

Minutes of the regular meeting of the Clark County REMC
Board of Directors held at the headquarters,
7810 State Road 60, Sellersburg, Indiana on
October 2, 2018 at 5:30 pm (EST)

Those present in person were: President Steve Dieterlen, Vice-President Paul Graf, Secretary/Treasurer Candace S. Meyer and Directors Derrick Vogt, John Biesel, Joe Basham and Robert Kleehammer. Others present: General Manager David A. Vince, System Attorney David A. Lewis, Assistant Treasurer/Finance & Administration Manager Jeremy Miller, Operations & Engineering Manager Dave Barton, Member Services & Marketing Manager Brian Omerso, and Human Resources & Benefits Administrator Thera Desmond.

Call to Order

All Directors and staff members being present, President Dieterlen called the meeting to order early at 5:19 p.m.

Additions or Deletions to the Agenda

President Dieterlen called for any changes, additions or deletions to the October 2, 2018 meeting agenda as sent out prior to the meeting. Upon motion made by Director Biesel, seconded by Director Kleehammer and unanimously approved, the item "CoBank Line of Credit Document" was added as item 5.D. under the General Manager's Report. The agenda was revised accordingly.

Review of Draft Minutes

President Dieterlen called for any corrections, additions or deletions to the draft minutes of the Board of Directors' meeting held on September 11, 2018. There being none, President Dieterlen declared the minutes of the September 11th Board Meeting approved.

Member Session

There were no members present for the Member Session.

General Manager's Report to the Board

Tree Steward Program: Mr. Vince told the Board that Eric Melton spoke with the organizers of the Tree Steward Program (a tax exempt 501(c)(3) organization) and reported that their educational program could be beneficial to the co-op by educating members of the types of trees that are better for planting near electric lines and the importance of tree trimming and felling danger trees. It's important to the co-op for people to know the right tree which should be planted in the right place. The organization is requesting a \$600 donation. Mr. Barton expressed his opinion that it would be money well spent. Upon recommendation of Mr. Vince and Mr. Barton there was Board consensus to make a contribution to the program. The organization will present its first class in February.

2019 Annual Meeting: Mr. Omerso provided a hand-out to each Director titled "2019 Annual Meeting Preliminary Information." The handout is included as a part of the minutes as Attachment A. Districts 1 and 2 are up for election in 2019. Candidate packets can be picked up at the REMC office Monday through Friday from 7:00 a.m. to 4:00 p.m. REMC will partner again next year with Survey and Ballot

51 Systems (SBS) to establish secure online voting, mail-in voting, in-person voting at the annual meeting,
52 and an impartial third-party counting of ballots. Due to a change in the law, mailed-in votes will be sent
53 directly to SBS. Online voting will be available with or without use of SmartHub and at the REMC office
54 with a SmartHub login or from the member's own computer. Early voting will be open beginning March
55 7th and will end on April 5th. The 2019 annual meeting will be held at Silver Creek High School on
56 Saturday, April 6th.

57
58 **Questions on Department Manager Reports Provided in Board Packet:** General Manager Vince
59 asked if there were any questions about the department manager reports that were included in the board
60 packet. Sec./Treas. Meyer commented on the portion of the Safety Report pertaining to Area Wide
61 Protection (AWP) flagging and traffic control. Mr. Barton emphasized the importance of setting safety
62 cones to establish a safe work zone before the commencement of work activities.

63
64 **Assistant Secretary and Administrative Assistant:** Mr. Vince reported that Ms. Hockensmith is
65 beginning a second round of chemotherapy treatments and that she wanted to convey to the Board how
66 much she appreciates the cards, thoughts and prayers she has received.

67
68 **Employee Compensate:** General Manager Vince reviewed the Employee Compensate system for
69 annually evaluating and reviewing fair compensation for the co-op's employees as presented to the Board
70 of Directors in the recent Strategic Planning Session. Ms. Meyer made a motion, seconded by Mr.
71 Kleehamer, to adopt the Employee Compensate methodology for determining compensation for
72 employees. The motion carried unanimously.

73
74 **Net Billing Tariff Update:** Mr. Miller gave a presentation about our net billing tariff. We have
75 incorporated Hoosier Energy's credit for excess generation into our tariff. Hoosier's credit is scheduled
76 to be adjusted and our tariff needs to be changed to match. Director Kleehamer made a motion, seconded
77 by Vice President Graf, to change the net metering credit from 2.7 cents to 2.801 cents effective as of
78 January 1, 2019. The motion carried unanimously, 7-0.

