

**Minutes of Regular Meeting of the
Board of Directors of
Utilities District of Western Indiana REMC**

March 26, 2018

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 March 26, 2018.

The meeting was called to order by President Ron Thompson followed by the invocation given by Todd Carpenter.

The following Directors were in attendance:

Ronald Thompson
James Jackson

William Watkins
Todd Carpenter

Roger Shake
David Burger

Absent: John Royal

Attendees:

Members of Management: Doug Childs (CEO), Kim Todd, Shane Smith & Michael Sullivan

Staff: Amanda Graves

Other: Amanda Craft & Joe Boesing

Members/Media: Scott Sargent, Bill Baize, Jeff Ryser, Dax Collins, Kristen Inman (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 Bill Watkins to approve, Roger Shake seconded, all approved, and the motion carried.

Mr. Thompson called for any additions or corrections to the minutes of the February 19, 2018 regular board meeting. Hearing none, a motion was made by Roger Shake to approve the minutes as written, Todd Carpenter seconded, all approved, and the motion carried.

Doug Childs reviewed, and answered, member questions submitted prior to the board meeting as follows:

1. Exactly how many members do we have? *15,282*
2. Are the bylaws on the UDWI webpage current and accurate? *Yes*
3. Is Article 4, Section 4 specifically correct on the website? *Yes*
4. I was told the answers to my previous questions to the board would be posted on the website, but none have, why is that? *There are no answers posted since OCTOBER! Because the member's questions have been answered directly at the monthly meetings.*

Specifically, why can't meetings be recorded if they are advertised as public? All members have a right to hear what is said whether they can attend or not. We have open meetings where we invite member input and questions. The following day, we put a detailed report out on the website to inform our members of what action the board has taken. Furthermore, the press is invited to all monthly meetings.

5. What measures are the board taking to find out if other employees have been involved or had knowledge of the mismanagement of UDWI funds in the past? *The Audit from*

last year included a number of recommendations aimed at strengthening board oversight over the management of UDWI funds and can be found on the website. The UDWI Board is committed to implementing the recommendations and has already taken many steps needed to do so.

- a. *Created an Audit Committee to review CEO, Board, and Consultant expenses and other financial matters*
 - b. *Created a Budget Committee to ensure closer oversight of the budgeting process*
 - c. *Reviewing and revising the coop's policy regarding access to coop bank accounts*
 - d. *Revising the process for employees to submit business expense reimbursement requests*
6. Does the board have any legal responsibility for lack of oversight for past misappropriations of UDWI funds? *UDWI does not comment on any legal matter.*
 7. What does a member need to do to obtain a copy of the normal yearly audit? *The audit is on the agenda for tonight. A copy will be posted on our website tomorrow.*
 8. How many employees does REMC currently employ? *48*
 9. What kind of retirement does REMC offer? *NRECA Defined Benefits Plan*

Joe Boesing, CPA/ABV, CVA with Monroe Shine gave an overview of the audit (Independent Auditor's Report) to the board. The audit had previously been submitted to the Audit Committee for review and approval at their meeting on March 22, 2018. Mr. Boesing commented it is a clear and compliant audit report free of any material and misstatements.

Michael Sullivan, Acting CFO, presented the Financial Report. He reports that employee benefits are down due to not contributing to the employee 401K. Consumer accounts are also down due to the rebate program being cut back. Operating margins are up by over \$200,000 due to the colder months, as well as budget cuts. No questions by the board upon reviewing the Statement of Operations for January and February 2018 as well as the Balance Sheets for January and February 2018. A motion was made to approve the Treasurer's Report by David Burger, Bill Watkins seconded, all approved, and the motion carried.

Mr. Sullivan presented board resolutions for CFC e-pay and Amendment of Retirement Security Plan. A motion was made by Roger Shake to approve, Todd Carpenter seconded, all approved, and the motion carried.

Kim Todd, Manager of Member Services, gave an annual meeting update. Voting statistics thus far through today are 1,933 via mail and 343 online – totaling 2,276 (approximately 15%). The agenda for the Annual Meeting will be listed on the website soon.

Shane Smith, Manager of Operations and Engineering, reported on meeting with contractors about the possibility of adding a 2nd shift crew. The idea was also presented to the union. Mr. Smith explained the objective is to improve member's reliability.

Mr. Smith requests to alter the Capital budget by reducing the number of standard meters from 400 to 200. This will clear \$32,500 to be used to buy testing equipment for 3-phase meters. A motion was made by Todd Carpenter to approve, Bill Watkins seconded, all approved, and the motion carried.

Doug Childs, CEO, gave the Manager's Report. The board brought forth three names to include on the Election Committee to include Jim Hubbell, Evelyn Robbins, and Dave Bailey.

Roger Shake made a motion contingent upon their agreement to be on the committee, Bill Watkins seconded, all approved, and the motion carried.

Mr. Childs gave an update on the Company's subsidiary, Hoosier Heritage Management (HHM). He reports that with all the cold and wet weather it has caused our tree trimming to be behind schedule. There is a meeting coming up in which Mr. Childs and David Burger will have more to report on at that time. They will also follow up regarding missing equipment that was reported on the financial statement.

Mr. Childs presented a PowerPoint titled The State of UDWI which included the progress made during the past several months by management and the Board of Directors as well as the challenges that lie ahead for the cooperative. The PowerPoint will be available on the website after the meeting.

Mr. Childs went through the minutes from the Audit Committee meeting from March 22, 2018 at the request of Todd Carpenter, Chair of the committee.

Mr. Thompson spoke about the Community Fund meeting held this morning. He made the board aware that committee member Jack Knust is resigning his position and a new member will need to be appointed by the board in the coming months.

Hoosier Energy's annual meeting on April 5th was briefly discussed and determined that Doug Childs, Bill Watkins, and James Jackson have been registered to attend.

At 8:20 p.m. the Board convened into Executive Session. All guests and staff, except CEO Childs, departed the meeting at that time.

There being no further business to come before the meeting, Mr. Thompson adjourned the meeting at approximately 9:50 p.m.

Sophie Haywood, Secretary

APPROVED:

Mike Williams, President