



**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
June 28, 2022**

Regular Board Session. On June 28, 2022, the board of directors of Delta-Montrose Electric Association (DMEA) met for its 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 May 2022 Membership Report and adopted the May 2022 Regular Meeting Minutes, the June 2022 Annual Meeting Minutes, and the June 2022 Organizational Meeting Minutes
2. Approved the June 2022 CEO Report
3. Approved the April 2022 Financial Reports
4. Received a non-privileged legal report from the General Counsel
5. Received board representative reports from Western United Electric Supply (WUES) and the Colorado Rural Electric Association (CREA)
6. Appointed junior livestock auction buyers for the Montrose and Delta County fairs and determined to have the purchased livestock professionally processed and the meat donated to community food banks
7. Re-adopted the simplified parliamentary procedures that govern DMEA board meetings
8. Confirmed July's regular board meeting date
9. Received a member concern relating to relocation of DMEA facilities
10. Entered executive session to: (1) receive a privileged CEO report containing confidential information; (2) receive a privileged legal report concerning corporate, litigation, and regulatory matters; and (3) review the South Canal Hydro Drops 1 & 3 contract and reserve fund

11. Authorized donations of \$2,500 each to the All Together Colorado Fund and the Senate Majority Fund

Regular board session

- I. **Call Meeting to Order.** The meeting was called to order at 3:02 p.m.
 - **Directors present:** Kyle Martinez (President), Stacia Cannon (Vice-President) Jock Fleming (Secretary/Treasurer), Kevin Williams (Assistant Secretary/Treasurer), Bill Patterson, Ken Watson, Jacob Gray, Damon Lockhart, Enno Heuscher
 - **Directors absent:** None
 - **DMEA staff present:** Alyssa Clemens Roberts, Gayle Gouker, Becky Mashburn, Tim Vigil, Kent Blackwell, Mateusz Pena ((left during agenda item X (Executive Session)), Rob Manders (left prior to agenda item X (Executive Session)), Amy Taylor
 - **Others present:** Jeffrey Hurd (General Counsel), Gail Marvel (member, reporter for *The Montrose Mirror*) (left prior to agenda item X (Executive Session)), Jessica Wayman (member) (present for agenda item IX (Member Comments))

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

- III. **Opening meeting prayer** was led by President Martinez.

- IV. **Determination of a quorum.** President Martinez announced the presence of a quorum.

- V. **Approval of the agenda.** Upon motion from Director Patterson, seconded by Director Fleming, the board adopted the meeting agenda posted on June 16,

2022, with a single amendment to add an action item after Executive Session to vote on a political donation.

VI. Introductions. Board members, staff, and guests introduced themselves.

VII. General Business.

A. Consent Agenda. Upon motion from Director Patterson, seconded by Director Cannon, the board unanimously approved the May 2022 Membership Report and adopted the May 2022 Regular Meeting Minutes, the June 2022 Annual Meeting Minutes, and the June 2022 Organizational Meeting Minutes.

B. Board Committee Items.

- 1. Finance-Audit-Rate Committee – Ken Watson, Chair.** Chair Watson reported that the committee had not met since the last regular board meeting.
- 2. Engineering-Construction-Energy Services Committee – Stacia Cannon, Chair.** Chair Cannon reported that the committee had not met since the last regular board meeting.
- 3. Member Relations Committee – Bill Patterson, Chair.** Chair Patterson reported that the committee had not met since the last regular board meeting.
- 4. Executive Committee – Kyle Martinez, Chair.** Chair Martinez reported that the committee had not met since the last regular board meeting.

- C. CEO Report.** CEO Clemesen Roberts updated the board on key administrative and operational matters within the cooperative, including personnel/staffing, network matters, community/peer outreach, and board engagement.

The Chief Relations Officer (CRO) and Chief Information Officer (CIO) will both be starting in the next two weeks. DMEA's wholesale power supplier, Guzman Energy, hosted one invite-only and one open house event for the service area regarding the Garnet Mesa solar project. Two linemen visited Garnet Mesa Elementary School, providing demonstrations and educating the students on what it means to be a lineman.

The board inquired about member response during the two Garnet Mesa solar project informational events. Clemesen Roberts noted that approximately half of those present were in support of the project. The primary objection voiced related to location. Clemesen Roberts reported other questions asked related to livestock (sheep) on the property, nearby aircraft operations, and irrigation.

Director Fleming inquired about Customer Service Representative live answer phone statistics and the significance of "abandoned" calls in the CEO Report. The overall phone live answer rate for May was 89%, which is positive.

Director Cannon asked about outages regarding poles. Staff discussed recent outages relating to weather-impacted insulators and noted that poles are typically linked to outages only when struck by vehicles. DMEA remains on its wildfire prevention plan, so outages may be extended as linemen have to patrol lines before power is restored.

Director Cannon also inquired about the South Canal hydro units and staff noted that output is down slightly from previous years as the canal was offline two weeks for maintenance.

