

TELL CITY ELECTRIC DEPARTMENT  
BOARD OF DIRECTORS  
May 16, 2023

The Tell City Electric Department Board of Directors met at 1:00 P.M. All members of the Board 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. Mr. Hicks had an amendment to item 'a' under 'New Business'. Transfer of \$315,000 was amended to a transfer of \$448,000 from the operating reserves to regular checking. The additional transfer related to the payment of the PILOT to the City. New Business, item 'a' amended to: Transfer \$448,000 from Operating Reserve to Regular Checking for Southwest Substation payment and PILOT payment to the City. A motion was made by Ms. Nance and seconded by Mr. Daum to approve the Agenda as amended. Motion passed 6-0.

Minutes from the April 18, 2023 meeting were presented in written form. No changes were noted. Mr. Poole made a motion to approve the minutes, Mr. Kohnert seconded and the motion passed 6-0.

Committees

Human Resources: Last Wednesday was Cayden Lamon's last day working with TCED for his Perry Central School internship. Monday, May 8<sup>th</sup> was Alec Kaufman's first day of his 2023 summer internship with TCED.

i. Community Involvement – William Tell Elementary May 19<sup>th</sup>: Mr. Hicks has been asked to participate in the 6<sup>th</sup> grade career day at William Tell this Friday, May 19<sup>th</sup>. He has offered to bring the TCED trucks and operations staff to interact with the students.

ii. Safety Matters: On Monday, May 8<sup>th</sup>, TCED operations employees were hooking up secondary to a customer on 7<sup>th</sup> street when the secondary line caught the corner of the metal overhang off the roof of the building. The metal pulled back the covering of the wire and an arc occurred. There was slight damage to two of the metal strips on the roof and no worker related injury. The employee responsible for the matter notified his supervisor that day and Mr. Hicks the following morning. The next morning, Mr. Hicks held a meeting with the department supervisors to discuss the incident and operations policies going forward. Mr. Hicks and Mr. Pruitt spoke to the individual as well as the operations staff as a whole. The near-miss incident has been documented and the standard operating procedure will be written to no longer pull anything hot to the weather head. TCED has a quote of \$250.00 from a local contractor to replace the metal roofing pieces. Work should be completed this week.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. 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 for the month of May. Mr. Malone seconded and the motion passed 6-0.

Strategic Planning:

i. Southwest Substation Update: Pennsylvania Transformer has reported a delay in the transformer delivery from mid-June to now the end of August due to delay in getting some of the copper. Spectrum has reached out to Pennsylvania regarding the 30 day grace period and the liquidating damages of \$500/day up to 5% of the cost of the transformer. The control building delivery was delayed a week due to the freight company wanting to increase the cost of delivery. An additional \$15,000 freight costs was estimated for issues with some of the turns within city limits. Mr. Hicks agreed to pay up to half of the additional freight costs, but felt they were able to find alternative route procedures to avoid those additional charges. The second cost issue that came up was the cost of the crane to unload and set the control building. The bid received and approved by TCED had the crane scheduled for only 8 hours total, approximately \$8,000 per day. The company is now saying they will need at least two days for the crane. Mr. Hicks let them know that their bid stated 8 hours and TCED would not be paying anything additional for their error in their bid. The building should be delivered the morning of May 25<sup>th</sup>. Once delivered and set, the fencing will go up. Rock will be laid beginning of next week before the building is delivered.

### Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in April is \$0.076845, Jasper's is \$0.0925650, Huntingburg's is \$0.0906610 and Troy's is \$0.0945580. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of April consumption. TCED's cost to Waupaca for the April consumption (due in May) invoice was more than SIP's charge to Waupaca by approximately \$45,300.

In April, Mr. Malone pointed out that the estimated IMPA power bill handout was not matching the figure on the IMPA bill. It was then that TCED realized the rate on the IMPA estimated bill was not updated within the calculations for the 2023 IMPA rates. Upon further investigation from this matter, it was determined that our E2 customer, who's rate within the rate book is a pass through of IMPA rates, was also not updated with the 2023 IMPA rates for their monthly bill calculation. TCED under billed the E2 customer over the first quarter of 2023. Mr. Hicks immediately reached out to the customer on the matter and discussed with their corporate representative. Both parties understood the situation and were appreciative of being informed. TCED added an adjustment for the under calculated balance to their bill sent out in May. The Department has planned additional internal controls such as additional reviews of the spreadsheet, visible rates within the calculations, and annual reminders for multiple employees to update the rates once IMPA rates are received. Additional internal controls will mitigate the risk of this mistake repeating.

b. 601 Main Remodel – Carpet: Carpet work is expected to begin next week, May 22<sup>nd</sup>.

c. Troy Assistance Update: No additional work has been performed since the previous Board meeting.

### New Business

a. Transfer \$448,000 from Operating Reserve to Regular Checking for Southwest Substation payment and PILOT payment to the City: The Board voted to transfer \$315,000 from the operating reserve into the checking account for payment of the Premier Power invoice related to the Southwest Substation for items such as, fencing, steel structures, gates, concrete foundation, grounding, etc. and \$133,000 for the PILOT to the City as approved at the April Board meeting, for a

total of \$448,000 transferred. Motion made by Mr. Malone and seconded by Mr. Poole. Motion passed 6-0.

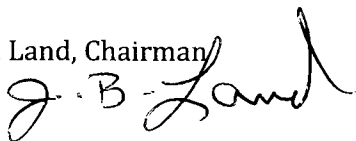
b. New Digger Truck – Altec Quote: Mr. Hicks provided an updated time frame to receive the bucket truck has been pushed to the last quarter of 2023. In inquiring of the bucket truck's status, he learned that Altec is not currently pricing Digger trucks as the expected lead time is around 5-7 years from order date. In 2018, TCED purchased a new Digger truck for approximately \$230,000. Estimated costs from Altec with the extended lead time are currently at \$365,000. Mr. Hicks expressed the need for two Digger trucks, if something were to happen to our current truck, we would be significantly impacted on the work able to be performed.

#### Other Business

Mr. Hicks noted that the second phase of the substation needs to be on the Board's agenda in the very near future. The engineering firm (Spectrum) working with TCED designing the Southwest substation is inquiring on our timeframe for the second phase. In addition to Spectrum trying to plan out their next one to two years of work, lead times of most of the equipment needed has doubled. The second phase of the southwest substation would be to refurbish the smaller of the two power transformers currently in use at the Eckley substation and put it online at the new southwest substation. This would give the southwest sub the ability to carry the full load of the city, had something happen to Northeast substation. The Southwest Substation is being built to house two power transformers down the road. Mr. Hicks made the suggestion of putting the larger of Eckley's refurbished power transformers at NE substation to ensure NE sub could carry the load for the City, if something were to ever happen to Southwest substation. The Board will need to consider the planned timing of these next phases in the near future.

There being no other business, Mr. Kohnert made a motion at 2:03 P.M. to adjourn. Mr. Daum seconded; the motion passed 6-0.

J.B. Land, Chairman



Bob Kohnert, Secretary

