

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
April 19, 2022

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

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

The Agenda was presented to the Board in written form. No changes were made. A motion was made by Mr. Daum and seconded by Mr. Kohnert to approve the Agenda as presented. Motion passed 6-0.

Minutes from the March 22, 2022 meeting were presented in written form. Being no corrections, Mr. Poole made a motion to approve the minutes, Mr. Malone seconded and the motion passed 6-0.

Committees

Human Resources: TCED line workers participated in the Skilled Trades Fair at Ivy Tech last week. Students from surrounding school were able to learn of some of the different occupations that are available to them outside of attending a four year college. Our employees enjoyed the interaction with the students and community. They hosted a "cross arm installation challenge" where students were competing for the best time to install a cross arm that the line workers had placed on site. Students thoroughly enjoyed the activity. TCED also provided pizza to the employees on April 18th for the National Line Workers Appreciation Day.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. Mr. Malone inquired on the loss due to the disposition of assets. Mrs. Schank noted this related to the removal of the communications tower from the books. The towers were not fully depreciation at date of disposal, thus a loss was incurred. Ms. Nance 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. Daum seconded and the motion passed 6-0.

Strategic Planning:

i. Southwest Substation Update: TCED received and reviewed transformer bids at 3 p.m. on April 13, 2022. Details of the transformer bids are noted below. Next steps for the Southwest substation is to bid out the construction portion of the project. Spectrum is working on this project with the goal to have bids received prior to our 2023 budget needing to be completed. We are continuing to track towards the goal of construction beginning in early spring 2023. Spectrum does not foresee an issue obtaining contractors for the construction portion since it is still a year out. Although TCED plans to apply for the grants previously discussed, we will budget for the full project in 2023, thus want to obtain bids for construction prior to September 2022. July and August continue to be the projected time period for the full grant detail to be released and applications to begin being taken. TCED will apply for funding for both phases of the Southwest Substation through these grants. TCED will also need to discuss funding for the project, outside of potential grant receipts, through either reserve funds, financing, or a combination of both.

ii. Transformer Bid Review and Approval: Transformer bids were due at 3 p.m. on April 13, 2022. TCED received four bids and provided the bid details to Spectrum at that time for their professional

review. Upon Spectrum's review, they ranked the bids in the following order: Pennsylvania Transformers, Virginia-Georgia Transformer, OTC Services, and Niagara Transformer. Although the cheapest bid at \$1.09M, Niagara Transformer was ranked forth due to the delivery estimate of 104 weeks. OTC was ranked 3rd with a cost of \$1.32M and delivery of 60-64 weeks. OTC received this ranking, although cheaper than the top ranking, due to their vapor phase exception. Industry standard is to perform vapor testing on the transformers. Virginia-Georgia Transformer bid \$1.49M with a delivery of 44-48 weeks. Pennsylvania Transformer bid \$1.38M with a delivery of 60-64 weeks. After reviewing the full details of the bids, Pennsylvania Transformer was recommended by Spectrum. Pennsylvania Transformer's bid came with a one year warranty on the transformer. For an additional approximately \$70,000, they will increase the warranty to five years. Motion to approve the transformer bid presented by Pennsylvania Transformer, in addition to upping the warranty to five years, was made by Mr. Kohnert. Mr. Malone seconded and he motion passed 6-0.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in March is \$0.067971, Jasper's is \$0.0794660, Huntingburg's is \$0.0767970 and Troy's is \$0.0695950. 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 March consumption (due in April) invoice was higher than SIP's charge to Waupaca by approximately \$32,000.

b. IMPA Updates: IMPA made note of the House Enrolled Act 1002 which authorizes the repeal of the Utility Receipts Tax, effective usage beginning July 1, 2022. This 1.46% tax is collected from the customers and paid to the DOR (Department of Revenue) quarterly. TCED has to adjust our rates and charges to reflect this elimination of the state URT through the passing of a rate ordinance from the Board and then the Council. Further, we must notify our customers before billing for usage beginning July 1, 2022. Since TCED is currently performing a Cost of Service Study (COSS) through The Prime Group, we are hoping to have those results in time to pass one rate ordinance that encompasses the results of the rate study and the reduction in URT at one time. If the COSS cannot be completed prior to the deadline given by the state, we will have to pass a rate ordinance to reduce charges by the URT amount prior to July 1st, and then go back once the COSS is complete to have another rate ordinance passed to incorporate those results.

New Business

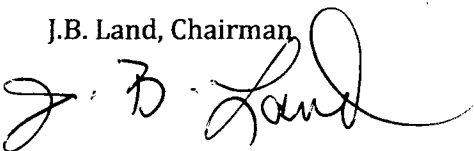
a. Transfer of funds to Promotional Fund in the amount of \$1,025 for 2022 Chamber Membership Dues and Sponsorship request: The Board approved the renewal of the Department's membership into the Perry County Chamber of Commerce and the Legend Sponsorship for a total expense of \$1,025 for the year 2022. Mr. Malone motioned to approve the donation to the Chamber as well as the transfer of funds to the Promotional Fund of \$1,025 to cover the 2022 Chamber fees and sponsorship. Mr. Poole seconded and the motion passed 6-0.

Other Business

No other business was presented to the Board.

There being no other business, Mr. Daum made a motion at 4:36 P.M. to adjourn. Mr. Kohnert seconded; the motion passed 6-0.

J.B. Land, Chairman



Bob Kohnert, Secretary

