



2016

# ANNUAL REPORT

Published July 2017



Delivering  
**Value**

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**When I look back at 2016, I see a continuation of excellence and an increasing commitment to serving our membership.**

As your provider of essential services, Tipmont is committed to continuously improving the quality of our service to you. Our investment in state-of-the-art technologies is the next natural step that continues our tradition of delivering the best value.

We invested over \$12 million in total utility plant, including poles, wires and transformers.

### **SYSTEM GROWTH**

In 2016, Tipmont installed 535 new services. That may not sound like much, but at a time when many rural electric cooperatives are experiencing flat or declining growth, we are acutely aware of how fortunate we are to have a thriving local economy.

### **RELIABILITY**

The majority of our outages most years stem from weather-related events. While we can't control Mother Nature, we perform well with factors we can control. With the exception of transmission outages, our 2016 outages were actually 3 percent less than 2015's historic lows. We continue to rebuild overhead lines (17.6 miles in 2016) and bury lines in subdivisions to increase reliability and reduce the need for tree trimming.

### **COMMUNITY INVOLVEMENT**

Our community grant programs, Operation Round Up and EnviroWatts, contributed a combined \$97,609 back to our local communities in 2016.

Our second Community Day in May 2016 completed a variety of service projects at Twin Lakes Camp and Conference Center near Hillsboro, IN.

### **CAPITAL CREDITS**

Since 2011, we've proudly returned over \$4.2 million in capital credits to our members.

### **FOUR YEARS OF SAFETY**

We celebrated four years with no lost-time accidents on October 14, 2016. That's over 500,000 man hours and 1,460 days of returning our line crews safely to their families each night. It's a testament to how seriously our crews take safety.

### **ENERGY EFFICIENCY**

As a not-for-profit electric cooperative, Tipmont's goal is to sell you the least amount of energy that you actually need. It's why we gave our members over 18,000 LED bulbs in 2016 in partnership with our power supplier, Wabash Valley Power.

### **A CHANGING FUTURE**

We're facing transformative circumstances today that could fundamentally redefine how Tipmont serves you tomorrow. Fuel supply, technology and how we consume energy are all changing at a very rapid pace. I feel very confident that Tipmont is positioned to meet those challenges.

My four years as CEO have been among the most fulfilling of my career and it's a tremendous privilege to work alongside a first-class board and the talented staff at Tipmont. But the greater privilege is to serve and empower you and your family with the tools you need to be more efficient and productive.



**Ron Holcomb**  
CEO | Tipmont REMC

**The 77th Annual Member Meeting of Tipmont Rural Electric Membership Corporation was held at Lafayette Jefferson High School, 1801 South 18th Street, Lafayette, IN, on Saturday, July 23, 2016, at 9:30 a.m. Registration began at 8 a.m.**

Prior to and during the registration period, members were encouraged to visit various Tipmont REMC displays and information centers. Also offered in the auditorium were presentations on: the Member survey results, an energy efficiency video, Ivy Tech presented on the future of energy with a focus on solar and wind power. Lastly, the retirement of safety educator A. C. Sparks (Jerry Palma) was recognized.

Each registered member received a Tipmont REMC reusable bag, two voting ballots, an ink pen, a question card, a screw driver, a magnetic clip, five LED light bulbs and the annual report which included the 2015 annual meeting minutes. The annual meeting registration card was mailed prior to the meeting.

Following the President's report by video, President Bob Baker welcomed and thanked the membership for their attendance.

President Bob Baker introduced Tipmont REMC Manager of Business Operations Corey Willis who offered the invocation.

Secretary-Treasurer Kirk Alter led the Pledge

of Allegiance. He then introduced Meagan Baker who presented our National Anthem.

President Baker thanked Lafayette Jeff High School for the use of their facility and Outpost Catering for the meal. He then recognized all special guests in attendance, and the Tipmont REMC Board of Directors.

President Baker announced that we had a quorum and called the meeting to order at 9:49 a.m.

