
2023 ANNUAL REPORT



APRIL 25, 2024 - LA JUNTA, COLORADO

FROM THE BOARD PRESIDENT

With gratitude, the Board of Directors and I would like to Thank You all for attending this meeting. It is with great pleasure that we welcome you all to our SECPA Annual Meeting. We would also like to take a moment to thank the La Junta community for hosting the event this year.

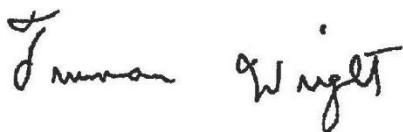
I am Truman Wright, your President for SECPA and SECOM. Your Board of Directors includes Clint Anderson, Vice President; Merlin Rushton, Secretary/Treasurer and Directors Lawrence Brase, Brad Buck, Randy Phillips, and Michelle Gardner. This is a great group of people and we have been working for you through all the various issues that have come up in these changing times.

Between SECPA and SECOM there are over 105 jobs for our communities. These two companies are also very involved in the communities in our service area. There are annual scholarships awarded as well as sponsorships of various community projects including county fairs and parades.

Even with the high storm damage and various Internet outages SECPA and SECOM both had a profitable year. This is due to our great team of employees managing the new challenges thrown at them. We are happy to inform you that once again we will be able to pay Capital Credits. Although these checks have not been issued yet, we are working towards getting this done.

We have been working very hard to keep our costs down and our rates low but due to the changes coming down from the North this may change. We will still work hard to minimize any increases to our customers and members but I am afraid it is coming our way.

The Board of Directors knows that it takes all of us working together to get things done and done right. We have a great group of people working hard to keep your lights on and your internet connected. We appreciate the opportunity to serve you. Thank you for your business and trust and hoping 2024 is another successful year.

A handwritten signature in black ink that reads "Truman Wright". The signature is written in a cursive, flowing style.

FROM THE CEO

CEO REPORT

2023 brought a summer of severe, damaging storms to Southeast Colorado. From June through August, SECPA had broken poles and other damage in 8 counties throughout our system. These storms ranged from torrential rain to damaging straight-line winds, to tornadoes that destroyed not only power lines, but also homes, outbuildings, and livestock. The tornado that struck South of Granada on June 23rd carved a path of destruction through Tri-State's 115KV transmission line and then continued to destroy one of SECPA's 69KV structures after leveling a home, thankfully the family made it out just in time. When both transmission lines that feed that area were damaged, that caused SECPA to lose power to 7 substations at once. SECPA's awesome crews were on the scene quickly and worked through the night to replace the destroyed 69KV structure and had power restored to most of the area by early morning. The damaging storms continued throughout the summer, and when all the work orders were totaled, SECPA had replaced 485 poles.

SECPA

Despite all the damage to the system, SECPA still had a good year. Total accounts served rose by 97 accounts over 2022, bringing our total accounts to 10,886 at year-end. Kilowatt-hour sales were down compared to the record year we had in 2022 but remained in line with the 3-year average with total kWh sold reaching 245,049,959 which represents a 10% decrease compared to 2022 sales. The Board of Directors approved the retirement of Capital Credits from the years of 1970-1982 for a total of \$1.3M retired and returned to members in 2023. This was SECPA's largest Capital Credit retirement yet. I am proud to say that 2023 was SECPA's 8th year without a rate increase. Maintaining rates has been a big challenge the last couple of years with all the price increases we have experienced, and we couldn't have done it without our dedicated and resourceful employees. There will be a modest rate increase coming in 2024 due to our increased costs, as well as an increase in our wholesale power costs as our power supplier Tri-State Generation and Transmission has found it necessary to raise their rates and has filed a rate increase with FERC that is expected to be approved sometime in 2024.

SECOM

SECOM continued to grow and finished the year with positive margins despite supply chain issues and major increases in expenses. A major initiative for SECOM in 2023 was strategically applying for Broadband grants in unserved and underserved areas that complement our existing service areas and accelerate our growth plan. SECOM partnered with the Southern Colorado Economic Development District (SCEDD) to apply for a total of 4 grants through the Advance Colorado Broadband Capital Projects Fund. The SECOM/SCEDD partnership was very successful in this highly competitive grant, and we were awarded 3 of the 4 projects applied for.

