

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
August 17, 2021

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

Superintendent Dixon was in attendance as was Paige Schank for the Department. No further guests were in attendance.

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

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

Committees

Human Resources: The Department has selected the replacement for Mr. Dixon's Superintendent position. Mr. Michael (Andy) Hicks will be starting with Tell City Electric on September 1, 2021. Mr. Hicks was on-site for a second round interview, toured the facility, and met the employees and the HR Committee in July. Mr. Hicks is an Engineer with the city of Rocky Mount, NC. He has a Bachelor of Science in Computer Information Systems and a Bachelor of Science in Business Administration. Mr. Hicks is ambitious and is looking to further his career path with the position of Tell City Electric Superintendent. Due to the status of the current housing and rental market in Tell City, Mr. Hicks and his family will be residing in Owensboro, KY upon arrival, with the target date of the first of the year to be a Tell City or surrounding area resident.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. Mr. Daum 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 \$9,993.47 to the Loan Liquidation Reserve and the Docket. Mr. Malone seconded and the motion passed 5-0.

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

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in June is \$0.071551. Jasper's is \$0.0796230, Huntingburg's is \$0.0793050 and Troy's is \$0.0793720. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of May consumption. TCED's cost to Waupaca for the July invoice was higher than SIP's charge to Waupaca by approximately \$11,400.

b. TCED Communications Towers: There is nothing new to report. The Department is waiting for notice from PSC that they have removed all of their customers from the tower.

c. 5 Year System Study Results: Mr. Dixon will be reaching out to Spectrum Engineering regarding their prioritization of the GE and Eckley Substations. Mr. Dixon feels that the Eckley Substation should be the Department's priority substation project. Eckley Substation is antiquated, with equipment in service that is no longer manufactured. Mr. Dixon will inquire for budgeting purposes, which fiscal year the projected costs for the Eckley Substation will fall. The Board discussed the option of moving Eckley Sub from its current location, to a location out of the flood zone. Mr. Dixon

suggests that if property was available, building a new substation at a different site to replace Eckley would be the best solution. It was noted that Mr. Damini has begun working on project #1 – Increase Distribution Reconductor Feeder 313 capacity by upgrading conductors to all 336 ACSR.

d. IMPA Contract Extension: No change from prior meeting. IMPA has not presented any proposal to the remaining utilities who have not yet signed the extension.

New Business

There being no further business to come before the Board, Mr. Malone made a motion, seconded by Mr. Kohnert at 4:16 P.M. to adjourn to Executive Session to:

Discuss matters related to employee matters.

The motion passed 5-0.

At 4:46 P.M. Mr. Malone made a motion to adjourn the Executive Session and return to Regular Session. Mr. Poole seconded and the motion passed 5-0.

a. Resolution R210817A – Job Title Reclassification: In order to reflect the American Public Power Association's (APPA) job descriptions as presented in their annual salary survey, the four management positions at Tell City Electric are adjusted: Superintendent to General Manager, Accounting Manager to Chief Financial Officer, Operations Foreman to Operations Supervisor, Technical Service Foreman to Technical Service Supervisor. All job functions and duties remain the same. Further, the Department currently classifies employees for payroll and personnel policy book purposes as "non-bargaining" or "bargaining" employees. This is no longer accurate as no employees at Tell City Electric are part of a union. These classifications will be adjusted to "operations" and "office." Motion was made by Mr. Daum and seconded by Mr. Malone. Resolution R210817A was passed with a 5-0 vote.

b. Resolution R210817B – Compensation Review: In order to remain competitive to other local electric companies, Tell City Electric needs to review the compensation paid to the operations employees. These employees consist of the line crew, meter technicians, and associated supervisors. The Board reviewed wages from other electric companies, the current financial standings of the Department, and the operations employees' current wages to determine that a 3% wage increase is appropriate. This increase is effective August 22, 2021 at 12:01a.m. for the operations employees. The Board feels this increase is appropriate to maintain the experienced linepersons within the Department. Mr. Kohnert made the motion to approve Resolution R210817B. Mr. Poole seconded and the motion passed 5-0.

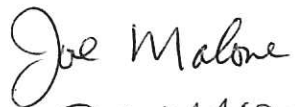
c. Building Inspector Salary Contribution Request: The Department has received a letter from Mayor Cail requesting Tell City Electric contribute \$11,000 to be used to help fund the Tell City Building Inspector position for the year 2022. The Department gave a one-time contribution to the City of \$10,000 to help fund this position in 2021. It was noted in the letter presented to the Mayor that this was a one-time contribution. The Department believes the \$11,000 is too big of a request for the services the inspector performs for Tell City Electric. The Department further estimated the true cost of the services provided by the inspector, if the City was to bill the Department for each inspection performed. As of July 2021, the Department has utilized the Inspector for 41 inspection tickets. This extrapolates to an estimated 71 tickets for the year 2021. Based on the Building Inspector's current wages and utilizing Tell City Electric's overhead rates, we calculate an estimated cost for all inspections, if billed from the City to the Electric Department for the year 2021 to be approximately \$3,400. This calculation utilizes the following: 1. One hour per inspection 2. Building Inspector's wages of \$21.81/hour 3. Total overhead of \$25.58. It was noted that a contribution of

\$11,000 for the year, with an estimated 71 inspections, would equate to the Department paying \$154.93 per inspection to the City. Tell City Electric can utilize an outside company, which will provide licensed electricians to perform the inspections, for \$65/hour. After these discussions, it was noted that the Department will provide a letter to the Mayor with previously stated details and note a one-time contribution of \$4,000 will be provided to the City for the year of 2022. Mr. Poole motioned to approve the one-time contribution of \$4,000 to the City. Mr. Kohnert seconded and the motion passed 5-0.

Other Business

There being no other business, Mr. Poole made a motion at 5:02 P.M. to adjourn. Mr. Daum seconded; the motion passed 5-0.


J.B. Land, Chairman


JOE MALONE
~~Missy Noble, Secretary~~
Vice-Chairman

