

# THE PowerLines REPORT

1 |  **Guzman  
FAQ's**

2 |  **Grant  
Update**

3 |  **SmartHub  
Notifications**

4 |  **Tree Trimming  
Guide**

**JUNE 2020**

## You Asked. We're Answering.

Your most asked questions about our Tri-State exit and Guzman Energy.

*A message from Jasen Bronec, CEO*

Last month, we announced the final step in our transition away from wholesale power supplier, Tri-State, to our new partner, Guzman Energy. We hope to have this final transition approved by regulators this month. Over the past few weeks, you've asked a lot of great questions and I wanted to take this opportunity to answer the ones you asked the most.

### **So, what are you really paying to exit Tri-State?**

The fee to exit our Tri-State power supply agreement is \$62.5 million. Guzman Energy is paying this fee to Tri-State for the right to take over our agreement and sell power to DMEA. DMEA is also buying \$26 million of transmission assets from Tri-State for our members; this asset purchase is the only immediate amount of money DMEA is paying Tri-State. Finally, we also agreed to forfeit \$48 million worth of Tri-State capital credits. This is not money we will be paying Tri-State. Rather, it represents DMEA's equity within Tri-State, which may (or may not) have been paid out to us as capital credits over several decades.

### **You mentioned DMEA gave up capital credits. What happens to the DMEA members' capital credits?**

The capital credits discussed above represent DMEA's ownership of Tri-State. They do not affect your DMEA capital credits. When we exit our power supply agreement with Tri-State, we also exit their cooperative membership. DMEA agreed to relinquish \$48 million in capital credits we have accrued over the years. This money is not "cash in hand." These credits are also not guaranteed. As mentioned above, it is money that may have been returned to DMEA over a multi-decade period if the Tri-State board decided to do so. We did not feel it was prudent to invest and grow more equity in Tri-State, therefore we relinquished our existing credits.

### **Is solar power affordable?**

The short answer is yes. And here's the long one: Solar, as well as other forms of renewable energy, is now some of the most affordable energy on the market. Even after including the cost of standby power to ensure energy is delivered at all times. But we're not just planning on securing affordable solar power from the nation's energy market. Our agreement with Guzman gives us the potential to eventually generate more than 20% of our energy locally. We suspect much of that will be solar because our region is rich with opportunity. Beyond that 20%, we have already begun working together with Guzman on a local generation project(s) that will total at least 10 megawatts.

### **Don't we need Tri-State for help with outages and power reliability?**

Tri-State has always reliably delivered power and they will continue to operate their transmission portion of the grid—responding to outages on their system, maintaining their lines, and keeping the power flowing to our region. That stays the same, even after we exit Tri-State. Likewise, DMEA will continue to operate our portion of the grid, responding to outages on our system, maintaining our lines, and keeping the power flowing to your home. And, if there is a grid issue that requires coordination with Tri-State to fix, we will work together. The people at both DMEA and Tri-State with the expertise and passion for bringing you reliable power are still here for you, and they always will be.

### **Won't we still pay Tri-State to get the electricity here using their transmission lines?**

Yes, we will. DMEA has entered into transmission agreements with both Tri-State and Western Area Power Association to continue providing reliable power to our members. And yes, we do pay for it. Those costs were also calculated into the overall expense of serving our membership with a different power supplier. The bottom line is, all-in DMEA expects to save several million dollars every year with Guzman Energy. These savings will help us weather the recent unexpected consequences of the impending closure of Russell Stover (our second largest member) and the COVID-19 losses.

### **What is this going to do to my bill?**

From the beginning, the goal has been to stabilize your rates. This is now more pressing than ever. The loss of Russell Stover is a blow to everyone in our community. For DMEA and our members, it means a reduction of approximately \$1 million in electricity sales annually. Couple that with the devastation COVID-19 is now wreaking in our communities, and the savings we will see under our new partnership with Guzman Energy will greatly help in enduring these hardships.

Thank you for taking the time to learn more about DMEA's power supply efforts. We know it's not something you probably think about often, especially now as you manage the impact of COVID-19 on your own lives. We truly appreciate your care and interest. Stay safe out there and keep those questions coming.

