

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

August 28, 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 August 28, 2017.

The meeting was called to order by President Ron Thompson followed by the invocation given by Mike Chapman.

The following directors were in attendance:

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

Also present were Dan Arnold, interim CEO; Mike Chapman, Manager of Human Resources/Compliance; Shane Smith, Manager of Operations and Engineering; Matt Miller, Manager of Finance and Accounting; Executive Assistant, Connie Huffine; Bill Baize, Michael Nail and Dennis Cullison, UDWI employees. Also in attendance were Amanda Craft, Dax Collins, Jeffery Riser, and Scott Sargent, members of the cooperative; Robert Goss, Darin Greggs, Melinda Hendrix and Mike Rogers, Hoosier Heritage Management (HHM); and Patti Danner, Greene County Daily World.

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

Mr. Thompson called for additions or corrections to the minutes of the July 24, 2017, regular board meeting. Hearing none, a motion was made by Roger Shake to approve the minutes as written, John Royal seconded, and the motion carried unanimously.

President Thompson welcomed members of the cooperative, news media, staff, Board of Directors; and members of HHM, and introductions were made.

Mr. Mike Rogers, President and CEO of HHM, introduced Robert Goss, General Foreman; Melinda Hendrix, HHM's Secretary/Treasurer; and Darin Greggs, CPA for HHM.

Mr. Rogers then provided the history and philosophy of HHM. He emphasized that their employees speak with every homeowner and member to get permission before cutting or spraying, and that HHM's sole purpose is to serve the utility. Mr. Goss provided an update on HHM's work from April 2013–June 2017 and presented before and after slides of the various areas they have cleared. Mr. Greggs spoke about HHM's early beginnings, investment in equipment, and the expansion of employees and equipment since inception of the business.

Following HHM's presentation, Mr. Thompson called on each member to voice any questions or concerns they would like addressed. He explained that questions would not be answered during the meeting but answers to questions of general interest will be posted to the cooperative's web site. Topics raised included:

- Any intention to utilize property that UDWI purchased across the highway
- Does UDWI have someone put a “Stamp of Approval” on its accounting firm
- UDWI’s accumulated legal costs since the beginning of the year and cost to members

Matt Miller presented the Treasurer’s report for the seven months ended July 31, 2017. After discussion, a motion was made by Bill Watkins to accept the Treasurer’s report as presented, Jim Jackson seconded, and the motion carried unanimously.

Mr. Miller reviewed the Statement of Operations for the seven months ended July 31, 2017 and Balance Sheet for July 2017. After discussion, a motion was made by Jack Norris to accept the reports as presented, David Burger seconded, and the motion carried unanimously.

The Board discussed the patronage capital distribution of \$438,677.57 that the cooperative received last January from Hoosier Energy and redistributing to those who were UDWI members in 2016. The distributions would either be in the form of a bill credit and appear on the October billing or by check for those who are no longer members. Furthermore, each member’s distribution would be based on the dollar amount of electricity they purchased in 2016. After discussion, a motion was made by David Burger to redistribute the patronage credit in October 2017 to those who were members in 2016, Jack Norris seconded, and the motion was carried unanimously.

Mr. Arnold led a discussion regarding the retirement and distribution this November of patronage credits that were allocated for the years 1959 through 1960 to UDWI members. After discussion, a motion was made by Bill Watkins to approve the retirement and distribution of the patronage credits, Jack Norris seconded, and the motion was carried unanimously.

Mr. Thompson noted that the UDWI REMC Community Fund Income & Expenses report was included in the mailing and that as of August 23, 2017, member participation was close to fifty percent.

Mr. Shake reported that White River Valley High School gymnasium is available on April 14, 2018, for UDWI’s Annual Meeting. A motion was made by Todd Carpenter to hold the annual meeting on April 14, 2018, at White River Valley High School gymnasium, David Burger seconded, and the motion carried unanimously.

Mr. Arnold reported that he and Mike Chapman will meet with Hoosier Energy’s Human Resource personnel on September 6 to discuss UDWI putting in place a wage and salary plan. Adoption of the plan will be an agenda item for the September 25, 2017, board meeting.

