

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Minutes of Meeting
Tuesday, November 5, 2019
Durango, Colorado

CALL TO ORDER

The Finance and Audit Committee Committee of the La Plata Electric Association Board of Directors was held Tuesday, November 5, 2019 at the headquarters building in Durango, Colorado. Committee Chairman Wheeler called the meeting to order at 2:05 p.m. The following Committee members were in attendance:

COMMITTEE MEMBERS:

Tim Wheeler, Committee Chairman
Britt Bassett
Guinn Unger
Dan Huntington
Jessica Matlock, CEO – Acting CFO

LPEA STAFF

Dan Harms, Manager of Rates, Technology, Energy Policy
Monica Rodriguez, Controller
Charis Charistopoulos, EA

EXCUSED ABSENCE: None

GUESTS: Holly Metzler, Bob Lynch, Kohler McInnis, Jack Turner, Kirsten Skeeahan

APPROVAL OF AGENDA

Committee Chairman Wheeler addressed the November 5, 2019 Finance and Audit Committee meeting agenda.

Motion: Committee Member Unger moved to approve the November 5, 2019 Finance and Audit Committee meeting agenda as presented. Motion seconded and carried without dissent.

APPROVAL OF SEPTEMBER 17, 2019 MEETING MINUTES

Committee Chairman Wheeler addressed the September 17, 2019 Finance and Audit Committee meeting minutes.

Motion: Committee Member Huntington moved to approve the September 17, 2019 Finance and Audit Committee meeting minutes as presented. Motion seconded and carried without dissent.

COMMITTEE DISCUSSION AND POSSIBLE ACTION

CEO Matlock introduced Holy Cross CFO, Andrew Schiller who joined the meeting by phone. Schiller is assisting LPEA with the 2020 budget process and a transition to Departmental Budgeting until the LPEA CFO and Controller vacancies are filled; and LPEA Assistant Controller, Monica Rodriguez, LPEA Billing Coordinator, Cindy Straight, and LPEA Billing Supervisor, Jennifer Colomb are acting in concert with Holy Cross to provide Financial reports. CEO Matlock is functioning as the acting LPEA CFO.

10 YEAR FORECAST AND 2020 BUDGET – Monica Rodriguez led a discussion on the history of LPEA's Operating Margins in relation to Revenue, Cost of Power, and Expenses; the 2020 Budget Overview and Base Case Assumptions; Benchmarks and Revenue Requirements; 10-Year Forecast Assumptions; and 2020 rate increase scenarios and their effect on a long term Budget. There was consensus among the Committee that they are not ready to recommend approval of a 2020 Budget until the December Board meeting.

Motion: Director Bassett moved to approve the 2020 Forecast for recommendation to the full Board for review at the November 20, 2019 Board meeting. Motion seconded and carried 5 to 1 with Director Wheeler opposed.

FUTURE AGENDA ITEMS: RESERVE FUNDS AND REVIEW FINANCIAL POLICIES and POLICY COMMITTEE RECOMMENDATIONS

Due to time constraints, no discussion took place.

LONG TERM CAPITAL PLAN, REVIEW FINANCIAL DASHBOARD, REPORTS, FORMATS, and AUDIT PROCESS

Due to time constraints, no discussion took place.

REVIEW FUTURE MEETING SCHEDULE

Committee Chairman Wheeler advised that the next Finance and Audit Committee meeting will take place Tuesday, December 3, from 2:00 – 5:00 p.m. Dan Harms will attend by phone.

There being no further business, the Finance and Audit Committee of the La Plata Electric Association, Board of Directors meeting adjourned at 4:01 p.m.

Recorded by C.E. Charistopoulos, and approved by:



Tim Wheeler, Committee Chairman