

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
APRIL 4, 2018**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, April 4, 2018. 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, G. Ward, M. Burnell and J. Edwards. Absent: M. Costin. Others present, J. Chance, B. Tillett, J. Beisiegel, J. Clark, L. Starkey, D. Woessner, and J. Languell-City Council Liaison, and C. Eggers-Peru Tribune.

1.) APPROVAL OF BOARD MINUTES OF MARCH 21, 2018:

Mr. Ward moved to accept the minutes of March 21, Board meeting. Mrs. Edwards seconded the motion. The motion carried.

2.) PAYMENT OF CLAIMS:

Mrs. Edwards moved to approve the claims as presented. Mr. Ward seconded the motion and the motion carried.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, April 18, 2018, at 4:00 p.m. in the Utility Service Boardroom.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) APPROVAL OF BAD DEBT WRITE-OFFS OCTOBER 1, 2017, THROUGH DECEMBER 31, 2017:

	Peru	Grissom	Total
Electric	\$14,962.21	\$ -	\$14,962.21
Water	2,989.96	1,615.42	4,605.38
Wastewater	24.93	77.95	102.88
Stormwater	4.00	-	4.00
Trash	12.00	-	12.00
Total	\$17,993.10	\$ 1,693.37	\$19,686.47

The bad debt write-offs October 1, 2017 – December 31, 2017, were reviewed and Mr. Chance requested permission to write-off the delinquent accounts. YTD 2018 Bad Debt/Write off Recoveries is \$2,911.48, 0.48% of Gross Revenue and Year 2017 Total Bad Debt/Write off Recoveries were \$23,612.84, 0.79% of Gross Revenue.

Mr. Ward made a motion to grant permission to write-off the delinquent accounts October through December 2017, for \$19,686.47. Mr. Burnell seconded the motion and the motion carried.

B.) APPROVAL OF BUCKET TRUCK PURCHASE:

As the Board requested at the last meeting Mr. Chance gave Board members a list of the current 42 fleet vehicles, which did not include trailers. The list is categorized by department: Business Office, Electric Division, and the Division of Water Management. Mr. Chance stated at this time he will concentrate on the Electric Division vehicles unless the Board wanted to review all divisions, He said the useful life of a bucket truck is 8-10 years according to the Industry Standard. He summarized that as a bucket truck ages it has the possibility to lose its ability to be as effective as a ground when working with voltage. He said that Truck #253 is 8 years old and has had \$5,000 in repairs spent on it this last quarter. Mr. Chance reviewed Mike Walsh’s memo in regards to replacing Truck #253. He stated that there is \$300,000 allotted in the budget for the purchase of a Digger Derrick but it takes 12 months minimum to have delivery of such an item. He said that it was opted instead to replace Truck #253 this year with part of the budgeted funds and reallocate the 2019 budget to purchase a Digger Derrick. We plan to order the Digger Derrick in 2018 and pay for it in 2019. Mr. Chance said in the not too distance future he will ask the Board to approve the purchase of a Digger Derrick truck to be paid for in 2019.

Specifications were mailed to Altec, UTE, and Terex for quotes for Truck #253 replacement. The following quotes were obtained.

Altec Delivery Estimated late May to early June, 2018	Fleet Price \$151,042 <i>Trk #352 (\$31,000)</i> Total \$120,042
UTE Delivery Estimated May to June 2018	Fleet Price \$156,665 <i>Trk #352 (\$18,500)</i> Total \$138,165
Terex The bid dismissed due to many omitted specification requests.	Fleet Price \$145,242

Mr. Chance recommended accepting the low bid from Altec for \$151,042 for Truck #253, allowing a trade-in allowance of \$31,000, making the final cost of the new vehicle \$120,042.

Mr. Burnell made a motion to accept the bid of \$151,042 from Altec for a bucket truck, with a trade-in allowance of \$31,000, for a final cost of \$120,042. Mrs. Edwards seconded the motion and the motion carried.

Mr. Chance addressed Mrs. Edward’s earlier question about the availability of using a truck already on hand to perform work for Automatic Metering Infrastructure (AMI). He explained that when AMI advances to full implementation two of the three vehicles currently assigned to the Business Office would transfer to the Technical Services Department; one of the vehicles will be retired. The new Technology Department vehicle that was recently approved will be used in functions such as transporting the wire-splicing trailer, meter reading staff and other functions and duties of the IT Department. Mr. Chance stated that normally we would like to get 12-14 years of service out of a vehicle. In addition, this year the Safety Manager and Engineer vehicles are budgeted for replacement.

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

8.) **CITY ATTORNEY’S UPDATE:** None

9.) **MANAGER’S REPORT:**

AMI:

Mr. Chance showed the Board pictures of the Automatic Metering Infrastructure (AMI) noting that antennas and base stations have been installed on the water towers at Mexico Road and Parkview Heights. He gave a detailed presentation on how the new technology will gather and relay information back to the office.

ELECTRIC DIVISION - STRATEGIC PLANNING:

Mr. Chance made an in-depth presentation to the Board about the Electric Division Strategic Plan and its timeline that would have to be readjusted as time goes on. As inflation adjusts, the Strategic Plan will have to be re-reviewed. He explained that the plan identifies our immediate goals and will enhance our ability to maintain system reliability, service our customers and maintain a fleet of vehicles. In addition, it focuses on improving our infrastructure. He summarized how the Strategic Plan will also help us maintain and improve our 330 miles of distribution system over a period of years. Mr. Chance reported that Peru Utilities has been actively tracking and benchmarking our distribution reliability statistics using the standard SAIDI and SAIFI. He explained that *System Average Interruption Duration Index (SAIDI)* is the average number of minutes that a typical customer is out of power each year and the *System Average Interruption Frequency Index (SAIFI)* is an average number of outages a typical customer experiences each year. He reviewed SAIDI and SAIFI comparisons for other Indiana municipalities with the Board noting that we are in the middle of the pack leaving room for improvement. He explained that over the last few years our reliability has decreased because of the weather and aging infrastructure. Mr. Akers thanked Mr. Chance and staff for their efforts putting together the Strategic Plan, the Board appreciated receiving this information.

Mrs. Edwards inquired if over time the Board could be informed of the progress of the Strategic Plan. Mr. Chance said yes, of course, that was his intention. Mrs. Edwards

inquired if the Board packet information and planning information can be sent electronically to the Board members; Mr. Chance said he would look into the matter.

HEALTH INSURANCE:

Mr. Chance reported that the City had dropped their request to share health insurance. The City had decided that they will maintain their own plan and we will remain as we are. Going forward Peru Utilities and the City will continue to explore new opportunities with regard to health care.

NEW HIRE MARISSA STOOPS, COMMERCIAL BOOKKEEPER:

Marissa Stoops will join the Business Office team Monday, April 9, as Commercial Bookkeeper. She worked for Howard Community Regional Health in Kokomo from 1998 – 2015 as a financial accountant, and as an accounts payable/payroll specialist and accounting technician. From 2015 to the present, she has been employed as an accountant at the Productive Assistant in Kokomo. She also holds an Associate of Applied Science (AAS) degree in accounting.

10. ADJOURNMENT:

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

Geoff Ward, Secretary Peru Utilities Service Board