

Utilities District of Western Indiana REMC
Regular Meeting of the Board of Directors
Minutes for February 26, 2024

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 February 26, 2024.

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

Mr. Williams gave the invocation.

The following directors reported present:

Todd Carpenter
Shawn Dugan
Michael Williams

Dax Collins
Melinda Hendrix (virtual)

W. Edward Cullison
David Kirkling

Others present were CEO Doug Childs; COO Shane Smith; CFO Michael Sullivan; Line Superintendent Jared Pyne; Office Manager Lydia Campbell; Dispatch Manager Britt Miller; Amanda Craft; and members Richard Nichols and Perry Robinson.

Mr. Cullison called for a motion to excuse the absence of Ms. Haywood. Mr. Carpenter made a motion, Mr. Williams seconded, and the motion carried.

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

Mr. Cullison also called for additions or corrections to the minutes of the January 22, 2024, regular session board meeting. Mr. Collins made a motion to accept the minutes as presented. Mr. Dugan seconded, and the motion carried.

Due to medical issues, Ms. Haywood is temporarily unable to fulfill her duties as Secretary of the Board of Directors. As stated in the cooperative Bylaws Article VI, Section 9, the Board of Directors may delegate duties and responsibilities of any officer to an agent, officer, or co-op employee. On the advice of counsel, a resolution was provided to temporarily delegate all responsibilities and authority to Office Manager Lydia Campbell until the second meeting of the Board following the 2024 Annual Meeting of the Members. Mr. Williams made a motion to approve the temporary delegation. Mr. Kirkling seconded, and the motion carried.

The next edition of the Board Education Series, guest speaker Jared Pyne, Line Superintendent, presented fleet updates for UDWI & HHM. He reported on the numbers and performance of the trucks and machines in use by both companies. UDWI currently utilizes four (4) line trucks, three (3) service trucks, one (1) large bucket truck, and a track machine. HHM consistently uses three (3) bucket trucks, two (2) chip trucks, and Sky Trim and Timberjack machines. They also own five (5) chippers and a skid steer/mowing unit. He gave accolades to the UDWI mechanics for their hard work in keeping both fleets operational and in good working order.

Ms. Craft provided a brief report for the review of both traditional and social media communications. Her team assists with newsletter creation and social media inquiries and posts. They are currently collaborating with staff on the creation of a new member handbook. The UDWI website has a dedicated economic development page for the public. The recent spikes in page views were due to the 2024 rebate programs being added/updated.

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

The monthly reports, Statement of Cash Flows, Income Statement, and Balance Sheet, all stood as presented. He reviewed the Financial Highlights report which showed 2023 revenue and expense trends and 2024 current sales.

The 2023 Fourth Quarter Capital Budget report was reviewed.

Miscellaneous New Construction actual costs were almost double than budgeted due to fiber make-ready expenses. Pole replacements were over budget due to 2022 failed pole tests and damage caused by the derecho in June. Transformer orders were placed in 2021, but did not receive until 2023, prices were not locked in and continued to rise during that time. Reclosers were purchased from another cooperative at a lower rate. Meter base costs rose after a \$25,000 equipment purchase for the Westgate project.

The 2023 Fourth Quarter Variance Report was also reviewed.

Revenue was below budget as sales volumes were 1% below budget. Purchased power increased due to a higher power cost tracker charged by Hoosier Energy. Wages and Salaries were over budget due to an 8% increase in outage restoration overtime hours. Contractor fees were up as a new pole testing company was hired, costing \$95,000 over budgeted amounts. Member Relations expenses were over budget because of a refund given to a member for a multiplier billing error. Tree Trimming Contractor costs were over due to the addition of two new contractors, additional right-of-way mowing by Lone Tree, and an increase in HHM staffing.

Mr. Smith presented the operations department reports.

He first reviewed key items from the Operations and Engineering Report. One employee was released from employment in early February. We will replace that position next week.

Make-ready fiber work is being constructed by Charter Communications and SCI Fiber.

