

Utilities District of Western Indiana REMC
Regular Meeting of the Board of Directors
Minutes for May 22, 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 May 22, 2023.

President W. Edward Cullison called the meeting to order at 6:18 p.m.

CEO Douglas Childs gave the invocation.

The following directors reported present:

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

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

Treasurer Michael Williams motioned to excuse the absence of Mr. Dugan. Vice President Dax Collins seconded the vote and all approved.

Next, Mr. Cullison called for additions or corrections to the meeting agenda. Hearing none, Mr. Carpenter made a motion to approve the agenda. Mr. Collins seconded and the motion carried.

Mr. Cullison also called for additions or corrections to the minutes of the April 24, 2023, regular session board meeting. Mr. Collins made a motion to accept the minutes as presented. Mr. Williams seconded, and the motion carried.

Ms. Craft was unable to attend the meeting. The Communications Update was available for review.

Mr. Childs presented the next installment of the Board Education Series.

The Board is a group of members legally charged with the responsibility of governing the cooperative. In the case of UDWI REMC, a nonprofit organization, the board reports to stakeholders, in this case, the members that the cooperative serves. The current Board consists of eight (8) members, one from each district. Officers are President, Vice President, Secretary, and Treasurer. Current Committees include Audit, Building & Equipment, Budget, and Bylaws & Policy. Mr. Childs spoke about regular and special meeting structure and explained parliamentary procedures for making a motion for action. Board members receive a monthly stipend and are responsible for communication with the members, staff, and their counterparts, as well as reviewing emails and documents, and attending training and meetings. Mr. Childs followed up with information on upcoming Credentialed Cooperative Director (CCD) training in August and November. Ms. Campbell has registered the new directors.

Ms. Campbell thanked the directors for taking the extra time to have their professional photos updated. She also informed of the annual logo clothing allowance for employees and directors.

Mr. Sullivan presented the cooperative monthly/quarterly financial reports.

On the Statement of Cash Flows report, Other Operating Receipts were down due to \$85,000 less in energy assistance payments. Prepayments were low due only to invoice timing. Tax Payments were reduced after the utility receipts tax repeal in July 2022. Administrative and General funds increased significantly as the result of a multi-year software support agreement purchase of approximately \$54,000 and \$16,000 in radio system repairs. Investments Receipts indicated the \$400,000 CFC investment maturity and return in April 2023. Under the Disbursements category, Construction & Retirement Work in Progress increased by \$180,000 as material and supply prices inflated in 2023 and from the utilization of outside contractors. Fixed Assets indicated the \$46,000 purchase of an IT backup device.

Key points from the Income Statement were highlighted by Mr. Sullivan. Revenue is down 9% due to lower sales volumes (mild weather), a direct result of rate decreases in July 2022. The power bill had risen due to an increase in the Hoosier Energy PCA Tracker of \$1.4 million over 2022. Outage related expenses increased by \$100,000. Administrative and General expenses have increased due to \$30,000 in emergency bathroom repairs and \$40,000 in IT support agreements.

Mr. Sullivan reviewed the Balance Sheet in detail for new directors. The Financial Highlights report was available for review.

After the reorganization of the Board Officers and Board Committees in April, new authorized signatories are needed for cooperative financial/banking business. Board Policy No. 305.0 allows for the Board President, any member of the Audit Committee, the co-op CEO and CFO to sign checks for the payment of obligations. A resolution from Farmers & Mechanics Bank will authorize new signers. Mr. Collins made a motion to accept and sign the resolution. Ms. Haywood seconded, and all approved of the new signers: Mr. Cullison, Mr. Williams, Mr. Dugan, Ms. Hendrix, Mr. Childs, and Mr. Sullivan.

Mr. Smith presented the operations department reports.

The Operations & Engineering Report shows specific department activity. He highlighted the content of each category listed.

Two engineering interns were hired on May 8, 2023. A Dispatcher was hired. Tanner Reed began employment on May 15, 2023. Skills tests were held in May for potential Line Worker apprentices, interviews are expected next week. At the end of April, employees had worked over 48,000 hours since the last lost-time accident.

Smithville is currently reviewing Phase 6 plans. The agreement with Charter has been signed. HHM and Haley Bros continue clearing work, completing approximately 301 miles of line in 57 weeks.

The Outage and Vegetation Management reports were also reviewed in detail.

The main cause for outages continues to be vegetation overgrowth. Line clearance activity is below 1% of the average targeted goal.

Mr. Childs presented the Manager's Reports.

First, he reported on HHM business. Staffing increased to 23 employees. Production is steady and on target with crews working five 9-hour days.

The April 2023 Hoosier Energy invoice was provided for review. This is the largest bill yet, \$93 per MWh. The power bill calculates 64% of the entire UDWI REMC budget.

Mr. Childs was pleased to announce the UDWI REMC will be holding a Member Appreciation Day event this summer. This event marks the first one since 2004. It is scheduled for July 21, 2023, from 10:00 a.m. to 4:00 p.m. There will be giveaways, games, prizes, lunch, bill credits, demonstrations, and shaved ice treats. All members are welcome. More information will be shared on Facebook closer to date.

The CFC Annual Meeting is scheduled for June 14, 2023, in San Antonio, TX. All meeting correspondence was mailed in advance including meeting minutes, notice and registration card. A representative of UDWI REMC will not be attending but the Board agreed to retain Mr. Collins as the official voting delegate.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. He recognized the safety committees for their commitment. UDWI REMC has two committees and HHM recently introduced one. He repeated that employees had worked over 48,000 hours without an accident since October 2022.

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

The board reviewed the changes and updates suggested by cooperative legal counsel.

Board Policy No. 107.0 Privacy Policy required an update of one word. Mr. Collins made a motion to accept the revision. Ms. Hendrix seconded; the vote passed.

Board Policy No. 108.0 Member Requests for Cooperative Information needed extensive changes, the policy previously allowed members access to personnel records which include private and sensitive employee information. Mr. Collins motioned to approve the revisions. Mr. Kirkling seconded; the vote passed.

Mr. Cullison 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. He attended the regular session of the Hoosier Energy Board of Directors on May 8, 2023. Topics discussed include storm damages, financial reports, and an update on the small exceptions policy. The 5% exception to the wholesale power contract was recommended unanimously by the entire association.

Mr. Williams reported on updates and events at Indiana Electric Cooperatives (IEC). The Board of Directors did not meet in May. The next meeting is scheduled for June 16, 2023.

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 June 26, 2023, July 24, 2023, and August 28, 2023.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 7:45 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 8:02 p.m.

APPROVED:

W. Edward Cullison, President

Sophie Haywood, Secretary