



**MINUTES OF THE REGULAR MEETINGS OF THE
DELTA-MONTROSE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
November 28, 2023**

Regular Board Session. On November 28, 2023, the Board of Directors of Delta-Montrose Electric Association (DMEA) met for a Regular Meeting at the cooperative's headquarters located at 11925 6300 Rd. Montrose, CO 81401.

During its regular meeting, the DMEA Board:
1. Recognized Directors Fleming and Williams on obtaining their Credentialed Cooperative Director (CCD) certifications through the National Rural Cooperative Electric Association (NRECA).
2. Approved the October 2023 membership/meter report, and adopted the October 2023 Regular Meeting minutes, the November 2, 2023, Special Meeting minutes, and the November 9, 2023, Special Meeting minutes.
3. Reviewed committee reports.
4. Received a CEO report.
5. Received a legal report.
6. Received Board representative reports from WUES and the CREA as well as reports from those who attended conferences and trainings.
7. Determined the 2024 annual meeting date as June 6, 2024.
8. Appointed Survey Ballot & System (SBS) as the 2024 Board election credentials committee.
9. Approved to include electronic voting options for the 2024 Board election.
10. Adopted resolution 2023-10 for a retirement of the allocated margins from 1993 and 1994 to the membership totaling \$3,221,953.52.
11. Approved the 2024 operating budget.
12. Approved the 2024 capital budget.

13. Approved the 2023 audit engagement with firm FORVIS.
14. Adopted resolution 2023-11 to increase the CFC One Card credit limit.
15. Reviewed upcoming meeting dates and times.
16. Reviewed member comments including a donation request presentation.
17. Entered executive session to receive confidential corporate, litigation, and regulatory updates; review a donation request; review updates to Board policy 110 regarding Board Committees; discuss Board policy 111 regarding Political Donations; and review strategy plan updates.
18. Approved a \$30,000 donation from the unclaimed capital credit fund to the Hispanic Affairs Project for a capital project.
19. Adopted Board policy 110 regarding Board Committee with the updates presented.

Regular Board Session

I. **Call Meeting to Order.** Vice-President Fleming called the meeting to order at 3:01 p.m.

- **Directors present:** Damon Lockhart, Enno Heuscher, Jock Fleming, Emily Sanchez, Kevin Williams, Jacob Gray, Bill Patterson, Steve Metheny
- **Directors absent:** Stacia Cannon
- **DMEA staff present:** Jack Johnston (CEO), Amy Taylor (CoS), Kent Blackwell (CTO), Bob Farmer (CIO), Mateusz Pena (Chief Engineering & Power Resources Officer) Gayle Gouker (CFO), Tiffany Stewart (HR Manager/Acting CRO), Cody Carver (COO), Jessica Forrest (Controller), Zayra Owens (Billing Supervisor) **all staff left during XI-Executive Sessions sans CEO Johnston*
- **Others present:** Sarah Abbott (Attorney), Kent Cloward (member) (left prior to XI-Executive Session), Karen Sherman Perez (Community Relations & Development Director for the Hispanic Affairs Project) (in for X-Member Comments, left prior to XI-Executive Session)

- II. **Pledge of Allegiance** was led by Director Sanchez.
- III. **Determination of a quorum.** Vice-President Fleming confirmed the presence of a quorum to conduct business.
- IV. **Approval of the agenda.** Upon motion from Director Gray, seconded by Director Sanchez, the Board unanimously approved the amended agenda posted on November 20, 2023; this agenda was amended from the initially posted agenda on November 15, 2023. The changes to the agenda include the elimination of executive session discussions on in-house general counsel and the CEO evaluation & compensation.
- V. **Introductions.** Board members, staff, and guests introduced themselves.
- VI. **Special Director Recognition.** CEO Johnston recognized Directors Fleming and Williams on obtaining their Credentialed Cooperative Director (CCD) certifications through the National Rural Cooperative Electric Association (NRECA).
- VII. **General Business.**
 - 1. **Consent Agenda.** With a proper motion and second, the Board unanimously approved the October 2023 membership/meter report, and adopted the October 2023 Regular Meeting minutes, the November 2, 2023, Special Meeting minutes, and the November 9, 2023, Special Meeting minutes.

There was a brief discussion on the membership and meter report with it noted that there was a decrease in memberships in October but an increase in meters.

