

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
MAY 15, 2019**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on May 15, 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 Dustin Kern, J. Chance, B. Tillett, S. Hines, B. Hall, J. Beisiegel, B. Zartman, J. Languell-City Council Liaison, and J. Tidd, J. Yates, B. Robertson, B. Friend – Miami County Economic Development Authority.

1.) BOARD MINUTES OF MAY 1, 2019:

The minutes of the May 1, 2019 meeting were approved upon the motion of Mr. Burnell and seconded by Mr. Van Baalen. Mrs. Edwards did not vote because she was not present at that meeting. Motion carried.

2.) PAYMENT OF CLAIMS:

A motion was made by Ms. Costin to approve the 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, June 5, 2019, at 4:00 p.m. in the Utility Service Board room.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) MIAMI COUNTY ECONOMIC DEVELOPMENT PRESENTATION:

Mr. Jim Tidd, Executive Director of Miami County Economic Development Authority (MCEDA) gave a slide presentation addressing economic development issues. He introduced MCEDA's Jim Yates, Chairman, Bill Friend, Board Member and Brooke Robertson, Director of Business Development. MCEDA responsibilities are ownership responsibilities, maintenance of unused buildings and land, landlord responsibilities, developer (sale and lease of property) redevelopment commission role, airport manager/developer and fixed base operator. He stated that economic development is a program, group of policies, activity or process that seeks to improve, the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base. He said economic development is a very competitive process and that companies weigh several factors when making their decision to expand their existing business or entertaining the thought of relocating to a new region. He stated that businesses looking at

Miami County consider the cost of utilities and that MCEDA needed to be as competitive as possible and that they needed the flexibility to be able to respond to new offers immediately. Mr. Tidd felt that it was important for MCEDA and Peru Utilities to have a symbiotic relationship with regard to attracting new businesses. It was also noted that MCEDA has a partnership with Purdue MEP and is working with 3 school corporations on Career Pathways and supports scholarships for completion of that program. MCEDA supports Rediscover Downtown Peru which is supported by TIF Funding and assists small businesses with grants. After the presentation, there was a discussion about economic development and MCEDA's project updates. Mr. Chance felt that it is important Peru Utilities cooperate with MCEDA's development goals, however, Peru Utilities needs to work within the boundaries of our rules and within the State's rules and regulations.

B.) APPROVE DISBURSEMENT #61 FOR THE PERU WATER UPGRADES:

The Board considered the following disbursement request #61 for the Peru Water Upgrades.

Disbursement #61, Wessler Engineering, for professional services, for \$2,305.00 for the Peru Water Upgrades.

Ms. Costin made a motion to approve SRF Disbursement Request #61 for \$2,305.00 for the Peru Water Upgrades. Mrs. Edwards seconded the motion. Motion unanimously carried.

C.) APPROVE CHANGE ORDER NO. 4 DEICHMAN EXCAVATING FOR ADDITIONAL COMPLETION TIME AND DECREASE IN CONTRACT PRICE:

Mr. Chance stated that Change Order No. 4 is the final change order for addition of contract time to substantial completion due to unforeseen conditions and decrease in contract price due to the final adjustment of quantities and contractor deduct to cover additional administrative costs. It is a reduction of \$300,003.10. Overall for the whole project together contracts A and B were \$500,000 below the original estimates, the remaining \$500,000 savings will be used to upgrade the river crossings.

Mrs. Edwards made a motion to approve Change Order No. 4 to Deichman Excavating Company for the addition of contract time to substantial completion and a decrease in the price of (\$300,003.10). Mr. Burnell seconded the motion. Motion unanimously carried.

D.) APPROVE 3RD QUARTER 2019 ELECTRIC RATES – TRACKER ADJUSTMENT:

Mr. Chance asked for acceptance of the 3rd Quarter 2019 Electric Rates-Tracker Adjustment. For the 3rd quarter 2019, the tracker decreased in its schedule of rates for electricity sold in the amount of \$ -0.000785 cents per kilowatt-hour (kWh). Residential customers will experience a decrease of \$3.54 per 1,000 kilowatts. Commercial customers will experience a small increase. The 3rd Quarter 2019 Electric Rates Tracker Adjustment filing will be on the City Council’s June 3 agenda for their consideration.

A motion was made by Mr. Burnell to accept the 3rd Quarter 2019 Electric Rates – Tracker Adjustment and seconded by Mr. Van Baalen. Motion unanimously carried.

