

Regular meeting of the Board of  
Directors of Decatur County  
Rural Electric Membership  
Corporation held February 25, 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 Brian Scheidler, kept the minutes of the meeting.

All board members were present with Jason Barnhorst attending virtually. Also present was CEO, Brett Abplanalp, and employees Jennie Meyer and Crystal Greathouse.

Upon motion made by Dale Wernke, seconded by Jason Barnhorst, and carried, the agenda was approved with Jeff Lawrence dissenting.

CFC Utility Debt – Brian Stavish from CFC

Member Request to Speak – Kenny Peters

The nominating committee wants to do away with online voting and to have the nominating committee count all of the mail in ballots the night of the annual meeting. It was determined that there is already a contract with a survey company and that doing away with online voting would be a step backwards. It was discussed that our election participation has sharply increased with the early and online platform and this process was selected from the input of our membership.

Safety Min & Cool Moment - Brett Abplanalp

Brett Abplanalp shared some positive feedback from community events including: “Great job with your Roundup program, tree trimming is making an impact, thanks for getting our feedback, reliability has been wonderful and wonderful information sharing”.

Approval of Previous Meeting Minutes – Michael Brelage

January Board Meeting

Upon motion made by Steve AmRhein, seconded by Dale Wernke, and carried, the minutes for the January 28, 2021 Board Meeting were approved with amendments.

CEO Update – Brett Abplanalp

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

Brett Abplanalp went over the proposed strategic 2021 company goals and asked the board for approval. Upon motion by Brian Scheidler, seconded by Dale Wernke and carried the goals were approved unanimously.

Financial Update – Brett Abplanalp & Jennie Meyer

The financials were reviewed as presented on Call to Order.

Energy was down 3.8% due to January’s median temperature being down one degree from our five-year average. Power cost followed down causing our gross margins to be within one percent of our budget.

Our expenses were down from budget due mainly to ROW timing. Our cash increased month over month and will continue to grow until April-May timeframe when we start getting invoices on our construction.

#### RUS Loan Motion – Michael Brelage

The board discussed the current loans we have and how we would have to borrow money to pay off current loans.

Motion: Payoff the three RUS loans that do not have prepayment penalties. Motion introduced by Susan Parmer. Motion seconded by Jeff Lawrence. Vote was 5-3 against; motion failed.

#### DCREMC Fiber Discussion – Michael Brelage

This discussion was about our communication to the membership around fiber.

The board asked Brett Abplanalp to get an understand of what other coop boards were looking at when they made the decision to do FTTH.

#### Nominating Committee Candidate Approvals – Michael Brelage

Candidates presented were District 5: Chris Morrow & Albert Armand, District 7: Tim Huguenard & Joe Dwenger, District 8: Joyce Kessens & Dan Schantz.

Upon motion by Jeff Lawrence, seconded by Dale Wernke and carried, the candidates were approved unanimously.

#### CRC Voting Delegate and Alt – Michael Brelage

Dale Wernke nominated Jeff Lawrence as the voting delegate and Carl Riedeman as the alternative, seconded by Steve Amrhein and carried, the candidates were approved unanimously.

#### Policy Review

##### Policy on Selection of Employee

Upon motion by Steve Amrhein, seconded by Brian Scheidler and carried, the policy changes were approved unanimously.

##### Rules & Regulations Rule 25 Line Extensions

Brett Abplanalp asked the board for their appetite to change the line extension true up process to not include a 30-month true up for loading. Brett Abplanalp will work on putting together the data requested.

#### Hoosier Energy Board/Committee Update – Jason Barnhorst

The Hoosier meeting was held on February 8<sup>th</sup> and the next one will be March 29<sup>th</sup>. The annual meeting will be in April. The issue in Texas was discussed and highlighted the value of MISO.

#### IES Board/Committee Update – Steve Amrhein

The IEC meeting was on February 17<sup>th</sup> and the next one will be April 28<sup>th</sup>. John Gastrom will attend a DCREMC board meeting in March or April. He asked that we ask ourselves what our CO-OP will look like in ten years and give him our thoughts when he is here.

#### EV/Broadband Committee – Brett Abplanalp

It was discussed that we would leave ViaSat pricing alone and spend \$2k on marketing from the budget earmarked for Project Indiana.

#### Board Governance Issues – Michael Brelage

Dale Wernke handed out a resolution to publicly censure and place sanctions on Jeff Lawrence (resolution attached). It was read in entirety. All board members except Carl Riedeman and Suzanne Parmer were provided and had knowledge of censure resolution prior to the meeting. Jeff Lawrence then excused himself from the meeting. There was no further discussion and a roll call vote was requested. Motion: Approve the resolution with a roll call vote. Motion introduced by Dale Wernke. Motion seconded by Jason Barnhorst. The voting went as follows, Dale Wernke – Approve, Jason Barnhorst –

Approve, Susan Parmer – Disapprove, Carl Riedeman – Disapprove, Michael Brelage – Approve, Brian Scheidler – Approve, Steve AmRhein – Approve. Vote was 5-2 for; motion passed.

Director Training Report Out – Michael Brelage

Steve AmRhein attended BLC 905.1 assessing governance.

Upon motion by Steve AmRhein, seconded by Dale Wernke and carried the meeting was adjourned to executive session at 9:55 p.m.

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Brian Scheidler, Secretary

Attest: \_\_\_\_\_  
Michael Brelage, Chairman

## Decatur County REMC

### Resolution of the Board of Directors to Censure Director Jeff Lawrence

Whereas, Section 6 of the Indiana Rural Electric Membership Corporation Act (“REMC Act”) specifies that Decatur County REMC (“DCREMC”) is to be governed by a board of directors.

