

Regular meeting of the Board of
Directors of Decatur County
Rural Electric Membership
Corporation held October 27, 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 Crystal Greathouse, Matt Raver, Jeanne Loechle, Pat Nobbe, Sam Ruf, HR Intern Elizabeth Westerfeld and John Wolfram with Catalyst Consulting.

Dale Wernke moved to approve the agenda. Jason Barnhorst seconded the motion. The motion passed unanimously.

Safety Min & Cool Moment

The cool moment was presented by Elizabeth Westerfeld and included her experience as DCREMC's HR intern. Brett Abplanalp then showed the campaign video for United Fund.

The safety moment was presented by Brett Abplanalp and included how tampering with a meter which is theft of electricity from your REMC and is extremely dangerous.

Strategic Initiative Report Out

Brett Abplanalp briefly went over the process DCREMC has been through with strategic planning, what feedback the management team was looking for and the next steps. Each of the initiative team leaders presented the team's scope and recommended projects.

Member to Address the Board

There was discussion on an infrastructure improvement project and the reporting process for actual CAPEX spending throughout the year.

The board went into executive session at approximately 8:30 p.m. to cover individual member impacts of the cost-of-service study due to wholesale tariff changes, presented by Catalyst Consulting's John Wolfram.

The board came out of executive session and went back into general session at approximately 9:02 p.m.

Cost of Service Study Review

John Wolfram of Catalyst Consulting's went over the results of the study and discussed recommendations with the board and management. A class segmentation study was completed for commercial classes. The recommendation was to keep the practice of reviewing peak demands for each member every two years and move members to the appropriate tariff.

All the major rate classes are contributing to margins. Single-phase (residential, general service) class is contributing at a level lower than the system average and large member classes are contributing at a level above average. This is typical and in John's expert opinion, he recommended no changes to base rates for any of the classes. The per unit charges from the cost-of-service study show that the customer charges,

demand charges and energy charges in the current rate schedules are largely in line with cost to serve. Again, the recommendation was to leave those charges where they are currently. Brett Abplanalp then went over current solar rates compared to data from the 2021 wholesale power bill.

Annual Meeting Survey Results

Crystal Greathouse presented the results of the annual meeting survey and recommendations for 2023.

Highlights from annual meeting survey:

- 941 surveys completed by membership
- 73% were satisfied to very satisfied with the annual meeting
- 76% were satisfied to very satisfied with the voting process
- The top reasons for attending the annual meeting were the bill credit and food
- Motivating factors to participate in our director elections was “to have a voice” and “electing the right candidates”
- 90% of respondents preferred to vote online and by mail
- Top election considerations were convenience / multiplatform, security and a non-biased election
- Top communication methods from respondents were bill inserts, email, and monthly magazine.

The recommendation for 2023 was an in-person event at the Decatur County Fairgrounds followed by a virtual business meeting, SBS as the election vendor (online, SmartHub and mail), electronic onsite voting administered by SBS, bag meals, \$10 bill credit for attending,

Jason Barnhorst moved to approve the recommendations for budget approval. Dale Wernke seconded the motion. The motion passed unanimously.

For Your Information - Investigation

The Chairman of the board discussed with the board special board meeting minutes that were not disclosed, other than the directors, due to the legal nature of the meeting.

Approval of Previous Meeting Minutes

Suzanne Parmer moved to approve the minutes from the September 22, 2022, board meeting. Jason Barnhorst seconded the motion. The motion passed unanimously.

CEO Updates

Brett Abplanalp reported out this month's focus was the work around our cost-of-service study, wrapping up our strategic initiatives teamwork, completing our organization changes discussed during August board meeting, starting the budget process for 2023 with management team and the 2023 right-of-way plan.

Financial Updates

Matt Raver reported on September financials.

Net utility plant increased \$350,780 in September, total other property and investment increased \$9,082 and total current and accrued assets shows a \$1,062,599 decrease from last month.

Revenues are under YTD budget by \$196,543 but power costs are also under by \$47,021 resulting in a gross margin under budget of \$149,522 YTD. Controllable expenses are over budget \$223,164, mainly due to ROW timing and outages. The cash flow statement shows a September beginning balance of \$2,279,353 and we ended the current month with a net decrease in cash of \$651,098.

Financial Management Plan

Matt Raver covered management's recommendations. How fast we retire capital credits, what type of margins (rates) we want to target will tell us what effect it will have on our equity/debt position.

IEC Annual Meeting Delegate

Suzanne Parmer moved to nominate and approve Brian Scheidler as the IEC annual meeting delegate. Jeff Lawrence seconded the motion. The motion passed unanimously.

Reduce to Seven Board Members

The board had discussion on the proposed bylaw updates for the reduction in districts and also term limits.

Special Retirement to Uncollectable Account Process

Crystal Greathouse presented a new process to apply capital credit towards accounts that have uncollectable debt. This will save the coop money by reducing collection service fees.

Policy/Bylaws Review & Report Out

Policies 10-15, 10-16, 2-3 and 10-14 were discussed with presented changes.

Suzanne Parmer moved to approve the changes as presented for 10-15, 10-16, 2-3 and 10-14. Dale Wernke seconded the motion. The motion passed unanimously.

December Board Meeting Date

Jeff Lawrence moved to change the December board meeting date to December 21st. Suzanne Parmer seconded the motion. The motion passed unanimously.

The Hoosier Energy Board

Jason Barnhorst gave the Hoosier board update and the Finance and Audit Committee meeting update.

IEC Board/Committee Update

Steve AmRhein gave the IEC board update. Annual meeting is planned for Dec 5-6.

Director Training/Conf Report Out

Suzanne Parmer discussed the Women in Energy Conference she attended.

Jason Barnhorst moved to adjourn the meeting. Jeff Lawrence seconded the motion. The motion passed unanimously, and the meeting was adjourned at 11:28 p.m.

The board then moved into executive session to discuss 2023 Salary & Wage Administration Plan and board strategic initiative, board governance.

Brian Scheidler, Secretary

Attest: _____
Steve AmRhein, Chairman