SOUTHEAST COLORADO POWER ASSOCIATION

Minutes of Regular Board Meeting

The regular meeting of the Board of Directors of Southeast Colorado Power Association (SECPA) was held **October 28, 2026,** at the SECPA headquarters, 27850 Harris Road, La Junta, CO.

1. **Call to Order/ Roll Call**

   President Clint Anderson called the meeting to order at 10:00 a.m. Directors present were: Lawrence Brase, Brad Buck, Michelle Gardner, Merlin Rushton and Truman Wright. Randy Phillips was absent. Directors received a booklet entitled *Avoiding Potential Liability (A Guide to Directors' Duties and Responsibilities.)*

   Staff present: CEO Mark Hall, CFO Aaron Johnson, and Executive Assistant Debbie Howard.

2. **Agenda Modifications** – None.

3. **Member and/or Public Participation** – None.

4. **Board Meeting Minutes -** Motion was made and seconded to approve September 23, 2026, Board minutes. **MOTION** carried.

5. **Chief Executive Officer – Hall**
   - Following extensive discussion and review of the proposed rates, Wright moved, seconded by Gardner, to approve a 9% rate increase effective January 1, 2027. **MOTION carried, with Rushton voting no.**
   - Provided comments on his written report submitted to the Board.
   - Tesla contacted Hall regarding installation of Megapods (mini data centers) in Baca County, potentially allowing several substations to remain active during winter months.
   - Hall contacted the Mayor of Lamar regarding SECPA's interest in purchasing Lamar Light & Power. Motion was made and seconded to postpone the agreement with Toth to conduct a valuation pending a commitment from the City of Lamar. **MOTION carried.**
   - Town of Granada requested additional terms for SECPA's purchase of its electric system:
     1) An additional $150,000 above SECPA's $2 million offer.
     2) A 5% franchise fee for five years, passed through to Granada residents.
     3) SECPA payment for the April town election costs, estimated at $10,000-$12,000.
     4) Free electricity for town water wells and street lights for 5 years.

     The purchase is contingent upon Granada filing with the Colorado Public Utilities Commission (PUC) to add Granada to SECPA's Certificate of Public Convenience and Necessity (CPCN). Budget considerations were deferred to Executive Session.

6. **C-Team Reports**

   A. Finance & Membership – Johnson

   a) **Approve 2025 Form 990 –** Motion was made and seconded to approve the 2025 Form 990 as presented. **MOTION carried.**
   - September financial reports were reviewed.
   - September margins were negative $80,581; YTD, negative $ 87,075. Johnson noted that the $1.4M *Accounts Receivable – Other* on the Balance Sheet was driven primarily for SECOM make-ready construction.
   - YTD delinquent penalty charges through August totaled $204,296.
   - There were 24 new memberships and 27 withdrawals. Active meters totaled 10,896.
   - SECPA has received an application for a Rural Economic Development Loan (REDL) which is administered through USDA Rural Development, with SECPA serving as intermediary for the loan. Motion was made and seconded to authorize SECPA to submit the application. **MOTION carried.** Johnson referenced highlights in his written notes included in the Board packet.

B. Operations – Hall

- Update on system operations including 91 outages affecting 2,099 members, current projects, rolling line loss and crew activity.
- Provided updates for ongoing projects.
- Reviewed monthly safety report.
- Held an all-day budget meeting with operations staff.

7. Affiliate Organization Board Reports

A. Western United Electric (WUE)- Gardner

- WUE September Sales and Finance report included board packet. Officers were elected, and WUE membership now exceeds 100.

B. Colorado Rural Electric Association (CREA) – Gardner

- CREA Board did not meet in September.

C. Tri-State (T/S) G&T- Brase

- Tri-State Board report included in board packet.
- Member assessments being conducted via surveys.
- FERC approved Tri-State's request to sell power at market prices.

8. Legal - Richardson

- Written report was included in the Board packet.

9. Executive Session -

Motion was made and seconded to enter Executive Session at 12:20 p.m. to discuss a territory invasion issue and the proposed Granada purchase. **MOTION carried.**
Johnson and Howard were excused.

10. Adjourn – Meeting reconvened following Executive Session and adjourned at 1:05 p.m.

Board President

Michelle Gardner
Board Secretary