



# TIPMONT REMC

Committed to our Community

*ANNUAL REPORT FOR THE YEAR 2010*



**COUNTIES SERVED:**  
parts of Tippecanoe, Montgomery, Fountain,  
Clinton, Carroll, White, Benton and Boone

**NUMBER OF METERS:**  
25,149

**MILES OF LINE ENERGIZED:**  
2,297

**METERS PER MILE OF LINE:**  
10.94

**POWER SUPPLIER:**  
Wabash Valley Power Association

**NUMBER OF EMPLOYEES:**  
62

**MISSION:**  
To do the right thing for our members.

**VISION:**  
To improve the quality of life in our service area through community involvement, education, safety, personal and economic growth while providing reliable and affordable electric service for our members.

## IN THE PAST...

In 2009, we developed a three-year plan to execute in 2010 – 2012 that focused heavily on three strategic areas; upgrades to (1) the electrical distribution system and (2) internal technologies, and (3) the addition of substations on the electrical system. We soon began the physical construction of desperately needed distribution substations and the deployment of a new metering system. While we work to improve our system reliability through the substation builds and related system upgrades, the metering system, once installed, will work in conjunction with technology upgrades to our future outage management system.

Combined, these elements will allow us to improve our management of system interruptions and, over time, trouble shoot and restore service in a much more proactive and expedient manner. Other technology upgrades include a Geographical

Information System (GIS) to improve the mapping of system device connections, which will allow the outage management system to pinpoint outages quickly and accurately. We also installed a fiber communication network to connect our Battle Ground and Linden offices and some of our larger substations. This system will provide a redundant communication structure, increase reliability, and exchange system data at vastly improved speeds. While these projects will improve our ability to manage our distribution system in a more proactive manner, they will also give our members detailed data allowing them to better manage their energy consumption. In other business functions, the leadership team and board of directors looked very hard at some of the ancillary services offered by the



*Tim McCarthy  
Tipmont REMC  
Chief Executive Officer.*

cooperative. The Board decided to exit ventures that were not aligned with our organizational mission and were not operating as predicted from a service or financial standpoint. In conjunction with our power supplier, Wabash Valley Power Association (WVPA), Tipmont also participated in energy efficiency initiatives and offered members various discounts for efficiency upgrades to their homes. Finally, we emphasized the management of controllable operating cost. Even with all of these projects underway, controllable cost were about \$822,000 under budget for the year placing the cooperative in a much more advantageous financial position than at the end of 2009.

## IN THE FUTURE...

In 2011, we will complete the aforementioned metering system upgrade and construct the second of four new distribution substations across the Tipmont electric system. Our operations staff will continue to target upgrades to equipment in areas of our system that have demonstrated reliability issues. To make sure we can meet our goals in these areas, we will develop a new four-year construction plan and secure RUS financing. A cost of service study and subsequent redesign of our current rate structures will be completed. We will expand our energy advisor program, continue to look for ways to incentivize member driven energy efficiency efforts, and expand incentives to our commercial and industrial members. The construction-based items I previously mentioned are primarily physical, foundational elements that will eventually allow us to offer members better service. When we sit down in 2012 to finalize elements of the 2013 – 2015 strategic plan we will change from a “physical build” mindset to a more visionary mindset. In other words, once we have the elements in place to insure our members have reliable service and up-to-date systems, we can begin to look at ways to use those physical elements to offer members useful services and tools to manage their energy usage. As always, we look forward to working with you, our members, in the upcoming year!

