

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JANUARY 8, 2020**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on Wednesday, January 8, 2020. 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, R. Donoho, and M. Burnell. Absent: J. Edwards. Others present Mayor Miles Hewitt, Attorney D. Kern, J. Chance, B. Tillett, J. Clark, L. McGuire, J. Beisiegel, M. Svantner, B. Zartman and B. Hall.

1.) APPROVAL OF BOARD MINUTES OF DECEMBER 18, 2019:

Mr. Burnell moved that the minutes of December 18, 2019, be approved. Ms. Costin seconded the motion. The motion passed with Mr. Akers, Ms. Costin and Mr. Burnell voting in favor. Mr. Donoho abstained from voting due to his recent appointment.

2.) PAYMENT OF CLAIMS:

Ms. Costin moved to approve the claims as presented. Mr. Burnell seconded the motion. The motion passed.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held Wednesday, January 22, 2020, at 4:00 p.m. in the Utility Service Boardroom.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) ELECTION OF OFFICERS:

CHAIRMAN: *Ms. Costin made a motion to nominate Stan Akers as Board Chairman for 2020, seconded by Mr. Donoho. It was voted unanimously that Mr. Akers be Board Chairman for 2020, the motion passed.*

SECRETARY: *Mr. Akers made a motion to nominate Ms. Costin as Board Secretary for 2020, seconded by Mr. Burnell. The vote was unanimous, the motion passed.*

B.) ANNUAL REVIEW OF PERU SERVICE BOARD POLICY STATEMENT CONCERNING BOARD RESPONSIBILITIES AND FUNCTIONS:

The Board Policy Statement concerning responsibility and functions is reviewed the first meeting of the new-year in conjunction with the election of officers. The Board had no comments or changes.

Mr. Burnell made a motion to accept the Board Policy Statement as presented. Mr. Donoho seconded the motion. The motion passed.

C.) APPROVE TRUCK PURCHASE FOR THE ELECTRIC DIVISION:

Mr. Chance reviewed Bob Hall’s memo in regards to replacing Truck #152, 2001 Jeep Cherokee. Specifications (which included snowplow prep) were mailed to O’Daniel Automotive Group, Peru Ford, Button Dodge Ram, Grissom Chrysler, Paul Richard GM Center, and Erik’s Chevrolet. The following quotes were obtained.

• O’Daniel Automotive Group	2019 Ram Tradesman 2500	\$32,622.25
• Peru Ford	2019 Ford F250	\$50,846.00
• Button Dodge Ram	2018 Ram Tradesman	No Bid
• Grissom Chrysler Dodge Jeep Ram		No Bid
• Paul-Richard GM Center		No Bid
• Erik’s Chevrolet		No Bid

It is planned to bid the 2001 Jeep Cherokee internally starting at \$800 minimum. Mr. Chance stated that while we would prefer to purchase locally, the local dealers could not compete with the large commercial dealerships. It is Mr. Hall’s recommendation to accept the low bid from O’Daniel Automotive Group for \$32,622.25 for a 2019 Ram Tradesman 2500.

Ms. Costin made a motion to accept the bid of \$32,622.25, from O’Daniel Automotive Group for a 2019 Ram Tradesman 2500. Mr. Burnell seconded the motion. The motion passed.

7.) CITY ADMINISTRATION UPDATE:

Mr. Chance and the Board welcomed Peru Mayor Honorable Miles Hewitt to the meeting.

8.) CITY ATTORNEY’S UPDATE:

GRISSOM AEROPLEX WATER TOWER:

Attorney Dustin Kern reported that the agreement for AT&T’s use of our water tower on the Grissom Aeroplex is close to completion, he is reworking several small items to tidy up the document. Health and Human Services (HHS) have been included as described in the original deed to Peru Utilities in 2000. The agreement is currently in the hands of HHS for review and approval.

INGRESS/EGRESS EASEMENT WELL 6 PROPERTY:

Attorney Dustin Kern also said that the Department of Corrections (DOC) has been helpful in the acquisition of the Well 6 property at the Grissom Aeroplex. The DOC will be transferring the ownership of the property to the Indiana Finance Authority (IFA) who will pass the ownership to Peru Utilities. Attached to the property is an ingress/egress easement that has been executed by Peru Utilities. The wait is now for the DOC to

authorize the easement and have it sent to us for recording at the Miami County Courthouse.

