

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
FEBRUARY 15, 2017**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, February 15, 2017. Mr. Akers called the meeting to order 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, B. Tillett, J. Chance, L. Starkey, J. Beisiegel, and A. Lombardi-Peru Tribune.

**1.) APPROVAL OF BOARD MINUTES OF FEBRUARY 1, 2017:**

*Mr. Ward made a motion to accept the Board minutes of February 1, 2017, as mailed. Mrs. Edwards seconded the motion and the motion passed.*

**2.) PAYMENT OF CLAIMS:**

*A motion was made by Ms. Costin to approve the claims as presented. Mr. Ward seconded the motion. The motion passed.*

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held Wednesday, March 1, 2017, at 4:00 p.m. in the Utility Service Boardroom.

**4.) PUBLIC COMMENT:**

Mr. Akers stated Public Comment is on the agenda to address general comments and concerns of the public or also if there is an individual who wishes to speak to the Board.

Mr. Akers indicated that there had been time reserved for public comment from a resident at Grissom but was canceled due to the fact Mr. Beisiegel and Mr. Walsh had met with him and had resolved the matter to both parties' satisfaction.

**5.) OLD BUSINESS: None**

**6.) NEW BUSINESS:**

**WATER SYSTEM IMPROVEMENTS PROJECT SCHEDULE:**

Mr. Pandey provided the Board members with a color-coded calendar, which noted the State Revolving Fund (SRF) Bond Issue and Office of Community and Rural Affairs (OCRA) Grant timelines. The calendar derives from the fact that we are submitting for an OCRA Grant for \$500,000 and State Revolving Fund (SRF) Loan for \$7,550,000. Both have different timetables and rules that we have to follow that will get us in line hopefully for an award on June 1. Mr. Pandey stated the Board needed to designate an elected official to sign the application for the State Revolving Fund (SRF) loan and set the proposed Public Hearings for March 10, 2017, at the Peru Utility Office. Both notices will be published February 21. The Preliminary Engineering Report will be presented for Board approval at the March 15 PUSB meeting. The Bond Ordinance will be presented to the Peru Common Council at their March 6 meeting. We have to wait 5 days for public comments before we can accept the Preliminary Engineering Report. The completed PER will be submitted to the State Revolving Fund, Friday, March 17. The

State Revolving Fund (SRF) will then choose the preferred project list. On April 7, Cornerstone will submit an application to the Office of Community and Rural Affairs (OCRA). Early May Wessler Engineering will have 30% of design submittal complete, 60% engineering complete in June. The Office of Community and Rural Affairs (OCRA) will make their award announcement June 1. July 1 the State Revolving Fund determines how much money they have available for the next fiscal year.

Ms. Costin inquired what steps would we need to take if we do not receive money from the initial application. Mr. Pandy explained that for the fall issuance of finances we would have to go through the same process. We have an advantage by having our rate increase in place. Ms. Costin asked about the Income Survey; it is not complete yet, we have until April 7. There was a discussion.

**A.) SRF LOAN PROGRAM SIGNATORY AUTHORIZATION RESOLUTION:**

*Mr. Ward made a motion to approve the SRF Loan Program Signatory Authorization Resolution. Mrs. Edwards seconded the motion, and the motion passed.*

**B.) SRF LOAN PROGRAM PER ACCEPTANCE RESOLUTION:**

The resolution resolves to accept and adopt the Preliminary Engineering Report (PER) being prepared by Wessler Engineering. Mr. Pandy wanted to review it with the Board so that they would be aware of the process prior to the March 15 meeting. It was recommended the Board table Item “B” until the March 15 meeting.

*Dr. Crawshaw made a motion to table Item B- SRF Loan Program PER Acceptance Resolution until the March 15 Peru Utility Service Board meeting. Ms. Costin seconded the motion. The motion passed.*

**C.) SRF LOAN PROGRAM FINANCIAL INFORMATION FORM:**

Mr. Pandy stated that it was prepared by Wessler; it is a summary of the financing with total proposed project cost of \$8,100,000, with a possible \$550,000 Office of Community and Rural Affairs (OCRA) Grant and State Revolving (SRF) Loan at \$7,550,000.

*Dr. Crawshaw made a motion to accept the SRF Loan Program Financial Information Form. Mr. Ward seconded the motion. The motion passed.*

**D.) SRF AND OCRA PUBLIC HEARING NOTICES:**

Mr. Pandy recommended that the Board approve both the State Revolving Fund (SRF) and Office of Community and Rural Affairs (OCRA) Public Hearings for March 10, at 5:00 pm at the Peru Utility Office with both legal notices published in the Peru Tribune, Tuesday, February 21.

*Dr. Crawshaw made a motion to approve the State Revolving Fund (SRF) and Office of Community and Rural Affairs (OCRA) Public Hearings for March 10, 2017, at 5:00 pm at the Peru Utility office, with legal notices published in the Peru Tribune, Tuesday, February 21, 2017. Mrs. Edwards seconded the motion and the motion passed.*

Mr. Pandy shared with the Board a Letter of Intent signed by the Mayor, and a request signed by the Mayor for a Categorical Exemption from the Environmental Studies. Mr. Pandy encouraged the Board and residents and the community to write letters to Office of Community and Rural Affairs (OCRA) explaining the community’s need to receive the grant funding, the more letters received will help our chances to obtain a grant. He shared sample letters with the Board; letters should be submitted to Mr. Pandy at [jpandy@peruutilities.com](mailto:jpandy@peruutilities.com). He will forward them to the Office of Community and Rural Affairs (OCRA) on April 6; there is no specific format, address letters to Althea Dunston at the Indiana Office of Community Rural Affairs, but not sent to her.

