

## 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 **December 20, 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 12:30 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, and Executive Assistant Debbie Howard. Randy Penn, CFC representative left the meeting at 1:00 p.m. following his presentation. Justin Proctor, Guernsey Consulting participated via video conference from 1:45-3:25 p.m.

Wright presented Anderson a certificate for completion of the Credentialed Cooperative Director (CCD) course.

#### 2. Agenda Modifications – None.

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

#### 4. Board Meeting Minutes

Motion was made and seconded to approve November 15, 2023, Board minutes. **MOTION** carried.

#### 5. CFC Representative - Randy Penn

- Reviewed and discussed Key Ratio Trend analysis (KRTA) presentation.

#### 6. Guernsey – Justin Proctor

- Proctor displayed a spreadsheet which was originally presented when he attended board meeting in 2022.
- Several scenarios showing different rate adjustments projecting \$1M margin were presented and discussed.
- Proctor will present various rate options at a special board meeting scheduled for January 9<sup>th</sup>.

#### 7. Chief Executive Officer – Brandon

- Attended final Management Internship Program (MIP) session.
- Received patronage retirement check from Western United Electric (WUE) in the amount of \$41932.92.
- Tri-State patronage retirements check received totaled \$225,480.
- The current Colorado NRECA representative has resigned so there is an open position. Brandon asked if any of the Directors were interested in running. Jack Johnston, Delta Montrose Electric Association's CEO, has asked for Brandon's vote. Brandon also anticipates Dennis Herman, Highline Electric's CEO to ask for his vote. It was noted that Brandon is the current voting delegate and Brase the alternate.
- Tri-Sate has requested names to be considered for appointment to the Contract Committee. Brase's (currently serves as SECPA's Tri-State Board representative) name will be submitted.
- Kent Singer, CREA Executive Director, has asked to attend a SECPA Board meeting in 2024; will schedule him for March or April meeting.

#### 8. Finance & Membership – Brandon

##### a. Preliminary 2024 Budget

Presented proposed 2024 Budget. Assumptions - Revenues: kWh sales based on 3-year historical average, projections based on current SECPA rates (no revenue increase), demand and HP set to approximate historical averages; Power Cost: assumes 2024 Tr-State Billing attributes as supplied, total kWh purchase requirements incorporate 8% line loss; Operating Expense: overall increase of 5%; general wage increase in accordance with union contract and wage & salary plan for non-union employees; Plant Investments: work plan projects, \$5.75M; general plant additions, \$663K; Capital Credits: retire cash capital credits of \$1M.

Brandon will present final 2024 Budget (incorporating projected rate adjustment) at January meeting; Directors will receive budget well in advance for their review.

- Reviewed October Income Statement, Balance Sheet, various graphs & Check Register. (Included in BOD packet.)
- October Net Margins, \$141,120; YTD, \$2,396,258.
- There were 24 new memberships; 20 withdrawals; 11,025 accounts billed.

**9. Operations – Hall**

- Various kWh graphs, Outages (24), Work Orders, and Line Loss reports reviewed. (Included in BOD packet.)
- Rolling line loss was equivalent to \$18,845.
- Hall conducted apprentice evaluations and was very impressed.
- Love's convenience store in Eads has contacted SECPA for 1.5 megawatts for electric vehicle charger.
- Gave status report on vehicles.
- Hall will attend Operations Meeting in Grand Junction January 10 & 11.
- Safety Report given, including training completed.
- Safety Committee will finalize Safety Improvement Plan tomorrow.

**10. Legal –**

- Attorney invoice \$3,383; YTD \$27,666 (\$3,600 YTD for revising/editing Board policies.) Approximately \$2,100 expensed on invoice was for CFO personnel matter.
- Legal fees YTD for SECPA & SECOM total \$51,628.
- Attorney hourly rate will increase from \$275/hour to \$300/hour beginning January 1, 2024.
- Following discussion of attorney services, motion was made and seconded that if Martin is unable to attend a Board meeting, it will not be necessary to have an associate attend meeting in his place. **MOTION** carried.

**11. Human Resources – Brandon**

- November payroll = \$409,408 (overtime = \$12,565); (other \$29,689 - includes employee on-call time; vacation and sick leave payout.) 51 employees (includes 1 summer/holiday employee)
- Staffing Changes & Postings - CFO position posted.

**12. Affiliate Organization Board Reports**

**A. Western United Electric (WUE) - Anderson**

- Written report in Board packet.
- Motion was made and seconded to elect Anderson as voting delegate and Rushton as alternate at WUE's 2024 Annual Meeting.

**B. Colorado Rural Electric Association (CREA) – Phillips**

- Written report in Board packet.
- Phillips participated via web conference in December 7 & 8 CREA joint board-manager's meeting.

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

- Written report in Board packet.

**13. Executive Session**

Motion was made and seconded to go into Executive Session at 4:00 p.m. for personnel matter. **MOTION** carried.

Hall and Howard left the meeting.

Meeting reconvened at 4:45 p.m.

**14. Adjourn - There being no further business, the meeting adjourned at 4:45 p.m.**

  
President

  
Secretary