

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

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

Mr. McDaniel gave the invocation.

The following directors reported present:

Todd Carpenter
Melinda Hendrix
Michael Williams

W. Edward Cullison
David Kirkling

Shawn Dugan
Terry McDaniel

Others present were CEO Doug Childs; COO Shane Smith; CFO Michael Sullivan; Engineering Supervisor Johnathan Sutton; Office Manager Lydia Campbell; Amanda Craft of Crafted Communications; and member Richard Nichols.

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

For the Board Education Series, Mr. Sullivan and Mr. Smith gave a presentation on credit card costs and benefits. The co-op offers multiple ways for a member to pay their bill with credit/debit cards being the most popular. Credit card companies charge utilities a discounted fee to accept cards. But this can be a costly option. UDWI REMC currently pays as much as \$1.80 per transaction no matter the amount. In July 2024 alone, this payment option was used over 13,000 times. Mr. Sullivan and Mr. Smith compiled a series of slides offering opportunities to offset the fees. UDWI could set minimum and maximum transaction limits, charge a percentage per transaction, or charge a flat fee per transaction. After a lengthy discussion, the Board agreed to table the topic until the September meeting to gather more of the requested information.

Crafted Communications continues to assist with both traditional and social media communications. An overview of recent projects was reviewed.

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

In the Statement of Cash Flows, Outage restoration costs were slightly below 2023 figures although invoices continue to trickle in from the June storm. Most of those costs will be capitalized in 2024. Right of Way costs were up due to the need for additional tree trimming crews and an increase in HHM staffing. The ending cash balance was \$662,000.

From the Income Statement, revenue was up \$1,500,000 compared to this time last year. Year-to-date margins were \$350,000 lower compared to 2023.

The Balance Sheet showed long-term debt 1.25 million over 2023 amounts. The co-op initially borrowed \$3 million but has paid down \$1.75 on older loans over the 12-month period. Electric Plant in Service costs increased \$5.2 million due to line improvements and capital budget upgrades.

The Financial Highlights report showed kWh sales trends over the last five years, with June 2024 the highest. The YTD revenue trend is directly driven by the Hoosier Energy power cost tracker.

Property Insurance increased 16% over 2023 figures totaling \$146,000.

The 2025 Budget is in process. The full presentation will be sent to the Budget Committee in late October, or early November.

A draft of the 2023 Form 990 is currently being reviewed. A copy will be available for the Board soon.

Mr. Smith presented the operations department reports.

From the Operations and Engineering Report, apprentice Jacob Pyne was promoted to the 4th-year position. Zackary Moorman began employment in August as a 1st-year apprentice. Interviews are currently being held to fill an open Customer Service Representative position. Jared Pyne and Zachary Hagemeyer received their drone pilot license. We have five contractors currently working on upgrades to the system, with 14.7 miles under construction.

The Outage Dashboard continues to reflect the major storm in June. Costs are closing in on \$1 million with invoices trickling in and crews continuing to find downed trees.

The Vegetation Management report showed 32% production above target for line clearance. Due to the storm, crews are still behind on miles cleared per week, but production is still moving forward.

Mr. Smith also shared a map of potential Duke Energy transmission route within the UDWI REMC territory. A representative made the initial contact to inform us. It should have little to no impact on our daily operations.

Mr. Childs presented the Manager's Reports.

He reported on HHM business. The Board of Directors met on August 21, 2024.

The extreme heat has been hard on the crews. To keep them safe an alternate schedule was created. The safety program is going well. The 2025 Budget is in the beginning stages. A new bucket truck may be included in the figures.

The July 2024 Hoosier Energy invoice was available for review.

Mr. Childs and Mr. Smith presented on the exciting partnership with Mainstream Fiber Networks, LLC.

The Board reviewed two agreements, the licensing and development agreement and the pole attachment agreement. Both agreements focus on attachment standards and proper notification and system integrity. The partnership not only provides discounted services to the cooperative. Mainstream will work directly with UDWI to provide support to property owners, help with grant applications, and obtain the support of local county governments. Mainstream has developed a service installation "loop". It will focus on Greene County beginning in the area of Elliston then out moving East & West. The loop is expected to be completed in the third quarter of 2025. This opportunity will offer fiber service to the most underserved and remote areas in many parts of our service territory and beyond.

Mr. Childs also presented a resolution allowing him to sign the agreements once finished. Mr. Williams made a motion to approve. Ms. Hendrix seconded, and the motion passed.

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

Mr. Cullison and Mr. Childs presented a draft of the new policy Board Conduct. This policy will assist board members in policing themselves and others on proper personal, professional, and social etiquette. Legal counsel has yet to review the draft. Members of the Board suggested additions. Items reflected in the current Conflict of Interest policy will need to be removed. Updates to the draft will be available at one of the next meetings.

Mr. Cullison called for individual Director Committee reports.

Ms. Hendrix stated the next quarterly meeting is scheduled for September 25, 2024. Megan King has agreed to join the committee as a trustee.

District 2 Director Todd Carpenter reported on updates and events at Hoosier Energy. The Board Forum was held August 12-13, 2024, in French Lick. Mr. Carpenter and Mr. Childs attended.

Treasurer Michael Williams reported on updates and events at Indiana Electric Cooperative (IEC). The Board of Directors met on August 21, 2024. Also, the Region 6 Meeting was held on August 6, 2024. Mr. Williams, Mr. McDaniel, and Mr. Childs attended.

Mr. Cullison offered reminders for upcoming trainings and meetings.

The next three UDWI REMC board meetings were approved and scheduled for September 23, 2024, October 28, 2024, and November 25, 2024.

With no further business presented, Mr. Cullison adjourned the regular session meeting at 8:40 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 8:57 p.m.

APPROVED:

Melinda Hendrix, Vice President

Shawn Dugan, Secretary