

Minutes of the
Decatur County REMC
Regular Meeting of the Board of Directors
Thursday, April 26th, 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, Karen Forshee of DCREMC, and Shawn Matthews of DCREMC.

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

The financial report was given by Karen Forshee and reviewed on Call to Order. Karen reported that volume for the wholesale classes was up 10.7% for the month of March, which will help improve the LE (latest estimate) for gross margin. The unfavorable YTD numbers for controllable expenses continue to be influenced mostly by timing of ROW maintenance work. DCREMC will continue its aggressive ROW reclaim plan but expects to stay within the 2018 budget. Patronage checks will be sent to the membership in May.

Larry Feltner of Prime Group joined the Board of Directors meeting via phone to explain the inter class study he completed as part of the Cost of Service Study (COSS). Prime group analyzed real usage data for two rate classes; Small Commercial (SC) and Large Power (LP). The purpose of this work was to determine how well the current rates apply to the class as a whole. The Prime Group representative suggested creating a new rate class called medium commercial (MC). This class would include the top users in SC and the smaller users in LP. SC, MC, and LP rate classes would be defined by the maximum demand (KW). This would help level the return on rate base spread within SC and LP rate classes and be the most equitable for the membership. The Board gave Prime Group the consent to move forward with the formation of a MC rate class.

Larry also did not recommend dropping seasonal rates for (SC & LP), instead he suggested giving those members the option of enrolling in budget billing. There was also discussion on demand billing based on transformer size. Larry did not recommend pursuing this option, as it would be more complicated and hard to maintain accuracy, he felt it is fairer to the membership to leave it the way it is now.

Karen Forshee presented information on the Long-Term Debt refinancing project that she has been researching. Currently DCREMC has loans with three different lenders. Two of the three lenders have substantial prepayment penalties, which make it prohibitive to refinance these loans. There is one loan that may be eligible, Karen will continue investigating this.

Shawn Matthews will present the Line Extension and Aid of Construction proposal on May 17th, 2018 at DCREMC headquarters to the Board.

Upon motion made by Steve Gasper, seconded by Lawrence Young, 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. Brett recently participated in Hoosier Energy's strategic planning meeting and held a brainstorming/ cost savings event with DCREMC employees. The brainstorming event resulted in 51 possible projects that will be taken through a feasibility study and evaluated. Brett also asked if each board member would be willing to meet with him separately over the next couple months. The board agreed and Brett will organize the meetings. Finally, Brett reported that he and his staff are currently on track to meet all of their 2018 goals.

Hoosier Energy report was given by Dan Schantz. Hoosier Energy Board of Directors meeting was held March 23rd in Bloomington. Dan reported that the Riverstart solar project now has the approval to go ahead but will be slightly delayed. This project will provide about 410,000 MWh of solar power annually to the Hoosier Energy member system.

IEC report was given by Brett Abplanalp. Brett reported that on June 4th, IEC will move its headquarters to Keystone from its current location. Roy mentioned that IEC works very hard to help lower REMC property taxes which helps offset the dues which we pay to IEC.

Old Business:

Policy 4-7, Long Range Financial Plan

Upon motion made by Lawrence Young, seconded by Steve Gasper, and carried, the amendments to Policy 4-7 were approved by unanimous vote.

New Business:

Upon motion by Roy Friedersdorf, seconded by Dan Schantz, and carried, the ViaSat internet packaging and pricing was approved as presented by unanimous vote.

Hoosier Energy has begun a new community solar initiative called My Solar. Brett will contact Chad Jenkins from Hoosier and see if he will present this information to the Board.

Upon motion made by Lawrence Young, seconded by Roy Friedersdorf, and carried, the next regularly scheduled meeting of DCREMC Board of Directors will be held May 21st at 6:30pm. Passed by unanimous vote.

The annual CFC convention will be held in Indianapolis June 10-13th, 2018

Meet the candidate event will be held at DCREMC headquarters May 22nd at 6:30pm

Upon motion by Roy Friedersdorf, seconded by Lawrence Young, and carried, the meeting was adjourned at 10:25pm

Jason Barnhorst, Secretary

Attest: _____
Tom Crowe, Chairman