

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

**October 24, 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 October 24, 2016.

The meeting was called to order by President Jim Weimer followed by the invocation given by Jim Jackson.

The following Directors reported present:

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 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 September 26, 2016, regular board meeting. Hearing none, a motion was made by David Stone to approve the minutes as written, Roger Shake seconded, and the motion carried.

Bill Watkins presented the Treasurer's report for the nine months ended September 30, 2016. After a brief discussion, a motion to accept the report was made by Jim Jackson, Ron Thompson seconded, and the motion carried.

Mr. Sparks reviewed the cooperative's Statement of Operations for the year ended September 30, 2016, Balance Sheet for September 2016, 3rd Quarter Budget, and 3rd Quarter Capital Budget. He also reviewed the Year-to-Date 2010-2016 Key Financial Statistics and Projected Statement of Operations as of September 30, 2016. A motion was made by Ron Thompson to accept the reports as presented, Jack Norris seconded, and the motion carried.

Mr. Weimer noted that the UDWI REMC Community Fund Income and Expenses Report was included in the board mailing. The next meeting is scheduled for December 16, 2016. Other upcoming meetings discussed included IEC's Annual Meeting scheduled for December 5-6, 2016, at the Marriott Hotel Downtown Indianapolis; NRECA's Annual Meeting with General Sessions from February 27-March 1, 2017, in San Diego, California; and UDWI's Annual Meeting to be held April 8, 2017, at the White River Valley High School gymnasium. Letters of Intent to seek re-election for Board Districts 1, 2 and 4 were submitted by Jack Knust, Jim Weimer and David Stone.

Bill Watkins, Chairman of the Equipment Committee, reported that the committee met on October 17 to discuss the following vehicles that are due for replacement in 2017:

Truck 6	2008 International 7300 4WD Line Truck
Truck 13	2013 Ford F550 4WD Service Truck
Truck 18	2006 International 7300 4WD Bucket Truck

Bid proposals were reviewed from Altec and UTE. The committee recommended that all three trucks be purchased from Altec as Altec submitted the lowest bids for Truck 8 and 13 and was the only manufacturer having the boom configuration needed for Truck 6. All bids included trade in allowances for the current trucks. After discussion, Jack Norris made a motion to approve the committee's report, Jack Knust seconded, and the motion carried.

In his manager's report, Mr. Sparks discussed UDWI's net margins for period ended September 2016 from RUS Form 7; the cooperative's September 2016 power bill; and reported that a patronage capital allocation for 2016 was received this month from CFC. He reported that according to stock suggestions from *The Kiplinger*, consider diversifying stock portfolios by investing in solid overseas businesses such as Alibaba Group; Anheuser-BuschInBev; Nestle' of Switzerland; Sanofi; SAP of Germany; and Taiwan Semiconductor. ~ Big issues on state ballot initiatives in some states include: Gun control, Minimum wage, and Marijuana legalization. ~ According to *The Kiplinger*, no matter who wins the presidency in November, Obamacare is in for big changes. Donald Trump would ditch Obamacare and start over while Hillary Clinton would raise premium subsidies for people who buy individual coverage on the law's exchanges and add tax credits to help all insurance customers pay for premiums and out-of-pocket health expenses. Both candidates agree to nix the Cadillac tax.

Appendix A was presented to the Board for approval of a Purchased Power Cost Adjustment Tracking Factor in the amount of \$0.006016 per kWh – down \$0.000022 from the previous month. The new rate becomes effective with use beginning October 1, 2016. Bill Watkins made a motion to approve, Roger Shake seconded, and the motion carried. (See Attachment A)

A discussion was held regarding the Purchased Power Cost Adjustment Tracking Factor included in the member-owners' electric bills. Beginning with the December 2016 billing, members will begin seeing a cost reduction in the tracker charge on their monthly electric bills. This reduction is attributed in part to future decreases in the tracker charged by Hoosier Energy to the cooperative's purchased power bill. This announcement will be published in the December edition of the Electric Consumer and area newspapers.

Proposed revisions to the cooperative's distributed generation tariffs were presented to the Board for approval. A motion was made by Ron Thompson to approve both tariffs, Bill Watkins seconded, and the motion carried. (See Attachments B and C)

Mr. Sparks reviewed the monthly Operations and Engineering Department Monthly Report and noted that as of October 21, 2016, 254,721 hours have been worked without a lost time accident; minutes from the October 21 In-House Safety Meeting minutes; Monthly Vehicle Maintenance Schedule; and September 2016 Marketing & Communications Report.

Board Policy No. 504.0, Relocation or Damage of Underground Secondary or Primary Conductors was presented to the Board for review, and proposed revisions to Board Policy No. 505.1, Right-of-Way Clearing for Overhead Lines and Board Policy No. 200.2, Board of Directors and Officers Code of Ethics and Appendix A (Conflict of Interest Certification and Disclosure Form) were presented for consideration and approval. A motion was made by Jack

Norris to approve the policies as presented, Roger Shake seconded, and the motion carried.  
(See Attachments D and E)

Mr. Weimer presented a report of the Hoosier Energy Board Meeting held October 10, 2016.

Mr. Jackson presented a report of the Indiana Electric Cooperatives Board Meeting held October 19, 2016, at Hoosier Energy's headquarters in Bloomington.

There being no further business, the meeting was adjourned at 8:37 p.m.

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Roger Shake, Secretary

APPROVED:

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James S. Weimer, President