

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
MAY 20, 2020**

The Peru Utilities Service Board held a meeting virtually through video conferencing via Zoom, on Wednesday, May 20, 2020. Ms. Costin called the meeting to order at 4:00 p.m. pursuant to notice as required by law. The following Board members were present: M. Costin, R. Donoho, C. McKinney, and J. Edwards. Others present Attorney Dustin Kern, J. Chance, B. Tillett, L. France, J. Clark, J. Beisiegel, B. Zartman, B. Hall, and L. McGuire.

**1.) APPROVE BOARD MINUTES OF MAY 6, 2020:**

*Mr. Donoho moved that the minutes of May 6, 2020, be approved. Mr. McKinney seconded the motion. The motion passed unanimously.*

**2.) PAYMENT OF CLAIMS:**

*Mr. Donoho moved to approve the claims as presented. Mr. McKinney seconded the motion. The motion passed unanimously.*

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held Wednesday, June 3, at 4:00 p.m.

**4.) PUBLIC COMMENT: None**

**5.) OLD BUSINESS:**

**6.) AMEND AGENDA:**

*Mr. McKinney moved to amend the agenda and add Item D-Approve Long-Term Control Plan Local Counsel Agreement. Mrs. Edwards seconded the motion and the motion passed unanimously.*

**7.) NEW BUSINESS:**

**A.) APPROVE DISBURSEMENT REQUESTS #6, #7, #8, #9 and #10 FOR THE GRISSOM WATER SYSTEM IMPROVEMENTS:**

The Board considered the following disbursement requests #6, #7, #8, #9 #10 for the Grissom Water System Improvements.

Disbursement #6, Baker Tilly, for services rendered in connection with the analysis of the Grissom Water Utility rates and charges, for \$8,500.

Disbursement #7, Baker Tilly Virchow Krause LLP, for services rendered as Indiana Finance Authority, for \$4,000.

Disbursement #8, Dentons Bingham Greenebaum LLP, for services rendered as Indiana Finance Authority, for \$1,724.

Disbursement #9, Ice Miller LLP, for professional services for Waterworks Revenue Bonds, \$6,600.

Disbursement #10, City of Peru – reimburse Peru Utilities for expenditures made in preparation for the SRF Loan, for \$308,650.

*Mr. Donoho made a motion to approve disbursement requests #6, #7, #8, #9 and #10 for the Grissom Water System Improvements. Mr. McKinney seconded the motion. The motion passed unanimously.*

**B.) APPROVE 3<sup>RD</sup> QUARTER 2020 ELECTRIC RATES – TRACKER ADJUSTMENT:**

Mr. Chance stated that the 3<sup>rd</sup> Quarter Tracker had decreased and in speaking with IMPA, it was felt that the trend would continue. He asked for acceptance of the 3<sup>rd</sup> Quarter 2020 Electric Rates-Tracker Adjustment. For the 3<sup>rd</sup> quarter of 2020, the tracker decreased in its schedule of rates for electricity sold in the amount of -0.003219 cents per kilowatt-hour (kWh). Residential customers will experience a decrease of \$4.90 per 1,000 kilowatts. Commercial customers will experience a decrease of \$3.23 per 1,000 kilowatts. The 3<sup>rd</sup> Quarter 2020 Electric Rates Tracker Adjustment filing will be on the City Council’s June 1 agenda for consideration.

Ms. Costin inquired if the information regarding the tracker could be printed on each customer’s bill. Mr. Chance explained that for a variety of reasons it would not be practical.

*A motion was made by Mr. Donoho moved to accept the 3rd Quarter 2020 Electric Rates –Tracker Adjustment and seconded by Mr. McKinney. The motion passed unanimously.*

**C.) REJECTION OF CONSTRUCTION BID FOR THE WABASH RIVER CROSSINGS:**

Mr. Chanced explained that the Wabash River Main Crossings was initially part of the Peru Water Upgrade Project. However, we did not get a bid for this particular portion of the upgrade at that time, leaving \$600,000 of the State Revolving Fund (SRF) monies that had to be allocated within a certain timeframe. That being the case it was decided to rebid the Wabash River Main Crossings Project, which was estimated by Strand Engineers between \$1.2 -\$.13 M for both the crossings. We received just one bid from Atlas Construction at \$2.3 M for both of the Wabash River Main Crossings, which made the entire project entirely unaffordable. Mr. Chance stated that it is planned to bid the project again in the fall and we hope that Strand Engineering will be more vigorous in their communications with the contractors. This will enable us to utilize the remaining \$600,000 of the SRF funding. It is also felt there might be some grant money available later this fall and that the cost to do the project will decrease, as more contractors will be looking for work. Mr. Beisiegel added that Strand Engineering had performed some initial studies on this several years ago and had engineered the Hwy. 124 Project. Because they had completed a good portion of the work, Mr. Chance said that it was felt we would save money

when we contracted with them for this project. We already have the bore samples and the sounding of the river we just need to find a contractor to do the work. Mr. Chance asked the Board to reject all bids concerning the Wabash River Main Crossings at this time.

