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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.

OMB No 1545-0047

**2018**

**Open to Public Inspection**

**A** For the 2019 calendar year, or tax year beginning 01-01-2018 , and ending 12-31-2018

**B** Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

**C** Name of organization
DELTA MONTROSE ELECTRIC ASSOCIATION

Doing business as

Number and street (or P O box if mail is not delivered to street address) PO BOX 910 | Room/suite

City or town, state or province, country, and ZIP or foreign postal code
MONTROSE, CO 81402

**D Employer identification number**
84-0185658

E Telephone number
(970) 249-4572

G Gross receipts $ 71,555,192

**F** Name and address of principal officer
JASEN BRONEC
PO BOX 910
MONTROSE, CO 81402

**H(a)** Is this a group return for subordinates? ☐ Yes ☑ No

**H(b)** Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

**H(c)** Group exemption number ▶

**I** Tax-exempt status ☐ 501(c)(3) ☑ 501(c) ( 12 ) ◀ (insert no ) ☐ 4947(a)(1) or ☐ 527

**J Website:** ▶ WWW DMEA COM

**K** Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ 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 ▶ ☐ 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 34 | 7b | 0 |

| | | | Prior Year | Current Year |
|---|---|---|---|---|
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | 0 | 0 |
| | 9 | Program service revenue (Part VIII, line 2g) | 68,195,769 | 69,094,099 |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d ) | 438,975 | 736,767 |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 745,036 | 1,704,319 |
| | 12 | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 69,379,780 | 71,535,185 |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) | 2,994 | 4,983 |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | 220,770 | 546,407 |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | 8,966,610 | 9,392,515 |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | 0 | 0 |
| | b | Total fundraising expenses (Part IX, column (D), line 25) ▶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 |
| | 19 | Revenue less expenses Subtract line 18 from line 12 | 3,086,884 | 1,991,687 |

| | | | Beginning of Current Year | End of Year |
|---|---|---|---|---|
| Net Assets or Fund Balances | 20 | Total assets (Part X, line 16) | 207,651,183 | 223,686,114 |
| | 21 | Total liabilities (Part X, line 26) | 107,723,135 | 122,690,503 |
| | 22 | Net assets or fund balances Subtract line 21 from line 20 | 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**

****** | 2019-11-05
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 ☑ if self-employed | PTIN |
|---|---|---|---|---|
| | | 2019-11-05 | | 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

**For Paperwork Reduction Act Notice, see the separate instructions.** Cat No 11282Y Form **990** (2018)

**Part III** **Statement of Program Service Accomplishments**

Check 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 $ )

See Additional Data

**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)? *If "Yes," complete Schedule A* | 1 | | No |
| 2 | Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)? | 2 | | No |
| 3 | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I* | 3 | | No |
| 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? *If "Yes," complete Schedule C, Part II* | 4 | | |
| 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? *If "Yes," complete Schedule C, Part III* | 5 | | No |
| 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? *If "Yes," complete Schedule D, Part I* | 6 | | No |
| 7 | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II* | 7 | | No |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III* | 8 | | No |
| 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?*If "Yes," complete Schedule D, Part IV* | 9 | Yes | |
| 10 | Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V* | 10 | | No |
| 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? *If "Yes," complete Schedule D, Part VI* | 11a | Yes | |
| 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? *If "Yes," complete Schedule D, Part VII* | 11b | | No |
| 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? *If "Yes," complete Schedule D, Part VIII* | 11c | Yes | |
| 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? *If "Yes," complete Schedule D, Part IX* | 11d | | No |
| e | Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X* | 11e | Yes | |
| 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)? *If "Yes," complete Schedule D, Part X* | 11f | Yes | |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII* | 12a | | No |
| b | Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional* | 12b | Yes | |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E* | 13 | | No |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | 14a | | No |
| 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? *If "Yes," complete Schedule F, Parts I and IV* | 14b | | No |
| 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? *If "Yes," complete Schedule F, Parts II and IV* | 15 | | No |
| 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? *If "Yes," complete Schedule F, Parts III and IV* | 16 | | No |
| 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? *If "Yes," complete Schedule G, Part I*(see instructions) | 17 | | No |
| 18 | Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II* | 18 | | No |
| 19 | Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III* | 19 | | No |
| 20a | Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H* | 20a | | No |
| b | If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b | | |
| 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? *If "Yes," complete Schedule I, Parts I and II* | 21 | | 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? *If "Yes," complete Schedule I, Parts I and III* | 22 | | No |

