

Understanding the IRS FORM 990

What is a Form 990?

IRS Form 990 is the tax document that federally tax-exempt organizations, like DMEA, file each year with the IRS. In a nutshell, the form gives the IRS an overview of DMEA's activities, governance and details on revenues, expenses, assets, liabilities and compensation. This document is public information and DMEA posts it on our website at <http://www.dmea.com/financial-statements>. Each November we post the previous year's Form 990.

The value of what we return to our communities exceeds our tax benefit by a substantial margin. With the leadership of the board, management and employees, DMEA is fighting to secure rate stabilization, is running a very successful fiber to the home internet subsidiary, has high member satisfaction scores, maintains excellent electric reliability ratings, and maintains some of the lowest electric rates among Colorado Cooperatives served by Tri-State G&T. These accomplishments do not happen without the knowledge, skills and training required to operate and maintain the cooperative.

Board Trustee Per Diems and Compensation

Board members are responsible for the long-term vision and future of the co-op. In order to effectively govern the cooperative, board members need to understand the complexities of the business, the needs of our members, and the changing landscape of the local economy. The board spends a substantial amount of time educating itself on a variety of issues that affect our cooperative in order to ensure that the cooperative is well positioned for continued success.

DMEA's Board members do not receive salary. They do receive a fixed sum (per diem) for each day or portion thereof spent on cooperative business, such as attendance at meetings, conferences, training programs or performing committee assignments when authorized by the board. Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out cooperative business, such as travel, hotels, etc.

CEO and Management Compensation

We take our responsibility to be good stewards of our member's resources very seriously. Providing electric service is complex and we must compensate appropriately in order to attract and retain highly qualified people to execute the vision of the cooperative and to ensure that the cooperative is successful today and into the future.

DMEA follows a board approved compensation plan. This plan uses national, regional, and statewide wage and salary survey information for similar positions within the electric utility industry to determine appropriate compensation for all positions. This data is available to the board in determining the CEO compensation and is used by the CEO to determine appropriate compensation for all non-bargaining unit positions. Wage studies are performed



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annually and evaluated based upon a third party national compensation survey and a third party regional compensation survey of those persons who compete for the same type jobs in our industry. By following our board approved compensation plan and using national and regional salary data for the same position, DMEA is able to ensure internal pay equity and external competitiveness.

Executive salaries make up a very small fraction of the total operating expenses of the cooperative.

IRS Form 990 reporting requires that compensation include any amount that is considered reportable income, such as: employee benefits, including employer paid contributions for health and life insurance benefits and retirement funding. Certain retirement distributions are taxable, so they are reported as compensation, but employees do not actually receive these funds as part of their take home salary.

Internal Controls

DMEA conducts a financial audit every year by an independent audit firm to ensure our cooperative is operating in an effective and fiscally responsible manner. We also have a board of trustees comprised of our members who we believe will carry out their fiduciary duties.

EXTENDED TO NOVEMBER 15, 2019

CLIENT COPY

OMB No. 1545-0047

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.**2018**Open to Public
Inspection**A For the 2018 calendar year, or tax year beginning and ending**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization DELTA MONTROSE ELECTRIC ASSOCIATION		D Employer identification number 84-0185658
	Doing business as		E Telephone number (970) 249-4572
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	PO BOX 910		G Gross receipts \$ 71,555,192.
	City or town, state or province, country, and ZIP or foreign postal code MONTROSE, CO 81402		
F Name and address of principal officer: JASEN BRONEC SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (12) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 J Website: ▶ WWW.DMEA.COM			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1938	M State of legal domicile: CO

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: WE ENERGIZE AND SERVE OUR COMMUNITIES.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	117
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,039,329.
b Net unrelated business taxable income from Form 990-T, line 38	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	68,195,769.	69,094,099.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	438,975.	736,767.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	745,036.	1,704,319.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	69,379,780.	71,535,185.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	2,994.	4,983.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	220,770.	546,407.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	8,966,610.	9,392,515.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	57,102,522.	59,599,593.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	66,292,896.	69,543,498.
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	3,086,884.	1,991,687.
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	207,651,183.	223,686,114.
22 Net assets or fund balances. Subtract line 21 from line 20	107,723,135.	122,690,503.	
		99,928,048.	100,995,611.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date	
	JASEN BRONEC, CEO Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed PTIN
	WILLIAM M. MILLER	WILLIAM M. MILLER	11/05/19	P00439459
	Firm's name ▶ BOLINGER, SEGARS, GILBERT AND MOSS LLP	Firm's EIN ▶ 75-0882037		
	Firm's address ▶ 8215 NASHVILLE AVENUE LUBBOCK, TX 79423	Phone no. (806) 747-3806		

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

WE ENERGIZE AND SERVE OUR COMMUNITIES BY ENSURING THE SAFETY OF MEMBERS/EMPLOYEES; PROVIDING COMPETITIVE RATES WITH QUALITY SERVICE AND RELIABILITY; MAXIMIZING EFFICIENCIES; PROMOTING LOCAL ECONOMIC DEVELOPMENT; BEING NIMBLE AS WE INVESTIGATE AND PURSUE ENERGY OPTIONS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.


4a (Code:) (Expenses \$ including grants of \$) (Revenue \$)
SALE OF ELECTRIC POWER TO MEMBERS - 33,375 ACTIVE SERVICES WERE PROVIDED POWER AT YEAR END AT COST ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	N/A	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	X	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	N/A
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	N/A
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	N/A
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	96
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 117		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	X	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c). N/A			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	N/A	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	N/A	
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? N/A	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966? N/A	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? N/A	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12 N/A	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a 67,175,719.		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b 6,080,361.		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? N/A	13a		
Note. See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15		X
If "Yes," see instructions and file Form 4720, Schedule N.			
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16		X
If "Yes," complete Form 4720, Schedule O.			

