

**Minutes of Regular Meeting of the
Board of Directors of
Utilities District of Western Indiana R.E.M.C.**

April 27, 2017

The regular meeting of the Board of Directors of the Utilities District of Western Indiana Rural Electric Membership Corporation was held at the office of the Corporation, Bloomfield, Indiana, at 6:30 p.m., on April 27, 2017.

The meeting was called to order by President Ron Thompson followed by the invocation given by Bill Watkins.

The following directors were in attendance:

David Burger	James Jackson	Roger Shake
Todd Carpenter	Jack Norris	William Watkins
	John Royal	Ronald Thompson

Also present were CEO Brian Sparks; Matt Miller, Manager of Finance and Accounting; Shane Smith, Manager of Operations and Engineering; Tracy Smith, Engineering Aide; Keith Burger, IT Administrator; and Executive Assistant, Connie Huffine. Also in attendance were John Coleman, Jeff Ryser, and Harold Bovenschen, members of the cooperative.

President Thompson welcomed guests, new board members David Burger, Todd Carpenter, and John Royal, members of staff, and introductions were made.

Mr. Thompson asked if there were any additions or corrections to the meeting agenda. Hearing none, a motion was made by Bill Watkins to approve, Jack Norris seconded, and the motion carried.

Mr. Thompson called for additions or corrections to the minutes of the March 27, 2017, regular board meeting. Hearing none, a motion was made by Jim Jackson to approve the regular scheduled minutes as written, Roger Shake seconded, and the motion carried.

Mr. Thompson called for additions or corrections to the minutes from the 2017 Annual Meeting of the Members. Hearing none, a motion was made by John Royal to approve, David Burger seconded, and the motion carried.

Mr. Thompson called for additions or corrections to the minutes from the Reorganization Meeting that was held on April 8, 2017, following the Annual Meeting. Hearing none, a motion was made by Jack Norris to approve, Jim Jackson seconded, and the motion carried.

Mr. Thompson then called on Mr. Ryser to address his concerns to the Board. Mr. Ryser's concerns focused around the cooperative's voting procedures and why members vote for candidates outside of their director district, and directors' compensation.

Mr. Harold Bovenschen had no questions but complimented the cooperative and its tree maintenance program for the dependable and reliable service in his area. He also expressed his appreciation for the chainsaw he won at the Annual Meeting.

Mr. Coleman extended an apology for the dissention that has been caused and made an appeal for all concerned to move forward. He discussed transparency practices; Board Policy No. 201.2, Member Attendance at Cooperative Board Meetings; Hoosier Energy's "Time-of-Use" rate; encouraged the use of programmable thermostats by our members; increasing member participation in UDWI's Community Fund program; and posting the cooperative's subsidiary (HHM's) tax returns on UDWI's website.

A discussion was held regarding corporate donations and advertising. Going forward, all requests for donations and advertising will be evaluated on an individual basis by the Board of Directors. Four requests for a donation were considered at the April 27 board meeting. After discussion, a motion was made by Roger Shake to award \$300 each to three of the organizations and consider the fourth request at the next meeting, John Royal seconded, and the motion carried.

After departure of the guests, Attorney Erin Borissov joined the Board via conference call to discuss core duties and responsibilities of an REMC director. Ms. Borissov responded to questions posed by the Board throughout the presentation; discussed Senate Bill 376, REMC Act update which includes electronic notice of a meeting of the corporation's members, and authorizes a corporation to include a provision in its articles of incorporation or its bylaws to allow any votes cast: (A) after notice of a meeting is provided; and (B) before a meeting of its members to count toward specified quorum requirements. The new bill goes into effect after July 1, 2017. The Board also discussed CEO evaluations and how often to update the bylaws.

Following Ms. Borissov's presentation and *Keith Burger's departure, Matt Miller presented the Treasurer's report for the three months ended March 31, 2017. Mr. Carpenter made a request that more detail be included in the Treasurer's report. After discussion, a motion was made by Bill Watkins to accept the report, Jim Jackson seconded, and the motion carried.

Mr. Miller reviewed the cooperative's Statement of Operations for the year ended March 31, 2017; Balance Sheet for the month ended March 31, 2017; Projected Statement of Operations thru December 31, 2017; 1st Quarter Capital Budget; 1st Quarter Operating Budget and Financial Ratios. After discussion, a motion was made by Jack Norris to accept the reports as presented, Bill Watkins seconded, and the motion carried.

Mr. Thompson provided an update on the UDWI REMC Community Fund Income & Expenses Report and asked the Board if they wanted to retain the existing Community Fund Trustees. Hearing no objection, Bill Watkins made a motion to keep the existing Community Fund Trustees, David Burger seconded, and the motion was carried.

