
Utilities District of Western Indiana REMC



UDWI REMC

2024 Operating/Maintenance & Capital Budgets

Operating & Maintenance Budget Assumptions

- Revenue & Purchased Power:
 - Calculated using an average of the last 5 years and the most recent tracker projections by Hoosier which range from \$14.71 to \$17.43 per MWh.
 - No significant load increases are expected at Westgate in 2024.
- Labor:
 - Wage increases of 3.8% for union and 3.0% for non-union employees.
 - Hire new engineering tech in May 2024.
 - Engineering intern for summer of 2024.
 - No budgeted retirements in 2024.
 - Overtime hours normalized to a 5-year average of 6,400 hours.



Operating & Maintenance Budget Assumptions

- Debt Service:
 - For the first time since 2015, long term financing is expected to increase.
 - \$5 million of new borrowing has been budgeted at an interest rate of 6.5% for 30 years.
 - The \$5 million in new borrowing has been budgeted to be received as \$2.5 million in March and \$2.5 million in August.



Operating & Maintenance Budget Assumptions



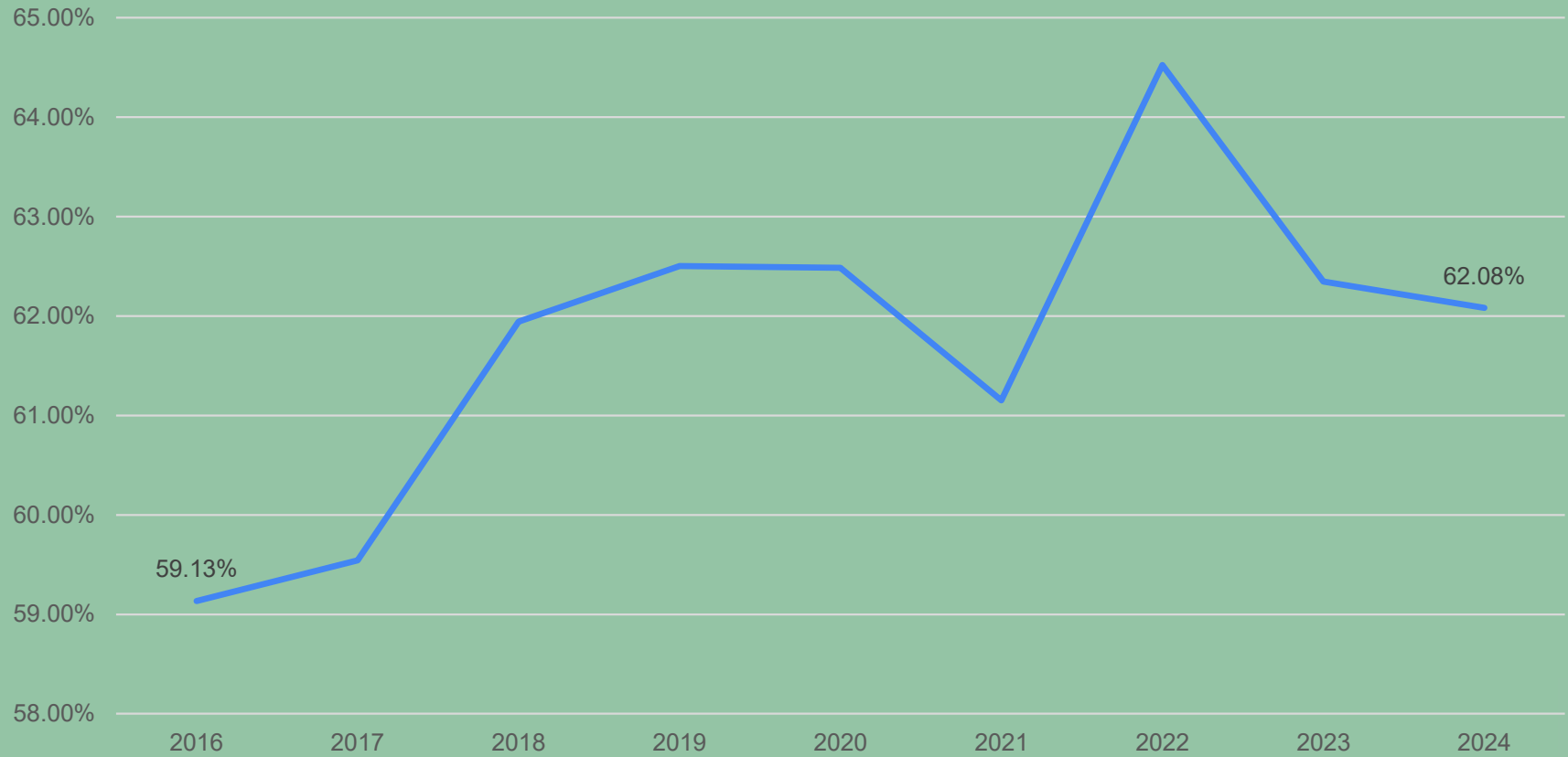
- Tree Trimmer Contractors:
 - Hoosier Heritage Management's budget of \$2.1 million has been included and we also budgeted a 3% increase for Haley Bros Tree Care LLC in 2024.
 - An extra \$800,000 has been budgeted for additional tree trimming contractors in order to get to a 5-year trim cycle.

