

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 **January 17, 2024**, 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 1:10 p.m. Directors present were Clint Anderson, Lawrence Brase, Brad Buck, Michelle Gardner, Randy Phillips, and Merlin Rushton.

Staff present: CEO Kevin Brandon, COO Mark Hall, CHRO Angela Bamber and Executive Assistant Debbie Howard.

Casey Martin, outside legal counsel, was also present. Justin Proctor, Guernsey consultant joined the meeting via video conference from 1:30 – 3:00 p.m.

2. Agenda Modifications – None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes

Motion was made and seconded to approve December 20, 2023, Board minutes. **MOTION** carried.

5. Chief Executive Officer – Brandon

- Attended Eastern Colorado Manager’s meeting. Managers discussed NRECA Colorado representative candidates: Jack Johnston, Delta Montrose Electric Association (DMEA) CEO; Dennis Herman, Highline Electric Association CEO; Debbie Rose, San Isabel Electric board director; Bryan Ehrlich, Poudre Valley REA board director; and Creed Hargraves, San Luis Valley REC board director. Brandon doesn’t know Hargraves or Ehrlich. Brandon noted Johnston is an advocate for broadband. Phillips commented that Rose is outspoken and might be good. Brandon shared that some of the manager’s supported Herman whose co-op is more rural. Duane Highley, Tri-State CEO participated via conference call and informed managers Tri-State still does not know about timing of new rates, things are on hold pending a ruling from FERC. Kent Singer CREA Executive Director attended. He related to managers that the Colorado legislature was the most dysfunctional he has ever seen. Singer also told managers that La Plata Electric Association (LPEA) is not paying CREA dues for providing safety training for LPEA, and LPEA is not using CREA for safety.
- EideBailly audit engagement letter dated January 12, 2024 for audit year 2023 (total fees \$35,700) was presented . Motion was made and seconded to approve engagement letter. **MOTION** carried.

Rate Presentation

- Proctor reviewed rate summary based on several options. Proctor will make requested adjustments to share with Directors. A special Board meeting will be scheduled with Proctor to determine what the best solution is for SECPA members.

6. Finance & Membership – Brandon

- a. 2024 Budget – budget approval was tabled pending results of rate changes.
- Reviewed November Income Statement, Balance Sheet, various graphs & Check Register. (Included in BOD packet.)
- November Net Margins, \$118,224; YTD, \$2,514,482.
- There were 17 new memberships; 27 withdrawals; 11,060 accounts billed.

7. Operations – Hall

- Various kWh graphs, Outages (26), Work Orders, and Line Loss reports reviewed. (Included in BOD packet.)
- Rolling line loss was equivalent to \$41,890.
- SECPA purchased 32M less kWh from Tri-State than previous year.

- Only four outages were reported during a recent Winter blizzard.
- Hall will begin purchasing poles directly from Bell Pole Company for 5% less than currently purchased from Western United Electric. Consignment poles will be stored in SEPCA's yard and can be purchased as needed.
- Hall attended Hotline School Board meeting and Journeyman testing in Grand Junction January 10 & 11.
- Safety Report: Quarterly Safety meeting held in December, 2024 Safety Improvement Plan completed, and Hazard Recognition training conducted by Federated Insurance was held January 16th.
- An estimate for a \$2.7M upgrade was submitted for the helium plant in Villegreen.
- EV charging station to be constructed at Love's Convenience store in Eads is on hold awaiting an approval from Colorado Department of Transportation.

8. Legal –

- Attorney invoice \$495; YTD \$28,160 (\$3,600 YTD for revising/editing Board policies.)
- NOTE: Legal fees YTD for SECPA & SECOM total \$53,150 (189 hours billed.)
- A written report (added to Board packet) was reviewed. A report will be included in the monthly board packet in the future.
- Working on a settlement agreement with Town of Springfield to resolve the annexation matter and avoid further legal proceedings. Town of Springfield will provide map of area annexed.
- Three Board policies will be presented for review in February.

9. Human Resources – Bamber

- November payroll = \$423,807 (overtime = \$12,094); (other \$33,406 - includes employee on-call time; vacation and sick leave payout.) 50 employees (includes 2 summer/holiday employee)
- NOTE: YTD Payroll \$4,971,347.
- Staffing Changes & Postings - Reviewing candidates for CFO position. Received 38 applications; 6 are being considered.

10. Affiliate Organization Board Reports

A. Western United Electric (WUE) - Anderson

- Written report in Board packet.
- Anderson will attend WUE annual meeting being held in conjunction with CREA annual meeting.

B. Colorado Rural Electric Association (CREA) – Phillips

- Written report in Board packet.
- CREA Annual meeting will be held January 31 – February 3 at the Grand Hyatt in Denver. Brandon and Directors attending meeting will host a dinner for invited legislators on February 1st following the CREA legislative reception.

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

- Written report in Board packet.
- New Contract Committee will hold its first meeting in March.
- Strategic Planning will be held February 6-7; will be an Executive session.
- Pat Bridges is retiring in March; hired new CFO from Basin Electric.
- Duane Highley, Tri-State CEO, wants member co-op CEO's input for Tri-State Board meetings; transparency so that CEO's could hear executive sessions. Brandon related the Technical Advisory Committee (TAC) has discussed having an observer member (possibly co-op CEO's) attend Tri-State board meetings.

11. Executive Session – None.

12. Adjourn - There being no further business, the meeting adjourned at 3:50 p.m.



President



Secretary