I cannot thank the SECPA and SECOM employees enough for their hard work, dedication, and resilience that they have exhibited in dealing with the challenges that have come our way in 2022. Rest assured, our teams are committed to our shared mission of providing safe, reliable, and affordable electricity, and state of the art communications services to you, our members and customers!



BOARD OF DIRECTORS



Truman Wright
District 1
President



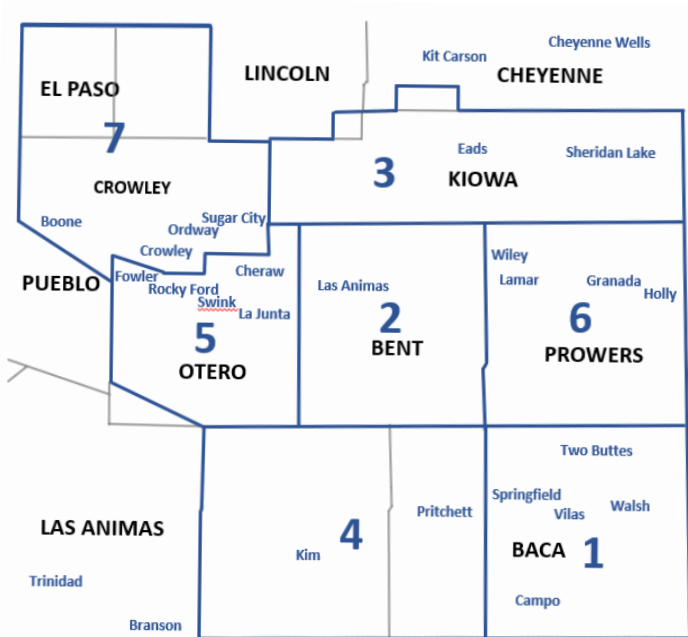
Lawrence Brase
District 2



Brad Buck
District 3



Randy Phillips
District 4



Michelle Gardner
District 5



Merlin Rushton
District 6
Secretary/Treasurer



Clint Anderson
District 7
Vice President

MANAGEMENT STAFF



Kevin Brandon
Chief Executive Officer



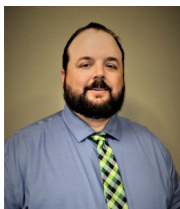
Mark Hall
Chief Operations
Officer - SECPA



Angela Bamber
Chief Human Resources
Officer



Jon Saunders
Chief Business Development
Officer - SECOM



Elijah Ridgwell
Chief Network &
Information Security
Officer - SECOM



Scott Monarco
Chief Operations
Officer - SECOM



Debbie Howard
Executive Assistant

2024 SCHOLARSHIP WINNERS

SECPA \$1,000 Scholarship Winners



HAYDEN BROOKS
Vilas Undivided High School
Parent – Brian Brooks



KATHARINE ELMORE
Campo High School
Parents – Scott &
Heidi Elmore



MORGAN FOXHOVEN
La Junta High school
Parents –Randy &
Jennifer Foxhoven



JESSE GAMEZ
Kim High School
Parents – Jesse Gamez &
Jessica Puebla



TREVOR JOHNSTON
La Junta High School
Parents – Todd &
Jennifer Johnston



WINDSOR LEIGHTY
McClave High School
Parents – Anthony &
Kara Leighty

2024 SCHOLARSHIP WINNERS

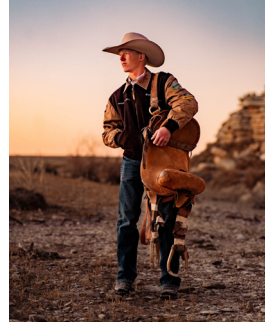
SECPA \$1,000 Scholarship Winners



KARSON ROESCH
McClave High School
Parents – Kerry &
Becky Roesch



ELAINE SHANNON
Kim High School
Parents – John &
Ruth Shannon



WAITLEY SHARON
Homeschool
Parents – Trent &
Lindy Sharon

TRI-STATE \$1,000 Scholarship Winner



BETHANY SUMMERS
Wiley High School
Parents – Jeremy &
Dana Summers



GAVIN TEMPEL
McClave High School
Parents – Jake &
Cherie Tempel



SKYLA HARR
Simla High School
Parents – Brad &
Kari Harr

FACT SUMMARY

Southeast Colorado Power Association is a rural electric distribution cooperative providing electricity to approximately 10,886 meters in rural southeast Colorado. Additionally, SECOM, a wholly owned subsidiary of SECPA, provides high-speed telecommunication circuits, wireless internet and voice services.