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	9													
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.														
b Enter the number of voting members included in line 1a, above, who are independent		9												
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2											X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?				3										X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?					4	X								
5 Did the organization become aware during the year of a significant diversion of the organization's assets?						5								X
6 Did the organization have members or stockholders?							6	X						
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?								7a	X					
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?									7b	X				
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:														
a The governing body?										8a	X			
b Each committee with authority to act on behalf of the governing body?											8b			X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O												9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	10a	10b	11a	11b	12a	12b	12c	13	14	15a	15b	16a	16b	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a														X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		10b													
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?			11a	X											
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.															
12a Did the organization have a written conflict of interest policy? If "No," go to line 13					12a	X									
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?						12b	X								
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done							12c	X							
13 Did the organization have a written whistleblower policy?								13	X						
14 Did the organization have a written document retention and destruction policy?									14	X					
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?															
a The organization's CEO, Executive Director, or top management official										15a	X				
b Other officers or key employees of the organization											15b	X			
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).															
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?												16a			X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?													16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records **WADE PYNES, CFO - (970) 249-4572**
11925 6300 ROAD, MONTROSE, CO 81401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) WILLIAM PATTERSON PRESIDENT	8.00 1.00	X		X				17,750.	5,825.	0.
(2) MARK ECKHART VICE PRESIDENT	7.00 1.00	X		X				13,800.	5,575.	0.
(3) BRADLEY R HARDING SECRETARY	6.00 1.00	X		X				12,350.	6,000.	0.
(4) TONY PRENDERGAST ASST. SECRETARY	6.00 1.00	X		X				14,300.	5,750.	0.
(5) MARSHALL COLLINS DIRECTOR (JAN-JUNE)	2.00 1.00	X						5,750.	2,625.	0.
(6) DAMON L. LOCKHART DIRECTOR	15.00 1.00	X						20,425.	5,750.	0.
(7) KYLE MARTINEZ DIRECTOR	12.00 1.00	X						12,750.	5,100.	0.
(8) JAMES ELDER DIRECTOR (JAN-MAR)	2.00 1.00	X						2,525.	700.	0.
(9) JOHN GAVAN DIRECTOR	4.00 1.00	X						16,675.	5,425.	0.
(10) LESLIE CHRISTIAN HAUCK DIRECTOR	7.00 1.00	X						8,500.	3,200.	0.
(11) KENNETH WATSON DIRECTOR	4.00 1.00	X						11,250.	3,750.	0.
(12) JASEN BRONEC CEO	45.00 20.00			X				252,501.	57,216.	136,013.
(13) WADE PYNES CFO	47.00 10.00			X				163,405.	1,154.	40,116.
(14) STEVEN METHENY VP POWER SUPPLY	60.00			X				196,854.	0.	27,340.
(15) KENT DAVENPORT VP ENGINEERING (JAN-MAR)	42.00			X				64,786.	0.	70,724.
(16) DOUGLAS COX VP OPERATIONS (JAN-MAY)	46.00			X				93,564.	0.	13,416.
(17) VIRGINIA HARMAN COO	46.00 10.00			X				170,198.	15,000.	57,560.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) B. KENT BLACKWELL CTO	45.00 10.00			X				152,804.	1,154.	21,254.
(19) ROBERT T. HALL OPERATIONS MANAGER	50.00				X			135,200.	0.	49,463.
(20) SHELBY BEAR SYSTEM DESIGN SUPERVISOR	45.00				X			125,067.	0.	45,532.
(21) DARWIN CLARK LINEMAN/SVC TRUCK	56.00				X			129,466.	0.	17,570.
(22) CHAD STICKLER OPERATIONS SUPERVISOR	55.00				X			129,243.	0.	35,598.
(23) NATHAN PUDERBAUGH LINEMAN/SVC TRUCK	48.00				X			122,827.	0.	43,208.
1b Sub-total								1,871,990.	124,224.	557,794.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,871,990.	124,224.	557,794.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization

40

- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
OUTBACK POWER COMPANY P.O. BOX 725, HAVRE, MT 59501-0725	FIBER CONSTRUCTION	9,699,470.
LIGHTWORKS FIBER & CONSULTING, LLC P.O. BOX 193, HOTCHKISS, CO 81419	FIBER CONSTRUCTION	658,094.
DEL-MONT CONSULTANTS, INC. 125 COLORADO AVE, MONTROSE, CO 81401	SYSTEM ENGINEERING	637,901.
JKL ASSOCIATES P.O. BOX 80046, BILLINGS, MT 59108	FIBER CONSTRUCTION	594,416.
IRELAND STAPLETON PRYOR & PASCOE PC 717 17TH ST #2800, DENVER, CO 80202	LEGAL SERVICES	539,959.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization

10

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☒

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a SALES OF ELECTRICITY	Business Code	221000	64,908,696.	64,908,696.		
	b PATRONAGE DIVIDENDS		221000	2,144,557.	2,029,713.	114,844.	
	c SERVICE FEES		221000	1,226,286.	1,226,286.		
	d RENEWABLE ENERGY CREDITS		221000	712,713.	712,713.		
	e ELECTRIC WHEELING		221000	53,814.	53,814.		
	f All other program service revenue		221000	48,033.	48,033.		
	g Total. Add lines 2a-2f			69,094,099.			
	3 Investment income (including dividends, interest, and other similar amounts)			686,074.		330,779.	355,295.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
Other Revenue	6 a Gross rents	(i) Real	(ii) Personal				
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less: cost or other basis and sales expenses		70,700.				
	c Gain or (loss)		20,007.				
	d Net gain or (loss)		50,693.				50,693.
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
	c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
	10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
	Miscellaneous Revenue			Business Code			
11 a ELEVATE FIBER LEASE		221000	1,302,629.		1,302,629.		
b DISPATCHING REVENUE		517000	291,077.		291,077.		
c POLE ATTACHMENT INCOME		221000	110,613.			110,613.	
d All other revenue							
e Total. Add lines 11a-11d			1,704,319.				
12 Total revenue. See instructions			71,535,185.	68,979,255.	2,039,329.	516,601.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☒ X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	4,983.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	546,407.			
5 Compensation of current officers, directors, trustees, and key employees	1,596,610.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	5,453,705.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	640,928.			
9 Other employee benefits	1,183,345.			
10 Payroll taxes	517,927.			
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,378,299.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,262,352.			
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED POWER	42,455,182.			
b ADMIN & GENERAL EXPENSE	2,794,453.			
c DISTRIBUTION EXPENSE	1,565,629.			
d CONSUMER EXPENSE	803,527.			
e All other expenses	2,340,151.			
25 Total functional expenses. Add lines 1 through 24e	69,543,498.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	7,258,934.	1	10,022,249.
	2 Savings and temporary cash investments	3,761,000.	2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	13,567,092.	4	19,586,138.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	169,280.	7	134,621.
	8 Inventories for sale or use	3,651,870.	8	3,610,718.
	9 Prepaid expenses and deferred charges	4,976,255.	9	4,429,711.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 212,125,921.		
	b Less: accumulated depreciation	10b 81,822,669.		
		116,963,370.	10c	130,303,252.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	-1,105,023.	12	-2,468,148.
	13 Investments - program-related. See Part IV, line 11	52,199,265.	13	52,208,740.
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	6,209,140.	15	5,858,833.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	207,651,183.	16	223,686,114.	
Liabilities	17 Accounts payable and accrued expenses	8,315,445.	17	9,467,356.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	472,772.	21	329,020.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	89,948,401.	23	102,087,038.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	8,986,517.	25	10,807,089.
	26 Total liabilities. Add lines 17 through 25	107,723,135.	26	122,690,503.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0.	30	0.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	99,928,048.	32	100,995,611.
	33 Total net assets or fund balances	99,928,048.	33	100,995,611.
	34 Total liabilities and net assets/fund balances	207,651,183.	34	223,686,114.

