

LA PLATA ELECTRIC ASSOCIATION, INC.
Board of Directors' Minutes of Meeting
Wednesday, June 17, 2020
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, June 17, 2020 via webinar in compliance with the Governor's orders against in-person gatherings of more than 10 people. President Bassett called the meeting to order at 9:00 a.m., with the following directors present:

Britt Bassett, President	Joe Lewandowski	Holly Metzler
Dan Huntington, Secretary	Bob Lynch, Vice President	Kirsten Skeeahan
Rachel Landis	Kohler McInnis	Jack Turner
John Lee	Sue McWilliams	

LPEA STAFF:

Jessica Matlock, Chief Executive Officer
Karl Ramsey, Vice President of Finance
Garrett Hammer, Pagosa Springs District Manager
Jerry Sutherlin, Vice President of Operations
Dan Harms, Vice President of Grid Solutions
Drew Timmerman, Vice President of IT
Hillary Knox, Vice President of Communications
Nadine Ontiveros, Vice President of People and Culture
Danielle Coronado, Safety and Business Continuity Specialist
C. E. Charistopoulos, Executive Assistant

BOARD ATTORNEY:

Shay Denning, LPEA General Counsel

EXCUSED ABSENCE: Tim Wheeler, Treasurer

GUESTS: Webinar attendees included Betsy Romere, Guinn Unger, Jeannie Bennett, Jenn Rummery, Jenny Taylor, John Garcia, Karen Pontius, Kirby MacLaurin, Patrick Armijo, Dave W., Lori Schell, Lissa Ray, Werner Heiber, and two anonymous guests.

APPROVAL OF AGENDA

President Bassett addressed the June 17, 2020 board meeting agenda.

Motion: Director McInnis moved to approve the June 17, 2020 board meeting agenda as presented. Motion seconded and carried without dissent.

MEMBER COMMENTS

A member expressed appreciation for LPEA's response to statements made by a former director in the Durango Herald and gave opinions on the Finance and Audit Committee discussion with Tri-State regarding partial contract options. Members expressed gratitude for the direction LPEA is taking on transparency, local and renewable energy sources, and independence from Tri-State.

CONSENT BOARD ITEMS.

President Bassett addressed the Consent Board Items. Directors noted corrections to the May 20, 2020 board meeting minutes.

Motion: Director Landis moved to approve the Consent Board Items: capital credit payments to estates, monthly write-offs, and minutes for the May 20, 2020 LPEA Board of Directors Meeting with approved corrections. Motion seconded, and carried without dissent.

CEO REPORT

DIVISION DASHBOARDS – CEO Matlock gave an update on the progress of the three-prong approach to meet LPEA's strategic goal, vision, and mission statement as laid out in Resolution 2019-10 LPEA Power Supply Strategy; reported on the June 11, 2020 Finance and Audit Committee meeting with Tri-State to discuss partial contract options; and advised that a decision is expected from the Colorado Public Utilities Commission on a Tri-State exit fee calculation by the end of June.

Safety and Business Continuity Specialist Coronado gave an update on the status of the East Canyon and Six Shooter fires; and VP, Operations, Sutherlin reported on work with Tri-State to re-energize and de-energize transmission lines as needed. VPs took questions on items in the Dashboard Report and noted requests for format adjustments, more information on Archuleta County, and development of a public board packet to provide members with more transparency and the means to follow board discussion items.

VP, Finance, Ramsey gave highlights from the Financial Report and took questions on various discussion points, including the Payroll Protection Plan, development of a zero-based budget, and financial performance statistics.

REVIEW AND DISCUSS COMMUNICATION TOOLS – VP, Communications, Knox presented an analysis of readership data and presented three options to provide improved member communication and cost savings through in-house resources. VP, Communications, Knox recommended discontinuation of participation in Colorado Country Life (CCL), which cost LPEA \$160,000 per year, and deployment of a monthly newsletter bill insert and monthly e-newsletter, which will provide an annual cost savings of \$110,000. If approved, LPEA would

follow up with a member survey to evaluate the effectiveness of the newsletter campaign after one year.