YEAR ORGANIZED:	1937
POWER SUPPLIER:	Tri-State Generation & Transmission, Inc. Denver, Colorado.
TERRITORY:	Southeast Colorado Power's 13,000 square-mile service territory includes all or portions of Baca, Bent, Cheyenne, Crowley, Kiowa, Las Animas, Lincoln, Otero, El Paso, Prowers and Pueblo counties.
WORK FORCE:	48 full-time employees.
2023 ASSETS:	Southeast Colorado Power Association's total assets as of December 31, 2023 are \$114,045,603
DISTRIBUTION:	5,509 miles of distribution line.
TRANSMISSION:	304 miles of transmission line.
FIBER OPTIC:	1,849 miles of fiber optic cable.
2023 PROPERTY TAXES:	\$526,797.46
2023 ELECTRIC REVENUE:	\$35,426,049
2023 TELECOM REVENUE	\$13,695,503
2023 kWh SOLD:	245,049,959 kWh
2023 NET MARGIN & PATRONAGE	\$2,720,660
TYPES OF SERVICE:	Farms, ranches, irrigation, residential, oil and gas pumping.

INCOME STATEMENT

Income Statement ----- (unaudited)

OPERATING REVENUES	2023	2022	2021	2020	2019
Residential	\$11,854,906	\$12,028,820	\$11,765,118	\$11,803,209	\$11,524,129
Irrigation	\$9,596,151	\$10,328,707	\$9,645,520	\$10,153,598	\$7,946,175
Small Commercial	\$6,288,687	\$6,903,240	\$6,907,983	\$6,465,477	\$6,099,803
Large Commercial	\$6,311,207	\$6,761,767	\$5,372,326	\$4,452,892	\$3,570,990
Street Lighting	\$73,896	\$73,900	\$73,899	\$74,018	\$73,785
Sale for Resale	\$317,686	\$322,451	\$321,411	\$301,871	\$289,640
Other Revenue					
TOTAL ELECTRIC SALES	\$34,442,533	\$36,418,885	\$34,086,257	\$33,251,065	\$29,504,522
Other Electric Revenue	\$983,516	\$1,088,616	\$350,300	\$325,357	\$583,406
TOTAL REVENUES	\$35,426,049	\$37,507,501	\$34,436,557	\$33,576,422	\$30,087,928
EXPENDITURES					
Purchased Power	\$19,691,118	\$21,920,918	\$19,610,325	\$19,837,087	\$17,116,755
Transmission Expense	\$128,547	\$116,994	\$143,891	\$198,771	\$159,852
Distribution-Operations	\$2,539,643	\$2,303,894	\$2,392,752	\$1,960,447	\$2,253,755
Distribution-Maintenance	\$2,990,391	\$2,597,108	\$2,873,706	\$2,688,705	\$2,807,763
Consumer Accounts Expense	\$807,807	\$734,836	\$781,567	\$799,464	\$813,885
Consumer Serv. & Info. Expense	\$77,385	\$60,894	\$39,503	\$61,741	\$58,247
Sales Expense	\$13,300	\$24,093	\$16,445	\$14,846	\$16,404
Administrative & General Expense	\$1,452,191	\$1,664,765	\$1,847,665	\$1,580,423	\$1,730,627
Depreciation & Amortization	\$4,214,950	\$4,099,663	\$3,957,505	\$3,659,033	\$3,453,952
TOTAL OPERATING EXPENSE	\$31,915,332	\$33,523,165	\$31,663,359	\$30,800,517	\$28,411,240
Interest on Long Term Debt	\$1,213,762	\$1,220,059	\$1,286,538	\$1,302,038	\$1,562,101
Interest Expense - Other	\$423,507	\$27,110	\$13,341	\$73,425	\$49,634
Other Deductions	\$167,494	\$416,987	\$467,041	\$397,977	(\$10,070)
TOTAL COST OF ELECTRIC SERVICE	\$33,720,095	\$35,187,321	\$33,430,279	\$32,573,957	\$30,012,905
Operating Margins	\$1,705,954	\$2,320,180	\$1,006,278	\$1,002,465	\$75,023
Non-Operating Margins - Interest	\$34,689	\$35,106	\$10,845	\$8,361	\$127,965
Income (Loss) from Equity Investments	\$192,166	\$26,221	\$1,002,787	\$19,708	(\$1,168,691)
Non-Operating Margins - Other	\$338,825	\$432,169	\$1,621,095	\$158,293	(\$24,237)
G & T Capital Credits	\$138,550	\$370,849	\$444,471	\$433,509	\$608,875
Other Capital Credits & Patronage Div.	\$310,476		\$238,292	\$304,882	\$330,308
Extraordinary Items			(\$1,000)	(\$1,000)	(\$1,000)
NET MARGINS & PATRONAGE	\$2,720,660	\$3,184,525	\$4,322,768	\$1,926,218	(\$51,757)

