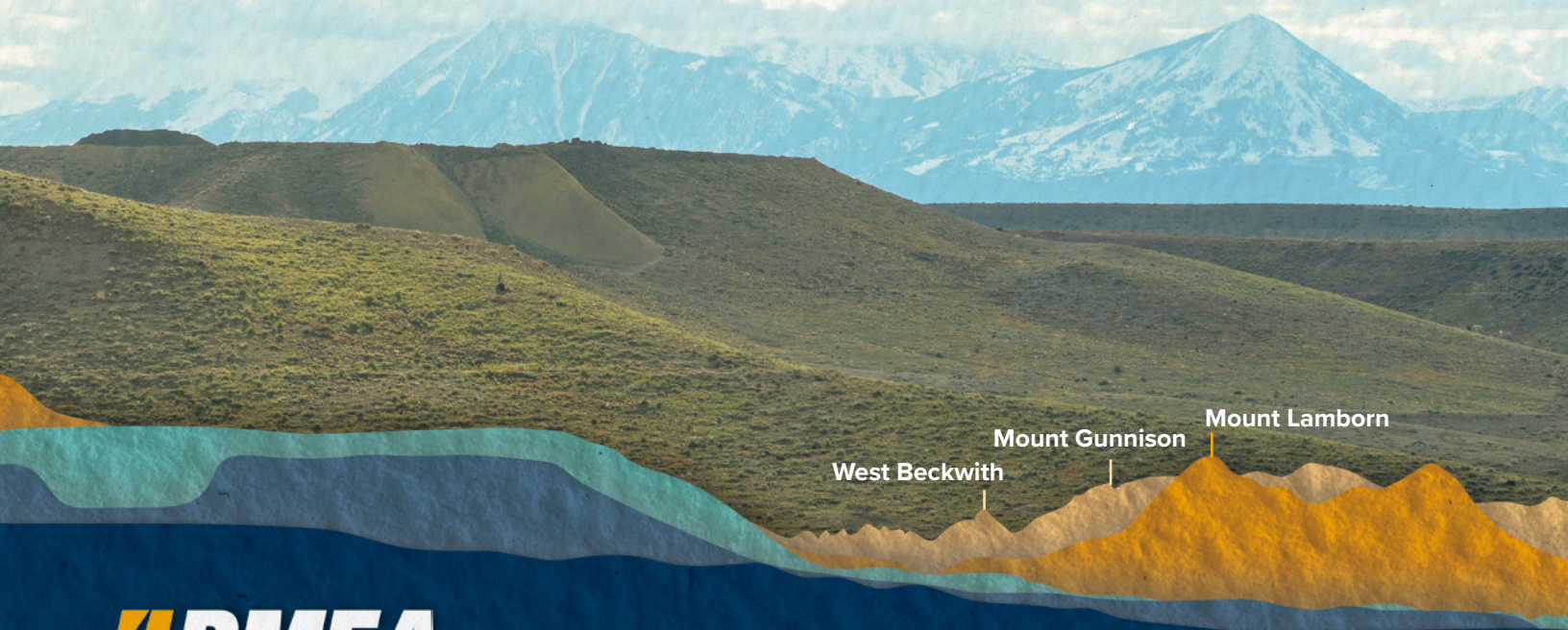


THIS IS

CO-OP Country

2022 DMEA ANNUAL REPORT





A MESSAGE FROM THE CEO

Dear Members,

It's been a mere six months since I joined DMEA, and I couldn't be happier with how they've gone. That said, my words would ring hollow if I spent the following paragraphs celebrating DMEA's many achievements last year – I wasn't here to experience them. Instead, I'll let the following pages of this report tell those stories. You'll find information about a reliability project in Somerset, the Garnet Mesa Solar Array near Delta, a community donation in Montrose, and Elevate's first 6 Gigabit (Gig) internet customer in Paonia. Add in the fact that DMEA retired \$3.5 million in capital credits and held your electric rates steady for the third year in a row, and 2022 was an impressive year for your cooperative.