Director Gray asked how DMEA can increase the number of members utilizing paperless billing, with staff highlighting the major incentive for paperless billing is avoiding the \$2 paper statement fee each month.

Upon motion from Director Lockhart, seconded by Director Williams, the board unanimously approved the June 2022 CEO Report as presented.

D. Financial Report with Variance Report. CFO Gouker presented DMEA's financials through April 2022, highlighting various key financial metrics.

Gouker noted electric revenues continue to exceed budget through April. DMEA received a substantial refund from a FERC-approved transmission settlement with Tri-State Generation & Transmission Association; the settlement refund was divided between a power cost reduction and a reduction to the accrued receivables on the balance sheet.

Total operating and maintenance expenses in April increased over March, with most of this increase attributed to overtime due to wind-caused outages, costs for a pole inspection project, and a write-off of uncollectible billings for pole damages. Year to date, however, operating and maintenance expenses are still 7.5% under budget.

Year-to-year variations in special funds, cash, special deposits, and temporary investments are due to the borrowing from CFC and

CoBank and the conversion of the lines of credit to long term debt in March 2022.

All debt covenants are well above the lender-required minimums.

Director Gray inquired about the increase on the transmission line item on the income statement from March to April; Gouker noted she would look into this and report back to the board.

Director Cannon inquired about the timing of the financial reports as well as the level of detail in the financial reports when compared to previous financial reports. After some discussion, staff and the board agreed to defer additional discussion on the substance of financial reports to the July meeting of the Finance-Audit-Rate Committee.

Upon motion from Director Heuscher, seconded by Director Fleming, the board unanimously approved the April 2022 Financial Reports as presented.

E. Non-Privileged Legal Report. General Counsel Hurd presented his non-privileged legal report, updating the board on corporate and regulatory developments occurring in the past month. Among other things, Hurd reported that DMEA filed its annual report with the Colorado Public Utilities Commission showing compliance with Colorado RES requirements. The cooperative also successfully conducted a smooth 2022 board election. Hurd requested to defer the remainder of his report to executive session.

F. Representative Board Reports.

1. **Western United Electric Supply (WUES) Report.** Director Fleming reported the WUES board did not meet. The next meeting will be in August.
2. **Colorado Rural Electric Association (CREA) Report.** Director Lockhart stated had emailed notes from the June 24 virtual meeting to the DMEA board. He highlighted from that report the youth tour, the approved audit, and the search for a replacement for the Director of Safety and Loss Control. The next board meeting will be in August and will be a joint meeting with the cooperative managers/CEOs.
3. **Conference, Webinar, etc. Attendance Reports.** There were no reports from directors.

G. Informational Items.

- a. **Review South Canal Hydro Drops 1 & 3 Contract/Reserve Fund.** Hurd requested to defer this topic to executive session given the confidential nature of some underlying contractual issues.

H. Action Item.

- a. **Determine Junior Livestock Auction Buyer(s).** Upon motion from Director Cannon, seconded by Director Williams, the board appointed President Martinez and Director Lockhart to be the junior livestock auction buyers for the Montrose and Delta County fairs, respectively. DMEA will donate the livestock meat

for the 2022 fair.

- b. Vote on Simplified Parliamentary Procedures.** Upon motion from Director Fleming, seconded by Director Patterson, the board unanimously re-adopted the simplified parliamentary procedures that govern DMEA board meetings.

VIII. Future Meetings.

A. Regular Board Meetings. The next regular board meeting is July 26, 2022, at 3:00 p.m.

B. Committee Meetings. There were no future committee meetings set at this time.

IX. Member Comments. Member Jessica Wayman addressed the board about her concerns relating to the cost to move of a pole and transformer on her property. She also sought clarification about DMEA's practices with respect to charges for repurposed materials. After listening to Wayman's concerns and following input from staff, the board agreed that Engineering and Power Resource Manager, Pena, would follow up with Wayman and attempt to address her specific concerns.

X. Executive Session. At 4:25 p.m., upon motion from Director Fleming, seconded by Director Lockhart, the board unanimously voted to enter executive session to: (1) receive a privileged CEO report containing confidential information; (2) receive a privileged legal report concerning corporate, litigation, and regulatory matters; and (3) review the South Canal Hydro drops 1 & 3 contract and reserve fund. The Board briefly recessed from executive session for approximately 10 minutes in order to hear member comments from member Jessica Wayman. At 5:59 p.m., upon motion from

Director Cannon, seconded by Director Heuscher, the board exited executive session.

XI. Action Items (from Executive Session).

A. Vote on a Political Donation. Upon motion from Director Lockhart, seconded by Director Gray, the board authorized donations of \$2,500 each to the All Together Colorado fund and the Senate Majority Fund.

XII. Adjournment. Having no further business to conduct, the board adjourned its regular meeting at 6:00 p.m.



Jock Fleming, Secretary/Treasurer