

**PERU UTILITIES  
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF  
OCTOBER 17, 2018**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, October 17, 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, and M. Burnell. Absent: J. Edwards. Others present Attorney Dustin Kern, J. Chance, B. Tillett, J. Beisiegel, M. Svantner, B. Hall, J. Clark, B. Zartman, and J. Languell – City Council Liaison.

**1.) APPROVAL OF BOARD MINUTES OF OCTOBER 3, 2018:**

*Mr. Burnell moved to accept the Board minutes of October 3, 2018, meeting as mailed. Mr. Ward seconded the motion. Motion carried unanimously.*

**2.) PAYMENT OF CLAIMS:**

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

In reference to the Accounts Payable Check Report, Ms. Costin inquired about the \$17,556.50 check paid to Haley's Lock Safe and Key Service. Mr. Chance said the check to Haley's Lock Safe & Key Service, Lafayette, Indiana, was for the security upgrade for the Business Office. It included the costs for software, input modules, access control, proximity cards, labor and installation of the main employee door, the main line department entrance, the east garage door, south and southwest garage doors, and the northeast employee entrance doors. Haley's was the only vendor that we contacted that gave us a proper estimate. No one locally had the capabilities to perform this kind of a service. An additional bill from Haley's will be forthcoming to install card reader security on the water filtration and lab entry doors. Mr. Akers inquired if there had been any negative comments from anyone wishing to enter the Business Office. Mr. Chance said to the best of his knowledge there had been no complaints; however, retirees will now enter through the customer entrance. Attorney Dustin Kern thought this was the proper procedure due to liabilities. Motion carried unanimously.

**3.) NEXT REGULAR MEETING:**

The next regular meeting will be held on Wednesday, November 7, 2018, at 4:00 p.m. in the Utility Service Boardroom.

**4.) PUBLIC COMMENT: None**

**5.) OLD BUSINESS:**

**A.) LONG TERM CONTROL FINES:**

Mr. Akers asked what the period would be to implement the Long Term Control Plan (LTCP) before any fines would be assessed. Mr. Beisiegel responded that the Long Term Control Plan ends in 2030 and along the way, there are milestones that have to be met. It is unclear whether fines will be assessed if they are not met. The original

LTCP submitted in 2010 said that in 2023 we would start engineering and in 2025 begin construction on the final project. Mr. Chance stated that we have to meet the milestones as laid out in the plan. Attorney Dustin Kern inquired if the Environmental Protection Agency (EPA) was involved as well. Mr. Chance noted that we have to meet the specifications of both IDEM and the EPA as stated in the LTCP. Mr. Beisiegel said had we not done the smaller projects the big project would have been far more expensive. Mr. Chance and Mr. Beisiegel will meet with Lockmueller before the next Board meeting to discuss finding the best way to approach this major project with as little financial stress on ratepayers as possible.

**6.) NEW BUSINESS:**

**A.) APPROVAL OF DISBURSEMENT REQUESTS #38, #39, #40, #41 AND OCRA CLAIM VOUCHER FOR THE PERU WATER UPGRADES:**

The Board considered the following disbursement requests #38, #39, #40, #41 and OCRA Claim Voucher for the Peru Water Upgrades.

Disbursement #38, Deichman Excavating, the primary contractor, for \$169,506.00 for the Peru Water Upgrades.

Disbursement #39, Kokosing Industrial, contractor for the Peru Filtration Plant rehab for the State Revolving Fund (SRF) projects, for \$429,747.00 for the Peru Water Upgrades.

Disbursement #40, NV Grant Services, a subcontractor for Cornerstone Grants Management, for \$750.00 for the Peru Water Upgrades.

Disbursement #41, Wessler Engineering, for professional services, for \$13,018.00.

OCRA Claim Voucher, for \$121,791.31 for the Peru Water Upgrades.