Mr. Arnold provided an update on UDWI’s Member Survey that was recently conducted that gave the members the opportunity to select and rank the traits they believed were essential qualities of a CEO. The top three rankings were:

- A career in managing a public utility 43%
- Business and financial experience 36%
- Managing effectively 30%

Mr. Arnold also provided a brief update on UDWI’s CEO search noting that candidates as far away as Canada and as close as Linton have applied.

Mr. Smith provided highlights from the Operations and Engineering Department Monthly Report including the Monthly Outage Report; August 2017 Contractor Work Inspections; July's Monthly Vehicle Maintenance & Repairs Report; and minutes from the August 10, 2017 In-House Safety Meeting noting that as of July 29, 2017, 75,881 hours have been worked without a lost time accident. He also provided an update on the Construction Work Plan noting that bid requests have been submitted to ten qualified contractors. Bids will be opened on September 20th and presented for approval at the September 25th board meeting.

Mr. Smith continued his discussion from last month's board meeting regarding the need to replace aged copperweld wire throughout UDWI's service territory. A team comprised of UDWI employees Bill Baize, Jordan Clark, Jared Pyne, Shane Smith, and Johnathan Sutton has been formed to evaluate and rank the wire that is most critical. The selection criteria will be based on four areas:

- Number of members affected during an outage event
- Condition of wire
- Right of way issues
- Load factor based on wire size

Mr. Smith concluded that he will report back with costs at the next board meeting.

Mr. Thompson advised the Board that a motion needed to be made to remove Mr. Brian Sparks from Hoosier Heritage Management (HHM) board of directors. A motion was made by Bill Watkins to remove Mr. Sparks from HHM's board of directors, Roger Shake seconded, and the motion carried unanimously.

Mr. Thompson advised that a motion was needed to nominate a director to fill the seat on HHM's board of directors. Jim Jackson made a motion to nominate David Burger, Roger Shake seconded, and the motion carried unanimously.

Mr. Arnold noted that the July Marketing & Communications Report and Office Services Report were included in the mailing and advised that both reports contain good information to review.

A proposed revision to Board Policy No. 200.2, *Board of Directors and Officers Code of Ethics*, to replace the word "Director" with "Official" in Section II(G) was presented for consideration and approval. A motion was made by John Royal to approve, Jack Norris seconded, and the motion carried unanimously. (See Attachment A)

A proposed revision to Board Policy No. 301.0, *Accounting Records*, was presented for consideration and approval to include language that the Board Treasurer will review credit card receipts twice annually, followed with a report to the full Board of Directors. A motion was made by Roger Shake to approve, David Burger seconded, and the motion unanimously carried. (See Attachment B)

Board Policy No. 302.0, *Audit of Records*, was presented to the Board for review. Mr. Arnold suggested that the policy include verbiage to establish an audit committee as recommended in Phase II of the Controls Audit. Board Policy No. 303.0, *Budget*, was presented to the Board for review. Mr. Arnold advised to include verbiage to establish a budget committee. The Board agreed to table both policies for additional information and resubmit at the September board meeting.

Mr. Arnold presented a new proposed Board Policy No. 702.1, *Anti-Nepotism*, for consideration and approval. After discussion, a motion was made by Jim Jackson to approve the policy as presented, Bill Watkins seconded, and the motion carried by a vote of 7 in favor and 1 opposed. (See Attachment C)

Mr. Arnold presented a new proposed Board Policy No. 721.0, *Whistle Blower Policy*, that was recommended to be established in Phase II of the Controls Audit. After discussion, a motion was made by David Burger to approve the policy as presented, Bill Watkins seconded, and the motion carried unanimously. (See Attachment D)

At 9:35 p.m., Mr. Thompson called for a short recess before entering into Executive Session. Matt Miller and all remaining guests departed the meeting at that time.

The Board convened into Executive Session at approximately 9:50 p.m.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned at 10:40 p.m.

Roger Shake, Secretary

APPROVED:

Ronald E. Thompson, President