

Minutes of the regular meeting of the Clark County REMC
Board of Directors held at the headquarters,
7810 State Road 60, Sellersburg, Indiana on
May 1, 2018 at 5:30 pm (EST)

Those present were: President Steven G. Dieterlen, Vice-President Paul Graf, Secretary/Treasurer Candace S. Meyer and Directors: John Biesel, Joe Basham and Robert Kleehamer

Director Derrick Vogt attended by telephone

Others Present: General Manager David A. Vince, System Attorney David Lewis, Assistant Secretary/Administrative Assistant Cindy Hockensmith, Operations and Engineering Manager Dave Barton, Member Services & Marketing Manager Brian Omerso and IT Manager Mike Mugler

Assistant Treasurer/Finance & Administration Manager Jeremy Miller did not attend this meeting.

Call to Order

President Dieterlen called the meeting to order at 5:25 p.m.

Additions or Deletions to the Agenda

President Dieterlen called for any changes, additions or deletions to the May 1, 2018 meeting agenda. Discussion of Past Directors' Insurance Benefits/ Call for Vote was added to the Agenda as Item 9.C. under Other Business. Also added as Item 9.D. under Other Business was Discussion of sitting Director Compensation. It was moved by Vice President Graf and seconded by Director Biesel to approve the May 1st board meeting agenda with the proposed additions. The motion carried.

Review of Draft Minutes

President Dieterlen called for any changes to the draft minutes of the Board of Directors' meeting held on April 2, 2018. President Dieterlen asked that the sentence on line 140 be removed from the minutes. Hearing no other changes President Dieterlen declared the minutes of the April 2nd Board Meeting approved as changed.

Review of Special Board Meeting Minutes

President Dieterlen called for any changes to the draft minutes of the Special Board of Directors' meeting held on March 26, 2018. Hearing none President Dieterlen declared the minutes of the March 26th Special Board Meeting approved as written.

Member Session

There were no members present for this month's Member Session.

51 **Board Re-Organization**

52
53 It was moved by Director Kleehamer, seconded by Director Basham to waive voting by secret ballot and
54 proceed with an open vote. The motion carried.

55
56 System Attorney Lewis asked for nominations from the floor for President of the board. Vice President
57 Graf nominated Steve Dieterlen as President with the nomination seconded by Director Biesel. System
58 Attorney Lewis asked for any other nominations. There being no other nominations, it was moved by
59 Vice President Graf, seconded by Sec/Treas. Meyer to close the nominations. The motion carried and
60 System Attorney Lewis declared Steve Dieterlen as the newly elected President of the board.

61
62 System Attorney Lewis asked for nominations from the floor for Vice-President of the board. Director
63 Biesel nominated Paul Graf as Vice-President, with the nomination seconded by Director Kleehamer.
64 System Attorney Lewis asked for any other nominations. There being no other nominations, it was moved
65 by President Steve Dieterlen, seconded by Sec/Treas. Meyer to close the nominations. The motion
66 carried and System Attorney Lewis declared Paul Graf as the newly elected Vice-President of the board.

67
68 System Attorney Lewis asked for nominations from the floor for Secretary Treasurer. Director Basham
69 nominated Candy Meyer as Secretary/Treasurer with the nomination seconded by Vice President Graf.
70 System Attorney Lewis asked for any other nominations. There being no other nominations, it was moved
71 by Director Biesel and seconded by Director Kleehamer to close the nominations. The motion carried and
72 System Attorney Lewis declared Candy Meyer as the newly elected Secretary/Treasurer of the board.

73
74 **Certificate on Conflicts of Interest**

75
76 System Attorney Lewis asked all Directors to sign the Certificate on Conflicts of Interest, which is part of
77 Policy GP-30. The signed copies are attachment A.

78
79 **Selection of Assistant Secretary and Assistant Treasurer**

80
81 System Attorney Lewis announced that an assistant secretary and an assistant treasurer must be selected.
82 It was moved by Sec/Treas. Meyer and seconded by Vice President Graf to nominate Cindy Hockensmith
83 as Assistant Secretary and Jeremy Miller as Assistant Treasurer. It was moved by Director Biesel and
84 seconded by Director Basham to close the nominations. The motion carried unanimously and System
85 Attorney Lewis declared Cindy Hockensmith as Assistant Secretary and Jeremy Miller as Assistant
86 Treasurer.

