

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
DECEMBER 6, 2017**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, December 6, 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, J. Edwards, and M. Burnell. Absent: M. Costin and G. Ward. Others present Attorney D. Kern, J. Chance, L. Starkey, B. Tillett, B. Zartman, L. France and J. Languell – City Council Liaison.

1.) APPROVAL OF BOARD MINUTES OF NOVEMBER 15, 2017:

Mrs. Edwards moved that the minutes of November 15, 2017, be approved. Mr. Burnell seconded the motion. The motion passed.

2.) PAYMENT OF CLAIMS:

Mrs. Edwards 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, December 20, 2017, at 4:00 p.m. in the Utility Service Boardroom. *An Executive Session is scheduled for 3:00 p.m., prior to the Regular Board Meeting at 4:00 p.m.*

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS: None

7.) CITY ADMINISTRATION UPDATE:

Mrs. Languell reported the Mayor announced this morning that the city will build a \$12.5 million YMCA on the 40-acre Riverview Landing property. Currently, the “Y” has raised \$7.5 million; the commitment means the “Y” needs \$5 million in further pledges to have the full amount needed for the new building. Anticipated start date is fall of 2018.

8.) CITY ATTORNEY’S UPDATE:

The Automated Metering Infrastructure Lease (AMI) is signed; the closing date for the State Revolving Fund (SRF) loan is set for tomorrow.

9.) MANAGER’S REPORT:

QUARTERLY BREAKFAST:

Mr. Chance invited all Board members to attend the next Quarterly Breakfast Wednesday, December 13, at 7:30 a.m. at the Dutch Café.

AUTOMATED METERING INFRASTRUCTURE (AMI):

Mr. Chance reported that the Automated Metering Infrastructure (AMI) Lease was signed by Mr. Akers on Monday. Currently, there is deposited \$4.4 million in an escrow account committed for the completion of the AMI technology. The installation and new equipment contracts have not yet been signed. The contracts and purchase orders will be sent out Friday at the latest. Prior to the onset of the winter season, it is hoped to have the base stations installed on top of the water towers; the entire project should take 6 - 9 months to complete.

Mr. Chance reported that Lisa Lee’s bond counsel fees had exceeded the initial \$25,000 fee because it was a very complex and time-consuming process to bid the financing and to adequately meet the state’s requirements. He distributed a copy of the new invoice to the Board members for review, it will be on the December 20 agenda for approval. Mr. Chance enumerated the problems connected with securing the SRF and AMI loan and he was also complimentary to Mrs. Starkey and Mr. Zartman and their staffs for their efforts in this process. He noted, that after a series of negotiations instead of the previous interest rate of 3.25% we ended up with a 2.69% interest rate for the loan, which will save \$180,000. Mr. Chance explained we had to have a financial analysis for each division to ensure we had the ability to pay back the loan. He then went on to state there was a lot of difficulties securing both the SRF and AMI loans simultaneously; he said both projects were worthy and deserving of the efforts involved to establish funding. He noted that since we had already made an investment to secure the AMI loan, had the loan not been approved at this time we would have had to make yet another investment to secure the loan again.

STATE REVOLVING FUND (SRF) LOAN:

We close on the SRF Loan tomorrow for the amount of \$7.8 million, we have an OCRA Grant for \$550,000. The preconstruction meeting will be held this Friday with Wessler Engineering and Kokosing Industrial.

POWER PLANT PROGRESS:

National Salvage is still removing foundation; they are a little behind schedule. Mr. France noted that National Salvage will remove everything from the site so that the ground can be restored for other uses in the future. We have held them to the same specification for compaction (every 8 inches compact and test) as used for highway construction. In order to follow the contour of the river bank, National Salvage will attach a concrete saw to the side of the pump house and cut the concrete. Mr. France has done an excellent job overseeing the demolition and holding them to their agreement.

CUSTOMER TRAINING SOLUTIONS:

Peru Utilities is contracted with Dr. Jason Gornto, Customer Training Solutions to teach leadership development for all the managers. Four-hour training sessions will be held on January 10 and 24, and February 7 and 21. Mr. Chance explained that it is an important

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factor to invest in management training since we have a lot of first-time managers. This will help them understand the role and responsibilities of their new position; cost for the 4 sessions is \$9,500.

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.

Geoff Ward, Secretary Peru Utilities Service Board