**Part IV Checklist of Required Schedules** *(continued)*

| | | | Yes | No |
|---|---|---|---|---|
| 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? *If "Yes," complete Schedule J* | 23 | Yes | |
| 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? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a* | 24a | | No |
| 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? *If "Yes," complete Schedule L, Part I* | 25a | | |
| 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? *If "Yes," complete Schedule L, Part I* | 25b | | |
| 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? *If "Yes," complete Schedule L, Part II* | 26 | | No |
| 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? *If "Yes," complete Schedule L, Part III* | 27 | | No |
| 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? *If "Yes," complete Schedule L, Part IV* | 28a | | No |
| b | A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV* | 28b | | No |
| 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? *If "Yes," complete Schedule L, Part IV* | 28c | | No |
| 29 | Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M* | 29 | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M* | 30 | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I* | 31 | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II* | 32 | | No |
| 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? *If "Yes," complete Schedule R, Part I* | 33 | | No |
| 34 | Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1* | 34 | Yes | |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | Yes | |
| 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)? *If "Yes," complete Schedule R, Part V, line 2* | 35b | Yes | |
| 36 | **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2* | 36 | | |
| 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? *If "Yes," complete Schedule R, Part VI* | 37 | | No |
| 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 | Yes | |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check 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 | | |

| | | | | | |
|---|---|---|---|---|---|
| **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? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | **2b** | Yes | |
| **3a** | Did the organization have unrelated business gross income of $1,000 or more during the year? . . . | | **3a** | Yes | |
| **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** | Yes | |
| **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** | | No |
| **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** | | No |
| **b** | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | **5b** | | No |
| **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** | | No |
| **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).** | | | | |
| **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** | | |
| **h** | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . | | **7h** | | |
| **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? . . . | | **8** | | |
| **9a** | Did the sponsoring organization make any taxable distributions under section 4966? . . . | | **9a** | | |
| **b** | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . . | | **9b** | | |
| **10** | **Section 501(c)(7) organizations.** Enter | | | | |
| **a** | Initiation fees and capital contributions included on Part VIII, line 12 . . . | **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 | **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? **Note.** See the instructions for additional information the organization must report on Schedule O | | **13a** | | |
| **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** | | No |
| **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? If "Yes," see instructions and file Form 4720, Schedule N . . . | | **15** | | No |
| **16** | Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O . . . | | **16** | | No |

**Part VI** **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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

| | | | | Yes | No |
|---|---|---|---|---|---|
| **1a** | Enter the number of voting members of the governing body at the end of the tax year | **1a** 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 | **1b** 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** | | No |
| **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** | | No |
| **4** | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | **4** | Yes | |
| **5** | Did the organization become aware during the year of a significant diversion of the organization's assets? | | **5** | | No |
| **6** | Did the organization have members or stockholders? | | **6** | Yes | |
| **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** | Yes | |
| **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** | Yes | |
| **8** | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | | | |
| **a** | The governing body? | | **8a** | Yes | |
| **b** | Each committee with authority to act on behalf of the governing body? | | **8b** | | No |
| **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** | | No |

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

| | | | Yes | No |
|---|---|---|---|---|
| **10a** | Did the organization have local chapters, branches, or affiliates? | **10a** | | No |
| **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** | Yes | |
| **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** | Yes | |
| **b** | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | **12b** | Yes | |
| **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** | Yes | |
| **13** | Did the organization have a written whistleblower policy? | **13** | Yes | |
| **14** | Did the organization have a written document retention and destruction policy? | **14** | Yes | |
| **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** | Yes | |
| **b** | Other officers or key employees of the organization | **15b** | Yes | |
| | 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** | | No |
| **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▶