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 capital and operating budgets for 2024, the 2023 audit engagement letter with FORVIS, and a proposed capital credit retirement for 2023.

It was noted that President Cannon will join this committee along with Chair Lockhart, and Director Fleming.

It is the recommendation of the committee to approve a capital credit retirement in 2023 for the years of 1993 and 1994 for a total amount of \$3,221,953.52.

The committee recommended approving the 2024 operating budget as presented.

The committee recommended approving the 2024 capital budget as presented.

The committee recommended approval of the 2023 audit engagement letter with form FORVIS as presented.

- b. **Engineering, Construction & Energy Services.** The committee had not met since the last Regular Meeting.

It was noted that Director Heuscher will now Chair this committee. Director Metheny will join this committee. Director Gray will remain on this committee.

- c. **Member Relations Committee.** Chair Patterson reported the committee met on November 7, 2023. At this meeting the committee addressed the 2024 annual meeting date and the 2023 election including the credentials committee and electronic voting.

It is the recommendation of the committee to have the annual meeting date as June 6, 2023, at a to be determined location in Montrose.

It is the recommendation of the committee to have Survey & Ballot Systems (SBS) as the credentials committee for the 2024 Board election.

It is the recommendation of the committee to have electronic voting options included for the 2024 Board election.

- d. **Executive Committee.** This committee has not met since the last Regular Board Meeting. There will be meetings in January and February 2024 to discuss various topics.

- 3. **CEO Report.** CEO Johnston presented the CEO report. It was noted there was some hydro activity in November but that operations will stop by December. There was a discussion on the SAIDI graph and if DMEA has ever been below the IEEE rural guidelines of less than 90 minutes by year end. It was noted, pre-AMI meters, when outages were not clocked until a certain number of members notified dispatch, that figure was lower. Now that we are aware of outages almost instantaneously, that figure will be higher as the outage “reporting” time is longer.

DMEA conducted its annual helicopter patrol of the overhead 46 kV lines for maintenance. This year the Vegetation Management Supervisor was included to patrol said lines from a vegetation management perspective.

The Vegetation Management Supervisor has started conducting a field patrol of the lines as well having now assessed approximately 640 miles of line on the system.

DMEA's CIO presented at the Ohio Electric Cooperatives Fall Managers Meeting. The Spark & Park member appreciations events went well. A video of the event will be included in next month's report. Spark Sessions will be starting in January; these sessions are for the community to get to know DMEA's leadership better on a one-on-one basis. DMEA's COO had a guest column in the October member newsletters.

Answer speed was addressed noting that, with the change in the phone system where callers are placed in a queue which notes which place they are in the queue, the answer speed time is longer, but the answer rate is higher as more customers are staying on the line and not calling back in. This graph will be eliminated from the CEO report starting next month.

The basic tier of service for Elevate was increased from 150 Mb to 400 Mb at no additional cost to the consumer. 12-month contracts have been discontinued. There are approximately 800 customers utilizing the new Elevate IQ app which has parental control, cyber protection filtering, etc. features.

Grants were discussed and it was the direction of the Board not to proceed with the PACE grant, instead having staff focus on the New ERA grant. Director Williams asked about the member/customer traffic at the Read Service Center since re-opening the lobby full time with staff noting the CSRs get, on average, between 15-20 walk-ins a day.

- 4. Legal Report.** Attorney Abbott provided the legal report. Work on landlord agreement matters is ceasing slightly. There are no pending litigations. Abbott has been working on policy updates and preparing for the special

meeting in November to address the PURPA 111 (d) (20) & (21) sections hearing regarding demand-response practices and EV charging programs. Abbott asked to defer the remainder of her report to Executive Session.

5. Director Reports.

- a. **Western United Electric Supply (WUES) Report.** Director Fleming noted he could not attend the last WUES meeting, held in conjunction with the CREA Energy Innovations Summit, so Director Lockhart attended in his stead. It was noted that Dan Daly, President of the WUES, recently passed away. Supply chain issues continue to plague WUES, particularly with transformers. In October, there was the first report of a decline in revenue from the last several years.

