

SOUTHEAST COLORADO POWER ASSOCIATION
Amended Minutes of Special Board Meeting

A special meeting of the Board of Directors of Southeast Colorado Power Association (SECPA) was held **November 1, 2021**, at 27850 Harris Rd, La Junta CO 81050.

1. Call to Order

Vice- President Truman Wright called the meeting to order at 10:00 a.m.

Roll Call:

Directors present: Clint Anderson, Kevin Karney, Merlin Rushton and Truman Wright.

Directors Lawrence Brase and Brad Buck participated via telephone conference. Randy Phillips participated via video conference. Debbie Howard, Executive Assistant was also present.

2. Agenda Modifications (None)

3. Executive Session

Motion was made and seconded to go into Executive Session at 10:05 a.m. for personnel matters. **MOTION** carried.

Howard left the meeting.

CLO Tarryn Johnson joined the meeting at 10:30 a.m.; left at 10:50 a.m.; rejoined at 11:10 a.m.

Karney left the meeting at 11:30 a.m.

CHR Angela Bamber joined the meeting at 12:30 p.m.

Buck left meeting at 12:30 p.m.

Meeting reconvened at 1:45 p.m.

At 1:50 p.m. Johnson and Bamber left the meeting and Howard joined the meeting.

Motion was made by Anderson and seconded by Rushton to accept resignation by Jack Johnston of his CEO position effective today. **MOTION** carried unanimously with quorum present.

Motion was made and seconded to return to Executive session at 1:55 p.m. for personnel matters. **MOTION** carried.

Howard left the meeting.

Brandon joined the meeting.

Karney rejoined the meeting at 2:20 p.m.

Meeting reconvened at 2:30 p.m.

Howard rejoined the meeting.

Motion was made and seconded for Brandon to continue as Interim CEO and to add \$1K/week to his regular pay retroactive to September 15th, 2021. **MOTION** carried.

Wright requested a recess at 2:40 p.m. Meeting reconvened at 3:00 p.m.

Motion was made and seconded to return to Executive Session @ 3:05 p.m. **MOTION** carried. Johnson joined meeting.

Bamber joined meeting at 3:30 p.m.
Brandon, Bamber and Howard left meeting @ 3:50 p.m.

Meeting reconvened at 5:00 p.m. Howard and Brandon joined the meeting.

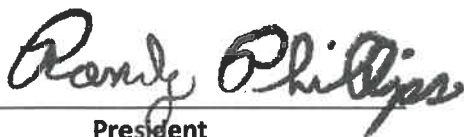
Motion was made and seconded to accept *Waiver & Release Agreement* for Johnston. **MOTION** carried.

Johnson will send email to employees that Johnston is no longer with SECPA or SECOM and that Brandon will continue as Interim CEO.

Brandon will notify affiliate organizations of this change.

4. **Adjourned**

There being no further business, the meeting adjourned at 5:10 p.m.



President



Secretary

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 **November 17, 2021**, at the SECPA headquarters, 27850 Harris Road, La Junta, CO.

1. Call to Order/ Roll Call

- Vice President Truman Wright called the meeting to order at 11:45 a.m. Directors present were Clint Anderson, Lawrence Brase, Kevin Karney, and Merlin Rushton. Director Randy Phillips participated via video conference. Director Brad Buck was absent

Interim CEO & CMSO Kevin Brandon, COO Mark Hall, CLO Tarryn Johnson, CSO Clint Arbuthnot, CHRO Angela Bamber and Executive Assistant Debbie Howard were also in attendance. CFO Craig McBrain participated via video conference and left the meeting at 1:55 p.m. SECOM COO, Scott Monarco, CMO Rob Thayer and CBDO were departed meeting at 12:45 p.m. after the lunch break.

2. Agenda Modifications

- None.

3. Member and/or Public Participation

- None.

4. Board Meeting Minutes

Motion was made and seconded to approve October 20th Board Meeting minutes. **MOTION** carried.

Motion was made and seconded to approve November 1st Special Board Meeting minutes. **MOTION** carried.

