

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
FEBRUARY 6, 2019**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on February 6, 2019. The meeting was called to order by Mr. Akers at 4:00 p.m. pursuant to notice as required by law. Board members present S. Akers, M. Costin, M. Burnell, and J. Edwards. Absent D. Van Baalen. Others present Attorney D. Kern, J. Chance, B. Tillett, B. Hall, M. Svantner, J. Clark, J. Beisiegel, B. Zartman and B. Power, Peru Tribune.

1.) BOARD MINUTES OF JANUARY 16, 2019:

The minutes of the January 16, 2019 meeting were approved upon the motion of Mr. Burnell and seconded by Ms. Costin. Motion carried.

2.) PAYMENT OF CLAIMS:

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

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on Wednesday, February 20, 2019, at 4:00 p.m. in the Utility Service Board room.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) APPROVE DISBURSEMENT REQUESTS #53, #54 AND OCRA CLAIM VOUCHER FOR THE PERU WATER UPGRADES:

The Board considered the following disbursement requests #53, #54, and OCRA claim voucher for the Peru Water Upgrades.

Disbursement #53, Deichman Excavating, the primary contractor, for \$181,758 for the Peru Water Upgrades.

Disbursement #54, NV Grant Services, a subcontractor for Cornerstone Grants Management, for \$300 for the Peru Water Upgrades.

OCRA Claim Voucher, for \$2,000 for the Peru Water Upgrades.

Mr. Burnell made a motion to approve disbursement requests #53, #54, and the OCRA Claim Voucher for the Peru Water Upgrades. Ms. Costin seconded the motion. Motion carried with Mrs. Edwards abstaining due to her late arrival.

B.) APPROVE BAD DEBT WRITE-OFFS JULY 1, 2018 THROUGH SEPTEMBER 30, 2018:

	<u>Peru</u>	<u>Grissom</u>	<u>Total</u>
Electric	\$12,794.38	-	\$12,794.38
Water	2,542.26	1,316.64	3,858.90
Wastewater	594.33	-	594.33
Stormwater	74.80	-	74.80
Trash	224.40	-	224.40
Total	\$16,230.17	\$ 1,316.64	\$17,546.81

The bad debt write-offs July 1, 2018 – September 30, 2018, were reviewed and Mr. Chance requested permission to write-off the delinquent accounts. YTD 2018 Bad Debt/Write off Recoveries were \$26,095.36, 0.30% of Gross Revenue and Year 2017 Total Bad Debt/Write off Recoveries were \$23,612.84, 0.79% of Gross Revenue. It is standard procedure that we write off debts after trying to collect them; we recover bad debts when delinquent customers return to Peru Utilities service territory.

Ms. Costin made a motion to grant permission to write-off the delinquent accounts July 1 through September 30, 2018, for \$17,546.81. Mrs. Edwards seconded the motion. Motion unanimously carried.

C.) APPROVE SALE /DISPOSAL OF EXCESS OFFICE FURNITURE AND MISC. ITEMS:

Mr. Chance asked for the Board’s permission to internally bid/dispose of obsolete/unused furniture/office equipment and other items on an as-is basis.

Mr. Burnell made a motion to approve the sale/disposal of the excess office furniture and misc. items. Mrs. Edwards seconded the motion. Motion unanimously carried.

D.) APPROVE CHANGE ORDER NO. 3 TO DEICHMAN EXCAVATING FOR A TIME EXTENSION AND CHANGE IN CONTRACT PRICE FOR ADDITIONAL WORK:

Mr. Chance presented Change Order No. 3 which provides for an adjustment in contract price and contract time due to changes, additions, and unforeseen conditions of the work for the Water Systems Improvements, Contract B, Water Main Replacements project. The changes include an 8” cut and cap and an additional 60-day time extension for final completion. Mr. Chance stated the time extension is for unforeseen conditions relating to the weather and difficulty locating existing lines. Indiana Code states that if there is a good reason to request a time extension then it can’t be denied. Mr. Beisiegel explained that

when the new lines were installed it brought to light other additional problems that Deichman had to attend to; they had to cap the new line and install a valve to pressure test. The original plan did not specify the extra cap.

