

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JANUARY 4, 2017**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, January 4, 2017, following an executive session. 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, J. Crawshaw, MD and J. Edwards. Others present: D. Kern, Esq., J. Pandey, L. Starkey, B. Tillett, J. Chance, J. Beisiegel, J. Languell-City Council Liaison, and A. Lombardi-Peru Tribune.

1.) APPROVAL OF BOARD MINUTES OF DECEMBER 28, 2016:

Mrs. Edwards made a motion to accept the Board minutes of December 28, 2016, as mailed. The motion was seconded by Mr. Ward and carried by unanimous vote.

2.) PAYMENT OF CLAIMS:

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

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, January 18, 2017, at 4:00 p.m. in the Utility Service Boardroom.

4.) OLD BUSINESS:

A.) CONSIDER BUYOUT PROPOSALS FOR CELL TOWERS:

Mr. Pandey summarized a report relating to the four proposals received for the tower leases. SBA currently has a lease for the Wastewater Treatment Plant tower that originated in 2000 and has nine more years remaining (2025). SBA is the only proponent for that site and has offered a perpetual buyout at \$100,000. The Northwest Corridor tower is currently leased with T-Mobile originating in 2008, with 5-year terms, renewable 5 times (through 9/23/33 – 16 remaining years). The bids for that the Northwest Corridor tower ranged from \$221,000 for 16-years, \$301,011 for 50-years and \$336,500 for 55-years. The proponents are all leading companies in the cell tower communications industry. Mr. Pandey is not comfortable with the notion of a perpetual lease but felt there is room to negotiate. He said the Northwest Corridor tower negotiations should be based on a future value calculation. He and Mr. Chance had calculated the future value for that lease for sixteen years, which equaled \$411,200. Mr. Akers inquired if SBA had contacted Peru Utilities in the past with any new offers. Mr. Pandey reported that July 7, 2009, SBA had offered \$46,000 perpetual for the Wastewater Tower site, February of 2010, they offered \$57,000 perpetual, June 2013 they offered \$75,000 for 65-years and on December 1, 2016, they offered \$100,000 perpetual.

Our consulting engineers suggest we be careful with any agreement we negotiate so that the integrity of our towers is protected. The installation of the lessee equipment could possibly compromise or impair the water towers by the formation of rust on the inside of the tower where the water is stored. Wessler Engineering's tower expert

will advise us to what provisions should be included to protect our towers to provide safe drinking water. Mr. Pandy referred to a map and noted where SBA would be required to construct an access drive at their own expense.

Mr. Ward asked if there were ever any issues pertaining to the current tenants having equipment attached to our towers. Mr. Beisiegel stated that the lessee enters in through the utility property by way of the Wastewater Plant driveway to maintain their equipment. The only issue is that we are not contacted when their employees are on the grounds and they have been locked in because we hadn't been notified of their presence. Also, if they wish to perform work on an after-hours basis we have to have our staff on hand until they complete their task. Mrs. Edwards noted that there needs to be verbiage in the agreement that covers the safety of the area in question. Mr. Beisiegel noted that if the lessee constructs their own entrance road, they would be able to access the tower without any issue.

It was noted that the Wastewater Treatment Plant is a free standing tower that SBA erected for cellular communication purposes; it is their structures to support their antennas and repeaters and a cable that that runs to a base station on the ground where their power supply is located. It does not have the portent of impacting the water quality as does the Northwest Corridor tower that T-Mobile leases, their equipment sits atop of our water tower. Mr. Crawshaw felt that the shorter the lease the better because of the way technology is exploding. Mr. Kern will check the public purchase law and let us know the written rules on obtaining competitive bids. We expect the Northwest Corridor tower bid amount to be above the threshold of \$300,000. SBA has proposed \$100,000 for the Wastewater Treatment Plant tower lease.

Mr. Crawshaw made the motion to table a decision until further information is gathered from SBA. Ms. Costin seconded the motion. The motion carried.

