

# POWERING THROUGH

2021 DMEA Annual Report

# DEAR MEMBERS

It would be easy to start this year in review with a long list of bad news. But I think we've all had about as much bad news as we can handle. So rather than focus on all the things that went wrong in 2021, we're focusing on gratitude.

We're grateful for all our hardworking employees who stepped up each day with the intention to serve – and serve well they did. As you flip through the following pages, you'll read about quite a few of DMEA's silver linings. We completed multiple grid reliability improvements, held member rates steady, surpassed 10,000 Elevate internet customers, and met with our members in-person for the first time since 2019.

We also focused on building up our workforce after a leadership transition. Alyssa joined the cooperative as CEO in August, and we have since welcomed a new chief financial officer and chief operations officer. Numerous current employees also advanced in their careers, accepting both promotions and new responsibilities.

We can't recap 2021 without acknowledging the cyber-attack that DMEA experienced in

November. While our members' lights stayed bright and their internet connection remained strong, DMEA experienced a total internal shutdown, left without phones, emails, documents, and countless systems. Even in the midst of this chaos, our staff found creative solutions to continue serving our members, setting up temporary phone and email systems and a modified new service process for Elevate. And ultimately, we built back. We're also grateful for the outpouring of support and patience our members showed us during that time.

2021 may not have been an easy year, but we powered through. I hope you'll see there were still so many things to be grateful for.

Thank you,

Kyle Martinez, Board of Directors President  
Alyssa Clemsen Roberts, CEO

## DMEA Leadership TEAM

**Alyssa Clemsen Roberts,**  
Chief Executive Officer

**Gayle Gouker,**  
Chief Financial Officer

**Tim Vigil,**  
Chief Operations Officer

**Kent Blackwell,**  
Chief Technology Officer

**Amy Taylor,**  
Executive Assistant

## BOARD OF *Directors*



Bill Patterson, *District 1*



Kyle Martinez, *District 2*  
President



Jacob Gray, *District 3\**



Ken Watson, *District 4\**



Kevin Williams, *District 5*



Damon Lockhart, *District 6*



Enno Heuscher, *District 7*  
Asst. Secretary/Treasurer



Stacia Cannon, *North Region*  
Vice President



Jock Fleming, *South Region\**  
Secretary/Treasurer

\*District 3, District 4, and South Region seats up for election in 2022.

# 2021 IN REVIEW

## WE POWER AND UNITE OUR COMMUNITIES

Delta-Montrose Electric Association has been providing safe and reliable power to Delta and Montrose counties since 1938. From Montrose and Olathe to Surface Creek and the North Fork, our vision is to enable our communities to thrive and grow through responsiveness, innovation, and flexibility.

41,012

Power poles

3,382

Miles of power lines

35,587

Number of meters

Local community solar generation (in kWh)

331,063

Local hydroelectric generation (in kWh)

39,505,127

Total kilowatt hours (kWh) sold to members

551,126,455

Total electric revenue

\$67,058,109

29,600

Number of members

118 DMEA and Elevate employees serving you

New employees added in 2021 14

DMEA & Elevate community giving

\$57,086



# HEAVY LIFTING ENGINEERING



## EMPLOYEE GROWTH

In April, Phil Sanchez completed a nearly two-year-long training program, moving from system design technician to system designer. And it's a good thing he did. In 2021, this now four-person team worked through 1,165 new design requests, a 45% increase from the previous year.

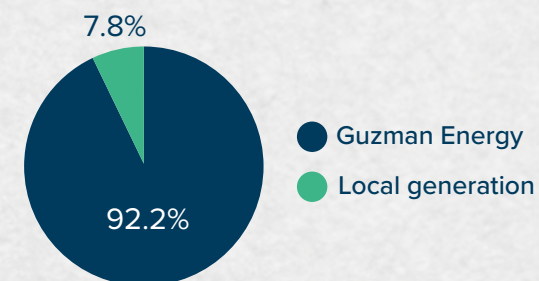
System designers are responsible for creating the blueprint for building the electric services installed for new subdivisions, homes, and other construction projects. They ensure that DMEA's system growth meets national safety and reliability specifications.

## BUILDING RELIABILITY

In December, DMEA engineering crews fired up a new substation control house at the South Canal substation near Montrose. Control houses are an essential component of a modern electric grid. Why? While substations may look like just a maze of metal where power lines converge, they are actually a complex network of sophisticated equipment.

Circuit breakers, relays, transformers, switches, protective devices, and even communication equipment are all intertwined at the substation. Control houses ensure those devices work collectively to deliver you safe and reliable power.