President Baker asked those members present to refer to the minutes of the 2015 meeting, which were given to them at the time of registration. He then asked for a motion to accept the minutes as recorded. A motion was made by member Gary Isenberg and a second was made by Kenneth Croy. The motion carried and the minutes from the 2015 meeting were approved as presented.



**ABOVE** CEO Ron Holcomb speaks during the 2016 Annual Meeting at Lafayette Jeff High School.

# 2016 Annual Meeting Minutes

Secretary-Treasurer Kirk Alter presented the Financial Report.

President Baker introduced Attorney Jeff Helmerick who announced the unopposed election of districts 1 and 6. Attorney Helmerick introduced candidates for district 3, incumbent Lynn Beck and candidate Tom Utley. Each presented a speech to the membership.

Attorney Helmerick asked the membership to vote on the blue ballots provided during registration. Members voted and the ballots were collected.

President Baker introduced Kaidlyne Neukam, a 2015 Youth Tour participant and NRECA Youth Leadership Council delegate. She spoke about her experience on the 2015 Youth Tour.

Director Jerry Peevler gave a Wabash Valley Power report.

President Baker introduced CEO Ron Holcomb. CEO Holcomb gave a brief and concise speech updating the membership on the status of the cooperative and its future.

President Baker answered a few questions presented by the membership.

Attorney Helmerick announced the results of the election, Lynn Beck would be representing district 3. Attorney Helmerick ask for a motion for unopposed representation in district 1, by Kirk Alter and unopposed representation in district 6, by Jerry Peevler, and re-elected representation in district 3 by Lynn Beck. A motion was made by member Gary Isenberg



**ABOVE** Members enjoy breakfast provided by The Outpost.

and a second was made by Homer Faucett. The motion carried.

President Baker congratulated the Directors and recognized the members of Tipmont's Annual Meeting Committee.

President Bob Baker then announced that each member present would receive a \$10 credit on their electric bill. He then asked Director Brent Bible to assist with the final prize drawings. President Baker asked that the winners of the final drawings come forward to have a photo taken. Drawings were conducted for five \$1,000 grand prizes of the winners' choice: cash, electric bill credit, or a Community Solar panel lease.

The grand prizes were awarded to the following members: Sharon Brothers, T. Patrick George, Bryce Straider, David Joyce and Danny Metcalf.

As there was no further business, the meeting was adjourned 10:42 a.m.

Utilities have two primary sources of cash to grow, operate and maintain the system: the rates members pay for service and the money we borrow.



Tipmont's unwavering commitment to supplying affordable and reliable power to your home is evident both in our balance sheet and our service to you. We work each and every day to provide the electric energy that would be hard to live without in our society.

### COST OF POWER

Approximately 69% of Tipmont's costs are to generate the power to supply your home with electricity. We purchase power from Wabash Valley Power Association, a generation and transmission cooperative based in Indianapolis. Our mutual goal is providing electricity to you at a competitive and stable price, while minimizing risk.

### FINANCING COSTS

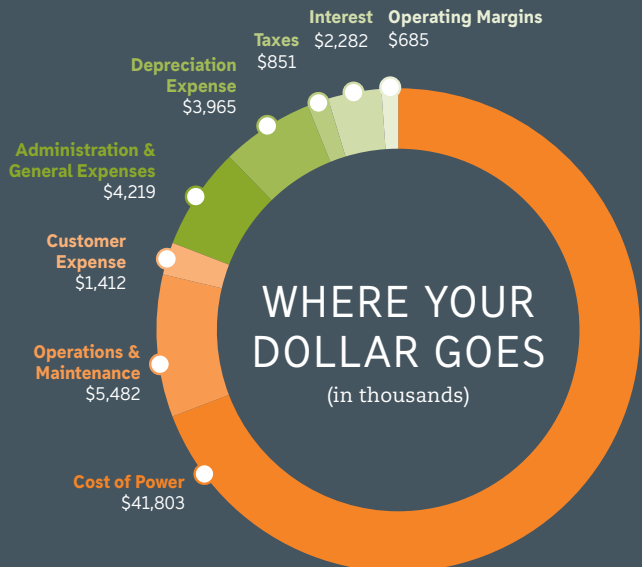
Financing is necessary to help maintain stable rates and upgrade, replace and build new substations and lines. Financing allows the costs of an asset to be spread across the members who will receive its benefits over time, the best long-term option for the consumer.

