

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

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on March 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, M. Costin, D. Van Baalen, M. Burnell, and J. Edwards. Others present Attorney D. Kern, J. Chance, B. Tillett, J. Beisiegel, J. Clark, B. Zartman, and J. Languell-Peru City Council Liaison.

1.) BOARD MINUTES OF MARCH 6, 2019:

The minutes of March 6, 2019, meeting were approved upon the motion of Mrs. Edwards and seconded by Ms. Costin. Motion unanimously carried.

2.) PAYMENT OF CLAIMS:

Mr. Chance said with regard to the two trucks purchased from O'Daniel Automotive Group there needs to be a clarification pertaining to the check numbers issued for the payment of the trucks. The amounts are the same for both vehicles but are differentiated by the check number and the corresponding vehicle.

Ms. Costin moved to accept the check number correction to the A/P History Check Report, seconded by Mrs. Edwards. Motion unanimously carried.

A motion was made by Ms. Costin to approve the amended claims for payment as presented. Mrs. Edwards seconded the motion. Motion unanimously carried.

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on Wednesday, April 3, 2019, at 4:00 p.m. in the Utility Service Board room.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS:

A.) GRISSOM WATER RATE STUDY:

Mr. Burnell inquired as to the status of the Grissom Water Study. Mr. Chance indicated that the financial aspect of the study was complete however the study for improvements is not. He spoke with Wessler Engineering today and the capital plan will be done on March 29. After that, he and Mr. Beisiegel will meet with Wessler directly to discuss the next step which will possibly be to find out what can be eliminated because it is anticipated the full engineering plan will be too costly for the rate payers. Mr. Chance had recently talked with Amy Miller our grant administrator. She has checked with the State Board of Accounts and the Office of Community and Rural Affairs (OCRA) and found out that we

could receive up to \$600,000 if we spend \$1,000,000 and also it might be possible to forego the Wage Income Study. We have not contracted with her for this project but she is willing to help us out. Mr. Chance said essentially at this time he is awaiting the report from Wessler Engineering. When it is received then the path will be clear to proceed.

LONG TERM CONTROL PLAN (LTCP):

Mr. Chance said that with the Long-Term Control Plan we have obtained two opinions which are exactly the same from Lochmueller Group and Strand & Associates. We have established a dialogue with Wessler Engineering with the thought in mind to obtain a third opinion. However, they are currently busy with the Grissom Water Rate Study. Attorney Dustin Kern inquired if we had thought about using engineering firms from other states. Mr. Chance felt it would cost more money and Mr. Beisiegel indicated that one of the advantages of using state engineering firms is that they know the regulations. Mr. Chance said that Lochmueller has replied to our idea of purchasing land and installing a tank in the ground basically stating it would be more expensive because of the size of the tank and how low it would have to be installed. However, we are going to seek more opinions on that. Mr. Beisiegel explained that our plans have to meet IDEM’s criteria.

6.) NEW BUSINESS:

A.) APPROVE SRF DISBURSEMENT REQUESTS #56, #57 AND #58 FOR THE PERU WATER UPGRADES:

The Board considered the following disbursement request #56, #57 and #58 for the Peru Water Upgrades.

Disbursement #56, Kokosing Industrial, contractor for the Peru Filtration Plant rehab for the State Revolving Fund (SRF) projects, for \$401,171.00 for the Peru Water Upgrades.

Disbursement #57, Deichman Excavating, the primary contractor, for \$322,027.00 for the Peru Water Upgrades.

Disbursement #58, NV Grant Services, a subcontractor for Cornerstone Grants Management, for \$300.00 for the Peru Water Upgrades.

Mr. Burnell expressed his concern with the accounting on disbursement request #56. Mr. Chance explained that the check amount was correct and that Mrs. Clark will correct the beginning and ending balances tomorrow.

Mr. Burnell made a motion to approve disbursement requests #56, #57, #58 for the Peru Water Upgrades. Ms. Costin seconded the motion.

Motion unanimously carried.

B.) APPROVE TRUCK PURCHASE:

Mr. Chance reviewed Mr. Beisiegel’s memo in regards to replacing Truck #361. Three quotes were received for the replacement of Truck #361.