# WE WORK HARD FOR THE MONEY...



...the grant money that is. To date, Elevate has received **\$7,855,007** in grants, and we've put those funds to work building our fiber-optic network in some of the most rural places in Montrose and Delta counties. Find out where those dollars went below:



## WHERE WE'VE BUILT ELEVATE BECAUSE OF GRANTS

**Rural Southwest Montrose:** In 2017, Elevate won \$634,939 to build our network just outside city limits, southwest of Montrose. You'll notice that ALL of the areas that have received grant funds are located outside of city limits or have a population of less than 7,500—these are fundamental requirements for almost every grant for which we apply. The funds are specifically earmarked for rural areas!

**The Town of Olathe:** Olathe was considered to be severely underserved, meaning there wasn't a universal internet provider offering acceptable speeds to the entire town. In 2017, we were awarded \$453,182 to build out our network throughout the Olathe town limits.

**The North Fork Valley:** Perhaps one THE MOST rugged rural areas we were granted funds for was for a stretch of countryside along CO HWY 133 running from just outside of Hotchkiss to far north of Paonia—such as Pitkin and Stucker Mesas and Stevens Gulch. Here, we were able to put \$1,558,071 in grant dollars to work.

**Northeast Delta:** While Elevate currently has no plans to provide service within the City of Delta because it isn't part of our parent company's (DMEA) service territory, we do plan to serve all the rural areas surround Delta. In this case, \$1,583,250 in grants is allowing us to serve the homes north and east of Delta.



## WHERE WE'RE BUILDING RIGHT NOW BECAUSE OF GRANTS

**Southeast Crawford:** Yep, we didn't forget about you, Crawford. Sandwiched between the Black Canyon of the Gunnison National Park and the West Elk Wilderness, Crawford can get, well, forgotten. But not by us! In addition to already providing live service in town, we are also now expanding Elevate's network to the southeast with a \$751,738 grant.

**West Spring Creek:** Take a straight shot just a few miles west of Montrose on Spring Creek Road and you'll hit the third area we're currently building Elevate thanks to a grant—\$759,585 in grant dollars to be exact!

**North Mesa:** The most recent grant we were awarded from the State of Colorado, this \$1,431,083 grant will help Elevate build our network in the rural countryside between Montrose and Olathe along the east side of US HWY 50.



## GRANTS WE'RE WAITING (AND WAITING) FOR NEWS ON

**Shavano Valley and Beaver Hill:** Earlier this year, we submitted a \$1,229,905 request for this rolling valleys south and west of Montrose.

**Pea Green:** It's not the first time we've submitted the Pea Green area for a grant (we've been disappointed more than once). Right now, we're waiting to hear about our request for a whopping \$12,804,810 to build Elevate to the homes and acreages West of Olathe.



## THE ONES WE FOUGHT FOR AND LOST

Honestly, there's just too many to list individually and we hate reliving the pain as much as you do. While we've received more than \$7 million to build Elevate and bring high-speed internet to countless families, we've also been denied \$34,745,568 in requests. These requests included rural areas in both Montrose and Delta counties, from Crawford to Cedaredge and Hotchkiss to Pea Green. If you've been following our grant efforts you'll probably find the following list of denied grants familiar. If not, don't worry, just skip to the end for the good news:

West Hotchkiss (part of Hotchkiss 67 & 68) .....	\$961,382
Black Canyon (part of Crawford 58) First try .....	\$1,314,420
Second try .....	\$1,509,956
Beaver Hill (part of Montrose 731) First try .....	\$1,229,905
Second try .....	\$1,229,905
Peach Valley (Olathe 148) .....	\$3,000,000
Pea Green (northern half of Pea Green 128) .....	\$3,000,000
High Mesa (southern half of Pea Green 128) .....	\$3,000,000
Peach Valley (Olathe 148) .....	\$3,000,000
East Mesa (southern half of Delta S 414) .....	\$3,000,000
Pea Green 128 and parts of Delta S 412, Delta S 414, and Cedaredge 124 .....	\$10,500,000

## SO, WHAT'S THE POINT?

That denied number is pretty big, almost defeating one could say. We know we won't get every grant we apply for, but we won't give up. Why? Because \$7.8 million is pretty big too - because of those funds, thousands of rural families have access to truly high-speed, reliable internet. They can work from home, get an online education, stream movies, listen to music, download assignments, pin their next home renovation project, and live a modern life that's no longer held back by bad internet. And that, right there, is why we won't give up.

