

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
FEBRUARY 17, 2021**

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, February 17, 2021. Chairperson Mary Costin called the meeting to order at 4:00 p.m. pursuant to notice as required by law. The following Board members were present Ms. Mary Costin and Mr. Richard Donoho. Mr. Chris McKinney attended virtually. Absent Mrs. Jami Edwards and Mr. Dave Van Baalen. City Attorney Dustin Kern and Mrs. Patricia Russell-City Council Liaison attended virtually. Others present Mayor Miles Hewitt, Mr. Josh Chance, Mrs. Brenda Tillett, Ms. Joyce Clark, Mr. Jamin Beisiegel, Mr. Mike Biesenbach, Mr. Matt Svanter, and Mr. Lee France.

1.) APPROVE BOARD MINUTES OF FEBRUARY 3, 2021:

Mr. McKinney moved that the minutes of February 3, 2021, be approved. Mr. Donoho seconded the motion. The vote was unanimous, the motion passed.

2.) PAYMENT OF CLAIMS:

Mr. Donoho moved to approve the claims as presented. Mr. McKinney seconded the motion. The vote was unanimous, the motion passed.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on-site Wednesday, March 3, 2021, 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.) APPROVE SRF DISBURSEMENT REQUESTs #30 AND #31 FOR THE GRISSOM WATER SYSTEM IMPROVEMENTS:

The Board considered the following disbursement requests #30 and #31 for the Grissom Water System Improvements.

Disbursement Request #30, Thieneman Construction, for contract construction work for the period of 1/1/21 – 1/31/21, for the total amount of \$212,857.

Disbursement #31, NV Grant Services, for professional services rendered for Labor Standards for \$900.

Mr. Donoho made a motion to approve Disbursement Request #30 to Thieneman Construction, for contract construction work for the period of 1/1/2021 – 1/31/21, for the sum of \$212,857 and to approve Disbursement Request #31 to NV Grant Services for the sum of \$900, for the Grissom Water System Improvements. Mr. McKinney seconded the motion. The vote was unanimous, the motion passed.

B.) APPROVE 2ND QUARTER 2021 ELECTRIC RATES – TRACKER ADJUSTMENT:

Mr. Chance explained that the quarterly Electric Rates Tracker Adjustment reflects the increases/decreases in Peru Utility’s cost of purchased power charged by our supplier, Indiana Municipal Power Agency. The fluctuation in the Power Cost Adjustment is largely caused by changes in the energy market.

Current Rates - Local Area Energy Providers

	Local Area Energy Providers	Residential Charge for 1000 kWh energy	Cost per kWh	Customer Charge/ Facilities Charge	Total Charge for 1000 kWh	Effective Rate per kWh	% difference From P.U.
	Duke Energy	\$114.44	\$0.114440	\$9.01	\$123.45	\$0.123450	9.95%
	Heartland REMC (Wabash)	\$114.01	\$0.114010	\$20.00	\$134.01	\$0.146399	19.35%
	Miami Cass Remc	\$118.00	\$0.118000	\$25.75	\$143.75	\$0.143750	28.03%
2Q 21	Peru Utilities	\$108.06	\$0.108060	\$4.22	\$112.28	\$0.112280	

Mr. Chance asked for acceptance of the 2nd Quarter 2021 Electric Rates-Tracker Adjustment. For the 2nd quarter of 2021, the tracker increased an average in its schedule of rates for electricity sold for \$ 0.002436 per kilowatt-hour (kWh). Residential customers will experience an increase of \$3.68 per 1,000 kilowatts. Commercial customers will experience an increase of \$1.55 per kilowatt-hour. The second Quarter 2021 Electric Rates Tracker Adjustment filing will be on the City Council’s March 1 agenda for their consideration.

A motion was made by Mr. Donoho to accept the 2nd Quarter 2021 Electric-Rates Tracker Adjustment and seconded by Mr. McKinney. The vote was unanimous, the motion passed.

