



**TIPTON MUNICIPAL UTILITIES
Tipton Utility Service Board Meeting
December 4, 2023**

The Tipton Utility Service Board meeting was held at 4:30 p.m. at the City of Tipton Council Chambers, 216 South Main Street, Tipton, Indiana. Chairman Don McElfresh presided. The members present included Dick Klein (Emeritus), Barbara Cardwell, Steven Thompson, Peter Schram, Mark Raver, and Utility General Manager Jim Ankrum. City Council Liaison Rick Chandler was also present.

GUESTS

Mayor Tom Dolezal
Bob Edinger

MINUTES

Minutes of the previous meeting were reviewed:

MOTION: It was moved by Barbara Cardwell and seconded by Steven Thompson: "That the previous minutes of the meeting be approved."
Motion carried.

CLAIMS

Claims were reviewed.

MOTION: It was moved by Mark Raver and seconded by Peter Schraml: "That claims #24494- #24545 totaling \$362,512.79 be approved." Motion carried.

CHARGE OFFS

None submitted.

BLENDED INTEREST RATE REPORT

None submitted.

FINANCIAL STATEMENTS

October 2023 Financials were reviewed.

RESOLUTIONS:

TUSB Resolution 2023-09: City Ordinance 2023-16 to Adjust Electrical Utility Rates effective Jan 1, 2024, was approved on first reading by the Tipton Common Council on

November 27, 2023. The second reading and Public Hearing will occur on December 11, 2023, at the Common Council meeting, starting at 5:30 pm.

- The anticipated rate adjustments would be:
 - Residential Service Rate A: 8.5% increase
 - Commercial Service Rate B 14.0% increase
 - General and Industrial Service Rate C 9.4% increase
 - Primary Service Rate D 7.3% increase but can vary widely by Customer based on Peak, Load and Consistency factors.
 - Outdoor Lighting Service Rate E 7.6% increase

TUSB Resolution: The TUSB has Amended their Board Resolution 2023-09 with this Board Resolution 2023-10 to change the implementation schedule of the Primary Rate Class D Demand Charge. The Amended Resolution will phase in the Maximum Load Charge of \$22.00 per KVA as follows:

- \$16.00 starting Jan 1, 2024
- \$19.00 starting Jan 1, 2025
- \$22.00 starting Jan 1, 2026

The TUSB recognizes that by fully implementing the \$22.00 demand charge starting on Jan 1, 2024, it will cause undue burden on certain Primary Power Service (Rate D) customers and not allow for an adequate adjustment period. All other terms and conditions of the proposed Rate Adjustment shall remain unchanged. The Phased In approach via Resolution 2023-10 was unanimously approved with motion by Steven Thompson and second by Peter Schram.

GM Ankrum will forward this approved Resolution to Common Council for consideration to incorporate the updated recommendation into the final approved Ordinance, as early as December 11, 2023.

Other Matters to come before the Board:

None submitted.

UTILITY MANAGER REPORT

- Safety: IMPA/TVPPA Safety training will be held last Wednesday, December 13 regarding Near Misses.
- Training: Ankrum said he attended (along with eight others from Tipton) a Local Government Finance 101 in-person training in Kokomo last week. The informative discussion was led by Baker Tilly and offered to the Six-County region associated with the READI grant.
- Electrical: The Electrical Supt Replacement Search Committee continues with the search process and now includes interviews with potential candidates.
- IDEM: Ankrum, Matt Smith of Strand and others from TMU will meet in person with IDEM at Noon on December 19, 2023, in Indianapolis to discuss the proposed Attainability Analysis as requested by IDEM. The City/TMU's official CSO response to IDEM is due by February 1, 2024. We continue to have a weekly call-in with Matt to confirm progress.

- Sanitary Sewer Force Main Connector and Elevated Water Projects:
 - Bid dates for the Sanitary Force Main project are:
 - Initial Advertisement for Bids: Wednesday November 1, 2023: **Done**
 - 2nd Advertisement for Bids: Wednesday November 8, 2023: **Done**
 - Pre-Bid Meeting in Tipton: Thursday November 16, 2023, 1 pm: **Done**
 - Bids due to TMU on Wednesday December 6, 2023, at 4 pm.
 - Potentially TUSB Board action on bids Mon, December 18, 2023, at 4:30 pm.
 - Water tower design continues. The 90% Design review meeting was held on Wednesday, November 29th at 9 am at TMU HQ. Plans will be forwarded to IDEM this week and Bids are expected in the January/February 2024 timeframe for late 2024 on-site construction.
- US 31/SR 28 Development:
 - No new news.
- City East Side Development Studies by Strand
 - Strand is preparing a final design to submit to INDOT a Horizontal Directional Drilling (HDD) option to get under SR 28 across from the DeLong Auto Repair. Upon INDOT approval, Jim Ankrum will then solicit bids for this work and determine a budget cost.
 - Ankrum has shared the Strand study on the sanitary sewer options in this area. More discussion needs to be had to determine a path forward.
- The City/TMU Christmas Luncheon was held Friday, December 1 from 11 am to 1 pm at the C.W. Mount Community Center. The Luncheon was well attended by current and former City and Utility workers, Board members, Mayors, and distinguished guests.

