

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
May 17, 2023**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, and through video conferencing via Teams Meeting, on Wednesday, May 17, 2023. 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 Richard Donoho, Jami Edwards, Chris McKinney. Others present Joshua Chance, Alice Hartley, Jamin Beisiegel, Michael Biesenbach, Tom Gustin-City Council Liason and Dustin Kern-Attorney. Absent: Kathleen Plothow-City Council Liason, Dave Van Baalen, Mayor Miles Hewitt

1.) APPROVE BOARD MINUTES OF MAY 3, 2023:

Board member Richard Donoho moved that the minutes of May 3, 2023 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 Richard Donoho seconded the motion. The vote was unanimous, the motion passed.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on-site Wednesday, June 7, 2023, 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 3RD QUARTER 2023 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 caused by changes in the energy market. The chart below reflects the local area providers rates, Peru Utilities customer charge/facilities charge is \$10.00.

Current Rates- Local Area Energy Providers

						<i>Current Rate</i>
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	\$168.10	\$0.168100	\$10.54	\$178.64	\$0.178640	38.28%
Heartland REMC (Wabash)	\$130.38	\$0.130384	\$20.00	\$150.38	\$0.150384	16.41%
Miami Cass REMC	\$118.80	\$0.118798	\$25.75	\$144.55	\$0.144548	11.89%
Peru Utilities Current Rate	\$119.19	\$0.119188	\$10.00	\$129.19	\$0.129188	

Mr. Chance stated that the 3rd Quarter Tracker residential and commercial customers will experience a decrease. He asked for acceptance of the 3rd Quarter 2023 Electric Rates-Tracker Adjustment.

Rate Class	July 2023 Adj. Rate per kWh	Increase or (Decrease) Per kWh
Residential Service (RS-1)	\$0.001015	(\$0.045589)
General Service (GSA-1)	\$0.002735	(\$0.042893)
Power Service (PS)	\$0.006140	(\$0.037162)
Security Lighting Service (SL-1)	\$0.0023070	\$0.003390
Municipal Street Lighting Service MSL-1	\$0.022863	\$0.003202
Traffic Signal Service (TL)	\$0.030346	\$0.013465

The above factors represent an average decrease in its schedule of rates for electricity sold in the amount of \$-0.040285 cents per kilowatt-hour (kWh) applicable July, August, and September of 2023. Residential customers will experience a slight decrease of \$0.456 per 1,000 kilowatts. Commercial customers will experience a decrease of \$.0372 per 1,000 kilowatt-hours. 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 3rd Quarter 2023 Electric Rates Tracker Adjustment filing will be on the City Council’s June 5, 2023, agenda for their consideration.

Board member Richard Donoho made a motion to accept the 3rd Quarter 2023 Electric-Rates Tracker Adjustment. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed.

B.) APPROVE 2nd QUARTER 2023 UNCOLLECTABLE ACCOUNTS/BAD DEBTS:

	<u>Peru</u>	<u>Grissom</u>	<u>Total</u>
Electric	\$13,693.19	-	\$13,693.19
Water	1,695.07	1,595.22	3,290.29
Wastewater	305.19	-	305.19
Stormwater	32.40	-	32.40
Trash	121.50	-	121.50
Total	\$15,847.35	\$1,595.22	\$17,442.57

The bad debt write-offs from October 1, 2022 – December 31, 2022, reviewed and Mr. Chance requested permission to write-off the delinquent accounts. YTD 2022 Bad Debt/Write off Recoveries as 12/31/22 was 0.032% 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 grant permission to write-off the delinquent accounts from October 1, 2022, through December 31, 2022, for \$17,442.57. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed.

C.) APPROVE PERU DRINKING WATER WELL #6 OVERHALL:

The Board considered a recommendation for performing a complete overhaul on Well #6 for Peru Drinking Water.

Board member Richard Donoho made a motion to approve the recommendation for Peerless-Midwest to perform the overhaul of Well #6 for Peru Drinking Water in the amount of \$46,366.00. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed unanimously.

7.) **CITY ADMINISTRATION UPDATE:** Mayor Hewitt was absent.

8.) **CITY ATTORNEY UPDATE:** Mr. Kern stated he had nothing to report at this time.

9.) **MANAGER’S REPORT:**

SMITHFIELD SUBSTATION MAINTENANCE: Mr. Chance reported on Friday, May 19, 2023, the Smithfield substation (Substation #6) will be down for routine maintenance and Substation #3 will pick up the load. Smithfield has only their cleaning crew working on Friday’s, so it is a suitable time to perform maintenance on the substation. The substation should be back in service by Saturday after the routine maintenance is complete.

WOODCREST CLEARANCE ISSUES: Mr. Chance stated Woodcrest has issues with Peru Utilities electric lines and clearance from the building. Peru Utilities electric line crew will remove the 3-phase bank and it will look different when completed. Mr. Chance reported the new electric rate will bill on June 1, 2023.

SDWA AND DRINKING WATER AFFORDABILITY: Mr. Chance shared an article about affordable drinking water. A variety of factors are contributing to the growth of water bills: aging infrastructure; management decisions to diminish the systematic underpricing of water services that has persisted in the US for decades; the increasing costs of infrastructure upgrades; the growing costs of climate-emergency defenses for floods and droughts; and compliance expenditures for federal and state regulatory requirements. Demographic factors are also exacerbating the problem, both in terms of population declines in some urban centers and population growth in some water-strapped areas. Meanwhile, declining demand for water from conservation efforts creates fiscal challenges for some water utilities.

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

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