



**MINUTES OF THE REGULAR MEETING OF THE
DELTA-MONTROSE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
April 28, 2026**

Regular Board Session. On April 28, 2026, the Board of Directors of Delta-Montrose Electric Association (DMEA) met for a Regular Meeting at the cooperative's headquarters located at 11925 6300 Rd., Montrose, CO 81401.

During its regular meeting, the DMEA Board:	
1.	Approved the March 2026 membership/meter report & adopted the March 2026 Regular Board Meeting minutes with one correction.
2.	Addressed Board Committees and received Board Committee reports.
3.	Received a CEO report.
4.	Received representative reports from WUES and the CREA, as well as from Directors and staff who attended other training courses, meetings, and conferences.
5.	Received a patronage capital check from WUES.
6.	Reviewed and approved updates to Board Policy 117 as presented.
7.	Reviewed and approved an update to Board Policy 202.
8.	Reviewed future meeting dates.
9.	Listened to member comments.
10.	Entered Executive Session to receive a privileged CEO report including information on the 2025 audit, the 2025 capital credit allocation, the January 2026 CAMU report, and the draft Form 7; to review confidential corporate, litigation, and regulatory matters including proposed bylaw

	changes; review proposed updates to Board Policy 107; and to address confidential board governance matters.
11.	Approved to allocate to the membership the 2025 operating margins, otherwise known as capital credits, in the amount of \$2,304,196.00 using a revenue allocation methodology.

Regular Board Session

I. Call Meeting to Order. President Cannon called the meeting to order at 3:00 p.m.

- **Directors present:** Stacia Cannon (President), Kevin Williams (Vice-President), Jacob Gray (Secretary/Treasurer), Steve Metheny (Assistant Secretary/Treasurer), Ken Norris, Damon Lockhart, Enno Heuscher, Emily Sanchez (via Team's)
- **Directors absent:** Ryan Sedgeley
- **DMEA staff present:** Jack Johnston (Chief Executive Officer), Bob Farmer (Chief Financial Officer), Mateusz Pena (Chief Technical Officer), Sarah Abbott (Chief Relations Officer & General Counsel), Cody Carver (Chief Operations Officer), Jay Suckey (Chief Service Officer), Amy Gavell (Chief of Staff), Kevin Martins (Digital Communications & Marketing Specialist), Katie Yergensen (Marketing & Communication Director), Chad Stickler (Chief Safety Officer), Jessica Forrest (Finance & Accounting Director), Teresa Shishim (Creative Services & Marketing Specialist)
**All staff sans Pena, Forrest, Stickler, Gavell, Johnston, Carver, Suckey, Farmer, and Abbott left prior to XI-Executive Session.*
- **Others present:** Joseph McGill (member) (via Teams) (left prior to XI-Executive Session), Brandon Kibler (representative from WUES) (left prior to XI-Executive Session), Neal Hansen (via Team's)

(representatives from audit firm Forvis Mazars) (present during portion of XI-Executive Session, leaving at 6:00 p.m.), Duane Helderlein (member) (left prior to XI-Executive Session), Tony Hoag (representative from Citizen's Climate Lobby) (left prior to XI-Executive Session), Gail Marvel (reporter from the Montrose Mirror) (left prior to XI-Executive Session)

II. Pledge of Allegiance. The Board of Directors, staff, and guests present said the Pledge of Allegiance.

III. Determination of a Quorum. President Cannon confirmed the presence of a quorum to conduct business.

IV. Approval of the Agenda. Upon motion from Director Gray, seconded by Director Norris, the Board unanimously accepted the agenda posted on April 15, 2026, with one amendment: under XI-Executive Session, 1-Privileged CEO Report, add in a Power Supply line item as e. moving Other Items as Needed to f.

V. Introductions. Board Directors, staff, and guests introduced themselves.

VI. General Business.

1. Consent Agenda. Upon motion from Director Williams, seconded by Director Lockhart, the Board approved the March 2026 membership/meter report and adopted the March 2026 Regular Board Meeting minutes with one correction: change wherever it is stipulated the Board approved the maximum debit increase of \$300,000 (which is incorrect) to \$300,000,000.

2. Committee Chair Reports.

- a. **Finance, Audit & Rates.** It was reported that the committee had not met since the last Regular Board Meeting. There will be a meeting on June 9, 2026, to go over the 10-year financial forecast.
- b. **Energy Services.** It was reported that the committee had met on March 26, 2026, to receive presentations on geothermal & coalbed methane.
- c. **Member Relations Committee.** It was reported that the committee had not met since the last Regular Board Meeting.
- d. **Executive Committee.** It was reported that the committee met on March 26, March 31, April 9, and April 24, 2026, to discuss strategy, the CEO evaluation and compensation, and address Board self-evaluations. There will be a Special Board Meeting on May 4, 2026, to finalize and approve CEO compensation.

- 3. **CEO Report.** CEO Johnston presented the CEO report. The output of the hydro facilities was addressed, with President Cannon requesting that the previous reporting style for this metric be reinstated.