## OPERATION ROUNDUP

### Operation Round Up — Total Donations through 2010

\$ 706,395.94

Through the generosity of Tipmont REMC members who allow their electric bills to be “rounded up” to the next dollar, Operation Round Up awarded \$57,876 to 27 local organizations in 2010, including:

Reach Out and Read Indiana	Colfax-Perry Township Public Library
Greenbush Industries, Wabash Center	Family Promise of Greater Lafayette
Tippecanoe County Child Care	Montgomery County Family Nutrition Program
Heartford House	The Learning Network
Laf Delta Zeta Alumnae/Riggs Community Health	The Purdue Arboretum
Montgomery County AHEAD Coalition	Thomas Duncan Hall, Inc.
Covington-Veedersburg Public Library	YWCA of Greater Lafayette
Abilities Services	Montgomery County Youth Service Bureau
Book Cycle	CASA's for Kids Funds, Inc.
Lew Wallace Study Preservation Society	Clarks Hill Volunteer Fire Department
Lafayette Transitional Housing Center, Inc.	Mental Health America of Tippecanoe County
Linden-Madison Twp. Historical Society	Angel Blankets Chapter for Binky Patrol
Art Museum of Greater Lafayette	Women's Resource Center

## ENVIROWATTS

### EnviroWatts — Total Donations through 2010

\$ 279,264

Tipmont REMC members show their support for alternative energy, the environment, and the community by participating in the EnviroWatts program. Members pay an extra one cent per kilowatt hour on their bill. Through these donations, the following agencies received grants in 2010:

Ken Ritchey Tipmont EnviroWatts Ivy Tech Scholarship  
Civic Theater of Greater Lafayette  
Tippecanoe County Historical Society  
Greater Lafayette Community Foundation  
Master Gardener Association of Greater Lafayette  
West Lafayette Parks and Recreation Foundation  
Lyn Treece Boys & Girls Club of Tippecanoe County  
Montgomery County Master Gardeners  
Art Museum of Greater Lafayette  
Tree Lafayette

## BOARD MEMBER RETIRES

Hathaway served in the Korean War as a navigator for the U.S. Air Force; he continued in the reserves after the war, earning the rank of captain.

From 1963, when he bought land several miles south of Veedersburg, until 1992, Hathaway farmed about 1,500 acres, raising hogs and cattle early in his career.

Now, his sons, Scott and Randy, both Purdue University graduates, farm the ground. “I wanted them to be doctors, lawyers or something famous, but they came back to the farm,” Hathaway said. “Today, Scott has a lot of cattle—purebred limousine—and Randy has his fingers in everything but livestock.”



Joe Hathaway  
Tipmont REMC

Farming was a good choice, Hathaway said. “I liked being my own boss, making my own management decisions, assuming my own risks. I loved to get up every morning and go to work.”

On board meeting days—once a month each for Tipmont and Wabash Valley Power—he often turned to his wife, Alice, to cover for him on the farm. “I couldn’t have done it without my sweetheart of 55 years,” he said. “Many times after she retired, she’d take over running the augers and directing the semis so I could go to the board meetings.”

Today, the couple winters near Ft. Myers. The rest of the time they’re on the farm. “I have a nice organic garden,” Hathaway said. “I grow just about everything but broccoli and cauliflower.”

They also enjoy their grandchildren and great-grandchildren.

“I’ve really been blessed,” he said. “Life has been wonderful.”

### Hathaway retires after 30 years on Tipmont board

A lot can be learned from those ahead of us on life’s path, believes Brent Bible, president of Tipmont REMC’s board of directors. He knows, because he’s been learning from fellow board member Joe Hathaway, who has tallied 30 years of service to the electric cooperative.

With retirement from the board on Hathaway’s horizon, he’s looking forward to more time to garden and longer visits to Florida, and Bible is expressing the value of Hathaway’s tenure.

“Joe has been a mainstay in the Tipmont family nearly as long as I have been alive,” Bible said. “His years of experience have been a tremendous resource for younger board members such as myself, as he is able to provide invaluable historical perspective on issues as they come before the cooperative.”

Hathaway’s commitment remained a top priority over the years, Bible said. “Joe has performed in his last year with the same level of enthusiasm as in his first. His willingness to question the status quo and encourage improvement will be greatly missed by the rest of the board members.”

During his tenure that began March 9, 1981, Hathaway’s service included 20 years as Tipmont’s representative on the Wabash Valley Power Association board, 16 years as board secretary/treasurer, and, currently, vice president of the board.

