

LA PLATA ELECTRIC ASSOCIATION, INC.
Finance and Audit Committee Meeting Minutes
Thursday, July 13, 2023
9:00 a.m. - 11:00 a.m.
<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 Wednesday, July 13, 2023, via Zoom webinar. Committee Chair Wheeler called the meeting to order at 9:03 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

Director Tim Wheeler, Board Treasurer & Committee Chair
Director David Luschen
Director Nicole Pitcher
Jessica Matlock, CEO
Karl Ramsey, VP of Finance

LPEA STAFF

Dan Harms, EVP of Grid Solutions and Special Projects
Graham Smith, General Counsel
Janelle Thunstrom, Executive Assistant

EXCUSED ABSENCE:

None

GUESTS:

Directors Ted Compton and Kirsten Skeehan
Kyle Amstadter and John Shaw

APPROVAL OF AGENDA

Committee Chair Wheeler addressed the July 13, 2023, Finance and Audit Committee (FAC) meeting agenda.

Motion: Committee Member Pitcher moved to approve the July 13, 2023, FAC meeting agenda as amended to introduce new committee members. Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair Wheeler addressed the June 7, 2023, FAC meeting minutes.

Motion: Committee Member Matlock moved to approve the June 7, 2023, FAC meeting minutes. Motion seconded and carried without dissent.

JUNE FINANCIALS REVIEW

VP Ramsey gave an overview of the June financials. Most of the board's financial goals were met in June. The cash reserves were below the board's target, due to the retirement of capital credits. June sales were 2% below budget due to cooler weather in June limiting AC load. A higher load factor resulted in a lower cost of power compared to revenue and this, together with continuing cost controls, produced a positive operating margin in June. VP Ramsey also went through the income statement in detail for the benefit of the newer committee members. Questions regarding June financials were answered by VP Ramsey.

BUDGET UPDATE

VP Ramsey gave an update on the 2024 budget. Ramsey reviewed the key concepts and explained LPEA's activity-based and zero-based budgeting approach as developed by the VPs of each department. There will be a wage opener in the Spring of 2024 with IBEW (International Brotherhood of Electrical Workers). VP Ramsey and CEO Matlock took questions on budget numbers and the IBEW wage opener.

QUALIFYING FACILITY (QF) TARIFF


EVP Harms gave a brief update on the net metering proposal regarding the Qualifying Facilities (QF) tariff. EVP Harms presented the group with the three proposed changes. First, limit the Net Metering Tariff to systems under 25 kW and develop a new Qualifying Facilities Tariff for systems over 25 kW. Second, implement an application fee to offset expenses LPEA is currently absorbing. Third, allow aggregated net metering, which would allow members to combine electrical meters of the same owner on the same or contiguous property. EVP Harms presented a redlined Net Metering Rate Tariff proposal, and a QF Tariff proposal, and addressed sections within each proposal. EVP Harms will set up a future lunch and learn for the full board to discuss the proposals and another solar installer meeting to go over and obtain feedback on the final draft of the proposed Net Metering Rate Tariff. EVP Harms took questions and suggestions from the committee.

FUTURE MEETING SCHEDULE

Committee Chair Wheeler addressed next month's meeting schedule. It was agreed that the next meeting would be held on August 10th at 9 a.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 10:53 a.m. Recorded by J. P. Thunstrom, and approved by:



Tim Wheeler, Committee Chair