

Utilities District of Western Indiana REMC
Regular Meeting of the Board of Directors
Minutes for January 30, 2023

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 January 30, 2023.

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

Vice President W. Edward Cullison gave the invocation.

The following directors reported present:

Dave Burger

W. Edward Cullison

John Royal

Todd Carpenter

Shawn Dugan

Dax Collins

Sophie Haywood

Also present were CEO Doug Childs, COO Shane Smith, CFO Michael Sullivan, Office Manager Lydia Campbell, Dispatch Manager Britt Miller, Hoosier Energy CEO Donna Walker, and Hoosier Energy Exec VP & COO Rob Horton.

Mr. Burger called for a motion to excuse the absence of Mr. Williams. A motion was made by Ms. Haywood and seconded by Mr. Collins. 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. Dugan seconded and all approved. The motion carried.

Mr. Burger also called for additions or corrections to the minutes of the December 19, 2022, regular session board meeting. Hearing none, Mr. Royal made a motion to approve the minutes as written, Mr. Cullison seconded, and the motion carried.

Amanda Craft provided a report for the review of both traditional and social media communications. Her team assisted with the March/April member and employee newsletters. They continue to monitor and respond to member social media inquiries and posts. The team helped with recent legal ad postings, live wire demo press releases, and regular social media posts and responses.

Guest speakers Hoosier Energy CEO Donna Walker and Executive VP & COO Rob Horton presented on trending topics affecting the electric industry. The U.S. Energy Outlook by ACES compared forward prices for natural gas, coal, and power. The forward prices for power are 126% higher in 2023 when compared to 2021 figures. An average electricity price graphic compared the 2022 national averages and Hoosier Energy (H.E.) figures. H.E. generation, transmission, and distribution prices were lower than the average. The average all-in rate outlook projection (which includes all trackers and fixed charges) is projected to increase 5% in 2023. The rate outlook contains significant uncertainty due to many primary driving factors. The H.E. Board of Directors budgeted and approved a \$8 million special bill credit for their member cooperatives to help offset increases and changes.

For the next installment of the Board Educations Series, Shane Smith & Britt Miller debriefed the preparation and planning involved in the response to the conditions of Winter Storm Elliott. The Operations Department discussed all actions taken to assist members during the storm. They conducted a pre-storm planning meeting with all supervisory personnel. Information for hotels and towing companies were provided to all supervisors. All radios and GPS systems were checked in advance. A rotating schedule for employees was created. Tree crews were informed of possible dispatching calls. Every line and service truck was stocked with salt, shovels, and tow straps. The storm did not bring a

large volume of outages but rather more widespread outages, extra crews were called in response. A storm debrief presentation by Hoosier Energy was also available for review.

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

He shared a few items of interest from the Statement of Cash Flows report which compared December 2022 to December 2021 figures. The Total Receipts from Operating Activities line rose \$1.45 million from 2022 due to the PCA tracker increases.

He also highlighted some Disbursements from Operating Activities categories. The Power Bill is up \$2 million, Tax Payments decreased by \$325K due to URT repeal, and Distribution-Operations saw a reduction due to annual pole test timing. Administration and General category reflected updates on the phone systems, laptops, and computers. Building and Grounds showed the effect of parking lot repairs, landscaping refresh, and security upgrades.

The Investment Receipts category reflected the receipt of a \$1.1 million patronage retirement from Hoosier Energy and a \$700,000 return on investment with HHM LLC.

The current cash balance (end of December 2022) was \$841,516.43.

Mr. Sullivan emphasized the December revenue figures on the Financial Highlights report over the past three years.

He also shared a couple of departmental updates.

A total of \$525,000 in capital credits checks have been cashed since disbursement in November, estimated at 56% of the total funds released.

The auditors from BHM CPA Group Inc will be onsite next week (2/6/23) for annual financial audit.

Shane Smith, Chief Operating Officer, presented the Operations Department reports.

He stated the regular monthly reports will stand as presented.

The Operations & Engineering, Outage, Safety & Training, and Vegetation Management reports were made available for review.

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

First, he reported on HHM business. The December 2022 and January 2023 meeting minutes were available for review. The next meeting is scheduled for February 15, 2023.

The crews were invited to the Christmas luncheon this year and were quite appreciative.

Overall clearance numbers are right on target with ACRT quotas.

