



**MINUTES OF THE 2018 ORGANIZATIONAL MEETING  
OF THE BOARD OF DIRECTORS**

June 14, 2018

Location: Montrose Headquarters Building  
11925 6300 Rd, Montrose CO 81401

**8:00 p.m.**

**Organizational Board Session.** The Board of Directors of the Delta-Montrose Electric Association met for its annual organizational meeting at the office of the cooperative in Montrose, Colorado, on Thursday, June 14, 2018.

<b>During their organizational meeting, the Directors:</b>
1. Elected new Board officers.
2. Elected new representatives to outside organizations.
3. Received assignments to Board committees.
4. Authorized CEO Bronec to enter into an Indefeasible Right of Use (IRU) agreement with the Region 10 League for Economic Assistance and Planning, Inc. ("Region 10").

**I. Call Meeting to Order.** At 8:06 p.m., the Board convened and the meeting was called to order.

- **Directors Present:** Bill Patterson (President), Mark Eckhart, Brad Harding, Ken Watson, Chris Hauck, Kyle Martinez, Damon Lockhart, John Gavan, Tony Prendergast
- **DMEA Staff Present:** Jasen Bronec (CEO), Amy Taylor (Executive Assistant)
- **Others Present:** Jeffrey Hurd (General Counsel)

**II. Determination of Quorum.** President Patterson announced the presence of a quorum.

**III. Approval of Agenda.** The Board approved the meeting agenda with the following amendments: (1) under agenda item V (Organizational Action Items), add "approval of election report" as item A, moving the other agenda items down, and (2) after agenda item VI (Authorization of Region 10 IRU Amendment), add agenda item "Discussion of Tri-State Policy 316 Complaint" as VII, moving the other agenda items down.

**IV. Introductions.** President Patterson introduced DMEA's newest Director, Chris Hauck.

#### **V. Organizational Action Items.**

**A. Approval of Election Report.** Upon motion from Director Prendergast, seconded by Director Watson, the Board approved the 2018 Election Report from the 2018 Annual Meeting, reflecting: (1) re-election of Kyle Martinez to District 2 Director in an uncontested election; (2) election of director Leslie Christian (Chris) Hauck to District 5 in an uncontested election; and (3) re-election of District 1 Director William Patterson, who received 71.3% of the 4,223 ballots cast (candidate Edward Ulibarri received 28.7% of votes cast).

**B. Election of Board Officers.** General Counsel Hurd explained the Board officer election process as outlined in DMEA's bylaws. Hurd noted that elections would occur by secret ballot and that Board officers assume their offices immediately upon election. If three or more candidates are nominated, a run-off vote would occur between the two candidates receiving the most votes.

**1. President.** Hurd solicited nominations for Board President. Director Gavan nominated Director Patterson. With no other nominations having been made, Director Prendergast moved to dispense with the secret ballot and to elect Director Patterson as President. Director Gavan seconded the motion, and it carried unanimously.

**2. Vice President.** Hurd then solicited nominations for Board Vice-President. Director Lockhart nominated Director Eckhart. With no other nominations having been made, Director Harding moved to dispense with the secret ballot and to elect Director Eckhart as Vice-President. Director Martinez seconded the motion, and it carried unanimously.

3. **Secretary/Treasurer.** Hurd then solicited nominations for Secretary/Treasurer. Director Lockhart nominated Director Harding to serve in the position of Secretary/Treasurer. With no other nominations having been made, Director Martinez moved to dispense with the secret ballot and to elect Director Harding as Secretary/Treasurer. Director Gavan seconded the motion, and it carried unanimously.
4. **Assistant Secretary/Treasurer.** Hurd then solicited nominations for Assistant Secretary/Treasurer. Director Prendergast nominated himself for the position. With no other nominations having been made, Director Harding moved to dispense with the secret ballot and to elect Director Prendergast as Assistant Secretary/Treasurer. Director Martinez seconded the motion, and it carried unanimously.

