

POWERLINES

A MONTHLY PUBLICATION FOR THE MEMBERS OF WHITEWATER VALLEY REMC

f t in wwwremc.com

Annual Report Edition



MESSAGE FROM THE CHAIRMAN OF THE BOARD AND CEO POWERING ON



ROD WEST,
CHAIRMAN
OF THE BOARD



MARY JO THOMAS,
CEO

As you know, our great nation, and in fact the entire world, spent the last year adjusting our lives because of COVID-19. Our cooperative was no exception. Watching events unfold and keeping up with changing guidelines was, and continues to be, a challenging time for everyone. Even as we draft this message, there remains a great deal of uncertainty. But as vaccines become more and more available, we have renewed energy and hope that our lives are returning to normal. Please read on to learn how your cooperative has powered on.

The year began like any other with work plans, system improvements to address reliability, technology upgrades, right of way maintenance and new construction all budgeted for and scheduled. Ongoing safety trainings and professional development meetings were planned. We sought applicants for our WWVREMC Youth Tour delegates, Scholarship Program and Touchstone Energy Camp. We were making final arrangements for the 26th annual meeting in April and beginning to plan our annual charity golf tournament.

Then COVID-19 hit.

In a span of just days, we went from 'business as usual' to closing our lobby and dividing our employees into teams, asking two teams to telecommute or stay home on standby while one

team reported to the office on a weekly rotation. As essential workers responsible for maintaining critical infrastructure facing an invisible, unknown threat, we quickly realized drastic steps needed to be taken to protect the health and well-being of our employees to continue serving you, our member-owners. Next Indiana and Ohio shut down. Businesses closed. Jobs were lost. Our Whitewater Valley communities were challenged. Within days of closing to the public we took the major step of suspending late fees and power disconnects. Our goal was to provide some degree of certainty during a period of rapidly developing uncertainty. The moratorium would stretch out over 20 weeks as our local economy worked to regain its footing once things started to reopen.

Operations and Maintenance Through it all, WWVREMC powered on. The employees of your cooperative do not show up with an attitude of scaling back until the storm has passed. Our electrical distribution system has remained operational; our line workers have continued to respond to storm-related outages and restore power; and our member support representatives have remained available on the phone to answer questions and assist with payment arrangements for members struggling to keep up with their bills. Behind the scenes, other employees have worked together to maintain business continuity while working apart. And we powered on to complete several projects laid out in our strategic initiatives and work plan.


WWVREMC crews and contractors actively worked through projects to complete the 2020 work plan and your cooperative invested \$5,000,000 in infrastructure and technology improvements. The goal of these projects is to enhance WWVREMC load capacity, system integrity and reliability for our



PAGE 2 2020 By the Numbers; March Bill Credit Winners; Message from the Chairman of the Board and CEO Continued

Other Capital Credits and Patronage Dividends
Total Non-Operating Margin
TOTAL PATRONAGE CAPITAL AND MARGINS
Balance Sheet
ASSETS
Utility Plant in Service
Construction Work in Progress
Total Utility Plant
Less: Accumulated Provision for Depreciation
Net Utility Plant

PAGE 3 2020 Financial Statements; 2020 Balance Sheet

 Outages by Cause: 2020 Totals	DECAY
	MEMBER
	CONSTRUCTION/MAINT
	UNKNOWN
	VEHICLES/PUBLIC ACTIVITY
	MATERIAL/EQUIPMENT FAILURE
	LIGHTNING/WEATHER
	POWER SUPPLIER
OTHER	

PAGE 4 Payment Options; Helpful Information; Message from the Chairman of the Board and CEO continued; Outages by Cause

March Due Dates

The due dates for payment of your electric bills are **March 19 and 26**.

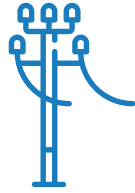
2019 - 2020

BY THE NUMBERS



KWH'S SOLD

2019
237,083,534
2020
228,642,053



AVERAGE RESIDENTIAL COST PER KWH

2019
\$0.13
2020
\$0.13



METERS

2019
11,922
2020
12,002



NET UTILITY PLANT BALANCE

2019
\$43,380,734
2020
\$46,351,707



NUMBER OF MEMBERS

2019
9,882
2020
9,924



TOTAL DEBT

2019
\$25,709,149
2020
\$27,294,795



AVERAGE COST OF DEBT

2019
3.56%
2020
3.48%



MEMBERS PER EMPLOYEE

2019
395
2020
374



CONTROLLABLE EXPENSES PER CONSUMER

2019
\$448.35
2020
\$462.95



NUMBER OF EMPLOYEES

2019
25
2020
26.5

Bill Credit Winners

Our monthly drawing for five \$20 bill credits from all voting members of the 2020 annual meeting continues. The hidden account number is 1141401. The March winners are: **Charles Creech**, Hagerstown; **James Mote**, Union City; **James Rees**, Winchester; **Gerald Saunders**, Economy; **John Thornburg**, Union City

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member-owners.

