



**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 23, 2022**

Regular Board Session. On August 23, 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 July 2022 Membership Report and adopted the July 2022 Regular Meeting Minutes
2. Reviewed committee reports
3. Approved the August 2022 Interim CEO Report
4. Approved the June and July 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 attended
7. Adopted DMEA Resolution No. 2022-13 regarding appointment of an interim CEO and engagement of a CEO search firm
8. Adopted DMEA Resolution No. 2022-14 and DMEA Resolution No. 2022-16 updating banking signatories to include the Interim CEO
9. Adopted DMEA Resolution No. 2022-15 regarding the updates to the Retirement Security (RS) pension plans for DMEA employees
10. Adopted DMEA Resolution No. 2022-17 regarding grants through the ReConnect program
11. Addressed future committee and board meeting dates

12. Entered executive session to: (1) receive a privileged interim CEO report containing confidential information; (2) receive a privileged legal report concerning corporate, litigation, and regulatory matters; (3) discuss a potential pause to the revised strategic plan; and (4) receive an update on the CEO search

Regular board session

- I. **Call Meeting to Order.** The meeting was called to order at 3:01 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, Ken Watson
 - **Directors absent:** None
 - **DMEA staff present:** Amy Taylor, 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 Lockhart.
- 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 Lockhart, the board adopted the meeting agenda posted on August 12, 2022, with two amendments: (i) eliminate agenda item VII-H-2,

Consideration of Support of Federal Legislation Impacting Cooperatives; and (ii) under VII-H-5, change the agenda item regarding Grant Resolutions from “tentative” to an item that would be acted upon.

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

VII. General Business.

A. Consent Agenda. Upon motion from Director Fleming, seconded by Director Watson, the board unanimously approved the July 2022 Membership Report and adopted the July 2022 Regular Meeting Minutes.

B. Board Committee Items.

1. Finance-Audit-Rate Committee. Chair Watson reported that the committee had not met since the last regular board meeting.

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 twice since the last regular meeting, on August 14 and August 17, to meet with DMEA’s CEO search consultant and address CEO search process matters.

C. Interim CEO Report. Interim Chief Executive Officer Blackwell updated the board on key administrative and operational matters within the cooperative, including personnel/staffing, network matters, community/peer outreach, and board engagement. Among other things, Blackwell updated the board on approval by the Delta County Board of Commissioners of a limited use permit to install and operate the Garnet Mesa Solar Project. With respect to safety matters, Blackwell reported on a near-miss after a public equipment operator hit a power pole and an electric conductor fell across the vehicle.

Director Fleming asked about the hydroelectric output thus far in 2022 and it was confirmed that flow rates are in line with previous years. Director Cannon inquired about the turnaround time for net metering applications. Engineering Manager Pena reported that times vary depending on the specific application and inspection process, but overall applications are typically handled expeditiously. The board also discussed vegetation management; additional review of would occur in an Engineering, Construction, and Energy Services Committee meeting slated for September.

Board members also asked various questions on information technology statistics relating to cyber-security. Chief Information Officer, Farmer, provided some additional definitions and insight into the statistics provided regarding network vulnerabilities.

Member Appreciation Day is October 9, 2022, and will include free admission with a \$5 snack voucher at the Fox Cinema Center in Montrose and the Paradise Theater in Paonia.

Director Williams inquired about quarterly all-employee meetings as well as certain items relating to cooperative-wide cultural training through Nash Consulting.

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

D. Financial Report with Variance Report. Chief Financial Officer Gouker presented DMEA's financials from June and July 2022, highlighting various key financial metrics. Among other things, Gouker addressed billed and accrued revenues, kWh sales in light of heating and cooling-degree days, operations and maintenance expenses, and items relating to the income statement. In response to a board member inquiry, Gouker provided background on the type of cash investments DMEA makes. Board and staff briefly discussed how capital improvements to the Bullock substation impacted financials. Director Gray asked about the resale of the hydro generation from Drops 4 & 6.

Upon motion from Director Watson, seconded by Director Patterson, the board unanimously approved the June and July 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. Among the developments highlighted over the past month were easements, rights-of-way, and FERC matters. Hurd also mentioned DMEA's response to illegal attempts by landlords to constructively evict tenants by attempting to disconnect electric service.