Changes in the electric utility industry have been vast in the last three decades, Hathaway said. “I’ve seen growth in electric use, new rules and regulations, doing away with nuclear power, and now we’re likely moving away from baseload coal fire generation.”

Tipmont Chief Executive Officer Tim McCarthy hailed Hathaway’s service. “Joe has served the cooperative and the membership well, and he has been dedicated and diligent in his duties as a director. We wish him the best in his retirement years.”

Born in Danville, Ill., Hathaway was a child when his family moved to Kingman, Ind., in 1943. He went on to earn a bachelor’s degree in accounting at Indiana University. He also earned the Credentialed Cooperative Directors Certificate and the National Rural Electric Companies Association Certified Director diploma.

# MINUTES

The 70th Annual Member Meeting of Tipmont Rural Electric Membership Corporation was held at Lafayette Jefferson High School, 1801 S 18th Street, Lafayette, Indiana, on Saturday, August 7, 2010, at 9:30 AM. Registration began at 8:00 AM.

Prior to and during the registration period, members were encouraged to visit various Tipmont REMC displays and information centers. Registration drawings were conducted during registration. Five electric credits in the amount of \$50.00 and five in the amount of \$100.00 were given. Tipmont REMC journeyman lineman presented the Live Wire Safety Demonstration during registration.

Each member registering received, an ink pen, a reusable bag, CFL bulb, two Energy Advisor brochures; 'Old washers agitate your clothes. Especially your pockets,' and 'Maybe it's time to upgrade your heating systems,' other brochures included were 'Your fridge needs a retirement plan,' 'The cooperative difference' '101 Easy ways to save energy and money' an information sheet listing the candidates, a Tipmont REMC glow in the dark magnet, comment sheet, an agenda of events card, three 'submit your question' cards, two voting ballots, a letter from the CEO and the Annual Report which included the 2009 Annual Meeting minutes. The annual meeting registration card was mailed prior to the meeting.

Vice President Curt Hudson announced the registration drawings and explained the new process of submitting a question during the meeting.

President Kennedy announced that we had a quorum and called the meeting to order at 9:35 a.m.

President Kennedy introduced Tipmont REMC Manager of Technology and Communications Corey Willis who gave the invocation.

A recorded version of the National Anthem was played.

Secretary-Treasurer Brent Bible read the official notice of the meeting and led the Pledge of Allegiance. He then asked those members present to refer to the minutes of the 2009 meeting, which were given to them at the time of registration. Secretary-Treasurer Brent Bible asked for a motion to accept the minutes as recorded. A motion was made by member Tom Moran and a second made by Lloyd Leamon. The motion carried and the minutes from the 2009 meeting were approved as presented.

CEO McCarthy introduced special guest and Attorney Jeff Helmerick.

Attorney Helmerick introduced the Credential and Election Committee which consisted of Mel Spitznagle for District 2, Chris Benner for District 6, and Edward Crumrin for District 8.

Attorney Jeff Helmerick introduced director candidates Dan Haan and Kirk Alter for District 1, Bill Kennedy for District 3, and Jerry Peevler for District 7. Each candidate was given the opportunity to speak. All candidates addressed the membership except Director Bill Kennedy and Director Jerry Peevler who were unopposed.

Attorney Helmerick then instructed the membership to vote for District 1 using the yellow ballot. He then called for the Credentials and Election Committee to collect and tally the ballots. The Credentials and Election Committee had previously met before the meeting started at the location of the Annual Meeting.

CEO McCarthy commented on the letter that was included in the registration bags.

CEO McCarthy introduced Dean Zimmerman with EnviroWatts who presented a special certificate to Sequoia Bible of Tippecanoe School Corporation.

CEO McCarthy introduced guest speaker Maureen Ferguson, a lobbyist from Indiana Statewide Association of REC's.

Maureen Ferguson gave a concise speech describing what a lobbyist does to support the Cooperatives.

CEO McCarthy introduced the question and answer session by recapping the new process. President Kennedy, CEO Tim McCarthy and Maureen Ferguson responded to selected questions of general interest submitted by the membership.

