

Minutes of the
Decatur County REMC
Regular Meeting of the Board of Directors
Thursday June 27th, 2019
1430 W Main St.
Greensburg, IN at 6:30pm

Vice-Chairman Steve AmRhein 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 Jennie Meyer and Jeanne Loechle.

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

There was recap and discussion of the special board meeting held regarding the construction work plan (CWP) as presented by DCREMC electrical engineering consultant, Bob Dew. The CWP was formulated to determine system needs for a 4-year period using outage data, historical system data, Milsoft (simulation model), RUS guidelines, and DCREMC's recent power requirement study. Updates to DCREMC's distribution system are critical to ensure member safety and reliability, as DCREMC's peak demand continues to increase.

The 10-year financial forecast was also reviewed as presented at the March 2019 board meeting, specifically capital expenditures and long-term debt as it relates to the CWP. The 10-year forecast, which was approved unanimously by the board, includes \$9.1 million in capital expenses (CWP) with \$4.2 million being financed over a 5-year period. Upon completion of the CWP, DCREMC long term debt will increase approximately \$280,000.

Election of new officers was held;

Upon motion by Jason Barnhorst, seconded by Carl Riedeman, and carried, Steve AmRhein was nominated for chairman.

Upon motion by Jeff Lawrence, seconded by Carl Riedeman, and carried, Brian Scheidler was nominated for chairman.

Steve AmRhein was elected chairman by written ballot.

Upon motion by Carl Riedeman, seconded by Suzanne Parmer, and carried, Jeff Lawrence was nominated for vice chairman.

Upon motion by Dale Wernke, seconded by Michael Brelage, and carried, Brian Scheidler was nominated for vice chairman.

Jeff Lawrence was elected vice chairman by written ballot.

Upon motion by Jason Barnhorst, seconded by Dale Wernke, and carried, Michael Brelage was nominated for secretary.

Upon motion by Jason Barnhorst, seconded by Brian Scheidler, and carried, Dale Wernke was nominated for secretary.

Michael Brelage was elected secretary by written ballot.

Upon motion by Jason Barnhorst, seconded by Dale Wernke, and carried, Michael Brelage was nominated for treasurer.

Upon motion by Jason Barnhorst, seconded by Brian Scheidler, and carried, Dale Wernke was nominated for treasurer.

Michael Brelage was elected treasurer by verbal vote.

Upon motion by Michael Brelage, seconded by Brian Scheidler, and carried, Jason Barnhorst was nominated for assistant secretary treasurer.

Upon motion by Carl Riedeman, seconded by Michael Brelage, and carried, Dale Wernke was nominated for assistant secretary treasurer.

Jason Barnhorst was elected assistant secretary treasurer by written ballot.

Attorney Brian Garrison from Faegre, Baker, Daniels led a discussion concerning board governance issues, liability, and responsibilities. Garrison outlined 3 main fiduciary responsibilities of directors; 1.) operate in good faith, 2.) use the same degree of care as any ordinarily prudent person, and 3.) act in the best interest of the cooperative. Directors also have an active duty to; members, the cooperative itself, other directors, and staff.

There was discussion with attorney Garrison on current DCREMC policies regarding board, CEO, and employee relationships, open board meetings, and segregation of management and board duties. Current DCREMC policies outline appropriate interaction between board, staff, and CEO. The purpose of this policy is to delegate authority and establish an organizational chain of command. While at the same time outline specific roles for management and board. It shall be distinctly understood that the CEO shall be the connecting link between the Board of Directors and the employees. The board should remain a governing body of the organization with a "heads in, hands out" approach.

DCREMC current open board meeting policy was also discussed. While Garrison agrees to open board meetings, he cautioned that there are certain details and topics that are for elected directors only and encouraged DCREMC board to discuss such matters in executive session.

The following DCREMC policies were reviewed and discussed by the board, no action was taken;

Policy 1-10, Director Code of Ethics and Oath of Office

Policy 1-13, Whistleblower

Policy 1-14, Conflict of Interest

Policy 1-16, Director Conduct Policy

The financial report was given by Jennie Meyer and reviewed as presented on Call to Order. Sales volume continues to fall below budget YTD, but all classes increased during the month of May. Capital credit checks will be issued in July. DCREMC annual audit has been completed and findings will be reviewed at the August board meeting.

The financial report was accepted by the board as prepared and will be filed for audit.

Upon motion by Jason Barnhorst, seconded by Brian Scheidler, and carried, the consent agenda was approved by unanimous vote.

Upon motion by Carl Riedeman, seconded by Suzanne Parmer, and carried, Brian Scheidler was nominated for Hometown Energy director.

Upon motion by Carl Riedeman, seconded by Suzanne Parmer, and carried, Jeff Lawrence was nominated for Hometown Energy director.

Brian Scheidler was elected Hometown Energy director.

Upon motion by Carl Riedeman, seconded by Suzanne Parmer, and carried, Jeff Lawrence was nominated for Hoosier Energy director.

Upon motion by Michael Brelage, seconded by Dale Wernke, and carried, Jason Barnhorst was nominated for Hoosier Energy director.

Jason Barnhorst was elected Hoosier Energy director by ballot.

IEC update was given by Steve AmRhein and reviewed on Call to Order.

2019 projects update was given by Brett Abplanalp. 1.) crew visits, 2.) Prepay program phase II, 3.) iVUE Connect software delayed, 4.) New metering software August implementation, 5.) Substation radios, 6.) IT server replacements almost complete, 1 remaining, 7.) RUS loan and CWP.

Abplanalp also reported the pole replacement project bids came in much higher than expected and alternative options are being reviewed. New services in 2019 continue to be a significant amount of time and resources. DCREMC would like to welcome Operations and Engineering Analyst, Chris Galloway to DCREMC staff. Galloway will begin his new role with DCREMC July 15th.

Old Business:

Cost avoidance calculations are being done on single phase and three-phase solar by DCREMC rate consultant, Prime Group.

Audit bid packet for 2020 was reviewed by the board. It was noted that if we continue to use the same firm, the board would recommend changing lead auditors.

Unclaimed capital credit bylaw change. Redline changes were reviewed on call to order. No action was taken.

New Business:

District (3) Jeff Lawrence and District (7) Jason Barnhorst, will need to appoint new community trust members by the July board meeting.

Upon motion by Brain Scheidler, seconded by Dale Wernke, and carried, the meeting was adjourned at 10:30pm

Michael Brelage, Secretary

Attest: _____
Steve AmRhein, Chairman