

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 **May 27, 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 1:00 p.m. Directors present were: Lawrence Brase, Brad Buck, Michelle Gardner, Merlin Rushton, and Truman Wright (conference call.) Randy Phillips was absent.

Staff present: CEO Mark Hall, CFO Aaron Johnson, and Executive Assistant Debbie Howard. Matt Richardson, outside legal counsel, was also present.

2. Agenda Modifications – None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes

Motion was made and seconded to approve April 22, 2026, Board minutes. **MOTION** carried.

5. Election of Officers

Motion was made and seconded to retain current officers as follows:

(Officers will also serve in same capacity for SECOM (SECPA's broadband subsidiary) :

President – Clint Anderson

Vice President – Merlin Rushton

Secretary-Treasurer – Michelle Gardner

Each will serve until after the annual meeting to be held in 2027. **MOTION** carried.

- Wright proposed the BOD President be paid \$500 per diem; an additional \$250 to the current per diem. Time required outside of monthly board meetings was discussed. Hall stated that he and Anderson communicate approximately 3 times per month. Anderson requested that this per diem increase not be implemented until his term as President terminates. Motion was made by Wright and seconded by Brase to increase Board President's per diem to \$500. **MOTION** carried with Anderson voting no.

Board Policy 206 will be revised to reflect this change.

Motion was made and seconded to approve the following appointments. **MOTION** carried.

- Appointments to Affiliate Organizations:
 - a) Western United Electric – Michelle Gardner; alternate, Merlin Rushton
 - b) Colorado Rural Electric Association – Michelle Gardner; alternate, Truman Wright
 - c) Tri-State Generation & Transmission – Lawrence Brase (alternate not required.)

Howard will submit changes to affiliate organizations.

6. Chief Executive Officer – Hall

A. Annual Meeting Recap

- Hall proposed changing annual meeting date to the 3rd Thursday of March. Directors agreed.
- Positive feedback included: not having outside speakers (i.e. Tri-State, CREA, etc.): keeping the meeting brief; delicious meal; Youth Tour presentation was a highlight. 54 members (including 7 Directors and 4 employee members) attended; approximately 150 attendees. Approximate cost of the meeting was \$10k.

B. CARE – Hall has notified Colorado Advocates for Rural Electrification (CARE) that Directors have elected not to contribute to Corporate CARE.

- Hall reported on the Rural Electric Safety Achievement Program (RESAP) visit conducted last week, noting SECPA showed a strong performance with only a few issues requiring attention.

- Provided an in-depth report of the Sharpe Fire in Baca County; 49 poles were lost. RESAP personnel observed activity during the fire.
- Hall reported unprofessional conduct by the current Eide Bailly auditors and requested Board approval to issue a Request for Proposals (RFP) for new auditors. Anderson stated that he had received an unpleasant call from Eide Bailly. A motion was made and seconded to distribute RFP's. **MOTION** carried. Proposals will be presented at the June board meeting.
- Directors approved Hall's request to attend the June 22nd Board meeting virtually.
- April payroll cost \$422,548; employee count is 42. Summer employees will be starting in Lamar and La Junta.

7. C-Team Reports

A. Finance & Membership – Johnson

i.) Final audit approval. EideBailly auditors presented the draft 2025 consolidated financial statements of SECPA and SECOM (SECPA's wholly owned broadband subsidiary) at the April board meeting. The Final Report has now been provided.

Motion was made & seconded to approve the 2025 final audit report. **MOTION** carried.

Johnson explained the increase in net margins 2025 post audit from \$946,003 to \$1,697,889.

- April Financial reports were presented.
- April margins were negative \$22,628. Johnson noted total cost of electric service is \$691,055 higher than in 2025. Johnson predicts a 15% increase in power costs over the next 2 years.
- YTD delinquent penalty charges through March \$60,996.
- There were 23 new memberships and 27 withdrawals. Active meters total 10,888.
- Provided a verbal update to his written notes included in the board packet.

B. Operations – Hall

- Update on outages (35), various projects, rolling line loss and crew activity.
 - Provided details on the status of several projects.
 - Operations has 75 miles of "make-ready" line associated with the SECOM grant project that must be completed by November 1st.
- Safety - Verbal update given on written Safety Report in board packet.

8. Affiliate Organization Board Reports

A. Western United Electric (WUE)- Gardner

- WUE April Sales and Finance report in board packet.

B. Colorado Rural Electric Association (CREA) - Wright

- CREA April board minutes in board packet. Gardner will attend meeting Meeker May 28-29.

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

- Tri-State Board report in board packet. T/S Board meeting next week.

9. Legal - Richardson

- Provided a verbal report to his written report.
- Related a specific issue with how CARE contributions are handled.
- Deferred remainder of his report to executive session.

10. Executive Session -

Motion was made and seconded to enter Executive Session at 2:50 p.m. to discuss Non-Disclosure Agreements, personnel matters and budget issues. **MOTION** carried.

Howard left meeting.

Johnson left meeting @ 3:00 p.m.

11. Adjourn – Meeting reconvened and adjourned at 3:45 p.m.

Board President

Board Secretary