While I may have missed being a part of DMEA's major accomplishments last year, I know precisely why your co-op was able to accomplish so much. I have had the good fortune to work within the Colorado cooperative industry for more than a decade. No matter which position or co-op I was a part of, decisions were always made the same way: With the members' best interests at heart.

Please join me in celebrating DMEA's major milestones last year. You'll see that in every corner of our service territory there was something to celebrate. And for those who may be just as new to DMEA as I am, welcome to co-op country!

Jack Johnston



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Leadership Team

Jack Johnston, Chief Executive Officer
Bob Farmer, Chief Information Officer
Gayle Gouker, Chief Financial Officer
Kent Blackwell, Chief Technology Officer
Lindsay Forepaugh, Chief Relations Officer

BOARD OF DIRECTORS

Dear Members,

I've had the privilege of serving for the past eight years as part of DMEA's nine-member Board of Directors, democratically elected by you, our members. When I began in 2015, I didn't truly understand the significance of cooperative governance. That changed quickly!

The Board of Directors is primarily responsible for setting DMEA's strategic direction, which includes discussing policies, evaluating opportunities, setting your energy rates, and addressing industry-scale issues the co-op may face.

Over the years, the board has made several key decisions to improve the lives of its members, from adopting advanced meters and infrastructure to developing local hydro generation along the South Canal. During my time on the board, two decisions stand out. In 2016, DMEA launched Elevate Internet, the Western Slope's first 100% fiber internet company. Today, 68% of our service territory has access to internet speeds up to 6 Gig. And in 2020, our focus on affordable and flexible energy led DMEA to secure a new power supply contract with Guzman Energy, increasing our renewable generation capacity and setting predetermined power costs through 2033.

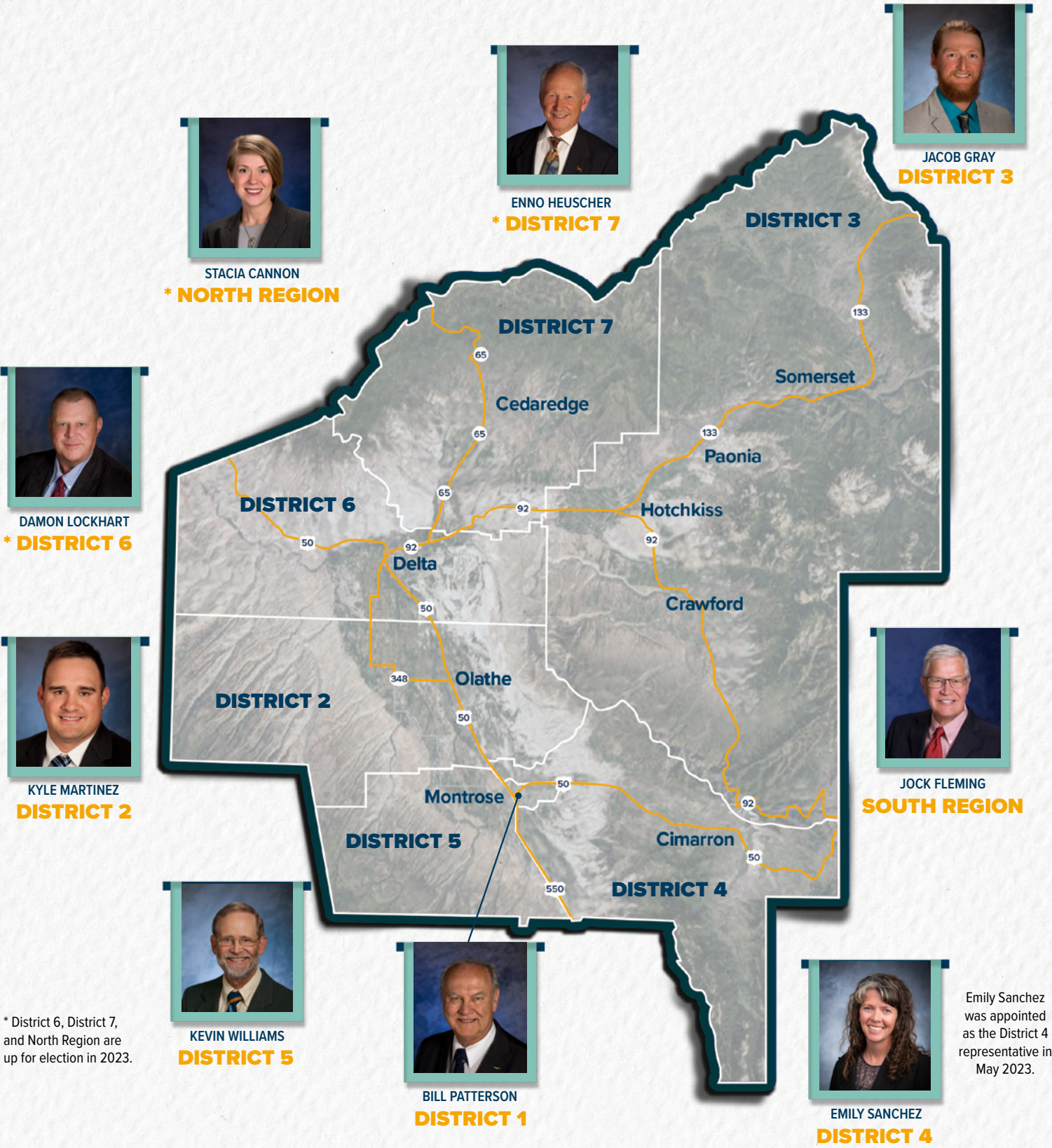
DMEA is fortunate to have a seasoned Chief Executive Officer who provides organizational leadership to ensure our vision is achieved and manages the day-to-day operations. He is supported by an executive team offering subject matter expertise and guidance, along with a talented team of employees who demonstrate a 24/7/365 commitment to our mission. None of the accomplishments I referenced earlier (or those in the following pages) would have been possible without their admirable dedication. For that, I would like to extend my sincerest appreciation.

