

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
FEBRUARY 20, 2019**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on February 20, 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, D. Van Baalen, M. Burnell, and J. Edwards. Absent M. Costin. Others present Attorney D. Kern, J. Chance, B. Tillett, M. Svantner, J. Beisiegel, B. Zartman and L. France.

1.) BOARD MINUTES OF FEBRUARY 6, 2019:

The minutes of February 6, 2019, meeting were approved upon the motion of Mrs. Edwards and seconded by Mr. Burnell. Mr. Van Baalen did not vote because he was not present at that meeting. Motion carried.

2.) PAYMENT OF CLAIMS:

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

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on Wednesday, March 6, 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 USE OF UTILITY PROPERTY FOR CIRCUS FESTIVAL:

Mr. Chance said the Circus Festival is again asking to use our property east of the switching station on July 20 for staging horses for the circus parade. Mr. Chance asked the Board to consider the request.

Mrs. Edwards made a motion to approve the Circus Festival of use of our property at the switching station for the July 20, 2019 circus parade. Mr. Van Baalen seconded the motion. Motion unanimously carried.

B.) APPROVE 2ND QUARTER 2019 ELECTRIC RATES – TRACKER ADJUSTMENT:

Mr. Chance asked for acceptance of the 2nd Quarter 2019 Electric Rates-Tracker Adjustment. For the 2nd quarter 2019, the tracker increased an average in its schedule of rates for electricity sold in the amount of \$ 0.002444 cents per kilowatt-hour (kWh). Residential customers will experience an increase of \$3.22 per 1,000 kilowatts. Commercial customers will experience an increase of 2%. The second Quarter 2019

Electric Rates Tracker Adjustment filing will be on the City Council’s March 4 agenda for their consideration. At that time Mr. Chance will present a detailed explanation of the Tracker and its importance to Peru Utilities and the community, noting that it is standard practice for utilities in the Indiana electric industry.

A motion was made by Mr. Burnell to accept the second Quarter 2019 Electric Rates – Tracker Adjustment and seconded by Mr. Van Baalen. Motion unanimously carried.

C.) APPROVE ANNUAL CPI ADJUSTMENT FOR WATER RATES:

Mr. Chance requested acceptance of the annual CPI Peru Water Rates adjustment. City Ordinance 28-2016, allows us to recalculate the Peru water rate annually based on a formula recommendation endorsed by the Indiana Utility Regulatory Commission (IURC), we have H. J. Umbaugh review the rate also. If accepted Peru water rates will increase by 1.8% per the formula, effective April 1, 2019. The average customer who uses 3,000 gallons of water will see an increase of \$0.23 in their monthly bill. The 2019 Peru Water Rates annual CPI adjustment filing will be on the city council’s March 4 agenda for their consideration. Mr. Chance will also discuss the Customer Portal process to the City Council.

Mrs. Edwards made a motion to accept the Peru Water Rates annual CPI adjustment of 1.8%, effective April 1, 2019. Mr. Burnell seconded the motion. Motion unanimously carried.

D.) APPROVE THE RECONSTRUCTION OF BREAKER 6912-6920 OVERHEAD:

Mr. Chance reported that our 69 kV line between substation 1 and 2 has had termites for a significant amount of time. The lines have been treated and tested on an annual basis but should be replaced. The original bids were above the estimates due to labor increases and labor shortages so it was decided to reconfigure the project and replace 4,000 feet of poles and then to permit the two bidders to resubmit their new bids based on the new configuration. New bids were submitted by Gaylor Electric in the amount of \$414,750 and J & J Electric in the amount of \$459,168. Mr. Chance recommended the bid be awarded to Gaylor Electric for \$414,750 and hopefully start work in April this year and then continue as a long term replacement project for the next three years.

Mr. Burnell made a motion to approve the reconstruction of breaker 6912-6920 Overhead contractor recommendation, Gaylor Electric, for the amount of \$414,750. Mrs. Edwards seconded the motion. Motion unanimously carried.

E.) APPROVE CHANGE ORDER NO. 3 TO KOKOSING INDUSTRIAL FOR THE WATER PLANT UPGRADE CONTRACT “A”:

Kokosing Industrial is the general contractor for the Water Plant Upgrade. Mr. Chance reported that Change Order No. 3 is for additional scope items as identified during construction, changes in project scope identified during construction, and addressing unforeseen conditions as identified during construction. Mr. Beisiegel gave a short presentation to the Board explaining the need for Change Order No. 3 and also noted that the engineers and Randy Kline did a fine job on the whole project. Mr. Chance expressed his gratitude in regard to the work that was done on this project and stated with the amount of work involved with the water plant upgrade change orders were less than 1%.

