

Utilities District of Western Indiana REMC  
Regular Meeting of the Board of Directors  
Minutes for March 28, 2022

*An executive session meeting was held from 5:30 p.m. to 6:30 p.m. The meeting included CEO Doug Childs, COO Shane Smith, CFO Michael Sullivan, Accountant Miranda Hostetter, and all eight directors. Representatives from BHM CPA Group were connected virtually to present the 2021 Audit results.*

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 28, 2022.

President David L. Burger called the meeting to order at 6:40 p.m.

Mr. Williams gave the invocation.

The following directors reported present:

David Burger	Todd Carpenter	Dax Collins
Shawn Dugan	W. Edward Cullison	Sophie Haywood
John Royal	Michael Williams (virtual)	

Also present were Doug Childs, Shane Smith, Michael Sullivan, Office Administrator Lydia Campbell, and member Richard Nichols.

Mr. Burger called for additions or corrections to the meeting agenda. Hearing none, Ms. Haywood made a motion for approval, Mr. Cullison seconded, and all approved.

Mr. Burger called for additions or corrections to the minutes of the February 28, 2022, regular session board meeting. Hearing none, Mr. Collins made a motion to approve the minutes as written, Mr. Royal seconded, and the motion carried.

A detailed report from Crafted Communications regarding traditional and social media communication activities was provided.

Lydia Campbell, Office Administrator, gave an update regarding the director election voting progress. Online voting opened March 18 and ends on April 15. Ballots were sent by both mail and email on the same day. To meet quorum and validate the election, two percent of the membership must vote. As of this day, 6.4% of the total membership has voted.

Mr. Childs gave a brief update on the Utility Receipts Tax (URT) repeal. The tax reform package will supply a 1.46% savings for members per month. The change will take effect as of July 1 and will be reflected on August billings. Co-ops are required to provide notification of this change for two consecutive months. We will add this as a message on our member monthly billing statements.

Mr. Childs also reviewed a Tracker Summary chart provided by Hoosier Energy (H.E.) which indicated current and projected increases for the next 12 months. The tracker is a way for H.E. to recoup all variable costs that are not included in base rates. The 2022 UDWI REMC Budget included a projected 3% increase for power supply costs. These projections raise this line item to a total of 7%. Informing members of the increases/changes will be a difficult but important task.

Michael Sullivan, Chief Financial Officer, presented the financial reports. The Statement of Cash Flows compared February 2021 and 2022 figures. The report showed Admin & General expenses up due to office telephone upgrades and laptop replacements. Construction &

Retirement Costs were up \$120,000 which included \$234,000 for the purchase of new wire for an upcoming underground river crossing job.

The Income Statement showed consumer accounts higher in 2022 due to receipt of a large rebate payment from Hoosier Energy in January 2021. The commercial rebate was not paid out until later in the year after the large project was completed.

The Financial Highlights report was presented and provided sales and revenue figures and year-to-date expense breakdowns. The sales graphs are comparable with 2021 figures through February.

Shane Smith, Chief Operating Officer, presented the Operations Department reports. The Operations and Engineering Report showed employees worked over 60,000 hours since the last lost-time accident.

Britt Miller was promoted to the position of Dispatch Manager. Max Hinchman advanced to the third year apprentice position. A big congratulations to both! The entire UDWI REMC team (staff and Board) will receive an enrollment email for cyber security training.

The Outage Report indicated vegetation and power supply issues remain the primary cause of outages. The report also showed 86 small outages (under 4 hours) and only four outages (overnight storms) over the 4-hour threshold (which may result in loss of refrigerated/frozen items in member homes).

Doug Childs, Chief Executive Officer, presented the Manager's Reports. He reported on HHM business. The joint meeting with the HHM & UDWI REMC boards was a success. Crews are training and adjusting to the new ACRT Vegetation Management standards, which translate to approximately six feet of clearance.

Director of HR & Admin, John Armstrong, has been providing extensive management training for the LLC. Mr. Armstrong has also conducted multiple interviews and hired four employees in the past few weeks.

