

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Meeting Minutes
Thursday, April 14, 2022

<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, April 14, 2022, via Zoom webinar. Committee Chair Lynch called the meeting to order at 8:39 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

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

LPEA STAFF

Dan Harms, VP of Grid Solutions
Monica Rodriguez, Controller

EXCUSED ABSENCE

Jessica Matlock, CEO

GUESTS

Holly Metzler

APPROVAL OF AGENDA

Committee Chair Lynch addressed the April 14, 2022 Finance and Audit Committee (FAC) meeting agenda.

Motion: Committee Member Skeeahan moved to approve April 14, 2022, FAC meeting agenda. Committee Member Wheeler moved to add an executive session to the agenda. Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair Lynch addressed the March 10, 2022 FAC meeting minutes.

Motion: Committee Member Wheeler moved to approve the March 10, 2022 FAC meeting minutes. Motion seconded and carried without dissent.

QUESTIONS ON FEBRUARY FINANCIALS

VP of Finance Ramsey was available to field questions; no questions were posed.

MARCH FINANCIAL UPDATE

VP of Finance Ramsey addressed the preliminary March financials, the 2021 Audit, and the Form 7 filing. The 2021 audited financials were somewhat delayed due to BKD being short-staffed and had only just been shared with the board. As Form 7 can only be finalized after the audit report has been completed, Form 7 was not available for FAC review. Ramsey proposed to share the draft Form 7 with the board via email once it was completed and reviewed by the CEO.

Ramsey addressed the March financials and reported that operating margins were \$300k higher than budget, mainly due to higher sales, which were 6% over forecast.

FINANCIAL GOALS REVIEW & AMENDMENTS

VP of Finance Ramsey presented the current financial goals as outlined in Policy 201 and suggested that the policy include a provision to review the goals every two years.

Ramsey proposed changes to the cash goal, the equity goal, and the margin goal while keeping the debt and MDSC goals unchanged. The committee asked for more time to consider these changes and for the finance department to gather more data so that a final recommendation could be brought to the full board in May.

UNCLAIMED CAPITAL CREDITS REVIEW

VP of Finance Ramsey addressed the available balance of \$540k in unclaimed capital credits. Staff proposed that 55% go to scholarships and other educational grants (including Round Up) with the remaining 45% going to promote innovative projects and beneficial electrification. After discussion, no recommendation for the full board was proposed by the committee.

EXECUTIVE SESSION - BROADBAND

Committee Chair Lynch requested a motion to move into executive session to discuss broadband strategies and FastTrack Communications.

Motion: Committee Member Wheeler moved to go into executive session at 10:45 a.m. Motion seconded and carried without dissent.

ACTIONS RESULTING FROM EXECUTIVE SESSION

None.

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 11:23 a.m.

Recorded by Monica Rodriguez, and approved by:



Bob Lynch, Committee Chair