CHANGE	DESCRIPTION	ADD	DEDUCT
Item No. 1	COR 6 - Additional Structural Rehab Work: Additional structural repair works items were requested: caulking gaps between existing lintels & masonry (32 ea) replacing cracked exterior masonry (20 ea.). Total of 31 lintels caulked @ \$199.50/ea. – Did not proceed with replacing the cracked exterior masonry.	\$6,184.50	
Item No. 2	COR 7 - Filter/Storage Wing Roofing Transition: Roofing membrane transition between the filter wing and the storage wing of the water treatment plant revised to cover the parapet wall.	\$2,015.00	
Item No. 3	COR 8 - Well Houses 1 & 6 Electrical Modifications: Unanticipated conflict with the as-bid location of electrical equipment at Well House 1 & 6. Well House 1 & 6 electrical equipment locations revised to install sufficient clearance.	\$7,226.00	
Item No. 4	COR 9 - Filter Influent Valve Timer: Modification of filter influent valve actuator timers.	\$983.00	
Item No. 5	COR 10 - North Elevated Tank Pressure Transmitter: Replace faulty pressure transmitter.	\$2,760.00	
Item No. 6	COR 11 - Detention Tank Level Transmitter: to install a new ultrasonic level transmitter.	\$2,461.00	
Item No. 7	COR 13 - Electrical Credits: for the collective credit of all uncompleted and unnecessary scope items removed from the project.		\$2,224.55
Item No. 8	FMT 006-Booster Station CLA Valve Controls: For modifications to the existing control scheme to allow system to operate per the Owner’s direction.	\$6,076.00	
Item No. 9	Final Adjustment of Unit Price Pay Item Quantities: Adjustment of final quantities for all unit price pay items to reflect the actual quantity of work completed.		\$46,895.00
Item No. 10	Final Completion Time Extension: Substantial completion was reached per contract times, but more time was required to reach Final completion. 58 calendar days were added to the Final completion date.	+58 days to Final Completion Date	
	The net change in the contract amount for the items identified in this Change Order is a decrease in the amount of \$21,414.05. The revised contract amount for the Water Systems Improvements is \$2,757,286.29. Final completion extended 66 days to Final Completion Date 2/15/19.	+66 days to Final Completion Date	(\$21,414.05)

Mrs. Edwards made a motion to approve Change Order No. 3 to Kokosing Industrial for a total decrease of \$(\$21,414.05). Mr. Van Baalen seconded the motion. Motion unanimously carried.

F.) APPROVE AMENDMENT NO. 2 A CHANGE ORDER FOR ADDITIONAL ENGINEERING SERVICES FOR “CONTRACT B” WATER MAIN REPLACEMENTS:

Mr. Chance stated that for various reasons the George Street project required additional engineering services, thereby necessitating the need for Amendment No. 2 which incurred further engineering costs of \$28,000. He asked the Board to consider approving Amendment No. 2. It was noted that Deichman’s will pay their portion of Amendment No. 2 through a deduction of their overall price due to the fact that they did not fulfill their contractual obligation and requested a time extension.

Mr. Burnell made a motion to approve the \$28,000 for additional construction phase services to Wessler Engineering. Mrs. Edwards seconded the motion. Motion carried unanimously.

7. CITY ADMINISTRATION UPDATE: None

8. CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern said that he had sent the new Site Management Agreement to SBA with all of his and Mike Walsh’s changes. He inquired if the new Site Management Agreement had been signed. Mr. Chance said that he will check into the matter.

9. MANAGER’S REPORT:

2019 PROJECT PRIORITY LIST:

Mr. Chance made a detailed presentation of Peru Utilities Project Priority List for each department for 2019, explaining each of the projects, estimated costs, and timelines. The Board was presented with copies of the documents. These documents will be posted in each department for all employees to examine and comment on. Going forward Mr. Chance will submit the Project Priority List to the Board at the same time the Budget is brought to the Board for consideration. Mr. Chance informed the Board that after the meeting closed he would show them how to gain access to the Peru Utilities Customer Portal.

10. ADJOURNMENT:

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

Matt Burnell, Secretary Peru Utilities Service Board