

Minutes of the  
Decatur County REMC  
Regular Meeting of the Board of Directors  
Thursday August 23rd, 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 DCREMC CEO Brett Abplanalp, and DCREMC personnel; Karen Forshee and Crystal Greathouse. Earl Ridlen III of LWG was also present.

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

Earl Ridlen III of LWG presented the findings of the independent financial audit he conducted of DCREMC financial statements including the balance sheet and related statements of revenue, change in members' equity, and cash flows for the period ending May 31, 2018. As well as a comparison to the previous financial statements dated May 31, 2017. Earl gave a clear opinion of the audit and reviewed his findings with the board.

Upon motion by Michael Brelage, seconded by Lawrence Young, and carried, the audit and report of DCREMC basic financial statements conducted by LWG was accepted by unanimous vote.

The financial report was given by Karen Forshee and reviewed on Call to Order. Karen reported that controllable expenses are currently under budget but expect to be over budget by year end. Payroll and maintenance expenses continue to be higher than budget almost exclusively from outage restoration resulting in more overtime hours. Unplanned distribution plant expenditures also continue to outpace budget with 11 new services in June, resulting in 63 new projects year to date.

Karen Forshee also presented the board with cash flow projections and forecast assumptions for 2019 and beyond. This information, in conjunction with the Cost of Service Study, will be critical in establishing new rates for all member classes. After lengthy discussion, the board suggested a December 1, 2018 deadline for establishment of new rates. Brett Abplanalp will work on this to determine the feasibility of this timeline and report back to the board.

Upon motion made by Steve AmRhein, seconded by Jeff Lawrence, and carried, the consent agenda of the meeting was approved by unanimous vote.

Hometown Energy report was given by Lawrence Young. Lawrence reported that the Hometown Energy board of directors meeting was held August 2, 2018

at DCREMC headquarters. There are currently 689 accounts and the 2019 meter price for LP was set at \$1.799/gallon. The next meeting will be January 24, 2019.

Hoosier Energy report was given by Tom Crowe and a summary of the minutes from the August 6, 2018 meeting were reviewed on Call to Order. Tom reported that at the recent strategic planning event, information was shared to help prepare utilities with forward thinking opportunities such as; renewables, large electric vehicle fleets, and battery storage.

IEC board meeting update was given by Steve AmRhein. IEC regular board of directors meeting was held August 15, 2018. Steve reported that Tom VanParis has submitted his resignation from IEC and they will begin the search for a new CEO. IEC has commissioned a rural broadband internet feasibility study and some preliminary findings of this report were discussed. The completed report will be released August 27<sup>th</sup>. Recent federal tax cuts were also discussed. While these tax cuts do not impact cooperatives, their effects on neighboring investor owned utilities could have negative impacts on member owned utilities. Cooperatives need to be prepared for conversations and questions concerning this matter.

Top Ten project list update was given by Brett Abplanalp. 1.) Rate design and the Cost of Service Study, 2.) health insurance quotes for DCREMC employees will be in by October 1<sup>st</sup>, this will require the union contract to be re-opened 3.) Trial for apprentice lineman applicants will be held in September, 4.) strategic planning event will be held August 30<sup>th</sup> and 31<sup>st</sup>, Tom VanParis of IEC will be the facilitator, all DCREMC managers and directors are expected to participate.

#### Old Business:

The claw-back clause for line extension was discussed. By consensus of the board, this issue was dropped.

#### New Business:

Upon motion by Jason Barnhorst, seconded by Jeff Lawrence, and carried, the 4<sup>th</sup> quarter (October through December 2018) power tracker was approved as follows by unanimous vote.

Rates SP,SC,LP,LCP,ETS,SL, and STL - \$0.007135 per kWh

Rates IPS,IPS-1-2, and IPS-1-3 - \$0.006232 per kWh

Rates IPTS-138/161kV - (\$0.000414) per kWh

Rates SP-DG and SP-TOU-DG - (\$0.006745) per kWh

The Electric Cooperative Governance Task Force Report was reviewed and discussed. Primarily page 21, specifying roles, responsibilities, and obligations for the Board of Directors.

There was discussion on capital credit check issuance. It was agreed to pursue an estimate to see if there are any cost savings for DCREMC to issue a bill credit in the future instead of cutting live checks.

Crystal Greathouse, Billing and Member Services Manager of DCREMC, discussed the current Peak Reduction Program being offered to our members. Currently there are 39 members participating. The program requires a large amount of administration and work for the staff via a manual linear regression. Basically the program is burdensome to DCREMC and not beneficial to our members. Crystal suggested a Time of Use (TOU) rate may be more appropriate and helpful to the membership.

Upon motion by Jeff Lawrence, seconded by Lawrence Young, and carried, the current Peak Reduction Program will not accept new enrollments and all advertising for the program will be removed. Motion passed by unanimous vote.

Upon motion by Steve AmRhein, seconded by Lawrence Young, and carried, Tom Crowe was appointed the CFC delegate for the NRECA Region 4 meeting September 6, 2018. Passed by unanimous vote.

Upon motion by Michael Brelage, seconded by Jason Barnhorst, and carried, Lawrence Young was appointed alternate CFC delegate for the NRECA Region 4 meeting September 6, 2018. Passed by unanimous vote.

Hoosier Energy Tour is scheduled for October 3, 2018 for interested directors.

Upon motion by Lawrence Young, seconded by Brian Scheidler, and carried, the meeting was adjourned at 11:25pm

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Jason Barnhorst, Secretary

Attest: \_\_\_\_\_  
Tom Crowe, Chairman