

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
MARCH 9, 2016**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on March 9, 2016. The meeting was called to order by Mr. Akers at 4:00 p.m. pursuant to notice as required by law. The following Board members were present: S. Akers, G. Ward, J. Richter and J. Edwards. Absent: M. Costin. Others present: R. Merriman, B. Tillett, L. Starkey, J. Chance, B. McAlpin-Miami County Amateur Radio Club, J. Languell-City Council Liaison, and D. Herda-Peru Tribune.

**1.) APPROVAL OF BOARD MINUTES OF FEBRUARY 24, 2016:**

On a motion from Mr. Richter, seconded by Mr. Ward, the minutes from the February 24, 2016, were approved. The motion carried unanimously.

**2.) PAYMENT OF CLAIMS:**

A motion was made by Mr. Ward, seconded by Mr. Richter to approve the claims for payment as presented. The motion carried.

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held Wednesday, March 30, 2016, at 4:00 p.m. in the Utility Service Board room.

**4.) OLD BUSINESS: None**

**5.) NEW BUSINESS:**

**A.) PRESENTATION-MIAMI COUNTY AMATEUR RADIO CLUB:**

Mr. McAlpin stated his involvement in the Miami County Amateur Radio Club providing information about licensing, history, activities and practices. He said that today's new innovations in technology have been applied to ham radio services. Mr. McAlpin stated that the Miami County Club serves Peru, Indiana and the surrounding area with amateur radio communications and that the organization is growing in membership. Last August the Miami County Amateur Radio Club setup special equipment at the Maconaquah High School Corporation so that streaming video/audio was available for conversations from the students and faculty members with astronauts on the International Space Station. The club is now working with the Peru Community High School Corporation so that the live feed will also be available to them. He noted that with all the new growth, comes new challenges. New possibilities would be opened up for Miami County and surrounding areas for better coverage by having band wave lengths. Mr. McAlpin noted that through a system of VHF and UHF repeaters and along with the HF network, a variety of data communications are enabled nationwide. Just last fall they had installed a new repeater on the radio tower at the Department of Natural Resources' field office on Mexico Road. Mr. McAlpin said that two years ago he had met Steve Jones, who resides in Russiaville, Indiana, who has a communications company, which includes broad band internet service. Mr.

Jones is also an avid ham radio operator and has developed a repeater network that is tied into a wider area network. Mr. McAlpin felt that Miami County needs to have a DMR repeater, which is the next technology in ham radio. Mr. Jones said that he would install one of his repeaters in Miami County for use if an antenna site could be found. Mr. McAlpin explained that it was hard to find tower sites to use, and that there was no available space left on Emergency Management Association’s tower. He inquired if Peru Utilities would be open to allowing the installation of a repeater to one of the water tower sites.

Mr. Merriman explained that since September 11, 2001, the security of public facilities has become very important to the Federal Government. Prior to September 11, 2001 the front entrance to the filtration plant was left unlocked because neighborhood children frequently used the fountain to get a drink of water. Mr. Merriman stated that other concerns that he had with installing communications antennas would be emergency or unscheduled maintenance issues, along with the liability of workers who are climbing a water tower.

Mr. McAlpin explained that the new repeater would be a Motorola, which is work horse, and state of the art equipment, alleviating chances of being problematic. He said that the chance of having to get permission to enter the site would be minimal and that they would always schedule an appointment in advance. He noted that since Steve owned an internet company he would provide an internet site for the repeater. Mr. Merriman noted that we already have fiber to our water tower sites in Peru, and that we are already monitoring those sites on our SCADA System. Mr. McAlpin also noted that liability insurance would be no problem and that it would be provided.

Mr. Akers said that the Board would take the inquiry under advisement and that Mr. Merriman would get back to Mr. McAlpin with a decision soon. The Board thanked Mr. McAlpin for his presentation.

**B.) APPROVAL OF 2<sup>nd</sup> QUARTER 2016 ELECTRIC RATES – TRACKER ADJUSTMENT:**

*Mr. Richter noted a correction that needed to be made to the 2<sup>nd</sup> Quarter 2016 Electric Rates, it should read: For the 2<sup>nd</sup> Quarter 2016, the tracker **increased** an average of \$.005284 per kWh over all of our electric customer rates.*

The 2<sup>nd</sup> Quarter 2016 filing will be on the City Council’s April agenda for their approval.