9.) MANAGER'S REPORT:

2019 LEAD & COPPER TESTING:

Mr. Chance reported that the Federal and State government mandates that we test water for lead and copper annually. Overall, in 2019 we performed 140 water tests in two groups and passed. We will have to test in 2020, however; we will not have to go through all of the advertising procedures. We are moving forward with the phosphate treatment of the water to lower the number further. We are coordinating with the State as to the procedures and frequency of the testing. We are doing the phosphate treatment on a voluntary basis in order to stay ahead of the approaching regulatory curve. Mr. Beisiegel said that the Environmental Protection Agency Regulations are proposed and out for comment.

GRISSOM WATER CUSTOMERS:

January 15 is the first billing cycle for the rate increase for water services at Grissom. We know that we are going to get some phone calls regarding the issue; Peru Utilities Customer Service Department is prepared to answer customer's questions regarding the increase in their bills

CITY COUNCIL & PUSB ORIENTATION/GRISSOM TOUR:

Mr. Chance said that a Peru Utilities Orientation/Grissom tour would be conducted on January 29, 2020, at the Business Office from 6-8 pm for the Mayor, Common Council Members, and Board Members, he will e-mail invitations.

OCRA (OFFICE OF COMMUNITY AND RURAL AFFAIRS) GRANT:

We should find out next week if Peru Utilities would receive OCRA funds for the Grissom Water Project. Mr. Chance will e-mail the Board just as soon as he finds out. If we receive the \$700,000 grant money, we will bid the projects out and go back to the City Council to reduce the Grissom Water Rate by that amount.

2019 ACCOMPLISHMENT SUMMARIES:

Electric Department

Retired and Replaced Poles	292	(118 in 2018)
Installed and Retired Primary	30,659 ft. (5.81 mi.)	(6,692 ft. in 2018)
Installed and Retired Secondary	4,915 ft.	(2,054 ft. in 2018)
LED replacements	200	(0 in 2018)
Rebuilt section of 19 S. Distribution	2500 ft.	
Rebuilt section of 69 kVA Transmission	3000 ft.	

JANUARY 8, 2020 – Cont'd.

Installed new Substation Transformer in Sub #2, which allows us a temporary back-up Substation Transformer by retaining the old and outdated one at the switching station. Performed 616 customer service orders plus many other verbal requests (line-dept. personnel). Installed 2 new three-phase reclosers to help sectionalize and minimize larger outages. New service installations for large and new customers: Progress Rail, Electro-nite, Dominoes, and Snavley's. Developed an Emergency Restoration Plan. Implemented a new method for material purchasing, leading to decreased lead-times and lowered overall costs. Removed all of the old services from 1 S. Broadway, replaced with 3 phase underground. Reworked the West City park and Mexico ball diamonds to reduce existing public hazards. Fully transitioned to tablets for work-orders, increasing productivity and communication. Provided more time and resources towards community service for the City and Chamber than in the past, approximately \$46,000, total.

Technical Services

Fiber Restructure

We have completed over 1800 individual fiber splices. With 12 new enclosures replacing old out of date enclosures to house the fibers. Signed an agreement with Broadway Broadband for \$750 a month to utilize two of our fibers from Sub 2 to Grissom. Added redundancy to water assets. In the event of a line cut, the assets will automatically switch to the opposite direction in our fiber loop and communicate back to our water plant operator.

Line Crew

Added tablets for each line truck and hotspots so the crews can have real-time outage capability, the ability to turn on or off an electric meter, and be able to retrieve service orders out in the field rather than returning to the office to get service orders. Added GPS capabilities for 6 of our line trucks through Fleet Complete

Building Security

Added electronic door locks on all significant points of entry to the main office building. We also added electronic locks on our east gate and our WW Lab. Installed cameras for our four wells, four booster stations, and WW Lab in Peru. Upgraded the cameras at the Grissom Wastewater building. Installed cameras at Grissom Water. All cameras communicate back to the main office, where we have an NVR (Network Video Recorder) recording all data for up to 30 days.

Cybersecurity

Upgraded our firewall technology to have an advanced threat detection algorithm running on all computers. This algorithm scans every file and detects if they are making abnormal changes or behaving not as intended. I have also incorporated geolocation lockdown on our company, restricting over 160 countries from accessing our network.

Actively have our RMM (Remote Monitoring and Managing) software scanning all computers reporting information being sent out and received.

Activated botnet detection on our network. Botnet detection enables our firewall to look out for computers on the Internet that have become bots (infected with malware, dormant until hackers activate them.) These bots usually attack the firewall until it cannot handle the load and allowing hackers to gain entry once the defenses are down.

