

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
December 7, 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, December 7, 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, Jamin Beisiegel, Wayne Brindle, Michael Biesenbach, Lee France, Dustin Kern-Attorney, and Mayor Miles Hewitt, and Tom Gustin-City Council Lisason

1.) APPROVE BOARD MINUTES OF NOVEMBER 16, 2022:

Board member Chris McKinney moved that the minutes of November 16, 2022 be approved. Board member Richard Donoho 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 21, 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 2023 SERVICE BOARD MEETING DATES:

Board Member Richard Donoho moved to accept the 2023 Service Board meeting dates as scheduled. Board member Chris McKinney seconded the motion. The vote was unanimous, and the motion passed.

B.) APPROVE ANNUAL PAY RANGES FOR NON-UNION PERSONNEL 2023-24:

The Board considered adjustments to the Non-Union Pay Ranges: not all employees are at the top of their current range, and they will continue to remain the same as previous years. Those employees who were not at the top, but the increases moved them outside of their current range or were at the top and the ranges had to be adjusted were: T&D Superintendent, Electrical Engineer, DWM Superintendent, Assistant DWM Superintendent, Stormwater Coordinator, and Network Systems Technician.

Board Member Dave Van Baalen made a motion to accept the Non-Union Pay Range adjustments. Board Member Jami Edwards seconded the motion. The vote was unanimous, the motion passed.

C:) APPROVE RESOLUTION, 2022 ANNUAL SALARIES FOR THE MAYOR, CLERK-TREASURER, AND UTILITY SERVICE BOARD MEMBERS.

Chairperson Mary Costin read Resolution 5, 2022, to the Board, which establishes the Utility’s contribution for the Mayor, Clerk-Treasurer, and establishes Utility Service Board Member salaries for 2023-remains the same.

Board member Chris McKinney made a motion to approve Resolution 5, 2022, which establishes the Utility’s contribution for the Mayor, Clerk-Treasurer, and establishes Utility Service Board Member salaries for 2023. Board member Richard Donoho seconded the motion. The vote was unanimous, the motion passed.

D:) APPROVE 2023 BUDGET:

Mr. Chance gave a brief overview of the 2023 budget. The budget reflects wage increases as illustrated in the most recent union contract, with a nine percent increase for the linemen and five percent for all other job classifications for the year 2023. In the Electric department we cut the budgeted payroll cost by two percent and the allocated payroll was cut by half of percent. We have used calculations provided by the Indiana Municipal Power Agency (IMPA) to budget purchased power. Their projections illustrate an increase of about 9.5%. We have budgeted according to their projection. You may note that some divisions have a positive net margin yet anticipate negative cash flow. We believe we will have an Operating & Maintenance increase of 6.8% projected with a negative net margin of \$705,870 and that is with the current rate structure. We have not had net revenue increase since 2006. The Electric division is currently conducting a rate case study. At the time of completing the budget, Peru Utilities did not have Baker Tilly’s final figures. The electric division budget numbers are based on the current financial position Capital Projects spending, principal payments on long term debt and the capital lease of meters have an impact on cash flow yet do not report on the income statement. We anticipate a six percent increase in payroll cost for the Peru Water Department and a positive net margin of \$300,000 but a negative cash flow due to the Reservoirs water tower needing painted and repaired with estimated cost of \$600,000.00. With six utilities and well over 1,500 active expense accounts, there were many other considerations which were included in the 2023 budget. Our managers have worked diligently on the 2023 budget. While we base our budget on history and plans, it also reflects our best forecast of trends and outside forces. Due to the situation in the world, we suffer with difficulty in ordering and receiving supplies. We also have difficulty in getting vendors to quote items. The economic impact does not look favorable.

Board Member Chris McKinney made a motion to accept the 2023 Budget. Board Member Dave Van Baalen seconded the motion. The vote was unanimous, the motion passed.

E:) APPROVE SERVER UPGRADE BID PROPOSAL:

The Board considered the bids for the server upgrade. Mr. Svantner recommended accepting the bid from Dell Inc., we received a quote of \$105,790.00, offering us 4-hour mission-critical support on the servers, meaning they would have an employee here within 4 hours working to fix our server issues. Also, extra drive for redundancy in the event of a drive failure and warranty support for 5 years. The stability and reliability of the Dell service is worth the higher price

Board member Chris McKinney made a motion to accept the Server Upgrade Bid from Dell Inc. for \$105,790.00. Board member Richard Donoho seconded the motion. The vote was unanimous, the motion passed.

