

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
August 16, 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, August 16, 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, Chris McKinney, and Dave Van Baalen. Others present Joshua Chance, Alice Hartley, Jamin Beisiegel, Cory Mendenhall, Michael Biesenbach, Wayne Brindle, Lee France, Mayor Miles Hewitt, Tom Gustin-City Council Liason and Dustin Kern-Attorney. Absent: Jami Edwards-Board Member. On teams: Kathleen Plowthow-City Council Liason Public: Tom Rusk and Scott Handler

1.) APPROVE BOARD MINUTES OF AUGUST 2, 2023:

Board member Richard Donoho moved that the minutes of August 2, 2023 be approved. Board member Chris McKinney seconded the motion. The vote was unanimous, motion passed.

2.) PAYMENT OF CLAIMS:

Board member Dave VanBaalen 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, September 6, 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 4TH 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	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	\$131.32	\$0.131322	\$10.54	\$141.86	\$0.141862	7.53%
Heartland REMC (Wabash)	\$130.38	\$0.130384	\$20.00	\$150.38	\$0.150384	13.99%
Miami Cass REMC	\$118.80	\$0.118798	\$25.75	\$144.55	\$0.144548	9.57%
Peru Utilities Current Rate	\$119.19	\$0.121928	\$10.00	\$131.93	\$0.131928	

Mr. Chance stated that the 4th Quarter Tracker residential will experience an increase and commercial customers will experience a decrease. He asked for acceptance of the 4th Quarter 2023 Electric Rates-Tracker Adjustment.

Rate Class	October 2023 Adj. Rate per kWh	Increase or (Decrease) Per kWh
Residential Service (RS-1)	\$0.003755	\$0.002740
General Service (GSA-1)	\$0.001733	(\$0.004468)
Power Service (PS)	\$0.001207	(\$0.004933)
Security Lighting Service (SL-1)	\$0.025903	\$0.002833
Municipal Street Lighting Service MSL-1	\$0.025189	\$0.002326
Traffic Signal Service (TL)	\$0.037772	\$0.007426

The above factors represent an average decrease in its schedule of rates for electricity sold in the amount of \$-0.001794 cents per kilowatt-hour (kWh) applicable October, November, and December of 2023. Residential customers will experience a slight increase of \$0.0027 per 1,000 kilowatts. This represents a \$2.70 increase on 1,000 kilowatts. Commercial customers will experience a decrease of \$0.00493 per 1,000 kilowatts or \$4.93. 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 4th Quarter 2023 Electric Rates Tracker Adjustment filing will be on the City Council’s September 11, 2023, agenda for their consideration.

Board member Richard Donoho made a motion to accept the 4th Quarter 2023 Electric-Rates Tracker Adjustment. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed.

B.) APPROVE 69kV POLE REPLACEMENT BID:

The Board considered a recommendation bid to replace the poles in a portion of our 69kV line to allow for additional distribution circuits to be added as part of our Canal Street Substation project (PT2). Mr. Biesenbach recommended a bid for only Part 2 from Gaylor in the amount of \$269, 026.00.

Board member Chris McKinney made a motion to approve the recommendation for the 69kV Pole Replacement with a total cost of \$357,005.66. Board member Dave VanBaalen seconded the motion. The vote was unanimous, the motion passed unanimously.

C.) APPROVE GRIT SNAIL BELT UPGRADE:

The Board considered a recommendation for purchasing a belt upgrade for our grit removal system at Peru Wastewater.

Board member Richard Donoho made a motion to approve the recommendation for creating a new capital project for Grit System Belt Upgrade for \$18,500.00. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed unanimously.

D.) APPROVE RESOLUTION #13-PERU MUNICIPAL WASTEWATER BOND:

The Board considered a recommendation to accept Resolution #13, the Sewage Works Bond Anticipation Notes, and the long-term financing.

Board member Richard Donoho made a motion to approve the recommendation (Resolution #13) to the Common Council that the City issue its sewage works revenue bonds in an amount not to exceed \$155,860,000.00, to be repaid solely from the net revenues of the City Service Area over a period not to exceed (35) years after the date issuance and at an interest rate not to exceed 6%. Board member Chris McKinney seconded the motion. The vote was unanimous, the motion passed unanimously.

