

Utilities District of Western Indiana REMC
Regular Meeting of the Board of Directors
Minutes for September 25, 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 September 25, 2023.

Vice President Dax Collins called the meeting to order at 6:30 p.m.

Todd Carpenter gave the invocation.

The following directors reported present:

Todd Carpenter	Dax Collins	Shawn Dugan
Melinda Hendrix	David Kirkling	Michael Williams

Others present were CEO Doug Childs; COO Shane Smith; CFO Michael Sullivan; Office Manager Lydia Campbell; Amanda Craft; Dispatch Manager Britt Miller, Kevin Mullen, Power Centric Solutions (virtual), and member Richard Nichols.

Mr. Williams motioned to excuse the absence of Mr. Cullison and Ms. Haywood. Mr. Dugan seconded the motion and all approved.

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

Mr. Collins also called for additions or corrections to the minutes of the August 28, 2023, regular session board meeting. Ms. Hendrix 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 newsletter creation and social media inquiries and posts. Mr. Collins requested some additional information regarding social media trends.

For the next installment of the Board Education Series, Mr. Kevin Mullen of Power Centric Solutions attended virtually to present the 5-year and 20-year Construction Work Plan. His internet service failed as he began the presentation. Mr. Smith was able to step in and provide the entire presentation. Power Centric is an engineering design and consulting company that assists with substation design, reliability planning, load studies, and other related services. The basis of the current results are future load forecasts, existing system information, and the plan criteria. The Board inquired about the cost of the plan and its impact on service reliability. The plans are precursors to the annual budget which will be presented in November.

Mr. Sullivan presented the cooperative monthly/quarterly financial reports. He reviewed figures from the Statement of Cash Flows for August 2022 and 2023. Electric revenue receipts were up 3% due solely to the PCA Tracker increase in 2022. Tax payments were down because of the Utility Receipts Tax (URT) repeal in 2022. Outage costs continue to rise because of the derecho on June 29, 2023. Right-of-way costs were \$100,000 over the total spent in 2022. Member account costs were up due to a large refund resulting from a multi-year billing multiplier error. Employee Wages were up because of annual wage increases and 20% increase in overtime hours. This increase was the result of outage responses. Construction Work increased as more contractors were needed in 2023 than in 2022.

The Income Statement for August 2022 and 2023 was reviewed. Revenue was up because of the \$2.8 million increase from the PCA tracker. Distribution Maintenance costs rose \$700,000 due to increased outage and right-of-way costs. Total margins for the year showed \$836,000, half as much as compared to the same time last year.

On the August 2023 Balance Sheet report, the Electric Plant in Service balance was up \$4.9 million. Cash was down \$3 million and the Power Bill Prepayment dropped by \$1.6 million. The long-term debt totals reflected the prepayment amount.

Mr. Sullivan briefly reviewed the Financial Highlights charted report. The small gauge-like chart indicated expenses are below budget with sales down. The PCA tracker costs charged were higher than budgeted.

Mr. Sullivan also presented the quarterly Appendix A Rate Adjustment Schedule requiring Board action. The appendix shows the PCA Tracker rate for member billings effective from October 1, 2023, through December 31, 2023. The new rate calculation is \$.01733 per kWh, a slight increase from the previous quarter. Mr. Williams made a motion to accept and approve the new rate. Mr. Dugan seconded the motion, and the motion was carried out.

Mr. Smith reviewed the operations department reports. The Operations and Engineering Report shows specific department activity. He explained what fiber make-ready means and what it entails. We currently have two contractors working on Charter and SCI REMC fiber make-ready projects. A total of 4.2 miles of conductor are under construction with 10.2 miles completed this year.

He gave an update on recent strategic initiatives. The Technology Plan created by NRECA representatives was presented to the technology strategic committee. The reliability strategic committee reviewed the new Construction Work Plan.

The Outage Report showed vegetation issues to be the main cause of outages. Mr. Smith compared daily SAIDI data of the most recent large storms. The August 26th storm was considered an IEEE major event day. The derecho on June 29th was more than 10X larger than the major event day minimum.

The Vegetation Management Report was reviewed. Clearing targets are still below target. This is due to the derecho clean-up and restoration work. Townsend and Asplundh contractors are now clearing and will help increase clearing percentages. They began clearing in September, so the current department reports do not reflect their progress.

Mr. Childs presented the Manager's Reports. First, he reported on HHM business. The Board of Directors met on September 20, 2023. Crews remain steady at 21 total employees. Health insurance premiums will increase by 40% effective October 1, 2023. A quote from NRECA has been received, it is comparable to the current group rates.

The August 2023 Hoosier Energy invoice was provided for review.

The board reviewed the Indiana Electric Cooperatives Certificate of Nomination and Credential of Voting Delegate documents. Ms. Campbell confirmed the forms are necessary for voting at the IEC Annual Meeting. The co-op may choose to elect the same officers as last year. The Board must also nominate a director to serve as a UDWI REMC representative on the IEC Board of Directors. IEC has additionally requested each member co-op complete an Alternate Director Authorization form. After a brief discussion, Mr. Williams made a motion to elect Mr. Carpenter as the voting delegate and retain Mr. Childs as the voting alternate, retain Mr. Williams as the IEC Board Representative, and elect Mr. Childs as the alternate IEC Board Representative. Ms. Hendrix seconded and all approved.

Mr. Childs briefly reviewed the results of the 2023 Cooperative Difference Survey. Over the last 5 years, UDWI's standing rose 12 points on the ACSI point scale for overall satisfaction. This is an enormous feat that all should be proud to have accomplished.

Ms. Campbell requested deliberation on the date of the 2024 Annual Meeting of Members. She proposed four dates. The Board reviewed and selected a date. Ms. Williams made a motion to approve April 24, 2024 as the date for the meeting. Ms. Hendrix seconded the motion; the vote passed. The Board also discussed moving the location of the meeting to an off-site venue.

Lastly, Mr. Childs acknowledged recent employee accomplishments and shared comments from members. He shared a note from a member commending HHM crews and Steve Harp. And he shared a detailed letter appreciating those involved, namely Tracy Deckard, for the excellent service provided to assist with needed upgrades at his location.

Mr. Collins 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. 201.2 Attendance at Board of Directors Meetings was presented for approval by the Board. Ms. Hendrix made a motion to approve the revisions. Mr. Kirkling seconded the motion; the vote passed.

Mr. Collins called for Director Committee reports. No other committees besides the Community Fund had met in the last four weeks.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. Mr. Carpenter and Mr. Childs gave updates on potential projects, the strategic power supply opportunity with Holtec International and Wolverine Power Cooperative for the Palisades Nuclear Power Plant in Covert, Michigan.

Mr. Collins offered reminders for upcoming training and meetings. Ms. Hendrix and Mr. Kirkling will be attending the next CCD course on November 17, 2023, at IEC.

The HEATS Graduation ceremony, along with dinner, will be held on October 27, 2023, at the French Lick Springs Hotel.

The October 23, 2023 and November 27, 2023 board meetings were approved and scheduled. The board discussed potential dates for the December meeting. Mr. Williams made a motion to approve December 18, 2023. Mr. Dugan seconded the motion and the vote passed.

With no further business presented, Mr. Collins adjourned the regular session meeting at 8:28 p.m. to convene into an executive session. The session included Mr. Childs, Mr. Smith, Mr. Sullivan, Ms. Craft, and all directors in attendance. Mr. Collins officially adjourned the meeting at 8:50 p.m.

APPROVED:

W. Edward Cullison, President

Sophie Haywood, Secretary