BOARD AGENDA AND POSSIBLE ACTION

CONSIDERATION OF COMMUNICATION TOOLS

Motion: Director Landis moved to accept option #3: Discontinue CCL, provide a monthly newsletter bill insert, and a monthly E-newsletter at an annual cost of \$53,600. Motion seconded.

Discussion ensued on concerns for members and Colorado Rural Electric Association (CREA), a three to four month phase out of CCL with member messaging, and sources of readership data.

Motion

Resumed: Motion carried 8 to 3 with Directors Huntington, McInnis, and McWilliams opposed.

FINANCE AND AUDIT COMMITTEE (FAC) – VP, Finance, Ramsey introduced the written report of Committee Chairman Wheeler (who was absent), gave a presentation on the FAC financial goal recommendations, and discussed the objectives for setting aspirational goals based on normal business conditions in the areas of operating margins, equity, cash reserves, long-term debt, and ratios for OTIER and MDSC. VP, Finance, Ramsey discussed the further recommendation of the FAC to draft a formal financial goals policy, and took questions. A motion was made to table the discussion of the financial goal recommendations, to provide more time for consideration.

Motion: Director Lewandowski moved to table the discussion. Motion seconded and carried 7 to 4 with Directors Turner, Lynch, Landis, and Bassett opposed.

BUSINESS PORTION OF THE 2019 ANNUAL MEETING IN 2020 – President Bassett addressed the postponement of the business portion of the 2019 Annual Meeting of the Members on May 16, 2020 in Pagosa Springs due to the COVID-19 pandemic, and the Governor's restrictions on in-person gatherings.

CEO Matlock discussed the bylaw provisions, which require in-person attendance of 50 or more members to establish a quorum. This means that LPEA cannot host a virtual Annual Meeting. CEO Matlock recommended a future bylaw amendment that will provide more flexibility in uncertain times.

CEO Matlock stated that, based on a reading of the bylaws, not holding a public business portion of the 2019 Annual Meeting in 2020 would not risk forfeiture or dissolution of the cooperative. Attorney Denning agreed and discussed options for conducting an Annual Meeting in 2020 with limited member participation, in which reports can be given but no business conducted.

Attorney Denning also discussed options for addressing bylaw changes and options for holding the Annual Meeting in 2021. Attorney Denning will follow up with research to ensure compliance with state statute and bylaws.

Motion: Director McWilliams moved to cancel the 2019 Annual Member Business Meeting for 2020. Motion seconded and carried without dissent.

LOCATION OF ANNUAL MEETING IN 2021 – CEO Matlock discussed the possibility of cancelling the 2020 annual member luncheons and other large public events for the remainder of the 2020 year, due to the dangers of the pandemic; and proposed that the 2021 Annual Member Business Meeting could take place in combination with a 2021 annual member luncheon, noting the engagement benefits of bringing a community event onsite. CEO Matlock discussed the cost savings associated with combining the annual member luncheon with the Annual Business Meeting.

Motion: Director McWilliams moved to combine the 2021 Annual Member Business Meeting with the 2021 annual member luncheon. Motion seconded and carried without dissent.

POLICY COMMITTEE AND BROADBAND COMMITTEE – President Bassett advised that the Policy Committee shall consist of Chairman Dan Huntington, Directors Turner and McWilliams, CEO Matlock, and her yet to be appointed staff member. The committee meets quarterly.

President Bassett advised that the Broadband Committee has a termination date of December 31, 2020. CEO Matlock noted that this committee remains on hold due to the demands on staff of managing the operations of the cooperative during the pandemic, and that she would like to get input from other cooperatives on their approach to broadband and re-evaluate the path of the committee. CEO Matlock requested a future agenda item to extend the committee through 2021.

CONSIDERATION OF WHOLESALE POWER CONTRACT – No discussion took place on this item.

