

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 **June 15, 2022**, 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 11:00 a.m. Directors present were Lawrence Brase, and Randy Phillips. Clint Anderson and Kevin Karney arrived at 12:00 p.m. Brad Buck and Merlin Rushton were absent.

CFO Craig McBrain, COO Mark Hall, CHRO Angela Bamber, and Executive Assistant Debbie Howard were also present. CEO Kevin Brandon and Casey Martin, outside legal counsel participated via video conference. SECOM COO Scott Monarco and SECOM CNISO Elijah Ridgwell were also in attendance and left the meeting at 1:10 p.m.

2. Agenda Modifications - None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes –

Motion was made and seconded to approve May 18, 2022 minutes. **MOTION** carried.

5. Chief Executive Officer – Brandon

- Presented Resolution 22-06 authorizing Brandon, Monarco, and McBrain as signatories for the SECPA Charity Classic bank account number 042528 at Colorado Bank & Trust. Motion was made and seconded to approve resolution as presented. **MOTION** carried. (Copy made a part of these minutes.)
- SECPA union contract has been ratified.
- Attended MVEA Annual Meeting. Ruth Marks was introduced as new MVEA CEO to succeed Jim Herron who is retiring after 26 years. Meeting attendance was comparable to SECPA's.
- Tri-State has made some organizational restructuring changes and eliminated 30 positions. Three senior vice presidents were let go.
- Considered adding a delivery point at Ordway, but Tri-state cannot provide the necessary capacity to support.
- Invoices from MVEA for SECPA's share of FERC attorney YTD cost (\$10,788) were presented.

6. Finance & Membership – McBrain

- April Income Statement, Balance Sheet, various graphs & check Register were reviewed. (Included in Board packet.)
- May Net Margins, \$332,781; YTD, \$886,839.
- Brase inquired about the status of cost of service study. SECPA has submitted most of the information required.
- McBrain has added a YTD April 2022 Budget to Actual Reconciliation slide to his presentation; Commercial & Industrial over 1K KVA gross margin \$308,080; gross margin variance for all other revenue classes; Net power sales \$192,022.
- Karney asked Martin if patronage is required legally to be paid to members.

Motion was made and seconded to accept Resolution 22-07 approving allocation of 2021 margins totaling \$1,446,747 to SECPA's members. **MOTION** carried. (Copy of Resolution made a part of these minutes.)

- New memberships for May totaled 27; 46 withdrawals; 10,930 bills. (Details in Board packet.) Hall explained that 14 of the accounts were combined, so were not actually withdrawn.
- McBrain explained how compensation is reported on the Form 990 (sample form displayed.) He showed how the number of hours Directors complete on their monthly Per Diem form are listed. In response to question from Wright, the per diem form may be updated so that SECOM hours are shown separate from SECPA hours.

7. Operations – Hall

- Various kWh graphs, Outages, Work Order, and Line Loss reports were reviewed (included in Board packet.)
- Monthly line loss was equivalent to \$74,202.
- Hall related there were 16 poles down following the May Board meeting.
- Hall has engaged in discussions with Tri-State requesting they acknowledge input from SECPA when a potential problem has been identified. Some of the outages can be contributed to Tri-State.
- Extensive outages incurred due to recent storms; described hail and flooding near Lycan.
- There were 55 poles lost in Baca County; all have been replaced as of today; clean up to follow.
- Reported on fuel tanks and progress on contracting fuel. Hall has spoken with Cook Oil in Walsh. Karney suggested he also check with Valley Oil, La Junta. Brandon will provide Hall with additional companies that Rushton shared with him.
- Hall related that Mike Trumble, Line Superintendent, is qualified to act in Hall's absence.