### OPERATION AND MAINTENANCE

It takes significant resources to operate and maintain Tipmont's electrical system. Much like the items you own, such as your home or your car, we must repair or replace parts of our electrical system that malfunction. Tipmont must also invest in new equipment and systems to keep up with the growing demand for reliable electricity.

### CUSTOMER AND GENERAL EXPENSES

I often hear from members how much they appreciate being able to quickly speak with a local and live person when they call. Whether its calling to report an outage, request a service order or ask questions about a bill, we pride ourselves in being local and available to serve you. These expenses also include expenses common to any business such as technology, building maintenance and related labor.



# Financial Health

<b>Consolidated Balance Sheets</b>	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Net Utility Plant	\$116,635,305	\$108,057,379
Other Property and Investments	14,911,353	14,573,249
Current Assets	14,929,190	15,250,524
Deferred Debits	1,631,283	1,985,532
<b>Total Assets and Other Debits</b>	<b>\$148,107,131</b>	<b>\$139,866,684</b>
<b>Equities &amp; Liabilities</b>		
Total Margins and Equities	\$65,601,522	\$63,938,261
Noncurrent Liabilities	71,021,134	65,195,802
Current and Accrued Liabilities	11,342,298	10,605,040
Deferred Credits	142,177	127,581
<b>Total Equities and Liabilities</b>	<b>\$148,107,131</b>	<b>\$139,866,684</b>
<b>Consolidated Operating Statement</b>	<b>2016</b>	<b>2015</b>
<b>Operating Revenues</b>	\$60,698,993	\$59,243,449
<b>Operating Expenses</b>		
Cost of Power	\$41,802,595	\$40,979,763
Distribution Expense		
Operations	2,909,613	2,879,950
Maintenance	2,572,710	2,764,503
Consumer Accounts	1,411,927	1,281,718
Administrative and General Expense	4,219,410	4,050,783
Depreciation Expense	3,964,568	3,672,977
Taxes	851,109	836,793
Interest	2,281,895	2,118,561
<b>Total Operating Expenses</b>	<b>\$60,013,827</b>	<b>\$58,585,048</b>
Patronage Capital and Operating Margins	685,166	658,401
Non Operating Margins	62,598	33,822
Other Capital Credits and Patronage Dividends	1,484,570	1,308,266
Income/Loss from Investments	10,077	3,402
<b>Net Margins</b>	<b>\$2,242,411</b>	<b>\$2,003,891</b>

The Financial Records of Tipmont REMC and subsidiary for the years ended 2016 and 2015 presented in this report were taken from financial statements audited by London Witte Group, LLC, Certified Public Accountants, Indianapolis, Indiana which expressed their unqualified opinion on these statements in their report dated March 28, 2017. All assets are pledged as security for the noncurrent liabilities of the Rural Utilities Service (RUS) and the National Rural Utilities Cooperative Finance Corporation (CFC). Copies of the complete financial statements along with the auditor's report may be examined at the Cooperative's general headquarters by appointment during regular business hours.

## **KIRK ALTER**

Secretary-Treasurer  
Tipmont REMC

# Capital Credit Retirement



Unclaimed capital credits are capital credits that were returned to Tiptmont because of incorrect contact information for members who have moved away or no longer live on our system.

A real-time list of unclaimed credits is available on our website. Visit [tiptmont.org/unclaimed](http://tiptmont.org/unclaimed) to search for your unclaimed capital credits.