I have activated IPS threat detection. This technology actively examines traffic flows to detect and prevent vulnerability exploits. Vulnerability exploits usually come in the form of malicious inputs to a target application or service that attackers use to interrupt and gain control of an application or machine.

Lastly, activated reputation blocker, which scans webpages for typical malicious content and checks the website against a database of known malicious content; if anything on the site is detected from the database, the website will be immediately blocked from the user.

Implemented stronger computer security. Making everyone use their unique login and password. Along with making password, requirements stronger and the need for changing passwords after a certain set amount of time.

Server Room

Added door security to access the server room.

Added room sealing and fire suppression to the server room in the event of a fire.

AT&T

Switching to FirstNet service through AT&T, our pricing is comparable to what AT&T Business was. Although going through this change, we gained higher priority service, unlimited data, and faster speeds through AT&T. Also, we were able to add six new hotspots for the line trucks giving them the capability to monitor outages and control disconnects on electric meters remotely.

Other

Approximately 100 Smart points repaired or replaced

Approximately 1,300 leak alerts investigated or door tagged

20 – 3 Phase Metering Setups repaired or replaced (Due to burnt wiring or CT/PT setups)

246 Customer Portal Users

Upgraded 15 vehicle radios to digital

Upgraded 20 handheld radios to digital

Replaced 4 Base Station Radios for dispatching

Installed 3 backup generators at water tower / AMI Base Station locations

Customer Service

Communications

Incoming calls		12,863
Outgoing Calls		8,226
Total Calls:	Cust Serv Rep	2,295
	Cust Serv Rep	2,478
	Cust Serv Rep	2,057
	Cust Serv Rep	2,409
	Front Office	2,021

Service Orders

Payment Arrangements (Promise to Pay/Additional time)	2,543
Customer Check Reads (meter checks)	18,437
Service Connect Orders	12,240
Service Disconnect Orders	10,097
Transfer Service Orders	18,469
Total Service Orders for 2019 (incl. others not above)	79,703

Transactions/Collections

Cash Transactions	11,568	\$1,678,848.51
Credit/Debit Transactions	14,521	\$2,448,976.08
Check Transactions	55,443	\$19,404,123.47
Online and IVR Transactions	31,447	\$5,129,126.53
Total Transactions	113,171	\$31,300,657.24
Cash error total for CS personnel	\$37.19	Error Margin
.0001%		

(1 ten thousandths of one %)

Bad Debt Write offs	\$94,882.72
Bad Debts Collected	\$43,015.69
Bills Per Month (Ave.)	11,688
Formal Customer Complaints	8
Formal Customer Appreciations	12

Updated our billing system to handle energy assistance money correctly.
 Provided more options for customers to pay through our online Municipal Bill Pay.
 Created program and procedure to track items in service orders for better recordkeeping and communication.
 Created and installed a visitor policy to update and comply with current and upcoming security codes and concerns.
 Flooring replacement ongoing.

Admin.

Payrolls Processed	1688
Vendor Payments Processed	2463
Invoices Processed	5000

Prepared all payroll reports, w-2, 941's, 1099 filings, Sales Tax Reports, and multiple other reports in house.
 Processed all claims for employee eye and dental insurance.
 Administered self-funded employee and retiree health insurance, as well as section 125 plans.
 Performed *annual* financial audit with the Indiana State Board of Accounts for 2015, 16, 17, 18.
 Administered over 1,500 accounts in our accounting system.
 Administered and verified receipt of all miscellaneous accounts receivable, such as pole fees, fiber leases, outside sales of water, and reimbursements for multiple items, both externally and internally.
 Multitudes of internal and external monthly and annual financial reports processed.
 Administered all current bond issuances, leases, and state, federal reporting, and requirements.
 Completed Grissom Water rate and cost of service studies.
 Applied for Office of Community and Rural Affairs grant for Grissom Water improvements.

JANUARY 8, 2020 – Cont'd.

Applied for State Revolving Fund bond for Grissom Water for \$3.5 million.

Passed a significant rate increase for Grissom Water to fund desperately needed improvements and to satisfy the revenue requirement for the \$3.5 million financing.

Successfully completed contract negotiations with the Local ASFCME Union.

Reviewed, updated, and adjusted all job descriptions to fit current regulatory and utility industry standards and Peru Utilities job duties.

10.) ADJOURNMENT:

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

Mary Costin, Secretary Peru Utilities Service Board