DMEA's board plays an important role, and I'm proud to be a part of it. Comprised of members from diverse backgrounds and various communities within our service territory, we work hard to ensure DMEA's focus remains first and foremost on you.

Sincerely,



Kyle Martinez, Board President



ENGINEERING

GARNET MESA SOLAR FARM

Agrivoltaics in Action

The 80-megawatt agrivoltaic solar generating farm is set to revolutionize energy production in Delta, CO, while boosting the local economy. A collaboration between Guzman Energy, Citra Power, and DMEA, this innovative project will span 383 acres and generate more than 194,000 megawatt hours (MWh) of electricity annually, enough to power 18,000 homes. The project is expected to create 350 to 400 construction jobs, primarily for local workers, in addition to new full-time positions in site management, sheep grazing, and farm management.

Agrivoltaics is a sustainable approach that combines solar energy production with active farmland use. The Garnet Mesa Solar Farm will incorporate sheep grazing, providing the animals with much-needed shade while they manage vegetation around the solar panels. Additionally, the solar panels help conserve water resources by reducing evaporation from direct sunlight on the ground. The Garnet Mesa Solar Farm represents a promising fusion of renewable energy and sustainable agriculture, serving as a model for future projects across the nation.



36,248

TOTAL METERS

New Residential Meters

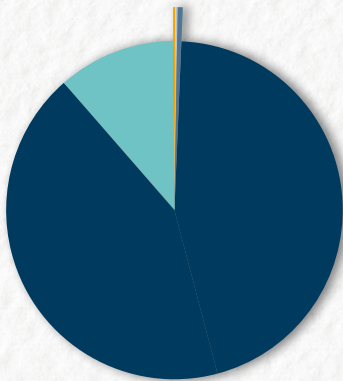
483

New Commercial Meters

323

TYPES OF METERS

- Residential 87.9%
- Small Commercial 11.3%
- Municipal Services 0.4%
- Irrigation 0.2%
- Street Lighting 0.1%
- Large Commercial 0.04%