Operating & Maintenance Budget Assumptions

- **Capital Credits:**
 - Budgeted to retire \$900,000 in 2024, what years will be retired will be determined at a later date.
- **Miscellaneous Employee Benefits:**
 - This item is largely driven by educational reimbursement to employees.
 - We have budgeted for 3 employees to receive educational reimbursement for 2024.
- **Credit Card Fees:**
 - Credit card fees were budgeted to increase 6% as credit cards continue to become a more popular form of payment by members.



Purchased Power as a % of Total Expenses



Utilities District of Western Indiana REMC

Operating Budget

2024

	2024 Budget	2023 Projected	2023 Budget	2022 Actual	2021 Actual
Total Revenue	50,403,400	48,605,300	48,988,000	48,009,250	44,603,300
Purchased Power	30,453,300	29,305,600	29,385,500	29,069,700	25,294,900
Debt Service	3,142,500	2,931,800	2,941,700	2,923,300	2,915,100
Insurance & Taxes	472,800	471,000	484,300	790,500	1,073,400
Total Fixed Expenses	34,068,600	32,708,400	32,811,500	32,783,500	29,283,400
Wages & Salaries	4,918,100	4,652,500	4,576,100	4,311,700	4,225,000
Benefits	1,811,700	1,659,900	1,680,800	1,584,800	1,518,400
Required Employer Expenses	428,000	396,300	388,800	380,200	350,200
Total Earnings & Benefits	7,157,800	6,708,700	6,645,700	6,276,700	6,093,600
Right-of-Way Maintenance	4,509,600	4,034,900	3,076,000	2,796,300	2,972,500
Outside Services	1,605,200	1,705,100	1,722,200	1,506,300	1,558,000
Capital Credits	900,000	834,600	834,600	954,300	466,100
Materials & Supplies	496,200	462,100	442,600	539,600	430,900
Equipment Maintenance	381,200	373,700	374,500	384,900	258,900
Other Personnel Expenses	147,300	137,100	155,300	114,100	48,700
Member Services	474,300	651,400	479,400	455,500	409,000
Director Costs	105,500	76,900	72,200	63,500	56,100
Utilities	140,600	149,800	149,900	148,700	130,700
Total Other O&M Expenses	8,759,900	8,425,600	7,306,700	6,963,200	6,330,900
Total Expenses	49,986,300	47,842,700	46,763,900	46,023,400	41,707,900
Non-operating Income/(Expense)	22,300	24,800	11,900	11,000	3,776
Net Cash Flow	439,400	787,400	2,236,000	1,996,850	2,899,176



