

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

**September 25, 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 September 25, 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 Dan Arnold, interim CEO; 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; Amanda Craft, Dax Collins, Jeff Ryser, and Scott Sargent, members of the cooperative; Brian Stavish, National Rural Utilities Cooperative Finance Corporation; 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, Jim Jackson seconded, and the motion carried unanimously.

Mr. Thompson called for additions or corrections to the minutes of the August 28, 2017, regular board meeting. Hearing none, a motion was made by Bill Watkins to approve the minutes as written, John Royal seconded, and the motion carried unanimously.

President Thompson welcomed members of the cooperative, Mr. Stavish, news media, staff, and Board of Directors and introductions were made.

Mr. Thompson then introduced Brian Stavish, CFC's Regional Vice President of Distribution Lending, who provided a report on the Utilities District of Western Indiana REMC 2016 Key Ratio Trend Analysis (KRTA). The report compared UDWI to other electric distribution systems of its size to systems across the nation, state, and within Hoosier Energy's system. Mr. Stavish pointed out that UDWI is not seeing growth in customers and kWh sales as in previous years; cash flow and margins are very strong; power cost is in line with other Hoosier Energy cooperatives and has been stable over the past 5 years; total miles of line and number of employees is in line with other cooperatives across the country; and UDWI has a strong reliability rating of 99.8.

Following the KRTA presentation, Mr. Thompson called on each member to voice any questions or concerns they would like addressed. The following questions were raised:

- When UDWI has outside work done, do we always request bids for the jobs?
- Does a member have an advantage when bidding?

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

Another member who had heard HHM's presentation at last month's board meeting voiced concerns regarding UDWI having a subsidiary company perform tree and brush maintenance instead of doing the work internally or through a subcontractor.

Matt Miller presented the Treasurer's report for the eight months ended August 31, 2017, and noted that directors' expenses have decreased about \$30,000 from a year ago. A motion was made by Bill Watkins to accept the Treasurer's report as presented, David Burger seconded, and the motion carried unanimously.

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

A decision was made to authorize the Chief Executive Officer of the Utilities District of Western Indiana REMC to sign checks for the withdrawal of funds on any financial institution in which the Cooperative has an established account and remove the Manager of HR/Compliance as an authorized signer. A motion was made by Todd Carpenter to change the signer from Manager of HR/Compliance to Chief Executive Officer, Bill Watkins seconded, and the motion unanimously carried.

Mr. Thompson reported that the trustees of UDWI's Community Fund will meet on September 30 to review applications and select grant recipients.

The Board discussed NRECA's Regional Meeting that was held September 6–8, 2017, in Pittsburgh, Pennsylvania; IECs Annual Meeting scheduled for December 4–5, 2017, at the Marriott Hotel in downtown Indianapolis; and NRECA's Annual Meeting to be held February 25–28, 2017, in Nashville, Tennessee.

Mr. Arnold advised that a nominee was needed to be appointed to represent the cooperative as director on the IEC Board of Directors. After discussion, a motion was made by David Burger to nominate Jim Jackson to serve as director on IEC's board of directors, Todd Carpenter seconded, and the motion unanimously carried.

Mr. Arnold advised that a Voting Delegate and Alternate needed to be appointed to represent the cooperative at IEC's Annual Meeting. After discussion, a motion was made by John Royal to nominate Jack Norris to serve as the Voting Delegate and Roger Shake as Alternate, Bill Watkins seconded, and the motion unanimously carried.

Mr. Arnold presented proposed revisions to Board Policy No. 302.0, *Audit of Records*, for consideration and approval to include establishing an Audit Committee consisting of no fewer than three directors, with a Chairman selected from among the committee members. The policy also contains verbiage listing the responsibilities of the Audit Committee. A motion was made by John Royal to approve, David Burger seconded, and the motion unanimously carried. (See Attachment A)

Mr. Arnold presented proposed revisions to Board Policy No. 303.0, *Budget*, to include verbiage to establish a Budget Committee by September 1 of each year consisting of no less than three members; and, whenever possible, committee members shall be chosen so that no more than two members are new to the committee. The policy also contains verbiage listing the

purpose of the Budget Committee. A motion was made by Bill Watson to approve, Todd Carpenter seconded, and the motion unanimously carried. (See Attachment B)

Mr. Arnold presented a proposed revision to Board Policy No. 305.0, *Authorized Signatures, Money Transfers and Investments*, for consideration and approval to replace the words "Manager of HR/Compliance" with "Chief Executive Officer" in Section III(A). A motion was made by Roger Shake to approve, Bill Watkins seconded, and the motion unanimously carried. (See Attachment C)

Mr. Arnold discussed Board Policy No. 203.0, *Chief Executive Officer Duties*, and Board Policy No. 205.0, *Signatures for Communications and Financial Reports*, and advised the Board to review and present any recommendations for revisions at the October board meeting.

Mr. Arnold advised the Board that they may wish to consider having a feasibility study conducted to evaluate the cooperative's current residential rate schedule, incorporate the Time-of-Use rate into the study, and discuss a proposal to offer a flat billing rate to the members as an option to the existing seasonal rate. He stated that Hoosier Energy will be conducting a consumer satisfaction survey this October and November and one of the questions will pertain to flat rate billing.

Mr. Smith provided highlights from the Operations and Engineering Department Monthly Report including the Monthly Outage Report; September 2017 Contractor Work Inspections; August's Monthly Vehicle Maintenance & Repairs Report; and minutes from the September 11, 2017 In-House Safety Meeting noting that as of August 26, 2017, 83,655 hours have been worked without a lost time accident.

Mr. Smith presented a resolution for acceptance and approval of the Utilities District of Western Indiana Rural Electric Membership Corporation Power Requirements Study 2016-2036 dated October 2017. A motion was made by David Burger to accept the resolution, Jim Jackson seconded, and the motion unanimously carried. (See Attachment D)

Mr. Smith reported that PowerTech Engineering, LLC has evaluated the two bids submitted to PowerTech for Work Order Numbers 217014, 217178 and 217179 and that PowerTech has recommended that UDWI enter into a labor only contract with ElectriCom in the amount of \$695,338.27, the lower of the two bids received, for the completion of this project. After discussion, a resolution was presented to the Board to accept ElectriCom's bid proposal. Todd Carpenter made a motion to accept the resolution, John Royal seconded, and the motion unanimously carried. (See Attachment E)

Mr. Smith reported that his team had identified and evaluated projects totaling over 110 miles. Further work on the project is pending budget discussions.

Mr. Arnold provided highlights of the August Marketing & Communications Report and monthly Office Services Report that were included in the mailing.

At 8:45 p.m., Mr. Thompson called for a short recess before entering into Executive Session. Matt Miller, Shane Smith and guests departed the meeting at that time.

The Board convened into Executive Session at approximately 8:55 p.m. At 9:35 p.m., Connie Huffine and Mike Chapman were excused from the meeting.

There being no further business to come before the meeting, on motion duly made, the meeting was adjourned at approximately 10:35 p.m.

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Roger Shake, Secretary

APPROVED:

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Ronald E. Thompson, President