

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 17, 2023**, at the SECPA headquarters, 27850 Harris Road, La Junta, CO.

1. Call to Order/ Roll Call

President Truman Wright called the meeting to order at 12:10 p.m. Directors present were Clint Anderson, Lawrence Brase, and Merlin Rushton. Randy Phillips participated via video conference. Brad Buck was absent.

Staff present: CEO Kevin Brandon, CFO Craig McBrain, COO Mark Hall, and Executive Assistant Debbie Howard. Casey Martin, outside legal counsel, participated via video conference.

2. Agenda Modifications - None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes

Motion was made and seconded to approve April 19, 2023 minutes. **MOTION** carried.

5. Election of Officers, Appointments to Affiliate Organizations, District 5 Board Director Vacancy - Wright

- Election of Officers: Motion was made and seconded to retain current officers as follows who will also serve in same capacity for SECOM (SECPA's broadband subsidiary):

President – Truman Wright

Vice President – Clint Anderson

Secretary-Treasurer – Merlin Rushton

Each will serve until after the annual meeting to be held in 2024. **MOTION** carried.

- Appointments to Affiliate Organizations:

a.) Western United Electric – Clinton Anderson; alternate, Lawrence Brase

b.) Colorado Rural Electric Association – Randy Phillips; alternate, Merlin Rushton

c.) Tri-State Generation & Transmission – Lawrence Brase

- District 5 Board Vacancy: Board directed Howard to publish ad in Otero County newspapers beginning June 5 (ad will run 3 times in each paper); publish in July issue of *Colorado Country Life* magazine; and include as an insert in June bill mailings to District 5 members only. Candidate applications will be due July 14th and interviews scheduled on July 20th.

5. Chief Executive Officer – Brandon

- Requested feedback from Directors on the 2022 annual meeting held April 27th in Eads.
- 2024 preliminary budget was presented at the last Tri-State meeting, showed 7.8% rate increase, but considering the 4% rate decrease across 2021 & 2022, increase will be a nominal 3.3% from 2017 to 2024. Final budget review meeting to be held May 23rd with final budget submitted for Tri-state Board approval at the June Board meeting. Tri-State anticipates the filing of a new rate with Federal Energy Regulatory Commission (FERC) sometime in June.
- Brandon shared a letter that was sent to Senators from 28 electric utility member systems of Tri-State Generation and Transmission (Tri-State) stating the individual co-ops positions on buyouts and that contract termination payments must be fair and not place a burden on remaining members. Poudre Valley Electric Association's FERC attorney has been unsuccessful so far at trying to schedule a meeting with the FERC commissioners.
- Motion was made and seconded to donate \$5k to CFC Integrity Fund. **MOTION** carried.
- Tri-State will cover SECPA's Class C Basin membership dues this year and going forward.
- Shared a thank you card from Youth Tour winner Lindsey Hodges.

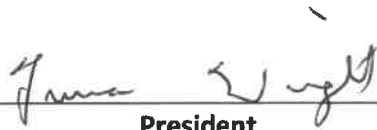
- 6. Finance & Membership – McBrain**
- Reviewed March Income Statement, Balance Sheet, various graphs & Check Register. (Included in Board packet.)
 - March Net Margins, \$166,892; YTD, \$756,723.
 - Memberships - 28 new; 31 withdrawals. YTD Delinquent charges - \$41,824. McBrain addressed questions regarding memberships versus withdrawals.
- 7. Operations – Hall**
- Various kWh graphs, Outages, Work Orders, and Line Loss reports reviewed. (Included in Board packet.)
 - Rolling line loss was equivalent to \$62,726.
 - Safety Report given.
 - Several members of the RESAP observation crew were thoroughly impressed with SECPA RESAP visit.
 - Hall, Line Superintendent Mike Trumble and several journeymen attended Hotline School in Grand Junction. Hall will serve on the hotline school board.
 - Explained a recent public contact investigation and how it was addressed.
 - Pole top and bucket truck rescue training was completed this week.
- 8. Legal –**
- Attorney invoice \$2,864; YTD \$15,637 (\$2,811 YTD for revising/editing Board policies.)
 - Gave an update on Springfield annexation matter. Don Steerman, Springfield’s attorney, sent Martin a copy of Springfield’s annexation ordinances. Martin asked for clarification on how far Directors want him to push on this matter. Directors instructed him to push a little harder. Martin will send Steerman and copy Springfield Town Administrator Tammy Newman, a demand letter listing all applicable statutes. Hall added that SECPA service territory was basically taken away from SECPA by Springfield and the right to compete was not given to SECPA which are requirements of state statute.
 - Attended CREA attorney meeting; discussed a few legislative bills that will impact co-ops. Holy Cross Energy is planning a rate increase. Brian O’Hara, National Rural Electric Cooperatives Association (NRECA) senior regulatory issues director discussed regulatory developments in pole attachments and broadband.
 - Martin sent Board Policies 107, 108, & 109 (revised and originals) to Anderson, Brase, Brandon, and McBrain yesterday. He explained proposed changes to each policy. When the revised BP-109 *Board Committees* was reviewed, Anderson stated (seconded by Wright) that the revised policy (which establishes specific committees) is not necessary for SECPA. Since Directors did not have an opportunity to review policies prior to the board meeting, policies will be on the agenda for June meeting.
- 9. Human Resources – Bamber**
- April payroll = \$393,246 (overtime = \$ 22,138); (other \$13,564 - includes employee on-call time); 49 employees.
 - New Hires:
Dominick Gregory, Apprentice Lineman, Lamar
Jayce Bauer, Apprentice Lineman, Lamar
Clay Tatum, Staking Engineer, Lamar
 - Resignations:
Troy Plagge, Staking Engineer, Lamar/Springfield
 - Summer Employees:
Elah Backes, accounting/billing, La Junta
- 10. Affiliate Organization Board Reports**
- A. Western United Electric (WUE) - Anderson
- Written report in Board packet.

- B. Colorado Rural Electric Association (CREA) –
- Written report in Board packet.
- C. Tri-State G&T- Brase
- Written report in Board packet.
- Attended Tri-State budget meeting Tuesday.
- HB23-1039 Electric Resource Adequacy (Support) requires load serving entities including Tri-State to file a resource advocacy report with Public Utilities Commission, which Tri-state already does, and also covers members of Tri-State.
- Tri-State Board approved a resolution authorizing Tri-State to execute Commitment Agreement to participate in the expansion of the Southwest Power Pool Regional Transportation Organization (SPP RTO) organization into the western interconnection.

Discussed Hotline School donation; tabled until next meeting.

11. Executive Session – None.

12. Adjourn - There being no further business, the meeting adjourned at 2:15 p.m.



President



Secretary