

Minutes of the
Decatur County REMC
Regular Meeting of the Board of Directors
Thursday, February 22th, 2018
1430 W Main St. Highway 46 West
Greensburg, IN at 6:30pm

The meeting was called to order by Chairman Tom Crowe at 6:30pm, and Brett Abplanalp kept minutes of the meeting.

All members of the board were present except for Jeff Lawrence and Jason Barnhorst. Also present was CEO, Brett Abplanalp and Accounting & Finance Manager, Karen Forshee.

Upon motion by Lawrence Young, seconded by Steve AmRhein, 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. Our cash flow statement now has the latest estimate (LE) and budget comparison which will keep up on our cash balance as the year progresses. While at the end of January, we have \$2,053,000 in cash, we will have reduced that to \$988,700 by December. Volume was up 8.5% for the wholesale rates but down 1.8% for industrials. Payroll, taxes and benefits are over budget, due to the ice storm in January but will level out as the year progresses. We are over budget in ROW maintenance due to starting earlier than budgeted. The latest estimates (LE) for end of year ROW is to budget. Karen also reviewed the Capital Expenditures LE and some of the Key Indicators.

Upon motion made by Dan Schantz, seconded by Lawrence Young, and carried, the financial report of the meeting was approved by unanimous vote.

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

Brett Abplanalp went over the closed action items as a part of the approved consent agenda;

1.) Hometown Energy LLC is a separate entity and our share of HE income shows up in our income statement once a year, under the Non-Operating section titled "Income/Loss from Equity Investments". Exede income is also reported in the Non-Operating section of our Statement of Operations, on the line titled "Non-Operating Margins – Other". Pole contacts are reported in the Operating Revenue, the first line on the Statement of Operations

- 2.) Pole replacement average cost was discussed and is currently \$1,847 to replace a pole under that program
- 3.) ROW that was completed by the county to replace a culvert was done prior to that circuit being bid.
- 4.) The IRS recognizes DCREMC as a not-for-profit entity under Code Section 501(c)12, as a member owned cooperative. That ownership is demonstrated through allocations of patronage including our G&T capital credit.

As a part of the approved consent agenda Brett Abplanalp also gave his CEO, safety, and outage reports as prepared on Call to Order.

Hoosier Energy Board update was given by Dan Schantz. Steve Smith CEO of Hoosier Energy will be retiring in Jan 2019. The 200MW solar project has been put on hold due to the Government Tariff put in place (30%). Directors and system CEOs will be participating in Hoosier strategic planning this summer. Last, there was a presentation given on the risk of electromagnetic pulse (EMP) on the transmission and distribution systems. The Federal Energy Regulatory Commission (FERC) plans to release possible new laws governing EMP in the next several months.

IEC Board update was given by Roy Friedersdorf. A Ronald McDonald House representative gave a presentation on all their efforts. A Quality of Life survey is in process. CEO goals were discussed. Revenues from dues versus unbundled services was discussed.

Brett updated the Board on the top ten priority projects, giving updates on each active project. The 2018 project lists were derived from the strategic pillars that were identified by Brett, his staff and the Board in 2017.

Old Business:

Upon motion by Lawrence Young with amended changes to redlines on Call to Order, seconded by Roy Friedersdorf, and carried, updates to Policy 2-7, Member Access to Board Meetings, were approved by unanimous vote.

Upon motion made by Lawrence Young, seconded by Steve AmRhein, and carried, the 2018 goals and projects set forth by CEO, Brett Abplanalp were approved by unanimous vote.

Rules & Standards; Rule 12: Billing Adjustments was discussed and there was no motion to make any changes.

Brett asked the board to review all our policies and decided which ones the board wants to review this year as an annual review.

New Business:

Upon motion made by Dan Schantz, seconded by Lawrence Young, and carried, the published power tracker rates were approved as presented in appendix A for the second quarter of 2018 by unanimous vote.

- SP rate = \$0.003865 per kwh
- IPS rate = \$0.005203 per kwh
- IPTS rate = \$(0.001288) per kwh
- DG rate = \$(0.003647) per kwh

Upon motion by Roy Friedersdorf, seconded by Steve AmRhein, and carried, the nominating committee candidates were all accept by unanimous vote.

District 8: Tracy L Fox & Mary Ollier

District 7: Kenny Peters & Roger Kramer

District 6: Brad Armand

Upon motion by Lawrence Young, seconded by Roy Friedersdorf, and carried, Steve AmRhein was elected CRC voting delegate for the 2018 annual meeting and Tom Crowe was elected CRC alternate voting delegate by unanimous vote.

Upon motion by Steve AmRhein, seconded by Dan Schantz, and carried, Lawrence Young was elected NRECA voting delegate for the 2018 annual meeting and Roy Friedersdorf was elected NRECA alternate voting delegate by unanimous vote.

Upon motion by Lawrence Young, seconded by Roy Friedersdorf, and carried, Policy 10-10; Safety Policy was reviewed, as prepared on Call to Order and approved with no change by unanimous vote.

Upon motion by Dan Schantz, seconded by Lawrence Young, and carried, updates to policy 4-1; Check Signing & Debit Authorization as posted on Call to Order, were approved by unanimous vote.

Upon motion by Steve Gasper, seconded by Steve AmRhein, and carried, updates to policy 4-7; Long Range Financial Plan as redlines posted on Call to Order, were approved by unanimous vote.

There was discussion on Rule 25(B)3; non-residential applicants will receive a credit of the estimated **2.5 times** annual net revenue (net revenue is equal to the revenue less power costs) towards the amount owed to the REMC before construction begins. Options will be presented as part of the Line Extension Policy project.

Upon motion by Dan Schantz, seconded by Lawrence Young, and carried, the meeting was adjourned at 9:48pm.

Jason Barnhorst, Secretary

Attest: _____
Tom Crowe, Chairman