Community Comments:

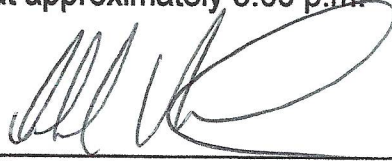
- Bob Edinger asked for further clarification on Contractor Bonding requirements for upcoming projects. Ankrum explained that all bidding Contractors would provide a 5% Bid Bond with their bid. This protects the City/TMU from the Contractor walking away from their bid unless there is a mathematical/material error in their bid. Further, Ankrum explained that the Contractor selected to do the work would also provide a Performance and Payment Bond which confirms (and is backed by a Bonding Company) that the contract will be fulfilled and if for some reason they cannot, particularly bankruptcy by the Contractor, the Bonding Co. would have to step up and get the project completed by another Contractor at no additional cost to the City/TMU.
- Dick Klein and Mayor Dolezal acknowledged the significant matters currently being undertaken by TMU and complimented the Utility Board and GM Ankrum for their leadership on all matters.

ADJOURNMENT

A motion was made by Barbara Caldwell to adjourn and seconded by Steven Thompson. The meeting was adjourned at approximately 5:00 p.m.



Jim Ankrum, General Manager



Don McElfresh, Chairman

I hereby certify that each of the above listed vouchers and the invoices, or bills attached there to, are true and correct and I have audited same in accordance with IC 5-11-10-1.6.

December 4, 2023

Fiscal Officer

ALLOWANCE OF ACCOUNTS PAYABLE VOUCHERS

TIPTON MUNICIPAL UTILITIES

APVS #24494-24545

We have examined the Accounts Payable Vouchers listed on the foregoing Register of Accounts Payable Vouchers consisting of 12 pages and except for accounts payables not allowed as shown on the Register such accounts payables are hereby allowed in the total amount of \$ 362,512.79.

Dated this 4th day of December 2023.

Signatures of Governing Board

TIPTON MUNICIPAL UTILITIES

CASH FUNDS AS OF:

OCTOBER

2023

WATER DEPARTMENT - EAST PLANT

Total Operational Funds as per Report: 1,350,251.14
Total Investments as per Report: -
Total Restricted Funds as per Report: 358,767.93
Total Restricted Investments as per Report: 10,000.00
Total Funds: 1,719,019.07

WATER DEPARTMENT - WEST PLANT

Total Operational Funds as per Report: 291,864.96
Total Investments as per Report: -
Total Restricted Funds as per Report: 13,895.20
Total Restricted Investments as per Report: -
Total Funds: 305,760.16

WASTEWATER DEPARTMENT - EAST PLANT

Total Operational Funds as per Report: 981,144.75
Total Investments as per Report: -
Total Restricted Funds as per Report: 626,064.69
Total Restricted Investments as per Report: -
Total Funds: 1,607,209.44

WASTEWATER DEPARTMENT - WEST PLANT

Total Operational Funds as per Report: 398,992.09
Total Investments as per Report: -
Total Restricted Funds as per Report: 214,005.45
Total Restricted Investments as per Report: -
Total Funds: 612,997.54

ELECTRIC DEPARTMENT:

Total Operational Funds as per Report: 6,236,231.67
Total Operational Investments as per Report: 50,000.00
Total Restricted Funds as per Report: 244,926.46
Total Restricted Investments as per Report: 95,000.00
Total Funds: 6,626,158.13

STORM WATER DEPARTMENT:

Total Operational Funds as per Report: 681,480.65
Total Investments as per Report: -
Total Restricted Funds as per Report: 726,672.08
Total Restricted Investments as per Report: -
Total Funds: 1,408,152.73

TOTAL FUNDS:

9,297.07

RESOLUTION 2023-10

TIPTON UTILITY SERVICE BOARD CITY OF TIPTON, INDIANA

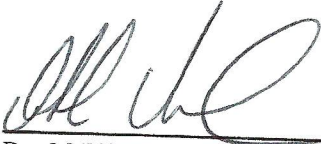
A RECOMMENDATION TO TIPTON COMMON COUNCIL TO ADJUST ELECTRICAL UTILITY RATES AMENDED

- WHEREAS,** The City of Tipton, the Tipton Utility Service Board (TUSB) and Tipton Municipal Utilities (TMU) desires to continue to provide consistent, efficient, and reliable Electric service to our electrical customers and strive to provide corresponding economical Electric utility rates for said services; and
- WHEREAS,** The City of Tipton has not adjusted Electrical base rates via Ordinance since 2004; and
- WHEREAS,** The TUSB and TMU has initiated and completed an Electrical Cost of Service Study through the third-party rate consultant Krohn & Associates; and
- WHEREAS,** The Electrical Cost of Service Study indicates that the current Electrical rates and charges, re-established in 2004, are not sufficient to meet the Electrical Utility revenue requirements of the future; and
- WHEREAS,** The Cost of Service Study performed by Krohn & Associates provides a revised schedule of recommended rates and charges for electrical service rate payers; and
- WHEREAS,** Pursuant to Indiana Code IC 8-1.5-3-8, the TUSB has the fiduciary responsibility of making recommendations to the Tipton Common Council and Tipton City Mayor relative to adoption of revised electric rates and charges; and
- WHEREAS,** The TUSB has completed an additional review of the proposed Rate Adjustment recommendation, and it indicates that fully implementing the Maximum Load Charge of \$22.00 per KVA on Jan 1, 2024 will cause undue burden on certain Primary Power Service (Rate D) customers and not allow for an adequate adjustment period;

NOW THEREFORE BE IT RESOLVED, that the Tipton Utility Service Board does hereby recommend to the Tipton Common Council and Tipton City Mayor to Amend City Ordinance 2023-16 with the attached Schedule of Rates and Charges, as Amended to Phase In the Rate D Maximum Load Charge per Appendix A, and to become effective Jan 1, 2024. All other terms and conditions of the proposed Ordinance shall remain intact.

Signed this 4th day of DECEMBER, 2023, in Tipton, Indiana.

TIPTON UTILITY SERVICE BOARD



Don McElfresh - Chairman



Steven Thompson



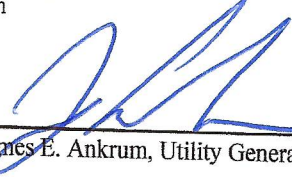
Barbara A. Cardwell



Peter Schram



Mark J. Raver



ATTEST: James E. Ankrum, Utility General Manager

APPENDIX A

TIPTON MUNICIPAL ELECTRIC UTILITY

SCHEDULE OF RATES AND CHARGES

RESIDENTIAL SERVICE (RATE A):

MONTHLY CUSTOMER BASE CHARGE

\$ 10.50

ENERGY CHARGE PER MONTH (PER KWH)

SUBJECT TO ECA - SEE APPENDIX B

FIRST 200 KWH PER MONTH

\$ 0.124500

OVER 200 KWH PER MONTH

0.112500

COMMERCIAL SERVICE (RATE B):

MONTHLY CUSTOMER BASE CHARGE

\$ 35.00

ENERGY CHARGE PER MONTH (PER KWH)

SUBJECT TO ECA - SEE APPENDIX B

FIRST 500 KWH PER MONTH

\$ 0.140413

OVER 500 KWH PER MONTH

0.124500

GENERAL AND INDUSTRIAL POWER SERVICE (RATE C):

MONTHLY CUSTOMER BASE CHARGE

\$ 75.00

ENERGY CHARGE PER MONTH (PER KWH)

SUBJECT TO ECA - SEE APPENDIX B

FIRST 500 KWH PER MONTH

\$ 0.140413

OVER 500 KWH PER MONTH

0.124500

PRIMARY POWER SERVICE (RATE D):

MONTHLY CUSTOMER BASE CHARGE

\$ 150.00

MAXIMUM LOAD CHARGE *

(PER KVA OF BILLING MAXIMUM LOAD)

\$ 22.00

ENERGY CHARGE PER MONTH (PER KWH)

SUBJECT TO ECA - SEE APPENDIX B

\$ 0.057500

* Primary Power Service (Rate D) Maximum Load Charge shall be phased in as follows:

January 1, 2024: \$16.00 per kVA

January 1, 2025: \$19.00 per kVA

January 1, 2026: \$22.00 per kVA

APPENDIX A

TIPTON MUNICIPAL ELECTRIC UTILITY

SCHEDULE OF RATES AND CHARGES (CONTINUED)

OUTDOOR LIGHTING SERVICE (RATE E): *

100	WATT	SODIUM VAPOR		
150	WATT	SODIUM VAPOR	\$	4.31
400	WATT	SODIUM VAPOR		5.15
175	WATT	MERCURY VAPOR		8.87
250	WATT	MERCURY VAPOR		5.65
400	WATT	MERCURY VAPOR		7.13
400	WATT	WATT METAL HALIDE		9.28
				10.05

*WHEN UTILITY IS REQUIRED TO INSTALL A POLE TO PROVIDE CUSTOMER WITH OUTDOOR LIGHTING SERVICE, CUSTOMER SHALL BE REQUIRED TO PAY, IN ADDITION TO THE ABOVE CHARGES. \$ 1.33

STREET AND HIGHWAY LIGHTING SERVICE (RATE PER LAMP PER MONTH) (RATE F):

OVERHEAD SERVICE

175	WATT	MERCURY VAPOR		
250	WATT	MERCURY VAPOR	\$	5.51
400	WATT	MERCURY VAPOR		6.49
700	WATT	MERCURY VAPOR		8.60
100	WATT	SODIUM VAPOR		11.99
150	WATT	SODIUM VAPOR		5.09
250	WATT	SODIUM VAPOR		5.70
250	WATT	SODIUM VAPOR (ORNAMENTAL)		9.44
400	WATT	SODIUM VAPOR		15.25
				9.99

UNDERGROUND SERVICE

250	WATT	SODIUM VAPOR (FIBERGLASS POLE)		
400	WATT	SODIUM VAPOR (FIBERGLASS POLE)	\$	44.26
250	WATT	SODIUM VAPOR (ALUMINUM POLE)		47.18
400	WATT	SODIUM VAPOR (ALUMINUM POLE)		43.28
250	WATT	BLACK SODIUM VAPOR (ALUMINUM POLE)		46.19
				43.08

CO-GENERATION:

DEMAND RATE	PER KW			
ENERGY RATE	PER KWH		\$	2.530
				0.017895

NON-RECURRING CHARGES

BAD CHECK CHARGE:

\$ 25.00

CONNECTION CHARGE:

200 AMP OVERHEAD METER				
200 AMP UNDERGROUND METER			\$	500.00
				1,000.00

RECONNECTION/DISCONNECTION CHARGE:

\$ 20.00

METER TEST:

(1ST CUSTOMER REQUESTED TEST FREE, EACH		SUBSEQUENT TEST WITHIN 36 MONTHS)		
			\$	40.00

DEPOSIT:

THE ESTIMATED ANNUAL REVENUE FROM SUCH CUSTOMER. BUSINESS ESTABLISHMENTS ARE BASED UPON ESTIMATE OF ELECTRIC BILL OR PAST HISTORY OF PRIOR ESTABLISHED BUSINESS OF SIMILAR TYPE AT SAME LOCATION. SECURITY DEPOSIT WILL BE APPROXIMATELY TWO (2) TIMES THE MONTHLY BILL.

PENALTY:

10% OF FIRST \$3.00, 3% ON EXCESS OVER \$3.00

METER TAMPERING CHARGE:

JOB COST BASIS

APPENDIX B

TIPTON MUNICIPAL ELECTRIC UTILITY

ENERGY COST ADJUSTMENT (ECA) TRACKING FACTOR

The energy charges noted above are subject to an Energy Cost Adjustment (ECA) Tracking factor occasioned solely by the changes in the cost of purchased power from the City's Power Supplier - Indiana Municipal Power Agency (IMPA). The ECA will follow the procedures outlined by the Indiana Utility Regulatory Commission (IURC) in Cause No. 36835-S3.

The ECA will benchmark from the IMPA Rates and Charges imbedded in the rates and charges established herein. Such IMPA rates and charges imbedded in the base rates herein include: Demand Charges of \$23.086 per kW, Primary Voltage Charges of \$0.961 per kW, and Energy Charges of \$0.044018 per kWh.

INITIAL ENERGY COST ADJUSTMENT (ECA)

\$0.000000

**THE ELECTRIC RATES AND CHARGES ARE BASED UPON THE REPORT OF O.W. KROHN & ASSOCIATES
LLP DATED NOVEMBER 8, 2023.**