87
88 **General Manager's Report to the Board**

89
90 **Financial Report:** The Financial Report was emailed to the directors for their review prior to the
91 meeting. Due to the arrival of baby, Zachary Robert Miller, Assistant Treasurer/Finance &
92 Administration Manager Jeremy Miller did not attend this Board meeting. A Financial update will be
93 given at next month's meeting.

94
95 **Safety Report:** Operations & Engineering Manager Dave Barton presented the following
96 quarterly Safety Report as part of attachment A.

97
98 **Near Miss:** On April 10th ElectriCom was attempting to retire old guy wire, which was wrapped
99 around a pole on Bethany Road, when the wire made contact with the bottom of the cutout. This
100 knocked out the line. Guy wire is not very flexible and we treat it very carefully. It was stated that

101 the issue with this near miss is that the pole was not covered up adequately. This has been
102 addressed with the contractor and they are aware of our position on this. We are currently keeping
103 an eye on the contractors work and safety practices.

104
105 **Damage Report:** Jerry Applegate reported that on April 9th, a member’s driveway was damaged
106 while the crew was spotting poles on Highway 60. While backing the truck and trailer out of the
107 drive onto Highway 60, the truck tire slipped off the edge of the driveway breaking the asphalt
108 and leaving tire prints in the member’s yard. Jerry has spoken with the property owner a couple of
109 times. We are waiting for the highway work to be done in the area to see what actually needs
110 repair on the member’s property. Jerry added that there was no way to prevent this from
111 happening and we knew there may be issues due to the narrow drive with old, thin asphalt.

112
113 **Damage Report:** On March 29th, Bo Simpson drove to Hoosier Energy to pick up the Live Wire
114 Demo Trailer and bring it back to Clark County REMC for our Annual Meeting. Bo said that he
115 replaced our receiver with Hoosier’s and he didn’t get it installed correctly. It came unhooked
116 when he started driving. Bo fixed that problem with the proper attachment from Hoosier. The
117 trailer became unhooked a second time, due to the mechanism not locking properly around the
118 ball hitch, causing damage to the front end of the trailer. Our truck was not damaged and Hoosier
119 Energy is taking care of the cost for repairs to the trailer.

120
121 **Vehicle Accident Report:** None

122 **Minor Accident Report:** None

123 **Public Contact:** None

124 **Major Accident Report:** None

125 **Employee Injury Report** None

126
127 **Statistical Report:**

128 82,936 Hours worked without a minor injury

129 49,219 Hours worked without a major injury.

130 ___568 Days worked without a vehicle accident

131
132 **Safety Training:** Our safety numbers are now being displayed on our office TVs.
133 John Bullock is here today for Trouble Shooting training. This training focuses on learning from
134 others’ experiences and being aware of the job site from the moment you arrive. Dave Barton said
135 that everyone in the room has something to share. John Bullock added that we have a diverse
136 employee base – both younger and older employees and CCREMC’s employees always have
137 input. John stated that he has never had a bad meeting here and CCREMC is one of his favorite
138 co-ops. He added that CCREMC gets kudos for how well they treat their guests.

139
140 Roger Wenning will be here on May 21st and 22nd to perform hearing tests.

141 Chuck Tiemann was here in early April to do Bucket Truck Rescue, which went very well.

142
143 **Suggestion Committee Report:** There were three new suggestions submitted recently.

144
145 **Communications:** Dave Barton said that we are doing great in the area of safety, but we have
146 been questioning where we go from here with the Safety Culture that we have developed. We
147 have addressed prevention, reorganization, and company-wide involvement to get where we are.
148 Hoosier Energy’s safety program “Safe by Choice” may be just what we are looking for. Dave
149 explained that Hoosier sent out a survey to their employees to help determine where attention
150 should be placed. The answers help to determine areas that need improvement and which areas

151 of the company need attention. General Manager Vince said that we will give this a shot and hope
152 that this gives us some valuable input.

153
154 The Hot Line Demo at the Annual Meeting was very good and well received. There was some
155 discussion on how to improve the sound in the back of the gym.

156
157 We are working to finish the final EAP.

158
159 The big issue discussed at the Engineering and Operations Meeting at IEC was traffic control.
160 Attorney Kent Frandsen gave a presentation regarding closing roads and stated that if we shut
161 down a roadway, it is a liability and we should use a traffic control contractor.

162
163 There was a discussion at this time regarding the difference between an emergency situation that might
164 require doing our own traffic control, and hiring a traffic control contractor to help us with planned,
165 scheduled work.

