

Minutes of the regular meeting of the Clark County REMC
Board of Directors held at the headquarters,
7810 State Road 60, Sellersburg, Indiana on
July 10, 2017 at 5:30 pm (EST)

Those present were: President Steven G. Dieterlen, Vice-President Paul Graf, Secretary/Treasurer Candace S. Meyer, and Directors: Stephen C. Stumler, Jimmie L. Sanders, Derrick Vogt and John Biesel

Others Present: General Manager David A. Vince, System Attorney David Lewis, Assistant Treasurer/Finance & Administration Manager Jeremy Miller, Operations & Engineering Manager Dave Barton, Member Services & Marketing Manager Brian Omerso, and Assistant Secretary/Administrative Assistant Cindy Hockensmith

Call to Order

President Dieterlen called the meeting to order at 5:30 p.m.

Additions or Deletions to the Agenda

President Dieterlen called for any changes or additions to the July 10th meeting agenda. There being no changes/additions made to the agenda, it was moved by Director Sanders and seconded by Director Vogt to approve the July 10, 2017 regular board meeting agenda as presented. The motion carried.

Review of Draft Minutes

President Dieterlen called for any changes to the minutes of the Board of Directors' meeting held on June 6, 2017. President Dieterlen noted on line 53 the word "discounted" should be "disconnected". Sec/Treas Meyer said that line 54 has the same error. It was also stated that on line 70 the word "addition" should actually be "additional". It was moved by Vice President Graf and seconded by Sec/Treas Meyer to approve the minutes of the June 6, 2017 regular board meeting with the changes noted above. The motion carried.

Member Session

No members attended this month's meeting.

General Manager's Report to the Board

The following General Manager's Report to the Board is in addition to the report found in attachment A.

Financial Report: The Financial Report was provided to the directors for their review prior to the meeting. No Financial Report was given during this meeting. The Financial Report is included in attachment A.

49 **Safety Report:** The Safety Report was e-mailed to the directors for their review prior to the meeting. No
50 Safety Report was given during this meeting. The Safety Report is included in attachment A.
51

52 **Questions on Reports:** General Manager Vince asked the directors if they had any questions about the
53 department reports that were emailed prior to the meeting. Director Meyer inquired about regular account
54 disconnections and prepaid disconnections. Member Services & Marketing Manager Brian Omerso
55 answered that prepaid disconnections are almost fully automated and happens any time that a member's
56 prepaid balance reaches \$0. We have between 100 and 200 members with prepaid accounts. Manager
57 Omerso added that delinquent regular accounts are only disconnected if they have a balance of \$25 or
58 more. These accounts are routinely only disconnected on certain days of the week and this is dependent
59 on the outside temperature.
60

61 General Manager Vince reported on participation in the co-op's health insurance plans noting that we
62 now have 12 union members and 28 non-union employees on the High Deductible Health Plan and 5
63 union members and 4 non-union employees on the Low Deductible Health Plan. General Manager Vince
64 is very pleased with these numbers since our goal is to eventually move all of our employees to the High
65 Deductible Health Plan. He noted that our employees seem to like the HDHP and moving everyone to the
66 HDHP is going better than we anticipated.
67

68 Action on Reports

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70
71 A motion was made by Director Biesel, and seconded by Vice President Graf to approve the General
72 Manager's Report to the Board and accept the Financial Report as written. The motion carried.
73

74 **Member Concerns:** Vice President Graf asked if we have someone inspecting our poles at this time.
75 Manager Barton said that we have a new contractor, American Energy, doing inspections right now.
76 They are trying to not dig around the pole and are instead using a sounding device at the base of the pole.
77

78 **Changes to the REMC Act:** There was a discussion at this time regarding the changes to the REMC Act
79 allowing for early voting and counting early votes toward the required 2% quorum at co-op annual
80 meetings. It was noted that responses to our member survey indicated support for all avenues of voting.
81 General Manager Vince said that there are companies that can be hired to handle all the details of voting
82 and the election. Some Indiana co-ops have actually been doing early voting for several years. System
83 Attorney Lewis stated that co-ops have the authority to choose how they want to conduct their elections.
84 President Dieterlen said that there may be more expense involved. Giving registration prizes and gifts to
85 only those that attend the annual meeting was talked about. President Dieterlen asked Manager Omerso
86 to get additional information on companies that conduct elections and Director Sanders thought it a good
87 idea to look at making any changes beginning with the 2018 election. Director Stumler wondered if
88 allowing early voting will affect the actual attendance at the meeting. Director Vogt noted that during the
89 IEC meeting Erin Borissov with Parr Richey, encouraged co-ops to review their Articles of Incorporation
90 and Bylaws and make any amendments needed to allow the changes. Also the issue of proxy voting may
91 need to be reviewed. It was noted that, at this time, we do not allow proxy voting. System Attorney
92 Lewis will start the process of looking at our Articles of Incorporation and Bylaws and Manager Omerso
93 will start researching companies that other co-ops are using to handle their elections.
94