BALANCE SHEET

Balance Sheet -----(unaudited)

	2023	2022	2021	2020	2019
ASSETS					
Electric Plant in Service	\$133,283,339	\$127,448,553	\$122,630,007	\$120,157,577	\$115,032,992
Less Depreciation	\$60,741,889	\$58,587,380	\$55,676,837	\$53,572,590	\$52,974,780
Net Utility Plant	\$72,541,450	\$68,861,173	\$66,953,170	\$66,584,987	\$62,058,212
Investment in Subsidiary Companies	\$8,886,779	\$8,694,613	\$8,668,392	\$7,665,605	\$7,593,532
Invest. in Assoc. Organizations - Pat. Capital	\$18,448,419	\$18,366,954	\$18,369,914	\$18,096,679	\$18,150,376
Invest. in Assoc. Organizations - Other	\$244,946	\$244,946	\$244,946	\$244,946	\$244,946
Other Investments	\$8,061	\$7,865	\$7,548	\$7,248	\$6,971
Special Funds	\$1,057	\$2,307	\$3,708	\$1,433	\$1,433
Cash - General Funds	\$1,243,449	\$1,339,102	\$740,139	\$825,755	\$662,787
Cash - Construction Funds					\$100
Special Deposit	\$241	\$241	\$241	\$241	\$241
Temporary Investments	\$55,417	\$52,528	\$50,322	\$58,692	\$58,395
Notes Receivable - Net	\$674,549	\$711,418	\$747,081		
Accounts Receivable - Net	\$2,653,465	\$2,889,192	\$2,991,446	\$3,404,119	\$3,051,919
Materials & Supplies - Electric	\$1,838,888	\$1,771,533	\$1,265,069	\$1,158,315	\$1,386,564
Prepayments	\$139,549	\$222,867	\$208,473	\$78,955	\$70,017
Other Current & Accrued Assets	\$216	\$103	\$7	\$5	\$69
Deferred Debits	\$5,762,869	\$6,194,094	\$6,710,763	\$7,223,418	\$555,667
TOTAL ASSETS	\$114,045,603	\$110,977,117	\$108,651,332	\$107,112,444	\$95,675,208
LIABILITIES AND OTHER CREDITS					
Memberships					
Patronage Capital	\$64,703,803	\$62,205,146	\$58,065,351	\$56,235,925	\$54,123,249
Operating Margins	\$1,844,504	\$2,344,517	\$1,452,120	\$1,002,464	\$731,965
Non-Operating Margins	\$876,156	\$840,008	\$2,870,648	\$923,754	(\$783,722)
Other Margins & Equities	\$4,869	\$4,869	\$4,869	\$4,823	\$4,823
Long Term Debt - CFC	\$38,246,925	\$38,422,044	\$40,204,344	\$42,546,803	\$41,267,916
Long Term Debt - Econ. Develop.					
Long Term Debt - Other	\$50,000	\$80,000	\$110,000	\$1,183,454	(\$6,686,749)
Accumulated Operating Provisions					
Notes Payable	\$2,449,670	\$1,557,922		\$299,727	\$2,902,087
Accounts Payable	\$2,412,839	\$2,184,962	\$2,362,354	\$2,416,959	\$2,148,882
Consumer Deposits	\$578,187	\$633,822	\$743,985	\$576,115	\$433,412
Current Maturities Long-Term Debt	\$1,869,915	\$1,782,300	\$1,714,685	\$1,021,117	\$928,975
Other Current & Accrued Liab.	\$915,114	\$827,906	\$1,029,355	\$818,803	\$814,196
Deferred Credits	\$63,621	\$63,621	\$63,621	\$52,500	\$127,500
TOTAL LIABILITIES AND OTHER CREDITS	\$114,045,603	\$110,977,117	\$108,651,332	\$107,112,444	\$95,675,208