For the 2<sup>nd</sup> quarter 2016, the tracker increased an average of \$.005284 per kWh over all of our electric customer rates. The residential customer rates will see an increase of \$.007068 per kWh, the power/commercial customer’s electric rates will increase \$.004151 per kWh and the demand customer rates

will increase \$.004418 per kWh.

A motion was made by Mr. Richter to approve the minutes with the noted correction to the 2<sup>nd</sup> Quarter 2016 Electric Rates Tracker Adjustment, and forward to the Peru City Council for approval. Mr. Ward seconded the motion. The motion carried.

**C.) APPROVAL OF SKID STEER PURCHASE:**

Mr. Merriman said that the electric department would like to replace the Case 1825B 48” wide skid steer with a new model. Mr. Bankston had solicited five quotes from dealerships and has recommended that we purchase the new skid steer from Tri-Green Tractor for \$29,300.00, with a trade in allowance of \$7,600.00, for a final cost of \$21,700.00

Bid amounts submitted by the five vendors:

<b>Vendor</b>	<b>Price Before Trade-In</b>	<b>Trade-In</b>	<b>Final Price</b>
KMH Systems	\$30,559.00	\$5,000.00	\$26,559.00
Koenig Equip.	\$28,990.00	\$7,140.00	\$21,850.00
MacAllister	\$26,365.00	\$4,000.00	\$22,365.00
Tri-Green Tractor	\$29,300.00	\$7,600.00	\$21,700.00
Dirt & Turf Sales	\$33,500.00	\$7,000.00	\$26,500.00

Mrs. Edwards inquired if both pieces of equipment (skid steer and fork lift) were budgeted for. Mr. Richter noted that there was a line item amount for both the items in the budget.

Mr. Merriman asked for the Board’s approval to purchase the new skid steer from Tri-Green Tractor. Mr. Richter moved to recommend Mr. Bankston’s purchase of a new skid steer from Tri-Green for \$29,300.00, with a trade in allowance of \$7,600.00, for a final cost of \$21,700.00. Mrs. Edwards seconded the motion and the motion carried.

**D.) APPROVAL OF FORK LIFT PURCHASE:**

Mr. Merriman noted that we solicited quotes from three vendors to purchase a new forklift for the Line Department to replace the 2005 Clark Forklift. The lowest bidder was KMH Systems for \$26,983.00. The bid from ALTA Equipment is for \$31,575.00, which provides a YALE Forklift. It was noted that when you sit in the seat of the YALE Forklift, and you look through the mast you can see directly through it, your vision isn’t obstructed. The forklift that KMH is proposing has a bar in the front that obstructs your view; you have to lean your head outside of the mast in order to get a clear view.

The following are the respective bid amounts submitted by the three vendors:

Vendor	Price Before Trade-In	Trade-In	Final Price
ALTA Equipment	\$31,575.00	\$4,300.00	\$27,275.00
KMH Systems	\$26,983.00	<i>Included in Price</i>	\$26,983.00
Wiese USA	\$36,320.00	\$4,000.00	\$32,320.00

Mr. Merriman asked the Board to accept Mr. Bankston’s recommendation to purchase the Yale Forklift from ALTA Equipment.

Mr. Ward moved to approve the purchase of the Yale Forklift from ALTA Equipment for \$31,575.00, with an 8,000 lb. rating capacity, with a trade-in allowance of \$4,300.00, for a final cost of \$27,275.00. Mr. Richter seconded the motion. The motion carried.

**E.) APPROVAL OF BID SELECTION FOR THE GRISSOM SEWER LINING PROJECT:**

Mr. Merriman stated that the Board had received a memo along with a map of the areas to be addressed at Grissom, and the bid tabulation. Bids were received from the following three companies.

