

Minutes of the
Decatur County REMC
Regular Meeting of the Board of Directors
Thursday, March 22nd, 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 CEO Brett Abplanalp and Karen Forshee of DCREMC.

Upon motion by Jason Barnhorst, seconded by Steve AmRhein, and carried, the agenda of the meeting was approved by unanimous vote.

Upon motion by Steve Gasper, seconded by Jeff Lawrence, and carried, the 7-day prior notice requirement for meeting attendance was waived to allow the members who were in attendance to stay for this meeting. Motion passed by unanimous vote.

The financial report was given by Karen Forshee and reviewed on Call to Order. February 2018 revenues were lower than expected while controllable expenses and capital expenditures were higher than budgeted. The increase in controllable expenses is largely due to ROW maintenance starting earlier than budgeted. The crews are beginning work now in order to serve us and other REMC's. Capital expenditures are higher than budget because of security light conversions that were not budgeted, switchgear from 2017 that did not get closed until 2018, and new member services.

Upon motion by Lawrence Young, seconded by Dan Schantz, and carried, the Cost of Service Study (COSS) report was accepted as presented by unanimous vote. The Board also agreed: 1.) To have Prime Group continue and do two in-class studies, 2.) To set maximum percentage increases per class, and 3.) To evaluate the grid access charge as compared to transformer size.

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

Brett Abplanalp gave his CEO, safety, and outage reports as prepared on Call to Order. Employee competency reviews have begun and will be completed by the end of March. The COSS has been a main focus for Brett and his staff this month, as there have been several meetings with Prime Group to complete the study and

analyze the results. The operations department adopted a new safety manual that will be the center point of DCREMC's safety protocol.

Hoosier Energy report was given by Dan Schantz. There was an operations committee meeting held and updates were given on the rebuilding of generator number 2 at Merom. There was discussion on Merom's generation costs and its relation to the current wholesale power market. Coal powered generation continues to be under pressure as natural gas prices continue to go down. Hoosier is still seeking opportunities with a 200MW solar farm, but the project is currently on hold.

The Top Ten Projects list was reviewed and Brett gave updates on projects that are being worked on. Long term debt refinancing and line extension policy/aid of construction will both be presented at the next Board of Directors meeting. There will be a training session for the Board on April 16th with Earl Ridlen of London Witte Group.

Old Business:

Policy 4-7, Long Range Financial Plan was discussed. Redline changes were reviewed on Call to Order. There was no action taken. This will be discussed further at the next Board meeting.

New Business:

The Electric Cooperative Governance Task Force Report was distributed and reviewed on Call to Order. The 68-page report is intended to facilitate an electric cooperative's continued examination and enhancement of its governance policies. DCREMC will review this report and make changes as appropriate.

Through the recent cost of service study, we've discovered that some of our small commercial accounts have incurred a power factor penalty and some have not. Twenty-five (25) small commercial accounts were charged. Those accounts were billed a total of \$3,439.18, which will be refunded proportionately to each member affected.

Roy Friedersdorf and Lawrence Young each gave a report on their recent trip to the NRECA convention in Nashville, TN.

Upon motion by Jason Barnhorst, seconded by Lawrence Young, and carried, the meeting was adjourned at 9:05pm

Jason Barnhorst, Secretary

Attest: _____
Tom Crowe, Chairman