A key component to improving system integrity and reliability is line rebuilds. Some of the copper wire has been in service since the 1940s and has reached the end of its life. Replacing it with new aluminum wire makes the system less susceptible to power outages and crews replaced 40 miles of copper line in 2020 alone.

Going hand in hand with work plan projects is right-of-way maintenance. The benefits of tree trimming include keeping our rights-of-way free and clear of trees, brush overgrowth and ground level vegetation that can impede vehicle access, minimizing the threat of storm damage to our distribution system and providing a safe work zone for our crews when repair and restoration is necessary. The challenge continues to be with the dying ash trees that are both in and outside of the right-of-way. They have slowed our progress and increased our costs, but we power on.

Financials Our financials this year are not quite what we planned but staff managed through the pandemic and maintained a good operating margin. Increased expenses due to the pandemic were offset by some things we were unable to do and we did apply for and received a Payroll Protection Loan to cover some of the cost to the membership. This was a low-cost loan to small businesses to cover the payroll expenses of keeping employees on the payroll during the shut-down. This loan has since been forgiven as part of the governments CARES Act further protecting member expenses and helping us to end the year with a positive margin.

New Meeting Format & Election Method The cooperative's face to face annual meeting was cancelled and, in its place, a special online meeting was conducted in August. Members voted for directors and nominating committee members by mail for the 2020 election and we have used this method again for the election in 2021. Planning for the cooperative annual meeting starts months in advance of the event. Because of this advance planning and the uncertainty that remains on holding large events, the decision was made to hold the 2021 annual meeting in a virtual format.

From the Board Room To help ease COVID-19 hardships for members, the board of directors unanimously approved to pass a special patronage retirement through the Wholesale Power Adjustment (WPA) in June. The refund was from a special retirement of Hoosier Energy capital credits allocated for 2019. Adding the special retirement to the WPA lowered that charge. The average reduction for our members is \$1.02 per 1,000 kilowatts billed. The change is part of the WPA calculation and began with bills mailed in July and will apply through twelve months or June 2021. In December, and following the cooperative's capital credits policy, the board of directors also approved the retirement of \$906,931 in capital credits for the year. Members received checks in December 2020 or a bill credit in January 2021 depending on the size of the member's retirement amount.

Community Involvement Your cooperative continually supports the communities through donations, youth programs and other services, and while the pandemic caused the cancellation of some programs, employees came together to help meet specific needs in their community.

Through the cooperative's Shedding Light on Hunger program, WWVREMC employees donated funds to six local nonprofits who worked to help feed our communities during the COVID-19 state of emergency and filled the blessing boxes in Connersville with food.

We held our annual charity golf tournament in August. Proceeds from this event fund our Shedding Light on Hunger program and make it possible for us to help many people in need. The community, our vendors, and our employees responded in a big way and we raised the most money since we began hosting the tournament.

Working within pandemic restrictions and guidelines, the cooperative held its annual Community Day event as well. Employees, directors, and family members of employees volunteered their time to prepare and serve over 80 meals at the Salvation Army in Connersville.

We continued our commitment to our communities and the members we serve through established programs such as Operation Round Up, which gave back over \$28,000 in 2020 to 35 local non-profit organizations. Operation Round Up is 100% supported by members who round up their monthly bill, make one-time donations, or donate their capital credits refunds back to the program. Thank you for joining with us in

CONTINUED ON PAGE 4

2020 Financial Statements Statement of Operations

OPERATING REVENUES AND PATRONAGE CAPITAL	\$28,971,321
OPERATING EXPENSES	
Cost of Power	\$18,421,717
Distribution Expense - Operations	544,641
Distribution Expense - Maintenance	2,496,307
Customer Accounts Expense	640,538
Customer Service & Information Expense	160,608
Administrative & General Expense	1,714,250
Depreciation Expense	2,046,536
Taxes	628,706
Interest on Long Term Debt	922,124
Amortization of Gain on Reacquired Debt	0
Interest on Short Term Debt	10,048
Total Operating Expenses	\$27,585,475
NET OPERATING MARGINS	\$1,385,846
Interest and Other	171,081
Income (Loss) from Equity Investments	0
Generation & Transmission Capital Credits	622,112
Other Capital Credits and Patronage Dividends	27,575
Total Non-Operating Margin	\$820,768
TOTAL PATRONAGE CAPITAL AND MARGINS	\$2,206,614

