

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JANUARY 2, 2019**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on January 2, 2019. The meeting was called to order by Mr. Akers at 4:00 p.m. pursuant to notice as required by law. Board members present: S. Akers, M. Costin, D. Van Baalen, M. Burnell, and J. Edwards. Others present: J. Chance, B. Tillett, J. Clark, J. Beisiegel, L. France, B. Hall, B. Zartman, and J. Languell – Peru Council Liaison.

1.) BOARD MINUTES OF DECEMBER 19, 2018:

The minutes of the December 19, 2018 meeting were approved upon the motion of Mr. Burnell and seconded by Mrs. Edwards. Mr. Van Baalen abstained from the vote due to the fact that he was not a board member at that time. Motion carried 4-1.

2.) PAYMENT OF CLAIMS:

A motion was made by Ms. Costin to approve the claims for payment as presented and was seconded by Mr. Burnell. Motion unanimously carried.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on Wednesday, January 16, 2019, at 4:00 p.m. in the Utility Service Board room.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) ELECTION OF OFFICERS:

CHAIRPERSON: *Ms. Costin nominated Mr. Akers to serve as the Chairman of the Board for 2019. The nomination was seconded by Mrs. Edwards. Motion unanimously carried.*

SECRETARY: *Mr. Akers made a motion to nominate Mr. Burnell as Board Secretary for 2019; it was seconded by Ms. Costin and motion unanimously carried.*

B.) ANNUAL REVIEW OF THE PERU SERVICE BOARD POLICY STATEMENT CONCERNING BOARD RESPONSIBILITIES AND FUNCTIONS:

Mr. Chance explained that the Board members review the Board Policy Statement adopted in 1994 annually. Mrs. Edwards read the Board Policy Statement.

BOARD RESPONSIBILITIES AND FUNCTIONS

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Policy Objective

The Board intends to clearly state its responsibility and the functions that it must perform to properly direct the affairs of the City utility systems which it controls.

Policy Statement

The Board's principal role is to provide policy direction to the management and staff.

In providing policy direction, the Board will represent the interests of its ratepayers and will make timely policy decisions.

The Board will carry out its trusteeship and decision-making responsibilities by exercising the following functions:

1. Appoint a General Manager who is directly responsible for management of the organization.
2. Adopt and maintain a mission statement or similar document which identifies the fundamental philosophy by which the Board intends to carry out its responsibilities.
3. With assistance from the Manager, establish strategic goals which support the Utilities' mission and provide the direction needed by management to prepare operational plans.
4. Ensure that the Utilities has a long-range operational plan and review and approve, each year, a plan which is presented by the Manager.
5. With assistance from the Manager, make board policy decisions and prepare written policy statements to guide future Board decisions and provide the direction needed by management to prepare management policies and procedures.
6. Review, modify and approve the capital and operating budgets presented each year by the Manager.
7. Review, modify and approve all rates and other published charges for services provided.
8. Review, modify and approve all financing programs, including the borrowing of money, if necessary.
9. Ensure that an independent audit of the Utilities' financial statements is performed annually.
10. Upon the advice of the Manager; review, modify and approve organizational structure, staffing levels, personnel policies, labor agreements, salary administration, and fringe benefits programs.
11. Monitor and evaluate the performance of management and through management, the performance of all employees. Formally evaluate the performance of the Manager at least annually.
12. Ensure that the Utilities operates in accordance with State Law, City Ordinances, specific directives of the Council and all other applicable legal requirements.
13. Serve as the body of appeal for persons and groups who desire

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to be heard on matters under consideration by the Board or on questions arising from the Utilities' policies, operations, rates or the actions of employees.

14. Keep informed about matters which affect decisions facing the Board.
15. Ensure the long-term usefulness of the Utilities to the City of Peru and its ratepayers by providing training for Board, management and staff.

There were no comments or changes from the Board. The Board agreed to adopt the Policy Statement as is.

Mrs. Edwards made a motion to approve the Peru Service Board Policy Statement Concerning Board Responsibilities and Functions as presented. Ms. Costin seconded the motion. Motion unanimously carried.

Mr. Chance and Mr. Akers welcomed Mr. Van Baalen to the Board and then Mr. Chance proceeded to read the Peru Utilities Mission Statement as follows:
As stewards of the electric power, water and wastewater resources belonging to this community, our mission is to provide utility services in a dependable, competitively priced and environmentally responsible manner. We accomplish this through sound leadership, effective communication, public involvement, and superior customer service. Peru Utilities is committed to continuous improvement through employee empowerment, education, and innovation.

7.) CITY ADMINISTRATION UPDATE:

The next regular council meeting will be on January 7, 2019. Mrs. Languell will be out of town the remainder of January and February and will be unable to attend PUBS meetings until March.

