



THE PowerLines REPORT

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March 2017

Our Quest for Cost Control: Where Are We Now?



Jasen Bronec, CEO

DMEA has seen a lot of changes throughout its history. Through all these changes in our 78 years, one goal has remained constant: the board's quest to control costs while providing the best possible service to our members. We're always asking ourselves what is the best way to provide reliable and affordable service to our members. Our answer, tackle the rising costs of wholesale power.

DMEA, along with cooperatives from across Colorado, New Mexico, Wyoming, and Nebraska, belongs to a generation and transmission cooperative called Tri-State Generation and Transmission Association. We purchase wholesale power from Tri-State and then deliver that energy to the homes and business in our service territory. Our wholesale power purchases account for nearly 70% of our total operating expenses. So how do we manage those costs?

In recent years, DMEA has become more aggressive in our efforts to support locally generated renewable energy. First and foremost, we have a legal obligation to interconnect with certain renewable energy producers. In 2015, we petitioned the Federal Energy Regulatory Commission (FERC) to rule on our obligation to purchase power from Qualified Facilities (a QF is a renewable energy producer that meets certain federal standards). They ruled in our favor stating that despite our contractual obligations with Tri-State, DMEA was legally obligated to negotiate with QFs and purchase power if able. But beyond this obligation, we also recognize that this type of generation is becoming more and more affordable, it offers environmental benefits, and it can have positive economic impacts—let's take advantage of these things.

Since that ruling, we've interconnected one QF called Drop 5 along the South Canal. It produces approximately 8,500,000

kilowatt-hours annually; enough electricity to supply the annual needs of about 920 average homes in our community. As you know, we've also continued a back and forth debate with Tri-State at the FERC level. In June 2016, FERC ruled in our favor for the second time stating that Tri-State could not levy a fee on DMEA for the power we were no longer purchasing from them as a result of purchasing from QFs.

A full resolution still has yet to be determined and with the recent change in administration, the FERC commission is down to one commissioner. We are now in a holding pattern and don't anticipate additional rulings any time soon.

That hasn't stopped us from moving forward. In November of last year, we began working with Tri-State to determine the process and cost of potentially withdrawing from Tri-State's membership. DMEA currently has 23 years remaining on our wholesale contract. It's important to note that we are just in the beginning of this process and we have a lot to consider: operational issues, costs, the open power market, and supplemental services just to name a few.

As we work through this process our ultimate goal will continue to be providing you, our members, with the most reliable and safe service at an affordable price.



70%
of DMEA's operating expenses
are due to wholesale power costs.

THE NEED FOR SPEED



Elevate delivers 100 Mbps and 1 Gig (1,000 Mbps) internet.

Did you know the minimum speed needed for a “good experience” on **one device** is 10 Mbps? Who has just one device (think about smartphones, tablets, laptops, smart TVs)? And who is okay settling because nothing else is available?

Elevate Fiber is here to deliver much more than a “good experience” on every device that needs to be connected to the internet, wired or via WiFi. Not only is Elevate delivering truly high-speed internet options, we are building the most reliable, future-proof network with fiber. You may have asked yourself why do I need more speed? If you are a basic email user, you may not think you need more speed, but wouldn't you like to have the reliability of fiber and be able to upload or download photos from email without waiting? Let's look at some every day activities and the difference between a 10 Mbps vs. 100 Mbps vs. 1 Gig connection.

What can your connection do for you?

Activity	10 Mbps	100 Mbps	1 Gig (1,000 Mbps)
1-2 devices connected to the internet for surfing, emailing, streaming	✓	✓	✓
Cloud-based file sharing		✓	✓
Crystal-clear video call		✓	✓
Online gaming		✓	✓
Stream 4K HD content		✓	✓
Stream 5 HD videos at once			✓
Download a 4-minute song	3 seconds	0.3 seconds	0.03 seconds
Download a 2-hour HD movie	60 minutes	4.5 minutes	25 seconds

Don't settle for a frustrating internet experience when Elevate Fiber is here. Preregister for service and find out more at join.elevatefiber.com.

Elevate Fiber will be launching voice services soon—our voice service can replace your local telephone line and give you **UNLIMITED** local and national calling for a price that cannot be beat. Stay tuned for more information soon.

Are You Ready to Serve? 2017 Board Elections

DMEA is a member-owned and locally controlled rural electric cooperative. So, what does that mean? It means, you, our members own the cooperative and are responsible for governing it through an elected board of directors. Each year, you are tasked with electing three representatives from the membership to serve on DMEA's Board of Directors. This year, the District 6, District 7, and North Region board seats are up for election.

Interested members who live within these three areas are encouraged to seek nomination. To confirm in which district you reside, contact DMEA at 877-687-3632. Board members govern the cooperative on the behalf of all members, setting strategic goals, rates, and cooperative policies. By serving on your co-op's board of directors you truly act as a voice of the membership.

