

Utilities District of Western Indiana REMC  
Regular Meeting of the Board of Directors  
Minutes for April 24, 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 April 24, 2023.

President W. Edward Cullison called the meeting to order at 6:30 p.m.

Treasurer Michael Williams gave the invocation.

The following directors reported present:

Todd Carpenter	Dax Collins	W. Edward Cullison
Shawn Dugan	Sophie Haywood	Melinda Hendrix
Michael Williams		

Others present were CEO Doug Childs, COO Shane Smith, CFO Michael Sullivan, Office Manager Lydia Campbell, Amanda Craft of Crafted Communications, and member Richard Nichols.

Vice President Dax Collins motioned to excuse the absence of Mr. Kirkling. Ms. Haywood seconded the vote and all approved.

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

Mr. Cullison also called for additions or corrections to the minutes of the March 27, 2023, regular session board meeting. Ms. Hendrix noted the recent HHM Board of Directors meeting date was incorrect. Mr. Cullison called for a motion to approve the minutes with date correction. Mr. Collins made a motion, Mr. Williams seconded, and the motion carried.

Amanda Craft provided a report for the review of both traditional and social media communications. Her team continues to assist with monitoring and responding to member social media inquiries and posts. The Annual Meeting slideshow presentation was created, as well as a follow-up press release, by her team. They continue to assist with work on the employee and member newsletters. The May/June newsletter contained an informative article on solar energy to assist members with questions and provide steps for those looking to install a system.

In the next installment of the Board Education Series, Shane Smith provided a residential solar power review. He offered information on key elements outside of cooperative control. Systems operate exactly as designed with little ability for adjustments. Typical system failure occurs between the AC disconnect inverter and DC generator. Most solar systems cannot meet the member full load requirements and their output doesn't match overall UDWI system peaks. A recent cost-of-service study indicated current excess solar generation by UDWI members should receive the cooperative's avoided energy costs. The cooperative infrastructure can support more solar systems than are currently connected. The co-op offers resources for members interested in installation.

Mr. Childs recommended the Board 101 educational presentation be tabled until the May meeting, as both newly elected directors will be in attendance.

Michael Sullivan presented the cooperative monthly/quarterly financial reports. On the Statement of Cash Flows report, the March 2023 power bill payment plus an additional amount of \$800,000 was made to increase prepayments with Hoosier Energy. Employee benefits are up due to more employees receiving educational reimbursements. Pension costs increased as coverage for new employees surpassed the 1-year waiting period. Investment receipts reflect a \$400,000 return on a short-

term investment in February 2023. As of March 31, 2023, the report showed \$1 million in the bank, \$800,000 invested with CFC, and a \$4.5 million prepayment to Hoosier Energy.

Mr. Sullivan reviewed the Financial Highlights report in detail for new directors. The graphs show kWh sales and revenue for the current month and year-to-date totals.

The 1<sup>st</sup> Quarter Capital Budget was reviewed. New Construction showed \$130,000 paid out in contribution in aid of construction (CIAOC) due to three large unfinished underground jobs. Property Improvements increased as the approved lean-to with concrete was constructed and invoiced.

In the 1<sup>st</sup> Quarter Variance Report, revenue is below budget due to mild weather in January and February. Wages and payroll taxes are less than budget as more time had been charged to capital projects. The Dues category showed \$25,000 expense as several annual and multi-year support agreements were renewed in the first quarter. Maintenance of Buildings & Grounds is over budget due to emergency repairs of two restrooms. Maintenance and Software Agreements reflected a 3-year agreement purchase (a better deal than 1-year price). Interest Income showed receipt of 6% interest from prepayments to Hoosier Energy. Total Margins are in line with the current budget and are lower when compared to last year, this was mainly due to lower sales volumes and base rate decreases in June 2022.

The Income Statement and Balance Sheets were also available for review.

Shane Smith presented the operations department reports.

The Operations & Engineering Report highlighted specific department activity.

The department posted job openings for one dispatcher and two apprentice linemen. So far, over 100 applications have been submitted.

Britt Miller, Dispatch Manager, provided a public safety demonstration for students on the 4-H Ag Day. Through the end of March 2023, employees worked over 41,000 hours since the last lost-time accident in October 2022.

