

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Minutes of Meeting
Thursday, December 10, 2020

CALL TO ORDER

The Finance and Audit Committee of the La Plata Electric Association Board of Directors was held Thursday, December 10, 2020 via webinar. Committee Chairman Wheeler called the meeting to order at 2:10 p.m. The following committee members were in attendance:

COMMITTEE MEMBERS:

Tim Wheeler, Committee Chairman
Britt Bassett
Bob Lynch
Kirsten Skeeahan
Jessica Matlock, CEO
Karl Ramsey, Vice President of Finance

LPEA STAFF:

Dan Harms, VP of Grid Solutions
Monica Rodriguez, Controller
Graham Smith, Staff Attorney
Drew Timmerman, VP of Information Technology

EXCUSED ABSENCE: None

GUESTS: Joe Lewandowski, Holly Metzler, Sue McWilliams, Kohler McInnis, Rachel Landis, John Witchel

APPROVAL OF AGENDA

Committee Chairman Wheeler addressed the December 10, 2020 Finance and Audit Committee (FAC) meeting agenda.

Motion: Committee member Bassett moved to approve the December 10, 2020 FAC meeting agenda as presented. Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chairman Wheeler addressed the November 12, 2020 FAC meeting minutes.

Motion: Committee member Lynch moved to approve the November 12, 2020 FAC meeting minutes as presented. Motion seconded and carried without dissent.

COMMITTEE DISCUSSION AND POSSIBLE ACTION

FINANCIAL REVIEW – VP of Finance Ramsey gave an overview of the draft November 2020 financials, noting a positive operating margin of \$417k, which was better than expected, and that even though revenues continue to be down slightly, our margin are being maintained by savings on expenses from continued cost control measures.

Key performance indicators are on target with the exception of cash, which is momentarily below target, as expected, due to the patronage capital credit retirement. Delinquent accounts continue to be lower that at any point in 2019.

Discussion ensued on what our margins would look like if we had not increased rates and it was requested by Director Skeeahan that further analysis occur and be presented at the board meeting. Appreciation was given to staff for continued prudent cost control.

AGENDA DISCUSSION – A discussion of the upcoming meeting agenda did not take place.

FUTURE AGENDA ITEMS - A discussion of future agenda items did not take place.

EXECUTIVE SESSION: LPEA POWER SUPPLY OPTIONS REVIEW

Committee Chairman Wheeler requested a motion to enter into executive session to discuss the financing strategies for a partial requirements contract with Tri-State.

Motion: Director Bassett moved to enter into executive session to review Resolution 2019-10 options. Motion seconded and carried without dissent.

The committee remained in executive session from 2:25 p.m. to 5:13 p.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 5:13 p.m.

The Finance and Audit Committee meetings are scheduled to take place from 2:00 p.m. to 5:00 p.m., on the 2nd Thursday of every month.

Recorded by Monica Rodriguez, and approved by:



Tim Wheeler, Committee Chairman