



**MINUTES OF THE REGULAR MEETINGS OF THE  
DELTA-MONTROSE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
January 23, 2024**

**Regular Board Session.** On January 23, 2024, 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 December 2023 membership/meter report, adopted the December 2023 Regular Meeting minutes as presented, and reviewed future meetings.
2. Reviewed committee reports.
3. Received a CEO report.
4. Appointed President Cannon and CEO Johnston as the NRTC annual meeting voting delegate and alternate, respectively.
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. Adopted resolution 2024-1 regarding DMEA's PACE grant application and appointing CTO B. Kent Blackwell as the authorized representative.
8. Approved an updated loan agreement between DMEA and Elevate.
9. Entered executive session to receive confidential corporate, litigation, and regulatory updates; review privileged cooperative information requests; discuss updates to Board policy 115 regarding whistleblower information; and discussed the results of Board self-assessments.

10. Approved two privileged requests for information under the provision the two requesting entities complete a confidentiality agreement prior to disclosure of the requested information.

11. Approved the updates to Board policy 115: Whistleblower as presented.

### Regular Board Session

- I. **Call Meeting to Order.** Vice-President Fleming called the meeting to order at 3:02 p.m.
  - **Directors present:** Stacia Cannon (President) (via Team's), Damon Lockhart, Enno Heuscher, Steve Metheny, Emily Sanchez, Bill Patterson, Jock Fleming (Vice-President), Jacob Gray (Assistant Secretary/Treasurer) (via Team's)
  - **Directors absent:** Kevin Williams (Secretary/Treasurer)
  - **DMEA staff present:** Jack Johnston (CEO), Amy Taylor (CoS), Kent Blackwell (CTO), Bob Farmer (CIO), Mateusz Pena (Chief Engineering & Energy Resources Officer), Gayle Gouker (CFO), Cody Carver (COO) *\*all staff sans CEO Johnston left during IX-Executive Session*
  - **Others present:** Sarah Abbott (Attorney), Kent Cloward (member) (left prior to IX-Executive Session), Joseph McGill (member) (via Team's) (left prior to IX-Executive Session)
  
- II. **Pledge of Allegiance** was led by Vice-President Fleming.
  
- III. **Determination of a quorum.** Vice-President Fleming confirmed the presence of a quorum to conduct business.
  
- IV. **Approval of the agenda.** The Board accepted the agenda posted on January 12, 2024.

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

VI. **General Business.**

1. **Consent Agenda.** Upon motion from Director Patterson, seconded by Director Lockhart, the Board approved the December 2023 membership/meter report, adopted the December 2023 Regular Meeting minutes as presented, and reviewed future meetings.

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 reported the committee met on January 22, 2024. At this meeting, the committee reviewed: key information for the 2024 Director elections; information on the Annual Meeting of Members; and 2024-member outreach events.

Vice-President Fleming did note a member concern he received about Survey and Ballot Systems (SBS) and the balloting process which staff will address.

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. The SAIDI reliability data for December 2023 was less than that of December 2022 and 2021 which is a good way to end the year. System design is down to 3 weeks out on design projects. In 2023, DMEA had 40 higher bill concerns than in 2022 and a comparable total amount of energy audits although there were more commercial audits in 2022 whereas there were none in 2023.

Director Patterson inquired about vegetation management. Previously it was noted that DMEA would be on a 5-year cycle for overall system assessment. COO Carver noted that was correct but, with changes in DMEA personnel in 2023 as well as contractor changes, this has been extended to a 6-year cycle. Vegetation Management Supervisor James Benton has been doing a good job of walking the system out and a helicopter aerial assessment done in 2023 has also been beneficial.

The return of the Spark Sessions in 2024 was highlighted. The first one was in Olathe on January 16, 2024, and had approximately 70 attendees. Scholarship applications are now open with a deadline to apply on March 1, 2024. The Youth Leadership Program application period has ceased. There were 7 total applicants to attend the NRECA Rural Electric Youth Tour in Washington, DC or the CEEI Cooperative Leadership Camp in Steamboat Springs, CO. Recipients have been notified and, once participation is confirmed, they will be announced.

It was noted by staff that the *Number of DMEA Payments by Source* graph has become static and is no longer as informative as it once was; staff requested to eliminate it from future reporting with which the Board agreed. The call answer rate for December 2023 was still above the goal of 95% although it was noted that, upon looking at previous reports, there is a trend for the call answer rate to dip slightly in December annually.

As part of the subsidiary update, it was noted Elevate set an internal record in 2023 for the annual number of contracts received in a year reaching over 3,000. There was discussion on the Grid Hardening Grant award with it noted the use of that grant was for vegetation management efforts in areas on the Grand Mesa in Cedaredge.