95 **Joint Memberships:** System Attorney Lewis said according to our bylaws, a joint membership is
96 currently defined as a husband and wife, but the world has changed and our bylaws may also need to be
97 updated to include all persons living in the same household. Defining joint memberships to encompass
98 all people living in the same household would make it easier to collect payments. Manager Omerso

99 added that this change would help customer service when opening accounts and would allow them to try
100 to collect a delinquent account from all persons living in the household. System Attorney Lewis indicated
101 that we will have this information available in the next couple of months.

102
103 Director Sanders asked that we have information ready for our August Board Meeting to further discuss
104 the changes to the REMC Act. It was suggested that ballots be kept out of the hands of employees and
105 the C & E Committee if possible.

106
107 **Policy Review:** Policies CIV-430, and CIV-431 were presented for review. Following review of both
108 policies, no changes were made and policies CIV-430, and CIV-431 were approved as presented.

109 110 111 **Standing Reports**

112
113 **Hoosier Energy Report:** Director Stumler reported on the highlights of today's Hoosier Energy
114 Meeting. Director Stumler said that Wabash Valley is moving into their own headquarters and because of
115 this IEC also has to move. General Manager Vince added that IEC may decide to rent the office space
116 they require, which is estimated at 200 square feet for each of their 34 employees. IEC's board room
117 doesn't get used much so Hoosier Energy has agreed to host half of IEC's board meetings and Wabash
118 Valley will host the other half. It was noted that IEC's operational cost will continue until the current
119 building is sold.

120
121 Director Stumler stated that Hoosier's wholesale rate realignment options were also discussed at the
122 meeting. Current wholesale tariffs were designed in 2009 and implemented in 2010. Demand related
123 expenses accounted for about 40% and energy related expenses were about 60% of costs then. Hoosier's
124 cost of service study for 2019 indicates those percentages have flipped. Cost changes are due to the
125 2017 Wabash Valley contract expiration, investments over the past decade into environment projects, and
126 lower market energy costs. General Manager Vince presented the impact to Clark County REMC stating
127 that we are looking at \$83 MWh. \$77MWh is the average for all the Hoosier Co-ops. Director Stumler
128 added that according to Hoosier, peakers are running more now, which results in extra cost and extra fuel
129 coming in the morning and at night.

130
131 Hoosier is also doing a study on what to do with Merom because starting and stopping the generator is
132 hard on it.

133
134 President Dieterlen called for a dinner break at 6:18 p.m.
135 President Dieterlen called the meeting back to order at 6:47 p.m.

136
137 Assistant Treasurer/Finance & Administration Manager Jeremy Miller, Operations & Engineering
138 Manager Dave Barton, and Member Services & Marketing Manager Brian Omerso left the meeting at
139 6:47 p.m.

140
141 **Hoosier Energy Report continued:** Director Stumler reported on Hoosier Energy's 2017 Projects. 21
142 projects were announced in the service areas of twelve member systems including 8 new facilities and 13
143 expansions.

144
145 Director Stumler noted that Hoosier reported that all residential incentives are down except LED security
146 lights, which stayed about the same. The appliance recycling program is still going strong thanks to a
147 partnership with Habitat for Humanity.

148

149 **Indiana Electric Cooperatives Report:** Director Vogt reported that Tom VanParis provided a strategic
150 initiative update. Director Vogt said that Media training will be offered to co-op CEOs and
151 communicators in late July and August. A seminar focusing on the REMC Act update and what it means
152 for co-ops will be held in late summer or early fall.

153
154 General Manager Vince stated that he is attending the Hoosier Energy Media Training and two other
155 employees are going to the Media training hosted by IEC.

156
157 Director Vogt also reported that after discussion and questions, the IEC board voted unanimously by
158 ballot to be located separately from Wabash Valley Power.

159
160 **2017 Energy Directors' Conference:** Director Sanders reported on the highlights of this year's
161 Conference in Colorado Springs on June 27th – 29th. He said that the speakers were all very good.

