



Board of Directors Policies

Policy Number: 109	Subject: Engagement of Outside Services
Effective Date: 02/24/2026	Previous Version: 06/25/2024

OBJECTIVE

To establish guidelines and procedures for the Delta-Montrose Electric Association (DMEA) Board of Directors to directly engage outside services, including, without limitation, legal counsel and a financial auditor.

ACCOUNTABILITY

Board of Directors and Chief Executive Officer (CEO)

POLICY

- 1. External Legal Counsel.** As deemed necessary, the Board may directly retain external legal counsel to provide legal services regarding Board-specific matters. The Board may request CEO assistance in preparing and evaluating requests for proposal for such external legal counsel.
 - a. Directing Legal Counsel.** Only the Board as a whole, acting through the President of the Board or with prior authorization from the Board, may request legal advice from and provide direction to such external legal counsel.
 - b. Attorney-Client Privilege.** Confidential requests for and provisions of legal advice are protected by attorney-client privilege. No individual Director may disclose privileged communications without the agreement of the Board and the applicable attorney or as required by law or court order.
 - c. Reliance.** In performing their duties, a Director may reasonably rely upon information, opinions, reports, and statements prepared or presented by the external counsel engaged by the Board.
 - d.** The Board shall have the opportunity to meet with external legal counsel without the presence of any employee of DMEA, if desired.

- 2. External Financial Auditor.**
 - a.** Upon recommendation by the CEO, the Board shall be responsible for engaging an external financial auditor to perform an annual financial audit of DMEA. The Board shall have the discretion to retain such auditor for a period of more than one (1) year, provided that the Board gives consideration to the integrity of such audit, such as rotating the lead partner from an audit firm after that partner has served three (3) consecutive years leading the audit and selects a new audit firm every six (6) years.



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- b. Directors, CEO and relevant staff will provide all necessary support and assistance to the auditor in completion of their report.
- c. Neither Directors nor staff shall take any action to improperly influence, coerce, manipulate, or mislead the external audit firm engaged in preparing an audit report.
- d. Results of the audit will be presented by the external audit firm to the Board with management present at a regular Board meeting as soon as may be scheduled after completion of the audit. A copy of the audit shall be available to the Board prior to the Board meeting at which the audit is scheduled to be presented.
- e. The Board shall have the opportunity to meet with the external audit firm without the presence of any employee of DMEA, if desired.

3. Other Outside Engagement. The Board may engage other outside services as necessary and, if desired, may request CEO assistance in preparing and evaluating requests for proposal or other vendor identification of such services.

 Board of Directors President	<u>2/24/20</u> Date
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