



**MINUTES OF THE REGULAR MEETINGS OF THE  
DELTA-MONTROSE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
September 26, 2023**

**Regular Board Session.** On September 26, 2023, the Board of Directors of Delta-Montrose Electric Association (DMEA) met for a Regular Meeting at the headquarters of the cooperative, at 11925 6300 Rd., Montrose, CO 81401.

**During its regular meeting, the DMEA Board:**

1. Conducted a rate hearing regarding potential updates to tariff 13: net metering.
2. Approved updates to tariff 13: net metering.
3. Approved the August membership and meter report as well as the August 2023 Regular Board Meeting minutes.
4. Reviewed committee reports.
5. Received a CEO report.
6. Appointed Directors Patterson and Fleming as the voting and alternative voting delegate, respectively, at the Colorado NRECA meeting.
7. Received a legal report.
8. Received Board representative reports from WUES and the CREA.
9. Approved proposed updates to the Simplified Rules of Order for DMEA Board of Director and DMEAUS (Elevate) Operating Manager Governance meetings.
10. Entered executive session to receive a confidential corporate, litigation, and regulatory updates, and to review proposed policy updates for policies: 110 Board Committees; 111 Political Activities; 114 Equal Opportunity Employer, Non-Discrimination, and Prevention of Sexual & Other Unlawful Harassment; 115 Whistleblower; 117 Donations & Contributions; and 301 Disclosure of Cooperative Information, and the Board self-evaluation process.

11. Approved updates to Board Policies 114 (with one typographical correction fixed), 117, and 301.

### **Regular Board Session**

- I. **Rate Hearing.** At 3:01 p.m., President Cannon opened the rate hearing regarding proposed updates to tariff 13: net metering. There were no members present to comment at the meeting. There were no written members comments submitted prior to the rate hearing. At 3:02 p.m., President Cannon closed the rate hearing and opened discussion for the Board.

Director Gray inquired what the avoided costs entails which it was noted would be addressed during Executive Session. However, the change to the tariff is that DMEA would not post the avoided cost annually as the tariff states but that the net metering member would get a monthly credit of a DMEA's avoided cost.

It was noted that an administrative fee of \$200 was implemented in January of this year to process any net metering application. This is stated in the internal operational procedure.

With no other questions or comments from the Board, upon motion from Director Patterson, seconded by Director Fleming, the Board unanimously approved the updates to tariff 13: net metering as presented.

- II. **Call Meeting to Order.** President Cannon called the meeting to order at 3:10 p.m.
- **Directors present:** Stacia Cannon, Damon Lockhart, Enno Heuscher, Jock Fleming, Emily Sanchez, Kevin Williams, Jacob Gray, Bill Patterson
  - **Directors absent:** None
  - **DMEA staff present:** Mateusz Pena (Chief Engineering & Energy Resources Officer), Tiffany Stewart (HR Manager), Amy Taylor (CoS),

Jack Johnston (CEO), Bob Farmer (CIO), Kent Blackwell (CTO), Wade Wilson (Line Superintendent – Read), Luke Young (Member Services Supervisor), Gayle Gouker (CFO)

*\* All staff remaining left during X-Executive Session sans CEO Johnston*

- **Others present:** Sarah Abbott (Attorney)

- III. **Pledge of Allegiance** was led by President Cannon.
- IV. **Determination of a quorum.** President Cannon confirmed the presence of a quorum to conduct business.
- V. **Approval of the agenda.** The Board unanimously approved the agenda posted on September 13, 2023.
- VI. **Introductions.** Board members, staff, and guests introduced themselves.
- VII. **General Business.**
  1. **Consent Agenda.** Upon motion from Director Gray, seconded by Director Lockhart, the Board approved the August 2023 membership report as presented and adopted the August 2023 Regular Meeting minutes.
  2. **Committee Chair Reports.**
    - a. **Finance, Audit & Rates.** Chair Lockhart reported the committee met prior to the Regular meeting today. At this meeting, the committee discussed: the 2022 tax return; key ratio trend analysis (KRTAs) data provided annually by lender CFC; and the modified debt service coverage (MDSC).

- b. **Engineering, Construction & Energy Services.** Chair Cannon reported the committee had not met since the last regular meeting.
  - c. **Member Relations Committee.** Chair Patterson reported the committee had not met since the last regular meeting.
  - d. **Executive Committee.** Chair Cannon reported the committee met on September 25, 2023. At this meeting the committee addressed the District 2 appointment applications and interview process. They also discussed the potential for a Chief Legal Officer position. Two topics on the agenda that were tabled for future review were the CEO evaluation and the Board self-evaluation process.
3. **CEO Report.** CEO Johnston presented the CEO report. One item of note within the Engineering department was that all systems have been cutover from Tri-State to the new building at Bullock substation. This was a major project and kudos are due to the equipment technicians.

The South Canal hydro units will go offline on November 1<sup>st</sup> and will start back up beginning of April 2024. This is a consistent timeline year to year. The week of October 23, 2023, the Board meeting will be held at the Read Service Center office. This is good timing as that same week, work will be performed to upgrade the technical aspects of the Board room to make it easier for members to participate in Board meetings virtually.

There was an update on the installation of the new phone system for the Customer Service team. One key feature is the ability for a member to know what place they are in a call queue, so they are less inclined to drop the call, resulting in improved call answer rates. The member survey has been completed. The results are being analyzed by Pivot Group, who conducted the survey, and the results will be reviewed at a future Member Relations committee meeting,

The Read Service Center lobby is re-opening for member assistance 5 days a week, Monday through Friday 8 a.m. to 5 p.m. Previously, it was just opened on Wednesdays 8 a.m. to 5 p.m. There was a brief discussion on the new hybrid bucket trucks purchased through grant efforts in 2022.

