

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
NOVEMBER 21, 2018**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, November 21, 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 J. Edwards. Absent M. Burnell. Others present Attorney Dustin Kern, J. Chance, B. Tillett, J. Beisiegel, J. Clark, B. Power – Peru Tribune, and T. Alley – City Council Liaison.

1.) APPROVAL OF BOARD MINUTES OF NOVEMBER 7, 2018:

Mr. Ward moved to accept the Board minutes of November 7, 2018, meeting as mailed. Ms. Costin seconded the motion. Motion carried unanimously.

2.) PAYMENT OF CLAIMS:

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

3.) NEXT REGULAR MEETING:

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

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS:

6.) NEW BUSINESS:

A.) APPROVAL OF DISBURSEMENT REQUESTS #42, #43, #44, #45 AND OCRA CLAIM VOUCHER FOR THE PERU WATER UPGRADES:

The Board considered the following disbursement requests #42, #43, #44, #45 and OCRA Claim Voucher for the Peru Water Upgrades.

Disbursement #42, Deichman Excavating, the primary contractor, for \$160,991.00 for the Peru Water Upgrades.

Disbursement #43, Kokosing Industrial, contractor for the Peru Filtration Plant rehab for the State Revolving Fund (SRF) projects, for \$249,164.00 for the Peru Water Upgrades.

Disbursement #44, NV Grant Services, a subcontractor for Cornerstone Grants Management, for \$300.00 for the Peru Water Upgrades.

Disbursement #45, Wessler Engineering, for professional services, for \$6,326.00.

OCRA Claim Voucher, for \$4,000.00 for the Peru Water Upgrades.

Fund balances remaining for the SRF is \$3,323,207.00 and remaining balance for the OCRA Grant is \$16,000.00.

Ms. Costin made a motion to approve disbursement requests #42, #43, #44, #43, #45 and the OCRA Claim Voucher for the Peru Water Upgrades. Mr. Ward seconded the motion. Ms. Edwards abstained from voting because she arrived at the meeting late. Three in favor, one abstention. Motion carried.

B.) APPROVE BAD DEBT WRITE-OFFS APRIL 1, 2018 – JUNE 30, 2018:

The bad debt write-offs April 1, 2018 – June 30, 2018, were reviewed and Mr. Chance requested permission to write-off the delinquent accounts.

	Peru	Grissom	Total
Electric	\$20,649.23		\$20,649.23
Water	6,987.84	679.06	7,666.90
Wastewater	3,180.60		3,180.60
Stormwater	128.99		128.99
Trash	497.38		497.38
Total	\$31,444.04	\$ 697.06	\$32,123.10

YTD 2018 Bad Debt/Write off Recoveries as of 6/30/18 is \$16,536.59, 0.0133% of Gross Revenue and Year 2017 Total Bad Debt/Write off Recoveries were \$23,612.84, 0.79% of Gross Revenue.

Mr. Chance stated the percentage of bad debt write-offs consisted of .40% percent of revenue for Grissom and .52% of revenue for Peru. The new water meters permit us to shutoff water services to overdue customers remotely. It is standard procedure that we write off debts after trying to collect them; we can recapture bad debts when delinquent customers return to Peru Utilities service territory.

Mr. Ward made a motion to grant permission to write-off the delinquent Accounts, April through June 2018, for \$32,123.10. Mrs. Edwards seconded the motion. Motion carried unanimously.

C.) APPROVE 1ST QUARTER 2019 ELECTRIC RATES – TRACKER ADJUSTMENT:

The 1st Quarter 2019 filing will be on the City Council’s December agenda for approval.

The average residential customer using 750 kWh of electricity will see a decrease of \$0.3690. The power/commercial customer electric rates will increase \$0.0006730 per kWh and the demand customer rate will increase \$.001489 per kWh. The Tracker in 2017 - 2018 has dropped by 3% for residential customers. On the industrial side, the Tracker has decreased by 4%. Mr. Chance stated that the Tracker and IMPA’s wholesale rate keeps our prices low.