Mrs. Edwards moved to accept Change Order No. 3, for an increase adjustment of \$2,207.49 in contract price due to changes, additions, and unforeseen conditions of the work for the Water Systems Improvements, Contract B, and Water Main Replacements project. Mr. Burnell seconded the motion. Motion unanimously carried even though Ms. Costin expressed some misgivings.

E.) APPROVE TRUCK PURCHASES:

Mr. Chance related his efforts in purchasing three new pickup trucks whose costs have already been established in the budget. Initially, we had invited local dealerships to make a bid on these vehicles. No bids were received from our local dealerships nor municipal discounts except for Ford, which was well outside the previously budgeted amount. We then felt free to reach out to O’Daniel in Ft. Wayne, Indiana. However, O’Daniel requires us to create a purchase order for them to secure the trucks. Due to the way our bidding process is structured, it requires Board approval before a purchase order can be issued. This sometimes leads to us losing the ability to purchase vehicles at a lower price. Mr. Chance asked the Board to go ahead and give him the ability to authorize purchases on previously budgeted items without initially receiving Board approval. This will enable Peru Utilities to exploit the opportunity to purchase vehicles at a lower price. Additionally Mr. Chance asked for Board permission to dispose of the vehicles being replaced internally for the minimum trade-in value. At this time O’Daniel has submitted bids for only two of the trucks. Another truck will need to be replaced this year and it will be kept within the budgetary figures. The board will be kept informed ahead of time.

	<u>Budgeted Amounts for 2019 Trucks</u>	<u>O’Daniel Pricing</u>
Electric Division	\$45,000.00	\$30,783.25
Peru Water	\$36,000.00	\$27,321.25
Peru Wastewater	\$37,000.00	-

Ms. Costin made a motion to approve the quote to replace the Electric Division truck from O’Daniel for \$30,783.25 and to approve the quote to replace the Peru Water truck from O’Daniel for \$27,321.25 and to bid the two surplus trucks internally for the minimum trade-in value. Mrs. Edwards seconded the motion. Motion unanimously carried.

7. CITY ADMINISTRATION UPDATE: None

8. CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern is working on the agreement with AT & T and SBA to attach wireless communications to one of our water towers at Grissom.

9. MANAGER’S REPORT:

SCHNEIDER ELECTRIC/SQUARE D:

Mr. Chance stated that with regard to the situation at Schneider Electric and the potential for it to close, he had heard there is some room for the employees to negotiate with the company to remain operational. However, should these negotiations fail and Schneider Electric should close, Mr. Chance said with the addition of OP Nutrition and the expansion of Smithfield Foods it should help us to mitigate the loss of Schneider Electric. He noted that it would be a shame if Schneider Electric left town, but we are a resilient community and ultimately things will work out.

INCREASED WATER LEAKS/RECENT WIND CHILL:

Mr. Chance said that the good news is that temperatures will recover from their deep freeze this week. The bad news is that these swings in temperatures, or the persistent cold in some areas, can contribute to increased main breaks in the coming days. We have been fortunate in December and January. Mr. Chance noted that if any problems occur they will be posted on Facebook and that we certainly appreciate the efforts of our crews working in inclement weather conditions. Mr. Chance reported that Wednesday Peru Utilities crews and staff were ready for the subfreezing temperatures and winds, we survived it pretty well.

FIBER LOOP REBUILD:

Clawson Communications began the fiber loop rebuild Monday, February 4.

WATER PLANT PROJECT CHANGE ORDER:

There will be a large Change Order for Board consideration at the February 20 meeting to close out the water plant project. The total project cost is lower than the original bid amount. The Board will also be asked to approve the 2nd Quarter 2019 Electric Rates and the Reconstruction of Breaker 6912 6920 Overhead.

WATER FILTRATION PICTURES BEFORE REHAB:

Mr. Chance showed the Board pictures of the water filtration plant before it was rehabbed.

February 6, 2019 – Cont'd.

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 meeting adjourned.

11. TOUR OF THE WATER FILTRATION PLANT:

After adjournment, the Board toured the water filtration facility.

Matt Burnell, Secretary Peru Utilities Service Board