Attorney Helmerick announced the results of the election. Kirk Alter was elected director for District 1. With no opposition, Districts 3 and 7 ballots were not tallied. A motion was made by member Christina Gilliland and a second made by Tom Moran. The motion carried and District 1 would be represented by Kirk Alter.

President Kennedy introduced the annual meeting committee. He thanked the employees and the committee for their work.

Director Hudson again announced the winners of the registration drawings, he then asked the winners of the next drawings to come forward to have a photo taken. He then conducted the drawing for the cash grand prizes of \$1,000, \$2,000 and \$3,000.

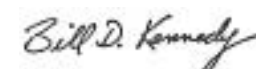
President Kennedy asked the membership to put their comments sheets in the blue buckets as they exit the building.

The three grand prizes were awarded to the following members: \$1,000 to Linda Chappell, \$2,000 to Gordon Ingalsbe, and \$3,000 to Jane Abston.

There being no further business the meeting was adjourned 10:50 AM.



Brent Bible  
Secretary-Treasurer

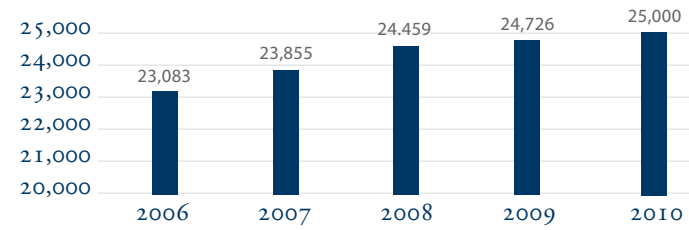


Bill Kennedy  
President

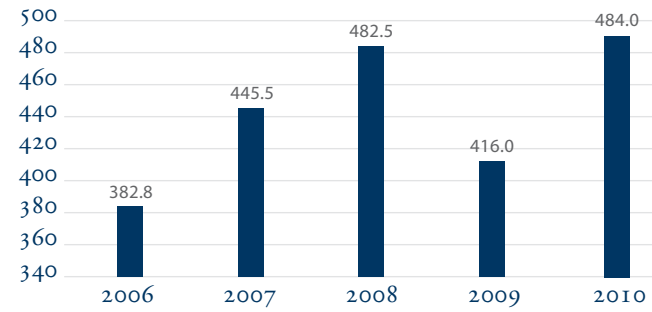
# EMPLOYEES

David Alspaugh *Apprentice Lineman*  
Jesse Bacon *Systems Analyst*  
Jacklyn Banet *GIS Assistant*  
Rex Beck *Staking Engineer*  
Ronna Bohlander *Accounting Representative*  
Kevin Bonebrake *Journeyman Lineman/Working Foreman*  
Donald Braun *Substation Maintenance Technician*  
Brian Brown *Journeyman Lineman*  
Eric Burkle *Plant Accountant*  
J Calloway *Meter Technician*  
Joshua Chieppo *Apprentice Lineman*  
Jim Clark *Energy Advisor*  
Sasha Clements *Communications Coordinator*  
Mike Cochran *Meterman*  
Natalie Decker *Member Service Supervisor*  
Patrick Dowell *Apprentice Lineman*  
Jami Dugger *AMI System Coordinator*  
Garrett Foutch *Apprentice Lineman*  
Steve Furniss *Journeyman Lineman/Working Foreman*  
Jason Gates *Journeyman Lineman*  
Neil Hedrick *Vegetation Maintenance Planner*  
Justin Heide *Apprentice Lineman*  
Jerry Hogue *Staking Engineer*  
Chad Jasheway *Journeyman Lineman*  
Allen Jones *GIS / Communications Analyst*  
Andrew Karle *Journeyman Lineman*  
Duane Keiser *Apprentice Lineman*  
Chad Keller *Journeyman Lineman*  
Cindy Kerker *Staking Engineer*  
Joe Kline *Engineering and GIS Supervisor*  
Jim Lind *Journeyman Lineman*  
Matt Lowe *Journeyman Lineman/Working Foreman*  
Tim McCarthy *Chief Executive Officer*  
Sandy Meade *Work Order Process Specialist*  
Dana Mesaros *Warehouseman*  
Tracey Miller *Member Service Representative*  
Jason Monroe *Metering Systems Supervisor*  
Debra Morris *Manager of Finance and Administration*  
Jeff Morrison *Journeyman Lineman*  
Traci Mountcastle *Member Service Representative*  
Nancy Myers *Accounting / Member Service Representative*  
Abby O'Neill *Member Service Representative*  
Robert Palmer *Journeyman Lineman*  
Melody Peacock *Dispatcher*  
John Plahitko *Systems Administrator*  
Scot Price *Line Superintendent*  
Matt Priebe *Right of Way Vegetation Maintenance Supervisor*  
Roger Raynes *Meter Technician*  
Corey Rhine *Apprentice Lineman*  
Benita Runion *Dispatcher*  
Krista Sanders *Lead Member Service Representative*  
Debbie Schaviatello *Manager of Employee Services*  
Mark Sessler *Manager of Operations and Engineering*  
Travis Smith *Journeyman Lineman*  
Lisa Thomas *Payroll Administrator*  
Steve Traylor *System Engineer*  
Tara Walters *Member Service Representative*  
Ernest Waltz *Journeyman Lineman*  
Charles White *Maintenance Assistant*  
Jeff Wilcox *Journeyman Lineman*  
Denny Williams *Line Superintendent*  
Doug Williams *Journeyman Lineman*  
Corey Willis *Manager of Technology and Communications*  
Brandi Wilson *Accounting Supervisor*

