cash position, although cash balances did not meet our target of 16% at the end of January. This was mainly due to two factors - the 1st quarter long term debt payment to CFC of \$2.5m and a short delay in receiving a payment from a larger member. This delay was the result of the member transitioning from check payments to online autopay, and the autopay system had a limit on the amounts that could be processed. This has now been resolved, increasing convenience for the member, and improving the reliability of our cashflow. LPEA reported an operating margin of \$1,228,579 in January 2021, compared to the budgeted margin of \$886,825, a positive variance of \$341,754. Residential sales were 3% above budget, whilst commercial and industrial sales remained below budget, 6% below for commercial and 8% below for industrial. Revenues were down by 2% or \$174k, whilst cost of power was also down by 2% or \$114k, resulting in gross margins (revenue less cost of power) being \$60k below forecast. Compared to January 2020, our gross margins increased by 11% or \$394k, mainly due to increased residential sales. Ramsey took questions from Board members.

### **OPTIONS FOR VOLUNTARY RENEWABLE GENERATION FUND (POLICY 303)**

VP of Grid Solutions Harms addressed the LPEA Renewable Generation Fund. Harms reviewed the parameters of Policy 303 and how the fund had historically been used. The proposal is that LPEA uses funds to install, own and operate a community solar garden at key community venues that will provide broader benefits to the entire membership of LPEA instead of a few. Harms took questions from Board members regarding proposal options.

## **RELIABILITY AND THE GRID**

VP of Grid Solutions Harms gave an overview on LPEA's reliability and a general discussion on how the grid operates. LPEA is responsible for ensuring the reliability of the delivery system. LPEA needs to ensure distributed resource additions do not compromise power quality and reliability which requires proper planning and interconnections studies. Harms took questions from Board members.

## **BOARD ACTION AGENDA**

### **FINANCE AND AUDIT COMMITTEE UPDATE**

Committee Chair Wheeler gave an overview on the Finance and Audit committee update. Since the LPEA Board meeting is scheduled earlier than normal in March, which affects the FAC meeting timing, it was decided that the FAC will not meet in March. Therefore, meeting minutes will be reviewed and approved at the next FAC Committee meeting scheduled for April 15, 2021, which is also a week later than the current April FAC meeting schedule. Wheeler and VP Ramsey took questions from Board members.

### **BROADBAND COMMITTEE UPDATE**

Committee Chair Skeeahan addressed the written report included in the board packet and took questions. Gave an update on the feasibility studies. The Committee is requesting extra time and recommends to the Board that it authorize the Committee to extend its work from April through August 2021. This will give enough time to conduct the study and obtain more information. Skeeahan, Wheeler and Matlock took questions from Board members.

**Motion:** Director Landis moves to extend the timeframe of the broadband committee through August. Motion seconded and carried without dissent.

### **COMMITTEE ON POLICIES UPDATE**

Committee Chair McWilliams and Attorney Smith addressed a prepared memo summarizing proposed changes to consolidate existing Board of Directors Policies 103, 104, and 401 into a single, succinct policy—proposed Policy 103—in conformity with NRECA best practices. Board members can review the various versions on February 3, 2021 Meeting folder under the Committee on Policies folder in Google Drive. The initial versions, prepared by Attorney Smith, incorporated the NRECA draft policy with comments to indicate where brand new language was added or if new language replaced or consolidated old language. Discussion ensued. Due to the complexity of the issues raised in discussion, proposed Policy 103 amendments were referred back to the committee. The committee will accept suggestions on Policy 103 from non-committee member directors via email.

President Bassett addressed the Bylaw Amendment to conform with Colorado law and Bylaw Amendment to allow for remote meeting attendance at board meetings and annual meetings.

**Motion:** Director Lewandowski moves to change under Article 3, Section 4 in the second paragraph where there is a sentence that says the nomination petition must be filed with the Board of Directors no later than 60 days prior to the date of the election - 60 should be changed to 45. Motion seconded and carried without dissent.

**Motion:** Director McInnis moves to table Bylaw Amendment Resolution 2021-02—Remote Meeting Attendance at Board Meetings and Annual Meetings until next month. Motion seconded and carried 11 to 1 with Directors Bassett, Huntington, Landis, Lee, Lynch, McInnis, McWilliams, Metzler, Skeeahan, Wheeler and Witchel in favor, and Director Lewandowski opposed.

## **BOARD RETREAT UPDATE**

Board Retreat Committee Chair Landis gave an update on the proposed scope of work as discussed last month. Jonathan Bartsch and Taber Ward with CDR Associates addressed the Board with an upcoming agenda to help facilitate a conversation around power supply. Bartsch and Ward took Board member questions and comments.

## **DISTRICT 4 ESC MEMBER NOMINATION AND POSSIBLE APPOINTMENT**

Attorney Smith gave an overview of appointing Mr. Bill Green for District 4.