There will be a Western Colorado Energy Future Conference at Colorado Mesa University in Grand Junction on October 10<sup>th</sup>. CEO Johnston was asked to present; either he or Chief Engineering & Power Resources Officer Pena will be at the Conference to address the attendees.

Johnston had a phone interview with Mark Jaffe with the Colorado Sun. Mr. Jaffe wanted an update on how the transition was going from Tri-State Generation & Transmission to Guzman Energy as DMEA's power supplier. Director Lockhart was elected to the Secretary position in his role on the Colorado Rural Electric Association (CREA) Board.

There will be a Colorado NRECA meeting at the CREA Energy Innovations Summit in October. The purpose of this meeting is to pick the Colorado representative on the NRECA Board of Directors in addition to other updates. A voting delegate, and an alternate, need to be appointed for this meeting. Upon motion from Director Lockhart, seconded by Director Williams, the Board unanimously appointed Directors Patterson and Fleming as the voting and alternative voting delegate, respectively, at the Colorado NRECA meeting.

- 4. Legal Report.** Attorney Abbott provided the legal report. On the corporate side, she has been assisting with updates to Board Policies and the Simplified Rules of Order for Board of Directors and Operating Manager Governance Meetings. Council has also helped verify District 2 appointment applications. Customer payment and easement issues were also addressed. Abbott will also be attending the CREA Legal Seminar on

October 6, 2023. Abbott asked to defer the remainder of her report to Executive Session.

**5. Director Reports.**

- a. **Western United Electric Supply (WUES) Report.** Director Fleming reported they had not met since the last regular DMEA Board meeting.
- b. **Colorado Rural Electric Association (CREA) Report.** Director Lockhart noted the CREA Energy Innovations Summit will be the last week in October. Director Fleming, Lockhart, and Patterson will be attending along with CEO Johnston. CREA employee benefits were approved. Kent Singer drafted two white papers that CEO Johnston will send to the Board for review with his thoughts. The Board commended Director Lockhart in his new role as the CREA Treasurer.
- c. **Conference, Webinars, & Meetings.** There was nothing additional to report.

**6. Informational Items.** There were no general business additional information items to address.

**7. Action Items.**

- a. **Simplified Rules of Order for Board of Directors and Operating Manager Governance Meetings.** The proposed updates were reviewed. There were questions on what it means to protect the rights of the minority. It was stated that this means all Board Directors have the right to speak their opinion. There was a question on the record of dissenting votes. It is up to the Director casting the

dissenting vote to articulate if they would like their dissention noted in the meeting minutes. Otherwise, the minutes will note a motion passed or failed based on a Board majority, not unanimously.

Upon motion from Director Williams, seconded by Director Fleming, the Board unanimously approved the updates to the Simplified Rules of Order for Board of Directors and Operating Manager Governance Meetings as presented.

- b. **E-mail Vote Ratification – Political Donation.** No action needs to be taken. A previous e-mail straw poll on a possible political donation matter did not have a majority in favor of said donation so it failed. Additional discussion on future political activities and possible donations will be discussed further in Executive Session in conjunction with the Political Activities policy.

- VIII. **Future Meetings.** The next regular Board meeting will be on October 24, 2023, at 3:00 p.m. with member comments at 5:00 p.m. at the Read Service Center. There will “to be determined” special Board meetings for District 2 candidate interviews and the official appointment. There will be a Finance, Audit, and Rate committee meeting on October 24, 2023, at 12:30 p.m. There will be an Engineering, Construction, and Energy Services committee meeting on October 19, 2023, at 11:30 a.m. There will be an Elevate Operating Manager meeting on October 12, 2023, at 3:00 p.m.
- IX. **Recess/Form Reconciliation.** The Board took a brief recess at 4:05 p.m. The meeting resumed at 4:18 p.m.
- X. **Member Comments.** There were no member comments.
- XI. **Executive Session.** At 4:18 p.m., upon motion from Director Lockhart, seconded by Director Patterson, the Board unanimously entered Executive

Session to receive a confidential corporate, litigation, and regulatory updates, and to review proposed policy updates for policies: 110 Board Committees; 111 Political Activities; 114 Equal Opportunity Employer, Non-Discrimination, and Prevention of Sexual & Other Unlawful Harassment; 115 Whistleblower; 117 Donations & Contributions; and 301 Disclosure of Cooperative Information, and the Board self-evaluation process. At 7:21 p.m., upon motion from Director Patterson, seconded by Director Fleming, the Board unanimously approved exiting Executive Session.

## **XII. Reconvened Regular Meeting.**

### **1. Policy Updates.**

- a. **110. Board Committees.** No action was taken.
- b. **111. Political Activities.** No action was taken.
- c. **114. Equal Opportunity Employer, Non-Discrimination, and Prevention of Sexual & Other Unlawful Harassment.** Director Williams moved to approve policy 114 as presented, with one correction to a typographical error, which Director Heuscher seconded. The motion passed unanimously.
- d. **115. Whistleblower.** No action was taken.
- e. **117. Donations & Contributions.** Upon motion from Director Fleming, seconded by Director Lockhart, the Board unanimously approved updates to policy 117 as presented.
- f. **301. Disclosure of Cooperative Information.** Upon motion from Director Fleming, seconded by Director Patterson, the Board



unanimously approved updates to policy 301 as presented.

**2. Other Executive Session Items (if required).** There were no additional items from Executive Session to address.

**XIII. Adjournment.** Having no further business to conduct, the Board adjourned its regular meeting at 7:25 p.m.



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Kevin Williams, Secretary/Treasurer