C.) APPROVE ANNUAL CPI ADJUSTMENT FOR PERU WATER RATES:

Mr. Chance explained that the Indiana Utility Regulatory Commission (IURC) provides a method to adjust both the Peru and Grissom Water rates annually to include the factors that trend with inflation. He added that both Peru and Grissom rate adjustments are abbreviated rate cases and that Peru Utility is basing the rate adjustment on the IURC’s guidelines; by using the Commission’s guidelines our staff and consultant can perform the calculations. He explained what “weighted index,” meant - different components of the rate structure are given different values; some components are more important and are weighted more. Both Peru and Grissom’s new rate adjustments are minimal. Mr. Chance explained that rate cases can be expensive and this provision provides a method to adjust rates annually. Mr. Chance noted that slowly increasing the rates with the pace of inflation would help prevent a

significant rate increase all at once, which has happened in the past. After discussion, the Board, along with the Mayor and City Council Liaison felt that this was an appropriate thing to do. It is not an automatic rate increase it has to be presented to the Peru City Council for their approval after Board approval. Mr. Chance requested acceptance of the annual Consumer Price Index (CPI) Peru Water Rates adjustment, which City Ordinance 28-2016 addresses. If accepted Peru water rates will increase by 1.2% per the formula, effective April 1, 2021. The average customer who uses 3,000 gallons of water will see an increase of \$0.16 in their monthly bill. The 2021 Peru Water Rates annual CPI adjustment filing will be on the city council's March 1 agenda for their consideration.

Mr. Donoho made a motion to accept the Peru Water Rates annual CPI adjustment of 1.2%, effective April 1, 2021. Mr. McKinney seconded the motion. The motion passed unanimously.

D.) APPROVE ANNUAL CPI ADJUSTMENT FOR GRISSOM WATER RATES:

Mr. Chance requested acceptance of the annual Consumer Price Index (CPI) Grissom Water Rates adjustment addressed by City Ordinance 24, 2019, and based on a formula recommendation endorsed by the Indiana Utility Regulatory Commission (IURC). Baker Tilly has also reviewed the rates. If accepted the Grissom water rates will increase by 1.1% per the formula, effective April 1, 2021. The average customer who uses 3,000 gallons of water will see an increase of \$0.21 in their monthly bill. The 2021 Grissom Water Rates annual CPI adjustment filing will be on the city council's March 1 agenda for their consideration.

Mr. McKinney made a motion to accept the Grissom water rates annual CPI adjustment of 1.1%, effective April 1, 2021. Mr. Donoho seconded the motion. The motion passed unanimously.

E.) APPROVE BID SELECTION FOR REPLACEMENT OF TRUCK #352 FOR THE DIVISION OF WATER MANAGEMENT:

Mr. Chance stated there is a need for a pickup truck for the Division of Water Management to replace truck #352, which is a 2006 Ford Ranger with 75,210 miles. It is felt that it is time to replace truck #352 and that a smaller truck would still fill the needs of the Division of Water Management Assistant Superintendent, Ms. Cory Ewer.

The following are the bid amounts submitted by the three vendors:

Brad Howell Ford-Kokomo	2021 Ford Ranger Crew Cab	\$33,748.00
O'Daniel Ford – Ft. Wayne	2021 Ford Ranger Crew Cab	\$33,774.25
Bob Thomas Ford Ft. Wayne	2021 Ford Ranger Crew Cab	\$35,306.00
Peru Ford	2021 Ford Ranger Crew Cab	\$39,301.00

Mr. Chance recommended accepting the low bid from Brad Howell Ford, Kokomo, for the sum of \$33,748.00 for a 2021 Ford Ranger 4 x four-crew cab. Mr. Chance noted that the existing vehicle would be disposed of through sealed bids.

Mr. Donoho moved to approve the purchase of the Ford Ranger 4 x 4 from Brad Howell Ford – Kokomo for the sum of \$33,748.00. Mr. McKinney seconded the motion. The motion passed unanimously.

F.) RECOMMEND GATE ACTUATOR REPLACEMENT CONTRACTOR:

Mr. Beisiegel summarized how the gate actuators operate and the need for them to be updated. Intrasect Technologies is the company that maintains our SCADA system and they submitted a quote not to exceed \$50,380.00 to do the work; this project is currently accommodated in the 2021 Budget. Mr. Beisiegel recommended Intrasect Technology to perform the upgrade not to exceed \$50,380.00.

