

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
October 17, 2023

The Tell City Electric Department Board of Directors met at 4:00 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. Councilman Kleeman was in attendance.

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

Minutes from the September 19, 2023 meeting were presented in written form. No changes were noted. Ms. Nance made a motion to approve the minutes, Mr. Kohnert seconded and the motion passed 6-0.

Committees

Human Resources:

i. Community Involvement – Perry County Tour of Opportunities: TCED will participate in the ASPIRE event on November 2nd. This event gives local school sophomores the opportunity to “speed date” with local professionals to learn about the opportunities within our community. Mr. Hicks and Ms. Schank will attend the event. Witches’ Walk will take place in front of the office building on October 26th.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. Ms. Schank noted that the ‘Other – Income’ discussed at the last meeting related to the substation fence is shown within the September financials. 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 \$9,993.55 to the Loan Liquidation Reserve and the Docket for the month of September. Mr. Poole seconded and the motion passed 6-0.

Strategic Planning:

i. Southwest Substation Update: The transformer was delivered and tested. All testing came back good. Premier Power has started the installation of the breakers this week and will continue next week. TCED has started building out the pole line for the exit feeders. Completion date is still estimated at the 1st quarter of 2024. If the transmission material ships before the end of November, this date could be moved forward. The underground cable that was ordered in January with a 20 week lead time has been delayed. They will provide a 3 week estimate once scheduled to ship.

The Board inquired of the future, once stage one of the Southwest Substation is complete. Mr. Hicks mentioned having one of the power transformers currently at Eckley Substation refurbished and placed at Northeast Substation. Refurbishing a transformer will allow for significant monetary savings with a longer warranty period. Once this transformer is complete, he would suggest placing it at Northeast as Northeast Substation was built to hold two power transformers. With two

transformers, that substation would be able to serve the entire system if needed. The second power transformer at Eckley would then be refurbished and placed on the second half of the Southwest Substation. This would allow us to have two substations that could independently carry the load for the City if required. The added cost of getting Northeast Substation capable of feeding the entire City would be building the circuits back to town. TCED was not able to refurbish a transformer to place at Southwest Substation for stage one as it would have maxed out the load on the current transformers for an extended period of time.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in September is \$0.087616 Jasper's is \$0.01004930, Huntingburg's is \$0.01037800 and Troy's is \$0.0964420. 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 more than SIP's charge to Waupaca by approximately \$6,600. Year to date, TCED's bill is approximately \$288,000 lower than SIPs.

b. Troy and Cannelton Assistance Update: No additional work has been billed since the previous Board meeting for the town of Troy. TCED did assist Troy in the month of October when IMPA was performing testing on their system. This will be billed in the upcoming month. No additional work related to Cannelton.

c. Board Member Reappointments: Mr. Kohnert and Mr. Malone were approved by the City Council and the Mayor respectively for reappointment to the Tell City Electric Board of Directors for another four year term.

Items B and C of New Business will be voted on after the Executive Session is held. All other items to be discussed prior to Executive Session.

New Business

a. Transfer \$293,000 from Operating Reserve to Regular Checking for Southwest Substation payment: The Board voted to transfer \$293,000 from the operating reserve into the checking account for payment of the invoice related to the Southwest Substation from Premier Power of approximately \$148,000 and the final transformer payment to Pennsylvania Transformer of approximately \$145,000. Motion made by Mr. Malone and seconded by Mr. Daum. Motion passed 6-0.

b. Resolution R231017A – Office and Operations Employee Compensation: Item will be addressed after the Executive Session.

c. Resolution R231017B – TCED 2024 Budget: IMPA is estimating a 2.93% increase in purchase power. Significant capital projects included the bucket truck that was previously ordered, the E2 circuit breaker project that has been discussed at previous Board meetings, underground boring work in certain areas around town that have limited access to poles/lines in backyards, pole replacement, tree trimming and AMI disconnect meter purchases. The Board will wait to vote on the Resolution until after the executive session below.

d. 2023 Perry County Chamber Witches' Walk \$25.00 Registration Fee from the Promotional Account: Ms. Nance motioned to approve use of the promotional fund of TCED's as held by the City

of Tell City to pay the \$25.00 registration fee for the upcoming Witches' Walk. Mr. Poole seconded and the motion carried 6-0.

e. Harris Print and Mail – Billing Outsourcing: With Ms. Lawalin's announcement of her retirement date on March 29, 2024, the Department has started looking into options to outsource the bill print portion of Ms. Lawalin's position. Ms. Schank has met with multiple companies regarding this process. Harris Print and Mail provided cheaper costs than Bill Flash and works closely with Harris Government, the company that recently bought Power Manager, TCED current software provider. Outsourcing billing will allow TCED to cut costs such as purchasing paper, envelopes, return envelopes, ink, maintenance agreements for the folding machine and sealing solution. TCED has recently been notified that the maintenance agreement for the machine will not be renewed as the machine is considered antiquated. Harris Print and Mail is out of South Carolina. Postage is passed along at cost. They offer a 24 hour turn around as long as the file is received prior to 1pm the day before. Quoted costs were 15 cents per individual mailing. Motion to approve the outsourcing of the bill print and mailing to Harris Print and Mail was made by Mr. Malone and seconded by Mr. Poole. Motion carried 6-0.