A copy of the February 2022 Hoosier Energy invoice was made available for review.

The current Loss Control Analysis report by Federated Rural Electric Insurance Exchange was reviewed. The report thoroughly analyzes workers' compensation claims, vehicle accidents and other property and general liability controls. Consultant Chris Saling offered recommendations on existing line and equipment inspection and maintenance programs. Improvements and updates to current training programs, focusing on ergonomics and situation awareness, will help prevent future accidents and claims.

Mr. Childs gave a brief Touchstone Energy services (TSE) update. Effective March 31, 2022, UDWI REMC will no longer be affiliated with or use TSE services/products. The decision was made from a cost standpoint only, saving over \$35,000 per year. We can find website providers and satisfaction survey services elsewhere. Darren Denham removed the logo from our marquee sign. Lydia Campbell performed an audit of our current website including documents and forms ensuring the logo was removed.

The Board briefly discussed grant funding opportunities and possibilities. How do we find what is available and how do we apply? It may be beneficial to form a committee to focus on the specific targets. If we know what funding is out there, we can adjust plans to accommodate.

Lastly, Mr. Childs presented on employee accomplishments and commendations. He highlighted the achievements by Britt Miller and Max Hinchman as previously mentioned by Mr. Smith. Mr. Childs also thanked Mr. Smith and Mr. Sullivan for their leadership. He has noticed significant growth in both.

Next, the Director Reports were presented. The Audit, Building & Equipment, and Budget committees did not meet.

Mr. Royal gave an update on the Community Fund committee. The Board of Trustees met on March 23 for the 2022 Q1 meeting. The trustees reviewed 29 applications, funding 16 of those for a total of \$15,050. He discussed the recent spike in submissions. The UDWI REMC website was updated in December which now includes an online form (fillable blanks) on the Community Fund page. This makes the submission process much quicker and easier. Mr. Royal and the other trustees suggested setting parameters for the program, addressing the criteria for applying, and instilling definitions of grant types for organizations. Ms. Haywood offered suggestions on reaching out to other companies with funding programs such as Smithville. Mr. Carpenter also offered to reach out to one of their directors for a conference call.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. Mr. Carpenter provided a copy of a letter from Bartholomew County REMC addressing the Hoosier Energy CEO and Finance & Audit Committee regarding 2021 budget overages.

Mr. Carpenter, along with Mr. Burger, Mr. Childs, Mr. Cullison, Mr. Dugan, and Ms. Haywood, will be attending the 2022 Hoosier Energy Annual Meeting.

The Hoosier Energy Board of Directors was invited to tour the Smithville facilities.

District 5 Director Mr. Williams reported on updates and events at Indiana Electric Cooperatives. The February 16 Board meeting documents were provided to review.

The Board revisited the 2022 PAC Fundraising topic (ACRE and FORE Political Action Committees) presented at last month's meeting. Mr. Childs acquired information on minimum participation requirements. Indiana Electric Cooperatives representatives state to reach 100% participation, all directors and key staff members/co-op employees must contribute at least \$25 to each PAC. After a brief discussion, Mr. Williams made a motion to approve the contributions as suggested by IEC. Mr. Cullison seconded the motion and the vote passed.

Mr. Childs noted that he will be meeting with an IEC representative to discuss these committees further as well as legislative topics.

A listing of director education courses offered by IEC was supplied for reference and consideration.

The 2022 Hoosier Energy Annual Meeting is scheduled for April 7, 2022. The meeting will be held at the French Lick Conference Center.

The 2022 UDWI REMC Annual Meeting of Members will be held on April 19, 2022, at the co-op headquarters. Doors will open at 5:00 p.m. with business meeting beginning at 6:00 p.m.

The next three UDWI REMC board meetings were approved and scheduled for April 25, 2022, May 23, 2022, and June 27, 2022.

Mr. Burger adjourned the regular session meeting at 8:05 p.m.

APPROVED:

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David L. Burger, President

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Sophie Haywood, Secretary