

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
AUGUST 22, 2018**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, August 22, 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: Attorney Dustin Kern, J. Chance, B. Tillett, B. Hall, and J. Clark.

1.) APPROVAL OF BOARD MINUTES OF AUGUST 8, 2018:

Mr. Ward moved to accept the minutes of August 8, Board meeting. Mr. Burnell seconded the motion. Motion carried.

2.) PAYMENT OF CLAIMS:

Mr. Burnell moved to approve the claims as presented. Mr. Ward seconded the motion. Motion carried.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, September 5, 2018, at 4:00 p.m. in the Utility Service Boardroom.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) APPROVAL OF DISBURSEMENT REQUESTS #31, #32, #33, #34 AND OCRA CLAIM VOUCHER FOR THE PERU WATER UPGRADES:

The Board considered the following disbursement requests #31, #32, #33, #34 and OCRA Claim Voucher for the Peru Water Upgrades.

Disbursement #31, Deichman Excavating, the primary contractor, for \$322,230.00 for the Peru Water Upgrades.

Disbursement #32, Kokosing Industrial, contractor for the Peru Filtration Plant rehab for the State Revolving Fund (SRF) projects, for \$439,197.00 for the Peru Water Upgrades.

Disbursement #33, NV Grant Services, a subcontractor for Cornerstone Grants Management, for \$750.00 for the Peru Water Upgrades.

Disbursement #34, Wessler Engineering, for professional services, for \$19,892.00.

OCRA Claim Voucher, for \$50,800.06 for the Peru Water Upgrades.

Fund balances remaining for the SRF is \$4,763,752.00 and remaining balance for the OCRA Grant is \$447,330.28.

Mr. Ward made a motion to approve disbursement requests #31, #32, #33, #34 and the OCRA Claim Voucher for the Peru Water Upgrades. Ms. Costin seconded the motion. Motion carried.

B.) APPROVAL OF CHANGE ORDER #2 KOKOSING INDUSTRIAL, INC. FOR THE WATER PLANT UPGRADE:

Kokosing is the general contractor for the Water Systems Improvements. Mr. Chance reported that Change Order No. 2 is for the inclusion of additional structural repair items as identified during construction and changes in project scope as identified during construction. This Change Order will be an increase of \$39,588.34. This increases the original contract price from \$2,732,670.00 to \$2,778,700.34.

CHANGE	DESCRIPTION	ADD	DEDUCT
Item No. 1	Detention Tank CMU Replacement CMU block along the detention tank walkway is projecting from the surrounding block and is deteriorated. The repair will consist of removing the existing damaged CMU and installing 2” soaps.	\$1,336.94	
Item No. 2	Addition of Lighting Sub Panel A sub panel is needed for lighting panel LP-B to supply power to the new 120V loads.	\$3,765.00	
Item No. 3	Storage Area Lintel Fitmit Corrections Lintels in the storage area do not bear the correction elevation, the ¾” – 1” gap between the bottom of the new interior lintels and the top, the gap will be filled with aluminum “U” channel.	\$1,247.40	
Item No. 4	Detention Tank Roofing System A ballasted roofing system will be installed in lieu of an adhered roofing system on the detention tank.		\$2,761.00
Item No. 5	Additional SIKA Wrap Areas During construction, cracking and/or spalling was observed in several additional areas on the existing WTP roofing panels and should be addressed. These additional areas could not be observed prior to construction, without the aid of scaffolding or a lift. <i>The unit price per repair area is \$1,200.00. 30 additional areas will be repaired.</i>	\$36,000.00	

Ms. Costin made a motion to approve Change Order No. 2 to Kokosing Industrial for \$39,588.34. Mr. Ward seconded the motion. Motion carried.

C.) APPROVAL OF 4TH QUARTER 2018 ELECTRIC RATES – TRACKER ADJUSTMENT

Mr. Chance asked for acceptance of the 4th Quarter 2018 Electric Rates-Tracker Adjustment. For the 4th Quarter 2018, the tracker represents an average decrease in its schedule of rates for electricity sold in the amount of \$ -0.001854 cents per kilowatt-hour (kWh). Residential customers will experience an increase of \$2.21 per

1,000 kilowatts. The 4th Quarter 2018 Tracker filing will be on the City Council’s September agenda for their consideration.

A motion was made by Mr. Ward to accept the 4th Quarter 2018 Electric Rates – Tracker Adjustment and seconded by Ms. Costin. Motion carried.

