

Regular meeting of the Board of
Directors of Decatur County
Rural Electric Membership
Corporation held March 24, 2022
at the headquarters facilities on
1430 W. Main,
Greensburg, Indiana at 6:30 p.m.

The meeting was opened by Chairman, Steve AmRhein, and Brian Scheidler, kept the minutes of the meeting.

All board members were present. Also, present CEO, Brett Abplanalp, and employees Matt Raver, Crystal Greathouse, Jeanne Loechle, and Chris Galloway.

Clay Nuhring made the motion to amend the agenda to move the legal discussion up, Carl Riedeman seconded, and the motion failed with a four-to-four vote.

Upon motion made by Jason Barnhorst, seconded by Dale Wernke, and carried, the agenda was approved with a five to three vote, with Jeff Lawrence opposed.

Hoosier Energy Presentation

Donna Walker, CEO of Hoosier Energy, walked through the history and current state of the energy transition and a wholesale rate outlook. She also announced that there will be a patronage refund of \$668,000 from Hoosier to DCREMC.

Brett Abplanalp gave a safety minute around the dangers of electricity theft and a cool moment around Operation Round-Up granting \$17,000.

Approval of Previous Meeting Minutes

Upon motion by Dale Wernke, seconded by Suzanne Parmer, and carried, the minutes for the February 24, 2022, board meeting were approved with amendments.

CEO Update

Brett Abplanalp reported out the following:

Team completed Q1 risk management. Our team spend a lot of time on the meter pole project and trying to determine what the solutions are for the barriers covered last month.

February median temperature was 11% below our five-year average with heating degree days 10% above our five-year averages.

Our Hoosier purchased energy was down 1% compared to our five-year average with demand 1% lower than our five-year average. Year to date energy sales went from -2.8% under budget to -4.4%.

There was no major storm for the month of February. Lost consumer hours were 22% below our 5-year average. The number of outages was 59 compared to our five-year average of 26. Outage causes for the month were “trees - other”, then “equipment.” Our 30, 60 & 90 day past due AR continue to be well under our 5-year averages. We have four documented near miss and/or safety suggestions with two completed corrective actions.

Financial Update

Matt Raver reported out the following:

Revenues are under YTD budget by \$153,835 (-4%) but power costs are also under by \$193,317 (-4%), resulting in a gross margin below budget of -4.7% YTD.

Controllable expenses are under budget \$123,125 (-14.7%). Operating margins are ahead of budget by 15%.

The Cash Flow statement shows a January beginning balance of \$1,496,571. We ended the current month with a Net decrease in cash of -\$47,883 resulting in an ending cash balance of \$1,448,688.

Meter CT Recommendation

Crystal Greathouse presented the need to test meter current transformers (CTs) for accuracy on a regular schedule to ensure they are working properly and are still calibrated.

Jason Barnhorst made the motion to reallocate funds to complete CT meter testing, Jeff Lawrence seconded, and the motion passed unanimously.

Round Up Trust

Brett Abplanalp reported out on the organizations that were awarded a total together of \$17,000.

2022 Power Requirement Study

Brett Abplanalp discussed the current three-year load forecast completed by Hoosier Energy.

Jeff Lawrence made the motion to approve the resolution, Suzanne Parmer seconded, and the motion passed unanimously.

Nominating Committee Candidates

District 3 and 1 directors presented their candidates for the nominating committee.

District 3 (Daniel Litmer & William Wietlisbach) and District 1 (Jerry Closser & Kathy Verseman).

Carl Riedeman made the motion to approve the candidates, Clay Nuhring seconded, and the motion was approved unanimously.

Board Governance Strategic Initiative

Steve AmRhein presented a quote to have a board self-assessment done.

Utility Receipt Tax

Brett Abplanalp gave an update on repeal of the state utility tax. This is a 1.4% tax on electric revenues.

Policy/Bylaws Reviews & Report Outs

- a. Policy 1-15 Director's Electronic Communication

This policy was reviewed with no action taken

- b. Policy 10-22 Use of Corporate Computers, Networks, Internet, Mail & Phone

Suzanne Parmer made the motion to approve the redlines with amendments, Jeff Lawrence seconded, and the motion passed unanimously.

- c. The Rules & Regulations were redlined to reflect management's recommendation for the replacement of meter poles project. Brett Abplanalp presented the changes and walked through the plan to replace meter poles that were rejected. The board took no action and deferred the topic to next month.

Legal Representation Discussion

The board discussed voting on an attorney to represent the board. It was decided to have two law firms present to the board.

Brian Scheidler made the motion to hire a legal firm to attend the next two board meetings. Parr Richey and Faegre Drinker Biddle & Reath LLP will be asked to present, one in each of the next two board meetings, Jeff Lawrence seconded, and the motion passed unanimously.

Upon motion made by Jason Barnhorst, seconded by Brian Scheidler, and carried, the meeting was adjourned to executive session at 10:21 p.m.

Brian Scheidler, Secretary

Attest:

Steve AmRhein, Chairman