
Utilities District of Western Indiana REMC



UDWI REMC

2025 Operating/Maintenance & Capital Budgets



UDWI REMC exists to improve rural life.

- We safely deliver reliable electricity to our members.
- We provide outstanding customer service from every position within UDWI.
- We serve our communities by providing helping hands and hearts to those in need.

We value most:

Our Employees: We respect and appreciate all team members. We show thanks, encouragement, and support to everyone. We empower, educate, and develop our team. We laugh together. We get through the hard times together.

Our Members: We provide excellent customer service in our daily interactions with members. We treat them the way we want to be treated by demonstrating respect, empathy, patience, and concern for them and their opinions.

Our Integrity: We seek transparency in all we do. We act with honesty and truthfulness in our business practices, with our team, and with our members. We are accountable. We do the right thing even when it is hard.



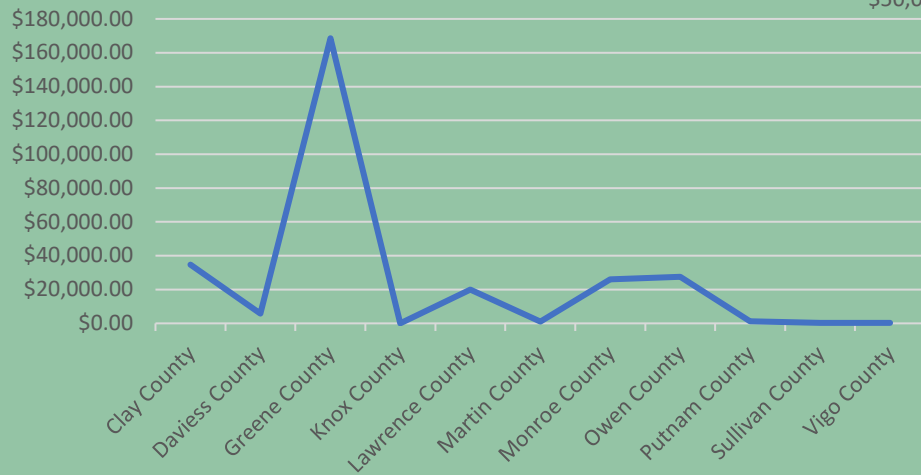
Operating & Maintenance Budget Assumptions

- Revenue & Purchased Power:
 - Calculated using an average of the last 5 years and the most recent tracker projections by Hoosier which range from \$11.82 to \$13.91 per MWh.
 - No significant/new load increases are expected at Westgate in 2025.
- Debt Service:
 - \$6 million of new borrowing has been budgeted at an interest rate of 6.0% for 30 years.

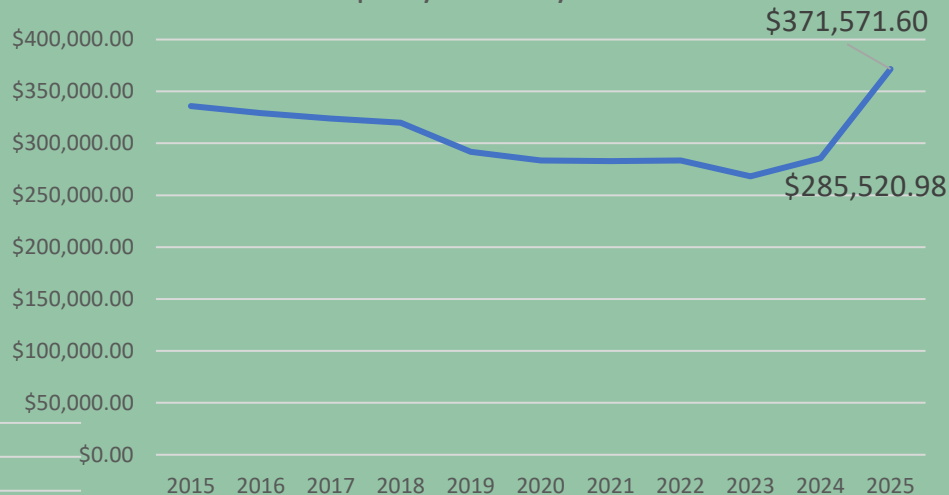


Property taxes are expected to increase 30% for 2025.