D.) APPROVAL OF TRUCK PURCHASE:

Mr. Chance stated Peru Utilities has received quotes to purchase a 2019 Jeep Cherokee to replace the 2001 Jeep Cherokee. The 2001 Jeep has 81,000 miles on it and is beat up. We felt it was not in good enough shape to sell the vehicle by bids internally, we would get \$1,000 minimum trade value. Grissom Chrysler Dodge Jeep Ram is able to offer Peru Utilities the lowest price available.

Quotes are as follows:

Grissom Chrysler Dodge Jeep Ram – Jeep Cherokee	\$26,547.00
O’Daniel Automotive Group – Jeep Cherokee	\$26,801.43
Paul-Richard GM Center – Chevrolet Equinox	\$26,882.55
Bob Schwartz Ford – Ford Edge	\$31,050.00

Mr. Chance recommended to accept the low bid from Grissom Chrysler Dodge Jeep Ram for a Jeep Cherokee for \$26,547.00 and to trade in the 2001 Jeep Cherokee for a trade in value of \$1,000.00.

Mrs. Edwards made a motion to approve the purchase of a new 2019 Jeep Cherokee not to exceed \$26,547.00 from Grissom Chrysler Dodge Jeep Ram, with a trade-in allowance of \$1,000.00 for the final cost of \$25,547.00, seconded by Mr. Burnell. Motion carried.

7.) CITY ADMINISTRATION UPDATE: None

8.) CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern reported that he will be reviewing the final draft of the Service Point Agreement with Indiana Packers that will determine where our maintenance and responsibility ends and theirs begins.

9.) MANAGER’S REPORT:

PERU TRIBUNE NEWSPAPER ARTICLE:

Mr. Chance had conducted an interview with a Peru Tribune reporter in e-mail format to assist the reporter to write a more helpful and informative article with regard to

customer's questions about billing increases during the summer months. Mr. Chance tried his best to transmit to the reporter that the weather had a significant impact on bills including his own and tried to qualify his answers with information about electric rates, which, is also available on Facebook. Mr. Chance said that he wished the reporter had used more of the information that he had provided to him, the reporter had failed somewhat in this respect. Mr. Akers inquired if other employees talk to the media. Mr. Chance thought it would be best if we spoke with one voice. Mrs. Edwards inquired if something simple could be created to inform the public. Mr. Chance said we are looking for ways to better inform the public.

BUSINESS OFFICE ADA COMPLIANT AUTOMATIC DOOR OPENERS:

Automatic door openers for the handicap have been installed at the Business Office entrance. The internal door from the Business Office to the Cashier's Office is to be upgraded with a badge reader lock.

AMI:

\$4.4 million was the original AMI loan amount, to date, we have spent \$4 million. The three-phase meters have been installed, the industrial meters are not installed yet, the cost for the industrial meters will be \$150,000. Cost of installation estimated to be between \$30,000 - \$40,000. We are in good shape on the AMI and we are close to finishing installation at Grissom. Mr. Chance stated that there have been some problems to gain entry to some customer's property to install the AMI metering system. In some cases, these customers are in arrears on their bill. In those such cases, we will put a sewage lien against the homeowner. At Grissom, there are 8,400 electric meters and 5,400 water meters installed. We are saving a little money on installation because some of the meter bases we install. We have a list of 500 water meters that are exceptions. There are between 800-900 water meters yet to be installed. Mr. Chance stated that the new meters are already giving data as to where problems are which leads to corrections in our system, which saves money and improves our efficiency.

WATER PROJECT UPDATE:

Mr. Chance reported on the status of the ongoing water project upgrades and summarized the work.

- Because of the future load of the new feed mill, we will install regulators for their production. They hope to start production on September 27.
- Electro-Nite plans to expand and build a new warehouse and possibly increase their production.
- QC Communication is installing fiber from Substation #2 to the hospital water tower.
- At Peru High School, across Broadway Street, there is a metal plate temporarily across the hole in the street. We will coordinate with the City as to their specifications and when the best time to do this work would be, Deichman is slated to do the work.

August 22, 2018 – Cont'd.

- The new line water recently installed to Elmwood School did not pass the pressure test. Deichman is planning to correct the issue when school is not in session.

LAST WEEK'S RAINFALL:

Last Wednesday afternoon we received 1.6" of rainfall between 10-15 minutes. It is considered a 50-year rain event with our Combined Sewer Overflow (CSO), reporting.

DETRASH THE WABASH:

Detrash the Wabash Riverbank Cleanup is scheduled for Saturday, September 22, from 9:00 am – 12:00 pm at 221 West Riverside Drive. Everyone is welcome to attend.

10.) ADJOURNMENT:

There being no further business to bring before the Board, Ms. Costin made a motion to adjourn. Mr. Ward seconded the motion. The meeting adjourned.

Geoff Ward, Secretary Peru Utilities Service Board