

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 **February 16, 2022**, at the SECPA headquarters, 27850 Harris Road, La Junta, CO.

1. Call to Order/ Roll Call

President Randy Phillips called the meeting to order at 1:00 p.m. Directors present were Clint Anderson, Brad Buck, Lawrence Brase, Kevin Karney, Merlin Rushton, and Truman Wright. Interim CEO & CMSO Kevin Brandon, CFO Craig McBrain, COO Mark Hall, CSO Clint Arbuthnot, CHRO Angela Bamber and Executive Assistant Debbie Howard were also in attendance. Jon Saunders. SECOM CBDO, left meeting after approval of Resolutions 22-03 and 22-04.

2. Agenda Modifications – None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes

Motion was made and seconded to approve January 19th, 2022, Board Meeting minutes. **MOTION** carried.

5. Interim Chief Executive Officer – Brandon

- Resolution 22-03 (copy made a part of these minutes) authorizes SECPA to apply for \$25M funding from Rural Utilities Service for ReConnect 100% grant. Motion made and seconded to approve resolution as presented. **MOTION** carried.
- Resolution 22-04 (copy made a part of these minutes) specifies details of an intercompany lease and operation agreement with SECOM for ReConnect grant, if SECPA is awarded the \$25M 100% grant. Motion was made and seconded to approve resolution as presented. **MOTION** carried.
- Brandon related that 32 of 39 Colorado member co-ops are writing a letter in support of Tri-State being their primary power supplier at this time. Motion was made and seconded that SECPA sign the letter of support. **MOTION** carried.
- Motion was made and seconded to retain Lawrence Brase as voting delegate and appoint Kevin Brandon as alternate voting delegate for the Tri-State Annual meeting. **MOTION** carried.
- At a recent Eastern Colorado Managers, PVEA CEO Jeff Wadsworth announced PVEA has retained a dedicated FERC attorney for the purpose of filing testimony in support of Tri-State in exit docket. He invited other co-ops to partner and share in the cost of the attorney. Cost would be divided based on load at Tri-State. SECPA cost would be approximately \$20k. Motion was made and seconded to join the eight Eastern Colorado co-ops in sharing the attorney. **Motion** carried with Anderson voting nay.
- Brandon attended a SEBREA meeting where U.S. Senator John Hickenlooper was the guest speaker. Brandon gave an overview of SECPA and was impressed with the questions Hickenlooper asked about SECPA's overall distribution system.
- SECPA & SIEA hosted a legislative dinner following the CREA Annual meeting in Denver. Four legislators (Dennis Hisey, Donald Valdez, Richard Holtorff and Cleave Simpson), 7 SEIA board directors & one employee, 4 SECPA board directors and 2 spouses, Brandon and Jon Saunders attended the dinner.

6. Accounting & Finance- McBrain

- December Income Statement, Balance Sheet & various graphs were reviewed. (Included in Board packet.)
- December Net Margins, \$708,887; YTD, \$4.4M (includes patronage allocation of \$445k from G&T and \$199k from WUE and \$1,043,454 from PPP Loan Forgiveness.)
- Resolution 22-02 (copy made a part of these minutes) designating SECPA as the guarantor for SECOM's indebtedness of \$2M to NCSC. Motion was made and seconded to approve resolution as presented. **MOTION** carried.
- At the Director's request, McBrain provided a review of all December Accounts Payable transactions that were greater than \$50,000 and polled the Director about the presentation. The Directors preferred to skip the

monthly presentation and revert to a review of the summary check register. McBrain again encouraged Directors to let him know in advance of the Board meeting if there is a question on specific check and he will be prepared with details.

7. Member Services & Technology – Brandon

- Membership reports included in Board packet. Net loss of one account.
- \$264k YTD delinquent charges.
- MVEA has had growers stealing power by bypassing various meter components.

8. Operations – Hall

- Various kWh graphs, Outages, Work Order, and Line Loss reports reviewed (included in Board packet.)
- Monthly line loss was equivalent to \$56,145.
- Hall gave Directors a “heads up” that for March Board meeting he will be reporting some expensive vehicle repairs.

9. Human Resources – Bamber

- January payroll = \$620,473 (overtime = \$11,997); 50 employees (1 part-time & 1 previous employee) and other payroll \$268,108 (includes payout at retirement and previous employee pay agreement.)
- Hired Metering Systems Technician (former SECOM employee).
- New position Systems Operator (LJ) hired.
- Warehouseman (LJ) hired (replace retiree.)
- Apprentice (Springfield) hired.
- Posted working foreman (resigned) position and two apprentice lineman (resigned) positions.

