

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

May 22, 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 6:30 p.m., on May 22, 2017.

The meeting was called to order by President Ron Thompson followed by the invocation given by Mike Chapman.

The following directors were in attendance:

David Burger	James Jackson	Roger Shake
Todd Carpenter	Jack Norris	Ronald Thompson
	John Royal	William Watkins

Also present were Mike Chapman, Manager of Human Resources/Compliance; Shane Smith, Manager of Operations and Engineering; Matt Miller, Manager of Finance and Accounting; Executive Assistant, Connie Huffine; and John Coleman, Jeff Ryser, Scott Sargent, Jimmy Shields, and Scott Richardson, members of the cooperative. Also in attendance were John Mensch, President of the WestGate Authority; Sabrina Stockrahm, Greene County Daily World; and Sara Wittmeyer and Brian Powell, WTIU. Four members who had requested to attend the meeting were not present.

President Thompson welcomed members of the cooperative, news media, staff and Board of Directors to the meeting.

Mr. Thompson asked if there were any additions or corrections to the meeting agenda. Hearing none, a motion was made by Jim Jackson to approve, John Royal seconded, and the motion carried.

Mr. Thompson called for additions or corrections to the minutes of the April 27, 2017, regular board meeting. Mr. Shake requested that UDWI's IT Administrator's full name (Keith Burger) be included on Page 2, paragraph 4, for clarification. A motion was made by David Burger to accept the minutes as amended, Roger Shake seconded, and the motion carried.

Mr. Thompson welcomed guests and introductions were made. Following the introductions, Mr. Thompson called on each member to address their questions and concerns which included the following:

- Why did a not-for-profit corporation form a for-profit tree trimming company?
- Is a yearly audit conducted?
- UDWI's Board Policy No. 201.2, Member Attendance at Cooperative Board Meetings
- Board compensation
- CEO's salary
- Business trips
- UDWI's facility charge

- Land purchase and proposed new headquarters facility
- Line replacement
- Reason for an independent audit and FBI investigation
- Director term limits
- Long-term contracts with power supplier

Mr. Coleman had no questions but expressed his appreciation to the Board for the changes they are making.

The Board, Mr. Smith, and Mr. Chapman then responded to questions and thanked the members and news media for coming.

John Mensch, President of WestGate Authority and member of Greene County Rural Development Commission asked the Board to consider making a commitment to bear the expense to construct a 3-phase line from County Line Road 800S to Progress Pointe. The location is in Greene County near the Battery Innovation Center and the WestGate at Crane Technology Park and is just south of I-69 and US 231 intersection. Mr. Mensch reported there are 10 lots platted at the location and that the first project to be built is a proposed four-story hotel comprised of 74 units. Mr. Mensch explained that a commitment to install the 3-phase line had previously been offered by REMC but the hotel project had stalled and no line was built. After discussion, Mr. Thompson entertained a motion for the cooperative to provide the power requirement for the loop and hotel after the hotel project is confirmed. Bill Watkins made a motion to approve, Jack Norris seconded, and the motion unanimously carried.

Matt Miller presented the Treasurer's report for the four months ended April 30, 2017. During the presentation, the Board discussed corporate donations, Operation Roundup Plus, and director voting procedures. After discussion, a motion was made by Jim Jackson to accept the Treasurer's report as presented, Bill Watkins seconded, and the motion carried.

Mr. Miller reviewed the Statement of Operations for the three months ended April 30, 2017, Balance Sheet for April 2017, and Projected Statement of Operations as of April 30, 2017. Following the presentation, Scott Sargent asked if the financial reports are available upon members' request. The Board is looking at making these reports available to the members. A motion was then made by Todd Carpenter to accept the reports as presented, Roger Shake seconded, and the motion carried.

Mr. Thompson read a list of donation requests received since the April 2017 board meeting. A discussion then ensued as to whether or not to establish a committee to review the requests and make recommendations to the Board or to table corporate donations and steer the requests to UDWI's Community Fund. After discussion, a motion was made by Roger Shake to table corporate donations and that all requests go through UDWI's Community Fund, Jack Norris seconded, and the motion carried.

Mr. Chapman explained that a change in signatories was in order at all banking institutions where the Utilities District of Western Indiana REMC has checking accounts and/or other banking accounts. A motion was made by John Royal to remove the existing signatories and change the signors to Ron Thompson, Board President; Todd Carpenter, Treasurer; and Mike Chapman, Manager of Human Resources/Compliance, Bill Watkins seconded, and the motion carried.