**E.) POLICY #5-2017, ESTABLISHING CODE OF CONDUCT FOR SOCIAL MEDIA:**

A discussion ensued about the administration of Facebook and the structure. The Board discussed the pros and cons of Facebook and who will post information. Mr. Akers and Mr. Ward expressed some ambivalence with regard to participating on Facebook; they had reservations because of negative comments. Mrs. Edwards was in favor. Dr. Crawshaw recommended that the verbiage “telling lies or spreading rumors” be changed; it should state “disingenuous statements”. Mr. Pandy explained that having a Facebook page for business gives you a way to talk to and get direct feedback from your targeted audience. Attorney Kern noted that the city has Facebook and that there are numerous advantages associated with it.

*Ms. Costin made a motion to approve Policy #5-2017, Establishing Code of Conduct for Social Media and to change verbiage in #11 to “including disingenuous statements about Company or its other Employees, officers, directors, shareholders, or competitors”. Mrs. Edwards seconded the motion. The motion carried.*

**7.) CITY ADMINISTRATION UPDATE: None**

**8.) CITY ATTORNEY’S UPDATE: None**

**9.) MANAGER’S REPORT:**

**A.) REQUEST TO IMPA FOR ADVANCED METERING INFRASTRUCTURE (AMI):**

Mr. Pandy shared his letter of February 6 to IMPA officers with the Board. He was disappointed in the response he received from IMPA in seeking their assistance to provide Advanced Metering Infrastructure (AMI). The Chairperson of the IMPA Board suggested that he talk to the CEO, which he had some months ago. The CEO at that time stated IMPA would not look into the matter due to inadequate financing and the non-agreement amongst members as to what technology to use. Mr. Pandy

received a letter of response from IMPA's CEO, which did not address his questions about Advanced Metering Infrastructure (AMI). IMPA's CEO offered to meet with Peru Utility personnel, but since IMPA is not viewing this in a positive light, Mr. Pandy felt it futile to pursue any further. Earlier, Mr. Pandy received an e-mail from IMPA asking to attend the March 6 Common Council meeting when we would be introducing the bond ordinance for the State Revolving Fund (SRF) to the Peru Common Council. Mr. Pandy did not want to confuse the Peru Common Council meeting on the water with what IMPA is doing. Unless directed otherwise by the Board, Mr. Pandy will decline the offer.

**B.) MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY (MCEDA):**

It was noted, that there are a couple of upcoming projects. Mr. Pandy referenced a site map of the North Miami Industrial Park from MCEDA, stating that the road on the north edge of the property will become a public county road. He said that it is a significant project for the community and good business for the local economy; plans for the development will soon be announced.

**C.) 2<sup>nd</sup> REQUEST FOR PROPOSALS TO ACQUIRE WIRELESS LEASES:**

Because of the concern with the first bid buyout that ranged from 50 years to perpetuity, we have sought second requests for a shorter term. The maximum term for the second proposal is 25 years (300 months) which is a reasonable period time, half of what vendors proposed before. We have received interest from three prospective bidders this past week. Mr. Pandy stated that he had reviewed the cell tower site at the Wastewater Treatment Facility with Attorney Kerns. The tower is a freestanding, cellular communication tower that SBA Communications constructed for their equipment. At any time, they could remove their equipment and consider the contract fulfilled if they wished. They were asking for a perpetual lease for a large sum of money. Mr. Pandy believed that the best value for that tower site would be to give them the maximum period, which would get us the most money. This site is separate from the other competitive proposals. Closing bid date for all proposals is March 3, at 5:00 pm. Proposals will be evaluated and presented for Board consideration in April. Attorney Kerns noted it is not in our best interest to lease a water tower site with a perpetuity clause because the lessee would always have access to the water tower.

**D.) IMPA POWER BILL:**

Our IMPA power bill for January 2017, has decreased \$72,260 compared to last year; load factor has increased by 3 ½%. The decrease is due in part to our voltage reductions that began in January. Mr. Pandy stated that we are moving in the right direction, and he hopes that voltage reductions will continue to improve the load factor and lower costs.

**E.) COST OF SERVICE STUDY:**

Mr. Pandy had recently attended the “Cost of Service and Retail Design”. We now have the model from Utility Financial Solutions to use. He had taken a copy of our 2012 Cost of Service Study for Peru Electric with him for Utility Financial Solutions to critique. After reviewing the study, Utility Financial Solutions said that it was their work; they had performed the original study and subcontracted to Umbaugh, who then adds their fee before selling it to us. Utility Financial Solutions informed Mr. Pandy that we could calculate our own study using the model. If we want them to check our work the first time, they would charge us by the hour; their rates are less than as a subcontractor. Mr. Pandy noted that the expense of the trip and class were worthwhile.

**10.) 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.*

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Geoff Ward, Secretary Peru Utilities Service Board