

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
August 16, 2022

The Tell City Electric Department Board of Directors met at 4:00 P.M. All members 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 stated there were no changes to the agenda as presented. A motion was made by Ms. Nance and seconded by Mr. Daum to approve the Agenda. Motion passed 6-0.

Minutes from the July 19, 2022 meeting were presented in written form. Being no corrections, Mr. Poole made a motion to approve the minutes, Mr. Kohnert seconded and the motion passed 6-0.

Committees

Human Resources: Mr. Kaufman's last day as TCED's summer intern was August 5, 2022. The program was overall a great success. Mr. Kaufman spent the summer working alongside the meter technicians as well as the line crew. He was able to gain hands on experience in meter reading, locating, and working on underground installation. The Department plans to apply for the DEED program in 2023 to host another summer intern in the future.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. 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 \$9,993.47 to the Loan Liquidation Reserve and the Docket. Mr. Daum seconded and the motion passed 6-0.

Strategic Planning:

i. Southwest Substation Update:

- a. 15 KV Breakers: TCED received the second round of quotes for the 15 KV breakers for the Southwest Substation. The breakers were awarded to ABB, Inc. at a price of \$167,695.04 for the four breakers. The purchase orders have been sent and the breakers are ordered.
- b. Financing Options: The Board is to begin considering financing options for the Southwest Substation. The original quote for the project came in at approximately \$4.3M. By the end of 2022, the Department will have paid approximately \$900,000 towards the project. As of today's date, we have paid approximately \$218,000 out of our cash funds, and not pulling from the reserves. Mr. Hicks made mention that IMPA might have financing options available at a low interest rate. He will continue to look into this option. The Department will also pursue the federal grant money, when eligible to apply. At this time, the Board wishes to continue to fund the project from reserves and will review the financial stands at upcoming board meetings.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in July is \$0.077237, Jasper's is \$0.0847060, Huntingburg's is \$0.0854340 and Troy's is \$0.0778490. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of July consumption. TCED's cost to Waupaca for the July consumption (due in August) invoice was lower than SIP's charge to Waupaca by approximately \$36,000.

b. 601 Main Street Remodel: Mr. Hicks and Mrs. Schank from the Department met with Jason Brown from Universal Designs to go over the structure of the building and the anticipated changes to the current layout. Mr. Brown provided an estimate on the cost to design, layout and give an overall quote for the full remodel. The Department is asking the Board's approval of approximately \$5,500 towards Universal Designs for the design, layout and quote process. Once quotes are obtained, the Board will discuss the next steps and if we'd like to move forward with the remodel. Motion to approve the use of funds towards Universal Designs was made by Mr. Malone and seconded by Ms. Nance. Motion passed 6-0.0

New Business

a. Troy Assistance Contract: The City of Troy would like to get a yearly contract in place for the Department to assist Troy with call outs if their current employee is unavailable or in need of additional assistance. This contract would be on an as needed basis. Mr. Hicks utilized a sample contract from IMPA and updated to meet our terms and conditions. The contract has been provided to the Board and City Attorney for their review. The contract lays out the cost of persons and equipment and requires Troy to use the same safety work practices that TCED uses on our system. Troy will reimburse us per person, per hour and per equipment per day. The Board inquired on the cost of the equipment per day. They felt the cost might be lower than expected. Mr. Hicks will review other IMPA member community's equipment costs and determine the appropriate per day price. It's further written in the contract that TCED's system will be priority and Troy will be assisted once our employees are free. The Board felt this maintenance contract is a potential step to future contracts with Troy.

b. City Building Inspector Salary Request 2023 Funding: TCED received a request from the City to help fund the Building Inspector's Salary for 2023. The City is requesting \$5,000 which is more than prior year's assistance of \$4,000. Mr. Hicks noted that it would be easier if we determined a set price per inspection that continues year over year. The Department and the City will continue to measure inspection tickets on a rolling 12 month basis from August through July. Further noted that \$65 per inspection would be a reasonable rate as that is the approximate cost for an outside contractor to perform the inspections. The Department utilized the Building Inspector for 72 inspection tickets from August 2021 to July 2022. Therefore, we will contribute \$4,680 to the City as an outside contractor's expense for the year 2023. The Department will provide a letter stating such to the Mayor and Clerk Treasurer.