1 Year
 Tyler Swartz
 Grant Suto
 Mike Nelson
 Quentin Doke
 Angel Pecina
 Shelby Dutton
 Kendra DiRezza
 Jeremy Jackson
 John Parker

15 Years
 Clint Arbuthnot
 Debbie Howard

25 Years
 Debbie Romero



1 Year
 Suzette Cordova
 Elias Jaramillo
 Martin Fernandez

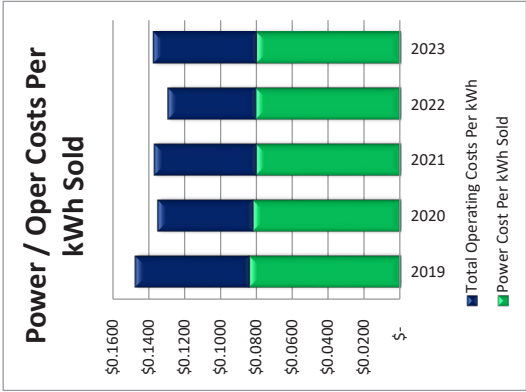
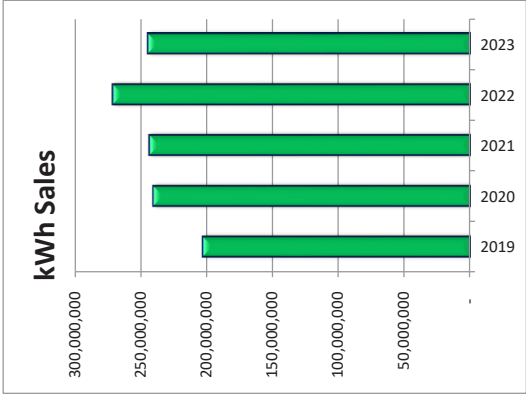
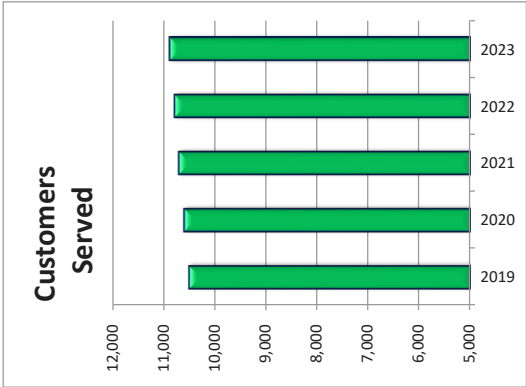
10 Years
 T.J. Oliver