Whereas, Section 4.02 of the Bylaws of DCREMC specify standards of conduct for directors. These standards of conduct are reasonable and consistent with the standards of conduct imposed upon for-profit and non-profit boards in Indiana under IC 23-1-35-1 *et seq.* and IC 23-17-13-1, respectively.

Whereas, pursuant to Section 7 of the REMC Act and Section 4.14 of DCREMC Bylaws, the Board of Directors of DCREMC (“Board”) has the power to make its own rules and regulations as to its procedure.

Whereas, the Board recognizes that directors, in most cases, do not have the training, experience, and education to carry out management duties or day-to-day operations necessary to effectively run DCREMC. For this reason, DCREMC’s Bylaws and policies are designed to avoid blurred lines of responsibility and communication between management and the Board.

Whereas, Section 4.03(a) of the DCREMC Bylaws specifies that a director who fails to follow Board-established rules and policies governing director conduct is not qualified to become or remain a director.

Whereas, under Section 4.03(d) of the Bylaws, the Board has authority to remove a director who does not comply with all director qualifications, including a director who fails to follow board-established rules and policies governing director conduct.

Whereas, the Board has an obligation to enforce the standards of conduct for directors and the Board-established rules and policies governing director conduct.

Whereas, director Jeff Lawrence has repeatedly and blatantly violated numerous Board-established rules and policies governing director conduct (the “Violations”) including, but not limited to:

- On May 23, 2018, the Board provided written Notice of Failure to Comply with Director Conduct Policy and Other Policies Applicable to Directors to Mr. Lawrence to document numerous violations of Board Policies and numerous breaches of Mr. Lawrence’s Fiduciary Duty. The May 23, 2018 Notice also served as Notice under Section 4.03(b) of the Bylaws of the Board’s option to disqualify Mr. Lawrence for these violations if they were not corrected within thirty (30) days of the Notice.
- On July 16, 2020, Board Chair Michael Brelage provided written Notice of Violation of Board Policy 1-3 to document multiple instances in which Mr. Lawrence purported to speak to third parties on behalf of the board without authorization to do so.

- On August 12, 2020, Board Chair Michael Brelage provided written Notice of Violation of Fiduciary Duties to Mr. Lawrence for disclosing confidential employee information to third parties and publicly disparaging the cooperative and its employees.
- On November 2, 2020, Board Chair Michael Brelage provided written Notice of Violation of Policy 1-16 to Mr. Lawrence for failing to follow the board-established process for requesting information from the CEO and failing to follow Policy 1-3 regarding the interrelationship between the board and CEO.
- On December 3, 2020, Board Chair Michael Brelage provided written Notice of Violations of Policies 1-3 and 1-16 to Mr. Lawrence for accusing the CEO and staff of giving the board misleading information without any basis or evidence to support such a damaging and harassing allegation.
- December 15, 2020, Board Chair Michael Brelage provided written Notice of Violations of Policies 1-3 and 1-16 to Mr. Lawrence for continuing to accuse the CEO and staff of giving the board misleading information without any basis or evidence despite repeated requests from the Board to provide support for these damaging and harassing claims.
- On February 3, 2021, Board Chair Michael Brelage provided written Notice of Violations of Policies 1-3, 1-10, and 1-16 relating to a November 18, 2020 Field Meeting with cooperative employees during which Mr. Lawrence failed to follow the board-established process for requesting information from the CEO, treated staff in a discourteous and harassing manner, disparaged decisions of staff and the CEO in front of employees, disparaged employees in front of other employees, and attempted to influence staff decisions about board-approved work plan projects.

Whereas, the Violations negatively impact DCREMC, its employees, its members, and the other directors. The Violations distract staff and the board, undermine the morale of staff and the board, cause confusion among members and vendors, and undermine the membership's trust in the REMC through inaccurate and disparaging statements.

Whereas, the Board finds that Mr. Lawrence's repeated Violations have negatively impacted DCREMC as follows:

- Undermined the training, education, and experience of our employees (subject matter experts), which has damaged employee morale and disrupted communication between the Board, membership and the CEO;
- Degraded DCREMC's mission to be fair and equitable to all members;
- Damaged the trust between CEO and staff and CEO and the Board;
- Damaged the reputation of the Board, which has damaged DCREMC's ability to recruit and retain high performing employees;
- Prevented subject matter experts from articulating the short- and long-term impacts of ratemaking and operations decisions.

- Caused distractions that take time and attention away from important governance and operations work.

Whereas, Mr. Lawrence has been repeatedly warned that his conduct has violated Board-established rules and policies governing director conduct and that such Violations negatively impact DCREMC.

Whereas, although these Violations would support action by the Board to remove Mr. Lawrence under Section 4.03(d) of the Bylaws and Policy 1-16, the Board believes it is in the best interest of DCREMC to give Mr. Lawrence one final warning before providing Notice of Disqualification.

Whereas, it is the Board's sincere hope that Mr. Lawrence will cease his disparaging and damaging behavior, and allow the Board to concentrate its attention on DCREMC's member-focused strategic initiatives.

**NOW THEREFOR BE IT RESOLVED**, the board hereby formally Censures director Lawrence for the Violations described herein.

**BE IT FURTHER RESOLVED**, the Board hereby imposes Sanctions upon director Lawrence in the form of forfeiture of the monthly retainer for five (5) months.

**BE IT FURTHER RESOLVED**, the Board hereby puts director Lawrence on notice that any future violations of Board-established rules and policies governing director conduct will result in commencement of the disqualification process under section 4.03(d) of the Bylaws and Policy 1-16.

Dated \_\_\_\_\_

Decatur County REMC  
Board of Directors

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