

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
OCTOBER 26, 2016**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, October 26, 2016. The meeting was called to order by Mr. Akers at 4:00 p.m. pursuant to notice as required by law. The following Board members were present: S. Akers, M. Costin, G. Ward, Dr. J. Crawshaw, and Jami Edwards. Others present: P. Roberts-City Attorney, J. Pandy, B. Tillett, L. Starkey, L. France, S. Hines, J. Chance, J. Beisiegel, D. Kern-Roberts Law Office, J. Languell and T. Alley-City Council Liaisons, and B. Yankey-Peru Tribune.

**1.) APPROVAL OF BOARD MINUTES OF OCTOBER 12, 2016:**

*Ms. Costin moved to adopt the Board minutes of October 12, 2016, meeting as mailed. There being a consensus of the Board there were no corrections needed; minutes adopted.*

**2.) PAYMENT OF CLAIMS:**

*A motion was made by Ms. Costin to approve the claims as presented. Mrs. Edwards seconded the motion and the motion carried.*

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held Wednesday, November 9, 2016, at 4:00 p.m. in the Utility Service Boardroom.

**4.) AGENDA AMENDMENT:**

*Mr. Ward made a motion to amend the agenda to add Item "C"- Authorizing the Sale of Power Plant Surplus Equipment/Tools under new Business. Mrs. Edwards seconded the motion and the motion carried.*

**5.) OLD BUSINESS: None**

**6.) NEW BUSINESS:**

**A.) ANNUAL REVIEW OF DESTRUCTION OF OLD RECORDS:**

Mr. Pandy requested approval to destroy records that are no longer used and have completed their retention periods as stipulated by Indiana Code 5-15-6-3 (c) Records Management. Obsolete records that are no longer needed are retired to a storage site at Grissom; when it is determined that documents can be destroyed they are then transported to Paperworks Industry in Wabash, Indiana, for destruction. There is no cost for the document shredding services; the only cost associated is our transportation cost to get the documents there.

*Mrs. Edward made a motion to approve disposal of the obsolete records. Mr. Ward seconded the motion and the motion carried.*

**B.) APPROVAL OF BAD DEBT WRITE-OFFS, APRIL 1, 2016, THROUGH JUNE 30, 2016:**

Mr. Pandy reported the total bad debt write-offs April 1, 2016, through June 30, 2016, (which includes sales tax) for Peru is \$21,589.81 and for Grissom is \$1,871.05 for Grissom; together both write-offs total \$23,460.86. Delinquent accounts written-off for the previous quarter totaled \$25,531.04. It is standard procedure that we write off certain accounts after trying to collect them; we continue to pursue the bad debts if they return seeking service. The write-off represents 0.35% of our January through March 2016 operating revenue, excluding wastewater, stormwater, and trash.

*Ms. Costin made a motion to grant permission to write-off Peru and Grissom delinquent accounts April 1 through June 30, 2016, for \$23,460.86. Mrs. Edwards seconded the motion and the motion carried.*

**C.) APPROVAL OF POWER PLANT SURPLUS EQUIPMENT/TOOLS:**

We had solicited bids internally for the sale of obsolete power plant tools and equipment; there were 13 employees who placed bids. Mr. Pandy referenced a tabulation sheet that describes the items for bid, the winning bidder and the amount of their bid; the total amount of revenue earned for Peru Utilities is \$2,630.85. Mr. Hines will oversee the securing of the equipment that was awarded; the assets are fully depreciated and will be removed from our books.

*Ms. Costin made a motion to approve the sale of the power plant surplus equipment/tools. Dr. Crawshaw seconded the motion. The motion carried unanimously*

**7.) CITY ADMINISTRATION UPDATE:**

Mr. Pandy mentioned that he had not heard from any of the city officials in regards to his invitation letter to prepare for the public hearing on November 7<sup>th</sup>.

**8.) CITY ATTORNEY'S UPDATE:**

Attorney Roberts reported that on October 21<sup>st</sup> we received six bids for the Power Plant Demolition/Salvage Work. The bids were evaluated by staff and he had reviewed them. The organization with the lowest bid had delivered their sealed bid by the noon deadline with bid opening scheduled for 1:00 p.m.; at noon we received an email from them stating they were increasing their bid (without disclosing the sealed bid amount or sharing it with anyone else) by \$200,000 because they forgot to include a cost for the asbestos abatement. Several days after the bid opening we received another e-mail from them stating they were now increasing their bid amount by \$450,000 because they had overlooked additional charges for some other items. They also included in their e-mail that if we are not willing to accept their bid, they will withdraw it. Mr. Roberts is in the process of researching the information that they have provided to us to determine whether or not their bid is legal and what their

intent is and whether or not we want to proceed against their bid bond. He noted that the additional \$200,000 was added to their bid before the time expired, but the additional \$450,000 was not. He noted that accepting any type of bid or change to a bid after the opening is not fair towards other bidders; you are obliged to them for liability to award a contract based upon that.

There was a discussion and Mr. Roberts stated that he would advise the Board at the next meeting as to his findings. Mr. Pandy noted this is unusual and it appears that they did not understand that it was a time set, sealed bid; he said they are qualified to do the work, but their bidding process is not correct.

9.) **MANAGER'S REPORT:**

He asked the Board if anyone had any questions or comments pertaining to the General Manager's Report documentation that was included in their Board packets.

**LEAD AND COPPER SAMPLES:**

The Board was pleased with the lead and copper reduced monitoring frequency; congratulations were given to Mr. Kline and staff of the Division of Water Management for performing first rate work.

**RFP/WIRELESS LEASE**

Ms. Costin asked Mr. Pandy to explain more about leasing the water tower sites. Mr. Pandy noted that one firm said the current market rate is slightly higher than \$2,000/month. For our own purposes, we have to protect the maintenance and structural integrity of the towers as-well-as our ability to climb the towers, that don't have equipment on them. We will need to obtain an engineer's opinion as to the installation on the tower structures of conduits, wires, and other equipment. Due diligence and negotiations will take place after we receive proposals. The six companies invited to bid identified in Mr. Pandy's report are national companies that provide cellular services. They know how to put something together that works and is safe. Our water and engineering staff will review the providers plans to ensure that it satisfies the functioning requirements of the utilities. Mr. Pandy stated the primary purpose of the water towers is to provide drinking water at a pressure; we will not compromise that in any way.

There was a discussion; Mr. Pandy will request proposals from the big tower management companies, that deal directly with carriers such as T-Mobile, AT & T, and Verizon, to locate their base station equipment, tower, and antennas.

**MCEDA/PERU "22" GROUP:**

Mrs. Edwards complimented Mr. Pandy's idea to form the Peru "22" Group. Mr. Pandy explained his idea for the name Peru "22"; he noted that there is already a similar group in place under the auspices of MCEDA. The group includes a

representative of each body of elected officials; they meet monthly to gather ideas to create a future plan for Peru. Mr. Pandey offered to be a facilitator since he is trained in assisting in finding a company's strengths, weaknesses, opportunities, and threats (SWOT Analysis). He would come to the table with little knowledge or experience about Peru; just a desire to help the community. He plans to perform a SWOT Analysis for Peru Utilities also to help identify our greatest strengths, weaknesses, opportunities and threats.

**10.) ADJOURNMENT:**

*There being no further business to bring before the Board, Dr. Crawshaw made a motion to adjourn. Mr. Ward seconded the motion. The meeting adjourned by unanimous consent.*

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Geoff Ward, Secretary Peru Utilities Service Board