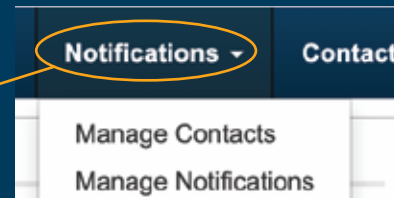
# Managing your SmartHub notifications

Managing your DMEA account notifications is a breeze. Know when your bill is due, stay up to date on outages, and much more: All through your DMEA SmartHub account.

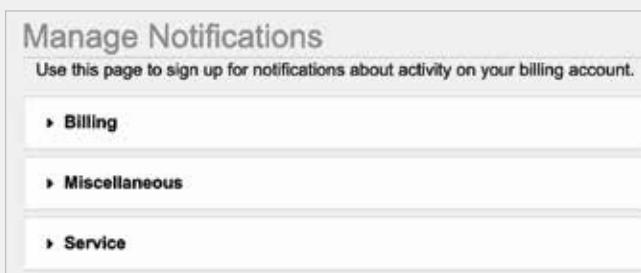
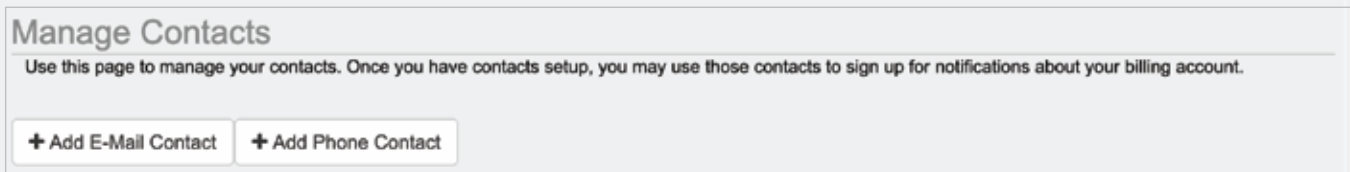
Log into your SmartHub account and click 'Notifications' on the top tab.



The drop down menu will show options to Manage Contacts and Manage Notifications.



Under 'Manage Contacts' you can add your phone, email, and opt into getting e-alerts and text messages.



Under 'Manage Notifications' you can opt in to the alerts you'd like to receive.

Under 'Billing,' customize the alert(s) you want and how they're received. Find out when your bill is available and check your credit card expiration. Under 'Service,' opt in to receive instant updates on power outages.

## Spotlight on Excellence

National Rural Electric Cooperative Association's Spotlight on Excellence Awards program recognizes a body of outstanding work produced by electric cooperative communication and marketing professionals from across the country. We're excited to announce that our very own DMEA/Elevate marketing team has won two Spotlight awards for 2019!

### THE TEAM

Becky Mashburn, *Communications and Marketing Manager*  
Rachael Routzahn, *Digital Marketing and Communications Specialist*  
Laura Sanders, *Marketing and Communications Specialist*

### AWARDS

#### Best Digital Storytelling

*Gold*

Charging Electric Vehicles Is Easier Than You Think!

#### Best External News Publication

*Silver*

The PowerLines report - DMEA Monthly Member Newsletter



VA

Catching up on  
business e-mails.

Updating  
your website.

Ordering next week's  
supply shipment.

Posting the day's bakery  
delights to Facebook.

Streaming the perfect  
playlist for customers.

Streaming *Tiger King*  
after a long day's work.

# HOW DO YOU CONNECT?

## WHAT'S CONNECTED IN YOUR BUSINESS?

We all use the internet differently, whether it's for business, entertainment, or just making our lives easier. No matter how you use the internet, you need a connection that's fast and reliable.

Fast Internet | Simple TV | Reliable Phone

[elevateinternet.com](http://elevateinternet.com) / 844-386-8744     

**ELEVATE**<sup>™</sup>

FAST INTERNET ▶ (for real)


**DMEA**

A Touchstone Energy<sup>®</sup> Cooperative 

**Montrose Office**

11925 6300 Road  
Montrose, CO 81401  
M, W, F; 8:00am-5:00pm  
T & Th; 8:00am-6:00pm

**Contact Us:**

1-877-687-3632 | [www.dmea.com](http://www.dmea.com) |    

**Read Office**

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

**Your Board of Directors:**

*Bill Patterson, District 1*  
*Brad Harding, District 3*  
*Chris Hauck, District 5*  
*Vacant, District 7*  
*Jock Fleming, South*

*Kyle Martinez, District 2*  
*Ken Watson, District 4*  
*Damon Lockhart, District 6*  
*Stacia Cannon, 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 date, time, and location.