5. Chief Executive Officer – Brandon

- Explained details of a recent outage caused by a Tri-State powerline break. Brandon has been in communication with Duane Highley, Tri-State CEO, regarding the incident. Tri-State is expending resources to correct the situation. Also, discussed options to avoid this happening in the future.
- Karney recommended that when Brandon corresponds with Front Range Pipeline, he does so via email for tracking documentation.
- Karney asked if there was a backup generator.
- Information for a virtual webinar on Capital Credits was given to Directors. A link will be emailed to Directors for registration.
- Discussed benefits of CREA membership. Additional analysis will be done. Howard will check policy for how much notice to CREA is required if SECPA decides to withdraw.
- An email with information on CREA Annual meeting will be sent to Directors. If Directors plan to attend, let Howard know and she will complete registration and lodging for them. There was discussion on hosting a legislative dinner as was done in the past. The purpose would be to invite legislators and educate them on SECPA.

LUNCH BREAK: 12:00 – 12:45 p.m.

6. Accounting & Finance- McBrain

- McBrain reviewed financials in a new (simplified) format.
- September Income Statement and Balance Sheet were reviewed.
- September Net Margins, \$43,593; YTD, \$2,494,650 (without PPP Loan, \$1,451,196.)
- An Intercompany Promissory Note proposal (copy included in Board packet) in the amount of \$750K, owed by SECOM to SECPA was presented. McBrain noted loan interest rate quote from NCSC at 3.3% (as of 11/2/21) for 7 years; he suggested SECPA will use the same rate. The note allows minimum payments of \$5K/month until month 37 when AVI loan is paid off. SECOM will use the funds to settle the accumulated A/P to SECPA from

2019 and 2020. The first payment due will be due 12/15/21. A loan amortization schedule accompanied the proposal. Motion was made and seconded to approve proposal. **MOTION** carried.

- Income Statement, Balance Sheet and Check Register were included in the board packet.
- McBrain will send an updated Cash Flow Summary.

2022 Preliminary Budget (Copy was provided to Directors via email for their review prior to meeting.)

- McBrain prepared the budget utilizing CFC's BudgetPro software.
- Assumptions were explained.
- Questions concerning 4 new employee positions were addressed. Karney asked if estimated cost would be in the range of \$300K plus benefits for these positions. McBrain responded yes. It was noted that a Systems Operator position (handle SCADA, Outage Management System, AMI, dispatch, etc.) has been posted and was included in 2021 budget.
- Brandon added that since CEO position is not being filled, may help to offset new employee costs.
- Budget was reviewed, noting that Line 25 on the Income Statement included Paycheck Protection Program (PPP) dollars in the 2021 column.
- McBrain noted that the director expenses included in the budget were lower than previous years because it. He suggested increasing Director expenses by an additional \$20-25K. Directors voiced that the budget dollars remain the same for now in an effort to keep expenses down. The budget amount was prompted by a CREA Director survey currently completed by Howard.
- Brase noted that he thought rates should be decreased because of the planned Tri-State rate decrease. The idea was discussed and McBrain suggested a Cost of Service Study before taking action on rates or line extensions. The consensus was to proceed in conducting a rate study which would include a 10 year financial forecast before making a change in rates.
- CFC will do a rate study at no cost. McBrain will talk with them for length of time to complete. He will also check with Guernsey for their cost and timeframe.
- Phillips prefers to wait to approve budget due to possible substantial expenses which may be incurred for December.
- Several requests from Directors: 1) Add tariff for facility grow 2) Research Tri-State, WUE, etc. Capital Credit rebates and how to best allocate 3) Status of SECOM bank accounts (McBrain responded accounts are currently being established at 1st National Bank) 4) Karney requested a monthly update on the transfer of SECOM bank accounts.

7. Member Services & Technology – Brandon

- Membership report: 10,839 accounts billed; 25 new memberships; 41 membership withdrawals and 896 delinquent bills totaling \$22,752; \$210,250 YTD.
- Brandon related a conversation he had recently with an unhappy consumer requesting a new service. He will research options for payment and use same policy for all members.

8. Operations - Hall

- Various kWh graphs, Outages, Work Order, and Line Loss reports were reviewed.
- Monthly line loss was equivalent to \$74,747.
- Hall reported on area crew's work progress.
- Have received transformers for grows in Ordway (have already received payment.)
- Received a call from a manufacturing facility considering moving to Ordway area.
- BNSF plans to connect a solar service.
- Lamar has completed 3 new services for BNSF in their territory.
- 8K feet of underground service added on Highway 50 for a hunting lodge in Baca County.
- A new bank in Springfield has requested SECPA service.
- Hall will meet with a group that is building 10 new homes in Springfield to explain the benefits of having SECPA as their power provider.
- SECPA will provide power for 6 new homes in Walsh.