**18** Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (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 11925 6300 ROAD MONTROSE, CO 81401 (970) 249-4572

## 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, or 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 dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | (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 |
|---|---|---|---|---|---|---|---|---|---|---|
| (1) WILLIAM PATTERSON<br>PRESIDENT | 8 00<br>1 00 | X | | X | | | | 17,750 | 5,825 | 0 |
| (2) MARK ECKHART<br>VICE PRESIDENT | 7 00<br>1 00 | X | | X | | | | 13,800 | 5,575 | 0 |
| (3) BRADLEY R HARDING<br>SECRETARY | 6 00<br>1 00 | X | | X | | | | 12,350 | 6,000 | 0 |
| (4) TONY PRENDERGAST<br>ASST SECRETARY | 6 00<br>1 00 | X | | X | | | | 14,300 | 5,750 | 0 |
| (5) MARSHALL COLLINS<br>DIRECTOR (JAN-JUNE) | 2 00<br>1 00 | X | | | | | | 5,750 | 2,625 | 0 |
| (6) DAMON LLOCKHART<br>DIRECTOR | 15 00<br>1 00 | X | | | | | | 20,425 | 5,750 | 0 |
| (7) KYLE MARTINEZ<br>DIRECTOR | 12 00<br>1 00 | X | | | | | | 12,750 | 5,100 | 0 |
| (8) JAMES ELDER<br>DIRECTOR (JAN-MAR) | 2 00<br>1 00 | X | | | | | | 2,525 | 700 | 0 |
| (9) JOHN GAVAN<br>DIRECTOR | 4 00<br>1 00 | X | | | | | | 16,675 | 5,425 | 0 |
| (10) LESLIE CHRISTIAN HAUCK<br>DIRECTOR | 7 00<br>1 00 | X | | | | | | 8,500 | 3,200 | 0 |
| (11) KENNETH WATSON<br>DIRECTOR | 4 00<br>1 00 | X | | | | | | 11,250 | 3,750 | 0 |
| (12) JASEN BRONEC<br>CEO | 45 00<br>20 00 | | | X | | | | 252,501 | 57,216 | 136,013 |
| (13) WADE PYNES<br>CFO | 47 00<br>10 00 | | | X | | | | 163,405 | 1,154 | 40,116 |
| (14) STEVEN METHENY<br>VP POWER SUPPLY | 60 00 | | | X | | | | 196,854 | 0 | 27,340 |
| (15) KENT DAVENPORT<br>VP ENGINEERING (JAN-MAR) | 42 00 | | | X | | | | 64,786 | 0 | 70,724 |
| (16) DOUGLAS COX<br>VP OPERATIONS (JAN-MAY) | 46 00 | | | X | | | | 93,564 | 0 | 13,416 |
| (17) VIRGINIA HARMAN<br>COO | 46 00<br>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 dotted line) | (C) Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | (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 |
|---|---|---|---|---|---|---|---|---|---|---|
| (18) B KENT BLACKWELL<br>CTO | 45 00<br>10 00 | | | X | | | | 152,804 | 1,154 | 21,254 |
| (19) ROBERT T HALL<br>OPERATIONS MANAGER | 50 00 | | | | | X | | 135,200 | 0 | 49,463 |
| (20) SHELBY BEAR<br>SYSTEM DESIGN SUPERVISOR | 45 00 | | | | | X | | 125,067 | 0 | 45,532 |
| (21) DARWIN CLARK<br>LINEMAN/SVC TRUCK | 56 00 | | | | | X | | 129,466 | 0 | 17,570 |
| (22) CHAD STICKLER<br>OPERATIONS SUPERVISOR | 55 00 | | | | | X | | 129,243 | 0 | 35,598 |
| (23) NATHAN PUDERBAUGH<br>LINEMAN/SVC TRUCK | 48 00 | | | | | X | | 122,827 | 0 | 43,208 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| | (D) | (E) | (F) |
|---|---|---|---|
| **1b Sub-Total** . . . ▶ | | | |
| **c Total from continuation sheets to** Part VII, **Section A** . . . ▶ | | | |
| **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

| | | | Yes | No |
|---|---|---|---|---|
| **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* . . . | 3 | | No |
| **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* . . . | 4 | Yes | |
| **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* . . . | 5 | | No |