Leon Peak

Green Mountain

Grand Mesa

Chair Mountain

Marcellina Mountain

Mount Lamborn

Black Ridge

SYSTEM STATS

548,828,689

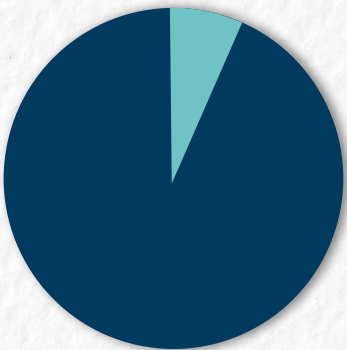
TOTAL KILOWATT HOURS SOLD (kWh)

116.094

PEAK DEMAND (MW)

GUZMAN ENERGY

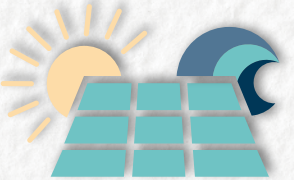
POWER SUPPLIER



WHOLESALE POWER SOURCES

- Guzman Energy 93.41%
- Local Generation 6.59%

RENEWABLES



35,849,021

LOCAL HYDROELECTRIC GENERATION (kWh)

327,470

LOCAL SOLAR GENERATION (kWh)

10,284

NET METER CAPACITY (kW)

1,447

NET METERS

SYSTEM ENGINEERING

1,018

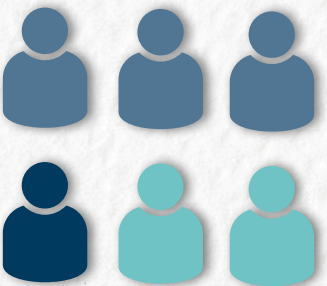
NEW SYSTEM DESIGN JOBS

3

SYSTEM DESIGNERS

3

ENGINEERS ON STAFF (2 P.E.)



VEGETATION MANAGEMENT

3,699

TREES TRIMMED

1,506

TREES REMOVED

2,660

FEET OF BRUSH
REMOVED



LINE STATS

1,517
MILES OF
UNDERGROUND LINE

1,733
MILES OF
OVERHEAD LINE

153
MILES OF
TRANSMISSION
LINE

3,403
TOTAL MILES OF LINE

POLE STATS

41,242

POWER POLES

3,200

POLES INSPECTED

381

POLES
REPLACED

Treasury Mountain

Purple
Mountain

Augusta
Mountain

Lightning Ridge



OPERATIONS

SOMERSET RELIABILITY PROJECT

Anthracite Creek Area Gets an Upgrade

In November 2022, DMEA completed a short but essential upgrade on the primary underground power line serving the Anthracite Creek area near Somerset. The 40+ year-old cable was vital to reliability in one of our most remote regions, bringing power to the homes, ranches, and recreation areas along County Road 12 towards Kebler Pass. But it had reached the end of its lifespan.

To improve reliability, particularly during the isolating winter months, and plan for future growth, DMEA replaced the aging cable with a new larger line. Underground work in the mountains is notoriously challenging, and the 3,500-foot project required DMEA to plow through rock to replace the line. Crews simultaneously installed additional conduit, which Elevate Internet will use in the future to build its fiber optic network.

0

LOST TIME
INJURIES

168

AVERAGE
ANNUAL
MINUTES
WITHOUT
POWER

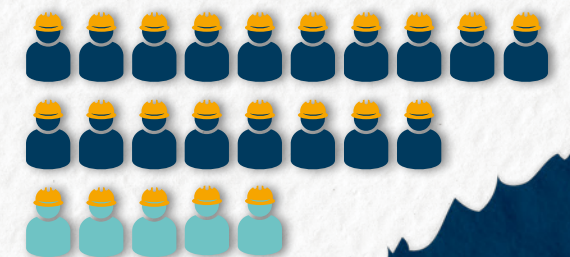
23 LINEWORKERS

18

JOURNEYMEN

5

APPRENTICE



FINANCE & ACCOUNTING

\$38,477,657

WHOLESALE POWER COSTS

\$69,435,064

ELECTRIC REVENUE

740

AVERAGE MONTHLY RESIDENTIAL
ENERGY USE (kWh)

