



**MINUTES OF THE REGULAR MEETINGS OF THE
DELTA-MONTROSE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
December 19, 2023**

Regular Board Session. On December 19, 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. Approved the November 2023 membership/meter report and adopted the November 2023 Regular Meeting minutes with noted amendments and the December 2023 Special Meeting minutes with a noted amendment.
2. Reviewed committee reports.
3. Received a CEO report.
4. Appointed an Uncompahgre Valley Water Users Association (UVWUA) annual meeting voting delegate; appointed a CREA annual meeting voting delegate and alternate; and appointed an NRECA Colorado Director Election special meeting voting delegate and alternate.
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. Approved the FORVIS engagement letter regarding employee benefits.
8. Reviewed upcoming meeting dates and times.
9. Entered executive session to receive a confidential corporate, litigation, and regulatory updates; review a privileged cooperative information request; discuss updates to Board policy 111 regarding Political Donations; and review strategy plan updates.
10. Approved the Town of Paonia's request for privileged DMEA information as limited to the franchise agreement area and terms of the agreement.

11. Approved the updated DMEA strategy plan with a few modifications.
12. Approved the updates to Board Policy 111 with one amendment.

Regular Board Session

- I. **Call Meeting to Order.** Secretary/Treasurer Williams called the meeting to order at 3:05 p.m.
 - **Directors present:** Stacia Cannon (President) (via Team's), Kevin Williams (Secretary/Treasurer), Damon Lockhart, Enno Heuscher, Steve Metheny, Emily Sanchez, Jacob Gray (Assistant Secretary/Treasurer), Bill Patterson, Jock Fleming (Vice-President) (in during VI-General Business, 5-Director Reports, C-Colorado Rural Electric Association)
 - **Directors absent:** None
 - **DMEA staff present:** Jack Johnston (CEO), Amy Taylor (CoS), Kent Blackwell (CTO), Bob Farmer (CIO) (via Team's), Mateusz Pena (Chief Engineering & Power Resources Officer), Gayle Gouker (CFO), Cody Carver (COO)
 - **Others present:** Sarah Abbott (Attorney), Kent Cloward (member) (left prior to X-Executive Session), Joseph McGill (member) (via Team's) (left prior to X-Executive Session)

- II. **Pledge of Allegiance** was led by Director Lockhart.

- III. **Determination of a quorum.** Secretary/Treasurer Williams confirmed the presence of a quorum to conduct business.

- IV. **Approval of the agenda.** Upon motion from Director Patterson, seconded by Director Gray, the Board unanimously approved the agenda posted on December 7, 2023.

V. **Introductions.** Board members, staff, and guests introduced themselves.

VI. **General Business.**

1. **Consent Agenda.** Upon motion from Director Patterson, seconded by Director Sanchez, the Board approved the November 2023 membership/meter report, and adopted the November 2023 Regular Meeting minutes with two amendments, 1) the capital budget was corrected from 2023 to 2024 and 2) it was corrected that the Board instructed staff to proceed with the New ERA grant not PACE whereas the reverse was noted in the minutes, and the December 14, 2023, Special Meeting minutes with one amendment, 1) it was corrected that Director Sanchez was absent from the meeting not both present and absent.

2. **Committee Chair Reports.**

a. **Finance, Audit & Rates.** Chair Lockhart reported the committee has not met since the last Regular Board meeting.

b. **Engineering, Construction & Energy Services.** Chair Heuscher reported the committee has not met since the last Regular Board meeting.

c. **Member Relations Committee.** Chair Patterson report the committee met on December 14, 2023, to review the results of the member/customer survey and to review information on the upcoming Spark Sessions.

d. **Executive Committee.** It was noted the committee has not met since the last Regular Board meeting. There will be meetings in February and March 2024 to discuss assorted topics.

- 3. CEO Report.** CEO Johnston presented the CEO report. A DMEA Equipment Technician Foreman volunteered to go to Guatemala to help with installing electricity in a remote area. DMEA will do the Light Up the Navajo project again in 2024.

