

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

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

Secretary Sophie Haywood gave the invocation.

The following directors reported present:

Todd Carpenter	Dax Collins	W. Edward Cullison
Shawn Dugan	Sophie Haywood	Melinda Hendrix (virtual)
David Kirkling	Michael Williams (virtual)	

Others present were CEO Doug Childs; COO Shane Smith; CFO Michael Sullivan; Office Manager Lydia Campbell; Senior Accountant Miranda Hostetter; Attorney James A.L. Buddenbaum; Amanda Craft.

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

Mr. Cullison also called for additions or corrections to the minutes of the May 22, 2023, regular session board meeting. Mr. Collins made a motion to accept the minutes as presented. Ms. Haywood seconded, and the motion carried.

Mr. Buddenbaum, legal counsel for the cooperative, presented on board member legal requirements. Co-op directors have roles and duties like those serving a for-profit corporation. The co-op is required by the REMC Act to have a Board of Directors. The Board is a governing body and has the power to do all things necessary to conduct regular business. Directors are expected to spend sufficient time on co-op business matters to comply with their fiduciary duty of care. The whole board authorizes major corporate actions, hires top management, gives advice, assures effective auditing procedures are in place, and monitors and measures management performance.

Ms. 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. Current projects include helping create the next member and employee newsletters and providing support for the upcoming member appreciation day.

Mr. Childs provided detailed information on the upcoming Member Appreciation Day. It is scheduled for Friday, July 21, 2023, from 10:00 a.m. to 4:00 p.m. at the cooperative. The event is free and open to all members. There will be face painting, games, food, live line demonstrations, and much more.

Ms. Campbell briefly updated the annual logo clothing allowance for employees and directors.

Ms. Hostetter presented the next installment of the Board Education Series. She spoke on current financial controls and safeguards in place at the cooperative. For the purchase of any supply, a purchase order must be submitted for approval to the corresponding department manager. Invoices payments must also be approved by the department manager. Our billing system stores all documents in electronic format and can be accessed at any time. For ACH, wire, and/or check payments, two authorized signatures are required to be considered a valid transaction. Credit card purchases are made by the CEO and the Board of Directors are sent to the Audit Committee for review and approval. The Budget Committee reviews the draft of the annual operating and capital budget before being approved by the entire board of directors. The annual audit of cooperative financial records is performed

by an outside auditing firm hired by the board of directors. The auditing firm prepares the annual tax return.

Mr. Sullivan presented the cooperative monthly/quarterly financial reports. He provided information on FDIC banking limits. An IntraFi Network is a banking network that allows customers to deposit more than \$250,000 and have the funds be FDIC-insured. The FDIC (or Federal Deposit Insurance Corporation) offers \$250,000 of deposit insurance for most bank customers in the event that the bank fails. For example, the co-op currently has funds deposited in six (6) different banks, excluding Northwest, to ensure the balances stay within the FDIC limits.

He stated the Statement of Cash Flows, Income Statement, Balance Sheet, and Financial Highlights reports stood as presented.

Mr. Sullivan presented the quarterly Appendix A Rate Adjustment Schedule requiring Board action. The appendix shows the PCA Tracker rate for member billings effective from July 1, 2023, through September 30, 2023. The new rate calculation is \$.01704 per kWh, a slight increase from the previous quarter. Mr. Collins made a motion to accept and approve the new rate. Mr. Dugan seconded the motion, and the motion was carried out.

He also reported on member account write-offs (compiled bi-annually) for uncollected final bills for the dates of July 1, 2022, to December 31, 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 on all of the accounts. Mr. Sullivan asked for approval to write off twenty-three (23) accounts totaling \$5,528.33. Mr. Collins made a motion to approve the write-off of the presented amount. Mr. Haywood seconded the vote and all approved. The motion carried.

With Ms. Haywood replacing Mr. Royal as Chairperson of the UDWI REMC Community Fund, Inc. Board of Trustees, a new authorized signatory is needed for financial and banking business related directly to the Fund. Edward Jones requires a copy of the meeting minutes approving Ms. Haywood and Mr. Childs as signers for the financial account. Mr. Cullison made a motion to approve both as authorized signers. Mr. Kirkling seconded, and all approved, the motion carried.

Mr. Smith presented the operations department reports. He stated the Operations & Engineering, Outage, and Vegetation Management reports stood as presented. Two apprentice linemen will begin employment on July 3, 2023. Mr. Smith gave accolades to the crews who worked the aftermath of the most recent storms.

Mr. Smith also updated the Board on the progress of the new fuel island. The island along with the 30-year-old tanks needed to be changed as it is currently a liability due to its age. The site will require a new civil and structural geographical engineering analysis to be completed. The cost of the analysis is \$21,450 which will require a budget amendment as it was not forecasted in the 2023 budget. Ms. Haywood made a motion to approve the amendment and allow for the analysis. Mr. Dugan seconded, and the motion carried.

Mr. Childs presented the Manager's Reports. First, he reported on HHM business. The board met last week. Crews are currently working five 10-hour days. Clearing production is above target goals. Staffing continues to be an issue but may only require 18-19 FT positions to meet clearing goals.

The May 2023 Hoosier Energy invoice was provided for review.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. He reviewed a variety of thank you notes commending HHM, Steve Harp, Cory Lutz, Evan Fuller, Will Padgett, and Shaun Hayse.

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. 200.0 Board Duties & Qualifications required minimal wording adjustments.

Mr. Collins made a motion to accept the revision. Ms. Hendrix seconded; the vote passed.

Board Policy No. 200.1 Board Training & Development was only reviewed, and the date was updated. Mr. Collins motioned to approve. Mr. Dugan seconded; the vote passed.

Board Policy No. 200.2 Board of Directors and Officers Code of Ethics with Certification and Disclosure Form was only reviewed, and the date was updated. Ms. Haywood motioned to approve. Mr. Williams seconded; the vote passed.

Mr. Cullison called for Director Committee reports. The Community Fund Committee met on June 21, 2023. This was the first meeting for Ms. Haywood. The committee funded 9 out of 18 applications for a grant total of \$15,755.00. She discussed the lack of follow-through on recipients' actual usage of the funds. She updated the current application to add this process. She will take the changes back to the committee in September. Mr. Carpenter made a motion to accept the changes. Mr. Dugan seconded, and the vote passed.

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 June 12, 2023. The main topic of discussion at the meeting was the Member Flexibility Policy. The board voted unanimously to approve the new policy. Mr. Carpenter acknowledged Mr. Childs for his assistance on this project.

Treasurer Michael Williams reported on updates and events at Indiana Electric Cooperatives (IEC). The Board of Directors met on June 16, 2023. The breakout sessions were beneficial with the main topic of discussion being board requirements and how to obtain a CCD or BLC certification.

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 July 24, 2023, August 28, 2023, and September 25, 2023.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 8:10 p.m. to convene into an executive session. The session included Mr. Childs and all directors in attendance. Mr. Cullison officially adjourned the meeting at 8:48 p.m.

APPROVED:

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W. Edward Cullison, President

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Sophie Haywood, Secretary