*Mr. Burnell made a motion to approve disbursement requests #38, #39, #40, #41 and the OCRA Claim Voucher for the Peru Water Upgrades. Mr. Ward seconded the motion. Motion carried unanimously.*

**B.) CITY ADMINISTRATION UPDATE: None**

**C.) CITY ATTORNEY’S UPDATE: None**

**D.) MANAGER’S REPORT:**

**AUGUST FINANCIALS:**

Each month’s financial report will show the utilities’ contribution to the City in the form of Payment in Lieu of Tax (PILT) and Return on Investment (ROI). The monthly contribution to the City from the Electric Utility Fund will be \$44,252 for a yearly total of \$531,038, and the monthly contribution to the City from the Water

Utility Fund will be \$19,836 for a yearly total of \$238,035. Mr. Chance said if the Board had questions please give him or Mrs. Clark a call, they will be more than happy to answer any questions. Mr. Burnell inquired about the overtime paid in August. Mr. Beisiegel reported that there were three massive rainstorms, which had us operating the sewage plant for twenty-four hours waiting for the flow to decrease.

**AMI BALANCES:**

Mr. Chance provided the Board members with paperwork pertaining to the AMI Financials up to this point.

**CSO LONG-TERM CONTROL PLAN (LTCP) AMENDMENT:**

Lochmueller will make a presentation to the Board at the November 7, 2018 meeting. Mr. Chance said that Lochmueller would be able to answer any questions at that time. Mr. Beisiegel noted one of the Lockmueller employees had formally worked for IDEM and had knowledge of both regulatory and contractor requirements, which would be extremely helpful. Mr. Akers said when the initial LTCP was passed in 2010 it seemed like a reasonable solution at the time, he wondered what had happened to increase the costs. Mr. Beisiegel explained costs had increased over time and it was felt that with the passage of time new ideas would be available. The thought is to install a large pipe with a small lift station to pump to the Cass Street lift station, which then would distribute the CSO’s through our existing wastewater plant. The current UV system is not adequate for running that many gallons for that many days so a new UV system would be required. Mr. Beisiegel noted initially the State had said that no LTCP was necessary. Then they recanted so that was where the LTCP came into play from 2010. Mr. Akers inquired about the initial LTCP that the college students and Lockmueller had prepared and why it was not satisfactory. Mr. Beisiegel explained that the model prepared by the college students was preliminary work and that Lochmueller has built upon it, streamlined, and fine-tuned it in a professional way. There was a discussion about the different iterations of different sizes of pipes and storage included in the amended plan. Mr. Akers inquired why college students had designed a complicated system like that. It was noted at the time it was more cost effective. Mr. Beisiegel said it took time to collect data and refine the model after the initial plan was approved.

**GRISSOM WATER RATE STUDY:**

Mr. Chance and Mrs. Clark had met earlier with Scott Miller of H. J. Umbaugh and Associates to review the Preliminary Report for the Grissom Water Cost of Service Study. Mr. Chance stated that we would have to be careful to pick the most pertinent projects to get the best value for the money while trying to keep the rate increase at an acceptable level for the ratepayers and to recognize that we have to do improvements. Peru’s cost up to 3,000 gallons of water usage is \$24.34 with fire protection. Grissom is currently at \$13.43 for 3,000 gallons of water usage, current fire protection is .83¢. Peru’s fire protection is \$11.00 per residential customer. With zero improvements at Grissom, the first iteration of this study the proposed rate would increase from \$13.43

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to \$21.81 in order to make us whole as a Grissom Water Utility, which is an \$8.38 increase for 3,000 gallons of water usage. On the industrial commercial side, the percentage is less, but still an increase. With improvements, we could see a \$30.00 fee for 3,000 gallons of water usage on the residential side if we borrow \$2 million. Since 2002, Grissom has had the same water rate. It has been sixteen years since the last increase. The Grissom water rates will cost more compared to Peru water rates since expenses will be distributed over a smaller customer base.

**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.*

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Geoff Ward, Secretary Peru Utilities Service Board