The Operations group recently completed first responder/severe trauma training with EMTs from Delta County. Select staff completed a GridEx cyber and physical security table-top exercise in November. This was the first time DMEA has internally performed such an exercise and it went well overall.

The capital credit retirement has been well received. For those with a credit amount less than \$50, they received a bill credit. Those \$50 and over received a check by mail. Director Gray inquired about the capital credit payments and uncollectable amounts. CFO Gouker noted that if someone had an uncollectable amount and was set to receive a capital credit retirement, the retirement would first be applied toward the uncollectable amount to recoup some of what was previously written off.

There has been a push to get corrected information from members, particularly if they are moving-out the territory and will no longer be members. This is, in part, to have more accurate information in the future when things like capital credit retirements come up.

There were only partial financials to report on as the Board meeting is a week earlier than normal. The full financial report will be presented at the next Board meeting in January 2024.

The employees at DMEA have a self-funded family in need fund where, throughout the year, they raise money to help families out during the holiday season. In 2023, the employees raised over \$8,000, which CEO

Johnston matched from the unclaimed capital credit fund. The employees were able to provide 115 kids gifts for Christmas.

CEO Johnston provided an update on his attendance at a Colorado Project meeting. There is a now a video link to the Western Colorado Energy Conference that Chief Engineering and Power Resource Officer Pena presented at in October.

Director Williams inquired about hiring more specialized positions at DMEA. A current position that has been tougher to fill is the recently vacated Journeyman Dispatcher. It was noted that DMEA is aware of the hurdles there are to fill positions like these and is working at providing more educational opportunities for these in the future.

The Uncompahgre Valley Water Users Association (UVWUA) annual meeting is in February 2024 and a voting delegate needs to be appointed on DMEA's behalf. Upon motion from Director Lockhart, seconded by Director Sanchez, the Board appointed Director Metheny as the voting delegate for the 2024 UVWUA annual meeting.

The Colorado Rural Electric Association (CREA) annual meeting is at the end of January/beginning of February 2024. A voting delegate and alternate needs to be appointed to vote on matters at this meeting. Upon motion from Director Lockhart, seconded by Director Heuscher, the Board appointed Directors Metheny and Lockhart as the voting delegate and alternative, respectively, for the CREA annual meeting.

There will be a special meeting on January 31, 2024, for the NRECA Colorado Director election. This special meeting is to elect a successor to the seat currently held by Colorado Director, Joe Martin, whom will be vacating the seat in March. CEO Johnston is submitting his application for this seat. A voting delegate and alternate needs to be appointed to vote

during this special meeting. Upon motion from Director Patterson, seconded by Director Gray, the Board appointed Directors Lockhart and Metheny to function as the voting delegate and alternate, respectively, at the NRECA Colorado Director election special meeting.

- 4. Legal Report.** Attorney Abbott provided the legal report. Work continues updating cooperative Board policies. Abbott is working on the Board self-evaluation summary to present at the January 2024 regular Board meeting. It was a contract heavy month regarding easement, licensing, and contractor matters. It was noted there are no current or pending litigation matters. Abbott asked to defer the remainder of her report to Executive Session.

5. Director Reports.

- a. Western United Electric Supply (WUES) Report.** There was no meeting since the last DMEA regular Board meeting so nothing about which to report.
- b. Colorado Rural Electric Association (CREA) Report.** Director Lockhart noted he would e-mail out the meeting minutes to the Board from the December meeting. The December meeting included a joint session with the Colorado General Managers/CEOs. Director Lockhart noted at the December meeting several CREA Board policy updates were reviewed and approved regarding non-discrimination and the code of conduct.

There have been several cooperatives as of late who have withdrawn their CREA membership while others are looking for a more all-a-carte service offering as part of their continued membership. The upcoming legislative session and bills of interest

were discussed. It was noted that community choice aggregation is off the table for the time being.

