

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
JULY 12, 2017**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, July 12, 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, and M. Burnell. Absent J. Edwards. Others present: J. Pandy, B. Tillett, J. Chance, L. Starkey, J. Beisiegel, R. Kline and A. Lombardi, Peru Tribune.

**1.) APPROVAL OF BOARD MINUTES OF JUNE 21, 2017:**

*Mr. Ward moved that the minutes of June 21, 2017, be approved. Mrs. Costin seconded the motion. Mr. Burnell did not vote as the meeting minutes took place before he was appointed. The motion passed.*

**2.) PAYMENT OF CLAIMS:**

*Ms. Costin moved to approve the claims as presented. Mr. Ward seconded the motion and the motion passed.*

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held Wednesday, July 26, 2017, at 4:00 p.m. in the Utility Service Boardroom.

July Board meeting dates were changed because July 5 followed Independence Day. Mr. Pandy suggested the dates for meetings in August be changed from August 2 and 16 to August 9 and 23. This will keep the meetings two weeks apart, meetings will then return to 1<sup>st</sup> and 3<sup>rd</sup> Wednesday each month starting in September. The Board unanimously agreed to change the August meeting dates as per Mr. Pandy's suggestion. Dates will be as previously scheduled in September.

**ORDINANCE 15-2017:**

Mr. Pandy reported that the vote was not unanimous for Ordinance 15-2017 for Automatic Metering Infrastructure (AMI) and was not considered adopted during the July 10 Common Council meeting. However, it will be up for a vote again at the August 7 Common Council Meeting.

**4.) PUBLIC COMMENT:** No public comments were made.

**5.) OLD BUSINESS:** None

**6.) NEW BUSINESS:**

**A.) OPEN BIDS FOR OCRA GRANT ADMINISTRATOR:**

The bids were opened for an Administrator for the OCRA Grant and we received one bid from Amy Miller of Cornerstone Grants Management, Inc. Nannette Van De Voorde of NV Grant Services will also assist with the Labor Standards and compliance such as Davis-Bacon Wages because the Office of Community and Rural Affairs (OCRA) Grant money is received from the Federal government. Mr. Pandy

recommended hiring Cornerstone Grant Management and its affiliate NV Grant Services for administering the Office of Community and Rural Affairs (OCRA) Grant.

*Mr. Ward made a motion to approve contracts with Cornerstone Grant Management and its affiliate NV Grant Services for administering the Office of Community and Rural Affairs (OCRA) Grant. Ms. Costin seconded the motion. The motion passed unanimously.*

**B.) APPROVE REVISED JOB DESCRIPTIONS, ASSIGNMENTS AND PAY RANGES:**

Mr. Pandy informed the Board as part of strategic planning several job descriptions and salary ranges changed for several non-union positions, in response to additional assignments. Also, upon union agreement a Lead Lineman will be established. Mr. Burnell inquired if the Assistant General Manager position will dissolve after it is vacated. Mr. Pandy’s recommendation includes contingencies that upon implementing the Succession Plan, the Project Manager’s position is eliminated and if the Assistant General Manager succeeds to another position, that job also will be eliminated.

*Ms. Costin made a motion to approve the revised job descriptions, assignments and salary ranges for several non-union positions and upon Union agreement, a Lead Lineman position will be established. Mr. Ward seconded the motion. Ms. Costin modified her motion to include that upon implementing the Succession Plan, the Project Manager’s position will be eliminated and if the Assistant General Manager succeeds to another position the Assistant General Manager position will be eliminated. Mr. Ward seconded the motion and the motion passed unanimously.*

**C.) APPROVE ORGANIZATION CHART (SUCCESSION PLAN):**

Mr. Pandy summarized the Succession Plan to the Board noting the succession employees within the organization. He stated that Succession Plan job vacancies would be posted internally to notify potential candidates when there is a job opening.

*Mr. Ward made a motion to approve the Succession Plan. Mr. Burnell seconded the motion and the motion passed unanimously.*

**D.) APPROVE BOARD POLICY 1-2017, FOR OPENING BIDS:**

Mr. Pandy summarized the new policy noting that there are Indiana Code Provisions that pertain to the policy. The policy requires that bids above the \$150,000 threshold will be opened at public meetings. The Board will open the bid(s) and accept the bid(s) formally during a utility board meeting. The Board would then refer the bid to staff for evaluation. Staff would evaluate the bids and bring it back to the Board as to a recommendation. We request insurance verification before entering into any contract. Less than \$150,000 the law provides we don’t have to open them at a public meeting, a \$25 M project has to be advertised for 10 weeks instead of 6.