\$8,206,897

OPERATING MARGINS

\$11,825,665

INTERNET REVENUE

\$109.23

AVERAGE MONTHLY RESIDENTIAL
ENERGY BILL

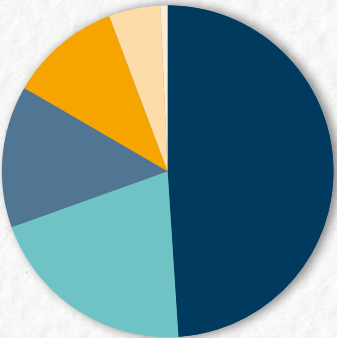
\$449.19

DMEA CONTROLLABLE
EXPENSES PER CONSUMER

\$580.69

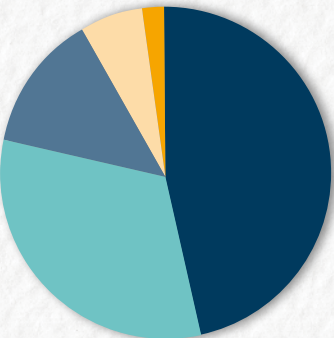
STATE* MEDIAN CONTROLLABLE
EXPENSES PER CONSUMER

*2021 STATE DATA IS THE LATEST AVAILABLE



INCOME

- Residential 49%
- Small Commercial 21%
- Internet 14%
- Large Commercial 11%
- Other 5%
- Street Lighting <1%



EXPENSES

- Cost of Purchased Power 51%
- Operating Expenses 29%
- Depreciation & Amortization 15%
- Interest 7%
- Other Charges & Credits (2%)

CONSOLIDATED BALANCE SHEET

DESCRIPTION	AMOUNT
ASSETS	
Total Utility Plant	\$305,771,523
Accumulated Depreciation	(119,730,706)
<i>Net Utility Plant</i>	<i>186,040,817</i>
Investments in Associated Organizations	5,445,539
Cash and Temporary Investments	26,183,041
<i>Total Cash and Investments</i>	<i>31,628,580</i>
Accounts Receivable, Net	12,466,969
Material and Supplies	7,373,799
Other Current Assets and Deferred Debits	5,396,764
<i>Total Other Assets</i>	<i>25,237,532</i>
Total Assets	\$242,906,929
LIABILITIES	
Accounts Payable	\$9,841,068
Accrued Taxes and Other Liabilities	3,363,602
Other Deferred Credits	29,879,471
Current Maturities of Long-Term Debt	5,644,812
<i>Total Current and Other Liabilities</i>	<i>48,728,953</i>
<i>Long-Term Debt</i>	<i>132,666,647</i>
MEMBERS' EQUITY	
Patronage Capital	62,089,962
Other Equities	(578,633)
<i>Total Members' Equity</i>	<i>61,511,329</i>
Total Liabilities and Members' Equity	\$242,906,929

\$3,507,243

CAPITAL CREDITS
RETIRED TO
MEMBERS

\$0.1095

RESIDENTIAL
ENERGY RATE
PER kWh

0%

RATE CHANGE
SINCE 2019

North Saddle Peak

South Saddle Peak

Mount
Guero

Slide Down

Castle Rock

Cathedral Peak

Big Hill

MEMBER RELATIONS

DOLPHIN HOUSE

At first glance, the unassuming bungalow on South First Street looks just like the other homes on the block. But looks are deceiving because out of this small home comes immense services. The Dolphin House Child Advocacy Center is a child-focused organization that supports child abuse victims and their non-offending family members.