- b. **Colorado Rural Electric Association (CREA) Report.** Director Lockhart reported that CREA's Director of Member Services & Education will be retiring in December. The safety program has decreased by one FTE. A previous employee retired earlier this year and, with a change in cooperatives hiring more in-house safety personnel, it was determined that position did not need backfilled. The budget and the audit were discussed. There will be a joint Director/Manager meeting at the beginning of December. At this meeting, the CREA CEO evaluation will be completed by the Directors. Four DMEA Directors/staff attended the CREA Energy Innovations Summit in October (CEO Johnston and Directors Lockhart, Patterson, and Fleming) and it went well overall.

- c. **Conference, Webinars, & Meetings.** Director Heuscher addressed his attendance at an electric vehicle (EV) webinar.

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

7. Action Items.

- a. **2023 Annual Meeting Date.** Upon motion from Director Patterson, seconded by Director Sanchez, the Board approved the 2024 annual meeting of members date as June 6, 2024.
- b. **2024 Election Credentials Company.** Upon motion from Director Patterson, seconded by Director Sanchez, the Board approved Survey & Ballot Systems (SBS) as the credentials committee for the 2024 Board election.
- c. **2023 Election Electronic Voting.** Upon motion from Director Patterson, seconded by Director Williams, the Board approved adding electronic voting options for the 2024 Board election. DMEA will continue to utilize non-electronic methods including mail in and drop off ballots (at office locations) as well as the option to vote at the annual meeting of members.
- d. **2024 Capital Credit Retirement.** Upon motion from Director Lockhart, seconded by Director Patterson, the Board adopted resolution 2023-10 approving a capital credit retirement for the years 1993 and 1994 in the amount of \$3,221,953.52.
- e. **2024 Capital Budget.** Upon motion from Director Lockhart, seconded by Director Williams, the Board approved the 2024 capital

budget in the amount of \$20,359,522.

- f. **2024 Operations Budget.** Upon motion from Director Lockhart, seconded by Director Sanchez, the Board approved the 2024 operations budget as follows: total operating revenue, \$77,984,847; gross margin, \$40,401,869; operating margins, \$2,836,811; and total margins, \$4,277,220.

- g. **2023 Audit Engagement Letter.** Upon motion from Director Lockhart, seconded by Director Sanchez, the Board approved the 2023 audit engagement letter.

- h. **Increase in CFC One Card Credit Limit.** Upon motion from Director Lockhart, seconded by Director Sanchez, the Board adopted resolution 2023-11 approving an increase in the existing One Card limit, for DMEA corporate cards, of \$150,000 to \$200,000.

VIII. Future Meetings. The next Board Regular meeting will be on December 19, 2023, at 3:00 p.m. There will be a Member Relations committee meeting on November 14, 2023.

IX. Recess/Form Reconciliation. The Board took a brief recess at 4:25 p.m. The meeting resumed at 4:45 p.m.

X. Member Comments.

- a. **Hispanic Affairs Project Donation Request.** Karen Sherman Perez, Community Relations & Development Director for the Hispanic Affairs Project (Hap), presented on a donation request for \$30,000, from the unclaimed capital credit fund, for capital improvements to their new facility. She provided insight into the services that HAP provides to the immigrant community within Montrose, Delta, and

surrounding counties. She provided information on their facility and how the funding, if awarded, would be used.

XI. Executive Session. At 5:07 p.m., upon motion from Director Patterson, seconded by Director Lockhart, the Board unanimously entered executive session to receive a confidential corporate, litigation, and regulatory updates; review a donation request; review updates to Board policy 110 regarding Board Committees; discuss Board policy 111 regarding Political Donations; and review strategy plan updates. At 6:36 p.m., upon motion from Director Metheny, seconded by Director Patterson, the Board unanimously approved exiting executive session.

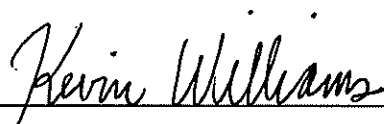
XII. Reconvened Regular Meeting.

1. Donation Request. Upon motion from Director Metheny, seconded by Director Williams, the Board unanimously approved a donation of \$30,000, as requested, to the Hispanic Affairs Project from the unclaimed capital credit fund.

2. Policy Updates: 110. Board Committees. Upon motion from Director Patterson, seconded by Director Sanchez, the Board unanimously approved updates to Board policy 110 as presented.

3. 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 6:39 p.m.



Kevin Williams, Secretary/Treasurer