## ENERGY MIX



Local hydroelectric generation  
**39,505,127 kWh**

Local community solar generation  
**331,063 kWh**

## 2021 ENGINEERING

**3,980** Commercial meters | **31,329** Residential meters

**95,704 kW** Peak system demand

**1,128** Total net metered accounts

Total net metered capacity **7,868 kW**

Total kilowatt hours sold  
**551,126,455**

New system design job requests **1,165**

**497** New residential meters added | **80** New commercial meters added

**2** Certified Professional Engineers on staff | **4** System designers



# OPERATIONS

## 2021 OPERATIONS

1,732  
Miles of overhead power lines

1,497  
Miles of underground power lines

153 Miles of transmission power lines

1,704  
Trees trimmed

2,138  
Trees removed

150,991  
Brush removed (in square feet)

21  Journeyman Linemen

4  
Apprentice Linemen

162  
Power poles replaced

 Power poles 41,012

4,063  
Power poles inspected

## CUTTING DOWN ON OUTAGES

With trees accounting for up to one-third of all outages, vegetation management was a priority in 2021. In March, DMEA began an intensive month-long effort to remove overgrown trees encroaching into our power line rights-of-way in the English Gardens subdivision in Montrose. With most of those trees following backyard fence lines, our tree crews had to forgo bucket trucks and strap on their climbing belts and spurs to climb the trees and remove the overgrowth limb by limb.

Over the course of four weeks, DMEA tree crews cleared overgrown trees from approximately 6,100 feet of line. The work required planned outages for safety, so DMEA pulled double duty and line crews worked in tandem performing necessary maintenance.

## NEW ROUTE FOR RELIABILITY

In December, DMEA completed the construction of a 12kV high voltage power line spanning from our Hotchkiss substation to our Orchard City substation. Five years, 16 miles of line, and 500 power poles later, DMEA's substations are now all connected by a loop feed. For members, that means improved reliability and better outage response times.

As the name implies, a loop feed means our power lines connect each of our substations together – in a loop – and those lines connect back to an original point. When outages occur, we can now section off smaller portions of this loop and provide power from either direction to our members. As a result, fewer members are impacted by an outage, and our crews can better isolate and troubleshoot the cause of an outage.

# DOLLARS & CENTS

## FINANCE & ACCOUNTING

### CONSOLIDATED BALANCE SHEET

#### ASSETS

Total Utility Plant	\$ 289,093,383
Accumulated Depreciation	(108,378,399)
Net Utility Plant	180,714,984
Investments in Associated Organizations	4,908,845
Cash and Short Term Investments	24,761,399
Total Cash and Investments	29,670,244
Accounts Receivable, Net	7,711,115
Unbilled Revenue	6,137,339
Material and Supplies	5,574,306
Other Current Assets and Deferred Debits	5,986,621
Other Assets	25,409,381
<b>Total Assets</b>	<b>\$ 235,794,609</b>

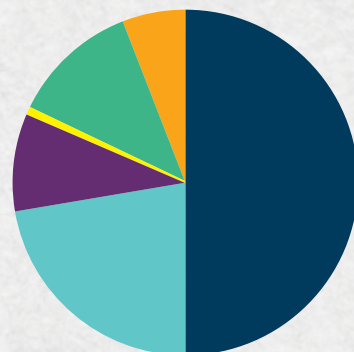
#### LIABILITIES

Long-Term Debt	\$ 138,569,679
Current Maturities of Long-Term Debt	5,208,126
Accounts Payable	8,550,357
Accrued Taxes and Other Liabilities	3,115,387
Other Deferred Credits	24,689,546
	41,563,416

#### MEMBERS' EQUITY

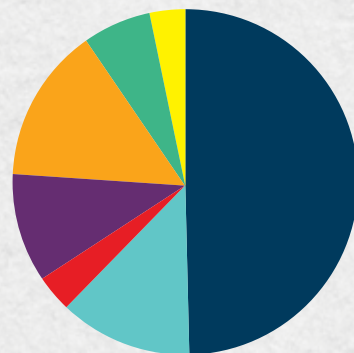
Patronage Capital	42,209,192
Other Equities	13,452,322
	55,661,514
<b>Total Liabilities and Members' Equity</b>	<b>\$ 235,794,609</b>

As of December 31, 2021



### INCOME

- Residential 50%
- Small Commercial 22%
- Large Commercial 9%
- Street Lighting 1%
- Internet 12%
- Other 6%



### EXPENSES

- Cost of Purchased Power 53%
- Operations & Maintenance 13%
- Member Service 4%
- Administrative & General 11%
- Depreciation & Amortization 16%
- Interest 7%
- Other Charges & Credits -3%

### COMMITTED TO STABLE RATES

2021 marked our first full year of savings with our wholesale energy partner, Guzman Energy. This change saved DMEA \$4.7 million in wholesale power costs, while our kilowatt-hour sales remained relatively steady.

Since embarking on our power supply journey, rate stability has been a strategic goal for DMEA, and we're proud to say we've hit our mark: because of our wholesale power cost savings, our members' electric rates remained unchanged in 2021 and 2022. And that stability will continue - no rate increase is planned for 2023.

