

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

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, March 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, J. Languell, City Council Liaison, and A. Lombardi, Peru Tribune.

1.) APPROVAL OF BOARD MINUTES OF MARCH 1, 2017:

Ms. Costin made a motion to accept the Board minutes of March 1, 2017, as mailed. Mr. Ward seconded the motion and the motion passed.

2.) PAYMENT OF CLAIMS:

A motion was made by Mrs. Edwards 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, April 5, 2017, at 4:00 p.m. in the Utility Service Boardroom. Dr. Crawshaw stated he would be unable to attend the next Board meeting.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) CONSIDERATION OF BID RECOMMENDATION FOR LAWN CARE/TRIMMING SERVICES FOR 2017-2019:

We solicited quotes from five lawn care firms to provide lawn mowing and trimming services for 2017-2019, two bids were received: Black's Lawn and Maintenance, \$1,130/mowing cycle and The Mowing Crew, \$1,495/mowing cycle.

Mr. Ward made a motion to award the lawn care bid to Black's Lawn Care Service for the \$1,130/mowing cycle for years 2017-2019. Ms. Costin seconded the motion and the motion carried. Said services will commence on April 1, 2017, and extend through October 31, 2019.

B.) CONSIDERATION OF BID RECOMMENDATION FOR WABASH AVENUE STORM SEPARATION:

Bids were opened March 2, 2017, for the Wabash Avenue Storm Separation Project. Mr. Pandey reported six companies, submitted bids ranging from \$150,196.00 to \$399,500.00 for the construction of a sewer separation project under the CSO Long-Term Control Plan for Infiltration and Inflow Reduction. Staff reviewed the bids and packets, and recommend the bid be awarded to F & K Construction, Inc., for

\$150,196.00, their bid was the lowest of the six received. They have a good reputation and are qualified through our Safety Program.

Bid amounts submitted by the six vendors:

F & K Construction	\$150,196.00
B & G Hall Enterprises	\$170,000.00
Davidson Excavating	\$173,510.00
Midwest Paving	\$178,000.00
Bowyer Excavating	\$179,000.00
Solid Finish Construction	\$399,500.00

Mr. Ward made a motion that the board accepts the bid from F & K Construction, Inc., at \$150,196.00 for the construction of the Wabash Avenue Storm Separation Project. Mrs. Edwards seconded the motion and the motion carried unanimously.

C.) APPROVAL OF PER ACCEPTANCE RESOLUTION:

Mr. Pandy provided the Board with a PowerPoint presentation that summarized the various water projects and scope of work planned to improve the water infrastructure. He said that Wessler Engineering has offered to monitor the quality of construction work on each project for a cost of \$400,000, but we felt we could potentially do it for a lot less by using our own personnel. Wessler’s Preliminary Engineering Report (PER) is available for public viewing at the front counter, management will discuss the report with interested parties.

Dr. Crawshaw made the motion to approve the Preliminary Engineering Report (PER) Acceptance Resolution. Mr. Ward seconded the motion. The motion passed.

D.) USE OF UTILITY PROPERTY FOR CIRCUS FESTIVAL:

Mr. Pandy asked the board to consider a request from the Peru Circus City Festival for use of our vacant lot east of the switching station to stage their horse teams on parade day July 22, 2017.

Ms. Costin made a motion to give the Peru Circus approval to use the vacant lots east of our switching stations on parade day July 22, 2017. Mr. Ward seconded the motion with all members voting in favor.

7.) CITY ADMINISTRATION UPDATE: None

8.) CITY ATTORNEY’S UPDATE:

Attorney Dustin Kerns reported Norfolk & Southern wants to increase five crossing fees from \$495/crossing to \$2,475/crossing. He had spoken to the person that manages Norfolk and Southern’s properties; they will get back in touch with him to work an agreement.

9.) MANAGER'S REPORT:

a.) IMPA WHOLESALE POWER & ENERGY COST:

Mr. Pandy reported that IMPA increased the Demand Charges from 2016 to 2017 by 6.6%, and they decreased the Energy Charges by 6.6%. Because of our load factor, the Demand Charge hurt us. In 2015, we paid IMPA 55.7%/demand, 44%/energy. In 2017, the cost will be 62.3% for demand and 37.7%/energy. IMPA's current rate design does not reflect the fact that large cities allow investment in more efficient (large) generating units. Mr. Pandy hoped that some of the IMPA members will work together to make a plan to address the situation before IMPA's new rate is established later this year.

He also referenced an IMPA pie chart that illustrated that solar energy is more costly; also noted was the variability of the Peru annual load factor from 1993 – 2016.

b.) JANUARY, 2017 FINANCIAL REPORTS:

Mr. Pandy reported all utilities have positive net margins for January; this is impart because the first payroll in January included hours accrued and expensed for December 2016. He noted that the IMPA power bill had decreased \$72,000 in January and \$127,285 for February, compared to last year.

c.) REQUEST TO VACATE LEONDA ALLEY:

Mr. Dave Arnold asked the City and Peru Utilities to allow the alley from Miamisport Trailer Park to E. Washington Avenue to Madison Avenue be closed. Peru Utilities has electric infrastructure located in this alley that needs to be maintained from time-to-time, closure of the alley would cause great difficulties for us to perform maintenance of the facilities; we would not support the closure.

In another matter, Mr. Pandy had attended the Planning Commission Meeting on March 14, to vacate an east/west alley on Peru Utility property at Harrison and Tyler (south and north) and Lindy and Fulton Street (west and east). The vote was unanimous to vacate the alley.

d.) INCOME SURVEY SUMMARY:

Mr. Pandy reported the results of our Income Survey; our low to moderate income is 53.3%, which qualifies. Mr. Pandy shared the Income Survey information with the Mayor in case the opportunity for another grant would come along; the information can be used until 2021. Mr. Pandy congratulated Mrs. Starkey and her office staff for their help in collecting the survey information.

e.) GRISSOM WATER RATES:

Mr. Pandy referenced a table of the water rates for Peru and Grissom. The Grissom Rate that was effective in 2003 has remained the same since then. The current

Grissom Rate is 59% lower than the Peru rate for 4,000 gallons/month. Attorney Dustin Kerns will examine the information Mr. Pandy gave to him regarding the initial transfer of ownership of utilities from the Air Force to Peru Utilities. At that time, the Air force had requested Peru Utilities enter into a contract; Attorney Patrick Roberts and Mr. Merriman had responded that we could not because we are a regulated by our City Council. Mr. Pandy felt the need is there to increase Grissom rates; he will address the issue sometime yet this year.

f.) DETRASH THE WABASH:

Riverbank Cleanup is Saturday, April 22, 9:00 am – 12:00 pm, everyone is invited to attend.

g.) BLACKSTART GENERATOR TEST:

Mr. Pandy congratulated Mr. Chance for his leadership regarding the Black start Generator test earlier today. The test went well; it took a lot of coordination with staff, the test will be performed twice annually.

h.) APPA AWARD:

Mr. Pandy congratulated Mr. Akers as the recipient of the American Public Power Association (APPA) Spence Vanderlinden Public Service Award. The award recognizes personal service to the Association by elected or appointed officials. Mr. Pandy said that the award would be presented at a special ceremony on June 20, 2017, during the APPA National Conference in Orlando, Florida. Mr. Spence Vanderlinden was the first president of the American Public Power Association, Policy Board. The award has been around for 33 years and given to 64 people total. There will be a press release at the time the award is official. Mr. Pandy said the award is considered quite an honor; Mr. Akers is the third person in Indiana to receive the award.

10.) ADJOURNMENT:

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

Geoff Ward, Secretary Peru Utilities Service Board