

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
November 21, 2023

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

General Manager Andy Hicks was in attendance as was Paige Schank for the Department.

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 Ms. Nance to approve the Agenda as presented. Motion passed 4-0.

Minutes from the October 17, 2023 meeting were presented in written form. No changes were noted. Mr. Malone made a motion to approve the minutes, Mr. Poole seconded and the motion passed 4-0.

Committees

Human Resources:

i. Community Involvement – Christmas Parade: TCED will participate in the Tell City Christmas Parade on December 2nd. The TCED Christmas Luncheon will be held at the Patio on December 8th at noon.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. Ms. Schank will look into the current rates for a 9 month CD with German American. 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 October. Mr. Malone seconded and the motion passed 4-0.

Strategic Planning:

i. Southwest Substation Update: The Southwest Substation continues to progress. The operations crew continues to build out the pole line. The insulators now have a ship date of January 16th instead of the previously delayed date in November. The underground feeder wire ship date cannot be obtained at this time. It was ordered in January with an expected 20 week lead time. The Department is working with other companies to see if they can get the material to us sooner. If we can purchase the material elsewhere, we will cancel the original purchase order or if not able to cancel, the material will get used within our system overtime.

ii. E2 Customer Substation Update: Mr. Hicks has been meeting regularly with corporate to get all involved parties on the page for the final location of the substation versus the rail, the primary voltage, the ownership and operations/maintenance of certain pieces of equipment. The ownership and operations/maintenance decisions will go through the Joint Operations Committee before determining the final details of the matter. TCED workers would need no additional training to work on the proposed voltage, but gloves and other equipment would need to be upgraded to reflect the proposed voltage levels. The Board takes no issue with TCED being the operating authority of the E2 substation with the E2 customer covering the cost of the substation, if that is the

agreement made through the Joint Operations Committee. Motion to approve Mr. Hicks having further discussions with the Joint Operations Committee on the project was made by Mr. Malone and seconded by Mr. Poole. Motion carried 4-0.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in October is \$0.084394 Jasper's is \$0.0995960, Huntingburg's is \$0.01002530 and Troy's is \$0.0917980. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of October consumption. TCED's cost to Waupaca for the October consumption (due in November) invoice was less than SIP's charge to Waupaca by approximately \$9,000. Year to date, TCED's bill is approximately \$298,000 lower than SIPs.

b. Troy and Cannelton Assistance Update: TCED did assist Troy in the month of October when IMPA was performing testing on their new transformer. This was billed in November for approximately \$300. Cannelton is having our engineering firm, Entrust perform reclosure testing. This work will be billed to TCED by Entrust and rebilled by TCED to Cannelton.

New Business

a. TCED Terms and Conditions – Rendering and Payment of Bills Section 15.2 and 15.3: A Board member received an email from a customer who owned a business in town stating their disagreement with TCED's policy of placing a penalty fee on late payments received in TCED office or PO Box after the due date printed on the bill. The customer felt that TCED should review the mailing date stamped on each mailed payment and waive penalty calculations on those payments mailed by the due date but received after. Mr. Hicks noted that this would not be possible as those customers who utilize bulk mailing would not have date stamps on their envelopes, nor is it feasible for TCED staff to review and save each envelope received out of the more than 4,000 mailed out to ensure the mailing date is prior to the due date. Each month TCED averages 600-800 payments received after the due date. The Board was provided the terms and conditions stating "A bill is considered delinquent unless payment is received in office on or prior to the due date shown on the bill." And "TCED may add a late payment charge to a customer's delinquent bill, excluding any previous penalty amounts, as set forth in the Schedule of Non-Recurring Charges, and a penalty and disconnect notice will be mailed to the customer's most current mailing address." The Department noted that if a penalty is not to be assessed, the terms will need to be changed and it will be applied consistently to all customers. The customer also received a door notice and the Board discussed the situations where door notices are sent out. TCED's procedures are any past due balance over a set threshold will receive a door notice delivered to the service address the day before disconnection will take place. This is the final notice before disconnection. TCED mails the initial bill on the 24th of the month with the bill being due on the 10th of the following month. Penalties are calculated on the 11th and a separate reminder notice is mailed on the 11th for any past due balance owed. Approximately 600-800 reminder notices are mailed each month. The reminder notice states the last day the customer can pay the bill. The customer's next month's bill is processed and mailed on the 24th. This bill will show the current balance plus any past due balance owed and again state the past due balance with the last day to pay. Door notice day falls 14 business days after the 11th. On this day, the customer receives their 4th notice of the balance due and an additional fee. The Board discussed whether businesses should receive the door notice. Mr. Hicks and Ms. Schank noted that it is not uncommon for commercial properties to receive reminder notices and door notices. The Department does not make phone calls prior to sending out the door notices as that would require 80-120 phone calls each month by one person during the first few hours of the day the notices go

out. The Department believes in treating each customer equally in accordance to our terms and conditions. If the Board feels it's best to update these past due procedures, the terms and conditions will need to be updated. No change to the terms and conditions were noted to be made.

b. Transfer of \$119,921.72 from the Loan Liquidation Reserve to Regular Checking Account for AMI loan payment: Transfer of funds is needed to pay the annual AMI loan payment due in December. The balance of the account, after the November transfer as approved at this meeting, is the total balance due for the December 2023 payment. Motion to transfer the funds was given by Mr. Poole and seconded by Mr. Malone. Motion passed 4-0.

c. Transfer of \$4,137.16 from IMPA Street Light Grant Reserve to Regular Checking Account for 2023 Energy Efficiency Uses: Energy efficient purchases were made by TCED and the City of Tell City, utilizing the funds from the IMPA Street Light Reserve. Purchases included LED color changing lighting outside of the front of the 601 Main Street office building and on top of the bell tower at City Hall. Work was performed by Jackson Electrical for a total cost of \$4,137.16. Motion to transfer the funds was given by Mr. Malone and seconded by Ms. Nance. Motion passed 4-0. After this transfer and the outstanding purchase orders, the Grant funding stands at just over \$6,000 remaining.

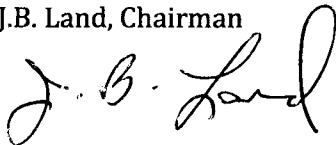
d. Donation of Christmas Light Usage to the City: The Board voted to donate the energy usage for the Christmas lights at City Hall Park and on the street lights throughout Main Street, Washington hill, Tell Street and part of 7th Street. The cost of the donation ranged from \$200-\$400 over the previous three years. Mr. Malone motioned to approve this donation. Mr. Poole seconded and motion passed 4-0.

e. Review TCED and the City of Tell City's PILOT Calculation: During the audit performed in 2023, the State Board auditors made mention of reviewing PILOT calculations in upcoming audits. TCED has asked the City to provide the ordinance/resolution detailing the PILOT calculation required by TCED to the City on an annual basis. The City has now noted that they do not have record of such ordinance. Mr. Hicks discussed with the Clerk-Treasurer that state law says PILOT is not to be paid on assets related to electrical utility distribution and transmission. This means that the majority of TCED assets should be removed from the PILOT calculation. The City is going to write ordinances going forward that would determine the PILOT calculation for the future. TCED would like the Board to discuss how they would like to move forward with the PILOT calculation going forward. The Department will provide the Board with multiple options of PILOT calculations at the December meeting to discuss and review.

Other Business

There being no other business, Ms. Nance made a motion at 5:20 P.M. to adjourn. Mr. Poole seconded; the motion passed 4-0.

J.B. Land, Chairman



Bob Kohnert, Secretary

