

LA PLATA ELECTRIC ASSOCIATION, INC.  
Finance and Audit Committee Meeting Minutes  
Thursday, November 10, 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, November 10, 2022, via Zoom webinar. Committee Chair McWilliams called the meeting to order at 9:05 a.m. The following committee members were in attendance:

**COMMITTEE MEMBERS**

Director Sue McWilliams, Committee Chair  
Director Tim Wheeler  
Director Ted Compton  
Karl Ramsey, VP of Finance  
Jessica Matlock, Chief Executive Officer

**LPEA STAFF**

Dan Harms, Executive VP of Grid Solutions and Special Projects  
Monica Rodriguez, Controller

**GUESTS**

Director Kirsten Skeehan  
Director Kohler McInnis

**APPROVAL OF AGENDA**

Committee Chair McWilliams addressed the November 10, 2022, Finance and Audit Committee (FAC) meeting agenda with additional items related to Policy 103 added to the executive session.

**Motion:** Committee Member Wheeler moved to approve the November 10, 2022, FAC meeting agenda as amended. Motion seconded and carried without dissent.

**APPROVAL OF MEETING MINUTES**

Committee Chair McWilliams addressed the October 13, 2022, FAC meeting minutes.

**Motion:** Committee Member Wheeler moved to approve the October 13, 2022, FAC meeting minutes. Motion seconded and carried without dissent

**QUESTIONS ON SEPTEMBER FINANCIALS**

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

## OCTOBER FINANCIAL UPDATE

VP of Finance Ramsey addressed the draft October financials. VP Ramsey told the committee that all financial goals had been met in October, except operating cash. Ramsey explained that a \$2.5m quarterly debt payment was made on October 31, 2022, which temporarily put LPEA's cash reserves below the board's target. However, as the target was reached three days later, staff decided not to incur extra interest expenses by utilizing LPEA's line of credit. Operating margins were \$217k over budget due to higher gross margins (revenue less cost of power) and lower expenses. Both residential and industrial sales were above forecast, and controllable costs were \$96k under budget. VP Ramsey took questions from the committee on the October financials.

## QUESTIONS ON 2023 BUDGET

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

## EXECUTIVE SESSION

Committee Chair McWilliams requested a motion to move into executive session to discuss the rate stabilization fund, line extension policy, and policy 103.

**Motion:** Director Wheeler moved to enter into executive session to discuss the rate stabilization fund, line extension policy, and policy 103.

The board remained in executive session from 9:25 a.m. to 11:02 a.m.

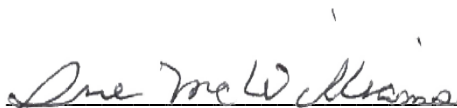
## ACTION FROM EXECUTIVE SESSION

VP Ramsey moved to recommend to the full board that staff book a \$2.75m rate stabilization entry, which will decrease operating margins in 2022, and that the board acknowledge this will create a negative variance between the actual operating margin for 2022 and the budget. 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 11:49 a.m.

Recorded by Monica Rodriguez, and approved by:

  
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Sue McWilliams, Committee Chair