**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<br><br>PO BOX 725<br>HAVRE, MT 595010725 | FIBER CONSTRUCTION | 9,699,470 |
| LIGHTWORKS FIBER & CONSULTING LLC<br><br>PO BOX 193<br>HOTCHKISS, CO 81419 | FIBER CONSTRUCTION | 658,094 |
| DEL-MONT CONSULTANTS INC<br><br>125 COLORADO AVE<br>MONTROSE, CO 81401 | SYSTEM ENGINEERING | 637,901 |
| JKL ASSOCIATES<br><br>PO BOX 80046<br>BILLINGS, MT 59108 | FIBER CONSTRUCTION | 594,416 |
| IRELAND STAPLETON PRYOR & PASCOE PC<br><br>717 17TH ST 2800<br>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 Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . . . . . . . . . . ☑

**Contributions, Gifts, Grants and Other Similar Amounts**

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512 - 514 |
|---|---|---|---|---|---|---|
| 1a 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**

| | Business Code | (A) | (B) | (C) | (D) |
|---|---|---|---|---|---|
| 2a SALES OF ELECTRICITY | 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 | | 48,033 | 48,033 | | |
| g Total. Add lines 2a–2f ▶ | | 69,094,099 | | | |

**Other Revenue**

| | (i) | (ii) | (A) | (B) | (C) | (D) |
|---|---|---|---|---|---|---|
| 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 ▶ | | | | | | |
| | (i) Real | (ii) Personal | | | | |
| 6a Gross rents | | | | | | |
| b Less rental expenses | | | | | | |
| c Rental income or (loss) | | | | | | |
| d Net rental income or (loss) ▶ | | | | | | |
| | (i) Securities | (ii) Other | | | | |
| 7a Gross amount from sales of assets other than inventory | | 70,700 | | | | |
| b Less cost or other basis and sales expenses | | 20,007 | | | | |
| c Gain or (loss) | | 50,693 | | | | |
| d Net gain or (loss) ▶ | | | 50,693 | | | 50,693 |
| 8a 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 ▶ | | | | | | |
| 9a Gross income from gaming activities See Part IV, line 19 . . . a | | | | | | |
| b Less direct expenses . . . b | | | | | | |
| c Net income or (loss) from gaming activities ▶ | | | | | | |
| 10a 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 | (A) | (B) | (C) | (D) |
|---|---|---|---|---|---|
| 11a 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 . . . . . . . . . . . . . . . . ☑

| 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) Fundraisingexpenses |
|---|---|---|---|---|
| 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, line 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 Schedule 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<br>Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) | | | | |

**Part X** **Balance Sheet**

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

| Section | Line | Description | | | (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 instructions) Complete Part II of Schedule 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 ▶ ☐ 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 ▶ ☑ 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 Reconcilliation of Net Assets

Check 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 Reporting

Check 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 ☐ Cash ☑ Accrual ☐ Other ____<br>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? | 2a | | No |
| | 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<br>☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis | | | |
| b | Were the organization's financial statements audited by an independent accountant? | 2b | Yes | |
| | 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<br>☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis | | | |
| 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? | 2c | Yes | |
| | If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | | | |
| 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? | 3a | | No |
| 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 | 3b | | |

# Additional Data

**Software ID:**
**Software Version:**
**EIN:** 84-0185658
**Name:** DELTA MONTROSE ELECTRIC ASSOCIATION



## Form 990, Part III, Line 4a:

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

**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 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? ☐ Yes ☐ 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? ☐ Yes ☐ 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)