Two contractors are currently working on line upgrades, with 2.8 miles under construction.

Phase 6 of the Smithville Fiber project is being reviewed. The co-op has finalized an agreement with Charter Communications for a fiber project in Vigo and Clay counties.

The technology strategy group has contracted with NRECA to perform a Technology Study and Plan. Reps will visit the first week of June to begin the evaluation.

The customer service and dispatch departments began cross-training efforts to reduce calls being transferred and sent to the overflow call center.

The Outage and Vegetation Management reports were reviewed in detail for the new directors.

The main cause for outages continues to be vegetation overgrowth. Line clearance activity is up 1.5% above targeted goals in the last 30 days.

Mr. Smith recommended the replacement of the current forklift, which is 20+ years old and reaching the end of its life. The Board reviewed three individual bids for purchase (one with trade-in allowance). Mr. Smith requested permission to accept bid #3 from Weise in Terre Haute. The total cost after the \$9,500 allowance is \$78,180.00. Mr. Williams made a motion to order/purchase the new forklift. Mr. Collins seconded the vote. With all in favor, the motion carried.

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

First, he reported on HHM business. The next meeting will be on May 17, 2023. Staffing increased to 22 employees, with the budget maximum set at 23. Production is steady with crews continuing to clear on SR 54 working a reduced schedule of 8-hour days until finished with the area.

The March 2023 Hoosier Energy invoice was provided for review.

The Conflict of Interest / Disclosure forms were provided to Ms. Hendrix for completion. Mr. Kirkling will receive the forms in May. All directors will complete the forms in October to merge all cycles.

Mr. Childs shared a recent communication from member Tim Deckard. He contacted the co-op and submitted items of inquiry via email. Mr. Deckard's topics included broadband access, solar energy, and meeting times. The Board discussed the concerns as well as potential solutions regarding remote meeting attendance. Mr. Childs will contact Mr. Deckard again after further research is completed regarding technological options.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. A member sent a card thanking the respective linemen for their quick response to an outage at his home. He also shared his appreciation for the new text notification system.

The Wholesale Net Metering Rider Schedule "WNM" was presented for revision. The schedule is reviewed once per year and is applied to excess energy produced by member-owned generation. The tariff rate increased to \$0.04951 per kWh and took effect on April 1, 2023. The policy language structure was also updated to mirror that of the current Hoosier Energy policy.

Schedules IP & IPST were presented for revision. The rates were changed to reflect changes (net decrease excluding Power Cost Tracker) implemented by Hoosier Energy as of 4/1/23. The demand distribution adder was changed from \$.74 to \$1.82 and the energy distribution adder from \$.00870 to \$.01121 to recover Hoosier Energy's new Merom Stranded Cost Fixed Charge.

A board resolution authorizing changes to the rate tariffs policies was provided for signature. Ms. Haywood made a motion to approve the recommended revisions to the three policies. Mr. Williams seconded and all approved. The motion carried.

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

Mr. Dugan gave a brief update on the NRECA Annual Meeting held in March.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. He attended the Hoosier Energy Annual Meeting was held on April 5, 2023, in French Lick.

Mr. Williams reported on updates and events at Indiana Electric Cooperatives (IEC). The Board of Directors met on April 13, 2023. This marked the first meeting for newly assigned CEO Mr. John Cassidy. The directors discussed board growth and development and participated in breakout sessions focusing on communication improvements with State and local general assemblies.

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

IEC will be hosting an Electric Cooperative Director's Retreat on July 29-30, 2023.

The next new director orientation classes along with two of the required Credentialed Cooperative Director (CCD) courses will be held at Indiana Electric Cooperatives (IEC) on August 2-4, 2023.

The next three UDWI REMC board meetings were approved and scheduled for May 22, 2023, June 26, 2023, and July 24, 2023.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 8:18 p.m. to convene into an executive session. The session included Mr. Childs and those directors in attendance. Mr. Cullison officially adjourned the meeting at 8:39 p.m.

APPROVED:

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W. Edward Cullison, President

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Sophie Haywood, Secretary