

Minutes of the
Decatur County REMC
Regular Meeting of the Board of Directors
Thursday October 25, 2018
1430 W Main St.
Greensburg, IN at 6:30pm

Chairman Tom Crowe called the meeting to order at 6:30pm, and Jason Barnhorst kept minutes of the meeting.

All members of the board were present. Also present was DCREMC CEO Brett Abplanalp, and DCREMC staff members; Jeanne Loechle, Karen Forshee, and Rachel Sullivan.

Upon motion by Michael Brelage, seconded by Dale Wernke, and carried, the agenda of the meeting was approved by unanimous vote.

Rachel Sullivan made a presentation to the board regarding the survey results of the 2018 DCREMC annual meeting. After reviewing member comments and feedback, Sullivan reported that an employee committee has been formed to plan the next annual meeting which will be held June 2019.

DCREMC member Gordon Smiley updated the board on the work which he has been doing at his farm to improve his power factor and usage efficiencies. With the cooperation of DCREMC staff and outside consultants, Smiley has been able to improve his energy efficiency primarily with the use of VFD's (variable frequency drives), producing a cost savings.

The financial report was given by Karen Forshee and reviewed on Call to Order. Forshee reported that as of the end of September, the latest estimate (LE) shows an increase in gross margins for 2018. This is primarily due to increased kWh sales year to date mostly due to weather; wholesale +6.3%, transmission +2.3%, and industrial -1.4%. However, maintenance and payroll benefits will end the year well over budget due to outages. Forshee also reported that planned capital expenditures for distribution plant will be sharply below budget since they will not be completed in 2018, but will be offset by increased spending in unplanned distribution projects and new services.

The COSS and new rate implementation schedule is on track and the first communication of the new rate structure will go out in 'Brett's Buzz' in the upcoming edition of Electric Consumer magazine. Proposed flat rate billing for the commercial classes was also reviewed, this will be an optional rate for

members of this class. Power Factor penalties were also discussed as they relate to the COSS and the new rate structure. DCREMC will give Prime Group direction on this.

Upon motion made by Lawrence Young, seconded by Brian Scheidler, and carried, the consent agenda of the meeting was approved by unanimous vote.

Hoosier Energy report was given by Tom Crowe. Crowe reported that Donna Walker will officially take over as CEO of Hoosier Energy on November 11th, 2018. The Greensburg solar array, which sustained substantial damage during the August 25th hail event, is being repaired and should be up and running by the end of the year.

IEC board meeting update was given by Steve AmRhein. Elmer Stocker, former IEC CEO who retired in 2006, has been named interim CEO while the search begins for a permanent CEO. AmRhein also reported that IEC's budget has been approved for 2019 and DCREMC can expect their dues to increase by approximately 7%. IEC annual meeting will be held December 3-4th, 2018 at the downtown Indianapolis Marriott.

Top Ten project list update was given by Brett Abplanalp. 1.) Rate design and the power factor determination, 2.) health insurance and union negotiations October 29th, 3.) IT lifecycle management, 4.) new fence and gate on track, 5.) Employee SOP performance reviews.

Strategic planning teams have been formed based on the focus areas that were identified at the strategic planning event held in late August. Each team has met and will continue to meet regularly with 100% employee participation.

Old Business:

EV and Broadband committee will also include Jerrod Devers of DCREMC and will meet within the next two weeks.

Board accountability strategic initiative committee will be; Jason Barnhorst, Dale Wernke, and Lawrence Young.

New Business:

Upon motion by Jason Barnhorst, seconded by Jeff Lawrence, and carried, the nominating ballot for IEC Director is Steve AmRhein and Michael Brelage, passed by unanimous vote.

Steve AmRhein was elected IEC Director, with Michael Brelage as alternate.

Upon motion by Steve AmRhein, seconded by Jeff Lawrence, and carried, Jason Barnhorst was named IEC annual meeting delegate for 2018, passed by unanimous vote.

Upon motion by Jason Barnhorst, seconded by Lawrence Young, and carried, Michael Brelage was named IEC annual meeting alternate for 2018, passed by unanimous vote.

Upon motion by Jeff Lawrence, seconded by Brian Scheidler, and carried, Steve AmRhein was elected NRECA voting delegate March 10-13, 2019 with Jason Barnhorst as alternate, passed by unanimous vote.

Brett Abplanalp presented the competency ratings and performance metrics that he will be using in upcoming DCREMC employee reviews. The expected increases will be incorporated into the budget proposal for 2019 which will be presented in November.

Upon motion by Jeff Lawrence, seconded by Lawrence Young, and carried, the meeting was adjourned at 9:30pm