

LA PLATA ELECTRIC ASSOCIATION, INC. (LPEA)  
Finance and Audit Committee Meeting Minutes  
Thursday, July 11, 2024  
9:00 a.m. - 12:00 p.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, July 11, 2024, via Zoom webinar. Committee Chair Wheeler called the meeting to order at 9:01 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

**LPEA STAFF**

Janelle Thunstrom, Executive Assistant

**EXCUSED ABSENCE:**

Graham Smith, Interim CEO and General Counsel

**GUESTS:**

Directors Kohler McInnis and Kirsten Skeehan

**APPROVAL OF AGENDA**

Committee Chair Wheeler addressed the July 11, 2024, Finance and Audit Committee (FAC) agenda.

**Motion:** Committee Member Luschen moved to approve the presented July 11, 2024, FAC meeting agenda. Motion was seconded and carried without dissent.

**APPROVAL OF MEETING MINUTES**

Committee Chair Wheeler addressed the June 13, 2024, FAC meeting minutes.

**Motion:** Committee Member Luschen moved to approve the June 13, 2024, FAC meeting minutes as presented. Motion seconded and carried without dissent.

**MAY FINANCIALS REVIEW – ACTUALS**

No further updates were provided since the June board meeting.

## **JUNE FINANCIALS REVIEW - PRELIMINARY**

VP Berry provided an overview of June's preliminary financials. LPEA continues to maintain a healthy balance sheet and cash position, and all the board's key financial metrics were met in June.

LPEA's revenue was slightly better than budget in June, but the cost of power was approximately equal to budget, resulting in positive gross margins for the month. Controllable expenses were better than budget by \$299,000, resulting in a positive actual-to-budget variance in operating margins. Controllable costs are still under budget for the year by approximately \$660,000. VP Berry took all questions regarding June's preliminary expenses.

## **BUDGET UPDATE**

VP Berry presented 2024 forecasted unbudgeted expenses, which total an estimated \$873,620 and are primarily focused on energy transition initiatives and other essential projects. These unbudgeted expenses aim to advance LPEA's strategic goals in energy management and organizational development. VP Berry took all questions.

## **990 FILING REVIEW**

VP Berry addressed the 2023 990 Filing form draft and answered all committee members' questions. An extension was filed, but this will be filed before the October deadline.

## **RETIREMENT OF CAPITAL CREDITS**

VP Berry addressed the proposal for the retirement of Capital Credits, including a stat sheet. The total number of members impacted by a 2023 LIFO (Last-In, First-Out) retirement would be 35,009, compared to the 2003 FIFO (First-In, First-Out) of 10,264 members. Discussion ensued on the timing of the retirement of the capital credits due to the implementation of the Tri-State departure, budgets, and cash flow impacts. The committee will reconvene at the August FAC meeting to continue this discussion.

## **EXECUTIVE SESSION**

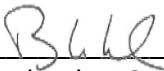
Committee Chair Wheeler requested a motion to move into an executive session to discuss the FastTrack Communication sale update and a Tri-State rate increase FERC Filing (Federal Energy Regulatory Commission) update.

**Motion:** Director Luschen moved to enter an executive session to discuss the FastTrack Communication sale update and a Tri-State rate increase update. Motion carried without dissent.

The committee remained in executive session from 10:25 a.m. to 10:50 a.m.

**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 10:50 a.m. Recorded by J. P. Thunstrom and approved by:

  
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Tim Wheeler, Committee Chair