## Tiptmont REMC retired \$740,425 in capital credits to our members in 2016.

When you pay your electric bill each month, Tiptmont uses that money to improve electrical infrastructure and ensure continuity of service. Essentially, you're making a long-term investment to help Tiptmont remain a stable and reliable electric provider.

Because Tiptmont is a cooperative, owned by its members, it does not technically earn profits. Instead, if revenues exceed the cost of doing business (expenses), Tiptmont has earned "margins" (profits). Each year, margins earned are allocated to Tiptmont members based on how much electricity that member purchased during that year. These allocations are called capital credits.

At the end of each year, Tiptmont's board of directors authorize a retirement of capital credits when doing so is in the best interest of Tiptmont's members. In December 2016, Tiptmont's board of directors voted to retire capital credits to Tiptmont members who received service in 1986 and 1987.



**Update your contact information with Tiptmont each time you move to ensure we can return any capital credits you earned during your membership with Tiptmont!**



# System Stats

Kilowatt Hours Sold

**524 MILLION**

from 513 in 2015



Average Cost Per KWH

**11.51 CENTS**

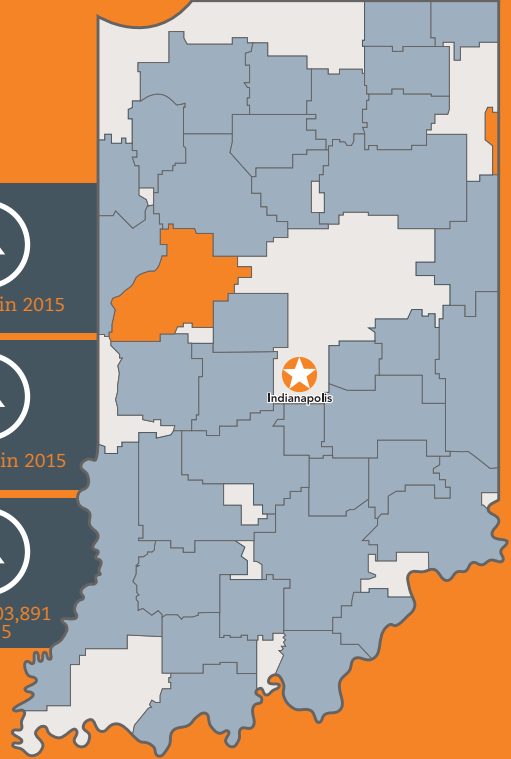
from 11.46 in 2015



Total Margins

**\$2,242,411**

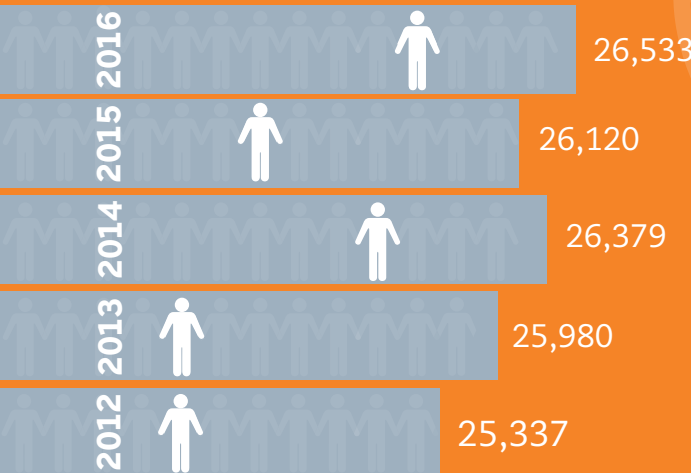
from \$2,003,891 in 2015



Tipmont REMC serves members in 8 counties.

**Tippecanoe, Montgomery, Fountain, Clinton, Carroll, White, Benton, Boone**

Number of Services



As an electric cooperative, Tipmont REMC is governed by a seven-person board of directors who represent its members' best interest when making important decisions.

