

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
January 17, 2024

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. No additional guests were present.

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

Minutes from the December 19, 2023 meeting were presented in written form. Mrs. Schank will remove "and Mr. Kohnert" from the first paragraph of the December meeting where it states, "All members of the Board were present except for Mr. Poole and Mr. Kohnert." Mr. Kohnert made the motion to approve the minutes as amended. Mr. Poole seconded and the motion passed 6-0.

Committees

Human Resources:

i. Community Involvement: TCED continues to help unload the truck for the food pantry on the third Wednesday of every month. Two interns from the local high schools have returned to work alongside TCED employees this semester. Both have aspirations to do some type of electrical work post high school. One intern has inquired about our summer internship once he graduates.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. The street lights on Washington and Main that were gifted to TCED by the City of Tell City were seen within the financials for approximately \$994,000 as extraordinary income. These lights were purchased with grant money through the City. Mrs. Schank spoke with the State Board of Accounts and per their recommendation, the lights were placed on TCED's asset listing at cost and the offsetting entry be to extraordinary income. Removing this figure from the financials, the Department shows an approximate \$40,000 net income for the Interim month of December. Mrs. Schank noted that she's estimating approximately \$200,000-\$250,000 of work orders to be expensed in the year 2023. This expense is greater than the prior year, primarily due to the utilization of contract tree trimming in 2023 for approximately \$77,000. Yearend financials will be presented at the next Board of Director's meeting. Also noted was the investment of the Expansion Reserve funds into a 9 month certificate of deposit took effect December 21, 2023 with an interest rate of 5.03%. 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, \$20,000.00 to the Waupaca Substation Reserve and \$9,993.47 to the Loan Liquidation Reserve and the Docket for the month of December. Mr. Daum seconded and the motion passed 6-0.

Strategic Planning:

i. Southwest Substation Update: All materials are estimated to be delivered in January. Premier Power is finishing the wiring and will do their inspection walk through this month. Also on site doing inspections is Spectrum Engineering and changing out the recalled bushings is Pennsylvania

Transformer. Employees of Premier Power hit the transformer with a large piece of equipment and damaging the asset. While it's not a significant damage expected to cause any issues, it is recommended by Pennsylvania Transformer to have the damaged materials replaced. Replacement costs will be paid by Premier. Replacement allows for the full warrant to remain in effect. TCED will be able to energize the substation prior to the replacement parts being delivered, with replacement taking place at a later time when the material is available on site.

ii. E2 Customer Substation Update: TCED has increased the funding to the reserve account to \$20,000 beginning this month. Mr. Hicks remains in constant contact with the customer and the joint operating committee on the project. Current discussions including the financing of the project and the next steps to move the project forward.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in December is \$0.081220, Jasper's is \$0.0931160, Huntingburg's is \$0.0907490 and Troy's is \$0.0930560. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of December consumption. TCED's cost to Waupaca for the December consumption (due in January) invoice was within \$16 of SIP's charge to Waupaca. Year to date, TCED's bill is approximately \$293,000 lower than SIPs.

b. Troy and Cannelton Assistance Update: No update for Cannelton's assistance. TCED did help Troy with a three-phase meter change out last week. Mr. Hicks has been contacted by the new Superintendent of the Troy Utility office to ensure TCED remains willing to help as needed. Mr. Hicks has reached out to the acting Clerk-Treasurer of Troy regarding getting the 2024 maintenance contract signed.

