

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

January 23, 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 6:40 p.m. on January 23, 2017.

The meeting was called to order by President Jim Weimer who also gave the invocation.

The following Directors reported present:

James A. Jackson	Jack Norris	Ronald E. Thompson
Jack Knust	Roger Shake	William K. Watkins
	David L. Stone	James S. Weimer

Also present were CEO Brian Sparks; Executive Assistant Connie Huffine; Shane Smith, Manager of Operations and Engineering, Mike Chapman, Manager of Human Resources, and guests Scott Carmichael and John Coleman.

Prior to the board meeting, Steve Smith, President and CEO of Hoosier Energy presented UDWI with a patronage capital distribution check and reflected on Hoosier Energy's 2016 achievements.

President Weimer asked if there were any additions or corrections to the meeting agenda. Hearing none, a motion was made by Jack Knust to approve, Jack Norris seconded, and the motion carried.

Mr. Weimer called for additions or corrections to the minutes of the December 22, 2016, regular board meeting. Hearing none, a motion was made by Bill Watkins to approve the minutes as written, Ron Thompson seconded, and the motion carried.

Mr. Weimer welcomed and introduced Scott Carmichael and John Coleman, members of Utilities District of Western Indiana. The Board, Mr. Sparks, Mr. Chapman and Mr. Smith responded to questions and suggestions from the gentlemen regarding corporate contributions, procedures on setting alternative energy billing rates, alternative energy resources for the members, the new building project that has been indefinitely put on hold, board compensation, putting more information on UDWI's website including data from UDWI's new solar system, detailed information on UDWI's billing rates, and publishing Indiana Electric Cooperatives Comparative Cooperative Billing Survey on the website.

Following Mr. Coleman's and Mr. Carmichael's departure, the Board reviewed and discussed the concerns and suggestions brought forth by the guests and specifically the request to post the July 2016 Indiana Electric Cooperatives Comparative Cooperative Billing Survey to UDWI's website. The board decided to consult with the company attorney regarding the appropriateness of publishing or posting the July 2016 IEC Comparative Cooperative Billing Survey which provides the impetus for our coop initiating a number of cost cutting measures among which are maintaining a present rate and implementing a \$1.3 million dollar tracker decrease.

Shane Smith presented a Decision Analysis Worksheet to the Board to assist with the selection of two primary bid contractors and one alternate for UDWI's underground utility work. The bidder was chosen utilizing a blind bid weighted scoring system. Following the bid process, a motion was made by Ron Thompson to accept Contractors O and Y as the primary underground contractors and Contractor C as alternate, Roger Shake seconded, and the motion carried.

Bill Watkins presented the Treasurer's report for the twelve months ended December 31, 2016. A motion to accept the report was made by Ron Thompson, Jim Jackson seconded, and the motion carried.

Jim Weimer provided the Community Fund report and commented about ways of increasing participation in the program that were discussed at the December meeting. He noted that the February board meeting will be held on February 23, and briefly discussed the upcoming NRECA Annual Meeting that will be held next month.

The Board drew names for the Give Us an "A" program. Ross Adams, Loogootee Middle School; Travis Figg, Linton-Stockton Middle School; Dylan Phipps, Purdue University; and Rylan Sullivan, Eastern Greene Middle School will each receive a \$50 gift card. Jaden Ingram, Bloomfield Elementary, will receive a \$100 gift card.

CEO Sparks reported that a qualified petition to nominate a candidate for director from Board District 1 had been received. The election will be held on April 8, 2017, during the business session of the Annual Meeting of the Members. The Board of Directors will appoint an Election Committee to count the ballots. Members will also be appointed to assist the Election Committee with collecting and counting ballots.

Mr. Weimer advised that a nominee to serve on Hoosier Energy's Board of Directors and a voting delegate to represent the cooperative at Hoosier Energy's annual meeting needed to be selected. A motion was made by Ron Thompson to appoint Jim Weimer to serve on Hoosier Energy's Board of Directors and Jack Knust as voting delegate, Jim Jackson seconded, and the motion carried.

In Round Table discussion, Mr. Sparks reviewed the cooperative's December power bill and reported on the following article from *The Kiplinger Letter*: President Trump's administration will be friendlier to coal. His first order of business: Nixing certain executive orders put in place by President Obama that were meant to cut pollution, limit industrial activity and promote renewable energy. Some of President Obama's policies that are likely to be killed include: The ban on new coal mining permits on land owned by the U.S. government and the future cost of carbon dioxide emissions that President Obama instructed federal agencies to assume when tallying up the costs and benefits of new rules. Assigning a cost to carbon emissions makes any regulations that curb emissions look cheaper and easier to justify on economic grounds.

Appendix A was presented to the Board for approval of a Purchased Power Cost Adjustment Tracking Factor in the amount of \$0.00075 per kWh – down \$0.00005 from the previous tracker. The new rate goes into effect with use beginning January 1, 2017. Roger Shake made a motion to approve, Bill Watkins seconded, and the motion carried. (See Attachment A)

Mr. Sparks presented a new proposed Residential Time of Use Service Rate (Rate 350) to the Board. Service under this schedule is limited to all single-phase farm and home use. A member may only begin taking service under this schedule on June 1 or December 1 and must remain on this rate for a maximum of six months before the member may elect to take service under a different rate. After discussion, Mr. Weimer entertained a motion to approve the Time of Use Service Rate (Rate 350). Ron Thompson made a motion to approve Rate 350 as presented, David Stone seconded, and the motion carried. (See Attachment B)

Mr. Sparks reviewed the Operations and Engineering Department Monthly Report, minutes from the January 17, 2017, In-House Safety Meeting noting that as of December 31, 2016, 15,502 hours have been worked without a lost time accident; and the December Marketing & Communications Report.

Board Policy No. 200.2, Board of Directors and Officers Code of Ethics was presented to the board for review and no changes were proposed. A new proposed Board Policy No. 208.0, 401(k) Investment Committee was presented for acceptance and approval. After discussion, a motion was made by Bill Watkins to approve the policy as presented, Jack Norris seconded, and the motion carried. (See Attachment C)

Mr. Weimer presented a report of the Hoosier Energy Board Meeting held January 16, 2017.

There being no further business, the meeting was adjourned at 10:10 p.m.

Roger Shake, Secretary

APPROVED:

James S. Weimer, President