166
167 There was a report on Heats Lite Training (as it's referred to now) for inside co-op employees. This
168 training is being developed to help inside employees become more knowledgeable about the work being
169 done in the field and the terms used by line crews. The program is being developed through Hoosier
170 Energy and may include a 2-year degree from Ivy-Tech. This program is customized to help CSR's do
171 their jobs better, but it is open to all co-op employees. The program will include a combination of video
172 conferencing, classroom instruction, and in-field visits. Both John Bullock and Dave Barton noted that the
173 idea for a program like this began at Clark County REMC and we have been pushing for this for quite a
174 while.

175
176 Vice President Graf asked about Clark County REMC doing a 15 – 20 minute safety presentation at the
177 Farmers Appreciate Day at the Clark County 4-H Fair. Manager Omerso said that we are also planning to
178 have a booth at the fair throughout the week.

179
180 Director Biesel asked if we are moving forward with plans for Directors' Days. Manager Omerso said
181 that based upon experiences from other co-ops, we are now looking at sponsoring tailgating events at
182 local ballgames in the fall. Vice President Graf said he likes the idea and Director Biesel said that
183 whatever we decide to do it has to be appealing to members. Manager Omerso noted that we will start
184 planning for the tailgating events.

185
186 **Annual Meeting Review:** Manager Omerso presented the 2018 Annual Meeting Review showing;
187 Voting by the Numbers, Vote Progress from Beginning to End, and Vote Margins by Date. The
188 presentation also included a 10-Year Comparison and the results of the Member Survey, which was done
189 online. 76.3% of members indicated that they were very satisfied and 20% were satisfied with the 2018
190 event. Manager Omerso noted that we received very few negative comments. Some comments indicated
191 an issue with the co-op in general and some mentioned technical issues, when attempting to vote, such as
192 not allowing pop-ups.

193
194 System Attorney Lewis noted that a member of the C&E Committee questioned if the secret ballot,
195 required by the Bylaws for director elections, is still secret since early voting has been implemented.
196 Manager Omerso answered that Clark County REMC employees never have access to who a member
197 voted for. Anonymity is addressed in our contract with the voting company. Manager Omerso will send
198 the contract information to System Attorney Lewis.

199

200 Vice-President Graf noted that there were some negative comments relating to the senior lady/gentleman
201 booth location and that they received a free KFC meal and no candy this year.

202
203 General Manager Vince mentioned that the timing of the slide presentation during his speech may have
204 been off a little. General Manager Vince said that he was very happy with the staffs' work on getting
205 early voting set-up and on the Annual Meeting itself.

206
207 It was noted that director candidate Mike Miller has asked for a break-down of where his votes came from
208 - mail, internet, or meeting. It was the consensus of the Board to send him and the directors the statistics
209 he is requesting.

210 President Dieterlen called for a dinner break at 6:30 p.m.

211 President Dieterlen called the meeting back to order at 7 p.m.

212

213 **CFC Resolution:** It was moved by Director Kleehamer and seconded by Vice President Graf to pass the
214 resolution below to have CFC act as its paying agent in certain transactions listed on Exhibit 2 of the
215 Resolution (Attachment C to these minutes). The motion carried.

216 **WHEREAS**, the Organization desires that National Rural Utilities Cooperative Finance Corporation ("CFC") act as
217 its paying agent in certain transactions in which the Organization is obligated to make payments to others; and

218 **WHEREAS**, the Organization, in providing the funds with which CFC may make such payments on the
219 Organization's behalf, desires to use those funds due the Organization as a result of the maturity of the
220 Organization's investment in CFC Commercial Paper and/or advances on a Line of Credit now or hereafter
221 established with CFC, or such other funds on deposit with CFC as shall be deemed eligible by CFC from time-
222 to-time to be utilized to make such payments (the last category of funds being referred to herein as "Other
223 Authorized Funds");

224 **NOW, THEREFORE**, the following resolutions are hereby adopted:

225 **RESOLVED**, that the persons listed on Exhibit 1 hereto (the "Authorized Personnel") are each individually
226 authorized hereby to direct CFC to make payments on behalf of the Organization to the creditors or
227 accounts listed on Exhibit 2 hereto (the "Authorized Accounts");