c. City John Deere Excavator Request: In 2011, the City purchased a John Deere Excavator for approximately \$39,000. At that time, the Electric Department entered an agreement and paid the City for half of the purchase price of the excavator. The agreement also noted that all maintenance would be split 50/50 between the City and the Electric Department. Mr. Baumeister with the street Department has approached Mr. Hicks to see if TCED would be interested in buying out the other half of the excavator from the City as the City very seldom utilizes the equipment. The Department

obtained pricing for the excavator at its current status, and it is still retailing at approximately \$30,000. After discussion, the Board noted that the Department would gain no benefit in providing \$15,000 for the equipment that the Department already owns 50/50 with the City and utilizes regularly. Further, it was noted that the Department has given multiple pieces of equipment to the City at no cost, rather than selling to the City. Examples in the past 5 years include a communications tower and a vehicle.

Other Business

a. Table of Blessings – August 25th: The Department will be serving at the Table of Blessings beginning at 4:15p.m. at EUCC if any Board members would like to attend. Motion to approve donation of the food was made by Mr. Poole and seconded by Mr. Daum. Motion passed 6-0.

b. Farm to Table: Ms. Emerson with the PCDC approached the Department requesting assistance in setting poles and hanging string lights for the Farm to Table event in October. TCED will get the poles back, thus will not be out any money or material, only the time spent. Motion made by Mr. Malone and seconded by Mr. Kohnert to donate the time to this event.

During the above conversations with Ms. Emerson and the Department, it was also inquired if TCED would be willing to sponsor a career fair event hosted by PCDC for all sophomore students in the three county schools. The cost to sponsor the shirts for the event is estimated at approximately \$3,000. The Board asked if there were co-sponsorship opportunities available for a smaller donation amount. Mr. Hicks noted that IMPA has mentioned sponsoring community events alongside the Department. He will look into this avenue as well.

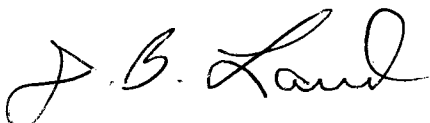
Mr. Daum made a motion, seconded by Ms. Nance at 5:12P.M. to adjourn to Executive Session to:

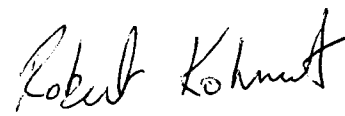
Discuss personnel matters.

The motion passed 6-0.

At 5:25 P.M. Mr. Poole made a motion to adjourn the Executive Session and return to Regular Session. Mr. Daum seconded and the motion passed 6-0.

There being no other business, Mr. Kohnert made a motion at 5:27P.M. to adjourn. Ms. Nance seconded; the motion passed 6-0.


J.B. Land, Chairman


Bob Kohnert, Secretary

TCED has to build transmission lines from Centerpoint's equipment to the new substation. Centerpoint offered to move a pole for us, but the pricing was \$138,000 to move one pole. Mr. Hicks suggested an H-frame support to go under Centerpoint's equipment, rather than paying that price to Centerpoint.

Current Business

a. Power Supply Report: A copy of the monthly report was distributed. The Department's cost per kWh in August is \$0.072252, Jasper's is \$0.0834590, Huntingburg's is \$0.0840650 and Troy's is \$0.0786880. A monthly comparison of charges from TCED and SIP to Waupaca Foundry Inc. was presented for the Board's review for the month of August consumption. TCED's cost to Waupaca for the August consumption (due in September) invoice was lower than SIP's charge to Waupaca by approximately \$72,000.

b. 601 Main Street Remodel: TCED received the drawings and estimate from Universal Designs for the building remodel. The estimated cost was approximately \$375,000. Bosse Title approached the Department earlier this month inquiring if there was an opportunity for more space within the building. They are interested in moving their business onto our second floor, which would work for the Department as the remainder of our employees would transition into the space currently occupied by Bosse Title, leaving all TCED employees on the first floor. Looking at numbers, if both tenants (PCDC and Bosse Title) paid the same per square foot for the new space that they are currently paying in rent, it would take two years to recoup our costs for the remodel. But this would move their rent higher than we would anticipate them being willing or able to pay. Leaving both tenants' rent the same as it currently is, our costs would be recouped in fifteen years, losing the current revenue we are receiving during that time period. The Board felt the estimated price tag was higher than expected. Mr. Hicks suggested we table the remodel for the time being while he discusses the matter with the current tenants and asks the engineering firm the cost for finalizing the plans so we have them for future needs.

c. Troy Assistance Contract: Mr. Hicks spoke with the representative from Troy. Both Troy Utilities and the Troy Council have signed the contract with no issues. Mr. Hicks adjusted the contract for the truck rates being per hour rather than per day as the Board previously discussed. Mr. Hicks will provide to the Board for the Chairman signature at the next meeting. This first contract will be from September 1, 2022 through December 2023, renewing annually going forward.