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	71,535,185.
2	Total expenses (must equal Part IX, column (A), line 25)	2	69,543,498.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,991,687.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	99,928,048.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-924,124.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	100,995,611.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<input checked="" type="checkbox"/>
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<input checked="" type="checkbox"/>	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	<input checked="" type="checkbox"/>	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		<input checked="" type="checkbox"/>
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

Form 990 (2018)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition d ☐ Loan or exchange programs
 b ☐ Scholarly research e ☐ Other _____
 c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☒ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☒

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ _____ %
 b Permanent endowment ▶ _____ %
 c Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,960,073.		1,960,073.
b Buildings		11,716,274.	1,807,568.	9,908,706.
c Leasehold improvements				
d Equipment		186,367,135.	80,015,101.	106,352,034.
e Other		12,082,439.		12,082,439.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				130,303,252.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) CAPITAL TERM CERTIFICATES	1,610,257.	COST
(2) PATRONAGE CAPITAL - CFC	613,184.	COST
(3) PATRONAGE CAPITAL -		
(4) FEDERATED INSURANCE	356,287.	COST
(5) PATRONAGE CAPITAL - NISC	238,525.	COST
(6) PATRONAGE CAPITAL - TSG&T	47,911,923.	COST
(7) PATRONAGE CAPITAL - WUESC	1,346,444.	COST
(8) PATRONAGE CAPITAL - OTHER	131,120.	COST
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶	52,208,740.	

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) CUSTOMER ENERGY PRE-PAYMENTS	233,000.	
(3) ACCUMULATED PROVISION FOR		
(4) RETIREMENT SICK LEAVE	166,839.	
(5) ACCRUED OPERATING TAXES	895,959.	
(6) REGULATORY LIABILITY	4,750,000.	
(7) ACCUMULATED PROVISION FOR PENSION		
(8) AND BENEFITS	122,102.	
(9) DEFERRED CREDITS	4,639,189.	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	10,807,089.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B:

PURSUANT TO THE BYLAWS OF THE COOPERATIVE, A PATRON IS DEEMED TO HAVE CONTRIBUTED HIS/HER/ITS PATRONAGE CAPITAL RETIREMENT IF THE RESPECTIVE CHECK OR OTHER FORM OF PAYMENT HAS BEEN UNCLAIMED FOR A PERIOD OF THREE YEARS, AND FOR WHICH PROPER NOTIFICATION TO THE PATRON HAS BEEN MADE. SUCH UNCLAIMED PATRONAGE CAPITAL RETIREMENTS ARE USED TO ESTABLISH A FUND FOR EDUCATIONAL, CHARITABLE, ALTERNATIVE OR ENERGY PURPOSES AND FOR OTHER ACTIVITIES APPROVED BY THE BOARD OF DIRECTORS THAT WILL BENEFIT THE COOPERATIVE'S SERVICE TERRITORY. THE APPLICABLE BOARD POLICY PROVIDES SPECIFIC GUIDANCE REGARDING THE ELIGIBLE GRANTS AND SCHOLARSHIPS.

PART X, LINE 2:

Part XIII Supplemental Information *(continued)*

THE ASSOCIATION HAS ADOPTED THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. THE PRIMARY TAX POSITION OF THE ASSOCIATION IS ITS FILING STATUS AS A TAX EXEMPT ENTITY. THE ASSOCIATION DETERMINED THAT IT IS MORE LIKELY THAN NOT THAT ITS TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE OR APPLICABLE STATE TAXING AUTHORITY AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES.

PART IX:

THE AMOUNT OF OTHER ASSETS ON FORM 990, PAGE 11, PART X, LINE 15 DOES NOT EQUAL OR EXCEED 5% OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B. CONSEQUENTLY, IN ACCORDANCE WITH IRS INSTRUCTIONS, SCHEDULE D, PART IX HAS BEEN LEFT BLANK.

Part XIII	Supplemental Information <i>(continued)</i>
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Part VIII	Investments - Program Related. See Form 990, Part X, line 13.
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[illegible]

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JASEN BRONEC CEO	(i)	219,362.	0.	33,139.	106,546.	29,467.	388,514.	0.
	(ii)	57,216.	0.	0.	0.	0.	57,216.	0.
(2) WADE PYNES CFO	(i)	152,972.	10,000.	433.	18,822.	21,294.	203,521.	0.
	(ii)	1,154.	0.	0.	0.	0.	1,154.	0.
(3) STEVEN METHENY VP POWER SUPPLY	(i)	155,855.	30,000.	10,999.	0.	27,340.	224,194.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) VIRGINIA HARMAN COO	(i)	156,564.	12,000.	1,634.	30,779.	26,781.	227,758.	0.
	(ii)	15,000.	0.	0.	0.	0.	15,000.	0.
(5) B. KENT BLACKWELL CTO	(i)	139,138.	13,000.	666.	0.	21,254.	174,058.	0.
	(ii)	1,154.	0.	0.	0.	0.	1,154.	0.
(6) ROBERT T. HALL OPERATIONS MANAGER	(i)	125,373.	4,000.	5,827.	30,105.	19,358.	184,663.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) SHELBY BEAR SYSTEM DESIGN SUPERVISOR	(i)	115,482.	3,000.	6,585.	43,138.	2,394.	170,599.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) CHAD STICKLER OPERATIONS SUPERVISOR	(i)	108,120.	3,588.	17,535.	20,619.	14,979.	164,841.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) NATHAN PUDERBAUGH LINEMAN/SVC TRUCK	(i)	113,647.	0.	9,180.	25,638.	17,570.	166,035.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART II, COLUMN C:

