



**MINUTES OF THE REGULAR MEETINGS OF THE  
DELTA-MONTROSE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
February 27, 2024**

**Regular Board Session.** On February 27, 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.

<b>During its regular meeting, the DMEA Board:</b>
<b>1.</b> Approved the January 2024 membership/meter report, adopted the January 2024 Regular Meeting minutes (with one minor grammatical amendment), and the February 2024 Special Meeting minutes as presented, and reviewed future meetings.
<b>2.</b> Reviewed committee reports.
<b>3.</b> Received a CEO report.
<b>4.</b> Received a legal report.
<b>5.</b> Received Board representative reports from WUES and the CREA as well as reports from those who attended conferences and trainings.
<b>6.</b> Took a brief recess to take an updated Board group photo.
<b>7.</b> Listened to member comments.
<b>8.</b> Reviewed an unclaimed capital credit fund donation request from the Magic Circle Players.
<b>9.</b> Entered executive session to receive a confidential corporate, litigation, and regulatory updates; discuss the Magic Circle Players donation request from the unclaimed capital credit fund; and review updates to Board Policy 301 regarding disclosure of cooperative information.
<b>10.</b> Approved an unclaimed capital credit fund donation of \$25,000 to Magic Circle Players to pay for part of the cost of a freestanding marquee sign, contingent on the City of Montrose approval of the sign permit.

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| <p><b>11.</b> Approved Board Policy 301 as presented in Executive Session with a typographical correction.</p> |
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**Regular Board Session**

- I. **Call Meeting to Order.** President Cannon called the meeting to order at 3:01 p.m.
  - **Directors present:** Stacia Cannon (President), Damon Lockhart, Enno Heuscher, Steve Metheny, Emily Sanchez, Bill Patterson, Jock Fleming (Vice-President), Jacob Gray (Assistant Secretary/Treasurer), Kevin Williams (Secretary/Treasurer)
  - **Directors absent:** None
  - **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 Manganello (Line Superintendent – Montrose), Samantha Vallejos (HR Manager) *\*all staff sans CEO Johnston left during X-Executive Session*
  - **Others present:** Sarah Abbott (Attorney), Kent Cloward (member) (left prior to X-Executive Session), Katy Cloward (member) (left prior to X-Executive Session), Joseph McGill (member) (via Team's) (left prior to X-Executive Session), Margaret McCaffrey & Lisa Rediger (representatives from Magic Circle Players) (left prior to X-Executive Session)
  
- II. **Pledge of Allegiance** was led by Director Metheny.
  
- III. **Determination of a quorum.** President Cannon confirmed the presence of a quorum to conduct business.
  
- IV. **Approval of the agenda.** The Board accepted the agenda posted on February 8, 2024.

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

VI. **General Business.**

1. **Consent Agenda.** Upon motion from Director Patterson, seconded by Director Heuscher, the Board approved the January 2024 membership/meter report, adopted the January 2024 Regular Meeting minutes (with one minor grammatical amendment) and the February 2024 Special Meeting minutes, and reviewed future meetings.

Director Williams inquired if a member comment Director Fleming presented last meeting, as noted in the January 2024 Regular Meeting minutes, regarding issues previously with receiving a ballot and the balloting company DMEA utilized. Chief of Staff Taylor noted staff has addressed this.

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 has not met since the last Regular Board meeting.
- d. **Executive Committee.** Chair Cannon stated the committee met on February 7, 2024, to address the CEO annual evaluation and compensation. There will be another meeting on February 29, 2024, to address legal strategy.

- 3. CEO Report.** CEO Johnston presented the CEO report. Currently, System Design is three-weeks out on jobs. Two energy audits were completed, and work continues on the City of Montrose LED-street light replacement project.

President Cannon inquired about the vegetation management information and the format in which it is presented. Staff will look at the past information and work to be present in a more consistent format. It was also noted that previously the goal was to bring all vegetation management services in-house. That was paused so DMEA could do a vegetation management system audit and will be re-evaluated based on those results.

President Cannon asked about the employee cyber training hours reported. It was stated this is an aggregate of all employees, at the end of the month, who completed the training in the time allotted.

Light Up Navajo, a program which DMEA participated in 2023, was addressed. A short video was shown highlighting the program with DMEA participants interviewed. DMEA will be participating again in 2024.

The cost-of-service study is complete and will be reviewed by the Board at a special meeting in March. 78.1% of the capital credit checks mailed in late 2023 have been deposited. Those checks are good for 90-days. All funds not cashed in by members after a three-year period will be allotted to the unclaimed capital credit fund. There was a discussion about how members can look up if they have capital credits outstanding, which can be done via the DMEA website. DMEA has netted \$1.2 million in interest since 2022 which CFO Gouker noted is being re-invested.

