

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JUNE 15, 2016**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, June 15, 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, M. Costin, G. Ward, and J. Edwards. Others present: P. Roberts-City Attorney, J. Pandey, L. Starkey, B. Tillett, L. France, J. Languell - City Council Liaison, and B. Yankey-Peru Tribune.

1.) APPROVAL OF BOARD MINUTES OF JUNE 1, 2016:

Mr. Ward moved to accept the Board minutes of June 1, 2016, meeting as mailed. The motion was seconded by Mrs. Edwards. The motion carried.

2.) PAYMENT OF CLAIMS:

A motion was made by Ms. Costin to approve the claims as presented, seconded by Mrs. Edwards. The motion carried.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, June 29, 2016, at 4:00 p.m. in the Utility Service Boardroom.

4.) OLD BUSINESS: None

5.) NEW BUSINESS:

A.) AGENDA AMENDMENT - PERMISSION TO ADVERTISE BIDS FOR THE SALE OF THE 22-MEGAWATT POWER PLANT STEAM TURBINE:

Mr. Pandey reported that Orville Ohio Utilities is interested in purchasing our 22-megawatt steam turbine. Two of their people, an electrical manager and engineer, recently visited to look at the turbine to ensure that it was identical to their failed turbine. Authorization to accept bids is requested because that is the legal requirement to dispose of equipment. The Notice of Sale will be advertised in the newspaper for all interested bidders, but it is anticipated that Orville, Ohio, will be the only interested bidder. Peru Utilities will reserve the right to reject any and all bids; we don't disclose a minimum bid.

Mrs. Edwards moved to amend the agenda by adding "Request Board Permission to Advertise Bids for the Sale of the 22-Megawatt Power Plant Steam Turbine" and to give authorization to accept bids for the sale of the 22-megawatt power plant steam turbine. Mr. Ward seconded the motion and the motion carried.

B.) DONATION TO MIAMI COUNTY 4-H FAIR:

Lee France, Peru Utilities Safety Manager, who is also a member of the 4-H Fair Board, on behalf of the 4-H Fair Board, spoke in favor of a request for Peru Utilities to donate water during fair week. The fair board anticipates that

extra water will be needed to accommodate the animal exhibits. They have the capability of hauling 5,000 gallons on a semi; and they are asking Peru Utilities to donate the additional water to the Miami County 4-H Fair. It was not clear whether they also were asking for donation of the necessary back-flow preventer, which would include additional expense.

Mr. Pandy noted that Peru Utilities had provided 2,500 gallons of additional water for the circus in June 2014, and we billed them \$35, which may have included delivery. He spoke in favor of approving the water donation, noting it is a minimal amount for a good cause.

Although he agreed it was a good cause, Mr. Akers objected due to past State Board of Accounts auditors’ warnings about the Utility making donations of goods or services. After noting the State Board of Account’s objection to donations, there was discussion about how requests for donations were handled in the past.

Mr. Pandy mentioned that he and Mrs. Starkey had conferred with Mr. Miller at H. J. Umbaugh & Associates who verified that the State Board of Accounts in Indiana has guidelines when it comes to donations. He offered to email a guidance document covering this issue, but Mr. Pandy had not received it as of the date of the meeting.

After considerable discussion, and noting that the fair takes place prior to the next Utility board meeting, it was the consensus of the board that this request be denied. Discussion of the donations issue was to be tabled until additional information is available. Mrs. Edwards asked Mrs. Starkey to obtain information from the State Board of Accounts.

6.) CITY ADMINISTRATION UPDATE:

It was noted that Resolution 7-2016, was adopted at the June 6, Peru Common Council meeting to name Mr. Pandy as a replacement on the seat of the Board of Commissioners to the Indiana Municipal Power Agency. Mrs. Languell stated that the city’s budget hearing process will begin soon.

7.) CITY ATTORNEY’S UPDATE:

Mr. Roberts reported that Peru Utilities has an outstanding insurance claim with Miami County regarding the 16-inch water main that was broken under the Wayne Street Bridge on January 28, 2016. A request has been made to Miami County and as of now, we haven’t received a reply. Mr. Roberts provided the Board with a copy of the Indiana Statute that states a notice of Tort Claim is to be filed within 180 days. Mr. Roberts cannot give any advice or representation in the matter because he also provides legal aid and services to Miami County. Mr. Roberts stated that there were 40 days left on the 180 day filing deadline.

Mr. Roberts recommended that the Board approve special council for representation in the insurance matter and recommended Attorney Bill Berkshire. It was noted that Mr. Berkshire had indicated that he is available. Mr. Ward made a motion to appoint special council, Mr. Berkshire, to represent Peru Utilities in the request for reimbursement for the January 28, 2016, water line break insurance claim. Mrs. Edwards seconded the motion. The motion carried. Mr. Pandy will get in touch with Mr. Berkshire tomorrow with the pertinent information.

