



**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
January 25, 2022  
In-person and virtually via Zoom**

**Regular board session.** On January 25, 2022, the Board of Directors of Delta-Montrose Electric Association (DMEA) met for its regular board meeting. Attendees participated both in person and virtually via the Zoom platform.

**During the regular meeting the DMEA Board:**

1. Approved membership reports through December 2021, the October 2021 Special Meeting Minutes, the October 2021 Regular Meeting Minutes, and the December 2021 Regular Meeting Minutes
2. Received certain Board committee reports
3. Approved the January 2022 CEO Report and SAIDI information
4. Approved the Financial and Variance Report through November 2021
5. Received a non-privileged update from the General Counsel
6. Received board representative reports from Western United Electric Supply (WUES) and the Colorado Rural Electric Association (CREA)
7. Appointed directors to serve as the WUES, CREA, and NRECA annual meetings voting delegates, and appointed a voting delegate for the Uncompahgre Valley Water Users Association annual meeting
8. Adopted resolutions regarding DMEA's application for the federal ReConnect round 3 grant for fiber infrastructure build-out
9. Deferred action on payment of the Operation Round Up audit
10. Updated the list of DMEA banking signatories
11. Reviewed regular board meeting dates for the upcoming months, as well as the strategy session dates and the date of the annual meeting of members

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| <p><b>12.</b> Entered executive session to: (1) receive a privileged legal report on corporate, litigation, and regulatory matters; (2) receive a privileged CEO report; (3) discuss patronage capital matters; (4) receive a power supply update, (5) receive an update on the November 2021 network security incident; and (6) discuss CEO compensation</p> |
| <p><b>13.</b> Authorized a \$20,000 merit bonus to Alyssa Clemsen Roberts for services to DMEA as CEO in 2021</p>   |

**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) (via Zoom), Jock Fleming (Secretary/Treasurer), Enno Heuscher (Assistant Secretary/Treasurer) (via Zoom), Bill Patterson, Ken Watson (via Zoom), Jacob Gray, Kevin Williams (via Zoom), Damon Lockhart
  - **Directors absent:** None
  - **DMEA staff present:** Alyssa Clemsen Roberts, Amy Taylor (via Zoom), Kent Blackwell, Gayle Gouker, Mateusz Pena, Tim Vigil, Jim Heneghan, Becky Mashburn.
  - **Others present:** Jeffrey Hurd (general counsel), Gail Marvel (member, reporter for *The Montrose Mirror*) (via Zoom) (left prior to agenda item X (Executive Session))
- II. Pledge of Allegiance** was led by Director Patterson.
- III. Opening meeting prayer** was led by Director Lockhart.
- 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 January 14, 2022, with the following amendment made at the start of the meeting: add agenda item VII-H-4, Vote on Updates to Banking Signatories.

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

VII. **General Business.**

A. **Consent Agenda.** Upon motion from Director Lockhart, seconded by Director Gray, the board unanimously approved membership reports through December 2021, the October 2021 Special Meeting Minutes, the October 2021 Regular Meeting Minutes, and the December 2021 Regular Meeting Minutes.

B. **Board Committee Items.**

1. **Finance-Audit-Rate Committee.** Chair Ken Watson noted the committee met on January 18 to review detailed information about DMEA's cost-of-service study and to discuss certain patronage capital matters. The committee will meet again in February to revisit patronage capital issues and to follow up on matters raised in the January meeting.

2. **Engineering-Construction-Energy Services Committee.** Committee Chair Stacia Cannon noted that the committee did not meet in January but was slated to meet in February.

**3. Member Relations Committee.** Committee Chair Bill Patterson noted that the committee did not meet in January but will meet in February.

**4. Executive Committee.** Committee Chair Kyle Martinez reported that the Executive Committee did not meet in January.

**C. CEO Report.** CEO Clemens Roberts updated the board on key administrative and operational matters within the cooperative. Clemens Roberts noted that DMEA's new Chief Operating Officer, Tim Vigil, joined DMEA the previous week. Work continues finalizing plans with the Cooperative Finance Corporation (CFC) for a strategic planning session on April 26 and 27, 2022. Safety matters were reviewed. With respect to member services, customer service representatives continue to see a high volume of calls in the aftermath of the cyber-attack. Disconnects are set to start again in February. "Spark Sessions" are set to start soon and will allow members to meet the new DMEA executive team. Clemens Roberts updated the Board on the Operation Round Up donation drive as well as the cooperative Youth Tour in Washington D.C.

Clemens Roberts highlighted an agreement DMEA is negotiating with Holy Cross Energy that would allow Holy Cross, which has existing infrastructure nearby, to serve a new build inside of DMEA's certificated service territory.

Engineering Manager Pena then reviewed updated System Average Interruption Duration Index (SAIDI) information and answered questions posed by the Board regarding the impact of vehicle-hit poles and fire-mitigation protocols. While DMEA's year-end SAIDI number was higher than in previous years, DMEA continues to perform well in

relation to peer cooperatives.

Upon motion from Director Heuscher, seconded by Director Fleming, the board unanimously approved the January 2022 CEO Report and SAIDI information as presented.