5.) NEW BUSINESS:

A.) ELECTION OF OFFICERS:

ELECTION OF CHAIRPERSON: Ms. Costin made a motion to elect Mr. Akers as Board Chairman for 2017. Following a motion by Mrs. Edwards, it was voted unanimously that Mr. Akers be Board Chairman for 2017.

ELECTION OF SECRETARY: Ms. Costin moved to nominate Mr. Ward as Board Secretary for 2017; Mrs. Edwards seconded the nomination and the motion carried.

B.) CONSIDERATION OF SALARY OF GENERAL MANAGER:

Resolution 1-2017, recommending the annual salary to be paid from Utility Funds to the General Manager. Mr. Ward stated that Mr. Pandy has exceeded the performance expectations of the General Manager position within six months.

Mr. Ward made a motion to increase the General Manager base salary to \$160,000 annually. Mrs. Edwards seconded the motion. The motion carried unanimously. The Board also clarified that the travel allowance is continued at \$700/month.

Mr. Pandy thanked the Board for his performance evaluation, he is always open for the Board's advice, direction, and constructive criticism.

C.) CONSIDERATION OF ANNUAL SALARIES TO BE PAID FROM UTILITY FUNDS:

Resolution 2-2017, recommending annual salaries to be paid from Utility Funds for the Mayor \$27,183.26, Clerk-Treasurer \$17,974.52, Utility Service Board Attorney \$14,768.45 plus compensation at a rate of \$100.00/hr. for special projects, plus additional fees for bond issues and other financing and Utility Service Board members \$5,871.00.

Ms. Costin made a motion to approve Resolution 2-2017, leaving the salaries for for the Mayor, Clerk-Treasurer, Board Attorney the same and increasing the salaries of the Utility Service Board Members by 3%. Mrs. Edwards seconded the motion and the motion carried.

6.) CITY ADMINISTRATION UPDATE: None

7.) CITY ATTORNEY'S UPDATE:

The Peru Utility Service Board and Mr. Pandy welcomed new attorney Dustin Kerns who replaces the current city attorney Pat Roberts.

Mr. Crawshaw made a motion to recommend to the Mayor the selection of Dustin Kerns for the Peru Utility Service Board Attorney. Mr. Ward seconded the motion carried, motion carried.

8.) MANAGER'S REPORT:

Mr. Pandy reported that all of the utilities, Peru Water, Wastewater, Stormwater and Grissom Water and Wastewater had favorable net margins year-to-date. The electric division has a negative net margin of \$185,000. We may break even with our power cost decreasing. Mr. Akers asked Mr. Pandy when the \$1million loan from Peru Electric to Grissom Water will start. The debt service will start mid-year 2017, Grissom Water Utility will be repaying the Electric Division.

ACES + REQUEST FOR GARDEN PLOTS:

Mr. Pandy reported that Vincent Edmund with Aces +, health strategist organization that teaches planning and growing a vegetable garden has requested the use of any available Peru Utility property to establish and grow gardens. In the past, the Peru Utility property East of the Canal Street substation was used for community gardens until it was discovered there was arsenic present. Mr. Pandy referenced a map showing properties in the Oakdale Addition owned by Peru Utilities that could be used as garden plots. The lots are on the north side of Tyler Avenue at Fulton Street and are not being utilized by Peru Utilities nor is there a planned use for the land. These lots will need to be cleaned up due to the tangled undergrowth that has developed.

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There was a discussion and Ms. Costin asked if the property in question had been soil tested for arsenic. Mr. Pandy said that he did not think it had been soil tested, Aces + had informed him that arsenic is common in Indiana soils. Aces + is trying to better the community with gardens. Mr. Pandy requested permission to suggest the Oakdale property as an option for a community garden to Reed Edmund, LLC. The Board agreed.

9.) ADJOURNMENT:

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

Geoff Ward, Secretary Peru Utilities Service Board