F. Representative Board Reports.

1. **Western United Electric Supply (WUES) Report.** Director Fleming reported the WUES board would be meeting the following week.

2. **Colorado Rural Electric Association (CREA) Report.** Director Lockhart reported on his attendance at the August CREA board meeting at La Plata Electric Association in Durango. CREA continues to search for a new Director of Safety and Loss Control. Lockhart reviewed the safety role CREA plays with cooperatives, particularly in the administration of the national Rural Electric Safety Achievement Program (RESAP) audits. Director Lockhart noted that CREA membership dues would be increasing in 2023 due in large part to CORE Electric Cooperative's withdrawal from the organization. Director Lockhart continues to serve on CREA's Budget and Education committees.

3. **Conference, Webinar, etc. Attendance Reports.** Directors Cannon, Patterson, and Gray are participating in the Western Electricity Coordinating Council grid fundamentals webinar and reported on items covered thus far. Director Patterson also attended a virtual town hall with Jim Matheson CEO of NRECA.

G. Informational Items. There were no additional informational items to address.

H. Action Item.

1. **Resolution Confirming the Interim CEO Appointment.** Upon motion from Director Patterson, seconded by Director Fleming,

the board unanimously adopted DMEA Resolution No. 2022-13, confirming Kent Blackwell's appointment as Interim CEO as well as DMEA's engagement of CarterBaldwin to conduct its executive search.

2. **Update Banking Signatories.** Upon motion from Director Lockhart, seconded by Director Williams, the board unanimously approved DMEA Resolution No. 2022-14 & and DMEA Resolution No. 2022-16, updating banking signatories to include Interim CEO Blackwell.
3. **RS Plan Resolution.** Chief Relations Officer Forepaugh highlighted how the DMEA's Retirement Security (RS) pension plans must be reviewed and approved by the board annually. There are no proposed changes for 2023. Upon motion from Director Lockhart, seconded by Director Gray, the board unanimously adopted Resolution No. 2022-15 regarding the RS plans.
4. **Grant Resolution.** Blackwell briefly highlighted the status of the ReConnect grants for DMEA, noting a resolution is needed giving him authority to function as a signatory for the grants and to access the online grant portal. Upon motion from Director Fleming, seconded by Director Heuscher, the board unanimously adopted DMEA Resolution No. 2022-17 regarding DMEA's grants through USDA ReConnect program.

VIII. Future Meetings.

A. Regular Board Meetings. Because of director scheduling issues, the next regular board meeting will not occur on the fourth Tuesday of the month but will instead occur on Thursday, September 22, at 3:00 p.m.

B. Committee Meetings. There will be a Finance Audit and Rate Committee meeting on September 6. There will be an Engineering, Construction and Energy Services Committee meeting on September 19.

IX. Member Comments. Member Kent Cloward addressed the board and staff about the Garnet Mesa Solar Project as well as his thoughts about the new DMEA CEO search. Member Mike Atwood commended DMEA's work on the Garnet Mesa Solar Project presentation and also provided the board with some thoughts on DMEA's CEO search. He emphasized the importance of finding the right person for the CEO position.

The board took a brief recess at 4:42 p.m. The meeting resumed at 5:00 p.m., at which time board members confirmed that there were no additional members wanting to make a public comment to the board.

X. Executive Session. At 5:00 p.m., and upon motion from Director Cannon, seconded by Director Lockhart, the board unanimously voted to enter executive session to: (1) receive a privileged interim CEO report containing confidential information; (2) receive a privileged legal report concerning corporate, litigation, and regulatory matters; (3) discuss a potential pause to the revised strategy plan; and (4) discuss the status of the CEO search. Staff left the room prior to discussion of CEO search matters. At 7:34 p.m., upon motion from Director Watson, seconded by Director Patterson, the board exited executive session.

- XI. **Action Items (from Executive Session).** There were no action items from executive session.

- XII. **Adjournment.** Having no further business to conduct, the board adjourned its regular meeting at 7:34 p.m.



Jock Fleming, Secretary/Treasurer