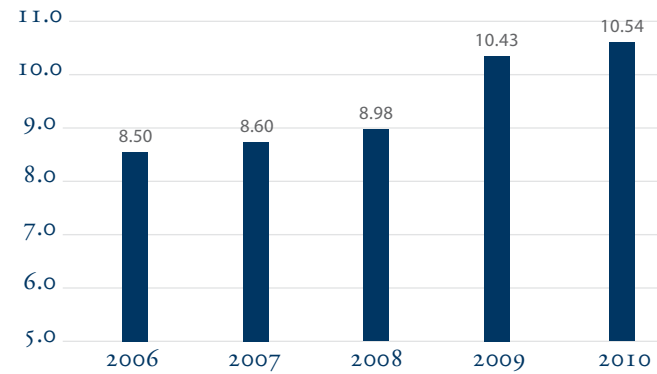
# FINANCIALS



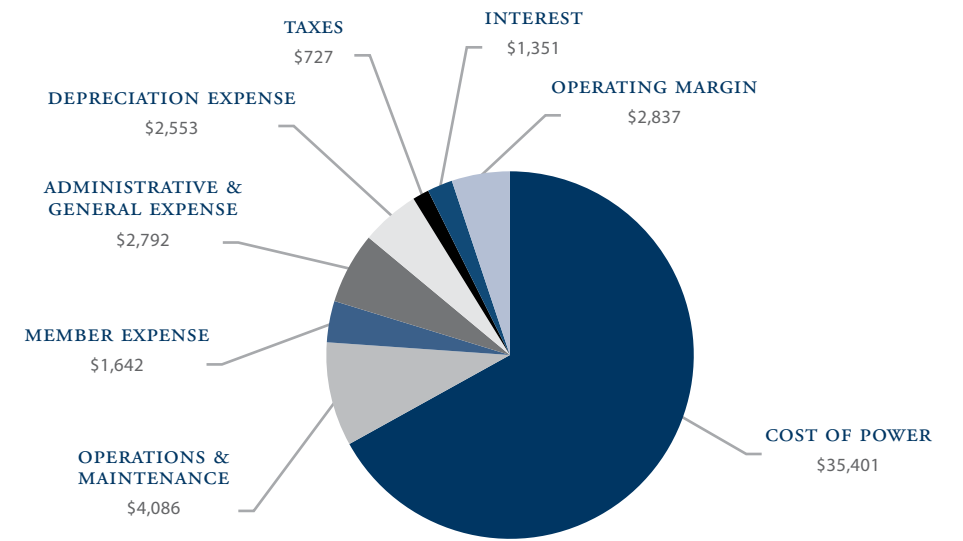
number of members



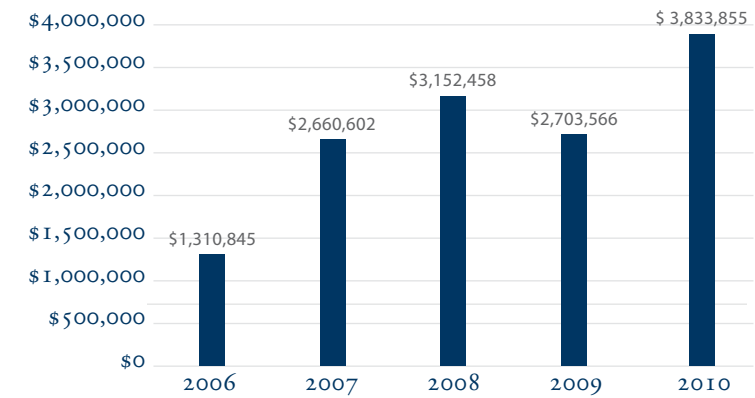
kilowatt hours sold (millions)



average cost per kilowatt hours sold (cents)



where your dollar goes (thousands)



total margins

# CONSOLIDATED BALANCE SHEET

YEAR ENDED DECEMBER 31

	2010	2009
<b>ASSETS</b>		
Net Utility Plant	\$ 73,285,964	\$ 67,811,871
Other Property and Investments	6,168,099	5,149,670
Current Assets	8,628,210	8,638,952
Deferred Debits	376,338	282,799
<b>Total Assets and Other Debits</b>	<b>\$ 88,458,611</b>	<b>\$ 81,883,292</b>
<b>EQUITIES AND LIABILITIES</b>		
Total Margins and Equities	\$ 47,396,043	\$ 44,580,647
Noncurrent Liabilities	33,115,088	25,869,553
Current and Accrued Liabilities	7,575,424	11,053,265
Deferred Credits	372,056	379,827
<b>Total Equities and Liabilities</b>	<b>\$ 88,458,611</b>	<b>\$ 81,883,292</b>

# OPERATING STATEMENT

<b>CONSOLIDATED OPERATING STATEMENT</b>		
Operating Revenues	\$ 51,389,464	\$ 43,717,258
<b>Total Operating Revenues</b>	<b>\$ 51,389,464</b>	<b>\$ 43,717,258</b>