The lease term on the current HHM office building/garage is soon expiring. Mr. Childs and Mr. Greggs presented a 3-year lease proposal. The document allows the current rental rate to remain locked in for another term. The Board approved the new lease.

The December 2022 Hoosier Energy purchased energy invoice was provided for review. The invoice showed a lower cost per MWH than the previous month.

The Hoosier Energy (H.E.) Annual Meeting is scheduled for April 5, 2023. Pursuant to their Bylaws Article III Section 3, each member cooperative is entitled to be represented at the meeting by a delegate with the authority to cast one vote on all matters. In the same article and section of the Bylaws, each member system is required to submit its nominee for the board of directors. Mr. Collins suggested Ms. Haywood remain as the voting delegate and Mr. Carpenter as the UDWI REMC board representative. Mr. Royal seconded the motion, and the vote passed. H.E. requires the two provided certificates to be updated and returned annually.

This year, three districts are up for election, Districts 1, 2, & 4. Two directors have chosen not to run for another term. One member from each district has completed and submitted a petition. According to the cooperative Bylaws, Article III Section 7, in the event there are any nominations by petition received and

certified by the Secretary of the Board, it shall become necessary for the Board of Directors to appoint an Election Committee. Mr. Childs requested assistance from the Board to submit names of members that may be interested in serving on the committee.

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 allows UDWI REMC directors and employees to vote for NRECA representatives. In 2019, Mr. Collins was elected to be the official voting delegate with Mr. Shane Smith as the alternate, as they were scheduled to attend the meeting. This year, Mr. Childs, Mr. Dugan, and Ms. Haywood are registered to attend. Mr. Collins made a motion to elect Mr. Dugan as the voting delegate. Mr. Cullison seconded the vote and the motion passed.

National Rural Telecommunications Cooperative (NRTC) will hold their annual meeting on February 21, 2023. They provide an electronic election for all voting delegates. Mr. Dugan was elected as the UDWI REMC representative in 2019. According to the official notice sent by postal mail, if no changes are needed, then no action is required. Mr. Collins made a motion for Mr. Dugan to remain as the voting delegate. Mr. Cullison seconded the vote and the motion passed.

A brief update on the underground service bidding progress was given. A legal advertisement was posted in the local paper as well as posted on the cooperative's Facebook page. The bids will be reviewed in February. A selection will be made soon after.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. He recognized Mr. Smith for his hard work and major achievement in earning his MBA. He also reviewed messages commending our underground contractor Joel Clark for efficient work. Our linemen, Jeremy Feltner and Kolby Hutton, for prompt service on Christmas Eve. And the HHM crews who provided assistance to the Greene County Courthouse in retrieving a flag from their broken pole.

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. 104.0 Budget Billing Plan and Board Policy No. 105.0 Identify Theft Red Flag Prevention. The documents required small corrections to the responsible parties and descriptive wording. Ms. Haywood motioned to approve the policy with changes, Mr. Carpenter seconded, and all were approved.

Mr. Burger also called for Director Committee reports. No committee met in the last four weeks.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. Mr. Carpenter attended the monthly Board of Directors meeting on January 17, 2023. NRECA's Senior VP of Government Relations, Louis Finkel, presented on Federal Advocacy. Mr. Carpenter is currently working to complete the Board Leadership Certificate (BLC) through Indiana Electric Cooperatives (IEC).

Mr. Childs reported on updates and events at Indiana Electric Cooperatives. The Board of Directors will be holding a special board meeting on February 6, 2023. The main purpose of the meeting was to discuss all plans associated with renovation and potential expansion of HQ site. The CEO candidates have been selected. The Board will meet to discuss and select a new Chief Executive Office to begin employment in April.

Mr. Burger offered reminders for upcoming training and meetings. A list of board education opportunities for the 2023 calendar year was provided.

The next three UDWI REMC board meetings were approved and scheduled for February 27, 2023, March 27, 2023, and April 24, 2023.

The 2023 NRECA Annual Meeting (PowerXchange) is scheduled for March 5-8, 2023, in Nashville, TN.

The 2023 UDWI REMC Annual Meeting of Members is scheduled for April 18, 2023. The meeting will again be held in the headquarters' main garage. Doors open at 5:00 p.m. with the business meeting beginning at 6:00 p.m.

With no further business presented, Mr. Burger adjourned the regular session meeting at 8:17 p.m. An executive session was not required this month.

APPROVED:

David L. Burger, President

Sophie Haywood, Secretary