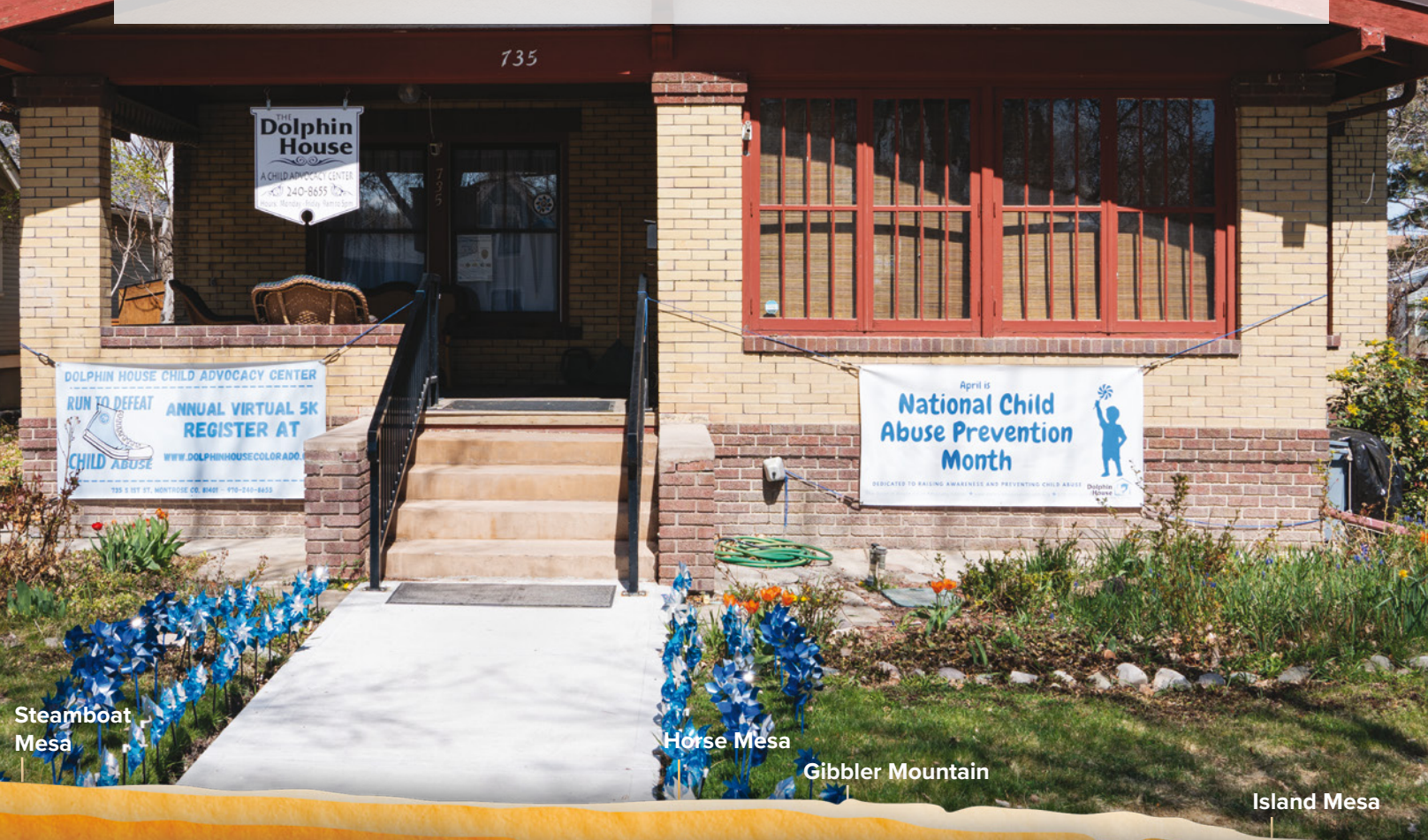
As an emergency-based organization, the Dolphin House is there for children through every step of an abuse investigation. Throughout the process, the team works to create a safe space for a child to tell their story. They also offer rigorous trauma and mental health support for non-offending family members.

Last year alone, the center supported more than 600 primary and secondary victims of child abuse all from its 100-year-old bungalow. Space, just like funding, is a challenge, and the agency will soon begin a capital campaign to expand and renovate the center.

With the need for mental health resources at a critical level in Montrose and Delta counties, DMEA chose to use a portion of its 2022 CoBank Sharing Success matching grant, donating \$6,666 to Dolphin House. Additional donations were also granted to CASA and Dream Catcher Therapy Center.

How to donate online: www.coloradogives.org/organization/DolphinHouse.

Report suspected abuse or neglect: 844-CO-4-KIDS (844-364-5437) or 911.