Mr. Donoho made a motion to contract with Intrasect Technologies to upgrade the gate actuators and integrate them into the existing SCADA system for a sum of \$50,380.00. Mr. McKinney seconded the motion. The motion passed unanimously.

7.) CITY ADMINISTRATION UPDATE:

Mayor Miles Hewitt reported he had participated in informational meetings regarding the Downtown Revitalization Plan. He also noted that he had received calls from other cities inquiring about how the City of Peru maintains its streets during bad weather. He noted that the Civic Center hosted a benefit dinner and raised \$4,300.00 for an individual that lost everything in a house fire. The Mayor reported that the Civic Center is being revamped and if anyone has any questions about renting the Civic Center to get in touch with the Mayor's office.

8.) CITY ATTORNEY'S UPDATE: None

9.) MANAGER'S REPORT:

TRANSMISSION/DISTRIBUTION SUPERINTENDENT:

Mr. Chance announced that Mr. Michael Biesenbach was awarded the position of Line Superintendent. Mr. Biesenbach has worked for Peru Utilities for 5 years as an Apprentice and Journeyman Lineworker. Previously, he worked for Par Electrical Contractors constructing 500/230 kV transmission lines. He has served in the U.S. Army and was employed in Iraq and stationed in Italy.

CYBERSECURITY:

Mr. Chance updated the Board about a recent event in Florida, in which a hacker had attempted to take control of a utility water system. Mr. Chance reassured the Board that Peru Utilities is remaining vigilant from a Cyber Security standpoint to prevent any

intrusions into our SCADA system. Mr. Matt Svantner Peru Utility’s IT Specialist stated that Peru Utilities SCADA System is locked out and can only be accessed by our Administrators. Mr. Chance stated that it is not a question of if we will be hacked, but when; he went on to say that smaller cities/towns are more vulnerable to cyber hackers. Mr. Svantner explained that we have Botnet Protection, which blocks known remote controlling servers from doing anything harmful to our network or anything internally trying to communicate to it. Sources are the servers that attempt to communicate to our network. Destinations are usually someone clicking on a wrong link, and its attempt to connect to that server. In the past 14 days, we have already had 586 attempts of a known server trying to connect to our server to tell our computers what to do, eight of our computers tried to communicate to it. Mr. Svantner said that we have Geolocation software that blocks communications to and from a country, the biggest being China. China every day is trying to communicate with us. We had 759,066 attempts just in 2 weeks to get into our equipment that is mostly made in China trying to communicate back home to China. Last year alone there were 14 attempts per day by Russia trying to get into or Incode server. Mr. Svantner summarized that we have Intrusion Prevention Service that is the catchall service that scans all data through our network, looking for anything trying to act malicious, spyware, and various other network attacks, there have been 87 blocked attempts. He said that just last Wednesday there was one Ransomware attempt on our network and our software already in place effectively blocked it.

TEXAS POWER CRISIS:

Mr. Chance talked to the Board about the recent Texas power crisis. He explained that Texas’s situation is unique from the rest of the country because it has assumed the responsibility for maintaining and feeding its power grid independently from the rest of the country. Their crisis was due to a series of unfortunate events ranging from inclement weather and a comprehensive lack of planning and management concerning their power grid system. Mr. Chance said that the Peru Utility’s association with Indiana Municipal Power Agency assures us of having a more reliable and cost-efficient source of energy achieved through diversification across all sources of energy, coal, natural gas, wind, and solar.

NORTHWEST UTILITY CORRIDOR WATER TOWER:

Mr. Chance said that on Tuesday the Northwest Utility Corridor water tower’s stem was frozen, putting the north water supply at risk. The Division of Water Management Crews worked to solve the problem with no major repercussions or damage, but still could not get the stem thawed; residents still have access to water. Mr. Beisiegel called a company in Sioux Falls, South Dakota to come to fix the problem. The State Police Post, Gallahan’s north, Cotronics, REMC, and the Chinook Trailer Factory is on a boil water order.

FEBRUARY 17, 2021 – Cont'd.

10.) ADJOURNMENT:

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

Jami Edwards, Secretary Peru Utilities Service Board