2024 Property Taxes By County



Property Taxes by Year



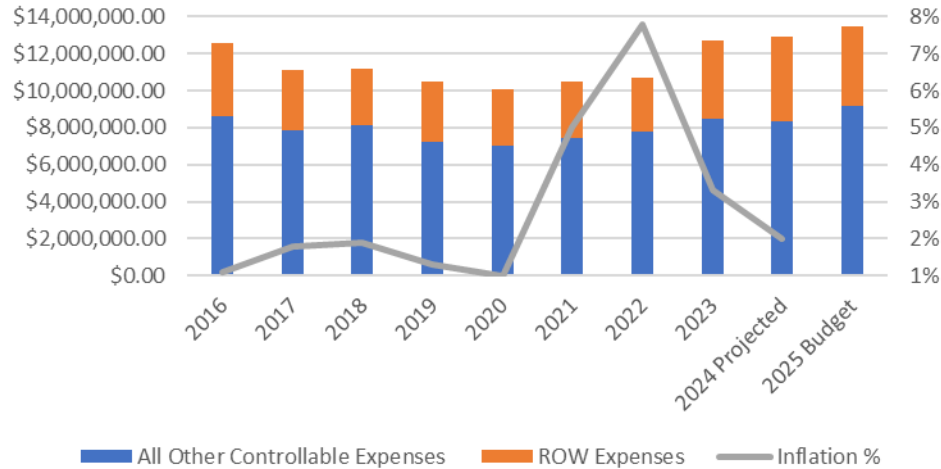
Operating & Maintenance Budget Assumptions

- Labor:
 - Wage increases budgeted per union contract and market evaluation.
 - Engineering intern for summer of 2025.
 - 4 budgeted retirements in 2025.
 - Overtime hours normalized to a 5-year average of 6,700 hours.
- Tree Trimmer Contractors:
 - Hoosier Heritage Management's budget of \$2.5 million has been included and no budgeted increase for Haley Bros Tree Care LLC in 2025.
 - An 8% increase has been budgeted for Lone Tree LLC for additional spraying.



Operating & Maintenance Budget Assumptions

Controllable Expenses



Operating & Maintenance Budget Assumptions

- **Contractor Fees:**

- Contractor fees are budgeted to be higher than 2024 projected due to a cost of service study, ACRT ROW follow up visit and increased field inspections by the Safety Management Group.

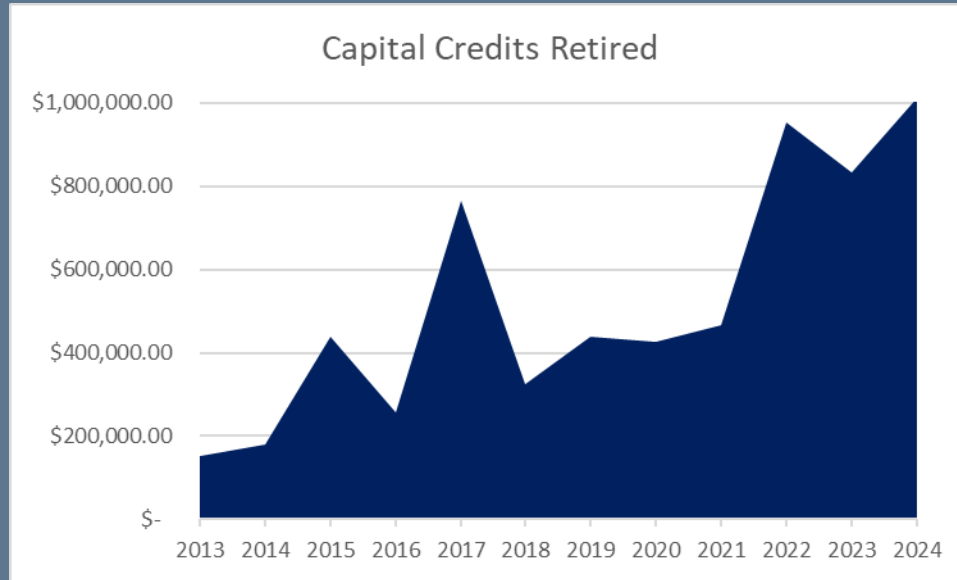


- **Maintenance & Software Support Agreements:**

- Maintenance agreements are budgeted to increase due to increased SCADA points, IT penetration testing, and renewal of multi-year IT maintenance agreements.

