

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
January 18, 2022

The Tell City Electric Department Board of Directors met at 4:00 P.M. All members were present except for Duane Poole. 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. Land requested that "IMPA Infrastructure Grant" be added under Section 8, Other Business. A motion was made by Mr. Kohnert and seconded by Mr. Daum to approve the Agenda as amended. Motion passed 5-0.

Minutes from the December 21, 2021 meeting were presented in written form. Being no corrections, Malone made a motion to approve the minutes, Mr. Kohnert seconded and the motion passed 5-0.

Committees

Human Resources: Mr. Hicks noted nothing to report.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. Mr. Daum 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. Malone seconded and the motion passed 5-0. Ms. Schank noted that she is waiting on yearend inventory to be completed prior to closing the annual financials. She expects approximately \$125,000 to hit an expense account while closing the work orders. She will provide the financials for the full year in the February Board packet.

Strategic Planning: Mr. Hicks noted the Substation group has been working with Spectrum Engineering to ensure proper functioning of a breaker at the Eckley Substation. They will also be working with ABB Group on a breaker at the Waupaca Substation. The Substation group will be implementing quarterly preventative maintenance cleaning going forward on said breaker during Waupaca's scheduled outages/shut down days.

5 Year System Study: Mr. Hicks and others from the Department had a meeting with Spectrum Engineering to discuss the expected costs of the new substation project. The original cost provided in the 5 year study was approximately \$2.9M but is now estimated at \$3.8M due to inflation costs of supplies. The transformer is estimated at \$1.1M/\$1.2M, while the same size transformer bought for the Waupaca substation in past years was around \$300,000. Spectrum will have a breakdown of the substation project to Mr. Hicks before the February Board meeting.

Transformer Purchasing: The Department has been notified of two upcoming construction projects to build apartment buildings on our system. Thirteen transformers will be needed to service these projects. Jeff Bender has been looking into ordering transformers as we will need to replenish our stock, once these apartment complexes are complete. Two of our major manufactures that we typically order from are not taking quotes or are two years out for delivery. A third manufacturer quoted \$148,000 for 13 transformers with a 70 week lead time. In the past, we paid 20% of this

cost for a transformer. Mr. Bender received a quote from Solomon for refurbished transformers, which came in at \$64,000 for the 13 transformers with a 30-32 week lead time and a 3 year warranty. Brand new transformers only come with a 1 year warranty. The Department has been in contact with IMPA and other IMPA communities to try to come together for a temporary solution for this purchasing issue. In previous years, IMPA has received an annual allotment of transformers to be used within their service communities in emergency situations. IMPA did not receive any this year.

City's Street Light Project: The Mayor approached Mr. Hicks regarding TCED potentially providing financial assistance to the City for the City's proposed street scape project. The City has received an 80/20 matching grant and inquired the Electric Department's help in supporting the 20%. Upon reviewing the quote, Mr. Hicks noted the pricing is much higher than would be anticipated at \$1.1M. Mr. Hicks spoke with the engineering firm overseeing the project who noted that the quote is calculated utilizing an INDOT formula. The engineer also noted it is possible that the City receive full funding for the grant. It was noted that it would not be financially responsible at this time for TCED to fund the street light project when there is functioning lighting already in place, minimum additional revenue would be received by TCED, and we have large cash expenditures planned due to our needed infrastructure upgrades of building a new substation.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in December is \$0.069608, Jasper's is \$0.0795120, Huntingburg's is \$0.0771590 and Troy's is \$0.0801040. 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 higher than SIP's charge to Waupaca by approximately \$44,000.

b. TCED Communications Towers: The City Attorney has drafted a bill of sale to sell the tower at the 4H Fairgrounds to the Water Department. Upon approval of the Board, Mr. Hicks will sign said bill of sale and finalize the transaction. The Operations Foreman is looking into dismantling the tower at Windward Heights. Motion to have Mr. Hicks sign the bill of sale for the tower at the 4H Fairgrounds to the Water Department was made by Mr. Daum. Mr. Kohnert seconded and the motion passed 5-0.

c. 5 Year System Study Results: Nothing additional beyond what was noted in the strategic planning section.

New Business

a. Certification of Nepotism Policy for 2021: 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 2021. This will be attached to the filed Board Meeting Material documents.

Other Business

Grants for Electrical System Upgrades for Utilities with Under 10,000 Customers: Mr. Hicks noted there was no update at this time. He hopes to have more information after his monthly commissioner's meeting at IMPA at the end of January.

IMPA representatives attended the January City Council meeting and made their presentation related to the IMPA contract extension. The City Council voted and approved the contract extension at that meeting.

Mr. Hicks noted for the Board's information, the Board of Works meetings have been moved to 5 P.M. at City Hall and the Council Meetings will now take place at 6 P.M. going forward.

Mr. Land and Mr. Kohnert will not be in attendance at the February 15th meeting. Mr. Kohnert requested to join via conference call.

There being no other business, Ms. Nance made a motion at 4:43 P.M. to adjourn. Mr. Daum seconded; the motion passed 5-0.


~~J.B. Land, Chairman~~

JOE MALONE
VICE-CHAIRMAN


~~Bob Kohnert, Secretary~~

DUANE POOLE
BOARD MEMBER

