



**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 26, 2022**

Regular Board Session. On July 26, 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 June 2022 Membership Report and adopted the June 2022 Regular Meeting Minutes.
2. Reviewed committee reports.
3. Approved the July 2022 CEO Report
4. Approved the May 2022 Financial Reports
5. Received a non-privileged legal report from the General Counsel
6. Received board representative reports from Western United Electric Supply (WUES) and the Colorado Rural Electric Association (CREA) and received reports from directors about DMEA-related meetings they had attended.
7. Adopted DMEA Resolution No. 2022-10, recognizing the retirement of Guy Gard.
8. Adopted DMEA Resolution No. 2022-11, regarding DMEA/Elevate benefits
9. Confirmed August's regular board meeting date
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) discuss CEO succession.
11. Adopted Resolution No. 2022-12, regarding DMEA CEO succession matters

Regular board session

- I. **Call Meeting to Order.** The meeting was called to order at 3:00 p.m.
 - **Directors present:** Kyle Martinez (President), Stacia Cannon (Vice-President) Jock Fleming (Secretary/Treasurer), Kevin Williams (Assistant Secretary/Treasurer), Bill Patterson, Jacob Gray, Damon Lockhart, Enno Heuscher
 - **Directors absent:** Ken Watson
 - **DMEA staff present:** Alyssa Clemens Roberts, Lindsay Forepaugh, Bob Farmer, Tim Vigil, Kent Blackwell, Gayle Gouker, Mateusz Pena
 - **Others present:** Jeffrey Hurd (General Counsel), Gail Marvel (member, reporter for *The Montrose Mirror*) (left prior to agenda item X (Executive Session)), Kent Cloward (member) (left prior to agenda item X (Executive Session)), Mike Atwood (member) (left prior to agenda item X (Executive Session))

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

- 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 Lockhart, seconded by Director Cannon, the board adopted the meeting agenda posted on July 15, 2022 with two amendments: (i) under VII-G-1, add Discussion of a Congressional Letter, and (ii) under VII-H-2, add an agenda item regarding DMEA/Elevate Benefits Matters.

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

- VII. **General Business.**

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

B. Board Committee Items.

1. Finance-Audit-Rate Committee. Chair Watson was not present, so Director Lockhart reported that the committee had met on July 19, 2022. Primary items addressed in the meeting included reviewing updates to two rate tariffs and a draft of another potential new tariff; addressing items that would be included in the monthly financial reports; and discussing a depreciation matter.

Staff was asked to post the notice of the tariff updates to the net metering (13) and the industrial distribution voltage 12 kV (4) rate tariffs, as well as the implementation of a new rate tariff industrial distribution voltage 12 kV standby (4a). It is anticipated that there will be a rate hearing as part of the September regular meeting agenda.

2. Engineering-Construction-Energy Services Committee. Chair Cannon reported that the committee had not met since the last regular board meeting.

3. Member Relations Committee. 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 met on July 19, 2022, to address CEO succession planning.

C. CEO Report. CEO Clemens Roberts updated the board on key administrative and operational matters within the cooperative, including personnel/staffing, network matters, community/peer outreach, and board engagement. Clemens Roberts provided a detailed update on the Garnet Mesa Solar Project, progress made with the Delta County Planning Commission (resulting in a unanimous endorsement), and anticipation of a presentation to the full Board of County Commissioners. The answer rate for member calls hovers above 90%. Director Williams asked about wildfire mitigation, and DMEA staff confirmed it has gone out of fire prevention mode because of sufficient moisture. Director Gray asked about an employment change issue, and Clemens Roberts requested to defer that discussion to executive session.

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

D. Financial Report with Variance Report. CFO Gouker presented DMEA's financials through May 2022, highlighting various key financial metrics. Among other things, Gouker touched on year-to-date margins, which are exceeding budget, along with monthly and year-to-date revenues. Operating and maintenance expenses ran under budget in May and continue to run under budget year-to-date. Year-over-year, total assets have increased by \$12 million. Net utility plant is \$2 million of the increase, consisting of \$9.7 million in construction of new utility plant, including fiber, less \$7.7 million of increased accumulated

depreciation. All debt covenants are well above the lender-required levels for debt service coverage and equity percentage.

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

E. Non-Privileged Legal Report. General Counsel Hurd presented his non-privileged legal report, touching on non-privileged regulatory, litigation, and corporate matters for the cooperative.

F. Representative Board Reports.

- 1. Western United Electric Supply (WUES) Report.** Director Fleming reported the WUES board did not meet in July but will meet in August.
- 2. Colorado Rural Electric Association (CREA) Report.** Director Lockhart stated no meeting occurred in July but that the CREA board will meet at La Plata Electric Association in early August.
- 3. Conference, Webinar, etc. Attendance Reports.** Director Cannon reported on having attended a presentation of CFC's Key Results Trend Analysis (KRTA) 2021 results. She briefly touched upon key statistics from that conference as well as KRTA trends more generally.

G. Informational Items.

- 1. Congressional Sign on Letter.** Director Williams noted some Congressional issues on the horizon that could be relevant to cooperatives—including Clean Energy Tax Credits (utilizing a

for-profit entity), direct USDA assistance for investments in rural energy, and loans for rural coops for energy efficiency. Director Williams will circulate a third-party draft letter supporting these initiatives and in August the DMEA board will consider whether to sign onto this letter or perhaps draft its own letter.

H. Action Item.

1. **Retirement resolution for Guy Gard.** Upon motion from President Martinez, seconded by Director Lockhart, the board unanimously approved a retirement resolution (DMEA Resolution No. 2022-10) for Guy Gard expressing appreciation for his decades of service to the cooperative.
2. **Resolution re: DMEA/Elevate Benefits Matters.** Upon motion from Director Fleming, seconded by Director Gray, the board adopted DMEA Resolution No. 2022-11, regarding benefits for Elevate employees. Director Patterson cast a dissenting vote.

VIII. Future Meetings.

A. Regular Board Meetings. The next regular board meeting is August 23, 2022, at 3:00 p.m.

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

IX. Member Comments. Member Mike Atwood asked that the board make it possible for DMEA members to regularly follow cooperative board meetings online, perhaps through live streaming, without having to require them drive to Montrose. In conjunction with this request, he asked that the board also

consider posting the non-privileged portions of the board packet online so that members can see those materials as well. Taking these steps, Atwood said, will enhance the core values of the cooperative and would be a service to members.

X. Executive Session. At 4:07 p.m., and upon motion from Director Williams, 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) discuss CEO succession matters. Staff left the room at 4:51 p.m. prior to discussion of CEO succession matters. In addition, at 5:00 p.m. board members confirmed that there were no additional members wanting to make a public comment to the board. At 7:24 p.m., upon motion from Director Patterson, seconded by Director Lockhart, the board exited executive session.

XI. Action Items (from Executive Session).

A. CEO Succession. Upon motion from Director Gray, seconded by Director Fleming, the DMEA board voted unanimously to adopt DMEA Resolution No. 2022-12 (regarding CEO Succession, including the process for interim CEO appointment and the search for a permanent CEO).

XII. Adjournment. Having no further business to conduct, the board adjourned its regular meeting at 7:27 p.m.



Jock Fleming, Secretary/Treasurer