**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](mailto:communications@dmea.com).

If your recipe is published, claim your prize by calling (269)598-9386 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](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](mailto:program.intake@usda.gov).

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# HOME COOKING



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## Peanut Butter Cup Cookies

*Austin Jayne, Hotchkiss*



### Ingredients:

1/2 c softened butter  
2/3 c sugar  
1 tsp vanilla extract  
1/4 c pumpkin purée or applesauce  
1/4 c salted creamy peanut butter  
3/4 tsp baking powder  
1 pinch salt  
2 c flour  
1/4 c cornstarch  
15-18 mini peanut butter cups

### Directions:

Preheat oven to 375 and line two baking sheets with parchment paper. Add softened butter to a large mixing bowl and beat for one minute. Add sugar, vanilla, pumpkin/applesauce, and peanut butter and mix for another minute. Add remainder of dry ingredients and combine. Chill dough in fridge for 15 minutes. Measure roughly 1 1/2 tbsp of dough and gently roll into balls. Arrange on the baking sheets and press down gently with the palm of your hand to flatten slightly.

Bake for 11-12 minutes. Remove from oven and immediately press an unwrapped peanut butter cup down in the center of the cookies. Let cool on baking sheet for 10 minutes before transferring to a wire rack to cool completely.

### WE'RE IN NEED OF YOUR RECIPES!

Submit your best recipe, along with your name, address and photo of your dish, to [communications@dmea.com](mailto:communications@dmea.com)

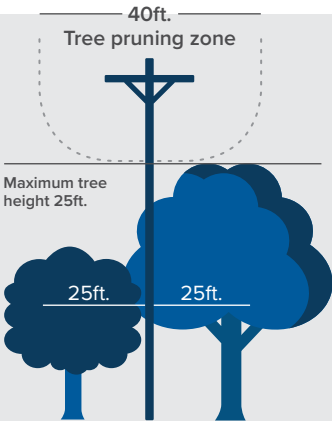
If we print your recipe, you win a \$25 gift card.

# TREE TRIMMING

We love trees. But when they grow too close or into DMEA's power lines they can cause power outages and pose safety risks. DMEA's first priority is to remove trees that are within our power line rights-of-way in order to maintain a safe and reliable system.

## Our Process

We follow a five-year cycle, meaning that once we trim a problem tree, it shouldn't need to be trimmed again for five years or more. Homeowners have the option to tell us they do not want their tree(s) removed. In this instance, DMEA will provide one trim free of charge.



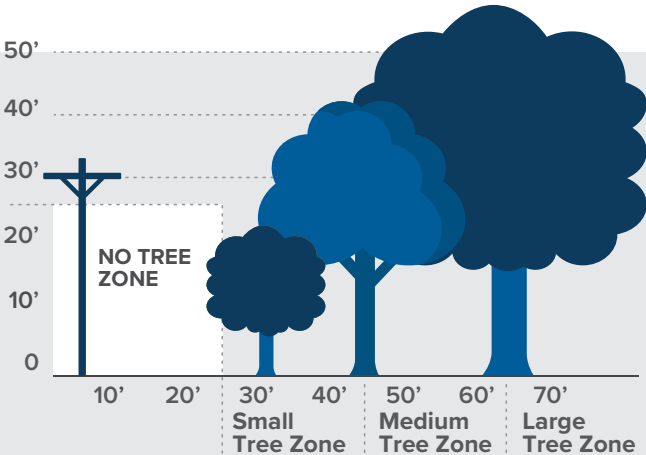
## Clearance

Maintaining a proper clearance of at least 15-25 feet between our power lines and trees helps prevent wind, snow, and ice from breaking tree limbs and sending them into the power lines.

## Tree Planting

You can help us keep our power lines clear of trees by following better practices when you plant trees.

- Don't plant trees within 25 feet of DMEA's power lines.
- Only shrubs or small trees (growing less than 20 feet high) should be planted within 25 feet of power lines.
- Don't plant any vegetation around DMEA ground equipment, such as poles, transformers, or junction boxes.
- Call 811 before you dig to locate any buried utility lines.



Report trees growing into power lines or DMEA equipment immediately. Never trim these trees yourself.

**877-687-3632**