

Utilities District of Western Indiana REMC
Regular Meeting of the Board of Directors
Minutes for May 20, 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 May 20, 2024.

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

Ms. Hendrix gave the invocation.

The following directors reported present:

Todd Carpenter	W. Edward Cullison	Shawn Dugan
Melinda Hendrix	David Kirkling	Terry McDaniel (virtual)
Michael Williams		

Others present were CEO Doug Childs; COO Shane Smith; CFO Michael Sullivan; Office Manager Lydia Campbell; Dispatch Manager Britt Miller; Amanda Craft; and member Richard Nichols.

Mr. Cullison called for additions or corrections to the meeting agenda. Hearing none, Mr. Williams 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 April 22, 2024, regular session board meeting. Ms. Hendrix made a motion to accept the minutes as presented. Mr. Kirkling seconded, and the motion carried.

Mr. Childs presented 10-Year Financial Projections for the next edition of the Board Education Series. He reviewed a list of assumptions including purchased power costs, base rates, capital expenditures, load increases, capital credit retirements, and pole attachments income. Net margin and cash flow forecasting for 10 years was shared. Debt is projected to increase with equity decreasing. Purchased power rate changes and debts directly impact ending cash balances. Base rates have the potential to increase 3% in the next two years if the area does not see the expected industrial growth. By 2034, the average residential monthly bill would range from \$178.00 to \$200.00. The side-by-side pie charts of 2024 and 2034 expenses breakdown show slight differences.

He also presented a resolution for the 2024 Power Requirements Study (PRS). The study is completed every other year. It forecasts the growth in electric service energy sales through the year 2042. The PRS was prepared by Hoosier Energy and will be submitted to Rural Utilities Service as part of current loan covenant requirements. This year's study did not require significant changes.

Mr. Williams made a motion to accept the study and submit the required resolution to Hoosier Energy. Mr. Dugan seconded, and the vote was approved by all.

Ms. Craft provided a brief report for the review of both traditional and social media communications. Her team assisted with the current editions of the employe and member newsletters. They recently worked with UDWI and Hoosier Energy on a new capital credits video. They assisted Accounting Manager, Miranda Hostetter, with the script and were available during filming. The Board watched the full video during the meeting.

Mr. Sullivan presented the cooperative monthly/quarterly financial reports. From the Statement of Cash Flows, electric revenue was up compared to 2023 due to more seasonable winter temperatures. Employee benefits were also up due to increases in pension and health insurance costs as well as the addition of three employees receiving coverage. Right of Way contractor expenditures increased, as the new track machine and trailer were paid for last month. The current cash balance stands at \$834K.

The Income Statement showed revenue was up \$1 million over 2023. Purchased Power up \$428K and Right of Way Maintenance up \$500K.

The Financial Highlights report indicated sales volumes were up 4% compared to 2023 figures. Sales volumes are now closer to budgeted year-to-date amounts due to an additional \$500K in tracker charges.

Mr. Sullivan requested feedback from the Board regarding auditor term cycles. This year will end the 3-year cycle with BHM. The Board approved for Mr. Sullivan to reach out to LWG again to inquire about their interest for the 2025-2028 cycle.

Mr. Smith presented the operations department reports.

According to the Operations and Engineering Report, employee training activity was up during the first few weeks of May. Grant McGill began his second internship in the engineering department. Eben McKee began his employment in May as an Engineering Technician. Also, Jacob Wente accepted an offer for a Lineman Apprentice position to begin on June 10, 2024.

Mr. Smith also provided an update on construction projects. The report included alternate feed options, voltage updates, fiber installations, and new load & construction information.

The Outage Dashboard continued to show vegetation as the main cause of outages.

The Vegetation Management report showed 24.4% production above target for line clearance. The target is an estimated goal set by ACRT.

Mr. Childs presented the Manager's Reports.

First, he reported on HHM business. The Board of Directors met on May 15, 2024.

