

TELL CITY ELECTRIC DEPARTMENT  
BOARD OF DIRECTORS  
October 19, 2021

The Tell City Electric Department Board of Directors met at 4:00 P.M. All members were present. Donna Nance is the newest member of the Tell City Electric Board and was appointed by the Mayor, effective October 1, 2021. Mr. Land presided.

General Manager Andy Hicks was in attendance as was Paige Schank for the Department. No further guests were in attendance.

A motion was made by Mr. Daum and seconded by Mr. Poole to approve the Agenda. Motion passed 6-0.

Minutes from the September 21, 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. Ms. Nance abstained from this vote as she was not a Board member at the time of the September meeting.

#### Committees

Human Resources: Mr. Hicks, Mr. Pruitt and Mrs. Schank held interviews for the open position of apprentice lineman. The Department has extended a verbal offer to Jonathan Theis for the apprentice lineman position, and Mr. Theis has accepted said offer. Pending his pre-employment physical and drug screen, Mr. Theis's first day with the department is scheduled for November 1<sup>st</sup>. The Department is looking to fill the vacant Lead Lineman positions within the current crew. The Board will be notified when this takes place.

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. Poole seconded and the motion passed 6-0. Mr. Land requested that Mrs. Schank prepare a short financial review of the Department for Ms. Nance and the rest of the Board at the November Board meeting.

Strategic Planning: Mr. Hicks 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 September is \$0.072998. Jasper's is \$0.0844840, Huntingburg's is \$0.0847460 and Troy's is \$0.0793700. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of September consumption. TCED's cost to Waupaca for the September consumption (due in October) invoice was higher than SIP's charge to Waupaca by approximately \$33,700.

b. TCED Communications Towers: The Department has reached out to the Chief Operating Officer of Watch Communications (formerly Q-Wireless) regarding the Windward Heights tower. Watch Communications is in the process of removing their customers from the tower and will be in contact with the Department at the end of October to schedule removal of their equipment. At this time, the Department will look into the disposal of the tower. Mr. Hicks noted that the Mayor and the Tell City Water Department have expressed interest in the tower located at the 4-H Fairgrounds

to utilize for their AMI system. Mr. Hicks is in communications with Mayor Cail regarding the City utilizing the AMI system the Department already has in place for the City's Water AMI system. The Department would review the monthly maintenance costs of the AMI system and provide the City a monthly rental fee if they plan to go this route. If the City utilizes our system, it is unlikely they would need the tower at the 4-H Fairgrounds. Mr. Hicks will continue communications with the mayor on this topic.

c. 5 Year System Study Results: As noted in the September meeting minutes, based on communications with Spectrum, the Department has budgeted \$750,000 for the design/engineering of the substation and the down payment of a transformer. Mr. Hicks and Jeff Bender have been in communications with Spectrum Engineering regarding the next step for the Department related to the system study. They have determined the most feasible next step is to build on the land that the Department already owns, next to the Eckley Substation. The first step is to build a one transformer (20-25 megawatt) substation in the empty lot next to the current Eckley Substation. Once built, the "new Eckley" substation, along with current NE Sub, would be able to power the entire system if needed. After completion, the Department and Board would work together to determine the next steps. Optional next steps include: building a second transformer at "new Eckley" and keeping old Eckley on line until it needs to be shut down; building the second transformer at "new Eckley" and disassembling old Eckley completely, turning that lot into a pole yard; rebuilding one side of old Eckley substation and disassembling the other side; or building a new, one transformer substation at a separate lot away from the flood zone. There are multiple options at this point. Overall, there are currently three transformers running our system, and at least three recommended in the future. Mr. Hicks noted it would be more cost efficient to build next to Eckley rather than expanding NE sub as there would be additional costs to build NE out to the system than at the Eckley site. The Department would utilize Spectrum to assist with writing the bid specifications. The job would be bid out to the lowest bidder that meets the required qualifications. Spectrum would help with this process. Ground breaking and construction would ideally begin in 2023, with funds budgeted for the remaining cost of the project.

Mr. Hicks met with representatives from Southern Indiana Power and Hoosier Energy regarding an outage at Waupaca back in August. The outage was caused by pigeons roosting on the risers. Upon review of the outage, Hoosier Energy (the company that maintains the Waupaca substation for SIP and TCED), found issues with the PT/CTs. The short term solution is to install animal guards at the substation. Long term, Hoosier is recommending the breakers are upgraded in the substation. This project has a projected start in 2023 and will be spread over approximately 5 years. The overall cost of \$1.5/\$1.6 million will be split between SIP and TCED. Mrs. Schank recommended looking into increasing the funding to the Waupaca reserve beginning in 2022 to cover these projected costs if cash flows allow.

d. IMPA Contract Extension: No change from prior meeting. Mr. Hicks is meeting with Mayor Cail and representatives from IMPA later this month. He expects the IMPA representatives to present the extension topic to the Mayor at this time.

### New Business

a. 2022 TCED Budget – Resolution R211019A: Mrs. Schank presented the Board with the proposed budget for the Department for fiscal year 2022. Notable items included: an increase in purchase power from current rates to proposed rates of 4.11%, which is over half a million dollars; an increase in proposed budgeted purchase power of approximately one million dollars from the suggested 2021 budget figures to 2022 proposed budgeted figures; the bucket truck is included in 2022's budget as it has not yet been received, but it was approved in the 2021 budget; and no increase in wages proposed for the year 2022 outside of anticipated apprentice increases. Overall, purchase power is equating to approximately 83% of the Department's overall budget. The

Department is showing a net loss of approximately \$350,000 for the year and must decrease the reserve funding by \$535,000 to end the year with a cash surplus. It was noted with the increases IMPA has provided over the past few years, the Department needs a rate study performed to review our current rates against the rates paid to IMPA for purchased power.

A motion was made by Mr. Malone and seconded by Mr. Daum to approve Resolution R211019A – Tell City Electric Department Board of Directors Budget Resolution for the Fiscal Period 2022 and Appropriation of Surplus Funds From Fiscal Period 2022 and Prior Fiscal Periods, as presented to the Board. Motion passed 6-0.

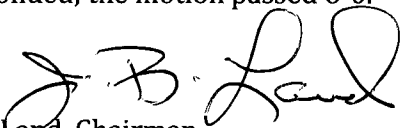
Further, a motion was made by Mr. Kohnert and seconded by Mr. Poole to engage Catalyst Consulting to schedule a rate study for the Department in the year 2022. Mrs. Schank will reach out to John Wolfram to get on his schedule in 2022. Motion passed 6-0.


#### Other Business

Being as Ms. Noble was not reappointed to the Board, the Secretary position is now vacant. Mr. Malone nominated Mr. Kohnert to be acting Secretary effective immediately. Mr. Poole seconded and the motion passed 6-0.

Mr. Land noted that he received a call from Councilwoman Kohnert after last month's meeting. She expressed to him that the concern Councilman Kleeman had regarding the Board's wages was something the rest of the Council was unaware of. She assured Mr. Land that Mr. Kleeman was acting on his own concerning this topic and it was not discussed with the rest of the Council prior to his public comments.

There being no other business, Mr. Daum made a motion at 5:10 P.M. to adjourn. Mr. Poole seconded; the motion passed 6-0.

  
J.B. Land, Chairman

  
Bob Kohnert, Secretary