Steamboat Mesa Horse Mesa Gibbler Mountain Island Mesa

COMMUNITY SUPPORT

\$43,968

DMEA COMMUNITY GIVING

\$54,000

21 SCHOLARSHIPS AWARDED

\$8,380

CRISIS FUND DONATIONS

\$38,500

ELEVATE COMMUNITY GIVING

\$55,109

OPERATION ROUND UP DONATIONS

8,405

MEMBERS ENROLLED IN OPERATION ROUND UP

82

ACSI SCORE

(Most recent American Customer Satisfaction Index)



SERVING YOU BETTER

14

CUSTOMER SERVICE TEAM MEMBERS

124

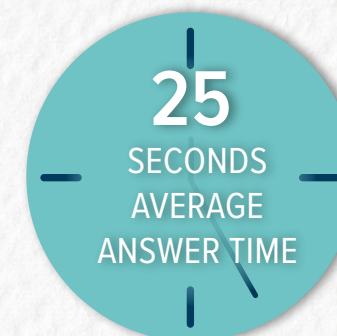
EMPLOYEES

63,152

PHONE CALLS ANSWERED

18,481

SMARTHUB ACCOUNTS



25
SECONDS
AVERAGE
ANSWER TIME

Sheep Rock

Grand Mesa

ELEVATE INTERNET

\$53,577,031 TOTAL GRANTS AWARDED THROUGH 2022

24,728 (68%)
DMEA METERS WITH
ACCESS TO ELEVATE

12,291
ELEVATE
CUSTOMERS

1,684
NEW CUSTOMERS
IN 2022

1,739
TELEPHONE
CUSTOMERS

920
TV
CUSTOMERS

68
NET
PROMOTER
SCORE

NEW GRANT ZONES ADDED IN 2022

- CEDAR MESA
- CRAWFORD
- BLACK CANYON
- UNCOMPAHGRE

1,437
MILES OF FIBER

207
NEW MILES OF FIBER
IN 2022

Jumbo Mountain

Marcellina
Mountain

Elephant Hill

West Beckwith

Stewart Mesa

Mount Gunnison

Mount Lamborn

From Left to right:
Alex Krump-Johnson,
Sam Krump-Johnson,
and Theron Johnson.

ELEVATE

6 GIG: THE BEST OF BOTH WORLDS

The Johnson family lives on a rural ranch near Paonia, Colorado. But despite their remote location, their work spans the globe thanks to their Elevate internet connection. Combining stunning surroundings and advanced technology, the Johnsons have found the perfect balance between modern connectivity and rural living. They became Elevate's first 6 Gig customer in November of 2022 because it allowed them the bandwidth to stream simultaneous video calls, host online courses, *and* transfer between 80 and 150 gigabytes worth of data every day.

Sam Krump-Johnson is an Animation Producer for Sledgehammer Games, which develops the Call of Duty series. He manages and stages large files between locations in multiple countries, downloading and uploading play test builds. His wife, Alex, develops and teaches online curriculum.

After the pandemic hit, Sam and Alex were ready to relocate from California's Bay Area to the family ranch in Paonia with Sam's father Theron. The availability of Elevate's fiber internet was the deciding factor. Theron was already using Elevate to maximize flexibility for his workforce at DIPCO, a manufacturing company.

"Personal liberty and freedom come with living in a place like Paonia," said Sam. "Having Elevate's 6 Gig fiber also plays into those values and opens the door to the digital space we need to do our work."

In the Bay Area, the Krump-Johnsons also purchased 1 Gig fiber internet service, but in reality, it maxed out at about 400 megabits per second.

"All my co-workers at Sledgehammer are so jealous of the internet speeds I get in this small town."