Climbing school classes will be available in October at no cost, most employees have an interest in attending. During the summer months, employees will work earlier shifts to beat the heat.

The April 2024 Hoosier Energy invoice was available for review.

Mr. Childs recognized the late Sophie Haywood for her contributions to the UDWI REMC Board of Directors, UDWI REMC Community Fund Board of Trustees, and HHM Board of Directors. She brought a vast knowledge and understanding of the cooperative world to the table. Her decision-making and communication skills were top-notch and always in the best interest of our members and the community.

Ms. Haywood's passing leaves numerous open seats for reassignment.

She held the President seat of the UDWI REMC Community Fund, Inc. Board of Trustees. According to Article IV of the Bylaws of the Fund, the Board of Trustees will be designated and appointed by the Board of Directors of the REMC. After a brief discussion, the Board recommended Melinda Hendrix to serve.

Mr. Williams made a motion to approve the appointment of Ms. Hendrix as President. Mr. Carpenter seconded, and the motion carried.

Secondly, she served on the HHM Board of Directors. The Board discussed potential candidates. Mr. Williams made a motion to approve the Board to contact member Stella Royal to inquire about interest. Ms. Hendrix seconded, and the motion carried.

Lastly, Ms. Haywood served as the Secretary of the UDWI REMC Board of Directors. The Board discussed who should fill the vacancy. Mr. Dugan volunteered. Ms. Hendrix made a motion to approve Mr. Dugan as the Board Secretary. Mr. Williams seconded, and the motion carried.

Mr. Cullison called for a review and revision of cooperative and board policies and bylaws.

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

- Review – Board Policy No. 500.0 – Area Coverage

Legal Counsel was unable to review and respond with suggestions and edits to the policy due to the early meeting date. The policy was tabled until the next meeting.

The Board discussed redistricting of current director service territories. According to Article IV Section I of the cooperative Bylaws, the districts shall be reviewed, if necessary, every six (6) years within ninety (90) days after an annual membership meeting. Maps of the current eight districts and the proposed revision to seven districts were reviewed. The proposed map will allow for cleaner district lines as whole townships will be enveloped within the set areas. To redistrict, the cooperative Bylaws must be amended to reflect the changes. The Board gave approval to Mr. Childs and attorney Mr. Buddenbaum to initiate the process and prepare a resolution needed for amendment.

The topic of the board retreat hosted by Solidity Consulting was tabled at the last meeting. A complete overview of the program was not available this month. It was suggested to table the topic again.

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 May 13, 2024. Topics discussed ranged from potential Merom station land sale to an AI presentation. Finance reported sales are better than 2023 but currently below budget.

Treasurer Michael Williams reported on updates and events at Indiana Electric Cooperative (IEC). The Board of Directors did not meet in May. However, Mr. Williams reported all IEC staff and employees moved into the new office building located at 11805 Pennsylvania St., Carmel, IN 46032.

Mr. Cullison offered reminders for upcoming trainings and meetings.

The next three UDWI REMC board meetings were approved and scheduled for June 24, 2024, July 22, 2024, and August 26, 2024.

The next Member Appreciation Day is scheduled for June 21, 2024, at UDWI headquarters from 10:00 a.m. to 3:00 p.m.

The next IBEW Local 1393 Annual Hooligan Open is scheduled for July 13, 2024, with registration closing on June 1, 2024.

IEC will be hosting another Directors' Retreat. This year it is scheduled for July 26-27, 2024, at the French Lick Conference Center.

The Parr Richey 36th Annual Golf Outing is scheduled for August 23, 2024.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 8:20 p.m. to convene into an executive session. The session included Mr. Childs, Mr. Smith, Mr. Sullivan, and all directors in attendance. Mr. Cullison officially adjourned the meeting at 8:30 p.m.

APPROVED:

W. Edward Cullison, President

Shawn Dugan, Secretary