Mr. Thompson reported on upcoming meetings including Orange County REMC Annual Meeting scheduled for June 2 at the Paoli High School Auditorium; UDWI Community Fund

meeting to be held June 24, NRECA's Regions 1 & 4 meeting scheduled for September 6-8, 2017 in Pittsburgh, Pennsylvania. Mr. Thompson advised that the Board needed to begin thinking of who will be attending the Regional Meeting. UDWI's Annual Meeting tentatively scheduled for April 7, 2018 was also briefly discussed. A tour of next year's meeting venue will take place on July 11.

Mr. Thompson advised that a voting delegate and alternate needed to be selected to vote for an NRECA Director representing the State of Indiana. The election will be held on June 28, 2017, at Indiana Electric Cooperatives. A motion was made by David Burger to designate Jim Jackson as the voting delegate and Mike Chapman as alternate, Roger Shake seconded, and the motion carried.

Mr. Thompson led a discussion regarding methods and procedures for Board Policy 201.2 – *Member Attendance at Cooperative Board Meetings*: The following proposed items will replace existing language in Board Policy 201.2, and the revised policy will be presented for approval at the June board meeting:

- Member may give a 24 hour advance notice to attend a board meeting
- Member may submit a request to attend a board meeting by text, e-mail, phone, or written notification
- Member will be required to submit topics of discussion
- Discussion will be limited to 3-5 minutes
- Media is welcome to attend. No video, audio devices, or photographs of any kind will be permitted
- Omit "Upon review by both the President of the Board and the CEO of the request to attend the meeting"

Beginning at 7:30 p.m., the guests began their departure with the remaining guests departing at 8:45 p.m.

Mr. Thompson asked for a motion to accept the engagement letter from Blue & Company authorizing Parr Richey Frandsen Patterson Kruse LLP (UDWI's legal counsel) to hire the firm of Blue & Company to conduct an independent audit of the financial records, business transactions, accounting practices, and internal controls of the Utilities District of Western Indiana REMC and help administer the audit. A motion was made by David Burger to accept, Jack Norris seconded, and the motion carried.

Shane Smith reviewed the Operations and Engineering Department Monthly Report; the cooperative's Monthly Outage Report; minutes from the May 18 In-House Safety Meeting noting that as of April 30, 2017, 49,550 hours have been worked without a lost time accident; and noted that the Monthly Vehicle Maintenance and Repairs Report was included in the mailing. He also discussed the Exit Memorandum report prepared by Marty Jones, IEC's Regulatory Consultant, summarizing UDWI's regulatory compliance activity for the first quarter of 2017.

Mr. Smith presented for Board consideration and approval an "IPT" Industrial Power Service rate schedule that was introduced to the Board at the April meeting. If approved, the new rate will go into effect beginning June 1, 2017 and will expire on May 31, 2019, unless the Board approves the renewal of this rate schedule. Bill Watkins made a motion to approve the IPT rate schedule, Todd Carpenter seconded, and the motion carried. (See Attachment A)

Mr. Chapman led a discussion on whether or not the Board wants UDWI to participate in fairs, festivals, and parades this year. In 2016, UDWI did not participate in these events due to

cost cutting measures in an effort to help improve member satisfaction. The Board was in agreement that UDWI needs to have a presence in the communities it serves. After discussion, a motion was made by David Burger to enter a truck in the surrounding community parades, Jack Norris seconded, and the motion carried.

Proposed revisions to Board Policy No. 305.0, *Authorized Signatures, Money Transfers & Investments*, Section III., Procedure, were presented to the Board for consideration and approval. A motion was made by Jim Jackson to approve Board Policy 305.0 as presented, John Royal seconded and the motion carried. (See Attachment B)

Mr. Chapman presented two revised versions, Options 1 and 2, of Board Policy No. 307.0, *Safety Deposit Box*, for consideration and approval. Due to questions regarding old certificates contained in the safety deposit box, board action was tabled until the lending institution has been contacted.

The Board convened into Executive Session at 9:40 p.m.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned at 10:40 p.m.

Roger Shake, Secretary

APPROVED:

Ronald E. Thompson, President