New Business

a. Resolution R220920A Revised Terms and Conditions and Rates and Charges: The Department updated the Rate Book per the previously approved rates and charges. The Board was presented a summary of the items outside of the previously approved rates that were adjusted. The primary change related to the deposits paid by residential customers. Currently, customers with no history with the Department pay a \$25 deposit. This no longer even covers the customer charge on their bill. The Department is suggesting updating all deposit amounts to two times the average bill at the location of service. This is currently what customers with bad credit with the Department pay. Increasing the deposit amounts allows for the Department to recover our costs for those customers who leave without paying their bills. Commercial and other rate deposits would be adjusted as well based on the summary and final books provided. Additional items that were updated included, returned check fees, collection visits, reconnect fees, and other charges as seen on the updated schedule of charges included in the rates and charges book. The requirements for customers

between the F and F1 rates is being adjusted from 0-75 KV to 0-50 KV. Mr. Hicks will be sending out letters to those impacted customers. Further, the Department removed the total electric incentive program from the terms. The final Terms and Conditions Book and Rates and Charges Books are included within the Board Material Files. Mr. Daum motioned to approve Resolution R220920A Revised Terms and Conditions and Rates and Charges. Mr. Kohnert seconded and the resolution passed 6-0.

b. Mutual Aid: Mr. Hicks wanted to inquire to the Board in the situation where the Department is approached to assist in a mutual aid manner, that the Board approves this decision. The Department would ensure our system was first priority and would leave enough linecrew to maintain our system during the mutual aid period. All costs for employees sent on a mutual aid situation would be fully reimbursed. This was added to the agenda prior to the meeting as Mr. Hicks was previously contacted by his previous superintendent in North Carolina for TCED's assistance if the hurricane impacted their system. This is now a non-issue as the hurricane has changed course. The Board agreed that the decision to assist in a mutual aid matter would fall on Mr. Hicks, and he would inform the Board at a later time.

c. New Fleet Truck: The Department is still waiting on the bucket truck previously ordered. The estimated time frame is still March 2023. The Altec representative was in the office last week as he was in the area. Mr. Hicks noted the Department currently has one digger derrick truck that was purchased in 2020. There is no way to replace a pole without this truck. Mr. Hicks noted that best case would be to have two digger derrick trucks for the Department. This would cover the Department if the truck needed maintenance, the truck needed to go out of town, or multiple poles were wrecked and needed replaced. As of current, with one truck, the Department would inquire of Troy if their digger truck could be borrowed. Per the Altec representative, these trucks are currently at a 5 year wait instead of the standard 10-15 months out. Pricing right now is \$290,000 estimate, compared to the previous truck of \$215,000 in 2020. Mr. Hicks suggested that the Board consider ordering the truck soon in hopes to receive the truck in 5 years. No cost would be incurred until the truck is received. The linecrew will be demoing a truck in November through the Altec representative. The Board will table this discussion at this time.

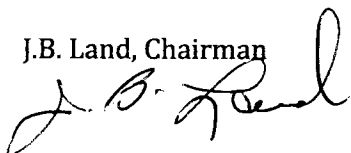
Other Business

a. Community Involvement: Per last meeting, PCDC has requested the Department help sponsor shirts for their ASPIRE event, which is a career fair type event for all area sophomore students. PCDC has found cosponsors to assist in the cost of the shirts. Additionally, Mr. Hicks discussed the topic with IMPA and they have pledged a \$1,000 donation for the program and will be sending representatives to the program. The Board agreed to match the \$1,000 donation from the Tell City Electric promotional account as held by the City. Motion was made to transfer the funds into the Promotional Fund account for \$1,000 and paid to the PCDC for the community involvement ASPIRE event by Mr. Malone and seconded by Mr. Poole. Motion passed 6-0.

The participation in the Table of Blessings in August was a huge success. The employees, the citizens and those persons in charge of the program all enjoyed the

There being no other business, Mr. Daum made a motion at 5:40P.M. to adjourn. Mr. Kohnert seconded; the motion passed 6-0.

J.B. Land, Chairman



Bob Kohnert, Secretary