- c. **Conference, Webinars, & Meetings.** President Cannon highlighted her attendance at the virtual NRECA town hall on December 13th presented by Jim Matheson. She noted the main topic was maintaining system reliability. NERC performed a long-term risk analysis and found there is likely to be an elevated risk of outages during peak energy use times; it is something of which all cooperatives should be aware.

Director Patterson highlighted that in Victoria, Australia they have a terrain/climate like that of the Western Slope of Colorado. They are all solar; this would be something for DMEA to research in the future.

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

7. Action Items.

- a. **FORVIS Engagement Letter – Employee Benefits.** CFO Gouker noted that the National Rural Electric Cooperative Association (NRECA) must conduct a review of its benefit offerings annually. Each year, NRECA picks a different region to review and this year DMEA's benefits administered through NRECA (insurance, RS plan, 401K, short/long term disability, etc.) are part of the regional review. Gouker highlighted the cost to conduct this review was included in the budget as part of the audit costs. The Board inquired if other electric cooperatives are required to do this review and if FORVIS, DMEA's audit firm, has done a review like this previously. Gouker replied that all electric cooperatives who utilize NRECA for benefits do have to do this assessment review when their region's year is

noted. FORVIS has done this assessment for other cooperatives previously.

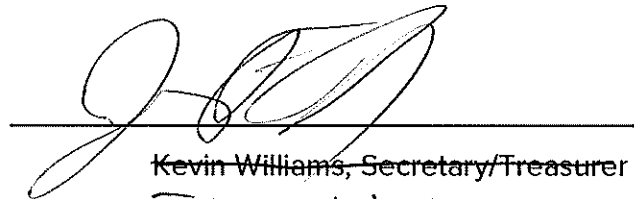
Upon motion from Director Lockhart, seconded by Director Heuscher, the Board approved the FORVIS engagement letter regarding employee benefits as presented.

- VII. **Future Meetings.** The next Board Regular meeting will be on January 23, 2024, at 3:00 p.m. There will be a Member Relations committee meeting on January 22, 2024. There will be a Board onboarding session for Director Metheny on January 25, 2024. All the Board is welcome to attend that session.
- VIII. **Recess/Form Reconciliation.** The Board took a brief recess at 4:25 p.m. The meeting resumed at 4:37 p.m.
- IX. **Member Comments.** There were no member comments.
- X. **Executive Session.** At 4:37 p.m., upon motion from Director Williams, seconded by Director Heuscher, the Board unanimously entered executive session to receive a confidential corporate, litigation, and regulatory updates; review a privileged cooperative information request; discuss updates to Board policy 111 regarding Political Donations; and review strategy plan updates. At 5:19 p.m., upon motion from Director Patterson, seconded by Director Metheny, the Board unanimously approved the exiting of executive session.
- XI. **Reconvened Regular Meeting.**
 - 1. **Privileged Information Request.** Upon motion from Director Patterson, seconded by Director Gray, the Board conditionally approved the Town of Paonia's request for privileged DMEA information as limited to the franchise agreement area and terms of the agreement. The Town will need to submit

an additional request in the future if their request exceeds that condition.

2. **Strategy Plan.** Upon motion from Director Williams, seconded by Director Lockhart, the Board unanimously approved the updated DMEA strategy plan with a few modifications.
3. **Board Policy 111: Political Activities.** Upon motion from Director Williams, seconded by Director Patterson, the Board unanimously approved the updates to Board Policy 111 with one amendment. The amendment is to replace 2b with the following: DMEA shall not make any political donations that are intended to influence the selection, nomination, election, appointment, or defeat of candidates for public office.
4. **Other Executive Session Items (if required).** There were no additional items from Executive Session to address.

XII. **Adjournment.** Having no further business to conduct, the Board adjourned its regular meeting at 5:24 p.m.



Kevin Williams, Secretary/Treasurer

John (JOCK) Flewing,
Vice-President