Mr. Ward made the motion to approve the 1st Quarter 2019 Electric Rates – Tracker Adjustment. Mrs. Edwards seconded the motion. Motion carried unanimously.

D.) APPROVE CHANGE ORDER NO. 2, TO DEICHMAN EXCAVATING FOR A TIME EXTENSION AND CHANGE IN CONTRACT PRICE FOR ADDITIONAL WORK:

Deichman Excavating is the general contractor for the Water Main Replacements. Mr. Chance reported that Change Order No. 2 is for the addition of contract time due to unforeseen conditions and an increase in contract price due to exploratory digging. This Change Order will be an increase of \$1,955.00. This increased the original contract price from \$4,736,980 to \$4,391,610.00. Mr. Chance said at the South Broadway and Strawtown Pike location, what was originally thought to be an 8” cast iron water main turned out to be a 12” water main, plus the tap sized had to be changed. Because of this Deichman’s is asking for the price increase and a 60-day time extension due to weather delays. Because we adhere to the SRF Guidelines Mr. Chance noted we have to give them their time extension.

Mrs. Edwards made a motion to approve Change Order No. 2 to Deichman Excavating for the 60-day time extension and the increase in the contract price of \$1,955.00. Mr. Ward seconded the motion. Motion carried unanimously.

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

8.) **CITY ATTORNEY’S UPDATE:** None

9.) **MANAGER’S REPORT:**

GENERAL STATEMENT REGARDING LEAD AND COPPER TESTING:

Mr. Chance said the Lead and Copper letter that the State said we have to send would be mailed to all Peru water customers next week. Mr. Chance distributed copies of the General Statement Regarding Lead and Copper Testing to the Board noting that the Mayor’s office also received a copy. He proceeded to read the General Statement as follows. *“During the City of Peru Water Department’s routine testing for lead and copper, elevated levels were found in some homes. Peru Utilities has contacted these residents directly and is actively working with them to determine the reasons for their results. Peru Utilities has tested for lead and copper at the wells and water mains in the past, resulting in no lead detection, and is currently performing another round of testing. We will provide the results when complete. Please contact Peru Utilities Division of Water Management at 765-473-6681 and ask for Jamin Beisiegel or Randy Kline, or visit our website at peruutilities.com for more information”*. Mr. Chance stated that we have directly contacted the four customers that had elevated lead levels and we are working with them to determine whether it is their service lines or faucets. Mr. Beisiegel pointed out that the testing limit is 15 parts per billion. Our test result was 18.6, slightly over the threshold. We have also tested the water at the mains and wells and we do not anticipate any residuals. If there were problems at the water mains, the test results would have been consistently high, but because it is isolated to four homeowners, we feel like it is in their

service lines or faucets. Mr. Chance asked the Board to give him a call should they have questions.

FIBER SYSTEM AUDIT:

Mr. Chance said that Peru Utilities has currently hired a firm to audit our fiber system. The cost will be \$6,000. He stated it is very useful to the utilities to have a fiber system and explained that fiber optic is the backbone in everything that we do. Therefore, we are going to spend some time and money to get it updated and streamlined. With the Board’s permission, Mr. Chance said the plan is to generate more revenue on the electric side by leasing fiber.

3-PHASE METERS:

Mr. Chance reported that Utility Metering Systems (UMS) plans to leave next week. We are short on inventory for the 3-phase meters from Elster. Staff is putting together a written plan to take care of the final work that needs to be done with the AMI meter project. The Customer Portal is not in service yet, but it hoped to be available by the middle of December. At that time we will start-signing customers up.

LONG-TERM CONTROL PLAN:

Mr. Chance said that staff would be meeting with Lochmueller in December to talk about the Smart Meter Sewer suggestion, along with other new ideas. Mr. Chance will keep the Board apprised of information as soon as he gets it.

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