MISCELLANEOUS BOARD ITEMS

REVIEW POLICY 129 CONFLICT OF INTEREST FORMS – President Bassett discussed the purpose of the forms to provide accountability, transparency, and recusal from board discussion items and votes where a conflict exists for a director. Attorney Denning reviewed the fine points of procedures for director recusals.

Directors Turner and Metzler advised that they will amend their form to include their representation at CREA and Western United; and Director Huntington will amend his form to include the water districts he represents due to the concurrent representation of this entity by Maynes Bradford, Shipp, and Sheftel, the Board Attorney. The board was satisfied with the forms, and directors will update the forms when necessary. No formal action was necessary.

DIRECTOR TRAVEL REQUESTS – President Bassett addressed upcoming external travel requests, noting that no outside travel will be approved for the foreseeable future. Director Skeehan confirmed her intention to participate in online director training as approved last month.

DIRECTOR EXPENSE APPROVAL – Director Lynch reported on the May 2020 director expenses.

LPEA Mileage Reimbursements

Britt Bassett	\$00.00	Kohler McInnis	\$00.00
Dan Huntington	\$00.00	Sue McWilliams	\$10.93
Rachel Landis	\$00.00	Holly Metzler	\$00.00
John Lee	\$25.59	Kirsten Skeehan	\$00.00
Joe Lewandowski	\$00.00	Jack Turner	\$00.00
Bob Lynch	\$00.00	Tim Wheeler	\$00.00

LPEA Board and Committee Meetings

Britt Bassett	\$1325.00	Kohler McInnis	\$1200.00
Dan Huntington	\$1200.00	Sue McWilliams	\$1325.00
Rachel Landis	\$1200.00	Holly Metzler	\$1200.00
John Lee	\$1325.00	Kirsten Skeehan	\$1325.00
Joe Lewandowski	\$1200.00	Jack Turner	\$1450.00
Bob Lynch	\$1325.00	Tim Wheeler	\$1125.00

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	\$00.00	Kirsten Skeehan	\$00.00
Joe Lewandowski	\$00.00	Jack Turner	\$00.00
Bob Lynch	\$00.00	Tim Wheeler	\$00.00

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

PUC ATTORNEY UPDATE – Matthew Larson, outside counsel for LPEA, advising on cases related to the Tri-State cases at the Federal Energy Regulatory Commission (FERC) and the Colorado Public Utilities Commission (CoPUC), gave a public legal update on the status of the determination of a Tri-State exit charge methodology for LPEA and United Power by a CoPUC administrative law judge, which is expected by the end of June 2020 (with possible appeals and a final ruling wrapped up near the end of September).

Attorney Larson also discussed the process and timeline for a settlement on the contract termination payment (CTP) case between Tri-State and a group of cooperatives by a FERC settlement judge, which is expected to settle toward the end of September. In the unlikely event that the CTP case does not settle, it will go to a full hearing at FERC.

EXECUTIVE SESSION

An executive session to discuss FERC-CoPUC updates took place at 2:57 p.m. in order to accommodate the availability of the attorneys. Director McInnis and Attorney Denning were recused.

Motion: Director Lee moved to enter into executive session to discuss FERC-CoPUC Updates. Motion seconded and carried without dissent.

The board remained in executive session from 2:57 p.m. to 4:00 p.m.

ATTORNEY REPORT

Referring to the written report included in the board packet, Attorney Denning highlighted work done for LPEA, addressed the Election Supervisory Committee Campaign Finance Report, discussed a memo on email communication guidelines, and took all questions.

DIRECTOR REPORTS

Directors referred to written reports in the board packet and took questions.

ROUND UP FOUNDATION (RUF) REPORT – The June RUF Board Meeting will take place on June 29 and will be reported on in July.

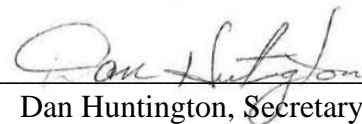
ADJOURN

There being no further business, the LPEA Board of Directors meeting adjourned at 4:46 p.m.

Recorded by C.E. Charistopoulos, and approved by:



Britt Bassett, President



Dan Huntington, Secretary