

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
November 16, 2022**

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 Teams Meeting, on Wednesday, November 16, 2022. 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 Chris McKinney, Richard Donoho, Dave Van Baalen and Jami Edwards. Others present Joshua Chance-General Manager, Alice Hartley, Jamin Beisiegel, Wayne Brindle, Michael Biesenbach, Dustin Kern-Attorney, and Mayor Miles Hewitt, on Teams Kathleen Plowthow-City Council Lisason

**1.) APPROVE BOARD MINUTES OF NOVEMBER 2, 2022:**

*Board member Richard Donoho moved that the minutes of November 2, 2022 be approved. Board member Chris McKinney seconded the motion. The vote was unanimous, motion passed.*

**2.) PAYMENT OF CLAIMS:**

*Board member Jami Edwards made a motion to approve the claims as presented. Board member Chris 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, December 7, 2022, at 4:00 p.m. in the Team-Teaching Room. Teams Meeting video conferencing is available for the public.

**4.) PUBLIC COMMENT: NONE**

**5.) OLD BUSINESS: NONE**

**6.) NEW BUSINESS:**

**A.) APPROVE 1ST QUARTER 2023 ELECTRIC 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 caused by changes in the energy market. The chart below reflects the local area providers rates, Peru Utilities customer charge/facilities charge is \$4.22.

**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                 | \$177.14                               | \$0.177145        | \$10.54                            | \$187.68                  | \$0.187685             | 57.20%                 |
| Heartland REMC (Wabash)     | \$124.83                               | \$0.124827        | \$20.00                            | \$144.83                  | \$0.144827             | 21.30%                 |
| Miami Cass Remc             | \$118.80                               | \$0.118798        | \$25.75                            | \$144.55                  | \$0.144548             | 21.07%                 |
| <b>Peru Utilities</b>       | <b>\$115.17</b>                        | <b>\$0.115172</b> | <b>\$4.22</b>                      | <b>\$119.39</b>           | <b>\$0.119392</b>      |                        |

Mr. Chance stated that the 1st Quarter Tracker residential and commercial customers will experience increase. He asked for acceptance of the 1<sup>st</sup> Quarter Electric Rates-Tracker Adjustment.

| Rate Class                              | January 2023 Adj. Rate per kWh | Increase or (Decrease) Per kWh |
|---|--------------------------------|--------------------------------|
| Residential Service (RS-1)              | \$0.042575                     | \$0.008232                     |
| General Service (GSA-1)                 | \$0.040877                     | \$0.008914                     |
| Power Service (PS)                      | \$0.040393                     | \$0.010127                     |
| Security Lighting Service (SL-1)        | \$0.021680                     | \$0.009468                     |
| Municipal Street Lighting Service MSL-1 | \$0.021622                     | \$0.009316                     |
| Traffic Signal Service (TL)             | \$0.022819                     | \$0.007147                     |

The above factors represent an average increase in its schedule of rates for electricity sold in the amount of \$0.009304 cents per kilowatt-hour (kWh) applicable January, February, and March 2023. Residential customers will experience a slight increase of \$8.24 per 1,000 kilowatts. Commercial customers will experience an increase of \$8.92 per 1,000 kilowatts. These changes in the schedule of rates are based solely upon changes in the cost of purchased power and energy purchased by this utility.

The 1st Quarter 2023 Electric Rates Tracker Adjustment filing will be on the City Council’s December 5, 2022, agenda for their consideration.

*Board Member Chris McKinney made a motion to approve the 1st Quarter 2023 Electric Rate Tracker adjustment. Board member Dave Van Baalen seconded the motion. The vote was unanimous, the motion passed.*

**B.) APPROVE BAD DEBT WRITE-OFFS APRIL 1, 2022, THROUGH JUNE 30, 2022**

|              | <u>Peru</u>        | <u>Grissom</u>    | <u>Total</u>       |
|--------------|--------------------|-------------------|--------------------|
| Electric     | \$23,607.00        | -                 | \$23,607.00        |
| Water        | \$1,806.89         | \$2,018.33        | \$3,825.22         |
| Wastewater   | \$382.79           | -                 | \$382.79           |
| Stormwater   | \$41.60            | -                 | \$41.60            |
| Trash        | \$149.40           | -                 | \$149.40           |
| <b>Total</b> | <b>\$25,987.68</b> | <b>\$2,018.33</b> | <b>\$28,006.01</b> |

The bad debt write-offs from April 1, 2022 – June 30, 2022, reviewed and request permission to write-off the delinquent accounts. YTD 2021 Bad Debt/Write off Recoveries as 12/31/21 was 0.117% out of a 33 million dollars’ worth of revenue. Typically, the standard write-off is 2.0% and it is a standard procedure that we write off bad debts after trying to collect them.

*Board Member Jami Edwards made a motion to approve the 1<sup>st</sup> Quarter 2023 Electric Rate Tracker adjustment. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed.*

**C:) APPROVE 2023-2024 UNION CONTRACT:**

The Board considered the 2023-2024 labor contract with minor changes: Increased shift premium for water plant operators from \$.40 per hour to \$0.75 per hour on second shift and from \$0.60 per hour to \$1.00 per hour on third shift. Removed Employees Birthday as a Holiday and converted it to a Personal Day. Added Juneteenth as a Holiday. Increase to 40 hours from 24 hours of accrued sick/Dr time to be used for an employee’s healthcare appointments. Lowered the reporting time for sickness from 1 hour prior to the start of a shift 30 minutes.