Balance Sheet

ASSETS	
Utility Plant in Service	\$63,852,880
Construction Work in Progress	(85,619)
Total Utility Plant	63,767,261
Less: Accumulated Provision for Depreciation	(17,415,554)
Net Utility Plant	\$46,351,707
Investments in Subsidiary Companies	0
Investments in Associated Organizations	12,754,967
Other Investments - Economic Dev. Revolving Loan Fund	0
Total Other Property & Investments	\$12,754,967
Current Assets	
Cash-General	3,427,320
Temporary Investments	6
Accounts Receivable	3,113,512
Notes Receivable	0
Material and Supplies	664,835
Other Current and Accrued Assets	240,978
Total Current Assets	\$7,446,651
Deferred Charges	573,987
TOTAL ASSETS	\$67,127,312
EQUITY AND LIABILITIES	
Memberships	\$134,984
Patronage Capital	29,472,058
Other Margins and Equities	7,400,747
Total Margins & Equities	\$37,007,789
Long Term Liabilities	
Long Term Debt - RUS	25,971,521
Long Term Debt - Other	1,323,274
Other Non Current Liabilities	0
Total Long Term Liabilities	\$27,294,795
Current Liabilities	
Notes Payable	0
Accounts Payable	1,932,632
Other Current & Accrued Liabilities	886,171
Total Current Liabilities	\$2,818,803
Deferred Credits	5,925
TOTAL EQUITY AND LIABILITIES	\$67,127,312



Each month we hide an account number in Powerlines. Did you find it?

NO FEBRUARY WINNER!

There was no winner for the month of February. Be sure to keep reading Powerlines each month because the next hidden account number and \$25 bill credit could be yours!

Payment Options

US Mail

Whitewater Valley REMC, P.O. Box 3199, Martinsville, IN 46151-3168

SmartHub

Log-on at www.vremc.com

Pay-by-Phone

Call 844-827-4759. Set up your PIN. Follow prompts.

Liberty Office

In person or in the drop box.

Automatic Withdrawal

Simply request a form and submit it to our office.

FCN or Franklin County National Bank

In person or in the drop box. (Bring payment stub.)



For more information about payment options, please call us:

765-458-5171 or 1-800-529-5557

Helpful Information

Liberty Office Hours

7:30 a.m. to 4:30 p.m. Monday through Friday

CLOSED SATURDAYS, SUNDAYS AND HOLIDAYS.

To Report an Outage or Emergency

Call 1-800-776-0493, 24 hours a day, 7 days a week. Login to your SmartHub account or sign up for outage texting at www.vremc.com.

Be ready to provide the following information:

- The name and account number under which your electric service is listed
- Map location number.
- Your phone number - needed to call back or confirm power restoration
- The type of problem you are experiencing - flickering lights, complete power outage, etc.

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fulfilling this important cooperative principle.

Energy Efficiency A variety of energy efficiency programs are available to help you save energy, increase the comfort level of your home and business, and help reduce your energy bill. Members took advantage of these programs and received over \$23,000 in rebates last year for residential, business and agriculture consumers.

Looking to the future, and what members might want and expect from us as your power provider, WWVREMC and Hoosier Energy are working together to update the incentive program and offer members new options in 2021. Visit our website or call us for the latest information.

Planning for the Future For several years now we have been working on a mitigation plan for our lack of secure and cooperative owned space for all our facilities, materials, parking, and storage. After months of searching and negotiations we have located a property that fulfills our goals of being in our service territory, centrally located, with available utilities, and provides safe and easy truck access. In January, we purchased a 20-acre tract of land south of Liberty for a future facility site. It will be some time before we build as we want to have careful planning and consideration into a facility that will serve the membership for decades as our current facilities have done. We look forward to sharing progress with you as these plans develop in the future.

Powering On We all know the impact that storms can have on our electric distribution system. COVID-19 has been a storm of a different kind, and it is one that required a different kind of response. Thankfully, our cooperative was able to quickly adapt to this unforeseeable situation. The response has kept health and safety first while maintaining the high level of service our members rely on. When we return to a true normal is unknown, but WWVREMC's determination, agility and adaptability is a direct reflection of you, our members, and local communities. Together we will work to keep your cooperative powered on.



CAUSE	#	%
TREES	376	33.96
ANIMALS	230	20.78
DECAY	114	10.30
MEMBER	83	7.50
CONSTRUCTION/MAINT	71	6.41
UNKNOWN	56	5.06
VEHICLES/PUBLIC ACTIVITY	55	4.97
MATERIAL/EQUIPMENT FAILURE	52	4.70
LIGHTNING/WEATHER	48	4.34
POWER SUPPLIER	15	1.35
OTHER	7	0.63
TOTAL	1107	100



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