In order to become a candidate, you must complete the candidate nomination petition packet. The packet will be available beginning Monday, March 27 at DMEA's offices in Montrose and Read. The deadline to return your nomination petition packet is Monday, May 1, 2017.

2017 Elections - Key Dates

Monday, March 27 - Nomination petition packets available.

Monday, May 1 - Deadline to return nomination petition packets, including 15 member signatures and candidate profile information.

Friday, May 19 - Ballots and candidate backgrounds mailed to DMEA members.

Friday, June 8 - Postmark deadline for mail-in ballots.

Thursday, June 15 - DMEA Annual Meeting of Members. You may vote in person at the meeting if you did not vote by mail. The election concludes at the start of the meeting and results are announced at the end of the meeting.



Hands-on Training for Science Teachers

DMEA area teachers encouraged to apply today!



Teachers created wind turbines to understand and to share with their students how wind is used to generate electricity.

In partnership with the National Energy Education Development (NEED) Project and DMEA, Tri-State Generation and Transmission Association (Tri-State) will hold the sixth annual Tri-State Energy Conference for Educators on July 27 – 29, 2017. Tri-State will host the hands-on workshop for 4th – 12th grade teachers at their headquarters in Westminster, CO.

Fifty teachers from cooperative areas in Colorado, Wyoming, New Mexico, and Nebraska will have the opportunity to spend three days learning about all aspects of energy, including the science of energy, sources of energy, transportation, consumption, electricity, efficiency, and environmental and economic impacts.

The hands-on training will give educators the knowledge and tools to bring the following lessons back into their classrooms or after-school programs:

- The science of energy, forms of energy, and energy transformations
- Renewable and nonrenewable energy resources, their development, use, and impact on economics and environment
- Generation and transmission of electricity
- Development and use of transportation fuels and the connection of all fuels to the economy and the environment
- Efficient use of energy and the use of energy technologies for conservation and reduction of waste

Interested teachers within DMEA's service territory must apply online. If selected, participants can attend the conference free of charge. Conference tuition, lodging, meals, transportation, and conference materials are provided. Plus, attendees will also receive a Science of Energy classroom kit, valued at \$300.

Learn more about NEED: www.need.org
Apply online now: www.regonline.com/needtristate2017

Home COOKING

Crock Pot Pork Tenderloin

Prep time: 15 minutes
Cook time: 6-8 hours
Yield: serves 6-8

Ingredients:

1 cup chicken broth
¼ cup soy sauce
¼ cup balsamic vinegar
3 tablespoon honey
1 tablespoon olive oil
1 cup water
1 cup onion, minced
3 garlic cloves, minced
2 tablespoons dried rosemary
1 tablespoon dried oregano
1 tablespoon dried thyme leaves
½ teaspoon black pepper
2 pork tenderloins
1 tablespoon cornstarch
3 tablespoons cold water

Directions:

In large slow cooker combine all the ingredients except the pork, cornstarch, and cold water. Mix until evenly combined. Add the pork and turn over to coat on all sides. Cook for 6 to 8 hours.

Remove the pork from slow cooker and place on a serving dish and tent loosely with aluminum foil. Allow pork to rest for about 7 minutes. Thicken the sauce while pork is resting. In a small bowl, mix cornstarch and cold water until it's completely dissolved. Pour all the liquid from the slow cooker into a small saucepan. Add the cornstarch mixture and bring to a boil. Boil 1 – 2 minutes until the mixture thickens. Slice pork and pour the thickened sauce over it and serve.

Hint: Use a crockpot cooking bag for easy clean up.

- Darleen Carron, Montrose

Give Trees a Chance: Plant in the Right Place

Whether they provide shade, beauty, or the backdrop for a childhood playhouse, trees are a meaningful part of our homes and communities. That's why it is particularly important to take precautions when planting. With lifespans ranging anywhere from 50 to 5,000 years, you'll want to plant your tree in a place it can flourish long-term. Under power lines isn't one of those places.

Avoid planting trees within 25 feet of DMEA's power lines—this is called the power line right-of-way. Trees planted within this right-of-way can be subject to aggressive trimming or removal if it is determined they may interfere with the power system. Additionally, trees that grow up into power lines pose a significant safety risk to the public. Individuals, especially children, that climb trees growing near power lines can be shocked or electrocuted if the tree limbs contact the live wires.

This spring, give your trees a better chance. Don't plant near our power lines or ground equipment. Visit <https://www.arborday.org> for recommendations and additional tree planting tips.

PLANT THE RIGHT TREE IN THE RIGHT PLACE

For more tips on smart tree planting in your community, contact DMEA at 877-687-3632 or visit www.ArborDay.org.

