

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Meeting Minutes
Thursday, March 10, 2022
<https://lpea.coop/board-directors-committees>

CALL TO ORDER

The Finance and Audit Committee of the La Plata Electric Association Board of Directors was held Thursday, March 10, 2022, via Zoom webinar. Committee Chair Lynch called the meeting to order at 9:03 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

Director Bob Lynch, Committee Chair
Director Tim Wheeler
Director Kirsten Skeeahan
Karl Ramsey, VP of Finance
Jessica Matlock, CEO

LPEA STAFF

Dan Harms, VP of Grid Solutions
Monica Rodriguez, Controller
Graham Smith, Board & Staff Attorney

EXCUSED ABSENCE

None

GUESTS

Director Holly Metzler
Director Sue McWilliams

APPROVAL OF AGENDA

Committee Chair Lynch addressed the March 10, 2022, Finance and Audit Committee (FAC) meeting agenda.

Motion: Committee Member Skeeahan moved to approve the March 10, 2022, FAC meeting agenda.
Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair Lynch addressed the January 13, 2022, FAC meeting minutes.

Motion: Committee Member Wheeler moved to approve the January 13, 2022, FAC meeting minutes.
Motion seconded and carried without dissent.

QUESTIONS ON JANUARY FINANCIALS

As there was no FAC meeting in February, the committee members were invited to ask any questions regarding the January 2022 financials that were not addressed at the February meeting of the LPEA Board of Directors. VP of Finance Ramsey was available to field questions; no questions were posed.

FEBRUARY FINANCIAL UPDATE

VP Ramsey addressed the preliminary February financial statements. Gross margin was significantly over forecast due to a combination of higher kWh sales and a high load factor. Controllable expenses were slightly below forecasted levels, resulting in strong operating margins. All the board's financial goals were met at the end of February except for cash, although the balance had grown during the month and was higher than at the end of January. As of the date of the FAC meeting, cash reserves were over 16% of annual budgeted expenses.

COST OF SERVICE ANALYSIS REVIEW

VP Ramsey reviewed the highlights and changes made to the Cost-of-Service Analysis (COSA) presentation since it was last brought to the committee by EES Consulting in January. VP Ramsey and VP of Grid Solutions Harms answered questions from the committee members. It was agreed that no action would be recommended to the full board regarding the COSA.

EXECUTIVE SESSION

Committee Chair Lynch addressed the next item on the agenda to move into executive session.

Motion: Committee Member Wheeler moved to go to the executive session to discuss matters related to LPEA's subsidiary, FastTrack Communications, Inc., at 10:23 a.m. Motion seconded and carried without dissent.

Committee reconvened into a public session at 11:04 a.m. Committee Chair Lynch entertains the following motion:

Motion: Wheeler motions this committee will make a recommendation to the LPEA Board of Directors for a resolution delegating authority to the CEO to investigate and report on infrastructure opportunities in the region. Skeeahan seconds, no discussion. Passes without dissent.

ADJOURN

There being no further business, this meeting of the Finance and Audit Committee of the La Plata Electric Association, Board of Directors adjourned at 11:06 a.m.

Recorded by Monica Rodriguez, and approved by:



Bob Lynch, Committee Chair