

Regular meeting of the Board of  
Directors of Decatur County  
Rural Electric Membership  
Corporation held May 27, 2021  
at the headquarters facilities on  
1430 W. Main,  
Greensburg, Indiana at 6:30 p.m.

The meeting was opened by Chairman, Michael Brelage, and Secretary, Brian Scheidler, kept the minutes of the meeting.

All board members were present with Suzanne Parmer attending virtually. Also present was CEO, Brett Abplanalp, and employees Jennie Meyer, Matt Raver and Crystal Greathouse.

Upon motion made by Steve AmRhein, seconded by Dale Wernke, and carried, the agenda was approved.

#### IEC Report Out

John Gasstrom, Indiana Electric Cooperative (IEC) CEO gave a presentation on what IEC is and what they do for our COOP.

#### Safety Minute & Cool Moment

Brett Abplanalp shared a “cool moment” with the breakfast with Brett at the end of May. He shared there were new attendees and great conversation about the cooperative.

#### Approval of Previous Minutes

Upon motion made by Jason Barnhorst seconded by Dale Wernke, and carried, the minutes for the April 22, 2021 Board Meeting were approved as amended.

#### Member Request to Speak

Marylin Davis and three other nominating committee members addressed the board on questions of their duties as an elected nominating committee and why the board spent money for legal support to interpret the bylaws on their duties.

#### The CEO report was reviewed as presented on Call to Order

Brett Abplanalp welcomed Matt Raver, went over this week’s planned Ops review and covered the company metrics. April was about four and a half degrees (4.5) cooler than our five-year average although heating degree days were down five percent (5%) from the five-year average. Our Hoosier purchased energy was six (6) percent higher than the five-year average and demand was up five (5) percent over the five-year average. Energy sales went from 1.68% under budget to 1.24% under. There were no major storms for the month of April. Lost consumer hours and the number of outages were well below the five-year average. Outage causes for the month were “vehicles or machinery”, then “equipment” and last “trees”. Our 30day A/R past due was well under the five-year average but it took a jump higher in April. We completed four crew audits with the end of year goal being 20. Three safety committee corrective actions have been put in place

#### Financial Update – Brett Abplanalp

The financials were reviewed as presented on Call to Order.

Revenues are under YTD budget by \$612,729 but power costs are also under by \$695,120, resulting in a gross margin above budget of \$82,391 YTD. Our kWh sales are 1,487,700 behind budget, or 1.24%.

Controllable expenses are under budget \$299,514. Many differences are due to timing and can be expected to appear as the year progresses.  
At the end of April, we are projecting operating margins to be \$881,045 or \$351,656 ahead of budget.

#### Cost of Service Scope

Brett Abplanalp discussed the scope and use of The Prime Group with the board.

#### CFC Voting Delegate

Jeff Lawrence was appointed as the voting delegate.

#### Line Extension True-Up Long-Term Elimination Discussion

Brett Abplanalp went over eight true up scenarios.

The recommendation was to eliminate the thirty-month true-up process and simply consider the member responsibility to be calculated using the estimated net revenue credit and the estimated construction costs and charging the aid of construction prior to construction. This is consistent with the IURC guidelines and other cooperative's policy. Board tabled until next meeting.

#### Line Ext Relocation & Service Upgrade Credit Discussion

Brett Abplanalp went over our current policy and past practice.

We do believe we could come up with a formula to credit replacement of facilities that is past its useful life. The con of doing this is that the cost would be capitalized and depreciated over X years. In theory this cost would be passed to other members through rates. The consensus of the board was to move forward with a recommendation.

#### Delinquent Write-Offs

Upon motion made by Steve AmRhein, seconded by Jeff Lawrence and carried the 2020 write offs were approved.

#### Community Trust Nominations

Per the trust bylaws the directors in each district are responsible to elect a Trust Board member from their district. District 1 (Suzanne Parmer) & 2 (Carl Riedeman) members will need to be replaced.

#### Chairman Report Out on Director Education

Michael Brelage discussed compliance to the policy.

Upon motion made by Jason Barnhorst, seconded by Dale Wernke and carried, Suzanne Parmer, Brian Scheidler, and Jeff Lawrence were permitted an extension on their training requirements.

#### Meter Pole Discussion

Brett Abplanalp discussed the meter pole project's scope and difficulties.

#### Policy/Bylaws Reviews & Report Outs

Policy 4-1 Check Signing and Debt Authorization was reviewed and presented with redlines.

Upon motion made by Dale Wernke, seconded by Steve AmRhein and carried, the redlines were approved.

Policy 4-6 Short Term Borrowing was reviewed and presented with redlines.

Upon motion made by Dale Wernke, seconded by Steve AmRhein and carried, the redlines were approved.

#### Hoosier Energy Board/Committee Update

Jason Barnhorst gave an update from the board meeting that occurred on May 10th. The June meeting is canceled but there will be an in person meeting for the first time in 1.5 years in July. Hoosier forecasts a

\$5 per megawatt hour wholesale rate reduction over the next five years, which includes all stranded costs and the decommission cost of the Merom power station. This is due to the new generation portfolio.

#### IEC Board/Committee Update

Steve AmRhein gave an update from the board meeting that occurred on April 28<sup>th</sup>. Earl Ridlen, LWG CPAs & Advisors, presented the audit report and gave a clean opinion. John Gasstrom provided a facilities update noting IEC currently has three years remaining on their lease. The next meeting will be in June.

Michael Brelage required all board members to be present for the virtual business meeting on June 11, 2021.

Jason Barnhorst discussed a motion he plans to make on the policy requirements for members to attend the monthly board meetings regarding the notification of a member planning to attend.

Upon motion made by Jeff Lawrence, seconded by Carl Riedeman and carried the June board meeting will be moved from June 24 to June 22, 2021.

Michael Brelage made the comment he would like the board to think about some requirements limiting the number of times a director can utilize virtual call-in to a board meeting.

Upon motion made by Jason Barnhorst, seconded by Jeff Lawrence and carried the board went into executive session at 10:08 p.m., with Jeff Lawrence refusing to attend. The board resumed regular session at 10:47 p.m.

Motion: Based on a completed evaluation and per the CEO contract the board awards Brett Abplanalp a bonus of \$5,000.00. Motion introduced by Dale Wernke. Motion seconded by Steve AmRhein. Motion passed with Carl Riedeman and Suzanne Parmer dissenting.

The Board returned to executive session at 10:48 p.m. and resumed regular session at 11:12 p.m.

Motion: Effective July 1, 2021 the board will make an offer to extend the CEO's contract for 3 years with a raise in base salary of \$5,000.00 pending legal review of said contract and giving the chairman authority to approve the recommendations from legal. Motion introduced by Dale Wernke. Motion seconded Jason Barnhorst. Motion passed with Carl Riedeman and Suzanne Parmer dissenting.

The meeting was closed at 11:15 p.m.