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ 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 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 in 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 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 10(c) )* ▶ | | | | 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.** *(Column (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 | C |
| (2) PATRONAGE CAPITAL - CFC | 613,184 | C |
| (3) PATRONAGE CAPITAL - FEDERATED INSURANCE | 356,287 | C |
| (4) PATRONAGE CAPITAL - NISC | 238,525 | C |
| (5) PATRONAGE CAPITAL - TSG&T | 47,911,923 | C |
| (6) PATRONAGE CAPITAL - WUESC | 1,346,444 | C |
| (7) PATRONAGE CAPITAL - OTHER | 131,120 | C |
| (8) MEMBERSHIPS - ASSOCIATED CO-OPS | 1,000 | C |
| (9) | | |
| **Total.** *(Column (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 | |
| CUSTOMER ENERGY PRE-PAYMENTS | 233,000 |
| ACCUMULATED PROVISION FOR RETIREMENT SICK LEAVE | 166,839 |
| ACCRUED OPERATING TAXES | 895,959 |
| REGULATORY LIABILITY | 4,750,000 |
| ACCUMULATED PROVISION FOR PENSION AND BENEFITS | 122,102 |
| DEFERRED CREDITS | 4,639,189 |
| (7) | |
| (8) | |
| (9) | |
| **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

| Return Reference | Explanation |
|---|---|
| See Additional Data Table | |
| | |
| | |
| | |
| | |
| | |
| | |

**Part XIII** **Supplemental Information** ***(continued)***

| Return Reference | Explanation |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

# Additional Data

**Software ID:**
**Software Version:**
**EIN:** 84-0185658
**Name:** DELTA MONTROSE ELECTRIC ASSOCIATION

## Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 HA S 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 APPL ICABLE BOARD POLICY PROVIDES SPECIFIC GUIDANCE REGARDING THE ELIGIBLE GRANTS AND SCHOLARSH IPS |

## Supplemental Information

| Return Reference | Explanation |
|---|---|
| PART X, LINE 2 | THE ASSOCIATION HAS ADOPTED THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIP LES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA THE PRIMARY TAX POSITION OF THE AS SOCIATION 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 IN TERNAL REVENUE SERVICE OR APPLICABLE STATE TAXING AUTHORITY AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES |

**Supplemental Information**

| Return Reference | Explanation |
| --- | --- |
| 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 A CCORDANCE WITH IRS INSTRUCTIONS, SCHEDULE D, PART IX HAS BEEN LEFT BLANK |

# Schedule J (Form 990)

## 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.

Department of the Treasury
Internal Revenue Service

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**

| | | | Yes | No |
|---|---|---|---|---|
| **1a** | Check the appropiate 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<br>☐ First-class or charter travel ☐ Housing allowance or residence for personal use<br>☐ Travel for companions ☐ Payments for business use of personal residence<br>☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees<br>☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef) | | | |
| **b** | If any of the boxes in 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 | 1b | | |
| **2** | Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a? | 2 | | |
| **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<br>☐ Compensation committee ☐ Written employment contract<br>☐ Independent compensation consultant ☑ Compensation survey or study<br>☐ Form 990 of other organizations ☑ 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? | 4a | | No |
| **b** | Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | | No |
| **c** | Participate in, or receive payment from, an equity-based compensation arrangement?<br>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III | 4c | | No |
| | **Only 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? | 5a | | |
| **b** | Any related organization?<br>If "Yes," on line 5a or 5b, describe in Part III | 5b | | |
| **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? | 6a | | |
| **b** | Any related organization?<br>If "Yes," on line 6a or 6b, describe in Part III | 6b | | |
| **7** | For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III | 7 | | |
| **8** | Were any amounts reported on Form 990, Part VII, paid or accured 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 | 8 | | |
| **9** | If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)? | 9 | | |

**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 are not 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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>LINEMAN/SVC TRUCK | (i) | 113,647 | 0 | 9,180 | 25,638 | 17,570 | 166,035 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## 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

| Return Reference | Explanation |
|---|---|
| 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 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 EXPENSE TO THE COOPERATIVE $ 20,363 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 NATE PUDERBAUGH TOTAL REPORTED IN COLUMN C $ 25,638 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (25,638) ADD CASH CONTRIBUTED TO DEFINED BENEFIT PLAN 15,860 EXPENSE TO THE COOPERATIVE $ 15,860 |