INCLUDED IN THIS AMOUNT IS THE INCREASE IN ACTUARIAL VALUE OF BENEFITS PAYABLE UNDER A DEFINED BENEFIT RETIREMENT PLAN. THE CONTRIBUTION RATE FOR PARTICIPANTS IN THE NRECA R&S DEFINED BENEFIT PENSION PLAN ARE THE SAME FOR ALL INDIVIDUALS IN THIS MULTI-EMPLOYER PLAN. THE CHANGE IN ACTUARIAL VALUE FOR EACH PARTICIPANT, HOWEVER, VARIES WITH AGE, YEARS OF SERVICE AND THE CURRENT INTEREST RATE ENVIRONMENT. IN OTHER WORDS, THE OLDER A PLAN PARTICIPANT IS, THE GREATER THE INCREASE IN THAT INDIVIDUAL'S CHANGE IN ACTUARIAL VALUE, ALL OTHER THINGS BEING EQUAL. BECAUSE THIS RELATES TO A MULTI-EMPLOYER PLAN, CASH CONTRIBUTIONS TO THE PLAN IN LIEU OF THE ACTUARIAL INCREASE ARE EXPENSED IN THE FINANCIAL STATEMENTS.

JASEN BRONEC:

TOTAL REPORTED IN COLUMN C	\$ 106,546
LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN	(106,546)
ADD: CASH CONTRIBUTED TO DEFINED BENEFIT PLAN	40,032

EXPENSE TO THE COOPERATIVE	\$ 40,032
----------------------------	-----------

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

VIRGINIA HARMAN:

TOTAL REPORTED IN COLUMN C \$ 30,779

LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (30,779)

ADD: CASH CONTRIBUTED TO DEFINED BENEFIT PLAN 29,115

EXPENSE TO THE COOPERATIVE \$ 29,115

ROBERT HALL:

TOTAL REPORTED IN COLUMN C \$ 30,105

LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (30,105)

ADD: CASH CONTRIBUTED TO DEFINED BENEFIT PLAN 19,745

EXPENSE TO THE COOPERATIVE \$ 19,745

SHELBY BEAR:

TOTAL REPORTED IN COLUMN C \$ 43,138

LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (43,138)

ADD: CASH CONTRIBUTED TO DEFINED BENEFIT PLAN 20,363

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

EXPENSE TO THE COOPERATIVE	\$ 20,363
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CHAD STICKLER:

TOTAL REPORTED IN COLUMN C	\$ 20,619
----------------------------	-----------

LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN	(20,619)
--	----------

ADD: CASH CONTRIBUTED TO DEFINED BENEFIT PLAN	16,490
---	--------

EXPENSE TO THE COOPERATIVE	\$ 16,490
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NATE PUDERBAUGH:

TOTAL REPORTED IN COLUMN C	\$ 25,638
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LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN	(25,638)
--	----------

ADD: CASH CONTRIBUTED TO DEFINED BENEFIT PLAN	15,860
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EXPENSE TO THE COOPERATIVE	\$ 15,860
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

FORM 990, PART I, LINE 5:

THE NUMBER OF EMPLOYEES REPORTED ON LINE 5 REPRESENTS THE NUMBER OF
W-2'S ISSUED BY THE COOPERATIVE AND NOT NECESSARILY THE NUMBER OF
EMPLOYEES NORMALLY EMPLOYED BY THE COOPERATIVE AND REPORTED TO RUS.

FORM 990, PART VI, SECTION A, LINE 4:

DURING THE YEAR, THE MEMBERS OF THE COOPERATIVE APPROVED AMENDMENTS TO THE
ARTICLES OF INCORPORATION TO HAVE THE COOPERATIVE GOVERNED UNDER ARTICLE
56 OF TITLE 7 OF THE COLORADO REVISED STATUTES.

ADDITIONALLY, DUE TO THE AMENDMENT OF THE ARTICLES OF INCORPORATION, THE
BOARD DETERMINED IT WAS APPROPRIATE TO AMEND THE BYLAWS OF THE COOPERATIVE
TO ACCOUNT FOR THE REQUIREMENTS OF ARTICLE 56. THE BYLAWS WERE AMENDED AS
FOLLOWS:

ARTICLE 1 - GENERAL PROVISIONS

THIS ARTICLE AND APPLICABLE SECTIONS ARE NEW. SECTION 1.1 LAW AND ARTICLES,
STATES THESE BYLAWS ARE SUBJECT TO THE AMENDED AND RESTATED ARTICLES OF
INCORPORATION OF DELTA-MONTROSE ELECTRIC ASSOCIATION, AS MAY BE AMENDED
FROM TIME TO TIME (THE "ARTICLES") AND THE LAW. TO THE EXTENT A BYLAW
CONFLICTS WITH LAW OR THE ARTICLES, THEN THE LAW OR ARTICLES CONTROL. "LAW"
INCLUDES APPLICABLE LOCAL, STATE, AND FEDERAL CONSTITUTIONS, STATUTES,
ORDINANCES, REGULATIONS, HOLDINGS, RULINGS, ORDERS, AND SIMILAR DOCUMENTS
OR ACTIONS, WHETHER LEGISLATIVE, EXECUTIVE, OR JUDICIAL. AS SET FORTH IN
THE ARTICLES, THE COOPERATIVE IS ORGANIZED UNDER TITLE 7, ARTICLE 55 OF THE
COLORADO REVISED STATUTES, AND HAS DETERMINED TO ACCEPT THE BENEFITS AND TO

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2018)

Name of the organization

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Employer identification number

84-0185658

BE BOUND BY THE PROVISIONS OF TITLE 7, ARTICLE 56 OF THE COLORADO REVISED STATUTES (THE "COLORADO COOPERATIVE ACT").

