

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Meeting Minutes
Thursday, August 14, 2025
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, August 14, 2025, 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 David Luschen
Director Dusty Mars
Director Kohler McInnis
Chris Hansen, Chief Executive Officer
Patrick Berry, Chief Financial Officer

LPEA STAFF

Dan Harms, Chief Strategy Officer
Graham Smith, General Counsel
Janelle Thunstrom, Executive Office & Board Governance Manager

EXCUSED ABSENCE:

None

GUESTS:

Greg Barber, Kevin Galke,

Director Brad Blake, Director Nicole Pitcher, and Director Kirsten Skeehan

APPROVAL OF AGENDA

Committee Chair Wheeler addressed the agenda for the August 14, 2025, Finance and Audit Committee (FAC) meeting.

Motion: Committee Member McInnis moved to approve the August 14, 2025, FAC meeting agenda. Motion seconded and carried without dissent. Director Mars was not present for the vote.

APPROVAL OF MEETING MINUTES

Committee Chair Wheeler addressed the July 10, 2025, FAC meeting minutes.

Motion: Committee Member Luschen moved to approve the July 10, 2025, FAC meeting minutes as presented. Motion seconded and carried without dissent. Director Mars was not present for the vote.

JUNE FINANCIALS REVIEW – ACTUALS

CFO Patrick Berry stated there were no changes to the June 2025 financial statements. The Committee acknowledged the report without further discussion or action.

JULY FINANCIALS REVIEW - PRELIMINARY

CFO Berry presented the preliminary July 2025 financial results. Revenue was approximately 1% below forecast, with small commercial sales down 6%, large industrial down 2%, and residential up 2%, resulting in a net revenue variance of about \$58,000 under budget. Gross margins were \$98,000 below budget due to lower sales and higher power costs, but operating expenses were \$400,000 under budget, driven by unfilled positions, lower travel and subcontractor costs, and timing of tree-trimming work.

Despite making the quarterly CFC debt payment, cash position improved, with positive trends in liquidity and reserves. Debt-to-equity improved to 57%, and coverage ratios remain strong. Fire-related equipment damage and delayed truck purchases are being monitored but are not expected to materially impact financials.

The Committee discussed staffing vacancies, expense variances, and turnover, with management noting the tight labor market and ongoing efforts to fill positions.

EXECUTIVE SESSION

Committee Chair Wheeler requested a motion to enter an executive session to discuss the Risk Policy process update, CFC KRTA (Key Ratio Trend Analysis), the board of directors' budget, financing updates (CTP, Contract Termination Payment, Capital, and Line of Credit), and the post-sale update on FastTrack Communications.

Motion: Committee Member McInnis moved to enter an executive session to discuss the Risk Policy process update, CFC KRTA (Key Ratio Trend Analysis), the board of directors' budget, financing updates (CTP, Contract Termination Payment, Capital, and Line of Credit), and the post-sale update on FastTrack Communications. Motion seconded and carried without dissent.

The committee remained in the executive session from 9:22 a.m. to 11:44 a.m.

No action was taken following the executive session.

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