

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

March 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 6:15 p.m., on March 27, 2017.

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 L. Stone	James S. Weimer

Also present were CEO Brian Sparks; Matt Miller, Manager of Finance and Accounting; Mike Chapman, Manager of HR/Compliance; Executive Assistant, Connie Huffine; and Joe Boesing, CPA Monroe Shine.

Mr. Weimer welcomed everyone to the meeting and called on Joe Boesing who presented the independent auditor's report in which he rendered an unqualified opinion of the financial statements of Utilities District of Western Indiana REMC and wholly owned Subsidiary, Hoosier Heritage Management, Inc., for the year ended December 31, 2016. A motion was made by Bill Watkins to accept the audit report, Ron Thompson seconded, and the motion carried.

The Board convened into Executive Session at 7:25 p.m. to meet with the auditor.

Upon reconvening to regular session at 7:45 p.m., Mr. Weimer presented an audit engagement letter from Monroe Shine & Co., Inc. to perform the 2017 audit of the financial statements for Utilities District of Western Indiana REMC and Subsidiary, Hoosier Heritage, Inc. A motion was made by Ron Thompson to accept the audit proposal for both entities, Jack Knust seconded, and the motion carried.

President Weimer 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. Weimer called for additions or corrections to the minutes of the February 23, 2017, regular board meeting and February 23, 2017 Executive Session. Hearing none, a motion was made by David Stone to approve both the regular scheduled minutes and Executive Session minutes as written, Jack Norris seconded, and the motion carried.

Bill Watkins presented the Treasurer's report for the two months ended February 28, 2017. A motion was made by Jim Jackson to accept the report as presented, Roger Shake seconded, and the motion carried.

The Board convened into Executive Session at 8:00 p.m.

Upon reconvening to regular session at 9:30 p.m., CEO Sparks reviewed the cooperative's Statement of Operations for the two months' ended February 28, 2017; Balance Sheets for January 31 and February 28, 2017; and Projected Statement of Operations thru December 31, 2017. A motion was made by Jack Norris to accept the reports as presented, Ron Thompson seconded, and the motion carried.

Mr. Weimer provided an update on the UDWI REMC Community Fund meeting that was held March 25, 2017. Twelve grants were awarded out of 14 requests. A total of \$15,600 was disbursed. The next meeting will be held on June 24, 2017.

Jim Jackson, voting delegate representing the cooperative at NRECA's Annual Meeting last month, provided a report on the amendments to the resolutions that were voted upon. Several positive comments regarding the meeting content and presentations were expressed by the attendees.

A brief discussion took place regarding UDWI's upcoming Annual Meeting and Hoosier Energy's Annual Meeting that will be held on April 13 at French Lick Springs Resort.

Due to a scheduling conflict, a motion was made by Jim Jackson to change the regularly scheduled April 2017 board meeting from Monday, April 24 to Thursday, April 27, 2017, David Stone seconded, and the motion carried.

In Round-Table discussion, Mr. Sparks provided an update on the cooperative's meter change-out project to 2nd generation AML meters; reviewed the cooperative's February power bill and net margins for period ended February 2017 from RUS Form 7; and reported on the following articles from *The Kiplinger Letter*. U.S. start-ups are making headway on next generation nuclear reactors. New designs are smaller, cheaper and safer than the current crop of reactors. A rebirth of the nuclear industry promises a big infusion of new jobs ~ College graduates earning the highest starting salaries this year will be those earning engineering, computer science, and math degrees. Salaries for humanities grads are also on the rise. ~ Employers will have to get creative to nab the best employees. One strategy that is catching on: Offering more telecommuting, flexible hours or extra time off are options that have particular appeal for younger folks. Emphasizing opportunities for career advancement or continuing education can also help attract applicants. Nationwide, expect wages to rise by 2.9% this year. Some industries are in for bigger increases, even low-wage sectors such as retail and food service.

Mr. Sparks presented three proposals for board consideration. He reported that a member recently asked him if the cooperative could implement a low-income, senior member discount program that would lower the facility's charge for seniors who qualify for the deduction. If approved, he would like to include the program in next year's budget. He discussed implementing a Member Advisory Council. The council would give members the opportunity to voice their concerns, make recommendations to the Board, and provide feedback from other members of the cooperative. If approved, a member from each district would be appointed to serve. He also presented a proposal for Board consideration to lower the employee's retirement age from 65 to 62 and provide their health insurance up to age 65. Additional information on costs to the cooperative will be provided at a future meeting.

Mr. Sparks informed the Board that the cooperative's key management staff has volunteered to forego an increase in salary for 2017, and that the outside union employees and hourly employees are willing to decline a pay raise this year as well to help lower operating expenses.

Mr. Sparks reported that it is in the works to move the cooperative's monthly board minutes from UDWI's general website to the members' bill pay portal accessible by entering the member's account number and password.

Mr. Sparks reviewed the Operations and Engineering Department monthly report; Monthly Vehicle Maintenance and Repairs report; minutes from the March 7, 2017 In-House Safety Meeting noting that 32,310 hours have been worked without a lost time accident; and the January and February Marketing & Communications Report.

Board Policy No. 106.1, Electric Service Metering and Board Policy No. 309.0, Capitalization Costs were reviewed by the Board and no changes were proposed. Proposed revisions to Board Policy No. 106.0, Prepaid Electric Service, Section III., Procedure, were presented for consideration and approval. A motion was made by David Stone to approve the revisions, Jack Knust seconded, and the motion carried. (See Attachment A)

The Board convened into Executive Session at 10:20 p.m. CEO Sparks and Connie Huffine were excused from the meeting.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned at 10:35 p.m.

Roger Shake, Secretary

APPROVED:

Ronald E. Thompson, President