SECTION 1.2 FISCAL YEAR STATES THE FISCAL YEAR OF THE COOPERATIVE SHALL BEGIN THE FIRST DAY OF JANUARY OF EACH YEAR AND END ON THE THIRTY-FIRST DAY OF DECEMBER OF THE SAME YEAR.

SECTION 1.3 SEAL STATES THE CORPORATE SEAL OF THE COOPERATIVE SHALL HAVE THE NAME OF THE COOPERATIVE AND THE WORDS, "CORPORATE SEAL, COLORADO".

DUE TO THE ADDITION OF ARTICLE 1, ALL EXISTING ARTICLE AND SECTION NUMBERS HAVE BEEN RENUMBERED ACCORDINGLY.

ARTICLE 2 - MEMBERSHIP

SECTION 2.1(C) WAS AMENDED TO STATE THAT EACH MEMBER AGREE TO COMPLY WITH AND BE BOUND BY 1) THE ARTICLES; (2) THESE BYLAWS; (3) THE MEMBERSHIP APPLICATION; (4) THE COOPERATIVE'S SERVICE RULES AND REGULATIONS; (5) THE COOPERATIVE'S RATE OR PRICE SCHEDULES; AND (6) ALL RULES, REGULATIONS, POLICIES, PROGRAMS, DETERMINATIONS, RESOLUTIONS, OR ACTIONS TAKEN OR APPROVED BY THE COOPERATIVE'S BOARD OF DIRECTORS (COLLECTIVELY, THE "GOVERNING DOCUMENTS").

SECTION 2.4 WAS AMENDED TO STATE THE COOPERATIVE SHALL MAINTAIN A WRITTEN OR ELECTRONIC RECORD OF CURRENT MEMBERS IN A FORM PERMITTING THE COOPERATIVE TO (A) LIST IN ALPHABETICAL ORDER THE NAMES AND ADDRESSES OF ALL MEMBERS, AND (B) INDICATE WHETHER OR NOT THE MEMBER IS ENTITLED TO VOTE ("MEMBERSHIP LIST"). EXCEPT AS OTHERWISE PROVIDED BY THESE BYLAWS OR BY THE COLORADO COOPERATIVE ACT, A PERSON MAY NOT INSPECT, COPY, OR RECEIVE A COPY OF ALL OR PART OF THE MEMBERSHIP LIST OR A SIMILAR LIST OF MEMBERS. THE COOPERATIVE WILL NOT ISSUE MEMBERSHIP CERTIFICATES.

SECTION 2.6 WAS ADDED TO STATE A MEMBER IS PROHIBITED FROM TRANSFERRING ITS MEMBERSHIP IN THE COOPERATIVE.

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

SECTION 2.7 WAS ADDED TO IDENTIFY REASONS FOR SUSPENDING MEMBERSHIPS.

ARTICLE 3 - MEETINGS OF MEMBERS

SECTION 3.1 WAS AMENDED TO CLARIFY THE PURPOSE OF ANNUAL MEMBER MEETINGS.

SECTION 3.2 WAS AMENDED TO CLARIFY SPECIFICATIONS AND PURPOSE OF A SPECIAL MEETING OF MEMBERS.

SECTION 3.4 IS A NEW PROVISION THAT GUIDES THE COOPERATIVE IN DETERMINING WHICH MEMBERS OF THE COOPERATIVE ARE ENTITLED TO VOTE IN MEMBER MEETINGS.

SECTION 3.8 IS A NEW PROVISION THAT CLARIFIES MEMBER VOTING RIGHTS AS IT PERTAINS TO A MAIL BALLOT.

ARTICLE 4 - DIRECTORS

SECTION 4.3 WAS AMENDED TO STATE THAT A PERSON MUST BE A MEMBER OF THE COOPERATIVE IN HIS OR HER INDIVIDUAL CAPACITY AND NOT AS AN AUTHORIZED REPRESENTATIVE OF A MEMBER, AND IF SUCH PERSON IS A FORMER EMPLOYEE OF THE COOPERATIVE, MUST BE ELIGIBLE FOR RE-HIRE UNDER THE COOPERATIVE'S STANDARD EMPLOYMENT POLICIES. IT ALSO ADDED WHILE A DIRECTOR, AND DURING THE FIVE (5) YEARS IMMEDIATELY BEFORE BECOMING A DIRECTOR, NOT BE CONVICTED OF, OR PLEAD GUILTY OR NO CONTEST TO, A FELONY OR TO ANY CRIME INVOLVING FRAUD OR DISHONESTY, COMPUTER MISUSE, GAMBLING, IMMORALITY, WEAPONS, FINANCIAL MATTERS OF ANY KIND; WHILE A DIRECTOR, AND DURING THE THREE (3) YEARS IMMEDIATELY BEFORE BECOMING A DIRECTOR, NOT HAVE FILED A PETITION FOR BANKRUPTCY OR COMMENCED PROCEEDINGS RELATING TO BANKRUPTCY OR HAD COMMENCED AGAINST HIM OR HER PROCEEDINGS RELATING TO FORECLOSURE; WHILE SERVING ON THE BOARD MAY NOT BE A PARTY TO ANY CONTRACT FOR PROFIT WITH THE COOPERATIVE DIFFERING IN ANY WAY FROM THE BUSINESS RELATIONS ACCORDED ALL MEMBERS OF THE COOPERATIVE.

SECTION 4.4 WAS ADDED TO STATE WITHIN THE LIMITS SPECIFIED IN THE ARTICLES,

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

THE NUMBER OF DIRECTORS SHALL BE DETERMINED FROM TIME TO TIME BY RESOLUTION OF THE BOARD OF DIRECTORS.