162
163 Ian Bremmer, President of the Eurasia Group discussed Geopolitical Risks and Emerging
164 Hotspots. Mr. Bremmer said that we are in a geopolitical recession and the US is no
165 longer the global leader. China's economy will soon be larger. He talked about Japan,
166 China and US economies and what they will look like in several years.

167
168 Robert A. Book II, Vice President of Member Services at Delaware Electric Cooperative
169 and Brad Davids, Head of Demand Response Partnerships, at Nest talked about the
170 progression of technology over the years, and the privacy/security risks that go along
171 with this. More houses will be controlled by smart phones and smart technologies. Nest
172 Thermometers control house temperature by smart phone. They talked about how the
173 utility business is changing. Donnie Clary, Chief Executive Officer with CoServ Electric
174 said that his co-op is one of two Electric Companies serving a large area just north of
175 Dallas, which gives potential customers a choice. Robert A. Book II, talked more about
176 Beat the Peak, load control, interruptible members, system voltage control, and voluntary
177 control.

178
179 Ron Brownstein, Editorial Director of Strategic Partnership with Atlanta Media Company
180 discussed Energy Policy in an Age of Polarization, noting that a political divide is facing
181 our country in both social and economic sectors.

182
183 Rick Allen, Director of Oil and Gas Consulting Services for S&P Global Platts addressed
184 Export Dependence. He said that prices for natural gas need to be above \$3.00 to cover
185 costs. The US pipelines to Mexico are at the border waiting on Mexico's pipelines to be
186 built and all the while Mexico's need for natural gas is increasing.

187
188 Retired US Navy Rear Admiral and SEAL Team Leader, Scott Moore presented Leading
189 No Fail Teams.

190
191 Austan Goolsbee, former Chairman of the President's Council of Economic Advisors and
192 Professor of Economics at the University of Chicago Booth School of Business reported
193 that Americans are spending less and borrowing less. Saving is at 5-6%. Washington is
194 not doing anything about the economy. The government is dysfunctional because the
195 people are dysfunctional.

196

197 Tom Halverson, President and CEO of CoBank stated that a recession will happen, but
198 he's not sure when. Interest rates will increase. Farm income, which is price driven, has
199 dropped 50% since 2014.
200

201 **Legal Report:** System Attorney Lewis asked that the Minutes from the May 2, 2017 Board Meeting,
202 which were approved at the June 6, 2017 meeting, be amended and rewritten as shown. He noted that
203 technically speaking, as defined by Roberts Rules a nomination is not a motion. Moving to close
204 nominations is a motion. While the way the minutes are written is factual, System Attorney Lewis feels it
205 will be better to revise the minutes to be more technically accurate. It was moved by Vice President Graf
206 and seconded by Director Vogt to amend the minutes as recommended by System Attorney Lewis. The
207 motion carried unanimously.
208

209 **Board Re-Organization**

210
211 System Attorney Lewis asked for nominations from the floor for president of the
212 board. At this time President Stumler stated that he would be stepping down as
213 board president and he nominated Vice President Jimmie Sanders as president.
214 System Attorney Lewis called for any other nominations. Director Meyer
215 nominated Director Steve Dieterlen as president. There being no other
216 nominations, it was moved by Director Graf and seconded by Sec/Treas. Vogt to
217 close the nominations. The motion carried unanimously. System Attorney Lewis
218 asked that the vote for president be cast by secret ballot for either Jimmie Sanders
219 or Steve Dieterlen. Following the vote System Attorney Lewis counted four votes
220 for Steve Dieterlen and three votes for Jimmie Sanders. System Attorney Lewis
221 declared Steve Dieterlen as the newly elected president of the board.
222

223 System Attorney Lewis asked for nominations from the floor for vice-president of
224 the board. Sec/Treas. Vogt nominated Jimmie Sanders as vice-president. System
225 Attorney Lewis called for any other nominations. Director Meyer nominated Paul
226 Graf as vice-president. There being no other nominations, it was moved by
227 President Dieterlen and seconded by Director Biesel to close the nominations. The
228 motion carried unanimously. System Attorney Lewis asked that the vote for vice-
229 president be cast by secret ballot for either Jimmie Sanders or Paul Graf.
230 Following the vote System Attorney Lewis counted four votes for Paul Graf and
231 three votes for Jimmie Sanders. System Attorney Lewis declared Paul Graf as the
232 newly elected vice-president of the board.
233