c. Review TCED and the City of Tell City's PILOT Calculation: Mr. Hicks and Mrs. Schank met with the Clerk-Treasurer and City Attorney this month regarding an agreement for PILOT. The Mayor was unable to attend the meeting, but Mr. Hicks met with him the next day to discuss the matter. Ms. Berger noted that the money received from the utility departments for PILOT is not calculated into her budget numbers but rather utilized when additional funds need appropriated as needed. Ms. Berger and Mr. Hagedorn were given the PILOT calculation examples as presented to the Board at the November meeting. They were understanding of the Indiana Code stating the exemption of electric utility assets used in and useful for the transmitting and distributing electricity from any PILOT calculations. All parties agreed upon a fixed payment of \$100,000 per year from the electric department to the City of Tell City for the replacement of the PILOT payment made in previous years. The amount will be fixed with no increase for inflation. Mr. Hagedorn recommended the Board allow Mr. Hicks to be the authorized signing agent for TCED and the Council allow Mayor Cail to be the authorized signing agent for the City for the contract between the Tell City Electric Department and the City of Tell City. Once the contract is signed by both parties, Mr. Hagedorn will write a resolution to be passed by the City of Tell City Common Council. Motion to authorize Mr. Hicks to sign the contract between the Tell City Electric Department and the City of Tell City for the PILOT agreement was made by Mr. Malone and seconded by Mr. Kohnert. Motion passed 6-0.

d. Habitat for Humanity TCED Property Request: Mr. Harris with Habitat has completed all deed and title searches on the property previously detailed in the November 2023 Board minutes. Mr. Hagedorn will be writing a bill of sale to gift the property from TCED to Habitat. The property records are in the Board's name so Mr. Hagedorn will reach out to the Board Chair, Mr. Land for

signatures as needed. Habitat will pay any and all closing costs. TCED will work to remove the old rodeo practice poles from the properties in the upcoming months or as needed by Habitat.

New Business

a. Transfer of \$1,193.77 from IMPA Street Light Grant Reserve to Regular Checking Account for 2023 Energy Efficiency Uses: Grant money utilized by the City for replacement of lights at the Parks and Rec building for \$1,193.77. Ms. Nance made the motion to approve this transfer. Mr. Malone seconded and the motion carried 6-0.

b. Transfer \$312,000 from Operating Reserve to Regular Checking for Southwest Substation payment: The Board voted to transfer \$312,000 from the operating reserve into the checking account for payment of invoices related to the Southwest Substation. Motion made by Ms. Nance and seconded by Mr. Kohnert. Motion passed 6-0.

c. Certificate of Nepotism Policy 2023: As required by the State of Indiana, Mr. Hicks presented the Board with a document certifying that the Department was in full compliance with the Nepotism Policy for the year 2023. This will be attached to the filed Board Meeting Material documents. Motion to approve the certificate was given by Mr. Malone and seconded by Mr. Poole. Motion passed 6-0.

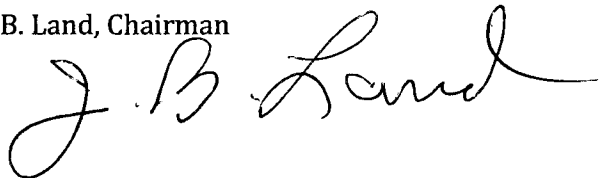
d. Purchase of New Fleet Vehicle: Mr. Hicks presented the Board with the pricing package from Altec for the future purchase of another fleet vehicle. The package from Altec is specific for municipalities and has lead times of around 2 years. Mr. Hicks and TCED's Operations Foreman, Mr. Pruitt, discussed the need of another bucket truck over another digger derrick. While both feel two digger derricks would benefit the Department in the case of a severe outage, they feel comfortable being able to utilize a neighboring utility's resources or rent a vehicle from Altec out of Indianapolis if such an emergency would occur. That being said, they both agree that the Department's next purchase should be a bucket truck to replace the aging fleet currently utilized. Mr. Hicks is reviewing trim 4 option from the packet seen within the Board Materials file, showing an estimated cost of \$290,000 before any add-ons. The Board would like Mr. Hicks to pursue Altec to spec out the vehicle and will check with Mr. Hagedorn to see if bids will be required. The current goal would be to include in the 2025, possibly 2026 TCED Budget.

Other Business

Three members of the Board will out of state for the entirety of the month of February. The Board has requested the Department submit payments for vouchers as needed and all approvals will be included within the Board meeting on March 19, 2024.

There being no other business, Mr. Daum made a motion at 4:41 P.M. to adjourn. Mr. Poole seconded; the motion passed 6-0.

J.B. Land, Chairman



~~JOE MALONE, Vice-Chairman~~
Bob Kohnert, Secretary
Joe Malone

