

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
NOVEMBER 1, 2017**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, November 1, 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. Edwards and M. Burnell. Others present: Attorney D. Kern, J. Chance, L. McGuire, L. Starkey, B. Tillett, J. Beisiegel, J. Languell-City Council Liaison, T. Alley-City Council Liaison, and C. Eggers-Peru Tribune.

1.) APPROVAL OF BOARD MINUTES OF OCTOBER 18, 2017:

Mrs. Edwards moved that the minutes of October 18, 2017, be approved. Mr. Ward seconded the motion. The motion passed.

2.) PAYMENT OF CLAIMS:

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

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, November 15, 2017, at 4:00 p.m. in the Utility Service Boardroom.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) APPROVE 2018 SERVICE BOARD MEETING DATES:

Mr. Chance submitted the 2018 Board meeting dates for the Board's approval.

Mr. Ward moved to approve the 2018 Service Board meeting dates as scheduled, seconded by Mrs. Edwards. The motion carried.

B.) APPROVE DESTRUCTION OF OLD RECORDS:

Mr. Chance asked the Board for approval to destroy obsolete records as per Indiana Code IC 5-15-6-3 (a).

Mrs. Edwards made a motion to approve the destruction of old records. Mr. Burnell seconded the motion and the motion carried.

C.) APPROVE BAD DEBT WRITE-OFFS APRIL 1, 2017 THROUGH JUNE 30, 2017:

The total bad debt write-offs April 1, 2017, through June 30, 2017, for Peru is \$36,476.49 and for Grissom is \$1,178.56; together both write-offs total \$37,655.05. Mr. Chance requested permission to write-off the delinquent accounts. We continue

debt collection actions after write-off. He noted that there is an \$8,000.00 write-off attributed to a customer bankruptcy. Our write-offs are less than 1% compared to industry standards 3-5%.

Ms. Costin motioned to grant permission to write-off the delinquent accounts April 1, 2017, through June 30, 2017, for \$37,655.05. Mrs. Edwards seconded the motion and the motion carried.

D.) APPROVE SALE OF EXCESS OFFICE FURNITURE ITEMS:

Mr. Chance asked for Board approval to dispose of excess office furniture (1 desk, 1 storage unit, and 1 work table).

Mr. Burnell made a motion to dispose of excess furniture. The motion was seconded by Ms. Costin. The motion carried.

E.) APPROVE RECOMMENDED PAY RANGE FOR COMMERCIAL BOOKKEEPER POSITION:

Mr. Chance informed the Board that the two Commercial Bookkeeper positions have been removed from union status to hourly/non-union status upon union agreement. In response to reorganization with Kevin retiring and Leah also planning to retire we have added additional assignments to the bookkeeper jobs. We would like to fairly compensate the employees in these two positions in relationship to the new duties they will be performing. Mr. Chance recommended using the American Public Power (APPA) guidelines and pay ranges for establishing these wages; the recommended pay range for these two positions is \$21.00-\$32.00/hour.

Ms. Costin made a motion to approve the recommended pay range of (\$21.00-\$32.00/hour) for the Commercial Bookkeeper positions. Mrs. Edwards seconded the motion. The motion carried.

F.) RESOLUTION 7-2017 RECOMMENDING ADOPTION BY THE CITY OF PERU, INDIANA, OF ITS ORDINANCE AUTHORIZING EXECUTION OF A MASTER EQUIPMENT LEASE PURCHASE AGREEMENT:

Mr. Chance requested the Board approve Resolution 7-2017, Recommending Adoption by the City of Peru, Indiana, of Its Ordinance Authorizing Execution of a Master Equipment Lease Purchase Agreement.

Mr. Chance stated that the finalized Ordinance 28-2017, from Ice Miller bonding counsel, was received earlier today. He explained that the resolution needed to be approved at today’s meeting in order to present the ordinance at the November 6, Peru Common Council meeting. He said that it is important that the Board and the Peru Common Council pass these documents to lock in the 2.44% interest rate which will expire on November 17, 2017. The total cost for the Advanced Metering Infrastructure (AMI) remains at \$4,428,056.25 as previously passed by Ordinance 15-2017. The reason for Ordinance 28-2017, is according to Lisa Lee our bond counsel

at Ice Miller, is that the State Revolving Fund (SRF) has never had to approve a Lease Purchase Agreement in conjunction with an SRF loan. They want to ensure that the Master Lease Purchase Agreement does not interfere with our current SRF loans and will not affect the proposed Peru water system improvements bond. We are the first so this was quite an accomplishment. Both the Water System Improvement projects and the AMI project were in part because of our need to recoup water loss due to faulty meters.

Ms. Costin made a motion for a brief recess and the Board agreed to a brief recess to read and digest Ordinance 28-2017 before members began casting their votes.

After a brief recess, Mr. Ward made a motion to pass Resolution 7-2017, Recommending Adoption by the City of Peru, Indiana, of Its Ordinance Authorizing Execution of a Master Equipment Lease Purchase Agreement. Mr. Burnell seconded the motion and the motion carried.

Mr. Akers asked Attorney Kern if he was comfortable with the drafting of the resolution and the ordinance. Attorney Kern affirmed his confidence in the process and the Board’s decision.

7.) CITY ADMINISTRATION UPDATE: None

8.) CITY ATTORNEY’S UPDATE:

ENGAGEMENT LETTER ICE MILLER – LISA LEE BOND COUNCIL:

Attorney Dustin Kern presented a fee agreement with Lisa Lee of Ice Miller bond counsel and legal services. Her contract amount will not exceed \$24,000.00 and expenses for the actual services, miles for traveling and copying not to exceed \$600.00 total.

Ms. Costin made a motion to approve the fee agreement with Lisa Lee of Ice Miller for the automated metering project not to exceed \$24,000, and expenses for the traveling and copying services for the amount of \$600.00. Mr. Ward seconded the motion.

9.) MANAGER’S REPORT:

INTRODUCTION LEAH MCGUIRE:

Mr. Chance introduced Leah McGuire to the Board. Mrs. McGuire will be the Key Accounts/Customer Service Manager which is a part of the duties performed by the retired Kevin Shives. Mrs. McGuire has been with Peru Utilities since 1995 and formally held the position of cashier.

WATER IMPROVEMENTS PROJECT EVALUATION OF BIDS:

Mr. Chance referenced the Wessler letter of October 31, 2017, Water System Improvements Project Evaluation of Bids which included the bid tabs and professional

NOVEMBER 1, 2017 – Cont'd.

evaluation from Wessler for the water projects. Wessler Engineering will be at the November 15 meeting.

SUBSTATION VANDALISM:

Mr. Chance reported Tokio Marine America insurer for the substation vandalism incident has declined to pay the full amount of the damages incurred. The damage totals \$126,000 and Tokio Marine America has only offered to pay \$10,000. Mr. Chance has instructed Attorney Dustin Kern to look into the matter.

10.) ADJOURNMENT:

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

Geoff Ward, Secretary Peru Utilities Service Board