# Additional Data

**Software ID:**
**Software Version:**
**EIN:** 84-0185658
**Name:** DELTA MONTROSE ELECTRIC ASSOCIATION

**Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other reportable 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 |
|---|---|---|---|---|---|---|---|---|
| JASEN BRONEC<br>CEO | (i) | 219,362 | 0 | 33,139 | 106,546 | 29,467 | 388,514 | 0 |
| | (ii) | 57,216 | 0 | 0 | 0 | 0 | 57,216 | 0 |
| WADE PYNES<br>CFO | (i) | 152,972 | 10,000 | 433 | 18,822 | 21,294 | 203,521 | 0 |
| | (ii) | 1,154 | 0 | 0 | 0 | 0 | 1,154 | 0 |
| STEVEN METHENY<br>VP POWER SUPPLY | (i) | 155,855 | 30,000 | 10,999 | 0 | 27,340 | 224,194 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VIRGINIA HARMAN<br>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 |
| B KENT BLACKWELL<br>CTO | (i) | 139,138 | 13,000 | 666 | 0 | 21,254 | 174,058 | 0 |
| | (ii) | 1,154 | 0 | 0 | 0 | 0 | 1,154 | 0 |
| ROBERT T HALL<br>OPERATIONS MANAGER | (i) | 125,373 | 4,000 | 5,827 | 30,105 | 19,358 | 184,663 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SHELBY BEAR<br>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 |
| CHAD STICKLER<br>OPERATIONS SUPERVISOR | (i) | 108,120 | 3,588 | 17,535 | 20,619 | 14,979 | 164,841 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NATHAN PUDERBAUGH<br>LINEMAN/SVC TRUCK | (i) | 113,647 | 0 | 9,180 | 25,638 | 17,570 | 166,035 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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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