79
80 **CoBank Line of Credit:** Mr. Miller reported that we have a \$5 Million line of credit with CoBank that
81 has not been used. It is a back-up to credit lines we have with CFC and has not been needed to the full \$5
82 Million level. CoBank has asked that the line of credit be reduced to \$1 Million and staff agrees with the
83 request. There is no fee involved. Upon motion made by Director Basham, seconded by Director
84 Kleehamer, staff was authorized by unanimous vote to sign a document with CoBank reducing the line of
85 credit from \$5 Million to \$1 Million.

86
87 **Executive Session Called by President Dieterlen:** President Dieterlen called for an executive session to
88 discuss pending arbitration. The executive session commenced at 5:45 p.m. and ended at 6:17 p.m.

89
90 **Break**

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92 President Dieterlen called for a dinner break at 6:17 p.m.

93 President Dieterlen called the meeting back to order at 6:49 p.m.

94
95 **Questions for Staff:** Mr. Vince asked if the Board had any questions for the staff before they were
96 excused from the meeting. Director Kleehamer asked if a contingency fund is established to cover any
97 potential judgments that could result from pending litigation. Mr. Miller stated no such fund is currently
98 established. The attorneys at Parr Richey believe the co-op is in a strongly defensible position. Mr.
99 Miller's concern is that a contingency fund would have to be booked as a liability which it won't become
100 unless and until a judgment is ever entered against us. Jeremy will check with London Witte, our audit

101 firm and report back. The members of the staff, except for Ms. Desmond, were excused from the meeting
102 at 6:53 p.m.

103
104 **Member Concerns:** Each director was given an opportunity to make the staff aware of any member
105 concerns. There were none.

106
107 **Approval of General Manager's Report:** Vice-President Graf made a motion to approve the General
108 Manager's report. The motion was seconded by Director Biesel. The motion carried unanimously, 7-0.
109

110 **Standing Reports**

111
112 **Hoosier Energy Update.** President Dieterlen reported that there was no Hoosier meeting since the
113 September 11th CCREMC meeting.

114
115 **IEC Meeting Update.** Secretary/Treasurer Meyer reported there was no IEC meeting since the
116 September 11th CCREMC meeting.

117
118 **Legal Report:** Mr. Lewis reported that Policy GP-23 was amended to require in-person attendance at
119 Executive Sessions consistent with the Board vote taken at the September 11th Board meeting. Mr. Lewis
120 presented a proposed amendment to Policy GP-11 requiring Directors to reimburse the co-op for costs
121 pre-paid and forfeited due to non-emergency, last minute cancellations. Upon motion made by Mr. Biesel
122 and seconded by Ms. Meyer the Board unanimously amended Policy GP-11.
123

124 **Calendar Update:** The November board meeting has been changed to the 13th due to a conflict with
125 Election Day. The January, 2019 board meeting will be moved to the 8th since the first Tuesday of the
126 month falls on New Year's Day, a holiday. Mr. Biesel questioned whether there would be a Christmas
127 party this year. Mr. Vince reported that it will be discussed with the staff this week and a decision will be
128 made. A combination employee recognition event and Christmas Party was preferred last year given the
129 fact that everyone's holiday schedules are so full and hectic.

130 **Other Business**

131
132
133 **District Review:** As required by Section 4.05 of the Bylaws, the Board reviewed the Directorate
134 Districts and determined that no changes need to be made.

135
136 **System Attorney Contract Annual Review:** The Board reviewed the System Attorney contract. Upon
137 motion made by Director Kleehamer and seconded by Director Basham, the contract was renewed
138 without change for one year.

139
140 **Discussion of Resolution Expressing Support for NRECA Governance Task Force Report:** Director
141 Biesel made a motion to sign a resolution patterned after an IEC draft stating support for the NRECA
142 Governance Task Force Report and declining to sign a "Letter of Concern" circulated by Don R. Richards
143 of Lubbock, Texas. The motion was seconded by Vice-President Graf. After discussion the motion
144 carried by a unanimous 7-0 vote.


145
146 Ms. Desmond left the meeting and Mr. Vince excused himself from the board room at 7:15 p.m.

147
148 **Executive Session:** Mr. Dieterlen called the board into Executive Session at 7:16 p.m. to discuss the
149 performance evaluation and compensation for General Manager Vince. The Executive Session ended at
150 7:25 p.m.

151 **Meeting with Mr. Vince:** Mr. Vince was called back into the room at 7:25 p.m. President Dieterlen
152 informed him of the Board's decision concerning a raise in his salary. After a short discussion, Mr. Vince
153 thanked the Board.
154

155 **Adjournment**

156
157 There being no further business appearing the meeting was adjourned at 7:31 p.m.
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160 
161
162 Candace Meyer, Secretary/Treasurer
163

164 Attachment A: 2019 Annual Meeting Preliminary Information