F.) APPROVE RESOLUTION 6, 2023 ANNUAL SALARY FOR THE GENERAL MANAGER:

Amended the agenda to include item F., Resolution 6. The Board considered the following Resolution 6, 2022 approving the annual salary for Peru Utilities General Manager and to be effective April 1, 2023.

Board member Chris McKinney made a motion to approve the general managers annual salary and Resolution 6, 2022. Board Member Jami Edwards seconded the motion., The vote was unanimous, the motion passed.

- 7.) **CITY ADMINISTRATION UPDATE:** Mayor Hewitt reported that congratulations are in order for Mary Costin who was reappointed Monday evening by the Peru City Council for another 4 years on the PUSB. The airport is having a Christmas Open House on Dec. 13th at 7:00pm. and all are invited. American Red Cross is holding a blood drive at Parkview United Methodist Church, on Wednesday Dec. 28 from 11:30 am until 5:30pm. There is a competition between departments for the most participation. The city department with the highest participation will receive a \$250.00 gift card from the American Red Cross.
- 8.) **CITY ATTORNEY UPDATE:** Mr. Kern reported he has nothing to report at this time.
- 9.) **MANAGER’S REPORT:**

PERU CITY COUNCIL MEETING:

Mr. Chance reported that the 1st Quarter 2023 electric tracker was approved by Peru City Council on Monday evening. Mr. Chance and Jamin Beisiegel discussed the concerns from residents living around the Square D facility. There were complaints from residents of people digging in their front yards and taking soil samples for contaminants. Concerns of contaminants in their drinking water. Mr. Chance and Mr. Beisiegel explained to the City Council that Peru Utilities test the water every 3 years for TCE. The last time we tested was in 2020 and results were none detected. Peru Utilities employees are not taking soil samples around the Square D area. The Square D Company has hired a private company to

take soil samples in that area. IDEM is involved and they are following their laws and regulations. Mayor Hewitt stated that any complaints or concerns can be sent to his secretary, and he will give the residents the contact information to a Square D representative.

TRENCHER AND TRAILER REPLACEMENT:

The Board approved the replacement of a trencher for \$93,500.00 and a trailer for \$17,820.00 at the April 6, 2022, board meeting. The MacAllister salesperson recommended a No-Ramp U24 Flatbed Utility Trailer, but the new trencher does not fit on the new trailer. The trailer will be returned to MacAllister’s, and we are holding the Purchase Order for \$17,820.00. Peru Utilities will have to purchase a trailer that will better fit the trencher.

GRID RESILIENCE UTILITY AND INDUSTRY GRANT:

Mr. Chance stated that the Department of Energy has released a funding opportunity for the Grid Resilience and Innovation Partnerships (GRIP) Program. The grants support the modernization of the electric grid to reduce impacts due to extreme weather and natural disasters. Concept papers are a required first step in the application process and are due December 16, 2022. Funding is capped at the amount the eligible entity has spent in the previous three years. The program includes a small utility set aside for those entities selling no more than 4 million MWh of electricity per year. Peru Utilities is in the process of applying for the grant.

THREE PHASE ELECTRIC METERS:

Mr. Chance reported the three phase electric meters are having communication issues. The meters are made by Honeywell and Sensus sends their communication cards to Honeywell, and they insert them into the electric meters. We have a total 420 three phase meters and approximately 50 meters that will not communicate and are not under warranty. Last week we manually read all 420 meters and made sure they are accurate. Peru Utilities is working with Sensus to resolve the module communication issue.

SUBSTATION SHOOTING IN NORTH CAROLINA:

Mr. Chance stated two North Carolina power substations were damaged by gunfire, and is being investigated as a criminal act, and took days to repair and left tens of thousands of people without electricity. Peru Utilities updated the security cameras in the 2020 after substation 3 was damaged by gunfire.

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.

Jami Edwards, Secretary Peru Utilities Service Board

