

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

November 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 6:30 p.m. on November 27, 2017.

The meeting was called to order by President Ron Thompson followed by the invocation given by Bill Watkins.

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 Doug Childs, CEO; Joe Boone, Interim HR Manager; Shane Smith, Manager of Operations and Engineering; Matt Miller, Manager of Finance and Accounting; Connie Huffine, Executive Assistant; Kim Todd, Manager of Office Services; Amanda Craft, Communications Consultant; Tim Burks, Scott Carmichael, John Coleman, Dax Collins, John Duell, Jeff Ryser, Scott Sargent, and Mr. and Mrs. Noble Stallons, members of the cooperative; and Patti Danner, 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 Jackie Norris to approve, Dave Burger seconded, and the motion carried unanimously.

Mr. Thompson called for additions or corrections to the minutes of the October 23, 2017, regular board meeting. Hearing none, a motion was made by John Royal to approve the minutes as written, Roger Shake seconded, and the motion carried.

Mr. Thompson introduced UDWI's new CEO Doug Childs and welcomed everyone to the meeting. He then called on each member to voice any questions or concerns they would like addressed. The following questions were raised:

- Clarification as to why no cell phones are permitted at the board meetings.
- What is being done to lower the rates – specifically, can we shop around to find a cheaper supplier?
- Why is Hoosier Energy Power Network more expensive than Duke?
- Was a request made of Hoosier Energy to release their tax returns?
- Can UDWI's CFC's Key Ratio Trend Analysis Report be published to the cooperative website?
- Solar Energy
 1. Is it worth installing a solar system?
 2. What incentive is UDWI offering solar customers?
- Can members see reports during board meetings?

Answers to questions of general interest will be posted to the cooperative's web site within a few days following this meeting.

Noble Stallons, retired Manager and CEO of Utilities District of Western Indiana REMC, shared his experience while working at UDWI. "The board's mission during my time here was to provide reliable service at the lowest possible cost." Mr. Stallons stated. He emphasized that a delicate balance between reliability and costs is necessary and is a challenge. He closed his presentation in saying "In order to keep our member satisfaction high and our cost under control, a TEAM approach works best (Directors, Employees, Members, and the Retirees) who are in the community every day representing the REMC." He thanked the Board for their service to the members of UDWI.

Matt Miller presented the Treasurer's report for the ten months ended October 31, 2017. Bill Watkins made a motion to accept the report, Jack Norris seconded, and the motion carried unanimously.

Mr. Miller reviewed the Statement of Operations for the ten months ended October 31, 2017 and Balance Sheet for October 2017. A motion was made by Jim Jackson to accept the reports as presented, Roger Shake seconded, and the motion carried unanimously.

CEO Childs presented proposed revisions to Board Policy 305.0, *Authorized Signatures, Money Transfers and Investments* for consideration and board approval which was recommended by the Blue & Co. Internal Controls Audit once a new Chief Executive Officer had been selected. The current policy authorizes only three (3) company officials to sign checks for the withdrawal of funds on any financial institution in which the Cooperative has an established account and requires at least two (2) of those officials to sign each check. The new proposed revisions allowed the addition of the Manager of Office Services (Kim Todd) and Manager of Financial Services (Matt Miller) to the list of company officials that are authorized to sign checks for the withdrawal of funds as provided in Section III (A) **Procedure** and to remove the Manager of Finance from Section III (F) when determining when funds are available for investment through careful short-term and long-term financial planning leaving two company officials to make these investment decisions. After discussion, a motion was made by David Burger to remove Manager of Financial Services from Section III (A) and III (F) and approve the policy as amended, Bill Watkins seconded, and the motion carried unanimously. A board resolution supporting the amendments to Board Policy No. 305.0 is filed in the official minute book. (Attachments A and B)

The Board discussed upcoming meetings which included the UDWI Community Fund meeting scheduled for December 9; Indiana Electric Cooperatives Annual Meeting to be held December 4-5 in Indianapolis; and NRECA's Annual Meeting to be held February 26-28, 2018, in Nashville, Tennessee.

Shane Smith presented a presentation on a new proposed transparency Board Policy No. 108.0, *Member Requests for Cooperative Information*. After discussion, the Board provided suggested changes and requested Shane to present a revised version of the policy at the December 18 board meeting.

Kim Todd presented a list of proposed amendments to the Cooperative's Bylaws. The amendments include changes in director voting procedure, specifically the addition of on-line and mail-in paper ballots; timelines leading up to the annual meeting; an updated version of the Non-Discrimination Statement; and various miscellaneous verbiage. After discussion, a motion was made by John Royal to approve the proposed revisions to the Bylaws with two additional changes summarized below, Dave Burger seconded, and the motion carried unanimously.

1. **Additional Change:** Clarify that if there is a tie vote, the second vote will be taken by members present in person at the meeting (rather than a new electronic/mail vote).
2. **Additional Change:** Clarify that if a member does not submit a mail-in ballot in the proper envelope or to the proper address, the ballot will not count.

In his Manager's Report, Mr. Childs reported that he is currently looking at customer service policies including the cost to mail out electric bills to the members; offering electronic billing; and other customer service related items. He also mentioned the "thank you" notes received from customers expressing their appreciation for the service they've received from employees.

Ron Thompson briefly spoke about looking at the residential rate structure.

Mr. Smith provided highlights from the Operations and Engineering Department Monthly Report including the monthly outage report and minutes from the November 15, 2017 In-House Safety Meeting noting that as of October 31, 2017, 104,800 hours have been worked without a lost time accident. He noted that IEC's Quarterly Compliance Report was included in the mailing. Mr. Thompson, on behalf of the Board, praised the crews for the good work performed in restoring power to members in Springville following the tornado that moved through the area in early November.

Mr. Smith presented for approval UDWI's 2018 Schedule "WNM" Wholesale Net Metering Rider. Hoosier has calculated a new buyback rate of \$0.02958 per kWh. After discussion, a motion was made by Bill Watkins to approve the new rate, Todd Carpenter seconded, and the motion carried unanimously. The new rate goes into effect on January 1, 2018, and will not impact members that are on the "NM" rate. (Attachment C)

Dave Burger reported on the progress HHM crews have performed through October and commented that they have done a great job. CEO Childs will begin attending HHM's board meetings starting next month.

Mr. Thompson reviewed the October Marketing & Communications Report and Kim Todd provided an update of the monthly Office Services Report.

Todd Carpenter reported that the budget committee has held two meetings and will present their recommendations for the proposed 2018 Capital and Operating Budgets at the December board meeting.

A motion was made by Dave Burger and seconded by Roger Shake to hold the December board meeting on December 18. The meeting date, traditionally held following the employee Christmas dinner, was changed to allow the Board sufficient time to review the budget committee's recommendations on the proposed 2018 Operating and Capital Budgets. The motion was unanimously carried to hold the December board meeting on the 18th.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned at approximately 8:25 p.m.

Roger Shake, Secretary

APPROVED:

Ronald E. Thompson