**D. Financial Report with Variance Report.** CFO Gouker presented the Financial and Variance Report through November 2021, noting the work staff had done to recreate relevant information following the November cyber-attack. At February's Board meeting, Gouker will present the December 2021 and January 2022 financials. Gouker also noted that DMEA's auditors will be on site in late March 2022. Highlights from the financials include: (1) total operating revenues exceeded budget by 8% in October and 4.5% in November, mainly due to strong commercial and industrial sales; (2) operating expenses, when excluding purchased power, were under budget by 2% in October but over budget by 3% in November due in large part to overtime work resulting from the cyber-attack; (3) non-operating margins for October and November exceeded budget as a result of subsidiary operations and DMEA's October receipt of CFC patronage capital credits totaling \$307,867.

Gouker also reviewed compliance with debt covenants and DMEA board policy regarding equity levels.

Upon motion from Director Lockhart, seconded by Director Patterson, the Board unanimously approved the Financial and Variance Report through November 2021 as presented.

**E. Non-Privileged Legal Report.** General Counsel Hurd updated the Board on the status of regulatory matters involving DMEA, including

the ongoing Open Access Transmission Tariff before the Federal Energy Regulatory Commission and Tri-State's Electric Resource Plan before the Colorado Public Utilities Commission. Hurd then updated the Board on other miscellaneous corporate work before deferring the remainder of his legal report to executive session.

**F. Representative Board Reports.**

- 1. Western United Electric Supply (WUES).** Director Fleming noted the next regular meeting will occur at the end of January. Fleming will also be attending the WUES annual meeting as part of the CREA annual meeting in February.
- 2. Colorado Rural Electric Association (CREA).** Director Lockhart reviewed updates from CREA's December board meeting and previewed certain items to be discussed during the upcoming January meeting. CEO Clemens Roberts attended the joint manager/director meeting in December via Zoom and provided information relating to cyber issues. Attorney Craig Johnson has been hired as CREA's new general counsel and director of government relations. Director Lockhart concluded his report by referencing nine key pieces of legislation for CREA in the 2022 Colorado legislative session.

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

**H. Action Item.**

- 1. CREA, WUES, Uncompahgre Valley Waters Users Association (UVWUA) Annual Meeting and National Rural Electric Cooperative Association (NRECA) Annual Meeting Voting**

**Delegates.** Upon motion from Director Lockhart, seconded by Director Fleming, the board unanimously appointed Directors Lockhart, Fleming, and Cannon to serve as the WUES, CREA, and NRECA annual meetings voting delegates, respectively, and appointed President Martinez as the voting delegate for the UVWUA annual meeting.

2. **ReConnect Round 3 Resolutions.** CTO Blackwell reviewed three different resolutions related to DMEA's application for federal ReConnect round 3 grant funding for fiber infrastructure build-out. Upon motion from Director Fleming, seconded by Director Gray, the board unanimously approved the associated DMEA Resolutions 2022-1, 2022-2, and 2022-3.
3. **Vote on Operation Round Up Audit.** The board was presented with a proposed engagement letter for the annual Operation Round Up audit. After some discussion about the cost of the audit in relation to the total amount of Operation Round Up funding, the board discussed possibly obtaining bids for future audit services. Upon motion from President Martinez, seconded by Director Fleming, the board unanimously voted to table action on this agenda item to a future meeting pending discussion with the Operation Round Up board on how to address the audit going forward.
4. **Vote on Banking Signatories.** Upon motion from Director Lockhart, seconded by Director Patterson, the board unanimously approved an update to DMEA's authorized bank signatories, including adding CFO Gouker.

#### VIII. Future Meetings.

**A. Regular Board Meetings.** The next regular board meetings are as follows: February 22, 2022, at 2:00 p.m.; March 22, 2022, at 3:00 p.m.; and April 19, 2022, at 3:00 p.m. The April board meeting was moved up one week to accommodate a strategic planning session set for April 26-27, 2022. The annual meeting of members will be on June 16, 2022.

*The board took a brief recess at 4:23 p.m. The meeting resumed at 4:34 p.m.*

**IX. Member comments.** There were no member comments.

**X. Executive session.** At 4:38 p.m., upon motion from Director Lockhart, seconded by Director Fleming, the board unanimously voted to enter executive session to: review a privileged legal report on corporate, litigation, and regulatory matters; receive a privileged CEO report; discuss patronage capital matters; receive a power supply update; receive an update on the network security incident; and discuss CEO compensation. Director Gray left the boardroom temporarily during discussion of the Garnett Mesa Solar Project. With the exception of CEO Clemesen Roberts and CTO Blackwell, staff left executive session while the Board met with DMEA's network security consultant. The consultant left the meeting at 8:04 p.m., along with the rest of DMEA staff. At 8:28 p.m., upon motion from Director Patterson, seconded by Director Fleming, the board unanimously voted to exit executive session.

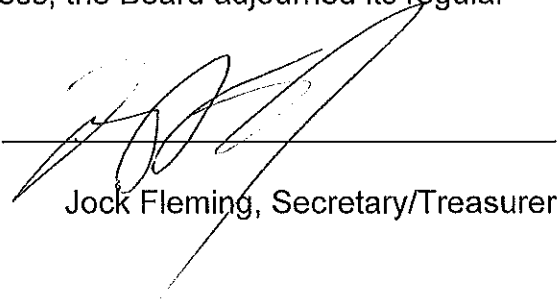
**XI. Action Items (from Executive Session).**

**a. CEO Compensation.** Upon motion from Director Lockhart, seconded by Director Fleming, the board voted unanimously to authorize a \$20,000 merit bonus to Alyssa Clemesen Roberts for services to DMEA as CEO in



2021.

**XII. Adjournment.** Having no further business, the Board adjourned its regular meeting at 8:30 p.m.



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Jock Fleming, Secretary/Treasurer

