

TELL CITY ELECTRIC DEPARTMENT
BOARD OF DIRECTORS
September 20, 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 Mr. Daum and seconded by Mr. Kohnert to approve the Agenda. Motion passed 6-0.

Minutes from the August 16, 2022 meeting were presented in written form. Being no corrections, Mr. Poole made a motion to approve the minutes, Mr. Malone seconded and the motion passed 6-0.

Committees

Human Resources: Shane Braunecker is a member of the community that dropped off a resume to the electric department in the beginning of September. Mr. Braunecker attended a 15 week lineman training course in Tennessee, he has his CDL and first aid training complete and members of the school community reached out to the Department with their recommendation of his work ethic. Mr. Hicks is recommending that we offer him a position even though we don't currently have an open position to fill. Mr. Braunecker would still be required to attend the TVPPA lineman courses. Mr. Hicks noted that there is no issue with finding the work needed for an additional lineman. Further, many of our linemen will be eligible for retirement around the same time in the future, therefore it is a good idea to look ahead and hire early to ensure we have enough journeyman workers at that time.

Financial Matters: The Financial Reports, Working Fund Report, Liquidity Report and Docket were presented and discussed. 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. Mr. Daum seconded and the motion passed 6-0.

Strategic Planning:

i. Southwest Substation Update: The control building bids are received. We received three bids, with one additional bid coming in past the deadline. The winning bid was for \$340,000 to VFP out of Virginia. Per Spectrum, this was around the pricing they have been receiving with other bids they have been working on in previous years. Further noted that with the \$340,000 price tag for the control building, Spectrum still is projecting the Southwest Substation to come in under budget at this time. The control building will house both halves of the substation, when the second side is completed in the future. We have sent the purchase order out for the control building at this time. The delivery time period was 28-30 weeks estimated.

We have also received the bids for the large material items related to the substation. There are approximately 18 items included within this bid. Two bids were received by the Department for the switches. Spectrum will be following up with companies for bids related to the smaller items.

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