Being a member of Tipmont's board is an incredibly important position in our community. The board is responsible for governance, rates and service attributes. This position holds much responsibility and requires men and women who understand their community's needs and serve the cooperative members' best interest.

Our board is a democratically elected body nominated by members of Tipmont's service territory and voted into position by members who participate in the cooperative's open election.

Any Tipmont member (in good standing) is welcome to run for an open position on the board. Each director is elected to a three-year term. We hold elections every year at our annual meeting. Candidates are required to receive at least 25 signatures of current Tipmont members and submit his or her election application 85 days prior to the annual meeting.

## 2017 CANDIDATES FOR DIRECTOR



### Brent Bible

DISTRICT 4

*UNOPPOSED*

Brent Bible was born and raised in southern Tippecanoe County, near Stockwell. He graduated as valedictorian of his

McCutcheon High School class in 1992, and then attended Purdue University, earning a B.S. degree in Agricultural Economics in 1998.

In 1995, Brent became a Trooper with the Indiana State Police. During 12 years of active duty, he had numerous opportunities and experiences, including being involved in the planning and coordination of the 2001 Farm Progress Show held south of Lafayette, as well as a multitude of sporting events at the Indianapolis Motor Speedway, and working alongside REMC employees in 2005 during relief efforts on the Gulf Coast in the aftermath of Hurricane Katrina.

His last charge with the Indiana State Police was serving as a Captain in the Commercial Vehicle Enforcement Division, which is charged with truck and bus safety issues in Indiana. At that posting, he had supervisory responsibility for 125 employees and oversaw a \$7 million state and

# Board of Directors

federal budget. As the Department's representative to the Indiana Legislature for commercial vehicle issues, as well as a representative to the Department of Transportation and the international Commercial Vehicle Safety Alliance, Brent had the opportunity to participate in crafting legislation and policy aimed at enhancing safety on our highways as it relates to large truck and bus traffic. In 2007, a previous trauma injury to both lower legs necessitated his taking a medical retirement from the State Police. Since then, he has managed his family's farming operation in southern Tippecanoe and northern Montgomery counties.

Brent's wife, Stacy, was a pharmacist for over 10 years with Arnett Clinic and is currently a pharmacist with the Kroger Company, working at the Payless store on Greenbush Street in Lafayette. Brent and Stacy have a large family of pets and live south of Lafayette near the Tipmont REMC Pop Center Substation. They attend Stockwell United Methodist Church, where Brent serves as Building Committee Chairman. He is also an advisor at the Purdue Chapter of FarmHouse Fraternity.

Brent states, "As energy costs continue to outpace other inflationary factors, it is important that we maintain the structural integrity of our REMC, as this has proven to be a safe, effective, and efficient means of providing for the electrical needs of our community."



DISTRICT 1  
**Kirk Alter**



DISTRICT 2  
**Jan Harlow**



DISTRICT 3  
**Lynn Beck**



DISTRICT 5  
**Larry Carlson**



DISTRICT 6  
**Jerry Peevler**



DISTRICT 7  
**Bob Baker**



“Improving our patients’ access to care and quality of care is our mission. The Operation Round Up grant allowed us to purchase a hyfector, which removes benign and potentially malignant skin lesions. This will help our patients save time since we won’t have to refer to a dermatologist or wait until we can borrow the equipment.