15 Years
 Scott Herman
 Scott Monarco

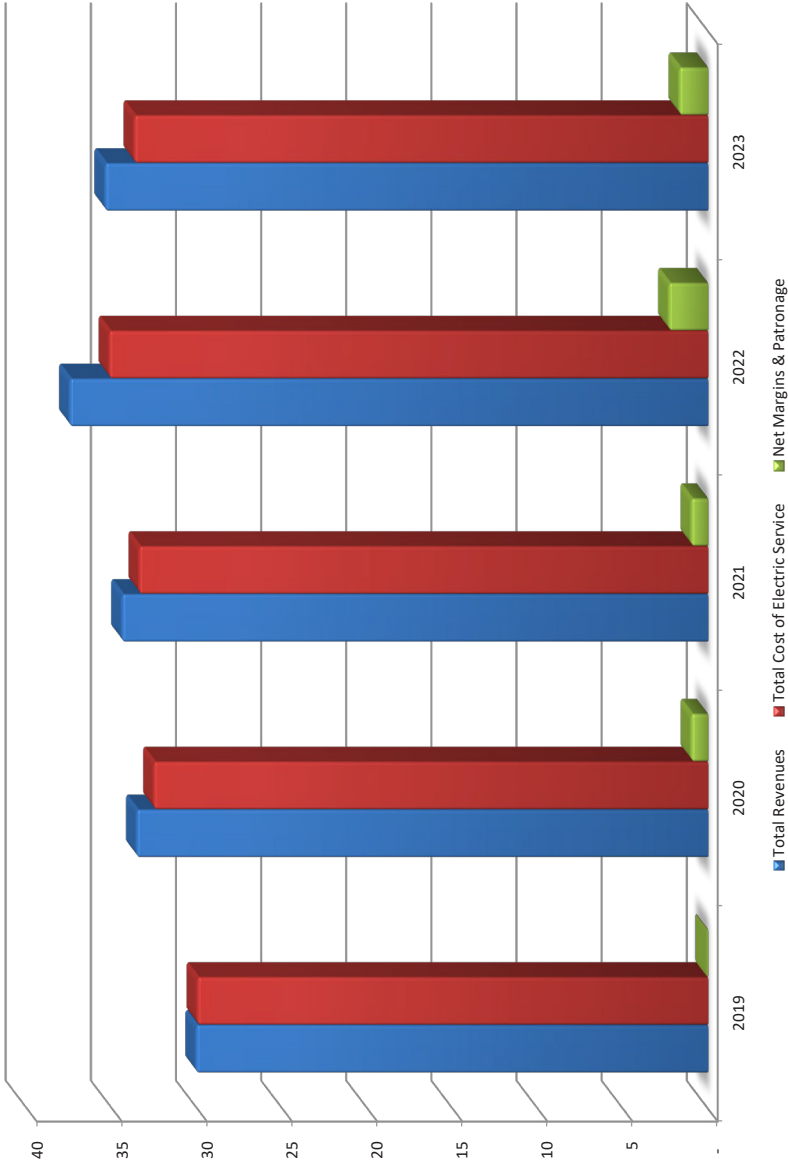


Comparative Statistics

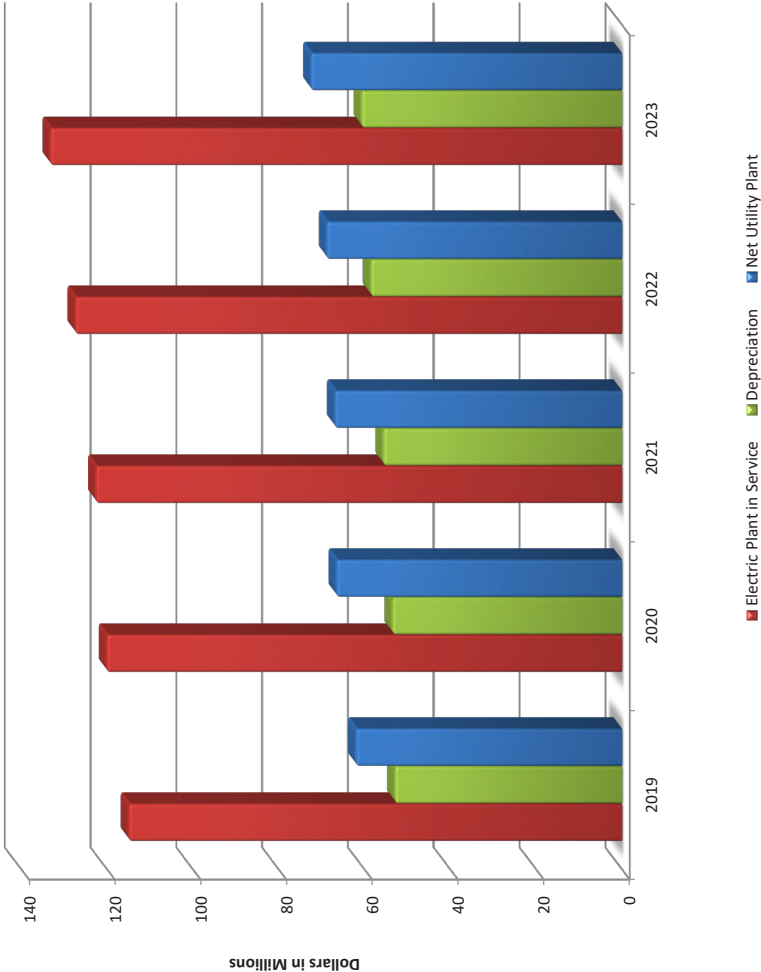
	2023	2022	Change
Active Member Accounts Served	10,886	10,789	97
Miles of Line	5,812	5,789	23
Member Accounts per Mile of Line	1.87	1.82	0.05
Total kWh Sold	245,049,959	271,556,915	(26,506,956)
Revenues	\$ 35,426,049	\$ 37,507,501	\$ (2,081,452.00)
Average Selling Price per kWh Sold	\$ 0.1406	\$ 0.1380	\$ 0.0026
Power Cost Per kWh Sold	\$ 0.0804	\$ 0.0807	\$ (0.0003)
Operating Cost Per kWh Sold	\$ 0.0572	\$ 0.0573	\$ (0.0001)