Operating & Maintenance Budget Assumptions

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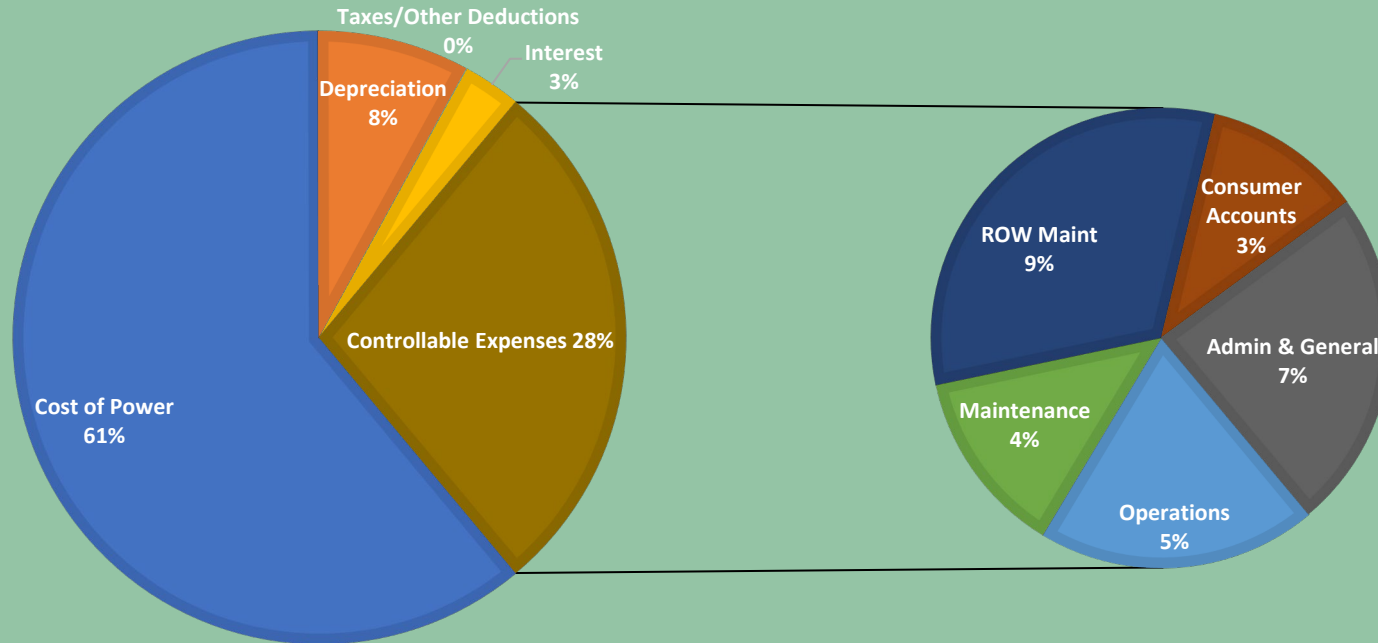
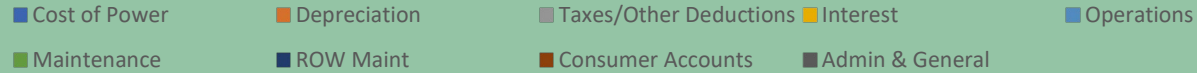
- Capital Credits:
 - Budgeted to retire \$734,500 in 2025, we plan to retire operating margins for 1982-1986 and operating margins from 2024.
 - Retired over \$1 million in November 2024 & over \$6.2 million overall.

Operating & Maintenance Budget Assumptions

- Travel & Meeting Expenses:
 - Meeting expenses are higher due to budgeting \$37,000 for new employee and apprentice training programs.
- Miscellaneous Employee Benefits:
 - This item is largely driven by educational reimbursement to employees. We have budgeted for 4 employees to receive educational reimbursement for 2025.



