

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

March 22, 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 March 22, 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 L. Stone	James S. Weimer

Also present were CEO Brian Sparks; Executive Assistant Connie Huffine; Matt Miller, Manager of Finance and Accounting; Shane Smith, Manager of Operations and Engineering; Mike Chapman, Manager of HR/Compliance; Attorney Erin Casper Borissov; Joe Boesing, CPA Monroe Shine; and guests Byron Goodman, John P. Coleman, and Brian Steward.

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, David Stone seconded, and the motion carried.

Mr. Weimer called for additions or corrections to the minutes of the February 22, 2016, regular board meeting. Hearing none, a motion was made by Roger Shake to approve the minutes as written, Bill Watkins seconded, and the motion carried.

Mr. Weimer welcomed and introduced John P. Coleman, Byron Goodman, and Brian Steward, members of Utilities District of Western Indiana. The gentlemen expressed their concerns regarding the cooperatives billing rates, transparency issues, wages, expenses, a possible new building for the REMC, operating costs, and other matters. Mr. Sparks, Mr. Smith, and Mr. Miller answered questions presented by the guest members, and a discussion took place regarding actions the Board could consider to address the guest members' concerns. After these discussions, the guest members elected to depart. Following the departure of the guest members, Ms. Borissov advised the Board regarding the issues that had been presented by the guest members.

Mr. Weimer stated that Dan Miller, candidate running for director from District 3, has requested having an observer present when the ballots are counted. Ms. Borissov advised there is no reason for not granting this request. Mr. Weimer will notify Mr. Miller and David Bailey, Chairman of the Election Committee.

Joe Boesing 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, 2015. A motion was made by Ron Thompson to accept the audit report, Jack Norris seconded, and the motion carried.

Mr. Sparks presented a proposal for Monroe Shine & Co., Inc. to provide the 2016 audit of the financial statements for Utilities District of Western Indiana REMC and Subsidiary, Hoosier Heritage, Inc. A motion was made by David Stone to accept the audit proposal for both entities, Jack Knust seconded, and the motion carried.

Bill Watkins presented the Treasurer's report for the two months ended February 2016 and 2015. A motion to accept the report was made by Roger Shake, Jack Knust seconded, and the motion carried.

CEO Sparks reviewed the cooperative's Statement of Operations for period ended February 29, 2016; February 2016 Balance Sheet; and Projected Statement of Operations as of February 29, 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 provided an update on the UDWI REMC Community Fund meeting that was held March 14, 2016. Nineteen organizations were funded out of 31 requests. A total of \$13,850 was disbursed.

A brief discussion took place regarding UDWI's upcoming Annual Meeting and Hoosier Energy's Annual Meeting that will be held on April 7 at French Lick Springs Resort.

In Round Table discussion, Mr. Sparks reviewed the cooperative's February power bill; net margins for period ended February 2016 from RUS Form 7; and reported on an article from *The Kiplinger Letter* regarding new clean air regulations issued by the White House to cut carbon dioxide emission from power plants. Mr. Sparks presented the conclusions of the article: Don't look for the Supreme Court to strike down the regulations. More likely: The next president will decide the ultimate fate of the rules. A Republican president would nix the regulations; a Democrat would stay the course.

Appendix A was presented to the Board for approval of a Purchased Power Cost Adjustment Tracking Factor in the amount of \$0.010179 per kWh—down \$0.000022 from the previous month. The new rate goes into effect with use beginning March 1, 2016. Roger Shake made a motion to approve, David Stone seconded, and the motion carried. (See Attachment A)

Mr. Sparks reviewed the Operations and Engineering Department monthly report; Monthly Vehicle Maintenance and Repairs report; minutes from the March 15, 2016 In-House Safety Meeting noting that 189,534 hours have been worked without a lost time accident; and the February Marketing & Communications Report.

Board Policy No. 102.0, Membership Fee; and Board Policy No. 506.0, Damage to REMC Property were reviewed by the Board and no changes were proposed regarding any of the policies.

Mr. Weimer reported on the Co-Bank Central Customer Meeting that he attended earlier this month in Illinois.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned at 9:44 p.m.

Roger Shake, Secretary

APPROVED:

James S. Weimer, President