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION A, LINE 4 | DURING THE YEAR, THE MEMBERS OF THE COOPERATIVE APPROVED AMENDMENTS TO THE ARTICLES OF INC ORPORATION TO HAVE THE COOPERATIVE GOVERENED UNDER ARTICLE 56 OF TITLE 7 OF THE COLORADO R EVISED 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 PR OVISIONS THIS ARTICLE AND APPLICABLE SECTIONS ARE NEW SECTION 1 1 LAW AND ARTICLES, STATE S 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 TH E 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, ORDI NANCES, REGULATIONS, HOLDINGS, RULINGS, ORDERS, AND SIMILAR DOCUMENTS OR ACTIONS, WHETHER LEGISLATIVE, EXECUTIVE, OR JUDICIAL AS SET FORTH IN THE ARTICLES, THE COOPERATIVE IS ORGA NIZED UNDER TITLE 7, ARTICLE 55 OF THE COLORADO REVISED STATUTES, AND HAS DETERMINED TO AC CEPT THE BENEFITS AND TO 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 FIS CAL YEAR OF THE COOPERATIVE SHALL BEGIN THE FIRST DAY OF JANUARY OF EACH YEAR AND END ON T HE THIRTY-FIRST DAY OF DECEMBER OF THE SAME YEAR SECTION 1 3 SEAL STATES THE CORPORATE SE AL OF THE COOPERATIVE SHALL HAVE THE NAME OF THE COOPERATIVE AND THE WORDS, "CORPORATE SEA L, COLORADO" DUE TO THE ADDITION OF ARTICLE 1, ALL EXISTING ARTICLE AND SECTION NUMBERS H AVE BEEN RENUMBERED ACCORDINGLY ARTICLE 2 - MEMBERSHIP SECTION 2 1(C) WAS AMENDED TO STAT E 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, PROGR AMS, 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 T HE 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 AL L MEMBERS, AND (B) INDICATE WHETHER OR NOT THE MEMBER IS ENTITLED TO VOTE ("MEMBERSHIP LIS T") EXCEPT AS OTHERWISE PROVIDED BY THESE BYLAWS OR BY THE COLORADO COOPERATIVE ACT, A PE RSON MAY NOT INSPECT, COPY, OR RECEIVE A COPY OF ALL OR PART OF THE MEMBERSHIP LIST OR A S IMILAR 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 COOPER ATIVE SECTION 2 7 WAS ADDED TO IDENTIFY REASONS FOR SUSPENDING MEMBERSHIPS ARTICLE 3 - M EETINGS OF MEMBERS SECTION 3 1 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION A, LINE 4 | 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 P ROVISION THAT GUIDES THE COOPERATIVE IN DETERMINING WHICH MEMBERS OF THE COOPERATIVE ARE E NTITLED TO VOTE IN MEMBER MEETINGS SECTION 3 8 IS A NEW PROVISION THAT CLARIFIES MEMBER V OTING RIGHTS AS IT PERTAINS TO A MAIL BALLOT ARTICLE 4 - DIRECTORS SECTION 4 3 WAS AMENDE D TO STATE THAT A PERSON MUST BE A MEMBER OF THE COOPERATIVE IN HIS OR HER INDIVIDUAL CPAC ITY AND NOT AS AN AUTHORIZED REPRESENTATIVE OF A MEMBER, AND IF SUCH PERSON IS A FORMER EM PLOYEE OF THE COOPERATIVE, MUST BE ELIGIBLE FOR RE-HIRE UNDER THE COOPERATIVE'S STANDARD E MPLOYMENT POLICIES IT ALSO ADDED WHILE A DIRECTOR, AND DURING THE FIVE (5) YEARS IMMEDIAT ELY BEFORE BECOMING A DIRECTOR, NOT BE CONVICTED OF, OR PLEAD GUILTY OR NO CONTEST TO, A F ELONY 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 COMME NCED PROCEEDINGS RELATING TO BANKRUPTCY OR HAD COMMENCED AGAINST HIM OR HER PROCEEDINGS RE LATING TO FORECLOSURE, WHILE SERVING ON THE BOARD MAY NOT BE A PARTY TO ANY CONTRACT FOR P ROFIT WITH THE COOPERATIVE DIFFERING IN ANY WAY FROM THE BUSINESS RELATIONS ACCORDED ALL M EMBERS OF THE COOPERATIVE SECTION 4 4 WAS ADDED TO STATE WITHIN THE LIMITS SPECIFIED IN T HE ARTICLES, THE NUMBER OF DIRECTORS SHALL BE DETERMINED FROM TIME TO TIME BY RESOLUTION O F THE BOARD OF DIRECTORS SECTION 4 5(F) WAS AMENDED TO ADD THAT EACH MEMBER OF THE COOPER ATIVE SHALL BE ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS, EITHER BY BALLOT AT THE ANNU AL MEMBER MEETING OR BY MAIL BALLOT (COLLECTIVELY, THE "BALLOTS"), BUT NOT BOTH, EXCEPT TH AT ELECTION BY VOICE VOTE BY AND FROM THE MEMBERS AT THE ANNUAL MEMBER MEETING MAY BE ALLO WED 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 I DENTIFY 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 PROVID E REASONABLE COMPENSATION FOR TIME ACTUALLY SPENT BY ITS DIRECTORS IN SERVICE TO THE COOPE RATIVE 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 CON TINUE 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 SHA LL APPROVE THE COMPENSATION OF |

# 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION A, LINE 4 | 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 DISM ISS, AT THE CEO'S DISCRETION 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 STOC K IN ONE OR MORE SERIES AS MAY BE ESTABLISHED BY THE BOARD ("PREFERRED STOCK") TO ANY PERS ON, WHETHER OR NOT SUCH PERSON IS QUALIFIED TO BE A MEMBER PRIOR TO THE ISSUANCE OF ANY S ERIES OF PREFERRED STOCK (EACH, A "SERIES"), THE BOARD SHALL ESTABLISH EITHER IN THE RESOL UTION AUTHORIZING SUCH SERIES OR BY AMENDMENT TO THESE BYLAWS, THE NUMBER OF AUTHORIZED SH ARES AND THE TERMS OF SUCH SERIES INCLUDING, WITHOUT LIMITATION, (A) ENTITLEMENT TO DIVIDE NDS, 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 CIRCU MSTANCES 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 COOPERATIV E MAY BE DECLARED BY THE BOARD AT ANY REGULAR OR SPECIAL MEETING OF THE BOARD, NOT TO EXCE ED 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 REVE NUE CODE ARTICLE 8 - NONPROFIT OPERATION SECTION 8 4 WAS ADDED TO SPECIFY EACH PATRON'S A GREEMENT WITH THE COOPERATIVE SECTION 8 5 WAS ADDED TO DEFINE A NON-MEMBER PATRON AND THE IR DUTIES, OBLIGATIONS, AND RESPONSIBILITIES IMPOSED BY THE COOPERATIVE'S GOVERNING DOCUME NTS A COMPLETE COPY OF THE BYLAWS AND ARTICLES OF INCORPORATION CAN BE FOUND ON THE COOPE RATIVE'S WEBSITE AT THE FOLLOWING ADDRESS HTTPS //WWW DMEA COM/BYLAWS |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