Engineering Supervisor Johnathan Sutton and Dispatch Manager Britt Miller both achieved a Certified Key Account Executive accreditation through the NRECA training program.

The Outage Dashboard continued to show vegetation as the main cause of outages. All non-major events are below the 5-year average.

The Vegetation Management report showed 17.5% production above target for line clearance. This year, Townsend and Halter joined the existing contractors to increase clearing averages.

Mr. Childs presented the Manager's Reports.

First, he reported on HHM business. The Board of Directors met on February 21, 2024.

Clearing numbers are down slightly due to the frigid weather in January. Also, the 70-foot bucket truck has transmission issues. Crews are currently working in the Vicksburg area.

The January 2024 Hoosier Energy invoice was available for review.

As mentioned last month, the Hoosier Energy (H.E.) Annual Meeting is scheduled for April 3, 2024.

Pursuant to their Bylaws Article III Section 3, each member cooperative is entitled to be represented at the meeting by a delegate with the authority to cast one vote on all matters. In the same article and section of the Bylaws, each member system is required to submit its nominee for the board of directors.

Mr. Carpenter was selected to remain as the board representative and Ms. Haywood as the voting delegate. Due to medical issues, Ms. Haywood will be unable to attend the meeting. The Board revisited the subject this month and elected to appoint another voting delegate. Mr. Collins made a motion to appoint Mr. Cullison as the voting delegate. Mr. Williams seconded, and the vote passed.

Lastly, Mr. Childs presented employee accomplishments and shared comments from members.

Mike Reinhart, AMI Administrator and Metering Foreman, was highlighted in the February 2024 issue of Rural Electric (RE) Magazine for his work with distribution fault anticipation (DFA) technology.

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.

The following policies were presented for review, approval, or rescission.

- Review – Board Policy No. 301.0 – Accounting Records
- Review – Board Policy No. 302.0 – Audit of Records
- Review – Board Policy No. 303.0 – Budget
- Revise – Board Policy No. 304.0 – Purchase of Materials, Supplies, and Equipment
- Revise – Board Policy No. 305.0 – Authorized Signatures, Money Transfers, and Investments
- Revise – Board Policy No. 306.0 – Depositories
- Review – Board Policy No. 308.0 – Security Bonds and Insurance

Mr. Williams made a motion to approve the seven above policies as presented. Mr. Collins seconded the motion, and the motion carried.

The topic of the board retreat hosted by Solidity Consulting was tabled at the last meeting. Program overview documentation was not provided this month. It was suggested to table the topic again and revisit in March. Mr. Carpenter made that motion, Mr. Collins seconded, and the vote passed.

Mr. Cullison called for individual 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 met on February 12, 2024. The main topics discussed were the year-end operations and financial reports, potential ISU preferred customer partnership, and a major power supply opportunity.

Treasurer Michael Williams reported on updates and events at Indiana Electric Cooperative (IEC). The Board of Directors met on February 21, 2024. The same presenter will be returning this year for the Directors' Retreat in July. The new business office is close to completion, moving should begin soon.

Mr. Cullison offered reminders for upcoming training and meetings.

The next three UDWI REMC board meetings were approved and scheduled for March 25, 2024, April 22, 2024, and May 20, 2024 (early due to Memorial Day holiday).

The 2024 Cooperative Response Center (CRC) Annual Meeting is scheduled for March 3, 2024.

Hoosier Energy will be holding their 2024 Annual Meeting on April 3, 2024, at French Lick Conference Center. Mr. Childs, Mr. Carpenter, Mr. Cullison, and Mr. Dugan will attend this year.

The 2024 Annual Meeting of Member is scheduled for April 24, 2024, at UDWI headquarters.

IEC will be hosting another Directors' Retreat. This year it is scheduled for July 26-27, 2024.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 8:06 p.m. to convene into an executive session. The session included Mr. Childs, Mr. Smith, and all directors in attendance. Mr. Cullison officially adjourned the meeting at 8:39 p.m.

APPROVED:

W. Edward Cullison, President

Lydia Campbell, Office Manager