

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 **October 20, 2021**, 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 1:15 p.m. Directors present were Clint Anderson, Lawrence Brase, Kevin Karney, Merlin Rushton and Truman Wright. Brad Buck was absent.

Interim CEO & CMSO Kevin Brandon, CFO Craig McBrain, COO Mark Hall, CLO Tarryn Johnson, CSO Clint Arbuthnot, CHRO Angela Bamber and Executive Assistant Debbie Howard were in attendance.

2. Agenda Modifications

- None.

3. Member and/or Public Participation

- None.

4. Board Meeting Minutes

Motion was made and seconded to approve Notice Publication and Minutes of the September 15 Special Board Meeting, September 15 Board Meeting, and September 29 Special Board meeting minutes.

MOTION carried.

5. Chief Executive Officer – Brandon

- Brandon related that an email had been received alerting us of a bomb at our facility. He notified the FBI and the threat was determined to be a scam.
- Tri-State has commissioned an end user survey that will be sent to various members (approximately 2,500) via email.
- Attended CREA Innovation Summit; reported on several sessions he participated.
- Related the postal service is changing the way they do business, which may affect members bill delivery; SECPA may need to allow more days for payment due date.

6. Accounting & Finance- McBrain

- August Income Statement and Balance Sheet were reviewed.
- August Net Margins, \$353,767; YTD, \$2,448,058 (without PPP Loan, \$1,404,603.)
- Income Statement, Balance Sheet and Check Register were included in the board packet.
- McBrain explained that SECPA has carried an A/R balance from SECOM of approximately \$756K (year end 2020) for more than one year. He proposed converting the balance from accounts receivable to a note receivable, assigning a reasonable interest rate and set terms to recoup the balance over 5-7 years. This would cause minimal impact to equity because the balance is already a liability. McBrain offered a possible option would be to begin with \$5k payment per month and increase as AVI & VBB loans (\$22k) are paid off or a straight seven-year note.
- McBrain will present a note proposal to the for Directors for consideration at the November meeting.
- Brase commented that he wants to be able to say SECPA is not subsidizing SECOM.
- A draft copy of 2020 Form 990 was given to Directors. McBrain related the Form 990 is an IRS form and is open for public inspection. Directors will respond with any updates to their hours or questions by November 8.
- Auditors will attend December 15th Board meeting for introductions and discussion about the preliminary audit processes.

7. Member Services & Technology – Brandon

- Membership report: 10,823 accounts billed; 26 new memberships; 34 membership withdrawals and 1,174 delinquent bills totaling \$33,499; \$187,498 YTD.

- Capital Credits (3 years ago) still have \$73,768 unclaimed available. Discussed options for future Capital Credit retirements.
- Brase attended an NRECA Director course entitled Capital Credit Issues & Decisions (975.1). He recommended having the course be given in-house for all Directors. McBrain added that would allow SECPA actual numbers to be used.

8. Operations - Hall

- Various kWh graphs, Outages, Work Order, and Line Loss reports were reviewed.
- Monthly line loss was equivalent to \$94,727.
- Hall reported on area crew's work progress and several special projects (will require substantial funding.)
- Several of the projects may be delayed due to material shortages.

9. Legal – Johnson

- Johnson offered potential revisions to Board Policy 103 *Code of Ethics* to comply with statute. Motion was made and seconded to approve Board Policy 103 as presented with modifications. **MOTION** carried.
- Johnson recommended that going forward Form 990, audits, and Board minutes be posted on the SECPA website. Motion was made and seconded to approve posting Board meeting minutes on the website. **MOTION** carried.

It was noted that SECOM information is not available to members.

10. Human Resources – Bamber

- Total payroll = \$382,339 (overtime = \$25,701); 49 employees.
- One of the summer employees has been hired as an Apprentice Lineman in La Junta.
- A former journeyman lineman in Springfield has been rehired.
- 2022 Annual enrollment is November 1 – 16, 2021.
- HR personnel will meet with individual employees.
- Annual enrollment documents for Directors were included in the email sent to Director's with October meeting notice.

11. Safety – Arbuthnot

- Training completed: Flight for Life Helicopter & Treating Burns and Hazard Communication (operations.)
- Upcoming training: Climbing Equipment Inspections, Tri-State switchman, CREA Hot Sticks & grounds testing, and Hazard Communication (Office Staff.)
- Emergency Response & Disaster Recovery Plan is being updated.
- Safety manual changes have been approved.
- Brandon presented Arbuthnot a RESAP certificate which was awarded to SECPA at CREA meeting.

12. Affiliate Organization Board Reports (no verbal reports given due to time constraints)

A. Western United Electric (WUE)

- Written summary included in Board packet.

B. Colorado Rural Electric Association (CREA)

- Written summary included in Board packet.

C. Tri-State G&T

- Written report included in Board packet.

Motion was made and seconded to go into Executive Session at 3:15 p.m. for personnel matters. **MOTION** carried. Staff, except Brandon, Johnson and Bamber left the meeting.

Phillips and Karney left meeting.


Regular meeting reconvened at 3:30 p.m. and Howard joined the meeting.

Wright announced a Special Board meeting will be held Monday, November 1, 2021 at 10:00 a.m. at La Junta Headquarters. He directed Howard to post meeting notice.

14. **Adjourn** - There being no further business, the meeting adjourned at 3:35 p.m.



President



Secretary