10. Safety – Arbuthnot

- An update on training completed, upcoming training (CREA flagger certification & truck di-electric testing,) review of Emergency Response Plan and completion of Hazard Communication Plan, Safety Manual and crew visits was given. (Included in Board packet.)

11. Affiliate Organization Board Reports

A. Western United Electric (WUE) - Anderson

- Written summary included in Board packet. Anderson asked if any questions.

B. Colorado Rural Electric Association (CREA) - Karney

- Written summary included in Board packet.

C. Tri-State G&T- Brase

- Written report included in Board packet. Brase serves on the Rate Design Committee.

12. Executive Session

Motion was made and seconded to go into Executive Session at 2:45 p.m. for business and personnel matters. **MOTION** carried.

Staff, except Brandon, Bamber, and Hall left meeting @ 2:50 p.m.

Hall left the meeting @ 3:20 p.m.

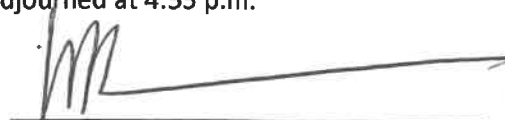
Brandon left meeting @ 3:45 p.m.

Per Phillips, regular meeting reconvened at 4:50 p.m. Motion was made & seconded to schedule Special Board meeting March 9 @ 2:00 p.m. for the purpose of reviewing resumes for Chief Executive Officer (CEO) position. **MOTION** carried. Will advertise for CEO with applications due March 7 @ 6:00 p.m. to Bamber.

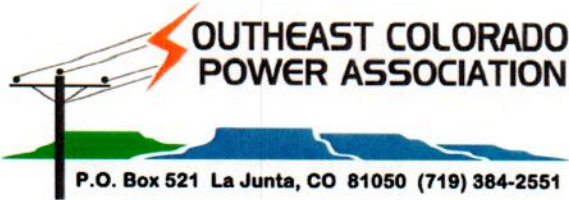
13. Adjourn - There being no further business, the meeting adjourned at 4:55 p.m.



President



Secretary



RESOLUTION

22-03

Funding Request for ReConnect Grant

I, **Clint Anderson** do hereby certify that: I am the Secretary of the Board of Directors of Southeast Colorado Power Association (hereinafter the "Cooperative"); that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Cooperative at the regular meeting held on **February 16, 2022**, and entered in the minute book of the Cooperative; that the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative; and that none of the following resolutions have been rescinded or modified:

WHEREAS:

The Cooperative seeks grant funding through Rural Utilities Service (RUS) from the Rural E-Connectivity Program ("ReConnect");

BE IT RESOLVED that:

Southeast Colorado Power (SECPA) per the Authorized Representative Request of February 22nd, 2022 is authorized to submit an application with the Rural Utilities service (RUS) to request funding from the Rural E-Connectivity Program ("ReConnect").

SECPA's application is authorized to request up to \$25,000,000 through the program's 100% Grant category.

CERTIFICATION

I FURTHER CERTIFY THAT each member of the Board of Directors of the Cooperative was furnished with notice of said meeting in compliance with the bylaws of the Cooperative.

IN WITNESS WHEREOF, I hereunto set my hand and affix the seal of the Cooperative this 16th day of **February, 2022** .

Secretary

SEAL



RESOLUTION

22-04

Intercompany Agreement with SECOM, Inc.

I, Clint Anderson do hereby certify that: I am the Secretary of the Board of Directors of Southeast Colorado Power Association (hereinafter the "Cooperative"); that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Cooperative at the regular meeting held on February 16, 2022, and entered in the minute book of the Cooperative; that the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative; and that none of the following resolutions have been rescinded or modified:

WHEREAS:

The Cooperative seeks grant funding through Rural Utilities Service (RUS) from the Rural E-Connectivity Program ("ReConnect");

BE IT RESOLVED that:

If Cooperative is awarded this grant, Cooperative will own all assets under this grant for a period of at least five years; it will lease all of these assets to its wholly owned subsidiary SECOM, Inc.; SECOM will operate and maintain the plant, including product sales, billing and support; the CEO or his designee is authorized to negotiate pricing with SECOM that is at or slightly above SECPA's cost to own the asset, as well as an operating agreement that includes SECOM functionally fulfilling SECPA's conditions of the grant; and for any shared labor that might occur between the companies, other than the shared management in which the companies have a Management Agreement in place, the respective company will bill the other company for such labor at applicable prevailing rates.

CERTIFICATION

I FURTHER CERTIFY THAT each member of the Board of Directors of the Cooperative was furnished with notice of said meeting in compliance with the bylaws of the Cooperative.

IN WITNESS WHEREOF, I hereunto set my hand and affix the seal of the Cooperative this 16th day of February, 2022 .

SEAL

Secretary