OFFICES

Montrose Headquarters

11925 6300 Road

Montrose, CO 81401

Hours: Mon/Wed/Fri 8am - 5pm

Tues/Thurs 8am - 6pm

Read Service Center

21191 H 75 Road

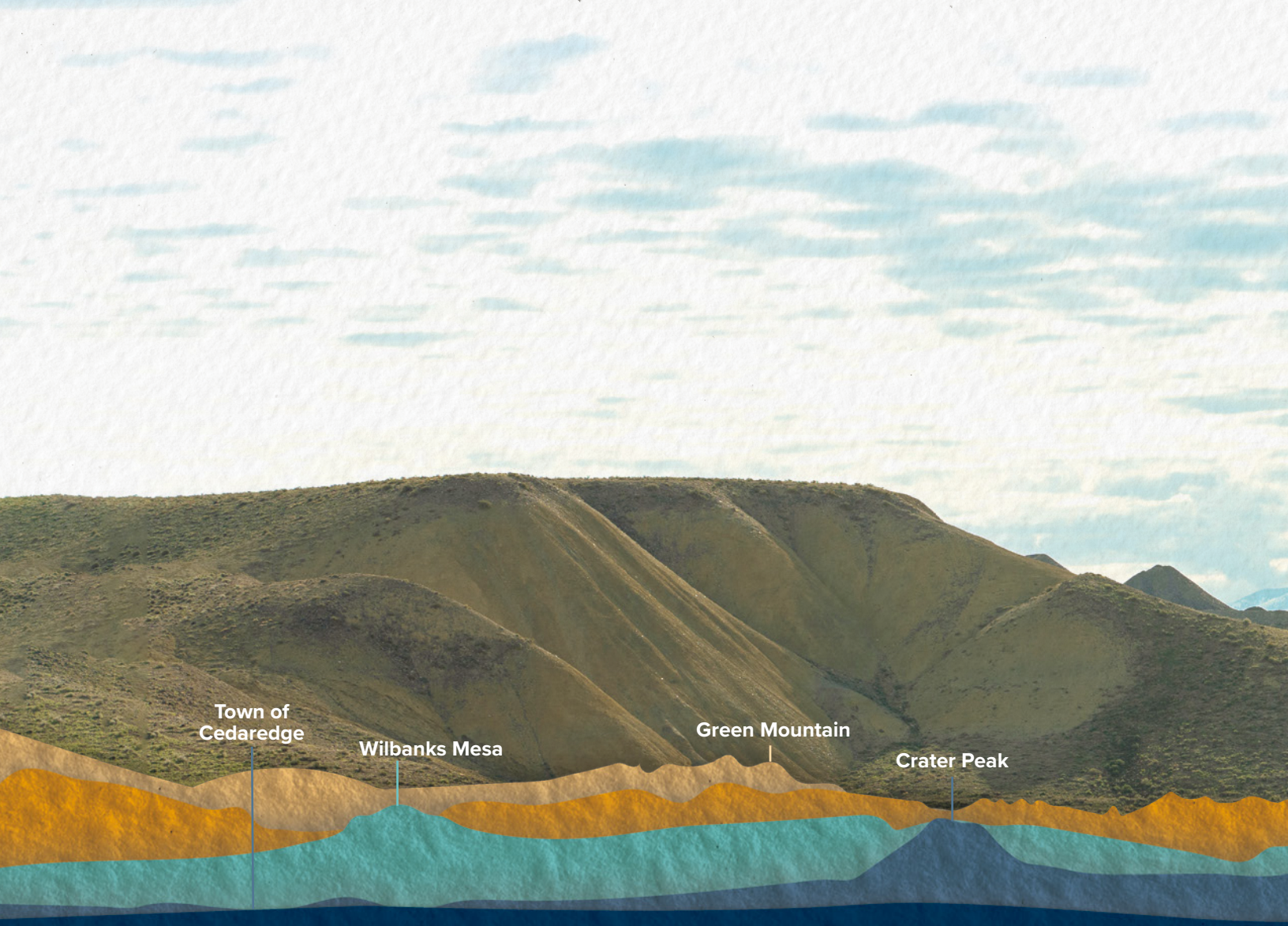
Delta, CO 81416

Hours: Wednesday 8am - 5pm

MAILING ADDRESS

11925 6300 Road

Montrose, CO 81401



Skyline view from Orchard Mesa looking east

dmea.com | 877-687-3632

elevateinternet.com | 844-386-8744

DMEA is an equal opportunity provider and employer.