EXPENSE BREAKDOWN



Utilities District of Western Indiana REMC						
Operating Budget						
2025						
		2025 Budget	2024 Projected	2024 Budget	2023 Actual	2022 Actual
	Total Revenue	49,376,000	50,772,900	50,403,400	48,911,300	48,009,250
	Purchased Power	29,476,800	30,782,900	30,453,300	29,745,400	29,069,700
	Debt Service	3,333,800	3,066,500	3,142,500	2,918,300	2,923,300
	Insurance & Taxes	591,200	512,800	472,800	477,600	790,500
	Total Fixed Expenses	33,401,800	34,362,200	34,068,600	33,141,300	32,783,500
	Wages & Salaries	5,124,300	4,929,500	4,918,100	4,608,300	4,311,700
	Benefits	1,841,900	1,777,400	1,811,700	1,672,600	1,584,800
	Required Employer Expenses	432,300	413,000	428,000	403,800	380,200
	Total Earnings & Benefits	7,398,500	7,119,900	7,157,800	6,684,700	6,276,700
	Right-of-Way Maintenance	4,155,100	4,488,900	4,509,600	4,074,800	2,796,300
	Outside Services	1,833,200	1,652,100	1,605,200	1,717,400	1,506,300
	Capital Credits	734,500	1,013,300	900,000	834,600	954,300
	Materials & Supplies	558,000	526,200	496,200	534,100	539,600
	Equipment Maintenance	409,200	396,000	381,200	348,300	384,900
	Other Personnel Expenses	171,800	149,500	147,300	142,800	114,100
	Member Services	494,400	464,400	474,300	655,000	455,500
	Director Costs	69,800	74,400	105,500	79,800	63,500
	Utilities	163,500	139,600	140,600	154,600	148,700
	Total Other O&M Expenses	8,589,500	8,904,400	8,759,900	8,541,400	6,963,200
	Total Expenses	49,389,800	50,386,500	49,986,300	48,367,400	46,023,400
	Non-operating Income/(Expense)	13,800	16,900	22,300	21,000	11,000
	Net Cash Flow	-	403,300	439,400	564,900	1,996,850

UTILITIES DISTRICT OF WESTERN INDIANA REMC				
STATEMENT OF OPERATIONS				
YEARS ENDING DECEMBER 31, 2022, 2023, 2024, AND 2025				
	2025	2024	2023	2022
	Budgeted Year End	Projected Year End	Actual Year End	Actual Year End
OPERATING REVENUES	\$48,566,002.89	\$49,787,604.37	\$47,760,561.24	\$46,629,878.01
OPERATING EXPENSES				
Cost of power	29,476,817.85	30,782,930.00	29,745,352.52	29,069,717.89
Distribution-operations	2,651,150.14	2,373,222.06	2,294,919.57	2,253,333.28
Distribution-maintenance	6,079,049.15	6,079,902.14	5,801,100.67	4,250,914.10
Consumer accounts	1,505,257.44	1,479,184.05	1,572,264.99	1,293,603.40
Administrative and general	3,233,187.25	3,009,578.10	3,013,665.94	2,912,581.31
Depreciation	3,859,321.25	3,739,503.63	3,661,535.07	3,549,333.09
Taxes	0.00	0.00	32.00	338,688.54
Other deductions	15,300.00	500.00	26,120.08	22,157.84
	46,820,083.08	47,464,819.96	46,114,990.84	43,690,329.45
Operating Margins Before Interest Expense	1,745,919.81	2,322,784.41	1,645,570.40	2,939,548.56
INTEREST EXPENSE				
Interest on long-term obligations	1,485,351.42	1,325,949.70	1,297,660.36	1,385,169.00
Other interest expense	0.00	0.00	0.00	0.00
	1,485,351.42	1,325,949.70	1,297,660.36	1,385,169.00
Operating Margins After Interest Expense	260,568.39	996,834.71	347,910.04	1,554,379.56
NONOPERATING MARGINS				
Interest income	102,128.28	131,309.58	279,914.09	182,277.39
Other nonoperating income/(expense)	(4,995.12)	41,580.05	1,768.54	(8,515.89)
	97,133.16	172,889.63	281,682.63	173,761.50
GENERATION AND TRANSMISSION AND OTHER CAPITAL CREDITS	1,006,031.41	971,348.01	1,195,507.64	1,009,488.36
NET MARGINS	\$1,363,732.95	\$2,141,072.35	\$1,825,100.31	\$2,737,629.42
TIER	1.92	2.61	2.41	2.98
MDSC	1.93	2.35	2.20	2.68



Capital Budget Assumptions



- New Construction:
 - The expected increase is solely due to the increase in UDWI's contribution to aiding Mainstream in their Fiber-to-the-Home project in Greene County.

Capital Budget Assumptions

- Construction Work Plan:
 - \$2.5 million is to maintain one construction crew during the year, plus planned underground upgrades in the Westgate area. All of these projects are required to maintain power quality and voltage levels and will have a positive impact on reliability in the areas.



Capital Budget Assumptions



- Substation Improvements:
 - We anticipate upgrades to the Scotland Substation in 2025, but Hoosier Energy is not charging us for the capacity upgrade. It is possible that there may be other projects that arise due to economic development but would likely take place in 2026 or later.

