

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JULY 15, 2020**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, and virtually through video conferencing via Zoom, on Wednesday, July 15, 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. Absent D. Van Baalen. Others present Mayor Miles Hewitt, City Attorney Dustin Kern, J. Chance, B. Tillett, J. Beisiegel, B. Hall, J. Clark, L. France and J. Alvey-IMPA.

1.) APPROVE BOARD MINUTES OF JULY 1, 2020:

Mr. Donoho moved that the minutes of July 1, 2020, be approved. Mr. McKinney seconded the motion. The motion passed unanimously.

2.) PAYMENT OF CLAIMS:

Mrs. Edwards moved to approve the claims as presented. Mr. Donoho seconded the motion. The motion passed unanimously.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on-site Wednesday, August 5, 2020, at 4:00 p.m. in the Team Teaching Room and virtually through Zoom video conferencing. The link to join the meeting will be advertised in the Peru Tribune before the meeting date.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) IMPA'S PRESENTATION REGARDING A POSSIBLE CONTRACT EXTENTION:

Mr. Jack Alvey, Executive Vice President & Chief Operating Officer of Indiana Municipal Power Agency (IMPA) passed out copies of the IMPA Power Supply Agreement Extension to the Board and gave an in-depth explanation of why the extension is being proposed. He laid out how the extension proposal would help IMPA to react to upcoming challenges within the industry concerning a further commitment to renewables and the Clean Energy philosophy, which will ultimately lead to the continuation of competitive power costs for IMPA members. Mr. Alvey summarized that IMPA was created in 1983 (Peru is one of the founding members) and is a wholesale power provider to 61 cities and towns in Indiana and Ohio who own and operate the municipal electric distribution systems in their community. The agency focuses on providing its member communities with a wholesale power supply that is low-cost (IMPA has one of the lowest power wholesale rates in Indiana), reliable and environmentally responsible, serving 340,000 people, with \$2 billion in assets, plus an A+/A1 bond rating. IMPA's power portfolio includes coal, natural gas, nuclear, wind, and solar and is part of American Public Power (APPA). IMPA's current Power Sales Agreement expires in 2042; original contracts were

signed in 1982, with a 50-year term, and was extended an additional 10 years in 2007. Since IMPA’s power generation profile is changing to finance new generation projects effectively that are going to be required for them to keep producing power, Mr. Alvey stated that IMPA is requesting an eight-year contract extension to 2050, with a 30-year notice termination.

Mr. Chance stated that IMPA has been a good partner to Peru Utilities throughout the years and although he felt that, the contract extension would be prudent he encouraged the Board to contemplate what they have heard at this meeting and noted it would be discussed and voted upon later. Mr. Chance said that if any Board member would like to visit the IMPA facility in Indianapolis, just let him know.

7.) CITY ADMINISTRATION UPDATE: None

8.) CITY ATTORNEY’S UPDATE:

City Attorney Dustin Kern has been unsuccessful in his attempt to contact Clawson’s Communication legal representative; he plans to contact them again the first week in August.

9.) MANAGER’S REPORT:

PERU CSO LONG-TERM CONTROL PLAN – BOTTLENECK REMOVAL PROJECT:

Mr. Chance said that the preliminary prints for the Cass Street Project have been received which is part of the Long-Term Control Plan. It is a large capital project for the wastewater plant and is located at the intersection of Cass and Canal Streets and will eliminate CSO’s and divert more water flow into the lift station. Mr. Beisiegel explained the project to the Board and noted that it is moving forward and that we will have the estimate before the end of the year.

COVID-19 CONSTRUCTION SITE BEST PRACTICES REQUIREMENTS:

Mr. Chance said he would give the Board each a copy of the Covid-19 Construction Site Best Practices Requirements. He explained that Peru Utilities is asking contractors to lay out steps, they are taking to be socially responsible during the time of the pandemic.

COMMERCIAL LIABILITY INSURANCE RENEWAL:

Two competitive bids were received for our commercial liability insurance renewal as follows: Smith Sawyer Smith Insurance Agency - Travelers \$180,795, McGriff Insurance Agency - Selection \$186,387. Mr. Chance felt it best to remain with Smith Sawyer Smith because they are \$6,000 less for the same coverage.

COMPANY HEALTH INSURANCE:

Our company health insurance renewal is scheduled for August 1. The premium for our employer-based coverage rose 2.6%, well below the national average of between 12%-15% with our existing carrier Companion Life. It is anticipated that the Health

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Insurance Committee will agree to this proposal before August 1.

NEW PERU YMCA:

Mr. Chance said that staff would meet with Mr. Mark Demchak, Executive Director of the YMCA and Patriot Engineering tomorrow in the Team Teaching Room to discuss the new YMCA facility project and to find out what Peru utility’s role would be in the project, for which they hope to break, ground soon.

10.) ADJOURNMENT:

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

Jami Edwards, Secretary Peru Utilities Service Board