E.) APPROVE RECOMMENDATION FOR THE 1577 LIFT STATION REBUILD:

Mr. Chance stated that this is a recommendation for lift station 1577 rebuild at Grissom. This is a wastewater project that is a part of our capital project list this year. We received bids from the following three companies.

- BBC Pump \$ 56,680.00
- Straeffler Pump & Supply \$ 39,752.00
- Quality Repair Service \$ 35,778.00

Mr. Chance asked for the Board to approve the bid for Quality Repair Service to perform the rebuild on lift station 1577 in the amount of \$35,778.00.

Mrs. Edwards made a motion to enter into a contract with Quality Repair Service in the amount of \$35,778.00. Ms. Costin seconded the motion. Motion unanimously carried.

F.) APPROVE RECOMMENDATION FOR THE 802 LIFT STATION UPGRADE:

Mr. Beisiegel asked for Board approval for an upgrade to the 802 lift station at Grissom to install Variable Frequency Drives (VFD’s). Four proposals were received for the purchase and installation of the drives as follows:

- Quality Repair Service Danfoss Drive \$26,475.00
- Quality Repair Service Square Drive \$23,230.00
- BBC Pump Altivar Drive \$39,235.00
- BBC Pump Mitsubishi Drive \$29,515.00

Mr. Chance recommended awarding the bid to Quality Repair Service to install the Square D drives for \$23,230.00.

It was noted that the 2019 capital budget for Grissom Wastewater has a line item for instrumentation work for lift stations of \$15,000.00. The quote from Quality Repair is \$8,230.00 above budget. This will be offset by the 1577 lift station upgrade which is projected to be \$14,000.00 under budget.

Mrs. Edwards made a motion to award the bid for the 802 lift station upgrade to Quality Repair Service in the amount of \$23,230.00. Ms. Costin seconded the motion. Motion unanimously carried.

7.) CITY ADMINISTRATION UPDATE:

Mrs. Languell thanked Mr. Zartman for his presentation of the Peru Utilities Customer Portal at the May 6 City Council Meeting. She also noted that the City has removed rummage sale fees and has authorized bond issuances for renovations and the upkeep of the city streets.

8.) CITY ATTORNEY'S UPDATE: None

9.) MANAGER'S REPORT:

PERU LEAD/COPPER RESULTS:

Mr. Chance reported that the first thirty homes that were recently tested for lead and copper have passed. We are testing an additional thirty homes today and when the results are received the Board will be informed. The thirty homes passed the test because we have improved our testing protocol with the homeowners. Mr. Beisiegel said that 8.1 was the highest result, the limit is 15. We had a customer who in the past had tested high and was reluctant to talk to us. Eventually, she permitted us to retest her water, and it tested below the threshold.

GRISSOM AIR RESERVE BASE:

Mr. Chance said that in 2015 the Federal Government made the Air Force test for Per Fluorinated Compounds (PFC's) and the groundwater tests revealed two locations that formerly served as fire-training areas are contaminated with PFC's a chemical that is found in the foam used by firefighters since the 1970s. PFC's are considered to be carcinogenic. Positive results were found in certain areas of groundwater up to 15 feet deep, but not around Peru Utilities' wells. Mr. Chance said that we tested our wells at that time because we wanted to make sure the tests were to our satisfaction, tests came back non-detect in all of our wells. Mr. Chance stated there are no federal guidelines for testing, and so because of that, anyone can test differently. There are no Federal, EPA, IDEM or State limits on these PFC's. The government doesn't

regulate PFC's but there are action limits on the Federal side being reviewed. Yesterday Mr. Beisiegel received a phone call from the IDEM's Drinking Water Branch regarding the issue at Grissom. Mr. Chance showed the board a recent television broadcast which stated that PFC's have been found in the water in 43 states. These chemicals are used in consumer products like fire-fighting foam and non-stick cookware which can be found in 610 locations across the country and that includes drinking water for about 19 million people. These chemicals don't break down in the body or the environment and actually stick to our blood. Mr. Chance noted that the one lone area in Indiana that has been tested is Grissom Air Force Base and that in 2015 the Grissom wells were tested and were non-detect. Mr. Chance stated that Peru Utilities plans to test again this year and if the general public or any customer has questions on this matter, he will be happy to make the test results available to them.

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.

Matthew Burnell, Secretary Peru Utilities Service Board