f. AirEvac Sponsorship: When the City moved away from a self-funded insurance program, there were excess funds from all Departments' contributions over the year(s). These funds were utilized to provide AirEvac memberships to all City employees, including TCED. The Department has been notified that these funds have been depleted and for coverage to continue, TCED will need to pay the cost of \$65/employee for the year. The Department suggests covering this cost going forward in exchange for no longer (effective 1/1/2024) honoring the portion of the old union contract that provides medical deductible reimbursement of up to \$150/year if certain criteria are met. Motion to approve providing AirEvac coverage to TCED employees was made by Ms. Nance and seconded by Mr. Kohnert. Motion passed 6-0.

g. State Board of Accounts Fiscal Year 2021 and 2022 Audit Results: There were no audit findings related to the Department in the audit of years 2021 and 2022. For historical reference, the previous cost of the audit of 2018, 2019 and 2020 was under \$10,000 in total for the Department. At the exit meeting, it was noted that TCED's portion of the 2021 and 2022 audit would be approximately \$47,000. Once the State Board provided a breakdown of charges, Ms. Schank spoke with Mr. Davis (lead field examiner of the audit) regarding how the charges were determined. Mr. Davis offered to schedule a meeting with the Department and his superior to discuss further. After this call, the Department received a reallocation of charges, with the Department's responsibility being \$27,000. Mr. Hicks and Ms. Schank discussed the charges with Mr. Davis's supervisor where the explanation of the charges was not able to be given in a clear format. The Department requested to be involved in future planning meetings where charges would be discussed upfront. It was noted in the discussion that approximately \$8,000 of TCED's charges were related to 2022 being a federal audit as the City received ARP money. TCED has requested of the City to cover these additional charges as TCED in no way received any benefit of ARP money to cause the need for the federal audit. To be determined by the City and the City Council if these charges will be covered.

Mr. Kohnert had to exit at 4:45 P.M. due to conflicting obligations.

h. Annual Review of Customer Rate Class: Per our Rates and Charges Book, TCED has reviewed customer rate classes between the F and F1 Classes. To be in the F1 Rate Class, customers have to have 50KV demand for 6 out of the previous 12 months. There were 18 customers who were not meeting this criteria and would be moved from F1 to F Rates. There was 1 customer who was averaging far more than the demand criteria for 9 months out of the year and would be moved from

F to F1 Rate. The Department is mailing letters to these customers to inform them of the changes that will be taking place beginning with usage in November 2023. The Department will continue to review these rates each year.

Ms. Nance made a motion, seconded by Mr. Poole at 5:04P.M. to adjourn to Executive Session to:

Discuss personnel matters.

The motion passed 5-0.

At 5:30 P.M. Mr. Poole made a motion to adjourn the Executive Session and return to Regular Session. Mr. Malone seconded and the motion passed 5-0.

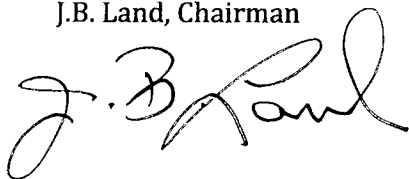
b. Resolution R231017A – Office and Operations Employee Compensation: Mr. Hicks and Ms. Schank have met with the Human Resources Committee and put together office and operations staff wage charts based on the most recent American Public Power Association (APPA) Salary Survey. The goal of utilizing the APPA survey allows the company to stay competitive with other utilities while maintaining wages that are appropriate based on the data within the survey such as number of customers, revenue, regional + revenue and national information. The office staff is moving away from the previous used “G-Scale” and will have career ladders, much like the operations staff. Resolution R231017A reflects the updated wage charges for the operations and office staff, effective January 1, 2024 at 12:01 a.m. Mr. Poole made the motion to approve Resolution R231017A. Ms. Nance seconded and the motion passed 5-0.

c. Resolution R231017B – TCED 2024 Budget: TCED 2024 Budget was previously discussed. Motion was made by Mr. Malone to approve Resolution R231017B – TCED 2024 Budget. Motion seconded by Mr. Daum and passed 5-0. The Budget will be provided to the City Council at their November 2023 meeting.

Other Business

There being no other business, Mr. Daum made a motion at 5:33 P.M. to adjourn. Mr. Poole seconded; the motion passed 5-0.

J.B. Land, Chairman



~~Bob Kohnert, Secretary~~

JOE MALONE
VICE-CHAIRMAN

