Board of Directors Policies

Policy Number: 104	**Subject:** Board Relationship to CEO & CEO Authority
Review Date: 10/27/2026	**Previous Version:** 06/24/2025

OBJECTIVE

To identify: (1) the authority delegated by the Delta-Montrose Electric Association (DMEA) Board of Directors to the Chief Executive Officer (CEO) for managing and directing DMEA's day-to-day operations, business affairs and activities; and (2) the CEO's responsibilities under this authority.

ACCOUNTABILITY

The Board of Directors and the CEO

POLICY

1. **CEO Authority.** The Board authorizes and directs the CEO to promote the objectives and goals of DMEA. Except as otherwise provided in DMEA's Articles of Incorporation, its Bylaws, or in this policy, the CEO is authorized to:

    a. Manage DMEA and direct DMEA's day-to-day operations, business affairs and activities in accordance with DMEA's Articles of Incorporation, Bylaws, policies, strategic plan, and associated budget(s), as well as in accordance with applicable laws, regulations, and generally accepted business practices.

    b. Employ, compensate, train, supervise, promote, demote, discipline, or replace personnel.

    c. Oversee DMEA's legal affairs, in consultation with DMEA's external General Counsel, or, if DMEA employs in-house General Counsel, directly supervise in-house General Counsel, subject to relevant legal requirements and DMEA policy.

    d. Negotiate and execute routine legal agreements on behalf of DMEA, such as but not limited to: commercial contracts, professional services, subscriptions, external memberships, labor, leases, easements, capital equipment, confidentiality/non-disclosure, and memoranda of understanding. The CEO will consult with the Board before signing key legal agreements that bind DMEA in a material manner, such as power supply and long-term financing documents.

    e. Initiate, defend, and settle routine lawsuits on behalf of DMEA, such as but not limited to: small claims, service contracts, collections actions, easement issues, personnel matters, and member or contractor disputes. The CEO will consult with the Board regarding key lawsuits that could affect DMEA in a material manner, such as lawsuits against a major supplier or which could implicate broad media coverage or substantial DMEA resources.

f. Negotiate legislative and regulatory matters in the best interests of DMEA.

g. Retain outside consultants and advisors such as, but not limited to, engineering, construction, power supply, transmission, cost of service/rates, financial, governmental affairs, public relations, management, technology, and legal counsel.

h. Serve as the authorized spokesperson for DMEA on national, regional, state, local, and cooperative matters.

i. Expend amounts as reasonably deemed necessary within the total approved operating expense budget and, separately, up to: (i) a $100,000 variance on any item not otherwise accounted for or included in DMEA's capital expense budget, provided that the CEO presents such variance to the Board at the next regular Board meeting, or (ii) a ten percent (10%) variance on any individual budgeted item.

j. Commit cooperative resources, as deemed appropriate, outside of DMEA's territory and/or normal operational scope (e.g., mutual aid, community support, volunteerism).

k. In situations involving immediate threats to public safety or public health, or other situations the CEO reasonably deems to be of an urgent nature, the CEO may act, or require, prohibit, or authorize action to protect and safeguard DMEA, its employees, members, contractors, property, and service territory.

2. Responsibilities. The CEO is responsible for:

a. Providing a safe and healthful place to work that complies with applicable laws, rules, and regulations regarding employee health and safety.

b. Developing goals and objectives, along with initiatives designed to meet those objectives, and supporting the Board in developing short and long-term strategic plans.

c. Reviewing and analyzing DMEA's rates, tariffs, fees, and service rules and recommending appropriate changes to the Board for adoption.

d. Formulating operating and capital budgets and recommending them to the Board for approval.

e. Developing, revising, and maintaining internal DMEA policies including, but not limited to, safety, risk, personnel and administrative.

f. Recommending Board policies or amendments to the DMEA Board of Directors.

g. Recommending to the Board the selection of an external auditor.

h. Recommending to the Board the selection of an external General Counsel, or, if DMEA employs in-house General Counsel, hiring in-house General Counsel in consultation with the Board President, and when necessary, terminating the employment of in-house General Counsel upon reasonable advance notice to the Board.

i. Determining employee compensation with exception of their own.

j. Supervising all DMEA membership services activities, including annual meetings and other meetings of the cooperative.

k. Determining the organizational structure best suited to carry out the overall objectives of the cooperative.

l. Analyzing and negotiating legislation, regulation and/or public policy proposals that may impact DMEA.

m. Keeping the Board appropriately informed regarding key business, legal, legislative, and regulatory matters.

n. Abiding by the core values of DMEA, including any applicable DMEA ethical, conflict, and/or whistleblower policies.

3. Delegation The CEO may delegate any responsibility as deemed reasonably appropriate.

Board of Directors President — Date 10/27/26