It was noted the year-end financials for 2023 are not complete as there are a few items still outstanding for year-end reconciliation. A high number of capital credit checks issued in December 2023 have cleared. Work continues with DMEA's consultant on the cost-of-service study which should be ready for Board review in March. There was a discussion on the statement of operations regarding an adjustment to fiber lease revenue and how that is impacted by when work orders are closed. There was a question on the balance sheet regarding the special funds line item and a large spike over previous reporting. It was noted that under this line item the balance of the short-term investment with the Uncompahgre Valley Water Users Association (UVWUA) matures in December.

Director Heuscher inquired about the unclaimed capital credit fund balance and what the donation entailed to Energy Outreach Colorado. DMEA is required to donate to this fund; it is set amount per DMEA's number of meters. This program aids income qualified individuals on their utility bills. The Ken Atchley Scholarship fund was highlighted. This is usually given to local individuals attending line school. It was suggested increasing the scholarship amount annually to 2-\$5,000 scholarships. NRECA asked for a donation for their international program. DMEA recently had an employee help with electrification in Guatemala as part of this program. CEO Johnston suggested a \$1,000 donation with which the Board agreed.

Upon motion from Director Lockhart, seconded by Director Metheny, the Board appointed President Cannon and CEO Johnston as the NRTC annual meeting voting delegate and alternate respectfully.

**4. Legal Report.** Attorney Abbott provided the legal report. Abbott stated she has been working on (in coordination with DMEA staff): the updated intercompany loan agreement, PACE grant matters, easement matters related to the Paonia River Crossing repairs and the Garnet Mesa Solar Project, the CEO evaluation and compensation review, and DMEA policy and governing document updates. There is nothing new to report on the litigation or regulatory front. Abbott asked to defer the remainder of her report to the Executive Session.

**5. Director Reports.**

**a. Western United Electric Supply (WUES) Report.** Director Fleming stated the next Regular Meeting is the day after tomorrow via Zoom. He will also attend the WUES Annual Meeting next week in conjunction with the CREA Annual Meeting.

**b. Colorado Rural Electric Association (CREA) Report.** Director Lockhart stated he would be attending the CREA Annual Meeting next week as will Directors Fleming and Metheny and CEO Johnston. It was noted that part of that meeting will include a vote on the NRECA Colorado delegate, a seat for which CEO Johnston is vying.

**c. Conference, Webinars, & Meetings.** Director Gray attended the virtual NRECA Director Course 2630: Strategic Planning. Director Gray has one more 2000 level NRECA Director Course to obtain his Credentialed Cooperative Director (CCD) certification. He noted the course was good overall with DMEA cited as an example several times throughout the course instruction.

Director Heuscher attended a webinar hosted by DMEA's former General Counsel Jeffrey Hurd. Hurd is running for U.S. Congress

and hosted the webinar to address electric transmission and cooperatives in Colorado.

**6. Action Items.**

a. **PACE Authorized Representative Resolution.** Upon motion from Director Lockart, seconded by Director Patterson, the Board adopted resolution 2024-1 regarding DMEA's PACE grant application and appointing CTO B. Kent Blackwell as the authorized representative.

b. **Elevate Long-term Debt.** CFO Gouker explained the necessity to update the Elevate long-term debt agreement between DMEA and Elevate. If approved today by DMEA, this will also go before the Elevate Operating Managers to review and approve at their next Regular Meeting. Director Heuscher inquired about the default interest rate of 8% which Gouker noted can be changed at the request of the DMEA Board of Directors and the Elevate Operating Managers at any time.

Upon motion from Director Patterson, seconded by Director Lockhart, the Board approved an updated loan agreement between DMEA and Elevate.

**VII. Recess/Form Reconciliation.** The Board took a brief recess at 4:15 p.m. The meeting resumed at 4:25 p.m.

**VIII. Member Comments.** There were no member comments.

**IX. Executive Session.** At 4:25 p.m., upon motion from Director Patterson, seconded by Director Sanchez, the Board unanimously entered Executive Session to receive confidential corporate, litigation, and regulatory updates;

review privileged cooperative information requests; discuss updates to Board policy 115 regarding whistleblower information; and discussed the results of Board self-assessments. At 6:52 p.m., upon motion from Director Sanchez, seconded by Director Lockhart, the Board unanimously approved exiting Executive Session.

**X. Reconvened Regular Meeting.**

**1. Privileged Information Requests.** Upon motion from Director Patterson, seconded by Director Sanchez, the Board unanimously approved two privileged requests for information under the provision the two requesting entities completed a confidentiality agreement prior to disclosure of the requested information.

**2. Board Policy 115: Whistleblower.** Upon motion from Director Lockhart, seconded by Director Heuscher, the Board unanimously approved the updates to Board Policy 115 as presented.

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

**XI. Adjournment.** Having no further business to conduct, the Board adjourned its regular meeting at 6:53 p.m.



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Kevin Williams, Secretary/Treasurer