8.) CITY ATTORNEY'S UPDATE:

Attorney Dustin Kern answered Mrs. Tillett question regarding publishing PUBS meeting notices. He said that is not necessary to advertise PUBS meeting notices in the legal section of the Peru Tribune, however; a Notice of Executive Session has to be posted 48 hours prior to the meeting outside of the room the meeting is to be held in. Anyone requesting PUBS meeting dates must submit this request by December 31 of the prior year to Peru Utilities, Attn: Brenda Tillett.

9.) MANAGER'S REPORT:

REROUTING DRAINS IN LINE DEPARTMENT:

Mr. Chance said the Line Department is installing/rerouting drains in the shop area. It was found that the handwashing basin, the water fountain, and washer were connected to a drain line in the driveway between the Line Department

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and Filtration Plant that leads to the Wabash River. A new drain line and pump will be installed in the Line Department and the refuse will be pumped to East Canal Street for proper handling of the waste. Mr. Beisiegel said originally we mistakenly thought Kokosing was discharging, however, that was not the case. He said it is not known of any other pipes flowing from the riverbank to the river and that pipes in the river bank are inspected every five years to determine if there is illicit discharge during dry weather.

PERU UTILITIES 2019 GOALS:

Mr. Chance recited goals for 2019 as follows:

- Continue to develop organizational culture change
- Continue to develop the Management Team
- Refresher course with Custom Training Solutions
- Continue developing a plan for short and long term financial sustainability
- Access/adjust the viability of our current operations/maintenance plans
- Complete Grissom Water Rate Case Study
- Fix and upgrade our fiber system
- Review company policies
- Complete the remaining AMI electric and water installs
- Continue with the Long-Term Control Plan options
- Contract negotiations for 2020
- Complete one of the water main river crossings
- Increase customer engagement both residential and industrial
- Develop Written Emergency Action Plan
- Update company job descriptions
- Continue to update technology

**MIAMI COUNTY ECONOMIC DEVELOPMENT AUTHORITY (MCEDA)
CONTRIBUTIONS:**

Due to the fact that Mr. Chance plans to meet next week with Jim Tidd the director of the Miami County Economic Development Authority (MCEDA) regarding the resumption of contributions Mr. Chance asked the Board for their opinions concerning the matter. Peru Utilities paid \$18,000 annually in contributions to MCEDA from 2005 – 2008. In 2011, Peru Utilities paid \$9,000 in contributions. Mr. Chance stated that in 2012 contributions were not paid according to the Cities and Towns Accounting and Uniform Compliance Guidelines Manual in the article entitled “Expenditures of Utility Funds” which states that expenses from utility funds should be directly related to the operation of the municipally owned utility. Expenditures for city and town operating costs should not be paid from the utility funds. Mrs. Edwards said if the statute prohibits Peru Utilities from contributing, then we shouldn’t. However, she is an advocate for MCEDA and felt Peru Utilities should be in collaboration with them, this doesn’t mean it has to be financial. Mr. Akers agreed. Mr. Chance also felt that Peru Utilities should have a seat at the table with economic development. Ms. Costin stated that MCEDA’s job is to develop economic resources within the City and County and that the

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justification of funds from Peru Utilities to MCEDA is lacking. She felt subsidization of this type should not be placed upon Peru Utility ratepayers. Mr. Van Baalen stated that he has been on the MCEDA board for ten years and MCEDA's Attorney Jeff Price's interpretation is totally different and says that it is standard and customary that throughout Indiana other utilities participate with their economic development boards. Mr. Van Baalen felt that both MCEDA and Peru Utilities should be working together and that due to the fact Peru Utilities' industrial electric rate is not competitive it could be a deciding factor against a new industry locating in our community. Mr. Van Baalen felt that MCEDA and Peru Utilities should have a symbiotic relationship to promote economic development in the community. He felt there was nothing wrong with Mr. Chance meeting with MCEDA. Mr. Chance said that he will meet with Mr. Tidd next week and get back with the Board. Mr. Chance noted that the Peru Common Council must approve all of our rates, including our industrial rate and that perhaps a better rate can be established for the purposes of economic development.

MIAMI COUNTY CHAMBER OF COMMERCE 2019 DUES:

2019 Annual Membership Dues are \$720.00 and Gold Membership dues are \$600.00 for a total of \$1,320. Technically a gold membership funds advertising. Mr. Chance said membership is a direct benefit to the community, he also pointed out that Peru Utilities provides services to the Miami County Chamber of Commerce by putting up and taking down Christmas decorations and banners. A lot of time is donated by our linemen at \$36.00 per hour, we also donate in kind with materials, gas, and trucks. We are happy to do so, but this must be absorbed by Peru Utilities. Due to the aforementioned reasons, Mr. Chance felt that Peru Utilities should pay the basic membership dues in the amount of \$720.00 for 2019.

10.) ADJOURNMENT:

There being no further business to bring before the Board, Ms. Costin made a motion to adjourn. It was seconded by Mrs. Edwards. The motion unanimously carried.

Matthew Burnell, Secretary Peru Utilities Service Board