### C. Election of Representatives (via Resolution)

1. **Tri-State Generation & Transmission Association, Inc. (“Tri-State”) Board.** General Counsel Hurd solicited nominations for DMEA’s representative on the Tri-State Board of Directors. Director Gavan nominated Director Martinez. With no other nominations having been made, Director Prendergast moved to dispense with the secret ballot and to elect Director Martinez to the Tri-State Board. Director Gavan seconded the motion, and it carried unanimously.
2. **Western United Electric Supply Corporation (“WUES”) Representative.** Hurd then solicited nominations for the WUES Board of Directors. Following a brief discussion and friendly amendment, Director Eckhart moved to have the same individual be the WUES representative and Colorado Rural Electric Association (CREA) representative, and to have an alternate representative selected for both boards. Director Martinez seconded the motion, and it passed unanimously.

Director Prendergast nominated Director Lockhart to serve as the representative to WUES and CREA, with Director Watson to serve as the alternate to those boards. With no other nominations voiced, Director Prendergast moved to dispense with the secret ballot and to elect Director Lockhart to the CREA and WUES boards of directors, with Director Watson as the alternate representative. Director Harding seconded the motion and it passed unanimously.

**3. Colorado Rural Electric Association (CREA) Representative.**

As noted above in agenda item V-C-2, Director Lockhart was elected to the CREA Board of Directors, and Director Watson will serve as the alternate representative.

**4. National Rural Electric Cooperative Association (NRECA), National Rural Telecommunications Cooperative (NRTC), National Bank for Cooperatives (CoBank), Cooperative Finance Corporation (CFC), Federated Rural Insurance (Federated), and National Information Solution Cooperative (NISC) Representative.**

Nominations were then solicited for representative to NRECA, NRTC, Co-Bank, CFC, Federated and NISC. Director Gavan nominated Director Watson to serve as DMEA's representative to those organizations. No other nominations were presented. Director Prendergast then moved to appoint Director Watson as DMEA's representative to the aforementioned organizations. Director Harding seconded the motion, and it passed unanimously.

**D. Appointment of Board Directors to Committees.** Per DMEA's Bylaws, President Patterson assigned Directors to the 2018-19 Board committees. Directors Eckhart, Watson, and Harding will serve on the Finance/Audit/Rate committee, with Director Harding acting as committee chair. Directors Martinez, Patterson, and Prendergast will serve on the Member Relations committee, with Director Prendergast acting as committee chair. Directors Lockhart, Hauck, and Gavan will serve on the Engineering/Construction/Renewable Energy Committee, with Director Gavan acting as committee chair. Directors Patterson, Eckhart, Harding, and Prendergast will serve on the Executive Committee in their capacities as elected Board officers.

**E. Determine Bank Signatories.** The Board then considered a resolution to update the signatories on DMEA banking accounts. As the DMEA signatory officers (President and Vice-President) did not change from the prior year, there was no need to adopt a new resolution.

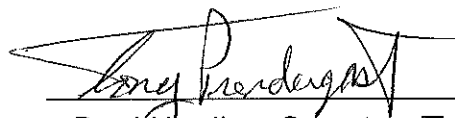
**F. General Counsel Legal Engagement Letter.** The general counsel legal engagement letter was distributed to the Board. Because the Board had not previously had an opportunity to review the engagement letter, Hurd asked that it delay taking any action on the letter until the DMEA Board's regular meeting on June 26.

**VI. Authorization of Region 10 IRU Amendment.** The Board briefly discussed a proposed second amendment to the 2017 DMEA/Region 10 IRU, which would provide DMEA with compensation in exchange for additional certain fiber paths to Region 10 in Delta and Montrose counties. Upon motion from Director Lockhart, seconded by Director Gavan, the Board unanimously authorized CEO Bronec to enter into a second amendment to the 2017 DMEA/Region 10 IRU on behalf of DMEA.

**VII. Discussion of Tri-State Policy 316 Complaint.** CEO Bronec addressed the status of DMEA's Policy 316 complaint. The formal Policy 316 complaint, filed May 30, 2018, addresses DMEA's request for certain withdrawal-related information and its failure to receive equitable withdrawal terms from Tri-State. Bronec reported that the formal complaint hearing will take place on July 10 before the entire Tri-State board. Further discussion on the substance of DMEA's presentation will take place during executive session at the next regular meeting on June 26.

**VIII. Executive Session (if required).** The Board did not require an executive session at this meeting.

**IX. Adjournment.** The regular board meeting was adjourned at 8:44 p.m.



~~Brad Harding, Secretary/Treasurer~~

Tony Prendergast, Asst. Secretary/  
Treasurer