

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

June 27, 2016

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 June 27, 2016.

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

The following directors were in attendance:

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

Also present were CEO Brian Sparks and Executive Assistant Connie Huffine.

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 May 23, 2016, regular board meeting. Hearing none, a motion was made by Jim Jackson that the minutes be accepted as written, Bill Watkins seconded, and the motion carried.

Mr. Weimer called for additions or corrections to the minutes of the May 23, 2016, executive session. Hearing none, a motion was made by Jack Norris to accept the minutes as written, Jack Knust seconded, and the motion carried.

Bill Watkins presented the Treasurer's report for the five months ended May 31, 2016. A motion to accept the report was made by Ron Thompson, David Stone seconded, and the motion carried.

CEO Sparks reviewed the cooperative's Statement of Operations for the five months ended May 31, 2016; Balance Sheet for May 31, 2016; and Projected Statement of Operations thru December 31, 2016. After discussion, a motion was made by Roger Shake to accept the reports as presented, Bill Watkins seconded, and the motion carried.

Mr. Weimer noted that the Community Fund Income and Expenses report was included in the board mailing; reported that 16 applicants out of 18 were selected to receive a grant at the June 25 Community Fund meeting; and discussed a proposal to reduce the amount that is to be maintained within the Fund at all times. Mr. Sparks will speak with the financial advisor of the Fund and report the findings at the July board meeting. He also reported that the director scholarship committee met on June 23 and selected a recipient from each of the eight director districts and one recipient for the Manager's Scholarship. The scholarship reception will be held July 25 prior to the regular scheduled board meeting.

The Board discussed NRECA's Regional Meeting scheduled for September 7–9 in Grand Rapids, Michigan. Mr. Weimer advised that a voting delegate and alternate needed to be selected to represent the cooperative at the NRECA and CFC Annual meetings. A motion was made by Jack Norris to nominate Bill Watkins to serve as delegate and Jim Jackson as alternate to the NRECA Annual meeting; and nominate Jack Norris to serve as delegate and Jack Knust as alternate at the CFC Annual meeting, Jack Knust seconded, and the motion carried.

Mr. Weimer presented a proposal to donate \$1,000 to each of the county 4-H organizations where UDWI had traditionally been participating in their livestock auctions. After considerable discussion, a motion was made by Jack Norris to accept the proposal as presented, Roger Shake seconded, and the motion carried by a vote of 6 to 2.

Mr. Sparks reported that Jim Matheson, former Utah Congressman, has been appointed NRECA's new CEO. Matheson will begin his new role in July. He reviewed the cooperative's May 2016 power bill; reported on the cooperative's net margins for period ended May 2016 and reviewed forecasts from *The Kiplinger Letter* that included driverless cars. Legislation likely will pass in California to test on public roads, vehicles without steering wheels or human occupants. Other states getting ready to allow further road tests are Michigan, Florida, Nevada and Tennessee with more sure to follow. ~ Solar systems for homes and businesses will come paired with batteries and store that energy for later use especially as state utility regulators stop forcing utilities to buy excess solar energy from system owners at generous prices. ~ There is a growing risk for cyberattacks with the surging use of fitness tracker electronic bracelets. The sensor-packed bracelets have created a ripe new target for hackers. Experts say many devices lack adequate security to protect personal health information.

Appendix A was presented to the Board for approval of a Purchased Power Cost Adjustment Tracking Factor in the amount of \$0.006761 per kWh—down \$0.000168 from the previous month. The new rate goes into effect with use beginning June 1, 2016. Roger Shake made a motion to approve, Bill Watkins seconded, and the motion carried. (See Attachment A)

Mr. Sparks reviewed the Operations and Engineering Department monthly report; minutes from the May 16, 2016, In-House Safety Meeting noting that as of May 31, 2016, 216,250 hours have been worked without a lost-time accident; and the Monthly Vehicle Maintenance and Repairs Report.

Mr. Sparks reviewed the Marketing & Communications Report for the month of May. He reported that IEC's Community Day will be coming up this October and asked the Board for suggestions on projects UDWI could do for communities in our service territory. After discussion, the Board agreed upon cleaning up neglected cemetery grounds.

Mr. Sparks discussed the current water heater program and asked the Board if they wanted to continue providing this service to the members. He explained that in many instances, water heaters can be purchased at retail stores at a lower cost than UDWI, plus UDWI could use the garage space where the water heaters are being housed. A suggestion was made to discontinue the current water heater program and issue vouchers to enable members to purchase a water heater at any participating retail store. At the request of the Board, Mr. Sparks will talk with some local retailers to see if they would be willing to accept the vouchers.

Mr. Sparks spoke briefly regarding UDWI's *We Heard You Again* campaign and noted that future campaign articles will be retitled *Moving Forward*.

Proposed revisions to Board Policy No. 505.0, Utility Easements, was presented to the Board for consideration and approval. After discussion, Mr. Weimer entertained a motion to accept the policy as presented, a motion was made by Roger Shake to accept, David Stone seconded, and the motion carried. (See Attachment B) Mr. Weimer than requested that it be noted in the minutes that Board Policy No. 200.1, Board of Directors Training and Development and Board Policy No. 201.0, Board of Directors Meetings were reviewed with no proposed changes.

Mr. Jackson presented a report of the Indiana Electric Cooperatives board meeting held June 15, 2016.

The Board retired into Executive Session at 9:04 p.m. to discuss director's compensation, conduct a performance evaluation of the CEO, and discuss the CEO's compensation. Mr. Sparks and Ms. Huffine were excused during a portion of the meeting.

Upon reconvening to regular session, a motion was made by Jack Norris and seconded by Jim Jackson to increase the CEO's compensation in recognition of his efforts and dedication to the cooperative and its members during the past year. The increase becomes effective June 27, 2016.

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

Roger Shake, Secretary

APPROVED:

James S. Weimer, President