

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JUNE 6, 2018**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, June 6, 2018. Mr. Akers called the meeting to order at 4:00 p.m. pursuant to notice as required by law. The following Board members were present: S. Akers, M. Costin, G. Ward, J. Edwards and M. Burnell. Others present, D. Kern J. Chance, B. Tillett, S. Hines, L. France, J. Clark, J. Beisiegel, B. Hall, B. Zartman and J. Languell – City Council Liaison.

1.) APPROVAL OF BOARD MINUTES OF MAY 16, 2018:

Ms. Costin moved to accept the minutes of May 16, Board meeting. Mr. Ward seconded the motion. The motion carried.

2.) PAYMENT OF CLAIMS:

Ms. Costin moved to approve the claims as presented. Mr. Burnell seconded the motion and the motion carried.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, June 20, 2018, at 4:00 p.m. in the Utility Service Boardroom.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

Mrs. Edwards thanked the Board for the memorial gift for her father’s funeral. The Board expressed heartfelt condolences to her family.

6.) NEW BUSINESS:

A.) APPROVAL OF DIGGER DERRICK PURCHASE:

Mr. Chance reviewed the memo for the purchase of a new Digger Derrick truck for the Electric Division. An addendum to the bids was also requested for the addition of a front winch, captain’s chair with upper controls for the digger and a remote system for setting poles. It is a budgetary item for next year because it takes 12-14 months to manufacture and deliver. The following quotes were obtained:

ALTEC	Base Bid	\$229,432.00
	<i>Addendum Additions</i>	<i>\$35,803.00</i>
	Total Bid Price	\$265,235.00
UTE	Base Bid	\$234,118.00
	<i>Addendum Additions</i>	<i>\$28,700.00</i>
	Base Bid	\$264,268.00
TEREX	Bid dismissed due to lack of requested specifications.	

Mr. Chance recommended accepting the low bid from UTE, for \$264,268.00, to be invoiced in 2019. He reported that the 45-foot digger derrick truck is in the shop for much needed repairs and that the line department is using a loaner truck from Altec. We are in the process of determining which, of our derrick trucks we will retain, the 45-foot or the large derrick. We are thinking the 45-foot derrick will be the one, we are having some engine problems corrected, but it should last us another couple of years.

Ms. Costin made a motion to accept the bid of \$264,268.00, from UTE for a Digger Derrick Line Truck, to be paid for in 2019. Mr. Ward seconded the motion and the motion carried.

7.) CITY ADMINISTRATION UPDATE:

Mrs. Languell thanked Attorney Dustin Kern for all his hard work updating the city ordinances.

8.) CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern reported that today he had attended a teleconference meeting with Mike Walsh and the legal department of Mobility Wireless to review a proposed pole attachment contract.

9.) MANAGER’S REPORT:

APPA NATIONAL CONFERENCE:

Mr. Chance reported he would be attending the 2018 APPA National Conference & Public Power Expo in New Orleans, June 15-20. During his absence, Mr. Beisiegel will be in charge and will conduct the June 20 Board meeting. Mr. Chance will be available by phone if needed.

PERU UTILITIES QUARTERLY BREAKFAST:

Peru Utilities Quarterly Breakfast is scheduled for Wednesday, June 13, at 7:30 a.m. at the Dutch Café.

GEORGE STREET CHANGE ORDER:

Mr. Chance updated the Board on the George Street Change Order. The cost is estimated to be \$99,200.00. The formal prints, proposal, and recommendation should be available for Board consideration at the next meeting.

WATER FILTRATION PLANT RENOVATION & UPGRADE:

Mr. Beisiegel gave the Board an update on the Peru Water Filtration rehab noting there were some issues that had developed and needed to be dealt with. He summarized the changes with the Board, noting that some were deductions and some were additions. At the next meeting, Mr. Beisiegel will provide an itemized list of the issues and the cost to repair. His current estimation of the cost involved to address these is \$19,728.00.

OLD STEEL FUEL TANK:

Mr. Chance reported we have an old steel fuel tank that was purchased in 1972, it is not up to code, it used to have diesel fuel in it, we used to fill our skid loader and backhoe with it. It fully depreciated in the 1980’s; scrap value worth is less than \$50, which is below the Indiana Code

\$500 threshold for Board approval. We would have to pay someone to clean it and remove it. Mr. Chance said that unless the Board had an objection we would ask for sealed bids internally.

POWER PLANT UPDATE:

Mr. Chanced showed the Board a picture of the Power Plant demolition noting that the ground topsoil is fully compacted and tested according to highway standards. All the piping and concrete that could possibly be removed, has been removed. It is planned for new fencing to be constructed and grass will be planted.