—Kay Nannet

NURSE PRACTITIONER,  
MONTGOMERY COUNTY FREE  
CLINIC

OPERATION ROUND UP GRANT  
RECIPIENT

## Our commitment to the community is one of our founding principles.

### OPERATION ROUND UP®

[tipmont.org/oru](http://tipmont.org/oru)

Through the generosity of Tipmont REMC members who allow their electric bills to be “rounded up” to the next dollar, Operation Round Up awarded **\$41,977.43** to **21 local organizations** in 2016:

Clarks Hill Volunteer Fire Department; Half Way Home, Inc.; Junior Achievement of Greater Lafayette; Lafayette Family YMCA; Central Catholic High School Athletic Association of Lafayette, Inc.; Family Promise of Greater Lafayette, Inc.; Montgomery County Youth Service Bureau; Trinity Horizons, Inc. dba Trinity Mission; Wabash Center; Women’s Resource Center of Montgomery County; Purdue Extension Office Montgomery County; Coal Creek Fire & Rescue, Inc.; Right Steps Child Development Center; Battle Ground Elementary Student Teacher Parent Staff Organization; Blue Star Hoosier Mothers, Indiana Chapter #3, of the Blue Star Mothers of America, Inc.; First Books for Kids/Tippecanoe County Extension Homemakers; Habitat for Humanity of Lafayette, Inc.; Hope Springs Safe House; Montgomery County Free Clinic; North Montgomery High School Robotics Club with Friends of the Carnegie Museum of Montgomery County Inc.; Through the Gate, Inc.

### ENVIROWATTS®

[tipmont.org/envirowatts](http://tipmont.org/envirowatts)

Tipmont REMC members support their communities and the environment by participating in EnviroWatts. Members pay an extra one cent per kilowatt hour on their bill (a maximum of \$5 per month). Through these donations, EnviroWatts awarded **\$55,632** to **7 local organizations** in 2016:

Art Museum of Greater Lafayette; Food Finders Food Bank; Right Steps Children Development Centers; Wabash Center; Tipmont REMC Ivy Tech Scholarship; NICHES Land Trust; Tree Lafayette

# Community Involvement

We empower our future members with youth programs for a variety of ages.

### TOUCHSTONE ENERGY CAMP

[www.tipmont.org/tecamp](http://www.tipmont.org/tecamp)

Each year, Tipmont sponsors sixth-grade students to attend Touchstone Energy Camp at Camp Tecumseh in Brookston, IN.

### 2016 TOUCHSTONE ENERGY CAMP STUDENTS

Adrienne Carlisle - Homeschooled; Brayden Gould - Battle Ground Middle School; Caleb Stevenson - Wainwright; Emily Million - Battle Ground; Hunter Heltzel - Klondike; Jacob Mesaros - Eastern; Jeremy Hampton - Southwestern; Josh Ellington - Homeschooled; Matt Pekarek - Battle Ground; Nathan Garrett - Battle Ground; Olivia Carithers - Wainwright; Seth Carlson - Homeschooled

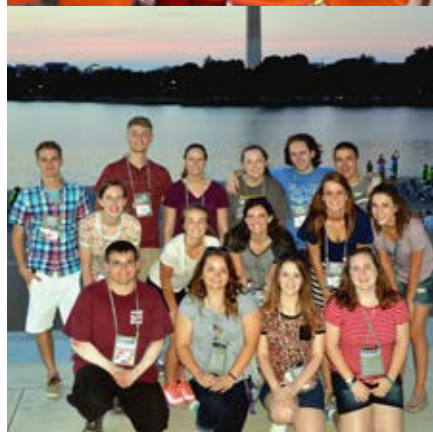
### YOUTH TOUR TO WASHINGTON, D.C.

[www.tipmont.org/youthtour](http://www.tipmont.org/youthtour)

Each summer, Tipmont REMC sponsors a group of students going into their senior year of high school to experience a life-changing educational adventure to Gettysburg and Washington, D.C.