System reliability was discussed, with it noted that DMEA is maintaining its solid performance. With the bout of dry weather this past winter, some Colorado cooperatives have already started their wildfire mitigation plan. When that occurs for DMEA, the membership will be notified, as it will result in longer outage times. 26 electronic reclosers were added to the system.

Director Metheny inquired about energy assessments and high bill concerns. It was highlighted that there has been a higher number of high bill concerns in 2026. This is due in part to the rate increase, which took effect on January 1, 2026.

The Board asked about the difference in productivity between the in-house and contracted vegetation management crews. Contractor Xylem just brought on its second crew, whereas DMEA is currently running 3 in-house crews. A third contract crew may be brought on earlier than scheduled to help with wildfire mitigation efforts. It was also noted that DMEA's Vegetation Superintendent conducts quality control on all contractor work before considering a job complete.

Upcoming member events were reviewed, including the Annual Meeting. It was noted that the election is uncontested with only incumbent Directors running.

Financials were reviewed with President Cannon asking about transmission costs. The transmission providers and the Regional Transmission Organization (RTO) set these costs. Costs are scheduled to increase. It was highlighted that CFO Farmer is working on a financial modeling tool that will include weather and climate projections. There was an inquiry as to why member accounts are under budget. This is due in part to the capital credit retirement, which helps to offset uncollectible accounts. The report concluded with a discussion on the PACE project.

- 4. Director Recognition.** Director Lockhart and staff were recognized for their contributions to a recent Board safety training.

5. Affiliated Organizations & Education Reports

- a. Western United Electric Supply (WUES) Report.** CEO Johnston highlighted the meeting last week. WUES fiscal year runs July 1st through June 30th; WUES recently completed and approved its budget for the fiscal year July 1, 2026, through June 30, 2027. The CEO evaluation and compensation were also completed at this meeting, along with the election of officers.

Inventory was highlighted, along with the note that a new warehouse in Kansas is under construction. WUES continues to maintain a strong financial position.

Brandon Kibler from WUES presented DMEA with a patronage capital check. He reviewed the current cycle for WUES patronage and forecasted what DMEA will receive over the next few years.

- b. Colorado Rural Electric Association (CREA) Report.** Director Lockhart noted the meeting minutes were sent out via e-mail. Legislative matters were discussed in detail. The next CREA Board Meeting will be held at White River Electric Association in Meeker, CO. CREA will change its Annual Meeting location from the downtown Denver area to Lakewood, which is closer to its new facility.
- c. Conference, Webinars, & Meetings.** Director Heuscher highlighted his attendance at the National Rural Electric Cooperative Association (NRECA) online director course (2610: Understanding the Electric Business). This is the final course he needed to obtain his Credentialed Cooperative Director (CCD) certification.

CEO Johnston appeared on a panel at a community event hosted by La Plata Electric Association.

6. Other Action Items.

a. Board Policy 117: Donations & Contributions. Upon motion from Director Lockhart, seconded by Director Williams, the Board unanimously approved updates to Board Policy 117 as presented.

b. Board Policy 202: Banking, Investments, Annual Authorizations, and Subsidiaries. The Board reviewed Board Policy 202. Staff had no recommended updates. The Board asked for one amendment to the objective statement. Upon motion from Director Heuscher, seconded by Director Lockhart, the Board unanimously approved updates to Board Policy 202.

VII. Future Meetings. The Board reviewed future meeting dates.

VIII. Recess/Form Reconciliation. The Board took a brief recess at 5:06 p.m. to work on forms. The meeting resumed at 5:20 p.m.

IX. Member Comments. Member Tony Hoag asked about data centers, renewable energy, and the Southwest Power Pool (SPP). Member Joseph McGill also inquired about SPP.

X. Dinner. The Board attended dinner during Executive Session.

XI. Executive Session. At 5:21 p.m., upon motion from Director Norris, seconded by Director Heuscher, the Board unanimously voted to enter Executive Session to receive a privileged CEO report including information on

the 2025 audit, the 2025 capital credit allocation, the January 2026 CAMU report, and the draft Form 7; to review confidential corporate, litigation, and regulatory matters including proposed bylaw changes; to review proposed updates to Board Policy 107; and to address confidential board governance matters. At 8:22 p.m., upon motion from Director Williams, seconded by Director Norris, the Board unanimously exited Executive Session.


XII. Reconvened Regular Meeting.

1. 2025 Capital Credit Allocation. Upon motion from Director Lockhart, seconded by Director Heuscher, the Board approved to allocate to the membership the 2025 operating margins, otherwise known as capital credits, in the amount of \$2,304,196.00 using a revenue allocation methodology.

2. Board Policies. There was no additional action taken on Board policies.

3. Other Executive Session Items. There were no additional Executive Session items to address.

XIII. Adjournment. With no further business to conduct, the Board adjourned its Regular Meeting at 8:24 p.m.



Jacob Gray, Secretary/Treasurer