

Utilities District of Western Indiana REMC  
Regular Meeting of the Board of Directors  
Minutes for December 19, 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 December 19, 2022.

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

Treasurer Michael Williams gave the invocation.

The following directors reported present:

Todd Carpenter	Sophie Haywood (virtual)
Dax Collins	John Royal
W. Edward Cullison (6:50 p.m.)	Michael Williams
Shawn Dugan	

Also present were CEO Doug Childs, COO Shane Smith, CFO Michael Sullivan, Office Manager Lydia Campbell, Senior Accountant Miranda Hostetter, and member Richard Nichols.

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

Mr. Burger also called for additions or corrections to the minutes of the November 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.

Ms. Campbell gave a brief communications update. The Crafted Communications team is devising a plan on how to share information regarding the upcoming winter storm bringing in frigid temperatures and dangerous wind gusts.

Michael Sullivan, Chief Financial Officer, presented the financial reports. He stated the regular monthly reports will stand as presented.

He presented two items that required action by the Board.

The quarterly Appendix A Rate Adjustment Schedule was presented. The appendix shows the PCA Tracker rate for member billings effective for January 1, 2023, through March 31, 2023. The new rate calculation is \$.01205 per kWh, which has doubled since last quarter. Mr. Collins made a motion to accept and approve the new rate. Mr. Williams seconded the motion. Each director approved and the motion carried.

Mr. Sullivan also reported on member account write-offs (compiled bi-annually) for uncollected final bills for the dates of January 1, 2022 to June 30, 2022. These amounts are uncollectible due to member disconnection requests, non-pay disconnections, bankruptcy, and/or death. The collections department made multiple contact attempts with no success. Mr. Sullivan asked for approval to write off thirty-eight (38) accounts totaling \$17,318.77. The Other Accounts Receivable Invoices (OAR) reflected one vehicle accident with zero payments from insurance or individual for \$5,431.31. The combined total for both reports is \$23,116.04. Mr. Williams made a motion to approve the write-off of the presented amount. Mr. Royal seconded the vote and all approved. The motion carried.

Shane Smith, Chief Operating Officer, presented the Operations Department reports. He stated the regular monthly reports will stand as presented.

Mr. Smith and Mr. Sullivan presented the 2023 Operating / Maintenance & Capital Budget presentation. With this O/M budget, UDWI will satisfy all requirements of CFC, its sole lender.

The following items were offered during Operating / Maintenance Budget presentation:

Revenue & Purchased Power:

- Calculated using the recent tracker projections and Hoosier Energy's updated rates.
- Normalized by using a 10-year average of historical consumption information.

Utility Receipts Tax:

- Zeroed out for 2023 due to repeal in 2022.
- Base Rates
  - Reflects July 1, 2022 base rate reduction

Labor:

- Zero budgeted retirements in 2023
- Employee benefit cost increase by 6-7%
- Wage increases of 3.8% (Union & Non-Union)
- Capital Credits retirement of 1974-1977 totaling \$834,559.84.

Right-of-Way Maintenance:

- HHM budgeted 17 employees for 2023.
- HHM total budget \$1.7 million / Haley Bros total budget \$1.2 million

Outside Services:

- Higher due to outage management system upgrades (Milsoft and TextPower)
- IT 5-year cycle network upgrades / found a leasing option for hardware.
- Budgeted for technology review and long-range engineering plan costs.

Other Personnel Expenses:

- Budgeted higher education reimbursement for 3 employees.
- Investing more in employee trainings/meetings/education

Member Services:

- Credit card fees budgeted to increase 10%, very popular form of payment.

The following items were offered during Capital Budget Assumptions presentation:

Maintenance:

- Increased maintenance and inspections in 2022.
- Pole test failure rate was 3.1% in 2021, and 5.8% in 2022.

Construction Work Plan:

- Budget based on 25 miles of line reconstruction/ cost of \$120,000 per mile.
- Strategic goal to complete 30 miles per year

Special Equipment:

- Transformer costs are higher due to inflation and supply chain difficulties
- Budgeted 3 electronic reclosers, plan to phase in each year.