A tentative date of April 7, 2018, was discussed to hold next year's annual meeting pending availability of the school. The discussion will be continued at the May board meeting.

Mr. Thompson reported that a voting delegate and alternate needed to be selected to represent the cooperative at CRC's Annual Membership Meeting scheduled for June 12, 2017, in San Antonio, Texas, held in conjunction with CFC's 2017 Forum. A motion was made by David Burger to designate Ron Thompson as the voting delegate and Brian Sparks as alternate voting delegate, Roger Shake seconded, and the motion carried.

* Keith Burger's first name was added to the minutes for clarity as Director David Burger was also present at the meeting.

Mr. Thompson discussed several opportunities that are available for the newly elected directors to earn their Credentialed Cooperative Director certification. Since Indiana Electric Cooperatives (IEC) in Indianapolis offers a program that can be completed by 2019, the new directors chose IEC's training program. The first round of courses will be held in August 2017.

Mr. Sparks advised that a reorganization of the board committees needed to be conducted to replace the vacancies created from the April 8, 2017, election. After a list of the committees were reviewed and discussed, the following ~~new~~ committee members were chosen to fill the vacancies:

<u>Building</u>	Todd Carpenter	Jack Norris	Bill Watkins	
<u>Equipment</u>	Jim Jackson	Ron Thompson	Bill Watkins	
<u>Bylaws & Policy</u>	Jim Jackson	David Burger	John Royal	
<u>Labor and Negotiations</u>	Todd Carpenter	Roger Shake	Bill Watkins	
<u>Redistricting</u>	Full Board			
<u>Solar</u>	Todd Carpenter	Jack Norris	Roger Shake	Ron Thompson
<u>Member Relations</u>	David Burger	John Royal	Roger Shake	

Mr. Sparks noted the receipt of a semiannual interest check from CFC in the amount of \$14,460.99; reviewed the cooperative's March 2017 power bill; reported on net margins for period ended March 2017 from RUS Form 7; and reviewed highlights from the March Marketing & Communications Report. He provided potential dates for upcoming union negotiating meetings; discussed activities to consider including holding a strategic planning retreat possibly this summer; a board tour of various projects in UDWI's service territory; and the need for having a rate study conducted. Mr. Sparks also reported that CFC is offering a Retail Solar Financing Program that member distribution cooperatives can offer to its members.

Appendix A was presented to the Board for approval of a Purchased Power Cost Adjustment Tracking Factor in the amount of \$0.00021 down \$0.00054 from the previous rate. The new rate goes into effect with use beginning April 1, 2017. Roger Shake made a motion to approve, Bill Watkins seconded, and the motion carried. (See Attachment A)

Mr. Sparks presented a resolution authorizing the July 1, 2017 amendment, restatement and continuance of the NRECA sponsored Retirement Security (RS) Plan. A motion was made by Jack Norris to approve the resolution, Jim Jackson seconded, and the motion carried. (See Attachment B)

Shane Smith reviewed the Operations and Engineering Department Monthly Report and noted that the Monthly Vehicle Maintenance and Repairs Report was included in the mailing. He asked the Board for authorization to start putting together the 2018 Construction Work Plan for approval at the May 22, 2017, board meeting, and approval was granted. He discussed a newly proposed "IPT" Industrial Power Service rate that would be available to consumers located on or near UDWI's three-phase lines that are primary metered, with a minimum billing demand of at least 500 kW and 75% load factor, for all types of usage, subject to the established rules and regulations of the Seller. The "IPT" rate schedule will be presented at the

May board meeting for approval. He also brought to the Board's attention a request for UDWI to install poles and lights for an athletic field outside of UDWI's service territory. The Board recommended having the individual contact the electric utility provider for that area.

Mr. Thompson requested approval to replace the director's iPads to due age and battery life. After discussion, a motion was made by Todd Carpenter to approve replacing the iPads, David Burger seconded, and the motion carried.

Mr. Jackson presented a report of the Indiana Electric Cooperatives Board Meeting held April 19, 2017.

Mr. Watkins presented a report of the Hoosier Energy Annual Meeting and Board Meeting that was held April 13 at French Lick Springs Report.

Mr. Thompson presented to the Board for consideration a proposal from the Asphalt Doctor to repair and seal the employee parking lot. The proposal was approved.

The Board convened into Executive Session at 11:28 p.m. Ms. Huffine, Mr. Smith, Mr. Miller, and Ms. Smith, were excused from the meeting.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned.

Roger Shake, Secretary

APPROVED:

Ronald E. Thompson, President