AMI:

Mr. Chance complimented the AMI team members and staff for their diligence and professionalism on the installation work on the AMI project. He related to the Board that in some instances the customer's electric meter bases are inadequate because they pose a risk of harm, injury, and/or damage to the customer and/or their property. He explained the process established necessary to upgrade faulty meter bases and provided the Board with a copy of the letter with our proposal to the customer which states, *“Peru Utilities will replace the faulty meter base at our expense, once installed it becomes the customer’s property and Peru Utilities is longer responsible or liable for the meter base maintenance”*. Peru Utilities will contract with a licensed electrician to install the electric meter bases that are faulty. Mr. Akers requested that the Board review the proposed Liability Waiver. Other Board members concurred. The matter will be revisited at the June 20 meeting.

Mr. Chance stated that a misguided customer had tampered with his new water meter; at that time, he showed the Board photos of the damaged meter. He said that Peru Utilities makes every effort to educate our customers as to the safety and necessity of the new electric and water meters. It was noted that Customer Service has been interacting favorably with the customers.

So far, we are on target with regard to the financial end of the AMI Project. We have spent \$1.28 million for electric, \$1.42 million for Peru Water and \$429,000 for Grissom Water for a total of \$3.1 million. The balance remaining with Signature Bank is \$1.25 million, which will cover the installation and any incidentals. Mr. Chance referenced a Utility Metering System Software Report. He reported the number of new meters that had already been installed and related that a number of water leaks had been detected on the customer side.

Ms. Costin requested an update on the part-time summer help situation and their duties. Mr. Beisiegel said that the two college students working in the Division of Water Management are engaged in valve cleaning throughout the City and cleaning catch basins.

The Board inquired about liability issues. Attorney Dustin Kern stated that Peru Utilities could not be held liable because of the “Hold Harmless Indemnity Clause”.

NEW SIGNAGE:

Mr. Chance noted that the new signs we are installing at our substations show the Peru utility logo and the substation identifier as well as our phone number. Should a customer happen to discover an issue they can make contact and inform us to which facility it is.

NEW TRANSFORMER:

Mr. Chance showed the Board pictures of the new Substation 2 transformer and the cooling fins that will be attached to it once it is put into service. The transformer is temporarily being secured and stored on the former Ultra Cast property at North Duke Street and Blair Pike.

PERU WATER TREATMENT PLANT:

Mr. Chance summarized the work completed to date: concrete wall repair to the top of the detention tank, east, south, west and north elevations of the wall, repairs to the north CMU wall of the detention tank, concrete repair to the west elevation of the filter building, saw cut masonry wall joints on the west elevation of the wall, scaffolding and lifts had been installed in the filter building in preparation for the repair of the ceiling concrete panels.

PROJECT UPDATES:

- Approximately 1/3 of the water mains have been replaced, currently working on pressure and bacteria testing.
- Installing new meter pits for water services.
- Mains have been installed on VanBuren, both east and west of Chili, Jefferson, east of Chili, the area around Tyler and Lindy, Water and north of the railroad, the area around Logan, west of Broadway, Fremont, north and south of Broadway, Miami, north of 7th, Park and south of Main Street.
- The 16-inch line replacement for the Peru High School is scheduled to begin the week of June 11.
- The water plant rehab has begun. The preparation work is complete for the structural repairs and window replacement has started. The masonry and concrete repairs on the exterior of the plant and water reservoir are about ½ completed. The foundation work has been completed on the south side of the plant for the new fluoride tank.
- New motors are being installed at the wells. Pads are being installed for generators at wells and booster stations.
- AMI has 2,100 water meters currently installed, since April 1 we have had 100 residential meters, which have detected leaks on the customer side of the meter, 1,200 electric meters have been installed.

BROWNOUTS:

Mr. Chance reported that there have been 885 alarm incidences involving 57 meters. These are related to undersized transformers. These occurrences have been happening for a while and it has come to our attention. We are addressing the issues now. Undersized transformers, transformers that are aged, are causing some of the possible events and the oil level is not at capacity or primary voltages are in need of adjustments. We are aware that there are more inefficiencies in the system that will appear as we move along. With the AMI and new substation relays, we should be able to detect things better.

The Board thanked all Peru Utility employees for their services with regard to AMI and extra projects.

June 6, 2018 – Cont’d.

10. ADJOURNMENT:

There being no further business to bring before the Board, Ms. Costin made a motion to adjourn. Mr. Burnell seconded the motion. The meeting adjourned with four members voting in favor. Mr. Ward had to leave the meeting before the vote was conducted.

Geoff Ward, Secretary Peru Utilities Service Board