Meter Replacements:

- Meter purchases total \$106,000, expected delivery in 2023.

Vehicles:

- Service Truck #4 due for replacement, will be support vehicle for crews.
- Existing forklift is 20 years old and undersized for receipt of large transformers.
- Truck #21 odometer is over 200,000 miles.

Communications:

- Existing microwave links equipment out of warranty, needs replacement.

Information Technology:

- Budgeted costs will replace backup equipment currently on-site.

Supervisory Control and Data Acquisition (SCADA):

- Budgeted cost will install Distribution Fault Anticipation (DFA) equipment at 3 substations.

Property Improvements:

- Fuel island needs replacement, the goal is to begin the process in 2023 and commence in 2024.

After the presentation, Mr. Burger called for approval of the 2023 Budget. Mr. Collins motioned to approve as presented. Mr. Dugan seconded the vote, and all approved.

Doug Childs, Chief Executive Officer, presented the Manager's Reports.

First, he reported on HHM business. The Board of Directors will hold the next monthly meeting on December 21, 2022. The crews are working to increase safety and production. Robert Gose, General Manager, has been tasked with developing a formal training plan for crews. Shane Smith and Britt Miller have been resources for Mr. Gose. Billing is below budget for the past month. HHM is budgeted for 23 employees but currently has 17.

The November 2022 Hoosier Energy purchased energy invoice was provided for review. The invoice showed a lower rate than the previous month.

NRECA will be holding their annual meeting in person in Nashville, TN this year on March 3-8, 2023. Each cooperative may participate in the director election with adherence to the meeting attendance requirement. The voting delegate certification and credentialing form gives UDWI REMC directors and employees the ability to vote for NRECA representatives. Last year, Mr. Collins was elected to be the official voting delegate with Mr. Shane Smith as the alternate. Mr. Childs suggested postponing the deliberation of updates until next month's meeting.

Next, he offered information from an electric vehicle presentation given by the President and CEO of Rappahannock Electric Cooperative. Mr. Hewa suggested cooperatives prepare for a "fleet wave" in the very near future. The demand for EV's will require cooperatives to rebuild existing infrastructure to enable increased demand on their system.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. The messages thanked Stephen Campbell, Jeremy Feltner, and Kolby Hutton for their prompt and efficient work restoring service during evening hours.

Mr. Burger called for a review and revision of cooperative and board policies and bylaws.

The board reviewed suggested changes and updates of Board Policy No. 102.0 Membership Fee. The document required three small corrections. One typo, one title update, and one name update. Mr. Collins motioned to approve the policy with changes, Mr. Cullison seconded, and all approved.

Mr. Burger also called for Director Committee reports.

The Community Fund Board of Trustees held a quarterly meeting on December 7, 2022. They reviewed and funded eight (8) out of twelve (12) applications. The total given this quarter was \$12,250.00.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy.

Mr. Carpenter attended the combined monthly Board and Forum meetings on December 12, 2022. The CEO's report highlighted thoughts on how balance equals reliability, as the future will have less and less dispatchable energy.

The Board of Directors were informed they are now required to complete the Board Leadership Certificate (BLC) courses to remain in directorship with Hoosier Energy.

District 5 Director Mr. Williams reported on updates and events at Indiana Electric Cooperatives.

The Board of Directors have not met yet this month. The next meeting will be held in February 2023.

Mr. Williams was unable to attend the IEC Annual Meeting due to illness but was grateful that UDWI was represented that evening. Three employees were recognized for years of service to the local co-op, Doug Childs (5), Shane Smith (25), and Stephen Campbell (30).

Mr. Burger offered reminders for upcoming trainings and meetings.

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

With no further business presented, Mr. Burger adjourned the regular session meeting at 8:15 p.m. An executive session was not required this month.

APPROVED:

\_\_\_\_\_  
David L. Burger, President

\_\_\_\_\_  
Sophie Haywood, Secretary