228 **RESOLVED**, that the General Manager (title of authorized officer(s)) is/are hereby authorized on behalf of the
229 Organization to amend the list of Authorized Personnel by notifying CFC in writing of the name and position of
230 any such Authorized Personnel being added or deleted from Exhibit 1;

231 **RESOLVED**, that the Authorized Personnel are each individually hereby authorized, on behalf of the
232 Organization (i) to add or delete Authorized Accounts by providing written notice to CFC, or (ii) when
233 necessary, to provide CFC with revised account information for the Authorized Accounts;

234 **RESOLVED**, that CFC is hereby authorized and directed to make payments to Authorized Accounts on behalf of
235 the Organization as directed by any of the Authorized Personnel;

236 **RESOLVED**, that CFC is hereby authorized and directed to use funds from any or all of the following sources, as
237 indicated by the Authorized Personnel in order to make said payments:

- 238 • proceeds of maturing CFC Commercial Paper purchased by the Organization;
- 239 • advances on a Line of Credit, now or hereafter established with CFC;
- 240 • Other Authorized Funds;

241 **RESOLVED**, that CFC shall be entitled to rely upon the directions and instructions given by any of the Authorized
242 Personnel, or by the authorized officer(s) named above, without further inquiry and without any further action
243 by this Board;

244 **RESOLVED**, that this resolution shall remain in full force effect until CFC is provided with a written copy of
245 resolutions rescinding or modifying these resolutions, certified by the Secretary of the Organization; and

246 **RESOLVED**, that the Secretary is hereby authorized and directed to furnish a certified copy of this resolution to
247 CFC."

248

249 **CFC Integrity Fund:** It was moved by Vice President Graf, seconded by Director Biesel to contribute
250 \$2500.00 to the CFC Integrity Fund as we have for the past several years. The motion carried.

251
252 **Guatemala Picture:** Indiana Electric Cooperative (IEC) is asking for a donation from each co-op in the
253 amount of \$300 - \$350 to help cover the cost for a large picture portraying the co-ops efforts in bringing
254 electricity to Guatemala. It was the consensus of the board to send the donation.

255
256 **Territory Change:** General Manager Vince stated that Jackson County REMC and Clark County
257 REMC have agreed that Jackson County will service a parcel of land that is difficult for our co-op to get
258 to. Jackson has easy access to the property. This has been done in the past when it is easier for one co-op
259 than another to service a property. A map of the area in question was shown to the Directors for
260 clarification.

261
262 **Questions on Reports:** General Manager Vince asked the directors if they had any questions about the
263 department reports that were emailed prior to the meeting. There were no questions.

264
265 **Strategic Planning Dinner Options:** General Manager Vince mentioned three restaurants that may be
266 good for dinner after the Strategic Planning Session on September 25th. The new Omni in downtown
267 Louisville, Amore Fine Italian Ristorante at Highlander Pointe or Martin's Bar-B-Que Joint just across the
268 new Lewis and Clark Bridge. General Manager Vince said that we would email restaurant choices to the
269 directors so they can choose where they would like to go.

270
271 **Member Concerns:** Sec/Treas. Meyer reported that she was contacted by a member asking if our
272 contractors still repair ETS units. Manager Omerso said that he will check on this and get information to
273 the member.

274 Vice President Graf said that he received a call from a long time member who was upset that we charged
275 her a \$25 application fee when she moved from one location on our lines to another location on our lines.
276 Manager Omerso said it is our practice to charge all new connections a \$25 Application fee, but we can
277 waive the charge. He added that he had spoken with the member and everything is fine now.

278
279 Vice President Graf said that he had talked with a member about continued outages occurring on Zollman
280 Road. Manager Barton will look into this.

281 Director Kleehamer asked if the operation roundup program could be used to help members with their
282 bills. It was noted that at this time we do not have a roundup program. It may be good to discuss this at
283 the Strategic Planning Session in September. It was mentioned that this program is usually operated by a
284 separate entity who decides where the funds go.

285 Operations and Engineering Manager Dave Barton, IT Manager Mike Mugler and Member Services &
286 Marketing Manager Brian Omerso left the meeting at this time.

287
288 **Standing Reports**

289
290 **Hoosier Energy Report:** President Dieterlen reported that the last Hoosier Energy meeting was their
291 Annual Meeting. President Dieterlen noted that Darin Duncan was elected President of the Board
292 because of his experience.