*Ms. Costin moved to approve Board Policy 1-2017, seconded by Mr. Ward. The motion carried unanimously.*

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

**8.) CITY ATTORNEY’S UPDATE:**

Attorney Dustin Kern has sent a draft check to Railroad Management Company to confirm the railroad agreements. The cell tower negotiations are on track, the easement and one agreement is complete, one agreement is still pending. He is updating easements for Mike Walsh, which includes Ballard’s Estate. He asked for Board approval of his fee for extra legal services for Automatic Metering Infrastructure (AMI) for the amount of \$11,070.14, which is .0025% of the overall finance amount of \$4,428,056.25.

*Mr. Ward made a motion to approve Attorney Dustin Kern’s legal fee for the amount of \$11,070.14. Ms. Costin seconded the motion and the motion passed unanimously.*

**9.) MANAGER’S REPORT:**

**A.) ADVANCED METERING INFRASTRUCTURE (AMI):**

Mr. Pandey and several staff met with representatives from the SRF on June 27. He explained that the State Revolving Loan Fund (SRF) supports a “Green Project Reserve” which may lower the interest rate on borrowing to 2% if we use ductile iron pipe (DIP). If we replace any lead services that we encounter on either the utility or the customer side with Ductile Iron Pipe (PIP), we will receive a lower interest rate on our 20-year bonds. Mr. Pandey summarized two scenarios where lead service lines may still exist. It will cost us \$2,400 to replace an average service on the customer side. We estimate that there are 140 services in the project; majorities of them lead but some are galvanized services. Mr. Pandey asked the Board to be thinking about what our approach to property owners will be. He summarized a briefing paper for Elected Officials and a sample letter to customers of a typical replacement cost table from American Water Works. He stated that we should communicate clearly to our customers what we are trying and the reason for it. We need to engage their hearts and minds in the process. We have amended our application to the State Revolving Fund stating that we will change lead services wherever we encounter them; the lower interest rate will save us \$260,000; this is more than the cost of replacing the lines.

**B.) POWER PLANT DEMOLITION:**

Mr. Pandey reported the Power Plant Demolition is 1/3 done. We have paid \$918,000 (34%) of the contract amount.

**C.) IMPA POWER BILLS:**

Mr. Pandey summarized an illustration comparing IMPA power costs for 2016 and 2017. He noted that KWD (Demand) for 2017 is 3.28% lower than 2016 and KWH

(Energy) is 4.75% lower than 2016. We are managing our power bills, which helps our customers.

**D.) PERU SOLAR:**

Mr. Pandy explained that the solar panels produce on the average 15 ½ % of the time; 345,000-kilowatt hours/month. The Indiana average is 16%; we are on the mark. The power that is produced is 24% during our peak time; it is working, as it should.

**E.) WIND FARM:**

There are several articles recently published in the Peru Tribune about the Wind Farm to be constructed in this area, to be constructed by RES Americas (Renewable Energy Systems of Americas) a world leader in wind and solar energy. It will be \$255 M investments by RES Americas. There will be 85 wind turbines built in Miami, Fulton and Cass counties; it will change the skyline of Central Indiana. Mr. Pandy summarized the size of the wind turbine blades (264 ft. long); towers will be will be 600 ft. tall in order to clear the ground. There will be disturbance from the blades because they turn 400 mph; turbines will produce 3 megawatts each, \$255 Million watts of power. Mr. Pandy felt the construction and maintenance jobs for the project would be enormous. The high wind turbines will be installed by 2019. RES Americas will negotiate a power purchase contract with a big utility to receive tax write-offs for green power, the wind power will be absorbed into their rate structure. The rates generally increase for whoever buys it; it will drive up the cost of the competition and make us look more competitive.

**F.) PUBLIC POWER AWARD:**

Mr. Akers, Peru Utility Service Board Chairman received the prestigious “Spence Vanderlinden Public Official Award at the July 10 Common Council meeting. Mr. Pandy stated that he is the third person in Indiana to receive it the past thirty-three years. Mr. Pandy and the Board congratulated Mr. Akers for his outstanding award.

**G.) POWER PLANT VIDEO:**

Mr. Chance presented a video to the Board of the power plant demolition. The 22- Megawatt steam turbine has been cut up and along with part of the generator. Mr. Pandy stated that National Salvage is very professional and performs good job safety and productivity wise. We have had no significant complaints from any residents. The coal bunker has been completely torn down. They have flattened the fuel oil tank and are using it elsewhere to load scrap on. They have torn down inside infrastructure in the upper level of the building and are beginning to tear the boiler apart. There are four excavators moving.

**JULY 12, 2017 – Cont'd.**

**10.) ADJOURNMENT:**

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

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Geoff Ward, Secretary Peru Utilities Service Board