

## 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 15, 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 11:10 a.m. Directors present were Brad Buck, Lawrence Brase, Michelle Gardner, and Merlin Rushton. Randy Phillips and Clint Anderson were absent.

Staff present: CEO Kevin Brandon, COO Mark Hall, new CFO Aaron Johnson, and Executive Assistant Debbie Howard. CHRO Angela Bamber joined the meeting at 12 p.m. Casey Martin, outside legal counsel, participated via conference call.

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

#### 4. Board Meeting Minutes

Motion was made and seconded to approve April 17, 2024 Board minutes. **MOTION** carried.

#### 5. Election of Officers

- 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 RushtonEach will serve until after the annual meeting to be held in 2025. **MOTION** carried.

#### 6. Chief Executive Officer – Brandon

- Motion was made and seconded to approve Resolution 24-02 adding Aaron Johnson, CFO as an authorized administrator to conduct financial transactions for SECPA. Motion was made and seconded to approve Resolution 24-02 as presented. **MOTION** carried.
- Tri-State has notified SECPA they are filing to FERC for rate increase; have asked for an emergency waiver to expedite approval of the increase.
- Shared a *Notice of Rate Adjustment* letter (copy attached) Brandon prepared. Motion was made and seconded to send letter to members notifying them of the rate adjustment effective August 1. Motion was made and seconded to approve. **MOTION** carried 3-2 with Brase and Rushton voting nay.
- Requested feedback from annual meeting. Directors agreed it is better not to have speakers from Tri-State, CREA, etc. Majority of members attend to enjoy the meal, giveaways and prize drawings, not to listen to speakers.
- CFC will facilitate strategic planning session scheduled January 20<sup>th</sup>.
- Motion was made and seconded to approve Resolution 24-04 authorizing SECPA to borrow from Cooperative Finance Cooperation (CFC) an aggregate amount not to exceed \$6M as deemed necessary. **MOTION** carried. (CFC Certificate of Resolution and Incumbency will be included as a part of 24-04.)
- Johnson plans to advance \$4.5M to pay down the CFC Line of Credit (LOC); LOC has high interest.

#### 7. Finance & Membership – Johnson

- Reviewed March Income Statement, Balance Sheet, various graphs & Check Register. (Included in BOD packet.)
- March Net Margins, \$96,723; YTD, \$629,348.
- Johnson explained that equity comes from members. Buck asked if more density of miles of power line requires more equity. Johnson replied yes.
- Motion was made and seconded to approve CoBank Resolution 24-03 authorizing Board president, vice president, secretary/treasurer, SECPA CEO and CFO to borrow money on behalf of SECPA and to

become a member of CoBank. **MOTION** carried. Gardner abstained due to her current employer's directive.

- Capital Credit checks will be sent to members within the next 2-3 months.
- There were 30 new memberships; 24 withdrawals; 11,113 accounts billed.

**12 noon – 12:45 p.m.** Meeting recessed for lunch.

**7. Operations – Hall**

- Various kWh graphs, Outages (73), Work Orders, and Line Loss reports reviewed. (Included in BOD packet.)
- Rolling line loss was equivalent to \$49,468.
- Described an outage due to storm near Lamar. He related specific issues encountered with Tri-State.
- Details were given concerning a fire at the Vilas Solar Farm.
- \$600k project for Conoco Phillips has been approved.
- Contacted by Charter Communications for pole attach from Las Animas to La Junta for fiber optic cable.
- Update given on area crew projects.
- Safety Report: Line Superintendent Mike Trumble and 5 linemen attended the 1<sup>st</sup> week of Hot Line School and Hall, 4 linemen and Safety Manager attended the second week.
- CREA conducted training this week.

**8. Legal – Martin**

- No invoice available.
- Reviewed written report (report was not available to be included in Board packet.)
- Directors had previously requested a recorded plat map (currently a hand drawn one is attached as Exhibit A to Ordinance No. 293 dated December 6, 2007) be included with the Springfield Annexation Agreement. Martin has contacted Springfield attorney, but Springfield has been unable to provide a plat map. Brandon will provide a map using google earth. Hall will provide number of meters included in annexation. Brandon will sign agreement and obtain signature from Springfield.
- Board policies will be reviewed by staff, then reviewed by Martin and presented to Board for approval.
- Martin reported on CREA Attorney Legal Seminar he attended.
- Discussed member request for a copy of Cost of Service Study. Due to proprietary information included in the study, consensus of Directors was to not provide to member.
- Martin declined to sign an opinion letter required by Cooperative Finance Corporation (CFC) to execute loan number CO017-V-9005 until the loan has been executed. The loan cannot be executed until the opinion letter has been signed. Brandon and Johnson will contact CFC legal for assistance in overcoming this obstacle.

**9. Human Resources – Bamber**

- April payroll = \$430,449; (overtime = \$30,200); (other \$13,628 - includes employee on-call time.) 48 employees
- Staking Engineer, Lamar, resigned. Posted Staking Engineer, Lamar/Springfield position.
- Attended HR Conference.

**10. Affiliate Organization Board Reports**

A. Western United Electric (WUE)-

- Written report in board packet.

B. Colorado Rural Electric Association (CREA)-

- April CREA meeting minutes included in board packet.

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

- T/S Board report included in board packet.

- T/S received \$627M for United Power buyout; \$412M used to payoff debt.
- Northwest Rural Public Power District, Mountain Parks Electric, and La Plata Electric will no longer have a representative Director on the T/S Board.

**11. Executive Session**

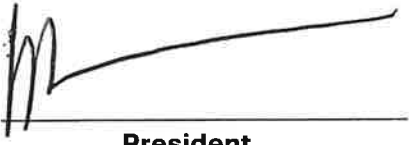
**2:30-3:30** p.m. Motion was made and seconded to enter executive session for personnel matter and CEO evaluation. Employer's Council attorney, Sara Adey, participated via video conference.

Staff and Attorney Martin left the meeting.

Adey left Ex Session at 3:30 p.m. and Brandon joined Ex Session for CEO evaluation.

Meeting reconvened at 4:25 p.m. No action taken during Ex Session.

**12. Adjourn** – Meeting adjourned at 4:25 p.m.



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**President**



A handwritten signature in blue ink, appearing to read 'Mel' followed by a stylized 'R' and a long horizontal stroke.

**Secretary**