### 2021 FINANCIALS

Wholesale power costs

\$38,936,797

Electric revenue

\$67,058,109

Internet revenue

\$9,746,405

2021 DMEA controllable expenses per consumer

\$454

2020 State median controllable expenses per consumer

\$564

Operating margins

\$4,844,368

Residential energy rate

\$0.1095/kWh

\$106 Average DMEA monthly energy bill

Average monthly energy use per residence 745 kWh

## 2021 MEMBER SERVICES

26,791 Number of SmartHub accounts

Members enrolled in Operation Round Up 10,243

\$55,203 Total Operation Round Up donations

Total Crisis Fund donations \$12,777

\$20,236 DMEA community giving

Elevate community giving \$37,850

\$47,533 Scholarships awarded

Small business grants awarded \$35,000

American Customer Service Index (ACSI) Score 82



# HERE TO SERVE MEMBER RELATIONS

## RECONNECTING WITH COMMUNITY

After two years of canceled engagements and virtual meetings, DMEA hosted an in-person celebration with real-life people for our annual Member Appreciation Days. In October, we invited our members to stop by our offices and enjoy tasty treats from a few favorite local food trucks. The events were a resounding success. Hundreds of members braved the lines, and even a bout of chilly weather to sit down face-to-face with us to ask questions.

## COMING TOGETHER IN CRISIS

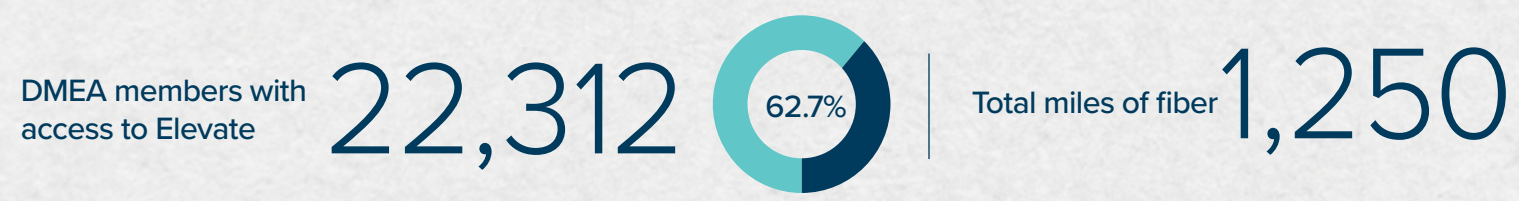
On November 7, we were the victim of a malicious cyber-attack that corrupted decades' worth of documents and disrupted the tools and programs we use to serve our members. While the power kept flowing and your internet stayed online, DMEA was at a standstill. For six weeks, we were unable to conduct normal business operations, such as processing payments, sending member bills, or making account changes. In that time, our customer service team logged weeks of late nights and weekends on top of their normal shifts to rebuild data. And while they dug through spreadsheets and call logs to rebuild corrupted data, everyone from our CEO to our safety coordinator pitched in to answer phones.



## A NOT-SO-TRADITIONAL TRADITION

Every year, DMEA sends a local student to the National Rural Electric Association's Youth Tour in Washington, D.C. For decades this weeklong adventure has included thousands of students from across the nation converging on the capital to learn about government in action, meet elected officials, tour museums, and experience everything D.C. has to offer. COVID-19 thwarted that tradition two years in a row for DMEA's student representative, Kaydin Hebertson. But third time's a charm, and in 2021, DMEA found a way to send Kaydin on his very own Youth Tour; this time a little closer to home. Instead of Washington, D.C., DMEA sent Kaydin and his mother on a tour of Denver. They took in a game at Coors Field, explored the wonders at the Denver Museum of Nature & Science, got inspired at the Denver Art Museum, and tested their brainpower at an escape room.



# ELEVATE INTERNET



-  1,609 Phone customers
-  951 TV customers

## GIG CITIES HERE WE COME

It's official. In 2021, all seven major communities within DMEA's service territory reached the elite status of being a Gig City. Residents of Montrose, Paonia, Hotchkiss, Crawford, Olathe, Orchard City, and Cedaredge have access to some of the fastest internet speeds in our nation.

## GIG COUNTRY TOO

Don't worry. The rural areas aren't getting left behind. In 2021, we secured a \$10.5 million grant from the Rural Utilities Service ReConnect grant program to bring fiber to the rural countryside near Olathe and Delta. This project will expand Elevate's network an additional 261 miles and bring gigabit internet to another 2,410 new homes and businesses. Yes, Pea Green – we're coming!

## 10,000 MAJOR MILESTONES

On August 31, 2021, Elevate surpassed a milestone we once only dreamed of – 10,000 customers. To celebrate this accomplishment, we gave back to the people who made it possible: you. Since day one, our community members were constantly by our side. You knocked on neighbors' doors, sent emails to your friends, and stuck signs in your yards. To say thank you, we nominated individuals from each community who championed Elevate's efforts over the years. We narrowed that field to ten lucky recipients and surprised them each with a \$1,000 donation.







***EDM EA***

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**ELEVATE**