

TELL CITY ELECTRIC DEPARTMENT  
BOARD OF DIRECTORS  
May 18, 2021

The Tell City Electric Department Board of Directors met at 4:00 P.M. All members were present except for Missy Noble. JB Land presided.

Superintendent Dixon was in attendance as was Paige Schank for the Department. Guests included Dirk Garriott and Brian Brackemyre from Indiana Municipal Power Association (IMPA).

Mr. Garriott and Mr. Brackemyre provided their presentation on the IMPA contract extension proposal. See details of presentation under New Business below.

A motion was made by Mr. Daum and seconded by Mr. Poole to approve the Agenda. Motion passed 5-0.

Minutes from the April 20, 2021 meeting were presented in written form. Being no corrections, Mr. Poole made a motion to approve the minutes, Mr. Kohnert seconded and the motion passed 5-0.

Committees

Human Resources: Mr. Dixon noted there was nothing to report.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. Mr. Malone motioned to approve the reserve transfers to the four reserve accounts: \$55,500.00 to the Operating Reserve, \$11,250.00 to the Expansion Reserve, \$1,700.00 to the Waupaca Substation Reserve and \$9,993.46 to the Loan Liquidation Reserve and the Docket. Mr. Daum seconded and the motion passed 5-0. Mrs. Schank noted that the cash funds were growing, but she did not recommend a transfer to the reserves at this time as large cash outflows such as PILOT (\$165,000) and Quarterly Utility Receipts Tax (\$54,000) are to be paid within the next month. Further, the Bucket truck payment is currently scheduled to be due by the end of the year, depending on delivery.

Strategic Planning: Mr. Dixon noted there was nothing to report.

Current Business

Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in March is \$0.069642. Jasper's is \$0.0831630, Huntingburg's is \$0.0776670 and Troy's is \$0.0837700. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of March consumption. TCED's cost to Waupaca for the April invoice was higher than SIP's charge to Waupaca by approximately \$36,000.

TCED Communications Towers: Per Board discussion at the April 2021 meeting, TCED paid the two, \$1,200 annual lease contracts for the communications towers at the 4-H Fairgrounds and Windward Heights. Mr. Dixon has been in communications with both PSC and Qwireless. PSC currently has only a handful of customers still on the 4-H Tower. Their goal is to have these customers removed from the tower this year. Mr. Dixon has informed Qwireless that TCED is wanting to dispose of these towers. Qwireless is looking into both towers and will let Mr. Dixon know if they are interested in taking over either tower. Mr. Dixon has also let the TCPD Chief of Police know that the 4-H Tower is available if the police department has any use for it.

New Business

a. IMPA Contract Extension – Dirk Garriott presentation: Dirk Garriott and Brian Brackemyre, from IMPA were at the meeting to give a presentation regarding IMPA's contract extension proposal. TCED purchases power from IMPA to provide to our customers. Our current purchase contract with IMPA expires in 2042. The current contract has a 10 year notification schedule. If TCED no longer wants to purchase power from IMPA, under the current contract, TCED would have to provide notice to IMPA by 2032. If notice is provided to IMPA in 2035, for example, TCED would remain under contract with IMPA until 2045 (10 year rolling notification window). Due to the ever changing environmental and economic concerns, IMPA is needing to revamp its portfolio of generation resources. The bonds to finance new resources for IMPA must be spread out over the life of the contract to keep rates low. Keeping IMPA's financing rates low will in turn keep our purchase power rates low. Therefore, IMPA is proposing to extend the current contract, to expire in 2050 and increase the notification window from 10 years, to 30 years. As of the time of the presentation, 45 out of IMPA's 61 member communities have signed the extension agreement. The contract is with the City, so the Board's responsibility will be to provide a recommendation to the City Council on whether to move forward with the extension, or not. The Board would like this topic placed on the June 2021 meeting agenda for further discussion.

b. Approval of Payment in Lieu of Taxes Due to City: The Board was provided a handout with the calculations for the 2020 Payment in Lieu of Taxes due 2021. The amount due came in slightly lower than was estimated, based upon a tax rate of \$1.3376. Mr. Malone made a motion to approve payment of \$165,347.62 to the City of Tell City as Payment in Lieu of Taxes. Mr. Daum seconded and the motion passed 5-0.

There being no further business to come before the Board, Mr. Kohnert made a motion, seconded by Mr. Poole at 4:48 P.M. to adjourn to Executive Session to:

Discuss matters related to employee matters.

The motion passed 5-0.

At 5:14 P.M. Mr. Poole made a motion to adjourn the Executive Session and return to Regular Session. Mr. Kohnert seconded and the motion passed 5-0.

#### Other Business

Participation in the City's Job Description Update and Salary Survey: Members of the Board, as well as Mr. Dixon, have been approach by Mayor Cail to participate with the City in a job description review and salary survey. Per the Board's discussion, Tell City Electric will decline this offer to participate in the Job Description Review and Salary Survey. TCED's job descriptions are up to date and our salary review is conducted annually through the American Public Power Association (APPA), a national municipal electric utility association representing over 2000 electric utilities across the nation. The APPA Annual Survey is broken down into the following categories: Revenue, Customer Number, and Region. This gives Tell City Electric guidelines on where our salaries should be compared to other Municipal Electric Utilities consistent with our size, across the country. In addition, our portion of this study the Mayor would like us to participate in, is estimated at a cost of \$6,500 to \$8,000. This is an expense we cannot justify since our salary survey is already completed annually and this additional expense was not budgeted. Mr. Malone made the motion to decline participation in both the Job Description update and the Salary Survey. Mr. Daum seconded, and the motion passed 5-0.

Reducing the number of Tell City Electric Department Board of Directors currently serving on the Board from six members to five: Members of the Board, as well as Mr. Dixon, have been approached



by Mayor Cail and City Council members regarding reducing the number of Board members from six members to five. Further, it was noted at a City Council meeting that the City Attorney is in the process of creating an ordinance to reduce this number. It should be noted that the TCED Board has been in existence for 80 years, since 1941. It was established as six members and to be politically equal, with three Republicans and three Democrats. Recent laws have changed to remove the political party affiliation of the members serving on the Board. The Mayor and Council members have noted that the reduction of members would 1) resolve any issue of a potential tie in votes and 2) save TCED \$900 annually. The members of the Board have no recollection of there ever being a tie vote among the TCED Board. If a vote is taken and it is a tie, the vote simply dies and does not move forward. The savings of \$900/annually is menial considering the diversity and knowledge of the current Board. Our Board consists of five men and one woman with backgrounds in accounting, engineering, banking, and business ownership. These very qualified people with diversified knowledge and backgrounds, have made great decisions in the running of this utility and making it successful. Without this, we would be spending much more than \$900 a year in consulting fees to obtain advice from outside consultants. The members of the Board agree that the current makeup of the Board is appropriate and is working for the best interest of the utility. A motion was made by Mr. Malone noting that the TCED Board does not agree with the recommendation of removing one member from the Board. Mr. Kohnert seconded, and the motion passed 5-0.


The Department will present written noticed to Mayor Cail and all City Council members regarding both the decline in participation in the job description update/salary survey and the disagreement on the recommendation of TCED Board member reduction.

Mr. Land will not be able to make it to the meeting on June 15, 2021. The Board discussed and decided to move the June meeting to June 14, 2021.

Mr. Daum made a motion at 5:18 P.M. to adjourn. Mr. Poole seconded; the motion passed 5-0.



J.B. Land, Chairman



Missy Noble, Secretary  
~~JOE MALONE~~  
VICE-CHAIRMAN