7.) CITY ADMINISTRATION UPDATE: Mayor Hewitt announced Vohne Licke Kennels will be holding their 24th Annual K9 Olympics Seminar and Certification Trial on August 20 through August 25, 2023.

8.) CITY ATTORNEY UPDATE: Mr. Kern stated the proposed bond ordinance was presented last week to the City Council and will be asking them to approve it in September. Mr. Kern has been in contact with an Ft. Wayne Attorney that has had the same issue with a large mobile home park as we have with Bourne End trailer park for non-payment. She gave Mr. Kern contact information for their utilities manager, and he is going to let Mr. Kern know what their process was when they disconnected the mobile home for non-payment.

9.) MANAGER’S REPORT:

MIAMI CASS REMC MEMBERS:

Mr. Chance stated that Miami Cass REMC members received a notice on their bill this month that their rates will be increasing, their facility charge is \$25.75 currently and will be increasing in October.

IURC INVESTIGATING AES OUTAGES:

Mr. Chance reported that AES Indiana is being investigated by the IURC due to the storm outages on June 29th. They are investigating why it took so long for power to be restored to thousands of central Indiana residents in June. Some customers did not have power restored until July 4th. Mr. Chance stated that Peru Utilities is extremely reliable compared to AES and Duke electric providers.

MIDCONTINENT ISO:

Mr. Chance discussed the Midcontinent Independent System Operator could have a capacity shortfall as soon as summer 2025, and capacity deficits in 2028. The electric grid operator for the U.S. Midwest said it expected surplus electric capacity for 2024-2025, while also reiterating the need for additional resources and solutions to avoid supply shortfalls further ahead.

INDIANA DEPARTMENT OF ENVIRONMENT MANAGEMENT:

Mr. Chance reported that Peru Utilities received a notice from the IDEM dated August 8th of a Lead Exceedance for Peru Water. The Lead action level is fifteen parts per billion (0.015 mg/l). Peru Utilities ninetieth percentile level was nineteen parts per billion (0.019mg/l) for lead for the June 1 to September 30, 2023, monitoring period. Mr. Beisiegel called the state and discovered that they tested only 1 sample, and the letter was incorrect. Mr. Beisiegel stated that they sent 30 water samples to the state. IDEM sent a 2nd letter that stated based on the lead and copper samples collected by Peru Water Department, your system has not currently exceeded the lead action level, as indicated to you in our August 8, 2023, Lead Action Level Exceedance letter. The 90th percentile for the one (1) sample reported to IDEM for lead was insufficient to determine a lead exceedance your system since you are required to collect thirty (30) samples. Since Peru Water Department did not exceed the lead action level, you will not be required to complete the follow up monitoring specified in the August 8, 2023, letter. Mr. Chance will let the board know the results of the rest of the samples after they receive the report.

HAPPY AUTUMN EMPLOYEE EVENT:

Mr. Chance announced the employee and family autumn event is scheduled for Saturday, September 23, 2023, 1:00pm to 4:00pm located at the Catey Heritage Farms.

INDOT HIGHWAY 31 CULVERTS:

Mr. Beisiegel reported that INDOT was going to redo the culvert by 300 S and US 31 by Max Pits. The Peru Utilities sanitary line runs under it and INDOT originally said that we had to move our lines and bore under US 31. The cost of the project was estimated at \$150,000.00. Mr. Walsh attended a meeting with INDOT and the contractor and discussed the project. After the meeting, the contractor decided that Peru Utilities would not have to move the sanitary line and it could be lined. INDOT agreed that the sanitary line did not have to be moved. Mr. Chance commended Mike Walsh for saving Peru Utilities \$150,000.00 and a job well done.

REVIEW OF CURRENT FINANCIALS:

Mr. Chance reviewed the most recent financials for all divisions with the Board and pointed out some areas of concern.

ADJOURNMENT:

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

Jami Edwards, Secretary Peru Utilities Service Board

August 16, 2023 – Cont’d.

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