O’Daniel Automotive Group	2019 Dodge 2500 Tradesman Reg Cab 4 x 4	\$33,672.25
Grissom Chrysler	2019 Dodge 2500 Tradesman Reg Cab 4 x 4	\$33,819.00
Peru Ford	Ford F-250 Reg Cab 4 x 4	\$36,935.00

It is Mr. Beisiegel’s recommendation to accept the low bid from Grissom Chrysler, for the amount of \$33,819.00.

*Mrs. Edwards made a motion to accept the bid of \$33,819.00, from Grissom Chrysler for a 2019 ¾ ton 4x4 regular cab pickup.
Mr. Van Baalen seconded the motion. Motion unanimously carried.*

7. CITY ADMINISTRATION UPDATE: None

8. CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern reported that he and Mike Walsh are still working on the Cingular Wireless water tower agreement. AT & T is wanting to attach a temporary cell tower while they are installing permanent cell equipment on the Village Pantry at Grissom. He is still working on the pending lawsuit against the city with regard to asbestos exposure; an employee who was hired by a private contractor in 1960 to work in the power plant has claimed that he has contracted an asbestos-related disease. The lawsuit claim is for \$50,000 against the City. Because it is not a federal lawsuit and has been filed in Illinois, he cannot represent the case. He has turned it over to the City’s insurance company who will have their attorneys represent us. Depositions have been completed for the water main break lawsuit, our insurance company has paid us and they are now pursuing reimbursement from the county’s insurance company.

9. MANAGER’S REPORT:

DEICHMAN EXCAVATING:

Deichman Excavating has reached substantial completion of the water main replacements. Everyone is now hooked up to their new service lines and they are operational. However, they still have to install sidewalks and asphalt and things of that nature.

GRISSOM WATER PLANT UPGRADE:

Mr. Chance said that the final plan for the State Revolving Fund (SRF) financing should be ready no later than November 22. It is hoped that we will have at least two other options available for the final plan.

AWWA WATER WEEK:

Peru Utilities will celebrate AWWA Water Week April 1, at the Business Office, we will roll out the customer portal to the public, and customers will receive handouts and customer bags.

TRUCK PURCHASE FOR TECHNICAL SERVICES DEPT.:

Mr. Chance said that in the near future we are anticipating the replacement of the Jeep Patriot for the Technical Services Department.

PRESENTATION OF PERU UTILITIES EXTENDED CAPITAL PLAN:

Mr. Chance presented the Board with the Extended Capital Plan 2019-2025. During the presentation of the various projects, Board members interjected with questions and thoughts in an effort to fully understand the nature and costs of the projects. Mr. Chance addressed questions and discussed the different aspects of the plan throughout all divisions. It was noted that the particulars will undoubtedly remain fluid and subject to change, especially in the electric division this year. Weather conditions are always an unknown factor. Mr. Akers inquired about the \$47,339,000 for planned improvements for Peru Wastewater which are set for the years 2019 to 2025. Mr. Chance explained this total includes \$45,000,000 for our Long-Term Control plan. Mr. Van Baalen inquired about the durability and the life cycle of the project plans. Mr. Chance explained that we are attempting to do as many projects as can be afforded 2019-2020 time period. Mr. Chance stated that all this information has been supplied to the employees and they are encouraged to be an active participant in our vision.

PERU SYSTEM OUTAGE STATISTICS:

Mr. Chance discussed the SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index).

	<u>SAIDI</u>	<u>SAIFI</u>
PERU 2017	63.94	1.10
PERU 2018	54.93	0.89

We are above the Indiana municipal averages of both SAIDI and SAIFI. Our AMI System and the maintenance that we have performed on our system is helping us to lower our averages further.

CURRENT DEBT STATUS – PERU UTILITIES:

Mr. Chance discussed the management and pay off schedules of Peru Utilities’ current debt status with the Board. The Stormwater Utility still has a loan with the First Bank of Berne for a project that was procured in 2008, there is one payment left in July and that loan will be paid off which will free up an

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additional \$60,000 towards other projects next year. The Peru Wastewater rate will help absorb some of the costs of the Long-Term Control Plan. Final payment of the Peru Water loan is 7/1/3038. The Electric Division has no debt other than the lease payments.

<u>Utility Bonds</u>	<u>Final Payment Date:</u>
Peru Water Utility	7/1/38
Peru Wastewater Utility	1/1/23
Grissom Wastewater Utility	1/1/31
Stormwater Utility	7/1/19

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