- 4. Legal Report.** Attorney Abbott provided the legal report. Work continues on the Board Policy updates. Abbott assisted staff with updating the employee tuition assistance form. The CEO evaluation review, assistance

with the PACE grant application, and work on the Garnet Mesa Solar Project was also completed in recent weeks. There are currently no pending litigation or regulatory matters to address. Abbott asked to defer the remainder of her report to Executive Session.

President Cannon asked about having Board Policies on the website. While some policies are available on the website, like the donations policy under the community tab, they are not all in one central location. Once the complete policy updates have concluded, in addition to the website transition, it is the goal of staff to have all Board Policies available on the website.

## 5. Director Reports.

- a. **Western United Electric Supply (WUES) Report.** Director Fleming noted there was a regular and an annual WUES meeting since the DMEA Board last met. Steve Valdez was elected the WUES Chair; a vacancy he fills due to the former Chair passing away. Other officers advanced up, leaving the Treasurer position vacant until the August regular meeting where new officers will be elected.
- b. **Colorado Rural Electric Association (CREA) Report.** Director Lockhart noted at the last CREA regular meeting, Steve Valdez was appointed the CREA Board President. Legislative matters were addressed. Director Lockhart stated he sent out the CREA meeting minutes, along with CREA's position on certain legislative matters, via e-mail to the Board prior to the meeting. Another major topic of discussion was a proposed solar panel project in the Cortez area to be located on a Native American reservation including project

parameters and involved parties.

- c. **Conference, Webinars, & Meetings.** Director Metheny highlighted his attendance at the CREA Annual Meeting. He noted safety data presented at the meeting regarding electrical contacts by both members and employees statewide. Director Metheny also discussed his attendance at the Uncompahgre Valley Water Users Association (UVWUA) Annual Meeting. Director Fleming addressed his attendance at the CREA Annual Meeting. He highlighted an interesting fact that DMEA is the third highest utility in Colorado for electric heat pump installations.

President Cannon, Director Fleming, and CEO Johnston will be attending the National Rural Electric Cooperative Association (NRECA) Power Xchange Conference next week. President Cannon addressed an online NRECA director education course she took recently on capital credits. She noted it presented interesting information on strategies for risk mitigation and leveraging capital credits.

**6. Action Items.** There were no additional action items to address at this time.

- VII. **Board Group Photo.** The Board took a brief recess at 4:45 p.m. to take a group photo.
- VIII. **Recess/Form Reconciliation.** The meeting resumed at 5:02 p.m.
- IX. **Member Comments.** Members were present at 4:30 p.m. to start member comments. Member, Joseph McGill, who was in attendance via Team's, inquired about cyber concerns related to recent FBI warnings regarding other countries compromising network infrastructure in the U.S. CIO Farmer and CTO Blackwell addressed this inquiry from a cyber security standpoint for both

DMEA and Elevate infrastructure and equipment.

**1. Magic Circle Players – Unclaimed Capital Credit Funding Donation**

**Request.** Lisa Rediger, representative from Magic Circle Players (MCP), presented the non-profit organization's unclaimed capital credit fund donation request. The request is for \$25,000 to aid in the purchase of a freestanding marquee sign. Ms. Rediger highlighted the MCP's recent capital improvement project on the theater facility including fundraising. She also reviewed community impact highlights of the MCP which has been in existence for 65 years. The Board inquired if the City of Montrose has approved the permit for the marquee with Ms. Rediger noting there is no permit in hand at present but the City has viewed the location and approved the final design.

I. **Executive Session.** At 5:02 p.m., upon motion from Director Patterson, seconded by Director Williams, the Board unanimously entered Executive Session to receive a confidential corporate, litigation, and regulatory updates; discuss the Magic Circle Players donation request from the unclaimed capital credit fund; and review updates to Board Policy 301 regarding disclosure of cooperative information. At 7:22 p.m., upon motion from Director Fleming, seconded by Director Lockhart, the Board unanimously approved the exiting of Executive Session.

II. **Reconvened Regular Meeting.**

**1. Magic Circle Players – Unclaimed Capital Credit Funding Donation**

**Request.** Upon motion from Director Williams, seconded by Director Metheny, the Board approved an unclaimed capital credit fund donation of \$25,000 to Magic Circle Players to pay for part of the cost of a freestanding marquee sign, contingent on the City of Montrose approval of the sign permit.

**2. Board Policy 301: Disclosure of Cooperative Information.** Upon motion from Director Fleming, seconded by Director Patterson, the Board approved Board Policy 301 as presented in executive session with a typographical correction.

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

**III. Adjournment.** Having no further business to conduct, the Board adjourned its regular meeting at 7:23 p.m.



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Kevin Williams, Secretary/Treasurer