Changed the Inclement weather requirements to work outside wording to better define our intention and expectations during weather events by adding Heat, Storms, and Rain. Increased safety shoe allowance from \$200 to \$250. Updated the employees cost of contribution to Health Insurance Coverage to reflect their increase in premiums. Mr. Chance gave brief overview of our Self-funded Health Insurance benefits and the cost to maintain the coverage for Peru Utilities employees and dependents. Removed the Network Systems Technician position from the union. Increased the Dental benefit from \$1,500 annually to \$2,000 annually for the employee and \$1,000 to \$1,250 annually for their dependents. Changed language for trouble employees (those on call) to include double time on Sundays and Holidays from the onset of being called in on emergencies and on scheduled work instead of the wordy language and limited stipulations of the past.

The hourly rates of all employees in the bargaining unit increased as follows effect January 1, 2023.

|                                      | 1/1/2023 | 1/1/2024 |
|--------------------------------------|----------|----------|
| DOL Certified Journeyman Line worker | 9%       | 4%       |
| All Other Job Classifications        | 5%       | 3%       |

*Board Member Chris McKinney made a motion to accept the 2023-2024 Labor Contract. Board member Richard Donoho seconded the motion. The vote was unanimous, the motion passed.*

7.) **CITY ADMINISTRATION UPDATE:** Mayor Hewitt reported that the Christkindlmarkt-German-themed Christmas festival starts this Friday through Sunday. For the first time, the Christkindlmarkt, the Downtown Peru Open House, the Light up! Peru parade and tree lighting will all take place on the same weekend. Each day will be filled with activities for the whole family. In addition to the parade and tree lighting on Saturday, activities will include a Weiner dog race, ice skating, free rides on a horse-drawn wagon, and visits with Santa Claus.

8.) **CITY ATTORNEY UPDATE:** Mr. Kern reported that Josh submitted an invoice today from the Lochmueller Group for \$220,700.00 to the Clerk Treasurer for a portion of the engineering survey, which was approved as an expenditure out of the ARPA funds by the City Council.

9.) **MANAGER’S REPORT:**

**LOCHMUELLER GROUP INVOICE:** Mr. Chance reported the invoice was for \$220,700.00 a portion of the engineering survey for the Long-Term Control Plan which was approved as an expenditure out of the ARPA funds by the City Council earlier this year. There will another \$70,700.00 for the surveying for the southside separation and that will be paid for out of stormwater funds.

**BOARD MEMBER TERMS:** Mr. Chance stated that Chairperson Mary Costin’s term is done at the end of December 2022. Richard Donoho, Jami Edwards, and Chris McKinney’s term ends in 2023.

**PERU STREET DEPARTMENT:** Mr. Chance stated that he wanted to thank the street department for their help during the survey and lidar scan. They made sure the streets were clear of the leaves and handed out paper notices to the customers to keep the street clear of vehicles during the surveying process.

**SMITHFIELD SEWER LINE:** Mr. Chance reported that when Smithfield’s sewer line was clogged for several days, they contracted with a Vactor Company to pump out their sewage from their plant and take it to Peru Utilities Wastewater plant. The invoice for the Vactor was in the amount of \$63,000.00. After a discussion with the plant manager Mr. Chance agreed to pay half of the Vactor bill since the sewer line belongs to Peru Utilities.

The sewer line was clogged with grease, fat, fiber materials and other sewage from the Smithfield plant. In the future they will be asked to periodically to do a hot water flush to prevent future clogs.

**EMPLOYEE BREAKFAST MEETING:** Mr. Chance announced that we are having an employee breakfast meeting at the Riverview Event Center starting at 7:30 am on Wednesday, November 30, 2022. Mr. Chance will give the employees an overview of future plans for Peru Utilities in 2023 and we will be recognizing employees with service awards ranging from 5 years to 35 years. The Peru Utilities Board members are invited to join us for the breakfast meeting.

**LONG TERM STRATEGIC PLAN:** Mr. Chance gave an overview of the long-term plan upgrades for 2023 through 2032. A lengthy list of updates in maintaining and improving reliability of IT system-maintaining safe and efficient work spaces and structures-maintaining a reliable fleet of vehicle- Electric Department Transmission Line rebuild of 69KV Loop around Peru and Switch Upgrades- Distribution system upgrades- Overhead Distribution Rebuilds- Underground Distribution Rebuilds- Transportation and Equipment Replacements -DWM department: Water Distribution System Quality and Reliability – Facility, Well, Tower Improvements- maintaining a reliable Vehicle Replacements-Waste Water Collection System Reliability-Long-term Control Plan Compliance- Maintaining Stormwater Reliability and Assisting in LTCP.

**ADJOURNMENT:**

*There being no further business to bring before the Board, Chris McKinney made a motion to adjourn. Board member Jami Edwards seconded the motion. The motion passed, the meeting adjourned.*

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Jami Edwards, Secretary Peru Utilities Service Board