234 System Attorney Lewis asked for nominations from the floor for
235 secretary/treasurer of the board. Director Sanders nominated Derrick Vogt as
236 secretary/treasurer. System Attorney Lewis asked if there were any other
237 nominations. Vice-President Graf nominated Candy Meyer as secretary/treasurer.
238 There being no other nominations, it was moved by President Dieterlen and
239 seconded by Vice President Graf to close the nominations. The motion carried
240 unanimously. System Attorney Lewis asked that the vote for secretary/treasurer be
241 cast by secret ballot for either Derrick Vogt or Candy Meyer. Following the vote
242 System Attorney Lewis counted four votes for Candy Meyer and three votes for
243 Derrick Vogt. System Attorney Lewis declared Candy Meyer as the board's
244 newly elected secretary/treasurer.
245

246 **Bylaw Review:** System Attorney Lewis reviewed the recommended changes to our by-laws proposed by
247 the 2017 Credentials and Election Committee. System Attorney Lewis also reviewed information he
248 received from other co-ops. He stated that our biggest issue is that “business” days are used in Section
249 4.06 of the bylaws when this should actually be “calendar” days. System Attorney Lewis reviewed the
250 resolution below which makes the following changes recommended by the C&E Committee: 1) change
251 all instances of business days to calendar days and; 2) add language requiring that petitions must be
252 delivered in person inside the Cooperative headquarters and date and time stamped during regular
253 business hours. It was moved by Director Sanders and seconded by Director Biesel to adopt the
254 resolution amending the bylaws as presented by the System Attorney. The motion passed unanimously.

255 **RESOLUTION OF THE BOARD OF DIRECTORS OF CLARK COUNTY REMC**

256 **A RESOLUTION TO AMEND ARTICLE IV, SECTION 4.06**
257 **OF THE BYLAWS OF CLARK COUNTY REMC**
258

259 WHEREAS, the Credentials and Election Committee (“Committee”) met on February 6,
260 2017 and reviewed certain technical deficiencies in the petitions submitted to nominate the 2017
261 candidates for the Board of Directors (“Board”); and

262 WHEREAS, the Committee suggested making changes to the Bylaws to prevent future
263 petition deficiencies; and

264 WHEREAS, the Board has reviewed problems with the nominating petitions, examined
265 the language of the Bylaws, and evaluated the Committee’s suggestions; and

266 WHEREAS, it is in the best interests of the Cooperative to amend Section 4.06 of the
267 Bylaws;

268 NOW, THEREFORE, BE IT RESOLVED that Section 4.06 of the Bylaws shall be, and
269 are hereby, amended as follows:

270 1. The first two sentences of Article IV, Section 4.06 which reads as follows:

271
272 A member may be nominated to be a candidate to run for election for a director position that
273 is scheduled for election at the annual membership meeting by a written petition signed by a
274 minimum of fifteen (15) members. All such nominations by petition must be delivered to
275 the Cooperative headquarters during regular business hours at least ninety (90) business days
276 before the annual meeting.

277
278 shall be, and are hereby, amended to read as follows:

279
280 “A member may be nominated to be a candidate to run for election for a director position
281 that is scheduled for election at the annual membership meeting by a written petition signed
282 by a minimum of fifteen (15) members. All such petitions must be delivered in person inside
283 the Cooperative headquarters and date and time stamped during regular business hours at
284 least ninety (90) calendar days before the annual meeting. In the event that the ninetieth day
285 falls on a weekend, an REMC-observed holiday or other day when the headquarters is closed
286 for any reason, the deadline for submitting petitions shall end when the office closes on the
287 next regular business day.”

288 2. Except as expressly amended herein, all other portions of Section 4.06 of the
289 Bylaws will remain unchanged and will remain in full force and effect in accordance with
290 the terms, provisions and conditions stated therein.

291
292 3. This amendment shall take effect as of July 10, 2017.

293 THIS RESOLUTION ADOPTED by the Board of Directors on July 10, 2017.

294 **Calendar Update:** The calendar was reviewed. The Strategic Planning Session was set for Thursday,
295 February 8th and Friday, February 9th at Wooded Glen. General Manager Vince said that we recommend
296 choosing a facilitator from CFC and the Directors agreed.

297

298 The September Board Meeting was moved to September 12th at 5:30 pm.

299

300

301

Other Business

302

303 **NRECA Regional Meeting:** It was the consensus of the Board to appoint President Steve Dieterlen as
304 Clark County REMC's voting delegate and Director Jimmie Sanders as the alternate for the NRECA
305 Regional Meeting.

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Adjournment

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310 There being no further business appearing the meeting was adjourned at 7:20 pm.

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Attachment A: General Manager's Report

Candace Meyer,
Secretary/Treasurer