Insituform Technologies	\$ 85,477.90
Layne Inliner, LLC	\$ 89,900.00
SAK Construction, LLC	\$109,273.00

It was noted that Mr. Dahlquist and Mr. Kline had reviewed the bids and the bid packets and have recommended awarding the bid to Insituform Technologies USA, for \$85,477.90, which is the lowest bidder. In the past we have frequently used Insituform, and they have always done us an excellent job. Mr. Akers inquired when the relining project would start and as to the time-frame when the project would be complete. It was noted that depending on weather conditions it should take only a few weeks. Mr. Richter made a motion to enter into a contract with Insituform Technologies USA, LLC, in the amount of \$85,000.00 for the sewer lining project at Grissom. Mr. Ward seconded the motion and the motion carried unanimously

**F.) APPROVAL OF WATER RATE ADJUSTMENT:**

Mr. Merriman said that the current Water Rate Ordinance 37-2014, includes a provision which uses various indices to allow us to recalculate the water rate annually. The new provision was included in the previous rate ordinance because annually the rate adjusts to trend with inflation. The new rate

increase adjustment is minimal. Mr. Merriman stated that the provision addresses the issue and that it is endorsed by the Indiana Utility Regulatory Commission (I.U.R.C.). Mr. Merriman said that rate cases can be expensive and that the provision provides a method to adjust the rates annually. It is not an automatic rate increase; it has to be presented to the Peru City Council for their consideration and approval after Board approval. He explained that this is an abbreviated rate case, by using the Commission’s guidelines our staff or a consultant can perform the calculations. Mr. Akers inquired as to what “weighted index” meant. Mr. Merriman explained that different components are given different values; some components are more important than others and are weighted more. Mr. Ward inquired if the Board would review the water rate annually at a set time and if the new data revealed that the rate increase/decrease would be minimal could the Board chose to keep the current rate until the next year’s review. He felt that it would not be pertinent to present small increases or decreases to the city council for approval. Mr. Merriman briefed the Board that it would be solely upon the Board’s discretion. Once the Commission has the calculation numbers available for a new-year, then we can perform our calculations and present those numbers to the Board. We are committed to taking a look annually at the new calculations. Mrs. Edwards said that her questions were answered, no questions posed.

Mr. Ward moved that the adjusted water rates be accepted and recommend that the Peru Common Council prepare an ordinance for consideration and adoption. Mr. Richter seconded the motion and the motion carried.

**6.) CITY ADMINISTRATION UPDATE:**

Mrs. Languell noted that the city had approved several tax abatements for Thrush, one for equipment and another for a building. She said that a lot of people do not agree with tax abatements, but she felt that they are good because although the city is not receiving tax revenue; it helps a business to become established.

Mr. Merriman noted that at the March 7, 2016, Peru City Council Meeting, council had voted to consider the recent Electric Rate Ordinance. It was noted that a public hearing will be conducted by the Common Council of the City of Peru, at 5:45 p.m. on April 11, preceding the regular meeting. Mr. Merriman noted that the Peru Tribune had incorrectly published the date of the April council meeting being April 4, 2016. He asked that a legal notice be published in the Peru Tribune announcing the proper date as Monday, April 11, 2016.

**7.) CITY ATTORNEY’S UPDATE:**

Attorney Roberts stated that he reserved his comments in regards to the Purchase and Sale Agreement and Joint Escrow Instructions, until at which time it is decided what to do in regards to ABACUS Financial, LLC. Mr. Merriman said that he had expressed his concerns and had gotten the Board’s consensus. It was felt that there

was too much risk involved, so Mr. Merriman would contact ABACUS and let them know that we are not interested. Mr. Merriman felt that they might purchase our facility and after a few years salvage the metal and equipment and then walk away. We would still have a facility that needed to be dealt with.

**8.) MANAGER’S REPORT:**

**POWER PLANT UPDATE:**

Mr. Chance said that he was still waiting on a quote from ERM Environmental for the Phase II Study. Mr. Ward inquired if a bidder would be selected by the March 30<sup>th</sup> meeting. Mr. Chance said he should have the information by then. Mr. Merriman felt that if we aren’t disposing of the property it isn’t necessary to perform soil borings. In light of retaining the property, the only assessment needed to be made would be the determination of amounts of asbestos and lead paint at the location. Mr. Ward felt that would be a logical choice. Mr. Merriman stated that we need to know the extent of suspected contaminants in the soil of the project, prior to writing a Request for Proposal in order to answer concerns or questions from the bidders.

**9.) ADJOURNMENT:**

There being no further business to bring before the Board, Mr. Richter made a motion to adjourn. Mrs. Edwards seconded the motion. The meeting adjourned by unanimous consent.

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Jim Richter, Secretary Peru Utilities Service Board