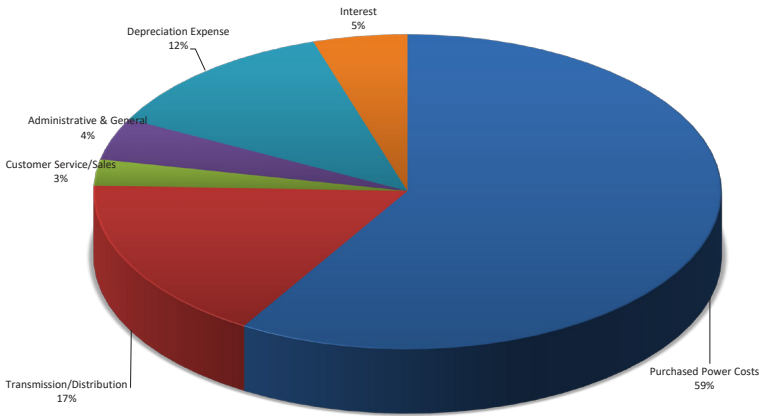
Historical Performance (Millions)



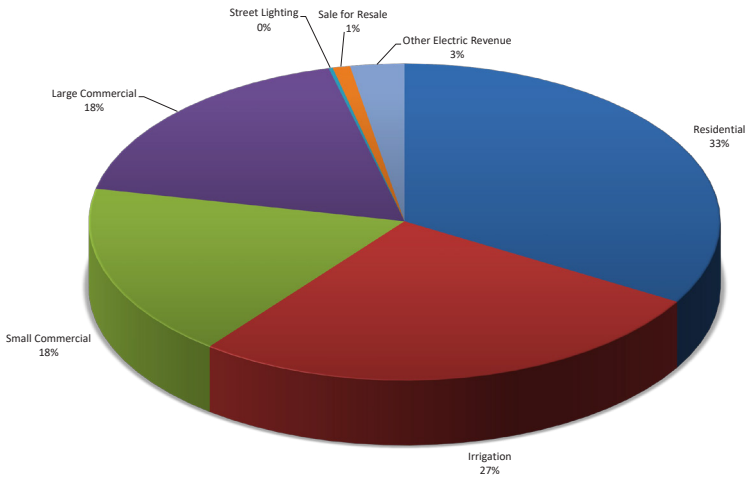
Growth in Plant (Millions)



2023 Cost of Power Breakout



2023 Revenue Sources



MINUTES OF 2022 ANNUAL MEETING
of SOUTHEAST COLORADO POWER ASSOCIATION (SECPA) SHAREHOLDERS
April 27, 2023

The 2022 Annual Meeting of SECPA was held on Thursday, April 27, 2023, at The Kiowa County Community Building, 15103 Highway 287, Eads CO 81036, with registration beginning at 5:00 p.m.

CALL TO ORDER - Board President Truman Wright called the meeting to order at 6:00 p.m. Following the invocation, the Pledge of Allegiance was recited by attendees.

WELCOME – Donald Oswald, Kiowa County Commissioner, welcomed everyone and stated he was looking forward to a productive meeting.

INTRODUCTION of Board of Directors – Wright introduced Board Directors: Merlin Rushton and wife Judy, Clint Anderson, Brad Buck and wife Dreama, Randy Phillips and wife Reva, Kevin Karney and wife Verleen, and Lawrence Brase.

INTRODUCTION of LEADERSHIP TEAM – CEO Kevin Brandon introduced SECPA & SECOM leadership team. Brandon recognized the employees assisting with the meeting.