# 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
| --- | --- |
| 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" |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

**990 Schedule O, Supplemental Information**

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

**990 Schedule O, Supplemental Information**

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

# 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART IX, LINE 24E | OTHER EXPENSES IS COMPRISED OF THE FOLLOWING ECONOMIC DEVELOPMENT $ 10,000 OTHER DEDUCTIONS 109,559 SALES 48,301 TRANSMISSION 391,398 DISPATCHING 281,623 TAXES 658,421 GEOTHERMAL AND HYDRO 692,526 INTEREST PENALITIES 18,996 ABANDONMENT LOSS 129,327 TOTAL OTHER EXPENSES PER FORM 990, LINE 24E $ 2,340,151 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 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 |

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| 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 |

# 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART XI, LINE 9 | 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 |

# SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

## 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 |
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**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 |
|---|---|---|---|---|---|---|---|
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**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) Disproprtionate allocations? Yes | (h) No | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? Yes | (j) No | (k) Percentage ownership |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
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**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 | (i) No |
|---|---|---|---|---|---|---|---|---|---|
| **(1)**DMEA UTILITIES SERVICES LLC<br><br>PO BOX 910<br>MONTROSE, CO 81402<br>84-1556992 | ALTERNATIVE ENERGY AND BROADBAND INVESTMENTS | CO | DELTA MONTROSE ELECTRIC ASSOCIATION | C | 3,528,105 | 12,251,574 | 100 000 % | Yes | |
| | | | | | | | | | |
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**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 orgranization 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 | Yes | |
| b Gift, grant, or capital contribution to related organization(s) . . . | 1b | | No |
| c Gift, grant, or capital contribution from related organization(s) . . . | 1c | | No |
| d Loans or loan guarantees to or for related organization(s) . . . | 1d | | No |
| e Loans or loan guarantees by related organization(s) . . . | 1e | | No |
| f Dividends from related organization(s) . . . | 1f | | No |
| g Sale of assets to related organization(s) . . . | 1g | | No |
| h Purchase of assets from related organization(s) . . . | 1h | | No |
| i Exchange of assets with related organization(s) . . . | 1i | | No |
| j Lease of facilities, equipment, or other assets to related organization(s) . . . | 1j | | No |
| k Lease of facilities, equipment, or other assets from related organization(s) . . . | 1k | | No |
| l Performance of services or membership or fundraising solicitations for related organization(s) . . . | 1l | | No |
| m Performance of services or membership or fundraising solicitations by related organization(s) . . . | 1m | | No |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . | 1n | | No |
| o Sharing of paid employees with related organization(s) . . . | 1o | Yes | |
| p Reimbursement paid to related organization(s) for expenses . . . | 1p | Yes | |
| q Reimbursement paid by related organization(s) for expenses . . . | 1q | Yes | |
| r Other transfer of cash or property to related organization(s) . . . | 1r | | No |
| s Other transfer of cash or property from related organization(s) . . . | 1s | | No |

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 |
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**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

| (a) Name, address, and EIN of entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (e) Are all partners section 501(c)(3) organizations? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproprtionate 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 | | Yes | No | |
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## Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

| Return Reference | Explanation |
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