SECTION 4.5(F) WAS AMENDED TO ADD THAT EACH MEMBER OF THE COOPERATIVE SHALL BE ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS, EITHER BY BALLOT AT THE ANNUAL MEMBER MEETING OR BY MAIL BALLOT (COLLECTIVELY, THE "BALLOTS"), BUT NOT BOTH, EXCEPT THAT ELECTION BY VOICE VOTE BY AND FROM THE MEMBERS AT THE ANNUAL MEMBER MEETING MAY BE ALLOWED TO ELECT A DIRECTOR IN ANY DIRECTOR DISTRICT OR REGION IF ONLY ONE CANDIDATE HAS BEEN NOMINATED FOR ELECTION IN THAT PARTICULAR DIRECTOR DISTRICT OR REGION. THE BALLOTS SHALL IDENTIFY THE CANDIDATES AND THE APPLICABLE DIRECTOR DISTRICT OR REGION. THE ORDER OF NAMES ON THE BALLOTS SHALL BE DETERMINED RANDOMLY IN A MANNER THAT DOES NOT AUTOMATICALLY ASSIGN THE TOP LINE TO THE INCUMBENT

SECTION 4.6 WAS AMENDED TO STATE THE COOPERATIVE MAY PROVIDE REASONABLE COMPENSATION FOR TIME ACTUALLY SPENT BY ITS DIRECTORS IN SERVICE TO THE COOPERATIVE.

SECTION 4.9 WAS ADDED TO CLARIFY THE RESIGNATION PROCESS OF DIRECTORS.

ARTICLE 6 - OFFICERS OF THE BOARD AND COOPERATIVE

SECTION 6.10 WAS ADDED TO STATE THE CHIEF EXECUTIVE OFFICER ("CEO") SHALL BE SELECTED BY AND SERVE AT THE PLEASURE OF THE BOARD AND SHALL CONTINUE TO SERVE THE COOPERATIVE UNTIL A SUCCESSOR IS SELECTED AND QUALIFIED UNLESS THE CEO SHALL RETIRE, RESIGN, DIE, BECOME DISQUALIFIED OR BE DISMISSED BY THE BOARD. THE BOARD SHALL APPROVE THE COMPENSATION OF THE CEO. THE CEO, SUBJECT TO THE GOVERNING DOCUMENTS AND TO THE DIRECTION AND CONTROL OF THE BOARD, SHALL BE RESPONSIBLE FOR THE GENERAL MANAGEMENT OF THE COOPERATIVE. THE CEO IS AUTHORIZED TO EMPLOY, PRESCRIBE THE DUTIES OF, SET THE COMPENSATION OF AND SUSPEND OR DISMISS, AT THE CEO'S DISCRETION.

Name of the organization

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Employer identification number

84-0185658

ARTICLE 7 - CAPITAL STOCK

SECTION 7.2 WAS ADDED TO STATE TO THE EXTENT AUTHORIZED BY THE ARTICLES, THE COOPERATIVE MAY ISSUE NON-VOTING PREFERRED STOCK IN ONE OR MORE SERIES AS MAY BE ESTABLISHED BY THE BOARD ("PREFERRED STOCK") TO ANY PERSON, WHETHER OR NOT SUCH PERSON IS QUALIFIED TO BE A MEMBER. PRIOR TO THE ISSUANCE OF ANY SERIES OF PREFERRED STOCK (EACH, A "SERIES"), THE BOARD SHALL ESTABLISH EITHER IN THE RESOLUTION AUTHORIZING SUCH SERIES OR BY AMENDMENT TO THESE BYLAWS, THE NUMBER OF AUTHORIZED SHARES AND THE TERMS OF SUCH SERIES INCLUDING, WITHOUT LIMITATION, (A) ENTITLEMENT TO DIVIDENDS, IF ANY, (B) PREFERENCES, IF ANY, WITH RESPECT TO DIVIDENDS OR OTHER DISTRIBUTIONS, (C) REDEMPTION TERMS AND CONDITIONS, (D) RESTRICTIONS ON TRANSFER, AND (E) ANY OTHER TERMS, CONDITIONS OR RESTRICTIONS PERMITTED BY LAW, THE ARTICLES AND THESE BYLAWS. UNDER NO CIRCUMSTANCES WILL ANY SERIES OF PREFERRED STOCK BY ENTITLED TO VOTING RIGHTS.

SECTION 7.3 WAS ADDED TO STATE DIVIDENDS PAYABLE ON SHARES OF NON-VOTING PREFERRED STOCK OF THE COOPERATIVE MAY BE DECLARED BY THE BOARD AT ANY REGULAR OR SPECIAL MEETING OF THE BOARD, NOT TO EXCEED AN AMOUNT THAT WOULD CAUSE THE COOPERATIVE TO FAIL TO BE CONSISTENT WITH OPERATING ON A COOPERATIVE BASIS UNDER FEDERAL TAX LAW INCLUDING SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE.

ARTICLE 8 - NONPROFIT OPERATION

SECTION 8.4 WAS ADDED TO SPECIFY EACH PATRON'S AGREEMENT WITH THE COOPERATIVE.

SECTION 8.5 WAS ADDED TO DEFINE A NON-MEMBER PATRON AND THEIR DUTIES, OBLIGATIONS, AND RESPONSIBILITIES IMPOSED BY THE COOPERATIVE'S GOVERNING DOCUMENTS.

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

A COMPLETE COPY OF THE BYLAWS AND ARTICLES OF INCORPORATION CAN BE FOUND ON THE COOPERATIVE'S WEBSITE AT THE FOLLOWING ADDRESS:

[HTTPS://WWW.DMEA.COM/BYLAWS](https://www.dmea.com/bylaws)

FORM 990, PART VI, SECTION A, LINE 6:

THE COOPERATIVE WAS FORMED BY THE MEMBERS TO PROVIDE ELECTRIC SERVICE AT COST ON A COOPERATIVE BASIS.

FORM 990, PART VI, SECTION A, LINE 7A:

THE MEMBERS OF THE COOPERATIVE VOTE TO ELECT THE BOARD OF DIRECTORS. ELECTIONS ARE DONE ON A ONE MEMBER ONE VOTE BASIS.

FORM 990, PART VI, SECTION A, LINE 7B:

THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE:

1. DISSOLUTION/LIQUIDATION OF THE COOPERATIVE
2. MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION
3. DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS
4. AMENDMENT TO THE ARTICLES OF INCORPORATION

FORM 990, PART VI, SECTION A, LINE 8B:

THE COOPERATIVE HAS NO COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY. THEREFORE, AND PURSUANT TO FORM 990 INSTRUCTIONS, THE QUESTION HAS BEEN ANSWERED "NO".