Operating Expenses		
Cost of Power	\$ 35,400,603	\$ 29,700,045
Operations	2,177,793	2,080,819
Maintenance	1,908,165	1,698,530
Consumer Accounts	1,641,741	1,529,765
Administrative and General Expense	2,791,948	2,491,201
Depreciation Expense	2,553,669	2,318,324
Taxes	727,225	631,731
Interest	1,350,968	1,293,882
<b>Total Operating Expenses</b>	<b>\$ 48,552,112</b>	<b>\$ 41,744,297</b>

The Financial Records of Tipmont REMC and subsidiary for the years ended 2010 and 2009 presented in this report were taken from financial statements audited by Monroe Shine, Certified Public Accountants, New Albany, Indiana, which expressed their unqualified opinion on these statements in their report dated April 26, 2011.



## CURRENT BOARD OF DIRECTORS

front row, left to right:  
 Bob Baker  
 Richard Harlow  
 Larry Carlson  
 Joe Hathaway  
 Jerry Peevler  
 CEO Tim McCarthy

back row, left to right:  
 Kirk Alter  
 Former director Bill Kennedy  
 Brent Bible  
 Attorney Jeff Helmerick  
 Curt Hudson

not pictured:  
 Lynn Beck



**TIPMONT REMC  
403 S MAIN ST  
PO BOX 20  
LINDEN IN 47955**