**Motion:** Wheeler moves to nominate Mr. Green. Motion seconded and carried without dissent.

## **APPOINT DELEGATE AND ALTERNATE TO TRI-STATE ANNUAL MEETINGS**

Director McInnis needs the Board to appoint a delegate and alternate representative for the Tri-State annual meetings. The appointing of a delegate and alternate has been postponed since the annual meeting is not until August.

## **DIRECTOR TRAVEL AND TRAINING REQUESTS**

President Bassett addressed requests for director travel and trainings. Director Lee, Director McInnis, and Director McWilliams requested to attend the CREA courses in February, March, and May.

**Motion:** Director Lynch moved to approve training requests. Motion seconded and carried without dissent.

No travel requests were presented to the board.

## **DIRECTOR EXPENSE APPROVAL**

Treasurer Wheeler reported on the February 2021 director expenses.  
All 12 directors are present for this board meeting.

### **LPEA Mileage Reimbursements**

Britt Bassett	\$00.00	Kohler McInnis	\$00.00
Dan Huntington	\$00.00	Sue McWilliams	\$00.00
Rachel Landis	\$00.00	Holly Metzler	\$00.00
John Lee	\$00.00	Kirsten Skeehan	\$00.00
Joe Lewandowski	\$00.00	Tim Wheeler	\$00.00
Bob Lynch	\$00.00	John Witchel	\$00.00

### **LPEA Board and Committee**

Britt Bassett	\$1325.00	Kohler McInnis	\$1200.00
Dan Huntington	\$1325.00	Sue McWilliams	\$1325.00
Rachel Landis	\$1200.00	Holly Metzler	\$1450.00
John Lee	\$1200.00	Kirsten Skeehan	\$1450.00
Joe Lewandowski	\$1450.00	Tim Wheeler	\$1450.00
Bob Lynch	\$1325.00	John Witchel	\$1200.00

## Other External Meetings

Britt Bassett	\$00.00	Kohler McInnis	\$00.00
Dan Huntington	\$00.00	Sue McWilliams	\$00.00
Rachel Landis	\$00.00	Holly Metzler	\$00.00
John Lee	\$325.00	Kirsten Skeehan	\$250.00
Joe Lewandowski	\$00.00	Tim Wheeler	\$00.00
Bob Lynch	\$00.00	John Witchel	\$00.00

**Motion:** Director Wheeler moved to approve director expenses as presented. Motion seconded and carried without dissent.

## SUBSTITUTE PROMISSORY NOTE FOR CFC AND RESOLUTION 2021-01

VP of Finance Ramsey gave an update on the Lost Note Affidavit from CFC.

**Motion:** Director Lee moved to pass the Resolution 2021-01. Changing this resolution to 2021-02 since there is a Resolution 2021-01 from last month. Motion seconded and carried without dissent.

## ATTORNEY UPDATE OF FEREC, ADAMS COUNTY, AND COPUC ACTIONS

Matthew Larson, Outside Counsel for LPEA, advised on the status of the cases related to the Tri-State exit fee at the Federal Energy Regulatory Commission (FERC); the Colorado Public Utilities Commission (CoPUC); and Adams County District Court.

## EXECUTIVE SESSION

President Bassett requested a motion to move into executive session to discuss litigation matters, FastTrack, and an update on a confidential personnel matter. Director McInnis was excused due to being the Tri State Representative during this discussion. During the personnel matter discussion, Attorney Smith will be the only LPEA staff member allowed in the executive session.

**Motion:** Director Wheeler moved to enter executive session to discuss litigation matters, FastTrack, and an update on a confidential personnel matter. Motion seconded and carried without dissent.

The board remained in executive session from 13:24 – 15:10

## BOARD ACTIONS RESULTING FROM EXECUTIVE SESSION

None

## REPORTS

### ATTORNEY REPORT

Attorney Smith gave a summary report update with highlights on the Pagosa Springs Franchise Agreement and legislation that impacts electric coops. Attorney Smith took questions from Board members.

## DIRECTOR REPORTS

Directors referred to drafted reports in the Board packet and took questions.

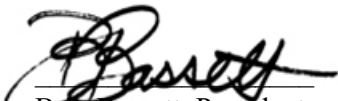
## GENERAL QUESTIONS AND COMMENTS

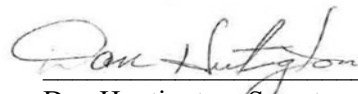
Directors discussed general concerns, comments, and took questions. CEO Matlock gave a brief update on the outages in Texas.

## ADJOURN

There being no further business, the LPEA Board of Directors' meeting adjourned at 16:43

Recorded by J.P. Thunstrom, and approved by:

  
Britt Bassett, President

  
Dan Huntington, Secretary