293
294 **Indiana Electric Cooperatives Meeting:** Sec/Treas. Meyer gave a brief IEC Report. She said that Earl
295 Ridlen gave the annual financial report. Erin Borissov talked about the 'me too' movement and the

296 mayor of Guatemala was very thankful for all that the co-ops do. Mike Brenner gave tax saving
297 information and research on saving co-ops money. Secretary/Treas. Meyer said that the picture discussed
298 above was displayed at the meeting and was very nice.

299 **Legal Report:** System Attorney Lewis reported on the 2018 election protest litigation stating that
300 Jimmie Sanders sued the co-op for not allowing his name to be placed on the ballot due to a missing form
301 in his application. Mr. Sanders asked the court to stop the election. The court hearing was April 6th and
302 the court denied his request to stop the election from taking place on April 7th. His lawsuit is proceeding
303 forward, as far as we know, and his attorney has asked for a new judge, which the court has to grant.
304 System Attorney Lewis explained the process of getting a new judge. A new judge has not been chosen
305 at this time. System Attorney Lewis stated that Mr. Sanders' lawsuit is asking for a new election in
306 District #4 and to set aside the 2018 election in District #4, and is seeking monetary damages. Our by-
307 laws and our policies state that suing for monetary damages is a conflict of interest. Mr. Sanders filed an
308 election protest with the Credentials and Election Committee and the committee was reconvened to hear
309 his case on April 23rd. Following presentations by Mr. Sanders' attorney Mickey Weber and the co-op's
310 attorney Kent Frandsen, the Committee met privately to deliberate and come to a decision. The
311 Credentials and Election Committee reaffirmed their earlier vote to not allow Mr. Sanders' nomination.
312 System Attorney Lewis added that the Committee's decision may or may not have an effect on the court
313 case. He noted that our By-laws clearly state that all Credentials and Election Committee decisions are
314 final. System Attorney Lewis added that the Committee is formed each year to be a buffer between the
315 members and the board.

316
317 System Attorney Lewis reported on the subdivision on Highway 60 – The Fields of Milan, stating that the
318 Appeals Court reversed an earlier decision in the case of Duke Energy and J&J Development and now
319 they are back to the beginning. System Attorney Lewis explained the case to the new directors.
320

321 **Calendar Update:** The calendars showing upcoming events were reviewed. It was noted that Directors'
322 pictures will be taken immediately before the June 5th Board Meeting.

323 **Other Business**

324 **Executive Session:** President Dieterlen called the meeting into Executive Session at 7:40 pm to discuss
325 Union Arbitration. Following the discussion, President Dieterlen called the meeting back into regular
326 session at 7:43 pm.

327
328 **Fore and ACRE:** FORE and ACRE contribution cards were given to the new directors and they were
329 encouraged to contribute at some level as quickly as possible to help the Co-op reach 100% participation.
330

331 **Economic Update at IUS:** It was announced that the co-op has a table of eight reserved for this annual
332 event. Vice President Graf, President Dieterlen and Director Biesel indicated that they would like to
333 attend.
334

335 **Executive Session:** President Dieterlen called the meeting into Executive Session at 7:48 pm to discuss
336 sitting Directors' and past Directors' benefits. Following the discussion, President Dieterlen called the
337 meeting back into regular session at 8:24 pm.
338

339 At this time it was moved by Secretary/Treasurer Meyer to amend Policy GP-11 to eliminate Section 5 -
340 Current and Past Directors Health and Hospitalization Insurance effective June 1, 2018. This decision
341 does not affect employee benefits and any spouse of a past director currently on the cooperative insurance
342 plan may remain on the plan by paying the full premium amount until age 65. The motion was seconded

343 by Vice President Graf. The motion passed with 6 directors in favor of the change to eliminate past
344 director insurance and 1 director opposed to the change.

345
346 Director Biesel moved to amend Policy GP-11 - Item a. of Section 2 to read Directors shall receive a
347 stipend up to \$500.00 a month per director and \$600 per month for the director holding the position of
348 Board President. The motion was seconded by Director Basham and carried unanimously.

349
350 The policy will be changed and presented for approval and signature at the June 5 Board meeting.

351
352 **Adjournment**

353
354 There being no further business appearing the meeting was adjourned at 8:40 p.m.

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357
358
359
360

Candace Meyer,
361 Secretary/Treasurer

- 362
363
364
365
366 Attachment A: Signed Certificates on Conflicts of Interest
367 Attachment B: General Manager's Report
368 Attachment C: CFC Resolution