*Mrs. Edwards made a motion to reject all bids and rebid the project later this year. Mr. McKinney seconded the motion and motion passed unanimously.*

**D.) LONG-TERM CONTROL PLAN LOCAL COUNSEL AGREEMENT:**

Mr. Chance said that Attorney Dustin Kern has presented this Engagement Letter regarding his services he will provide for the duration of the Long-Term Control Plan. His fee will be 1% of the total finance cost of the bond issuance not to exceed \$500,000. In the event the Long-Term Control Plan has more than one bond issuance, Local Counsel shall be compensated at the time of each bond issuance, not to exceed 1% of the said bond amount; in aggregates, Counsel’s compensation shall not exceed \$500,000 for the total project. This fee is based on Counsel’s experience in serving as Local Bond Counsel, Local Counsel fees on prior SRF Bond’s/Financing of this magnitude, along with local counsel fees for other Utilities’ for similar long-term control plan bond issuances. Further, the nature and complexity of serving as Local Counsel for bond issuance also play into effect in this manner.

*Mr. Donoho moved to accept the Long-Term Control Plan Local Counsel Agreement with Attorney Dustin Kern as Legal Counsel for the duration of the Long-Term Control Plan; the fee will be 1% of the total finance cost of the bond issuance not to exceed \$500,000, in the event the Long-Term Control Plan has more than one bond issuance, Local Counsel shall be compensated at the time of each bond issuance, not to exceed 1% of the said bond amount; in aggregates, Counsel’s compensation shall not exceed \$500,000 for the total project. Mr. McKinney seconded the motion and the motion passed.*

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

**9.) CITY ATTORNEY’S UPDATE:**

Attorney Dustin Kern reported he is still in negotiations with Clawson Communications and will move forward just as soon as Mr. Zartman provides him the E-mail chain of conversations that occurred between Mr. Zartman and Clawson Communication.

Mr. Donoho thought that the letter Leah McGuire had sent to Peru Utility customers explaining the COVID-19 Utility Assistance Program services was appropriate, the Board agreed.

**10.) MANAGER’S REPORT:**

**GRISSOM WATER LOAN/PROJECT:**

Mr. Chance announced the loan closing on 5/14 for \$4.4 M from SRF Funding to improve the Grissom Water infrastructure. Tentative pre-construction meeting scheduled for 6/8 – 6/12, but not yet confirmed. We have a Notice to Proceed on June 15, which will be signed and issued. We are currently working on written guidelines to present to contractors pertaining to the pandemic. Substantial completion is tentatively scheduled for 8/14/2021; we have 24 months to complete the project.

**FINANCIALS:**

Mr. Chance gave an in-depth discussion on the financials. He shared with the Board how Peru Utilities is coping with customers who have encountered financial difficulties through no fault of their own during the pandemic. Peru Utilities is doing our best to work with these folks and take a reasonable and compassionate approach with regard to bill collection. He also summarized the Cash Fund Balances and Depreciation Accounts for all departments, noting that we have invested this year in Arizona Isotope and Progress Rail. Mrs. Edwards felt that it was important that we conserved at this point, and hopefully, we will be able to collect past due money when customers can again afford to pay. Mr. McKinney also felt it was good to see that we are doing as well as we possibly can.

**UNITED WAY GRANT:**

Mr. Chance noted that United Way had a \$10,000 grant to provide funds for low-income and Asset Limited Income Constrained Employed Families (ALICE), to help pay their damage deposits and disconnect fees for their utilities. We worked together with the United Way to set a cap at \$400 so that more customers would be able to participate in the program. The money was depleted in two days. There is a possibility United Way will get a matching grant. Mrs. Edwards pointed out that the United Way also has a resource network, which can supply people with resources from multiple agencies.

**EMPLOYEE PANDEMIC PROTOCOL:**

Mr. Chance referenced the Governor’s Road to Recovery dates May 24 – June 23. He said that he would like to follow the Governor’s guidelines as close as possible and have everybody return to work full strength on 6/19. He felt that it best to err on the side of caution due to the fact the health of our employees and customers is of utmost importance.

**JUNE 3 BOARD MEETING:**

The next Board meeting will be advertised as a Zoom Conference meeting, Ms. Costin, Mr. Donoho, and the new Board member will attend in person. Mrs. Edwards and Mr. McKinney preferred to attend using the Zoom format. Any Board member who wished

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to change their method of attendance should contact Mr. Chance and adjustments will be made.

**11.) ADJOURNMENT:**

*There being no further business to bring before the Board, Mr. Donoho made a motion to adjourn. Mr. McKinney seconded the motion. The motion passed, the meeting adjourned.*

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Jami Edwards, Secretary Peru Utilities Service Board