

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

May 23, 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 May 23, 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	David Stone	William K. Watkins
		James S. Weimer

Absent: Roger Shake

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 April 25, 2016, regular board meeting. Hearing none, a motion was made by Bill Watkins that the minutes be accepted as written, David Stone seconded, and the motion carried.

Bill Watkins presented the Treasurer's report for the four months ended April 30, 2016. A motion to accept the report was made by Ron Thompson, Jack Norris seconded, and the motion carried.

CEO Sparks reviewed the cooperative's Statement of Operations for the four months ended April 30, 2016; Balance Sheet for April 30, 2016; and Projected Statement of Operations thru December 31, 2016. After discussion, a motion was made by Jim Jackson to accept the reports as presented, Jack Knust seconded, and the motion carried.

Mr. Weimer noted that the Community Fund Income and Expenses report was included in the board mailing; and revisited a discussion from last month's meeting regarding a Member Advisory Council. He stated that any member issues that come to management and not satisfactory resolved to all concerned will be addressed by the Member Relations Committee.

In Round Table discussion, Mr. Sparks reviewed the cooperative's April 2016 power bill; reported on the cooperative's net margins for period ended April 2016, and reviewed forecasts from *The Kiplinger Letter* that included a growing reliance on telemedicine. By 2018, about 90% of employers will offer electronic visits with health professionals. ~ After this year's presidential election, odds are that Obamacare's hefty excise tax for high-cost plans will be killed no matter who becomes president. ~ Despite grim headlines about falling demand for coal and mining firms going bankrupt, 2017 should mark a small rebound for King Coal although days of coal as the predominant fuel for power generation are gone for good.

Mr. Sparks advised that due to the members' unclaimed capital credits, our attorney has suggested amending *Article XI - Section 4. Unclaimed Fund of Members* of the cooperative's bylaws. The amendment would entail removing "for distribution" in order to avoid misinterpretation as to when the unclaimed capital credits must be distributed. After discussion, a motion was made by Bill Watkins to strike the phrase "for distribution" from the bylaws, Jack Norris seconded, and the motion carried.

Mr. Sparks advised that *Article I, Section 10* of the cooperative's bylaws pertaining to members granting right-of-way easements needed to be revised. The revisions, as recommended by UDWI's attorney, would include language to broaden the scope of permitted activities, services, and facilities including 3rd party pole attachments for video, internet, and data service and allow UDWI to construct and operate telecom facilities, data, video, and internet service. After discussion, a motion was made by Jim Jackson to revise Article I, Section 10 of the bylaws to be consistent with the language recommended by the attorney, David Stone seconded, and the motion carried.

Appendix A was presented to the Board for approval of a Purchased Power Cost Adjustment Tracking Factor in the amount of \$0.006929 per kWh—down \$0.002166 from the previous month. The new rate goes into effect with use beginning May 1, 2016. Ron Thompson 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 207,044 hours have been worked without a lost-time accident; Monthly Vehicle Maintenance and Repairs Report; and April's Marketing and Communications Report.

The Board revisited and discussed proposed revisions to Board Policy No. 200.0, Board of Directors Duties and Qualifications, and a new proposed Board Policy No. 200.2, Board of Directors and Officers Code of Ethics, that were tabled at last month's meeting pending further clarification. After discussion, Mr. Weimer asked if there were any questions pertaining to either of the policies. Hearing none, a motion was made by David Stone that Board Policy Nos. 200.0 and 200.2 be approved as presented, Ron Thompson seconded, and the motion carried. (See Attachments B and C)

Mr. Weimer distributed Appendix A, Conflict of Interest Certification and Disclosure Forms, for the CEO and each board member to complete and sign in accordance with Board Policy No. 200.2, Board of Directors and Officers Code of Ethics.

Mr. Weimer called for an executive session at 7:48 p.m. CEO Sparks and Ms. Huffine were excused during the last portion of the meeting.

Upon reconvening to regular session and with no further business to come before the meeting, on motion duly made, the meeting was adjourned at 10:10 p.m.

Roger Shake, Secretary

APPROVED:

James S. Weimer, President