9. Legal – Johnson

- Presented a Colorado Unclaimed Property Report.
- Reported on the OSHA Vaccine Mandate, which requires employers to have policy in place by December 6, 2021. As of today, this mandate has been canceled.
- Recommended a COVID policy be written for future.
- Brandon shared conversation and opinions from recent CREA Managers meeting regarding COVID.

10. Human Resources – Bamber

- Total October payroll = \$361,273 (overtime = \$12,160); 49 employees.
- An MSR (Member Service Rep) has been selected for the Plant Accountant position.
- Openings for MSR (La Junta); Warehouseman (La Junta) and Systems Operator (La Junta) have been posted.
- 2022 Annual enrollment concluded November 16, 2021.
- Employee Christmas party has been canceled; too much liability with spreading COVID.

11. Safety – Arbuthnot

- Training completed: Equipment and Tool Inspections; Hot Sticks and Grounds Testing.
- Upcoming training: Tri-State switchman (canceled), Chains, Slings, Ropes Inspections and Use; Regulator Training; and Hazard Communication (Office Staff.)
- Emergency Response & Disaster Recovery Plan is being updated.
- Document Review: Emergency Response & Disaster Recovery Plan; Safety Manual Changes have been completed.

12. Affiliate Organization Board Reports

A. Western United Electric (WUE) - Brandon

- Written summary included in Board packet.
- Motion was made and seconded to appoint Anderson as SECPA's Western United Electric representative and Karney as alternate. **MOTION** carried.

B. Colorado Rural Electric Association (CREA) - Karney

- Legislative Committee will meet next Tuesday.
- Karney will attend CREA Board meeting. He asked if Directors had any questions they would like him to address.

C. Tri-State G&T

- Written report included in Board packet.
- Motion was made and seconded to approve SECPA intervening on FERC case. **MOTION** carried.
- Brandon announced Tri-State is asking for 2 nominees to serve on Rate Design Committee. Time commitment would be 1 or 2 days/month. Motion was made and seconded to submit Brandon and Brase as nominees. **MOTION** carried.

Motion was made and seconded to go into Executive Session at 3:15 p.m. for personnel matters in consultation with legal counsel. **MOTION** carried.

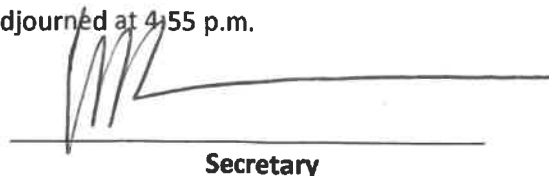
Staff, except Johnson, left the meeting.

Regular meeting reconvened at 4:50 p.m.

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



President



Secretary

SOUTHEAST COLORADO POWER ASSOCIATION
Minutes of Special Board Meeting

A special meeting of the Board of Directors of Southeast Colorado Power Association (SECPA) was held **November 23, 2021**, at 27850 Harris Rd, La Junta CO 81050.

1. Call to Order

Vice- President Truman Wright called the meeting to order at 10:00 a.m.

Roll Call:

Directors present: Clint Anderson, Lawrence Brase, Brad Buck, and Kevin Karney.
Directors Randy Phillips and Merlin Rushton participated via video conference.
Tarryn Johnson, CLO and Debbie Howard, Executive Assistant were also present.

2. Agenda Modifications (None)

3. Executive Session

Motion was made by Anderson and seconded by Brase to go into Executive Session at 10:05 a.m. for personnel matters and legal consultation.

MOTION carried.

Howard left the meeting.

Meeting reconvened at 11:30 a.m.
Howard rejoined the meeting.

Motion was made by Karney and seconded by Anderson to approve the *Final Modified Waiver & Release Agreement* with Jack Johnston.

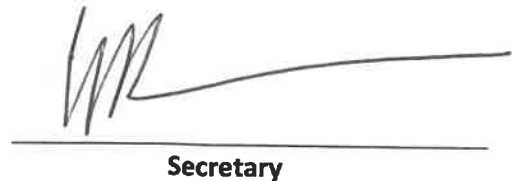
MOTION passed unanimously.

4. Adjourned

There being no further business, the meeting adjourned at 11:35 a.m.



President



Secretary