

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 **July 23, 2025**, at the SECPA headquarters, 27850 Harris Road, La Junta, CO.

1. Call to Order/ Roll Call

President Clint Anderson called the meeting to order at 12:40 p.m. Directors present were: Lawrence Brase, Brad Buck, Michelle Gardner, Randy Phillips, Merlin Rushton and Truman Wright (via conference call.).

Staff present: CEO Kevin Brandon, COO Mark Hall, CFO Aaron Johnson, CHRO Angela Bamber, and Executive Assistant Debbie Howard. Ben Monarch, outside legal counsel, via conference call.

2. Agenda Modifications – None.

3. Member and/or Public Participation – None.

4. Board Meeting Minutes

Motion was made and seconded to approve June 25, 2025 Board minutes. **MOTION** carried.

5. Legal – JVAM (Moved to follow 7. A. Finance & Membership reports.) 1:40-1:42 p.m.

-Anderson informed Monarch that at August meeting Directors want to address questions on billing.

6. Chief Executive Officer – Brandon

A. CREA Building Purchase

- Shared an update (email) from Kent Singer, CREA CEO, on the CREA building purchase. \$90k is cost per co-op prior to sale of current building (sale price estimated at \$1.3M). Directors expressed concern for the cost to SECPA for the building purchase. Wright asked if SECPA decided not to be a CREA member, would SECPA still be liable for building cost. More information is needed for Directors to make a decision.
- A written analysis of CREA membership dues was reviewed and discussed. Some Directors have struggled with the \$142k annual cost of CREA membership and the benefits to SECPA. Hall stated that SECPA can do their own Safety training. Hall addressed that CREA is offering associate membership to vendors, partners, and allies and the effect of services to members. Directors need to see SECPA's contract with CREA.
 - Consensus was that *Colorado Country Life* magazine is a bargain and is optional by policy.
 - Tri-State is working on HILT and trying to develop a procedure.
 - A group of co-ops that were negatively impacted by Tri-State rate increase are appealing to FERC.
 - Received an email that Demand Response program is ready.
 - An update on the BYOR program was given.
 - Directors appointed Brase as the representative for all Basin Electric meetings.
 - Thank you notes from D.C. Youth Tour winners were shared.
 - Requested Directors to approve an Indemnity Agreement for SECPA to indemnify bonds for SECPA's wholly owned subsidiary, SECOM. SECPA is providing due to the amount of bonding required for grants awarded to SECOM. Motion was made and seconded to approve Indemnity Agreement as presented. **MOTION** carried.

7. C-Team Reports

A. Finance & Membership – Johnson

- Reviewed June Income Statements, Balance Sheets, Cash Flow Summaries, and various graphs.

Written report included in Board packet. Johnson attributed Accounts Receivable primarily due to “make ready” for SECOM which is contributing to a negative operating margin.

- June Net Loss \$17,613; YTD margins, \$284,698.
- YTD delinquent penalty charges \$102,259.
- There was a loss of 2 memberships; YTD loss, 34.
- Details of SECPA’s long term debt position and long term debt summary were reviewed.
- A graph of credit card processing fees was shown, noting an improvement in fees since implementing the new credit card acceptance policy in May. If current savings are the average, the annual savings in credit card fees could be nearly \$60k or more for 2025.

B. Operations – Hall

- Various kWh graphs, Outages (119), Work Orders, and Line Loss reports reviewed.
- May rolling line loss was equivalent to \$57,765.
- Reported crew activity; numerous work orders and extremely busy.
- Hall gave an update on various projects, noting the SECOM “make ready” crews are moving quickly.

Safety Report:

Reviewed training completed: three apprentice evaluations completed; Quentin Doke passed Mesa Hotline School journeyman’s test; Hall attended Mesa Hotline School Board meeting; Line Superintendent Mike Trumble, Safety Director John Parker, and Hall attended CREA Loss Control Seminar; and Trumble is participating in Rural Electric Safety Achievement Program (RESAP) assessment in Buena Vista.

C. Human Resources – Bamber

- June payroll = \$497,838; (overtime = \$48,864); (other \$15,547 - includes employee on-call time and unpaid leave for tracking purposes.) 51 employees (includes 1 part-time & 3 summer employees.)
- Lamar employee has recently quit; will not replace right now.

8. Affiliate Organization Board Reports

- Western United Electric (WUE)- Gardner
WUE preliminary sales and finance June report in board packet.
- Colorado Rural Electric Association (CREA) - Wright
CREA Board of Directors June 20 Special Board Meeting & June 27 meeting minutes in board packet.
- Tri-State (T/S) G&T- Brase
 - Tri-State July Board report in board packet.
 - Concerned how the “Big Beautiful Bill” will affect the low interest loans Tri-State has been awarded.

9. Executive Session -

Motion was made and seconded to go into executive session for personnel matters at 2:20 p.m.

MOTION carried.

At 2:25 p.m. Everyone was excused except Directors for executive session for confidential board matter.

3:30 – 3:40 p.m. Scott Monarco, SECOM CEO joined exec session.

3:45 – 4:15p.m. Hall joined exec session.

4:16 - 4:35 p.m. Brandon joined exec session.

4:36 – 4:45 p.m. Hall joined exec session.

4:45 p.m. – 5:00 p.m. Monarco, Elijah Ridgewell, SECOM CTO; Hall, Howard, Bamber and Johnson

joined exec session.

Meeting reconvened at 5:00 p.m.

Motion was made by Brase and seconded by Rushton to place Brandon on paid administrative leave until Thursday, July 31st and to appoint Hall as Interim CEO. **MOTION** carried unanimously.

10. Adjourn – Meeting adjourned at 5:05 p.m.



Board President



Board Secretary