

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Meeting Minutes
Wednesday, June 8, 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 Wednesday, June 8, 2022, via Zoom webinar. Committee Chair McWilliams called the meeting to order at 9:02 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

Director Sue McWilliams, Committee Chair
Director Ted Compton
Karl Ramsey, VP of Finance
Jessica Matlock, CEO

EXCUSED ABSENCE

Director Tim Wheeler

LPEA STAFF

Monica Rodriguez, Controller
Dan Harms, EVP of Grid Solutions and Special Projects
Graham Smith, General Counsel

GUESTS

Rachel Landis
Holly Metzler
John Witchel

APPROVAL OF AGENDA

Committee Chair McWilliams addressed the June 8, 2022 Finance and Audit Committee (FAC) meeting agenda.

Motion: Committee Member Compton moved to approve the June 8, 2022, FAC meeting agenda.
Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair McWilliams addressed the May 12, 2022 FAC meeting minutes.

Motion: Committee Member Matlock moved to approve the May 12, 2022, FAC meeting minutes.
Motion seconded and carried without dissent. Compton abstained as he was not present at the meeting.

QUESTIONS ON APRIL FINANCIALS

VP of Finance Ramsey was available to field questions; no questions were posed.

MAY FINANCIAL UPDATE

VP of Finance Ramsey addressed the draft May financials. Due to the early FAC meeting this month, the financials are not complete. Ramsey told the committee that industrial sales were particularly strong in May and EVP Harms confirmed that this was in line with expectations.

Committee Chair McWilliams asked about the special rates for industrial loads, and Harms confirmed that there was a special rate but this was limited to a certain amount of usage.

McWilliams asked for an update on Form 990. Ramsey explained that it is being reviewed by the board and management and will file by the end of the week if there are no additional questions or changes.

2023 BUDGET TIMELINE

VP of Finance Ramsey addressed the 2023 budget timeline. Ramsey reviewed the key concepts and explained LPEA's activity-based and zero-based budgeting approach. LPEA Board President Witchel suggested that the Budget Committee of the Whole (COW) be used as an educational session rather than a forum to relitigate the committee's decisions.

FINANCIAL GOALS POLICY 201

General Counsel Smith addressed updated Policy 201. At the May board meeting, it was suggested that the policy be amended to add an additional clause stating that the cooperative shall not borrow money for the purpose of retiring Capital Credits. Committee Chair Compton advised that the Committee on Policies had no issues with this suggestion and that they delegated the changes to this policy to the Finance and Audit Committee.

Motion: Committee Member Compton moved that the FAC present the updated draft of Policy 201 to the full board. Motion seconded and carried without dissent.

EXECUTIVE SESSION – BDP FINANCING ALTERNATIVES

Committee Chair McWilliams addressed the next item on the agenda and requested a motion to move into executive session to discuss BDP Financing alternatives.

Motion: Committee Member Compton moved to go into executive session at 9:45 a.m. Motion seconded and carried without dissent.

ACTIONS RESULTING FROM EXECUTIVE SESSION

There was no action from the executive session.


FUTURE MEETING DATES

Committee Chair McWilliams suggested setting a placeholder for July 14, 2022, for the next FAC meeting but did not commit to holding a meeting on that date.

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 10:02 a.m.

Recorded by Monica Rodriguez, and approved by:



Sue McWilliams, Committee Chair