

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
MAY 2, 2018**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, May 2, 2018, at 4:00 pm following an executive session pursuant to notice as required by law. The following Board members were present: S. Akers, M. Costin, G. Ward, M. Burnell and J. Edwards. Others present, J. Chance, B. Tillett, L. Starkey, L. France, J. Clark, R. Hall, B. Zartman, J. Beisiegel, and T. Alley-City Council Liaison.

**1.) APPROVAL OF BOARD MINUTES OF APRIL 18, 2018:**

*Mr. Ward moved to accept the minutes of April 18, Board meeting. Mr. Burnell seconded the motion and the motion carried.*

**2.) PAYMENT OF CLAIMS:**

In reference to the Accounts Payable Check Report, Ms. Costin inquired if the chemical that the Daltons used for vegetation control is harmful to honeybees. Mr. France stated that the state establishes and administers a vegetation control program that vendors have to follow; he will investigate the matter in regards to the bees.

*Ms. Costin moved to approve the claims as presented. Mrs. Edwards seconded the motion and the motion carried.*

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held Wednesday, May 16, 2018, at 4:00 p.m. in the Utility Service Boardroom.

**4.) PUBLIC COMMENT: None**

**5.) OLD BUSINESS: None**

**6.) NEW BUSINESS:**

**A.) APPROVAL FOR THE PURCHASE OF TWO 3,750 KVA PAD MOUNTED THREE PHASE TRANSFORMERS:**

Mr. Chance stated that the approval for the purchase of two 3,750-kVA pad mounted three phase transformers is necessary for the upgrade of Smithfield Foods. In March, he had informed the Board of Smithfield's intention to expand their production line thereby creating a larger need for electricity. At that time, we planned to install a used transformer and before the end of the year purchase a second new one. After performing a load study it was determined that load on two of the services, feeding the microwave generators is operating at 100% of its rating and the other transformer is operating above 85% of its rating. Mr. Chance stated that Smithfield Foods will begin installing the new equipment this summer and the load on both transformers will exceed their thermal ratings. There have been several instances where the smaller transformer has blown a fuse. The first budgetary quote of

\$100,000 was incorrect. Specifications were mailed to ABB, Anixter, and Howard for quotes for two 3,750-kVA transformers. The following quotes were obtained:

• <b>ABB</b>	<i>Did Not Quote</i>
• <b>Anixter</b>	<b>\$ 44,700/Ea.</b> <i>Lead time 8-10 weeks</i>
• <b>Howard</b>	<b>\$ 46,115/Ea.</b> <i>Lead time 12-15 weeks</i>

The new transformers will provide Smithfield’s needs up to a 4,000-amp service. If Smithfield plans to expand more in the future it will be a significant investment on both parties. On the positive side, we will keep one of the used transformers so that we will have a backup to meet their needs in case a problem should arise with one of the new transformers. We expect an additional \$196,000 in revenue in 2019 and gains and revenue should continue on after that. Mr. Chance recommended accepting the low bid from Anixter for \$44,700 for two 3,750-kVA transformers.

*Ms. Costin made the motion to accept the bid of \$44,700/ea. for two 3,750-kVA transformers. Mr. Ward seconded the motion and the motion carried.*

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

8.) **CITY ATTORNEY’S UPDATE:**

Attorney Dustin Kern reported he had finished reviewing a Mobility Pole Attachment Contract for Mike Walsh. Mr. Akers inquired as to what kind of pole attachments. Mr. Chance summarized that it is the initial contract between Peru Utilities and Mobility stating the terms of installing base stations on poles in constricted areas of Peru. The pole attachments will be used for data.

9.) **MANAGER’S REPORT:**

**1<sup>ST</sup> QUARTER 2018 ACCOMPLISHMENTS:**

Mr. Chance gave the Board a list that noted the most significant accomplishments for the 1<sup>st</sup> Quarter 2018 by each division. He summarized a few from each division. The Board had questions about the LED light bulb replacement that was mentioned on the list. Mr. Chance reported that the money used to retrofit existing street lighting to the more efficient LED fixtures is part of the Federal Streetlight Grant Agreement between Indiana Municipal Power Agency (IMPA) and the City of Peru. They are along East Main Street from Broadway east to the city limits and along Daniel Street in front of the Peru Junior High. Due to the high cost of LED’s our current rates do not support the higher cost. We will include a rate for the LED light bulbs in the next Electric Cost of Service Study.

**APRIL FINANCIALS:**

April fund balances are strong for all departments except Grissom Water. We are below target on the Depreciation Fund for Grissom Water because of a large number of capital projects pending, we are moving forward with the rate increase for Grissom Water. The power plant demolition is proceeding towards its conclusion. The Electric Division will attempt to get as many projects done this year as possible. Mr. Chance reported that a residential water customer was overbilled 10 million gallons. We have corrected the billing error. It was noted that water losses average 40% for the year.

**APPA NATIONAL CONFERENCE:**

Mr. Chance plans to attend the 2018 APPA National Conference & Public Power Expo – in New Orleans, June 15-20.

**FRONT OFFICE SECURITY MEASURES:**

Mr. Chance reported that a new monitor has been installed in the front business office for security measures and is recording video.

**TRANSMISSION/DISTRIBUTION SUPERINTENDENT:**

Mr. Chance introduced the new Transmission/Distribution Superintendent Robert Hall to the Board. Bob comes to us with an extensive background in journeyman line work and lineman safety. The Board welcomed Bob on behalf of Peru Utilities.

**10.) ADJOURNMENT:**

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

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Geoff Ward, Secretary Peru Utilities Service Board