



**MINUTES OF THE REGULAR MEETINGS OF THE
DELTA-MONTROSE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
August 22, 2023**

Regular Board Session. On August 22, 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. Approved the July membership and meter report as well as the July 2023 Regular Board Meeting minutes with two amendments.
2. Received a CEO report.
3. Received a legal report.
4. Received Board representative reports from WUES and the CREA as well as reports on other conferences, webinar, and training attendance.
5. Entered executive session to receive a confidential corporate, litigation, and regulatory updates, and to review proposed policy updates for policies: 302 Information Security, 303 Acceptable Use of Technology by Directors, 104 Board Relationship to CEO, and 117 Donations and Contributions.
6. Approved updates to Board Policies 302, Information Security, and 303, Acceptable Use of Technology by Directors, as presented.
7. Approved Board Policy 104, Board Relationship to CEO, with an amendment clarifying the development of the strategy plan.
8. Tabled action on Board Policy 117, Donations and Contributions, to a future meeting.

Regular Board Session

- I. **Call Meeting to Order.** President Cannon called the meeting to order at 3:02 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 and Energy Resources Officer), Tiffany Stewart (HR Manager), Amy Taylor (CoS), Jack Johnston (CEO), Bob Farmer (CIO), Andrew Tyner (Broadband Field Operations Manager), Mark Kurtz (Senior Business Project Manager), Cody Carver (COO), Jessica Forrest (Controller)
** All staff remaining left during X-Executive Session sans CEO Johnston*
- **Others present:** Gail Marvel (member, reporter for *The Montrose Mirror*) (left prior to X-Executive Session), Sarah Abbott (Attorney), Kent Cloward (member) (left prior to X-Executive Session)

- II. **Pledge of Allegiance** was led by Director Patterson
- III. **Opening meeting prayer** was led by Director Lockhart.
- IV. **Determination of a quorum.** President Cannon confirmed the presence of a quorum to conduct business.
- V. **Approval of the agenda.** Upon a motion from Director Sanchez, seconded by Director Lockhart, the Board unanimously approved the agenda posted on August 9, 2023.
- VI. **Introductions.** Board members, staff, and guests introduced themselves.
- VII. **General Business.**
 1. **Consent Agenda.** Upon motion from Director Fleming, seconded by Director Patterson, the Board approved the July 2023 membership report as presented and adopted the July 2023 Regular Meeting minutes with the

following amendments: 1) correct the spelling of guest, Jake Harner, to Jake Hartter and 2) note that Director Fleming not only objected to the unclaimed capital credit fund donation to the Western Slope Conservation Center prior to voting, but, also, that he cast a dissenting vote when the Board voted to approve the donation overall.

2. Committee Chair Reports.

- a. **Finance, Audit & Rates.** Chair Lockhart reported the committee had not met since the last regular meeting.
- 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 had not met since the last regular meeting.

- 3. CEO Report.** CEO Johnston presented the CEO report. He highlighted the new SAIDI reliability graph which now shows monthly comparatives from 2021, 2022, and year-to-date 2023. There was a discussion on the pole attachment audit with it noted invoices have been sent to the attaching entities.

Director Williams inquired about the amount of net metering applications received year over year with Chief Engineering and Energy Resources Officer Pena noting they continue to increase. Director Heuscher asked why there are South Canal Hydro units 1, 3, 4, 5, and 6 but no 2. Pena explained a unit 2 was started using an Archimedes screw method but it ultimately did not work out financially.

Director Fleming asked about road widening projects with staff noting they are done for many reasons, but the ones noted in the report were CDOT jobs for easements.

An update was provided on community event participation as well as the status of the District 2 Director appointment process. Several staff have received awards and recognition as of late which were highlighted. CEO Johnston spoke briefly on the Colorado Project.

DMEA's equity percentage is 27.2%. Electric revenue exceeded the budget in July. The modified debt service coverage ratio, which is at 1.9%, was addressed. It was noted the Board would like to see the previous years' debt service ratios in future reporting.

4. Legal Report. Attorney Abbott provided the legal report. Work continues to update Board policies with a goal to have all Board policies reviewed by year-end and back on a consistent review cycle. Abbott also has done work on contracts and a pole purchase agreement. There are no regulatory or litigation matters to address. Abbott asked to defer the remainder of her report to executive session.

5. Director Reports.

a. Western United Electric Supply (WUES) Report. Director Fleming attended the meeting last week via Zoom. There was a discussion on rubber glove testing. DMEA's rubber gloves are tested every 60

days and have a 90-day shelf life.

- b. **Colorado Rural Electric Association (CREA) Report.** Director Lockhart will be attending the next meeting this Thursday and Friday.
- c. **Conference, Webinars, & Meetings.** Director Fleming addressed his attendance at the Director Summer School through NRECA last month in Santa Fe. He highlighted that the financial decision and rate making classes were of particular interest. Director Patterson, along with CEO Johnston, attended a screening of the film “Nuclear Now” at the Fox Cinema Center. The film, sponsored by the NW Council of Government, was well attended per CEO Johnston.

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

7. Action Items. There were no general business additional action items to address.

VIII. Recess/Form Reconciliation. The Board took a brief recess at 3:50 p.m. The meeting resumed at 4:05 p.m.

IX. Member Comments. There were no member comments.

X. Future Meetings. The next regular Board meeting will be on September 26, 2023, at 3:00 p.m. with member comments at 5:00 p.m. There will be a Finance, Audit, and Rate Committee meeting on September 26, 2023, at 12:30 p.m.

XI. Executive Session. At 4:07 p.m., upon motion from Director Lockhart, seconded by Director Williams, the Board unanimously approved to enter

executive session to receive confidential corporate, litigation, and regulatory updates and to review proposed policy updates for policies: 302 Information Security, 303 Acceptable Use of Technology by Directors, 104 Board Relationship to CEO, and 117 Donations and Contributions. At 5:55 p.m., upon motion from Director Fleming, seconded by Director Gray, the Board unanimously approved exiting executive session.

XII. Reconvened Regular Meeting.

- 1. Policy Updates.** Upon motion of Director Sanchez, seconded by Director Heuscher, the Board unanimously adopted revisions to Board Policy 302 (Information Security) as presented.

Upon motion of Director Fleming, seconded by Director Lockhart, the Board unanimously adopted revisions to Board Policy 303 (Acceptable Use of Technology by Directors) as presented.

Upon motion of Director Fleming, seconded by Director Williams, the Board unanimously adopted revisions to Board Policy 104 (Board Relationship to CEO) with a clarification regarding the development of strategic plans.

Action on Board Policy 117 (Donations and Contributions) was tabled to a future meeting.

- 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 6:02 p.m.



Kevin Williams, Secretary/Treasurer