

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 **April 23, 2025**, 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 12:50 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, CFO Aaron Johnson, CHRO Angela Bamber, and Executive Assistant Debbie Howard. Ben Monarch (attending in Casey Martin's place), outside legal Counsel, participated via video conference 1:30 – 4:00 p.m.

Eide Bailley auditors participated via video conference 1:35 – 2:00 p.m.

2. Agenda Modifications – None.

- 3. Member and/or Public Participation –** Member Caitlin Hansen joined the meeting at 12:50 p.m. Hansen shared that her problem was discrepancies with her SECPA service. Following discussion, Hansen was informed Directors would decide on a resolution for the situation and Brandon will relate decision to Hansen. Hansen left the meeting at 1:20 p.m. Motion was made by Buck and seconded by Phillips to split the total amount of kWh recovery charges and to document the agreement. **MOTION** carried.

4. Board Meeting Minutes

Motion was made and seconded to approve March 26th, 2025 Board minutes. **MOTION** carried.

5. Chief Executive Officer – Brandon

- EideBailly auditors presented the draft 2024 consolidated financial statements of SECPA and SECOM. Motion was made & seconded to approve draft as presented. **MOTION** carried. Anderson asked Johnson if he was satisfied with EideBailly. Rushton commended Johnson for a job well done.
- Options were provided for Tri-State Wholesale Electric Service Contract (WESC.) Directors discussed the conversation held at March Board meeting when Tri-State CEO Duane Highley and several other Tri-State staff addressed WESC options. Motion was made by Anderson and seconded by Gardner to elect to accept the new contract language but retain a 2050 initial termination date. Wright asked Monarch his opinion on timeframes of contract; Monarch responded it is hard to give legal advice but because the agreement is so far into the future and industry regulations and technology are ever changing, it would surprise him if there would not be an opportunity at a later date to revisit contract options. After much deliberation, Anderson, Gardner and Buck voted yes and Phillips, Rushton and Brase voted no to Anderson's motion. Wright abstained. **MOTION** failed.
- Brandon has researched an automated system for outage calls. Currently, most outage updates are posted on Facebook; working on a new platform so that FaceBook posts will appear on SECPA website.

6. C-Team Reports

A. Finance & Membership – Johnson

- Reviewed February & March Income Statements, Balance Sheets, Cash Flow Summaries, and various graphs. February & March check registers were also reviewed.
- Explained how MDSC Ratio (monthly debt service coverage) is calculated.
- February Net Margins, \$21,598; YTD, \$221,593.

- March Net Margins, \$81,127; YTD, \$312,720
- YTD delinquent penalty charges \$ 45,475.
- There was a loss of 7 memberships.
- Provided details of the current Walsh Hospital Rural Economic Development Loan & Grant (REDL&G.) Current balance on the loan is \$40K with the final \$2,500 monthly payment due 8/1/26.
- An agreement has been signed with 1st National Bank to use "Positive Pay", a program to help eliminate fraud.
- The new credit card policy will be included in May bills to members.

B. Operations – Hall

- Various kWh graphs, Outages (157), Work Orders, and Line Loss reports reviewed.
- February rolling line loss was equivalent to \$41,568.
- Reported on crew activity.
- Storm restoration in Baca County is complete.
- Pole inspections have been completed.

Safety Report:

- Hall and Mike Trumble, Line Superintendent, met with Tri-State Ops to discuss disconnecting from them in times of poor voltage quality.
- Ten lineman will attend hotline school in May.

C. Human Resources – Bamber

- March payroll = \$447,964; (overtime = \$49,162); (other \$18,271) - includes employee on-call time and unpaid leave for tracking purposes. 49 employees (includes 1 part-time)
- System Operator position was eliminated.

7. Affiliate Organization Board Reports

A. Western United Electric (WUE)- Anderson

- WUE sales and finance report in board packet.

B. Colorado Rural Electric Association (CREA) - Phillips

- CREA Board of Directors meeting minutes in board packet. A virtual meeting is scheduled for Friday. 650 legislative bills have been introduced.
(Minutes include a *Proposed Associate Membership Dues Structure* and *Proposed Associate Member Benefits* report.)

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

- Tri-State Board report in board packet.

8. Executive Session -none.

9. Adjourn – Meeting adjourned at 4:30 p.m.



President



Secretary