### 2016 YOUTH TOUR STUDENTS

Abby Estes - Fountain Central; Alex Cloud - Fountain Central; Anna Davis - North Montgomery; Brieanna Johnson - McCutcheon; Chase Randle - North Montgomery; Chelsey Hembree - Fountain Central; Elizabeth Crane - Benton Central; Elizabeth Odle - Fountain Central; Kasey Horton - Fountain Central; Kenzie Emrick - North Montgomery; Madison Pinkard - North Montgomery; Mariah Messick - Covington; Rachel Kunkel - Harrison; Stuart Weber - North Montgomery; Tyler Smith - Harrison



# Youth Programs

## LEADERSHIP TEAM

**Ron Holcomb**

CEO

**Corey Willis**

Manager of Business  
Operations

**Doug Martin**

Manager of Finance and  
Administration

**Nicholas Barker**

Apprentice Lineman

**Candice Cornetet**

System Engineer

**Sam Headlee**

Journeyman Lineman

**Chris Blaisdell**

System/Safety Engineer

**Adam Crabb**

Apprentice Lineman

**Judd Heide**

Journeyman Lineman

**Kevin Bonebrake**

Journeyman Lineman/  
Working Foreman

**Natalie Decker**

Member Service Supervisor

**Carl Horoho**

Senior System Engineer

**Lucas Bouwkamp**

Journeyman Lineman/  
Working Foreman

**Patrick Dowell**

Meterman

**Taylor House**

Apprentice Lineman

**Sandy Brook**

Work Order Process  
Specialist

**Rob Ford**

Communication Director

**Curly Jasheway**

Journeyman Lineman

**Garret Foutch**

Journeyman Lineman

**Clayton Jewell**

Systems Analyst

**Brian Brown**

Journeyman Lineman

**Chris Foxworthy**

Apprentice Lineman

**Allen Jones**

IT Supervisor

**Josh Caldwell**

Meterman

**Katty Fulford**

Member Service  
Representative

**Andy Karle**

Journeyman Lineman

**Randy Campbell**

Project Engineer I

**Jason Gates**

Journeyman Lineman

**Duane Keiser**

Journeyman Lineman

**Kevin Carpenter**

Energy Advisor

**AJ Greathouse**

Technical Services  
Supervisor

**Chad Keller**

Operations Supervisor

**Ed Center**

Journeyman Lineman

**Melissa Harwood**

Payroll Administrator

**Tyler Kent**

Apprentice Lineman

**Joshua Chieppo**

Journeyman Lineman

**Hina Khalid**

Accounting Supervisor

# Highmont REMC Employee Roster

**Jeremy Konkle**  
Manager of Engineering

**Jason Monroe**  
Manager of Energy  
Services

**Scot Price**  
Manager of  
Operations

**Joe Kline**  
Senior Project Engineer

**Traci Mountcastle**  
Member Service  
Representative

**Debbie Schavietello**  
Director of Human  
Resources

**Jim Lind**  
Project Engineer III

**Abby O'Neill**  
Project Portfolio Manager

**Eli Smith**  
Journeyman Lineman

**Christopher Loffredo**  
Meterman

**Tolu Omotoso**  
Energy Management  
Engineer

**Travis Smith**  
Journeyman Lineman/  
Working Foreman

**Glenn Logan**  
Senior Project Engineer

**Brittany Palmateer**  
Plant Accountant

**Ty Sullivan**  
Journeyman Lineman

**Matt Lowe**  
Journeyman Lineman/  
Working Foreman

**Bob Palmer**  
Journeyman Lineman

**Eric Summerfield**  
Right of Way Maintenance  
Coordinator

**Jacklyn McLeland**  
Lead Operations Analyst

**Melody Peacock**  
Operations Analyst

**Keely Taylor**  
Accounting Representative

**Jarad McLeland**  
Project Engineer I

**Anita Pike**  
Systems Analyst

**Jeff Wilcox**  
Substation Maintenance  
Technician

**Dana Mesaros**  
Warehouseman

**John Plahitko**  
System Administrator

**Doug Williams**  
Substation Maintenance  
Technician

**Tracey Miller**  
Member Service  
Representative

**Matt Priebe**  
Right of Way Maintenance  
Coordinator

**Nate Winkler**  
Operations Analyst

**Krista Monroe**  
Lead Member Service  
Representative

**Corey Rhine**  
Journeyman Lineman

**Jeff Morrison**  
Journeyman Lineman



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