FORM 990, PART VI, SECTION B, LINE 11B:

MANAGEMENT PRESENTED A COPY OF THE FORM 990 TO THE BOARD FOR DISCUSSION AND REVIEW PRIOR TO FILING.

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

FORM 990, PART VI, SECTION B, LINE 12C:

THE BOARD OF DIRECTORS CONDUCT AN ANNUAL REVIEW OF THE CONFLICT OF INTEREST POLICY, AND OBTAINS THE SIGNATURE OF EACH BOARD MEMBER ACKNOWLEDGING THE REVIEW OF THE POLICY.

FORM 990, PART VI, SECTION B, LINE 15:

THE BOARD OF DIRECTORS USE A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE CEO. THE SURVEY SHOWS COMPARATIVE SALARIES FOR CEOS FROM COOPERATIVES LOCATED IN COLORADO AND THE NATION. THE MANAGEMENT COMPENSATION PLAN IS APPROVED BY THE BOARD OF DIRECTORS.

THE BOARD AND THE CEO USE A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE ORGANIZATION'S OTHER OFFICERS. THE SURVEY INCLUDES SALARIES FROM SIMILAR COOPERATIVES THROUGHOUT COLORADO AND THE NATION.

FORM 990, PART VI, SECTION C, LINE 19:

THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS TO ANY MEMBER WHO REQUESTS A COPY OF ANY SUCH DOCUMENT. THIS IS DONE IN COMPLIANCE WITH BOARD POLICY 10, SECTIONS 1-4. ANNUALLY THE COOPERATIVE PROVIDES A COPY OF THE AUDITED BALANCE SHEET AND INCOME STATEMENT TO THE MEMBERS OF THE COOPERATIVE WITH THE ANNUAL REPORT. FINALLY, THE COOPERATIVE'S BYLAWS AND FINANCIAL STATEMENTS CAN BE FOUND ON THEIR WEBSITE, WWW.DMEA.COM.

FORM 990, PART VII, COLUMN F:

IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE COOPERATIVE PARTICIPATES IN A MULTI-EMPLOYER DEFINED BENEFIT PLAN.

CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

SUCH PLAN. EMPLOYER CONTRIBUTIONS ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING OFFICERS AND HIGHLY COMPENSATED EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS.

THE COOPERATIVE ALSO PROVIDES HEALTH AND LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS, THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) IS COMPRISED OF THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN AND THE INSURANCE PREMIUMS PAID FOR THE BENEFIT OF THE OFFICERS AND HIGHLY COMPENSATED EMPLOYEES.

FORM 990, PART VIII, LINE 2B:

PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF WHOLESALE POWER FROM A GENERATION & TRANSMISSION COOPERATIVE. PATRONAGE DIVIDENDS ALSO RESULT FROM THE PAYMENT OF INTEREST FROM COOPERATIVE BANKS AND THE PURCHASE OF SUPPLIES AND SERVICES FROM OTHER COOPERATIVE ORGANIZATIONS. THE EXPENSES ASSOCIATED WITH PURCHASES FROM AND PAYMENTS TO SUCH COOPERATIVE ORGANIZATIONS ARE A DIRECT COMPONENT OF COST OF THE ELECTRIC SERVICE PROVIDED BY THE COOPERATIVE TO ITS MEMBERS.

FORM 990, PART IX:

THE ACCOUNTING RECORDS OF THE ASSOCIATION ARE MAINTAINED IN ACCORDANCE WITH THE RURAL UTILITIES SERVICE (RUS) UNIFORM SYSTEM OF ACCOUNTS (USOA) PRESCRIBED FOR RUS ELECTRIC BORROWERS. THE USOA DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1-23. THE COOPERATIVE SEPARATELY REPORTS SALARIES AND WAGES, EMPLOYEE BENEFITS, AND PAYROLL TAXES THAT ARE ALLOCATED IN ACCORDANCE WITH THEIR ACCOUNTING SYSTEM, BUT OTHER EXPENSES DESCRIBED IN LINES 1-23 ARE REPORTED ON LINE 24 UNDER THE EXPENSE CATEGORIES REQUIRED BY THE USOA.

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

FORM 990, PART IX, LINE 1:

ALL GRANTS, SPONSORSHIPS, AND/OR DONATIONS ARE MADE TO NON-PROFIT AND CIVIC ORGANIZATIONS THAT ARE LOCATED IN THE COOPERATIVE'S SERVICE AREA, AND ARE INTENDED TO IMPROVE THE COMMUNITIES IN WHICH OUR MEMBERS RESIDE. EACH GRANT, SPONSORSHIP, AND/OR DONATION MADE DURING THE YEAR WAS BELOW THE REPORTING THRESHOLD OF SCHEDULE I, PART II.

FORM 990, PART IX, LINE 4:

PURSUANT TO THE FORM 990 INSTRUCTIONS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS (HEREINAFTER REFERRED TO AS "PATRONS") SHOULD BE REPORTED ON PART IX, LINE 4. THE PHRASE "PATRONAGE DIVIDENDS PAID" REFERS TO THE PROCESS, SUBSEQUENT TO YEAR-END, BY WHICH THE COOPERATIVE ALLOCATES PATRONAGE CAPITAL TO AND, THEREFORE, OPERATES AT COST WITH ITS PATRONS.

THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS PATRONS AND TO DO SO ON A COOPERATIVE BASIS. TAX LAW DEFINES "OPERATING ON A COOPERATIVE BASIS" AS SUBORDINATION OF CAPITAL, DEMOCRATIC CONTROL, AND OPERATION AT COST. THE COOPERATIVE OPERATES AT COST THROUGH THE ALLOCATION OF TRUE PATRONAGE DIVIDENDS (ALSO REFERRED TO AS ALLOCATIONS OF PATRONAGE CAPITAL) TO ITS PATRONS. PATRONAGE DIVIDENDS ARE CONSIDERED PAID IF THE ALLOCATION IS MADE (1) PURSUANT TO A PRE-EXISTING OBLIGATION, (2) FROM THE MARGINS PRODUCED FROM THE TRANSACTIONS DONE WITH OR FOR PATRONS, AND (3) IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (I.E. PURCHASES). ADDITIONALLY, THE ALLOCATION OF PATRONAGE DIVIDENDS SHOULD BE MADE WITHIN A REASONABLE TIME PERIOD AFTER THE CLOSE OF THE COOPERATIVE'S YEAR-END OF DECEMBER

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

31. EACH ONE OF THESE REQUIREMENTS FOR A TRUE PATRONAGE DIVIDEND IS PROVIDED FOR IN THE NON-PROFIT OPERATION ARTICLE OF THE BYLAWS.

THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE PATRONS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2018 CALENDAR YEAR. BECAUSE PATRONAGE DIVIDENDS ARE THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS PATRONS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED SUCH AMOUNTS AS AN EXPENSE FOR FORM 990 REPORTING. PATRONAGE DIVIDENDS ARE NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, HOWEVER.

FORM 990, PART IX, LINES 5-7:

SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE. THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LINES 5-7 TO TOTAL WAGES ACCRUED AND/OR PAID:

TOTAL PER LINES 5-7	\$ 7,050,315
LESS: DIRECTOR FEES REPORTED ON FORMS 1099-MISC	(136,075)
LESS: EMPLOYEE OFFICER BENEFITS REPORTED ON LINE 5	(366,423)
PLUS: SALARIES & WAGES ALLOCATED TO NONOPERATING MARGINS	26,222
PLUS: SALARIES & WAGES CAPITALIZED DIRECTLY TO PLANT	1,658,444
PLUS: SALARIES & WAGES CAPITALIZED/EXPENSED INDIRECTLY THROUGH CLEARING & OTHER ACCOUNTS	1,164,089
TOTAL WAGES ACCRUED AND/OR PAID	\$ 9,396,572

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number

84-0185658

FORM 990, PART IX, LINE 24:

ADMINISTRATIVE AND GENERAL EXPENSE IS COMPRISED OF THE FOLLOWING:

ADMINISTRATIVE & GENERAL	\$ 2,456,466
OFFICE SUPPLIES	1,575,908
OUTSIDE SERVICES	278,044
INSURANCES & DAMAGES	99,658
MISCELLANEOUS GENERAL	60,000
DIRECTORS	214,853
ADVERTISING	27,264
PENSION & BENEFITS	104,404
MAINTENANCE OF GENERAL PLANT	628,876
INFORMATION TECHNOLOGY	597,598
DUPLICATE CHARGES (CREDIT)	(118,384)
TOTAL ADMIN & GENERAL EXP PER FINANCIAL STATEMENTS	\$ 5,924,687

LESS: RECLASS OF DIRECTOR FEES TO PART IX, LINE 5	(136,075)
LESS: RECLASS OF LABOR TO PART IX, LINES 5 & 7	(2,118,007)
LESS: RECLASS OF BENEFITS TO PART IX, LINES 8-10	(876,152)
TOTAL ADMIN & GENERAL EXPENSE PER FORM 990, PART IX	\$ 2,794,453

FORM 990, PART IX, LINE 24E:

OTHER EXPENSES IS COMPRISED OF THE FOLLOWING:

ECONOMIC DEVELOPMENT	\$ 10,000
OTHER DEDUCTIONS	109,559
SALES	48,301

Name of the organization	Employer identification number
DELTA MONTROSE ELECTRIC ASSOCIATION	84-0185658

TRANSMISSION	391,398
DISPATCHING	281,623
TAXES	658,421
GEOTHERMAL AND HYDRO	692,526
INTEREST PENALTIES	18,996
ABANDONMENT LOSS	129,327
TOTAL OTHER EXPENSES PER FORM 990, LINE 24E	\$ 2,340,151

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

PATRONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED	546,407.
PATRONAGE CAPITAL RETIRED - TOTAL	-187,446.
PATRONAGE CAPITAL RETIRED - DISCOUNT	80,040.
EQUITY METHOD INCOME (LOSS)	-1,363,125.
TOTAL TO FORM 990, PART XI, LINE 9	-924,124.

FORM 990, PART XII, LINE 2C:

THE BOARD OF DIRECTORS HAVE ASSIGNED MEMBERS TO AN AUDIT COMMITTEE TO OVERSEE THE ANNUAL AUDIT AND HELP SELECT THE CPA FIRM WHO WILL PERFORM THE AUDIT. PROCEDURAL CHANGES DID NOT OCCUR DURING THE YEAR.

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
► Attach to Form 990.

► Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

DELTA MONTROSE ELECTRIC ASSOCIATION

Employer identification number
84-0185658

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2018

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
DMEA UTILITIES SERVICES, LLC - 84-1556992 P.O. BOX 910 MONTROSE, CO 81402	ALTERNATIVE ENERGY AND BROADBAND INVESTMENTS	CO	DELTA MONTROSE ELECTRIC ASSOCIATION	C CORP	3,528,105.	12,251,574.	100.00%	X	

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a X	
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o X	
p Reimbursement paid to related organization(s) for expenses	1p X	
q Reimbursement paid by related organization(s) for expenses	1q X	
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) DMEA UTILITIES SERVICES, LLC	A	330,779.	LINE OF CREDIT
(2) DMEA UTILITIES SERVICES, LLC	O	835,450.	LABOR DISTRIBUTION
(3) DMEA UTILITIES SERVICES, LLC	P	0.	N/A - LESS THAN \$50,000
(4) DMEA UTILITIES SERVICES, LLC	Q	4,998,466.	INVOICES AND WORKORDERS
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2018, or fiscal year beginning _____, 2018, and ending _____, 20____

2018Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.

▶ Go to www.irs.gov/Form8879EO for the latest information.

Name of exempt organization

Employer identification number

DELTA MONTROSE ELECTRIC ASSOCIATION**84-0185658**

Name and title of officer

JASEN BRONEC**CEO****Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here	▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	71,535,185.
2a Form 990-EZ check here	▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here	▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here	▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here	▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize **BOLINGER, SEGARS, GILBERT AND MOSS LLP** to enter my PIN **81402**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

75528479423

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ William M. Miller, CPA Date ▶ **11/05/19**

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So