Trees beautify our neighborhoods, and when planted in the right spot, can even help lower energy bills. But the wrong tree in the wrong place can be a hazard, especially to power lines.

LARGE TREES

Height/spread of more than 40 feet, such as:

- Maple
- Cottonwood
- Ash
- Aspen
- Elm
- Locust
- Poplar
- Ponderosa
- Pine
- Weeping Willow
- Subalpine Fir

MEDIUM TREES

Height/spread of 25 to 40 feet, such as:

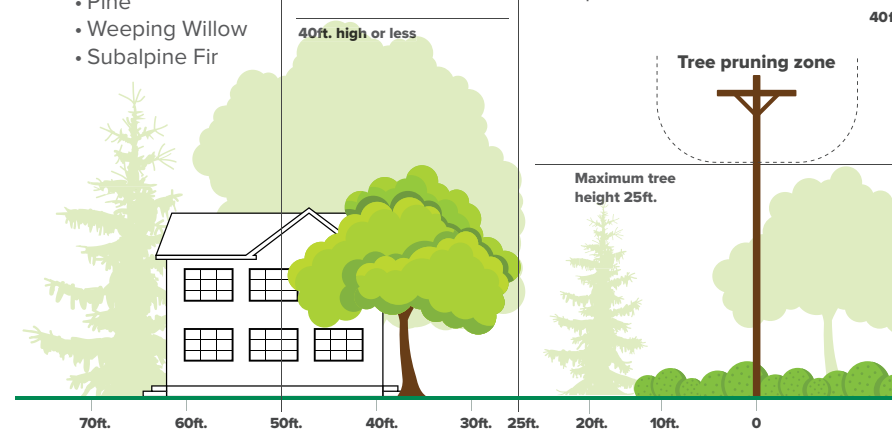
- Peachleaf Willow
- Box-Elder
- Ash
- Dogwoods
- Piñon
- Thinleaf Alder

SMALL TREES

Do not plant within 25 feet of power lines. If planting within 25 feet is unavoidable, use only shrubs and small trees.

Height/spread of no more than 25 feet such as:

- Fruit Trees
- Crabapple
- Lilac
- Purple Plumb



Be safe! Always call 811 before you dig to locate any buried utility lines.

The DMEA PowerLines Report is printed on paper that has 10% post consumer waste and is Forest Stewardship Council and Sustainable Forestry Initiative Certified.



PHONE SURVEY REMINDER

DMEA is conducting random customer satisfaction phone surveys throughout the year. We appreciate your help in completing these surveys. They will help us better serve you in the future. Thank you for participating!

Survey months:

March, June, Sept., & Dec.



A Touchstone Energy® Cooperative

Montrose Office

11925 6300 Road
Montrose, CO 81401
M - F; 8:00am-5:00pm

Read Office

21191 H 75 Road
Delta, CO 81416
M & W; 9:00am-4:00pm

Contact Us:

1-877-687-3632 | www.dmea.com |

Your Board of Directors:

Bill Patterson, District 1
Brad Harding, District 3
Marshall Collins, District 5
Mark Eckhart, District 7
Tony Prendergast, South
Kyle Martinez, District 2
Jim Elder, District 4
Terry Brown, District 6
John Gavan, North

DMEA board meetings are open to all members and are generally held on the 4th Tuesday monthly, beginning at 3pm with the public comment period at 5pm. Call (970) 240-1212 to confirm specific dates, times, and locations.

Recipes Info:

Submit recipes, including your name, address, and phone number to:
DMEA Newsletter
PO Box 910
Montrose, CO 81402
Or email your information to communications@dmea.com.

If your recipe is published, claim your prize by calling (970) 240-1273 within 60 days.

DMEA is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



Join us for great conversation, coffee, and food at The Morning Buzz with DMEA.

Come and go as you please. There is no formal presentation. Whether you just swing by before work to say hi or spend time asking questions, all are welcome. Plus, we will pick up the tab for the coffee and pastries. What we talk about is up to you—rates, efficiency, Elevate, or renewables—the topics are endless.

FREE COFFEE AND PASTRIES!

JOIN US!

Friday, March 17
Apple Shed

250 S. Grand Mesa Dr., Cedaredge
7:00 - 9:00 AM

Elevate is a new member of the Cedaredge Chamber. Don't miss our membership ribbon cutting!

Friday, March 31
Busy Corner White Kitchen

318 Main St., Olathe
7:00 - 9:00 AM

Friday, April 14
Berg Harvest Mercantile

73 Samuel Wade Rd., Paonia
7:00 - 9:00 AM

Friday, April 28
DMEA Montrose Office/Experience Center

11925 6300 Rd., Montrose
7:00 - 9:00 AM

Don't miss the Buckhorn Coffee cart!