Capital Budget Assumptions



- **Special Equipment:**

- The budget amount for transformers is continuing to increase due to increases in pricing and lead times, which has caused us to maintain more inventory. The estimates are based on historical usage and are in the construction work plan. If larger transformers are needed due to economic development, this number could increase.
- The Construction Work Plan calls for several very large regulator banks to be built for contingency purposes, as well as a few to maintain voltage levels during normal system configuration. The units in the 2025 budget have already been ordered, as lead times for this type of equipment are over 18 months.



Capital Budget Assumptions

- Special Equipment:
 - The Construction Work Plan has very high amounts for sectionalizing, some of which will be offset due to our stockpile of Hydraulic Reclosers. We will likely see more rebuilds (expensed) rather than purchased new, but there is some possibility that we will need to purchase particular sizes if stockpiles are depleted.
 - The amount budgeted for electronic reclosers includes several Vipers used for reliability improvements and the rest are Compact Modular Reclosers (CMRs) used where OCRs will not function properly. Vipers are typically used as a precursor to future distribution automation, where CMRs are typically used for reliability improvements.



Capital Budget Assumptions

- Metering:



- For single phase meters we continue to see failures on approximately 3,000 L&G meter displays, necessitating replacement. The amount for single phase meters is approximately half new construction and half replacement.
- Disconnect meters allow us to avoid confrontation with the member when disconnecting their service for non-pay; and for prepaid metering, allows customers to connect without a deposit and have better control over their energy use. This year we can expand these operations with the new 320A meter disconnects.

Capital Budget Assumptions

- Vehicles:
 - The current service truck on the budget has been ordered and delayed for several years.
 - We are behind replacing our line trucks, with costs escalating and lead times reaching multiple years. One unit has been ordered, but very early in the process.
 - We expect to replace two pickup trucks in 2025, one for the Superintendent and one for the Field Engineer. Both pickups are approaching 200,000 miles and are heavily used.



Capital Budget Assumptions

- **Communications:**

- The current microwave equipment is out of warranty and needs to be replaced.
- This purchase was approved for 2023, but only a portion of the equipment has arrived.

- **Information Technology:**

- Most IT equipment is moving to a leased / expensed program, but in 2024 it was approved to replace our network switches to maintain cyber security and upgrade network speeds.
- We also wish to replace our digital video recorder, which is used for security monitoring.

Capital Budget Assumptions



- Engineering:
 - The breaker test kit is part of our overall strategy to add more distribution automation to the field.
- SCADA:
 - We wish to continue the distribution fault analysis deployment to the last of our substations in 2025.
- Property:
 - Property improvements that are budgeted include HVAC upgrades and general maintenance activities.

UTILITIES DISTRICT OF WESTERN INDIANA REMC

CAPITAL BUDGET

2025

Description	2025 Budget	2024 Projected	2024 Budget	2023 Actual	2022 Actual
NEW CONSTRUCTION	\$ 1,900,000	\$ 960,000	\$ 1,076,000	\$ 1,279,734	\$ 1,265,079
MAINTENANCE	\$ 1,450,000	\$ 1,828,000	\$ 1,050,000	\$ 1,214,812	\$ 656,988
CONSTRUCTION WORK PLAN	\$ 2,500,000	\$ 3,059,000	\$ 3,800,000	\$ 1,343,793	\$ 1,195,524
SPECIAL EQUIPMENT	\$ 1,260,000	\$ 994,000	\$ 1,380,000	\$ 825,957	\$ 497,165
METER REPLACEMENTS	\$ 355,000	\$ 315,000	\$ 416,000	\$ 247,359	\$ 168,664
VEHICLES	\$ 350,000	\$ 365,000	\$ 588,000	\$ 61,829	\$ 203,037
COMMUNICATIONS	\$ 42,000	\$ 75,000	\$ 180,000	\$ -	\$ 49,749
INFORMATION TECHNOLOGY	\$ 111,000	\$ -	\$ 100,000	\$ 45,877	\$ -
ENGINEERING	\$ 40,000	\$ 25,000	\$ 20,000	\$ -	\$ -
SCADA	\$ 50,000	\$ 109,000	\$ 90,000	\$ 90,042	\$ 74,977
PROPERTY IMPROVEMENTS	\$ 60,000	\$ 22,000	\$ -	\$ 26,500	\$ -
TOTAL CAPITAL BUDGET	\$ 8,118,000	\$ 7,752,000	\$ 8,700,000	\$ 5,135,903	\$ 4,111,183



Tree Trimming: Before/After