8. Legal – Casey Martin

- Attorney invoice totaled \$2,835. (Included in Board packet.)
- Board policies were discussed (all have been reviewed within the past two years.) Howard related that BP-116 *Director Elections* may need priority.
- Martin will be on vacation and will not attend July Board meeting. He will be available if necessary, with a couple of days advance notice.
- Martin presented a Release and Settlement Agreement between Lamar Utilities Board (LUB) and SECPA for Directors approval.
SECPA's settlement payment amount of \$16,824.15 satisfies all claims LUB has against SECPA arising out of this dispute.
Discussed the definition of "Change of Service". Martin may ask for declaratory judgement (would require legal action.) Hall interjected that May Valley is working with attorney Tom Dougherty on declaratory action. Karney asked if the wording in the agreement precludes SECPA from ever serving May Valley. Martin does not think it means that SECPA can never serve May Valley.

Motion was made and seconded to approve Release & Settlement agreement as presented. **MOTION** carried.

Meeting recessed for lunch at 12:35 p.m.

Meeting reconvened at 1:10 pm.

9. Human Resources – Bamber

- May payroll = \$396,368 (overtime = \$39,780); and other payroll \$28,611 (includes payouts for sick leave and vacation; and unpaid time to track hours only.) 49 employees (includes 2 summer employees.)
- An additional MSR has been hired.
- Another MSR will be hired to backfill a vacated position.
- A summary of the union contract changes will be provided at July Board meeting.

10. Affiliate Organization Board Reports

A. Western United Electric (WUE) - Anderson

- Written summary included in Board packet.

B. Colorado Rural Electric Association (CREA) - Karney

- Board of Directors May 27th meeting notes included in Board packet.
- June 24th meeting will be held virtual.

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

- Written report for May included in Board packet.
- United Power continues to pursue a buyout from Tri-State.
- Rate Design Committee is changing its structure to be more transparent.

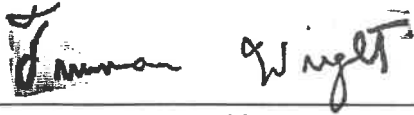
11. Executive Session

Motion was made and seconded to go into Executive Session at 1:50 p.m. for personnel and legal matter.
MOTION carried.

Staff, except CEO were excused.

Meeting reconvened at 2:20 p.m.

12. Adjourn - There being no further business, the meeting adjourned at 2:20 p.m.



President



Secretary



RESOLUTION

22-06

BE IT RESOLVED, The Board of Directors of Southeast Colorado Power Association (SECPA) authorizes the following persons to sign for account number **042528** SECPA Charity Classic at Colorado Bank & Trust.

Kevin Brandon
Scott Monarco
Craig McBrain

BE IT RESOLVED, The Board of Directors of SECPA authorizes the following persons to request information from account number **042528** at Colorado Bank & Trust.

Kevin Brandon
Scott Monarco
Craig McBrain

CERTIFICATION

I, **Merlin Rushton**, Secretary of SECPA, do hereby certify that I am the duly elected, qualified and acting SECPA, and the keeper of the records, and that the above and foregoing is a true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said Corporation duly convened and held in accordance with its by-laws, on the **15th day of June, 2022**, and which said resolution is still in force and effect and has not been repealed.

Secretary

SEAL



RESOLUTION

22-07

WHEREAS, the Bylaws of the Southeast Colorado Power Association (SECPA) require SECPA to operate on a not-for-profit basis for the benefit of its patrons and to allocate patronage (margins) annually in such a manner that the amount furnished by each member is clearly reflected in their capital account.

WHEREAS, SECPA has historically allocated its annual Operating Margins and the annual margin allocation received from Tri-State G&T, to SECPA's members.

WHEREAS, SECPA's audited *Operating Margin Before Capital Credits* from other organizations for 2021 totaled \$1,005,276.

WHEREAS, SECPA received an allocation of \$441,471 from Tri-State G&T for 2021.

BE IT RESOLVED, The Board of Directors of Southeast Colorado Power Association (SECPA) approves the allocation of 2021 margins totaling \$1,446,747 to SECPA's members proportional to the gross margin produced by each revenue class.

CERTIFICATION

I, **Merlin Rushton**, Secretary of SECPA, do hereby certify that I am the duly elected, qualified, and acting Secretary of SECPA, and the keeper of the records, and that the above and foregoing is a true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said Corporation duly convened and held in accordance with its ByLaws, on **June 15, 2022** and which said Resolution is still in force and effect and has not been repealed.

Secretary

SEAL