INTRODUCTION of INVITED GUESTS – Director Buck introduced: Kent Singer, Colorado Rural Electric (CREA) Executive Director; Jack Johnston, CEO Delta Montrose Electric & Elevate (also a SECPA member); Michelle Pastor, Tri-State Relationship Manager.

INVITATION to DINNER - Brandon invited everyone to enjoy the meal prepared & served by Prairie Queen 4-H Club. He thanked the 4-H Club.

READING of OFFICIAL MEETING NOTICE - Secretary-Treasurer Rushton read the Official Notice of SECPA Annual Meeting.

DETERMINATION of QUORUM - Rushton made a determination of quorum. (Quorum was certified according to Article III, Section 4 of the SECPA bylaws.) Motion was made and seconded to declare a quorum present to transact business. **MOTION** carried. NOTE: 78 members present.

MINUTES of 2021 ANNUAL MEETING - Rushton then asked for a motion to dispense with the reading of the minutes and to approve the 2021 Annual Meeting minutes. He told members a copy of the minutes are included in the Annual Meeting booklets distributed to members at tonight's meeting. Motion was made and seconded to dispense with the reading of the minutes and approve the minutes. **MOTION** carried.

WASHINGTON YOUTH TOUR – Anderson introduced Youth Tour winners, Lindsey Hodges and Alyssa Hancock. Both winners gave highlights of their trip and expressed their appreciation to SECPA for making it possible.

YEAR-in-REVIEW - Brandon presented the 2022 Year-In-Review via PowerPoint. SECPA highlights: 7th year with no rate increase (may have rate increase in 2024); 10,789 electric accounts served; 10% increase in kilowatt hours sold from 2021; retired 1967 and 1969 capital credits totaling \$418K; total wages paid \$4,777,397. Brandon explained the capital credit retirement process, noting Board of Directors approved just over \$1.3M capital credit retirement in 2023. He addressed member questions about Unclaimed Capital Credits.

SECOM (SECPA's broadband subsidiary) gave total miles of fiber, wireless circuits and towers, fiber circuits, phone lines and FTTH locations; wages paid \$3.7M. SECOM had a positive margin of \$26K. SECOM has plans for upgrades, improved customer experience, grant opportunities, and expansion.

FINANCIAL REPORT - CFO Craig McBrain reviewed 2022 Financial Summary via PowerPoint: Net Margins & Patronage \$3.2, including income/loss from SECOM (subsidiary) of \$26K.

PRIZE DRAWINGS - Brandon announced five \$100 cash prize winners and the \$500 winner was United Methodist Church of Eads.

CREA EXECUTIVE DIRECTOR – Singer explained that CREA is a statewide trade association for 21 rural electric distribution co-ops. He stated SECPA has the distinction of having 13,000 square miles of populated service territory, 18.5% of Colorado served by SECPA, the largest in the Colorado. He complimented Youth Tour winners for their presentation. Singer credited SECPA for keeping rates affordable. CREA provide these services: communications (CCL magazine), lobbying, education, and safety. In conclusion he stated “It’s always a pleasure and a privilege to be here and participate.”

ANNOUNCEMENT of SCHOLARSHIP WINNERS - Brandon announced the 2023 Scholarship recipients and Wright presented scholarship certificates to the following:

*Tri-State \$1,000 Scholarships: **Waytyn Wollert** (Wiley High School) and **Corey Zimmerman** (Rocky Ford High School.)

*SECPA \$1,000 Scholarships: **Carli Carter** (Crowley County High School), **Jay Grimsley** (La Junta High School,) **Alyssa Hancock** (Rocky Ford High School,) **Lindsey Hodges** (Walsh High School,) **Chloe Johnson** (Campo High School,) **Emily Noll** (La Junta High School,) **Tell Piner** (Wiley High School,) **Aubrey Summers** (Pritchett High School,) **Ella Swanson** (Springfield High School,) and **Torin Mendoza-Werner** (Rocky Ford High School.)

PRESENTATION OF PLAQUE TO DIRECTOR KARNEY for his years of service on the Board.

OLD BUSINESS or NEW BUSINESS - Wright asked if there was any old or new business anyone wanted to bring forth.

ADJOURNMENT - Motion was made and seconded to adjourn the meeting at 7:35 p.m. **MOTION** carried.

Wright announced next year’s annual meeting will be held in La Junta, Colorado.

President

Secretary

