

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

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

CEO Douglas Childs gave the invocation.

The following directors reported present:

Todd Carpenter
Sophie Haywood
Michael Williams

W. Edward Cullison
Melinda Hendrix

Shawn Dugan
David Kirkling

Others present were CEO Doug Childs; COO Shane Smith; Dispatch Manager Britt Miller; Office Manager Lydia Campbell; Attorney James A.L. Buddenbaum; Amanda Craft (virtual); member Richard Nichols

Ms. Haywood motioned to excuse the absence of Mr. Collins. Mr. Dugan 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. Ms. Hendrix seconded, and the motion carried.

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

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. She provided updates on the next member and employee newsletters and media assistance during and after the derecho in June.

Ms. Miller presented the next installment of the Board Education Series. She spoke on the June 29th derecho storm. It was the second worse event in recorded history at the cooperative. This storm caused 517 separate outages totaling 12,000 meters without service, also 41 broken poles, and 13 burned transformers. All UDWI crews, along with mutual aid from Heartland REMC, Dubois County REMC, Johnson County REMC, and Hoosier Energy, worked over 1,000 hours total. Calls to the office increased by 998% during the entire restoration period, which was 6 full days. Ms. Miller stated restoration efforts went very well. Despite the heat, other storms, and widespread damage, all services, not requiring individual repairs, were restored by July 4, 2023.

Mr. Cullison and the directors offered a round of applause to all involved, the work and time, and efforts did not go unnoticed.

Mr. Childs presented the cooperative monthly/quarterly financial reports in Mr. Sullivan's absence. He reviewed figures from the Statement of Cash Flows for June 2022 and 2023. The PCA Tracker directly affects the Electric Revenue figures. The tracker increased by 95% over the past year. Tax Payments reflected the Utility Receipts Tax repeal of July 2022. Employee Benefits costs increased because of rising health insurance and pension costs as well as education assistance. The Distribution Operations Expenses increase is due to pole inspection payments and DFA installations that occurred late in 2022.

Hoosier Heritage Management tree removal/trimming category showed an increase over 2022 due to rate updates in early 2023, higher number of employees, and weather-related work schedule changes.

Consumer Accounts indicated an increase due to a refund given to a member from a billing error (multiplier over billed).

Investment Receipts showed the receipt of \$1.1 million patronage capital retirement from Hoosier Energy and the \$700,000 return of investment of HHM in 2022, and the receipt of \$1.2 million return on short-term investments with CFC in 2023. We expect to receive a patronage payment from Hoosier Energy in November 2023.

Construction & Retirement Work in Progress increased because of a reduction in the number of contractors used for line upgrades in the first half of 2022.

Contributions in Aid of Construction (CIAOC) reflected a payment of \$36,000 received from Comcast for their portion of a joint river bore project, \$64,000 for a three-phase conversion job, \$52,000 for housing development materials costs, \$67,000 for current fiber projects material costs, and \$79,000 for two large underground jobs in 2023.

The Balance Sheet figures for July 2022 and 2023 are as follows.

Cash and Cash Equivalents are down \$4.1 million from last year due to the timing of the Hoosier Energy patronage retirement, as well as lower sales volumes, and reduced rates.

Equity Percentage continues to rise as loans are paid down without additional borrowing.

The Accounts Payable category showed an increase, but it is due to the timing of invoices received.

Customer Deposits were down due to a billing system error. All deposits to be refunded, after 12 months of good payment history, were not applied in the proper timing but the issue was corrected later.

The 2nd Quarter 2023 Capital Budget report was reviewed.

Mr. Smith projects the construction work plan costs will total approximately \$2,000,000 by year-end.

An update on company vehicles was shared. The possibility of receiving a new service truck by the end of the year is favorable. The recently approved and ordered forklift is not expected to arrive until November 2024. A new company truck has been ordered and is expected in 2 to 3 months.

The 2nd Quarter Variance Report for June 2022 and 2023 was reviewed.

June 2023 sales volumes (kWh) were down by 9.5% as compared to 2022 and 5% less than the 2023 budgeted sales volumes. Wages & salaries were over budget due to 2.5% more labor being expensed than budgeted. Member relations expenses showed over budget due to the previously mentioned large reimbursement from a billing error. Maintenance & software support agreements increased as several multi-year support agreements were renewed during the first half of 2023. Regulatory commission fees were up due to higher revenues in 2022 and a higher billing rate from IURC. The tree trimming contractors budget is over due to an increase in right-of-way mowing costs.

Mr. Smith presented the operations department reports.

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

Two (2) line apprentices, Cody Corbin and Austin Pitts, were hired and began employment on July 3, 2023. Line Foreman Jordan Clark has completed all skills tests and is now a Hoosier Energy Apprenticeship Training & Safety (HEATS) hot line school instructor/trainer.

At the end of June 2023, employees worked over 64,000 hours since the last lost-time accident.

Two contractors are currently working on line upgrades.

The Long-Range Technology Plan is underway. NRECA consultants have conducted interviews over the course of two separate weeks. A report will be shared in August.

An updated Outage Report was not available at this time. Mr. Smith stated the derecho in June "broke the report". He will need to reconfigure the information and calculations.

A copy of the Vegetation Management Report was provided. Ticket work is up due to storm work. However, clearing targets are still down, potentially due to the week-long ACRT training.

Mr. Smith also offered a reminder about online training. All assignments are sent quarterly via email to everyone, as well as completion reminders. If anyone has questions, they may reach out to Ms. Miller.

Mr. Childs presented the Manager's Reports.

First, he reported on HHM business. The Board of Directors will meet next on July 26, 2023. Crews are currently working five 10-hour days. Clearing production is down as crews attended ACRT training.

The June 2023 Hoosier Energy invoice was provided for review. The kWh charge was down \$3 from the May invoice. Revenues are also down due to the 28-day billing cycle.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. He reviewed a variety of thank you notes personally commending Rob Firestone, Jeremy Feltner, and Michael Nail for individual outage responses, as well as all involved in service restoration from the June 29th derecho.

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. 200.3 Committees of the Board of Directors was revised and required adjustments to the listed committees. The Bylaws & Policy and Member Relations committees (bullets #5 & #6) are no longer in session, as Policy No 404.1 was previously repealed. Ms. Hendrix made a motion to accept the revision. Mr. Williams seconded; the vote passed.

Board Policy No. 201.0 Board of Directors Meetings was only reviewed, and the date and names were updated. Ms. Haywood motioned to approve. Mr. Dugan seconded; the vote passed.

Board Policy No. 201.1 Executive Sessions of the Board of Directors only reviewed, and the date and names were updated. Ms. Haywood motioned to approve. Mr. Dugan 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. The Board of Directors held a regular session meeting on July 10, 2023. He highlighted item #6 of the provided Meeting Report. The overall budget will increase due to the tracker costs. Also, the Board reviewed and approved a new Purchased Power Agreement with Hallador Energy.

Treasurer Michael Williams reported on updates and events at Indiana Electric Cooperatives (IEC). He reminded everyone of the Director's 2023 Summer Retreat on the 29th & 30th at the French Lick Springs Hotel. Mr. Williams, along with Ms. Haywood, Mr. Carpenter, and Mr. Cullison, are registered to attend both days.

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 August 28, 2023, September 25, 2023, and October 23, 2023.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 7:33 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 7:56 p.m.

APPROVED:

W. Edward Cullison, President

Sophie Haywood, Secretary