Capital Budget Assumptions

- Construction Work Plan:
 - The projects for year 1 include building a tie line along Sylvania road, building a tie line on Elwren road, a single phase to three phase conversion along SR 42 towards Vigo County, upgrading a line feeding the I-70 Truck Stops, upgrading the line from Guthrie Substation towards Lake Monroe, and upgrading the line feeding into Owensburg.
- Substation Improvements:
 - We anticipate upgrades to the Scotland Substation in 2025 or 2026, but expect this cost to be fully paid by the new customers.
 - We have an upgrade of the Stearleyville substation scheduled for 2026, but this is in anticipation of new EV charging loads and will be monitored.



Capital Budget Assumptions

- **Special Equipment:**
 - Thanks to the purchase of some used hydraulic reclosers from another cooperative, we should have what we need in stock, although many will need to be rebuilt (expense instead of capital).
 - We have currently reduced this number from over \$400,000 per year to just \$40,000 in year one.
- **Meter Replacements:**
 - For Single Phase Meters we continue to see failures on the approximate 3,000 L&G meter displays, necessitating replacement.

Capital Budget Assumptions

- **Vehicles:**
 - We are still attempting to purchase one Service Truck per year due to the high milage these units get, but they are unlikely to be delivered on time due to manufacturing delays.
 - Our current Track Machine is approaching 10 years old and is extremely unreliable and undersized for the work we do. This estimate is for a larger unit built in Indiana, but still small enough to pass through a gate fence.
 - The Forklift was approved in the 2023 budget, but delivery is not expected until 2024.
- **Communications:**
 - The current microwave link is out of warranty and needs to be replaced. This purchase was approved for 2023, but the equipment has not arrived yet.



Capital Budget Assumptions

- Information Technology:
 - Most IT equipment is moving to a leased / expensed program, but in 2024 we will need to replace our switches and firewalls to maintain cyber security and upgrade network speeds.
- Engineering:
 - Very little engineering equipment rise to the capital purchase level. We would like to purchase a new drone with infrared camera capabilities to improve our inspection program, especially for key accounts.
- SCADA:
 - We anticipate continuing the Distribution Fault Analysis deployment, with two multi-bay installations in 2024, then finishing the four single-bay substations over the following two years.



UTILITIES DISTRICT OF WESTERN INDIANA REMC

CAPITAL BUDGET

5 YEAR

Description	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
NEW CONSTRUCTION	\$ 1,076,000	\$ 1,172,000	\$ 1,259,000	\$ 1,350,000	\$ 1,443,000
MAINTENANCE	\$ 1,050,000	\$ 1,260,000	\$ 1,320,000	\$ 1,380,000	\$ 1,490,000
CONSTRUCTION WORK PLAN	\$ 3,800,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
SUBSTATION IMPROVEMENTS	\$ -	\$ -	\$ 200,000	\$ -	\$ -
SPECIAL EQUIPMENT	\$ 1,380,000	\$ 1,590,000	\$ 1,695,000	\$ 1,745,000	\$ 1,910,000
METER REPLACEMENTS	\$ 416,000	\$ 460,000	\$ 475,000	\$ 510,000	\$ 525,000
VEHICLES	\$ 588,000	\$ 760,000	\$ 320,000	\$ 810,000	\$ 350,000
COMMUNICATIONS	\$ 180,000	\$ -	\$ 75,000	\$ -	\$ -
INFORMATION TECHNOLOGY	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
ENGINEERING	\$ 20,000	\$ -	\$ 10,000	\$ -	\$ -
SCADA	\$ 90,000	\$ 70,000	\$ 70,000	\$ -	\$ -
PROPERTY IMPROVEMENTS	\$ -	\$ 800,000	\$ 50,000	\$ 50,000	\$ 50,000
TOTAL CAPITAL BUDGET	\$ 8,700,000	\$ 11,112,000	\$ 10,574,000	\$ 10,845,000	\$ 10,768,000

