

LA PLATA ELECTRIC ASSOCIATION, INC. (LPEA)
Finance and Audit Committee Meeting Minutes
Thursday, May 9, 2024
9:00 a.m. - 11:00 a.m.
<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 on Thursday, May 9, 2024, via Zoom webinar. Committee Chair Wheeler called the meeting to order at 9:03 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

Director Tim Wheeler, Board Treasurer & Committee Chair
Director Nicole Pitcher
Director David Luschen
Patrick Berry, VP of Finance
Graham Smith, Interim CEO and General Counsel

LPEA STAFF

Janelle Thunstrom, Executive Assistant

EXCUSED ABSENCE:

None

GUESTS:

Director Kohler McInnis

APPROVAL OF AGENDA

Committee Chair Wheeler addressed the May 9, 2024, Finance and Audit Committee (FAC) agenda.

Motion: Committee Member Smith moved to approve the amended May 9, 2024, FAC meeting agenda to add a FERC update in the executive session. Motion was seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair Wheeler addressed the April 11, 2024, FAC meeting minutes.

Motion: Committee Member Luschen moved to approve the April 11, 2024, FAC meeting minutes as presented. Motion seconded and carried without dissent.

MARCH FINANCIALS REVIEW – ACTUALS

VP Berry provided a brief overview of March’s financials, which were presented at the Board meeting last month. The overview included performance, detailed insights, and addressing operating variance inquiries. VP Berry took all questions.

APRIL FINANCIALS REVIEW - PRELIMINARY

VP Berry provided a brief initial report on the April financials, including a summary of key figures from the balance sheet and fielded inquiries from the committee. Early numbers look flat but with some variances. Discussion ensued on the importance of tree trimming to reduce fire risk, considering its impact on the budget allocation for fire prevention measures.

POTENTIAL EXECUTIVE SESSION

Committee Chair Wheeler requested a motion to move into an executive session to discuss 2023 audited financials, a FastTrack Communication update, and a FERC Filing (Federal Energy Regulatory Commission) update.

Motion: Director Luschen moved to enter an executive session to discuss 2023 audited financials, a FastTrack Communication update, and a FERC Filing update. Motion seconded and carried without dissent.

The committee remained in executive session from 9:28 a.m. to 11:13 a.m.

2023 AUDITED FINANCIALS REVIEW

This item was deliberated upon during the executive session.

FASTTRACK COMMUNICATIONS UPDATE

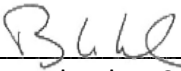
This item was deliberated upon during the executive session.

PACE FINANCIAL MODELING

VP Berry delivered a presentation on the LPEA PACE (Property Assessed Clean Energy) Loan application, covering its overview, the financial advantages of the project, and the financing parameters and strategy. LPEA submitted a PACE loan application in the summer of 2023 to build 5 MW of solar with 5 MW/20MWh of energy storage. The current estimated capital project budget stands at \$17,888,600, with a projected completion timeframe of five years. Considering the timing of the application, the total RUS loan amount would be \$13,416,450, with 40% eligible for forgiveness. LPEA was granted PACE loan forgiveness in the first quarter of 2024. VP Berry and Interim CEO Smith answered all the questions regarding the PACE modeling.

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 11:45 a.m. Recorded by J. P. Thunstrom and approved by:



Tim Wheeler, Committee Chair