

Utilities District of Western Indiana REMC
Regular Meeting of the Board of Directors
Minutes for June 24, 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 June 24, 2024.

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

Mr. Childs gave the invocation.

The following directors reported present:

Todd Carpenter
Melinda Hendrix

W. Edward Cullison
David Kirkling

Shawn Dugan
Michael Williams

Others present were CEO Doug Childs; COO Shane Smith; CFO Michael Sullivan (virtual). Office Manager Lydia Campbell; Dispatch Manager Britt Miller; Amanda Craft of Crafted Communications; Indiana State House District 62 Representative Dave Hall, IEC Director of External Government Relations Michael Charbonneau, and member Richard Nichols.

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

Mr. Cullison called for additions or corrections to the meeting agenda. Hearing none, Ms. Hendrix 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 May 20, 2024, regular session board meeting. Mr. Dugan made a motion to accept the minutes as presented. Mr. Kirkling seconded, and the motion carried.

Mr. Hall introduced himself and gave a brief overview of his entrance into politics. He shared figures and statistics of the election which gained him the current seat in which he serves. He also serves as Vice Chairman on the Jackson County REMC Board of Directors, so he is familiar with the working of rural electric cooperatives. Mr. Charbonneau gave a brief introduction and presented Mr. Hall with a donation to his campaign from the Indiana PAC representing all 38 Indiana cooperatives.

For the Board Education Series, Mr. Smith gave a presentation titled Redistricting History and Analysis. He explained the reasons for redistricting and shared the background of the previous efforts in 1998, 2007, and 2018. The current Bylaws call for a review of the district every six (6) years. According to the last review, the next would fall in 2024. Redistricting allows for reallocation as population patterns change over time and for resizing of the Board of Directors. Historically, UDWI districts have been based on its operational map grid. Now with updated GIS, existing political boundaries can be used to create refined districts.

Ms. Craft provided a brief report for the review of both traditional and social media communications. Her team continues to assist with employee and member newsletters. They provided support to UDWI employees presenting the live line demo to law enforcement in June and attended the Member Appreciation Day to take photos. Her team is currently working with Hoosier Energy to create a schedule for a UDWI specific industry update video.

Mr. Sullivan presented the cooperative monthly/quarterly financial reports. In the Statement of Cash Flows, electric revenue was up due to more seasonable weather. Purchased Power was down due to a reduction in prepayments. Both Payroll Taxes and Sales Tax showed an increase. Right of Way contractor costs were up nearly \$600,000. Wages were also up due to an additional pay period in June and adding more full-time employees. Ending cash balance was \$777,000.

He reviewed the cost of power expenses and year-to-date margins from the Income Statement. The Balance Sheet will be reviewed in detail at the next meeting when more information will be visible as an effect of the recent CFC loan.

The Financial Highlights report indicated revenue was up due to a 4% increase in sales volumes. Interest income was down from a reduction in the prepaid power bill. Sales for the year are average but the month of May showed high consumption.

The quarterly Appendix A Rate Adjustment Schedule was presented for approval by the Board. The appendix shows the PCA Tracker rate for member billings effective from July 1, 2024 through September 30, 2024. The new rate calculation is \$.01725 per kWh, a slight increase from the previous quarter. Mr. Williams made a motion to accept and approve the new rate. Mr. Carpenter seconded the motion, and the motion was carried out.

He also reported on member account write-offs (compiled bi-annually) for uncollected final bills for the dates of July 1, 2023, to December 31, 2023. These amounts are uncollectible due to member disconnection requests, non-pay disconnections, bankruptcy, and/or death. The collections department made multiple contact attempts with no success on all of the accounts. Mr. Sullivan asked for approval to write off thirty-five (35) accounts totaling \$7,272.64. Mr. Carpenter made a motion to approve the write-off of the presented amount. Mr. Dugan seconded the vote and all approved. The motion carried.

Mr. Sullivan gave an update on the recently approved CFC loan. UDWI was approved for a total of \$30 million. Currently, the co-op has drawn \$3 million on the loan at a 6.53% rate.

Mr. Smith and Ms. Miller presented the operations department reports. The Operations and Engineering Report and Outage Dashboard stood as previously presented. An update was given on the storms during the Memorial Day holiday weekend.

The Vegetation Management report showed 32.1% production above target for line clearance. The target is an estimated goal set by ACRT. The increase is due to contractors Halter and Townsend beginning contract work earlier than planned.

Mr. Smith presented an opportunity to partner with a local group and the IU Environmental Resilience Institute to apply for an Empowering Energy Partnership in Indiana Communities (EPIC) grant for a pilot community solar project. UDWI would act as the primary contact for the grant process. After a brief discussion, Mr. Carpenter made a motion to approve the partnership. Mr. Kirkling seconded and the motion was carried.

Mr. Childs presented the Manager's Reports. He reported on HHM business. The Board of Directors met on June 19, 2024. Shawn Dugan and Stella Royal have volunteered to serve on the Board. This was their first meeting. All employees attended a 4-day ACRT training course and passed the final exam.

The May 2024 Hoosier Energy invoice was available for review.

As evaluated last month, Ms. Haywood's passing left numerous open seats for reassignment. The third seat on the Budget Committee was left vacant. Mr. Williams nominated Mr. Daniels to serve on the committee. Mr. Williams also made a motion to approve the change. Ms. Hendrix seconded, and the motion carried.

Mr. Childs also shared notes of appreciation and thanks from members.

Mr. Cullison called for a review and revision of cooperative and board policies and bylaws. 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. A resolution was provided by counsel for the bylaw amendment. Mr. Williams made a motion to approve and allow Mr. Cullison to sign the resolution. Ms. Hendrix seconded, and the motion passed.

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 remove the topic from the agenda until further notice.

Mr. Cullison called for individual Director Committee reports. No committee met in the last four weeks. Ms. Hendrix gave a brief update on the upcoming Community Fund Committee meeting to be held on June 26, 2024. This will be her first meeting as Chairperson.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. The Board of Directors met on June 10, 2024. All committees meet in June. Mr. Carpenter requests to serve join in with the Operations Committee each year.

Treasurer Michael Williams reported on updates and events at Indiana Electric Cooperative (IEC). The Board of Directors did not meet in May. The next meeting is scheduled for June 28, 2024.

Mr. Cullison offered reminders for upcoming trainings and meetings.

The next three UDWI REMC board meetings were approved and scheduled for July 22, 2024, August 26, 2024, and September 23, 2024.

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. Six directors will be attending this year.

The IEC Region 6 meeting will be held on August 6, 2024, at Stoll's Lakeview Restaurant. Mr. Childs, Mr. Cullison, and Mr. McDaniel will attend.

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 8:15 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 8:42 p.m.

APPROVED:

W. Edward Cullison, President

Shawn Dugan, Secretary