

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

The Board of Directors of the Utilities District of Western Indiana Rural Electric Membership Corporation met at the office of the corporation, Bloomfield, Indiana, at 6:30 p.m. on November 28, 2022.

President David Burger called the meeting to order at 6:30 p.m.

Mr. Childs gave the invocation.

The following directors reported present:

Todd Carpenter	Dax Collins	W. Edward Cullison
Sophie Haywood	John Royal	Michael Williams (7:00 p.m.)

Also present were CEO Doug Childs, COO Shane Smith, CFO Michael Sullivan, Office Manager Lydia Campbell, Amanda Craft of Crafted Communications, John Wolfram of Catalyst Consulting LLC and member Richard Nichols.

Mr. Burger called for a motion to excuse the absence of Mr. Dugan due to illness. A motion was made by Mr. Collins and seconded by Mr. Royal. The motion carried.

Mr. Burger called for additions or corrections to the meeting agenda. Hearing none, Mr. Royal made a motion to approve the agenda. Mr. Cullison seconded and all approved. The motion carried.

Mr. Burger also called for additions or corrections to the minutes of the October 24, 2022, regular session board meeting. Hearing none, Mr. Carpenter made a motion to approve the minutes as written, Mr. Collins seconded, and the motion carried.

Amanda Craft provided a report for a review of both traditional and social media communications. Her team continues to assist with the creation of member and employee newsletters. A special holiday edition of the internal newsletter was created. The team explored ways to expand the reach of the member newsletter, including an existing bill message. Social media top posts included outages and pole testing.

For the Board Education Series, John Wolfram of Catalyst Consulting, LLC, presented on Cost-of-Service Studies and Rate Design. He reviewed the unadjusted cost of service study results and rate design issues. All major rate classes are producing margins although the Residential and Large Power classes are producing slightly lower than average margins. UDWI preemptively reduced all base rates effective July 2022. Mr. Wolfram recommended monitoring base rates and margins closely but not changing base rates at this time. He also suggested allowing the Hoosier Energy PCA Tracker to capture wholesale increases and to not incorporate it into the retail base rates.

An informative infographic highlighting the revised projections of the Hoosier Energy PCA Tracker for 2023 was made available and stood as presented.

Michael Sullivan, Chief Financial Officer, presented the financial reports.

He gave updates on the capital credits patronage checks progress. The total amount retired this year is \$937,000. Of this amount, 31% of the checks have been cashed with 21% cleared from the financials.

He reported on the Statement of Cash Flows, which compared October 2022 with 2021 figures. The Other Operating Receipts line indicated \$200,000 more received in energy assistance payments than in 2021. However, it showed \$128,000 less in energy efficiency rebates from Hoosier Energy when comparing the two years. Tax Payments were up by \$107,000 as COVID pandemic tax credits and taxes for terminal employee payouts are no longer being received. The Utility Receipts tax was lower by \$160,000 due to the URT repeal effective July 1, 2022. The \$1.7 million investment through CFC will be maturing by June 2023.

The Income Statement compared October 2022 with 2021 figures. Distribution Operations was up due to salary and benefits relating to the GIS Technician position and overtime hours for the linemen. Consumer Accounts remain elevated due to the addition of the Capital Credits Clerk position in October 2021. The Balance Sheet was also provided for review.

The October 2022 Financial Highlights report with graphs was made available. The Revenue Trend chart showed a spike due to the increased PCA tracker rates. The cost of power rose to reflect 63% of total expenses.

Shane Smith, Chief Operating Officer, presented the Operations Department reports. The Operations and Engineering Report highlighted specific department activity and stood as presented.

The Outage Dashboard report gives average outage times, lost energy margins, total labor costs (including regular time and overtime). Vegetation continues to be the main cause for member outages.

The new Vegetation Management report showed line clearance targets and units of work completed for HHM and two tree-trimming contractors.

Mr. Smith thanked the Board of Directors and management team for providing him the opportunity to attend the IEEE Conference in August. The Institute of Electrical and Electronics Engineers is the world's largest technical professional organization dedicated to advancing technology for the benefit of humanity. It is the trusted voice for engineering, computing, and technology information around the globe.

Doug Childs, Chief Executive Officer, presented the Manager's Reports. He reported on HHM business. ACRT visited the first week of November. They reported trim production was following their schedule. The documented issues surrounded the over-trimming of hardwood trees and the topping of other types. The team recommended crown reduction overtopping and cutting 10 ft boxes around each Right-of-Way. The organization will return for another visit in six months.

The October 2022 Hoosier Energy purchased energy invoice was provided for review.

Ms. Donna Walker, Hoosier Energy CEO, will be the guest at the January meeting.

Mr. Childs gave a brief update on recent economic developments in Daviess County. A microelectronics company will be opening soon in the WestGate area of Crane. Mr. Childs and Mr. Williams attended the groundbreaking. It is expected to bring 500+ jobs by 2028 with the average salary of \$100,000.

A completed copy of the UDWI REMC 2023 Operating / Maintenance & Capital Budgets slideshow presentation was provided to review before the December meeting.

Mr. Burger reported on Director Committees. No committee met in the last four weeks.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. Mr. Carpenter and Mr. Childs attended the regular Board meeting on November 14, 2022. The 2023 budget was reviewed and approved at the meeting. Ms. Walker discussed regular meetings with lenders and rating agencies.

The date for the 2024 Annual Meeting was scheduled for April 3, 2024. Representatives from JCREMC closed out the meeting with a presentation conceptualizing member system flexibility.

District 5 Director Mr. Williams reported on updates and events at Indiana Electric Cooperatives. The Board of Directors met last week. The Board was given approval to sign the new building purchasing documents for final price of \$4.35 million. They hope to be moved in by March 2024 with plans to renovate and add more space totaling \$5 million.

Mr. Burger offered reminders for upcoming training and meetings.

Indiana Electric Cooperatives 2022 Annual Meeting is scheduled for December 5-6, 2022, at the Indianapolis Marriott Downtown hotel. The Recognition Banquet will be held on Monday at 6:30 p.m. Mr. Childs (5), Mr. Smith (25), and Line Foreman Stephen Campbell (30) will be recognized for years of service. All the above including Mr. Burger and Mr. Williams are registered to attend.

The 2022 Hoosier Energy Strategic Board Forum is scheduled for December 11-13, 2022, at the French Lick Springs Resort hotel. Doug Childs and Todd Carpenter will be in attendance representing UDWI REMC.

The next three UDWI REMC board meetings were approved and scheduled for December 19, 2022, January 30, 2023, and February 27, 2023.

With no further business presented, Mr. Burger adjourned the regular session meeting at 8:30 p.m. to convene into two executive sessions. The first session included Mr. Childs, Mr. Smith, Mr. Sullivan, Ms. Craft, and all present directors in attendance. Mr. Burger adjourned the first session at 8:40 p.m. The second executive session included only the present Board of Directors. Mr. Burger officially adjourned the meeting at 9:20 p.m.

APPROVED:

David L. Burger, President

Sophie Haywood, Secretary