8.) MANAGER’S REPORT:

NEW SUPERINTENDENT DIVISION OF WATER MANAGEMENT:

With the recent resignation of Mr. Dahlquist, Mr. Jamin Beisiegel had been promoted to Superintendent of the Division of Water Management. Mr. Pandy provided copies of Mr. Beisiegel’s resume to the Board and noted that Mr. Beisiegel had worked for Peru Utilities during the last ten years. He said that Mr. Beisiegel will also mentor Mr. Chance, Project Manager, to give him experience in the water/wastewater functions of the utility. Mr. Pandy had talked with Mr. Chance, who is willing to work alongside of Mr. Beisiegel to learn the water/wastewater side of the business. Mr. Chance will also be attending an American Public Power Association course, Key Accounts Training, next week in Cleveland, Ohio. The class teaches how to work with the largest customers to ensure that their needs are met, and that they are getting a good value for their services. This enables us to collaborate with our customers to manage energy demand and save money. We will not be filling the Stormwater Coordinator position. By combining the two employees we hope to be able to handle all the water/wastewater tasks. Mr. Akers inquired if there were any other candidates that had been interested in the superintendent’s position. Mr. Pandy had inquired if Mr. Kline had interest; Mr. Kline was not interested, but recommended Mr. Beisiegel.

NEW ORGANIZATION UPSIDE DOWN CHART:

Mr. Pandy reported that we had taken the traditional organizational charts and included them in one chart and turned it upside down. It illustrates the managers at the bottom and the customers at the top. It also depicts all the employees currently in the organization.

CITY OF PERU COMMON COUNCIL MEETNG JUNE 6, 2016:

Mr. Pandy reported that city council had appointed him to the Indiana Municipal Power Agency, Board of Commissioners.

It was noted that the 3rd Quarter 2016, Electric Tracker Adjustment was approved by the City Council’s on Monday, June 6, 2016. It was a slight average of \$4.75 decrease per month for the next quarter.

Mr. Pandy reported that Ordinance 6-2016, that established the new schedule of rates and charges for the services rendered by the municipal water works was also adopted by the City Council, at the June 6th meeting. It will be a minimum increase of 6¢ per month; for an average customer about a .10¢ increase per month.

MANHOLE COVER ISSUE ON BROADWAY NORTH OF MAIN STREET:

This past Friday evening Mr. Pandy received a call from Mayor Greer in regards to a manhole cover sticking up in the roadway located on Broadway north of Main Street. Mr. Beisiegel and crews determined the manhole cover was not ours, but AT & T's. Mr. Pandy noted that it was next to impossible to get in touch with the AT & T repair center to report the problem. He then decided to contact Ms. Tya Leffler who is Peru Utilities AT & T cell phone representative at the Spring Mobile store in Peru. She quickly made contact with an AT & T representative for us, and on Saturday morning an AT & T technician arrived from Kokomo on site. The technician could not fix the problem because the manhole cover is three feet in diameter weighing 75 lbs. There is no gasket, lock, or sealing device, the weight of the manhole cover is supposed to keep it in place. The technician took it apart and reworked it in order to correct the problem. Mr. Pandy reported that because of Ms. Leffler's efforts to help us, we now have a working phone number to call for the AT & T repair/restoration unit, in case we need them.

IMPA MUNICIPAL POWER NEWS:

Mr. Pandy provided the Board with a, multi-colored, four page copy of an IMPA newsletter from Lebanon, Indiana. He noted that IMPA publishes the newsletter three times a year for all utility customers within a jurisdiction. He reported that he was recently contacted by a communications person at IMPA in regards to Peru Utilities taking part in the newsletter publication. IMPA's communication person will visit Peru Utilities every four months to interview for information to be published in the newsletter. They will create, edit and mail out the newsletter to each of our customers. We are the only member of IMPA that has not taken part in this program for the last fifteen years. There was a time in the past that Peru Utilities did publish a newsletter. Mr. Pandy indicated he felt it is worth the effort for us to participate and unless the Board directed him otherwise, he would give IMPA the go ahead. Our customers would then receive a summer newsletter. The Board agreed.

MAY IMPA POWER BILL:

Mr. Pandy reported that 75¢ of every dollar we incur for electricity is paid to IMPA, leaving 25¢ for operations, maintenance, and capital improvements. He referenced the May IMPA bill, which illustrated that the kilowatt demand for power had increased 11.8%, but the energy KWH had decreased by 2%. The load factor decreased from 68% a year ago to 60% this year, a decrease of

8%. He noted that today on the internet it was reported that the World Meteorological Society stated that May was the hottest month ever recorded in the world. His concern was that the energy usage had decreased. There was discussion and Mr. Pandey explained that the main thing that will drive electric business is the weather.

HEAT RELATED DISORDERS SAFETY TRAINING:

Mr. Pandey distributed safety information from Mr. France in regards to heat-related disorders during the summer months. Our employees were given the training on Tuesday.

9.) ADJOURNMENT:

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

Geoff Ward, Secretary Peru Utilities Service Board