

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Meeting Minutes
Thursday, November 4, 2021

<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 Thursday, November 4, 2021, via Zoom webinar. Committee Chair Lynch called the meeting to order at 9:02 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

Director Bob Lynch, Committee Chair
Director Tim Wheeler
Director Kirsten Skeeahan
Jessica Matlock, CEO
Karl Ramsey, VP of Finance

LPEA STAFF

Dan Harms, VP of Grid Solutions
Monica Rodriguez, Controller
Graham Smith, Board & Staff Attorney

GUESTS

Sue McWilliams, Kohler McInnis

APPROVAL OF AGENDA

Committee Chair Lynch addressed the November 4, 2021 Finance and Audit Committee (FAC) meeting agenda.

Motion: Committee Member Skeeahan moved to approve the November 4, 2021, FAC meeting agenda. Committee Member Wheeler requested that there be discussion regarding the schedule. Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair Lynch addressed the October 7, 2021 FAC meeting minutes.

Motion: Committee Member Wheeler moved to approve the October 7, 2021 FAC meeting minutes. Motion seconded and carried without dissent.

QUESTIONS ON SEPTEMBER FINANCIALS

Final September and YTD financials were not available to review at the October 7, 2021 FAC meeting. VP of Finance Ramsey invited questions on the September financials, but there were none.

2022 CAPITAL PROJECTS BUDGET & CAPITAL ITEMS

VP of Grid Solutions Harms reviewed the 2022 capital project budget summary. The engineering and ROW only projects were identified and highlighted in yellow. Projects identified with asterisks are part of LPEA's fire mitigation plan. VP Harms reviewed the key projects that comprised the \$16.6 million budget and how there will be emphasis on the completion of design work to enable a solid multi-year work queue.

VP Ramsey addressed the capital items budget and noted that supply chain delays may impact the delivery of these items and that they may be delayed until 2023.

2022 BUDGET BALANCE SHEET & CASHFLOW STATEMENT

VP Ramsey took questions regarding the impact of capital items and capital projects on the balance sheet and cash flow statements.

CAPITAL CREDITS AND MARGIN DISCUSSION

VP Ramsey addressed an earlier question from Committee Member Skeehan on margins. Ramsey explained that we will have margins that are higher than budget, but that we need to keep in mind that margins do not correlate to cash, and that a bill credit or additional capital credit retirement would result in cash balances that would not meet the board's financial goals.

Motion: Committee Member Wheeler motioned to recommend to the board that it pass Resolution 2021-20, approving the budgeted margins, financial statements, capital projects and capital items. The motion was seconded. Four voted in favor (Lynch, Wheeler, Ramsey, Matlock), one opposed (Skeehan), none abstained. Motion approved.

EXECUTIVE SESSION - BROADBAND

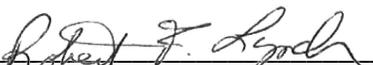
Committee Chair Lynch addressed the next item on the agenda and requested a motion to move into executive session to discuss broadband strategies and FastTrack Communications.

Motion: Committee Member Skeehan moved to go into executive session at 10:16 a.m. Motion seconded and carried without dissent.

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 11:26 a.m.

Recorded by Monica Rodriguez, and approved by:



Bob Lynch, Committee Chair