

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
JULY 10, 2019**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on July 10, 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, B. Hall, J. Beisiegel, J. Clark and B. Zartman.

1.) APPROVE BOARD MINUTES OF JUNE 19, 2019:

Mr. Burnell moved to accept the Board minutes of June 19, 2019, meeting as mailed. Mrs. Edwards seconded the motion. Ms. Costin did not vote because she was not present at that meeting. Motion carried.

2.) PAYMENT OF CLAIMS:

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

3.) NEXT REGULAR MEETING:

The next regular meeting will be held on Wednesday, July 24, 2019, at 4:00 p.m. in the Utility Service Boardroom.

4.) PUBLIC COMMENT: None

5.) OLD BUSINESS: None

6.) NEW BUSINESS:

A.) Approve Bad Debt Write-Offs January 1, 2019, through March 31, 2019

	<u>Peru</u>	<u>Grissom</u>	<u>Total</u>
Electric	\$24,390.10		\$24,390.10
Water	4,976.81	2,017.73	6,985.54
Wastewater	218.18	57.60	275.78
Stormwater	45.60		45.60
Trash	136.80		136.80
Total	\$29,758.49	\$ 2,075.33	\$31,833.82

The bad debt write-offs January 1, 2019 – March 31, 2019, were reviewed and Mr. Chance requested permission to write-off the delinquent accounts.

Ms. Costin made a motion to grant permission to write-off the delinquent accounts January 1, 2019, through March 31, 2019, for \$31,833.82. Mrs. Edwards seconded the motion. Motion unanimously carried.

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Mr. Van Baalen inquired about K-Mart’s bad debt write-off and wondered if it was a local bankruptcy. Mr. Chance responded “yes” it was. Attorney Dustin Kern gave a brief summary of K-Mart’s problems and felt that there was a chance we could receive some money. Mr. Van Baalen asked how much time is allowed to elapse before the bad debts are written off. Mrs. Clark stated that we have a system in place that a customer can be in arrears 2 ½ - 3 months before they are cutoff for nonpayment. In order to be reconnected, they have to pay the full amount of the account plus fees. Mr. Van Baalen inquired whether Peru Utilities pursued any legal action against customers who do not pay. Mr. Chance stated that it is generally not cost-effective for us to pursue any legal action against the bad debtor and it is not profitable to use a collection agency.

7.) CITY ADMINISTRATION UPDATE: None

8.) CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern reported that the State Board of Accounts did complete their audit and found very few issues. Mr. Chance gave the Board a copy of the Ken Nunn Notice of Tort Claim regarding the February 15, 2019 accident at U.S. 31 and 500 south. A semi collided with a small vehicle and was forced off the road, knocking down a pole and lines creating an outage. Another semi sustained damage from the low hanging lines immediately after the accident. Attorney Dustin Kern stated that our insurance company was notified. Attorney Dustin Kern did not feel that Peru Utilities is exposed to any liability in this matter and neither did our insurance company. Other numerous litigates were named in the Notice of Tort Claim.

9.) MANAGER REPORT:

GRISSOM WATER PLANT UPGRADE:

The Department of Corrections (DOC) has requested more information, which we are currently working on. We just received Wessler’s Preliminary Engineering Report (PER) which we will be getting to them soon. Mr. Chance stated that he has not received word from the DOC about a date and time to tour the Grissom facilities.

PERU UTILITIES WELL 6 AT GRISSOM:

Mr. Chance said that when Health and Human Services (HHS) conveyed the Grissom properties to us they neglected to include Well 6. We are working with the State in order to correct the issue and it will have to go through the Governor’s office. This matter will have to be rectified prior to the financing of the Grissom Water Upgrade. Mr. Chance said he would keep the Board informed.

PUBLIC HEARING FOR PER ACCEPTANCE:

Mr. Chance stated that the Public Hearing for the Preliminary Engineering Report Acceptance is scheduled at 3:30 p.m. on July 24, 2019, at 335 East Canal Street, Peru, Indiana, prior to the regular Board meeting. The Peru Utilities’ engineering

consultant will present the recommended upgrades to the Grissom drinking water system infrastructure. Mr. Chance has extended a written invitation to the Mayor and the Common Council to attend this meeting. The Board will be asked at that time to approve a Signatory Authorization Resolution so that Mr. Chance can have the power to execute the Acceptance Resolution and also the Board will be asked to approve the PER Acceptance Resolution. This has to be accomplished as soon as possible so that we can get on the State Revolving Loan (SRF) project list. March 2020 is our goal to close on the loan.

SPEC. BUILDING:

The proposed new owners of the new spec. building on U.S. 31 is asking for Tax Increment Financing (TIF) dollars as part of their incentive package. We have talked to their engineering firm in order to understand what their electric load profile will be. Mr. Chance stated that it will be an excellent customer for Peru Utilities.

LEAD & COPPER TESTS:

Peru Utilities has passed all of the lead and copper tests. Our result was 8.2 parts per billion (ppb) the exceedance limit is 15 ppb. Mr. Chance stated there are 60 more tests to perform yet this year. This relieves us of the requirement to report this information on our customer’s bills. Mr. Beisiegel said that the new phosphate treatment has been approved, and we are waiting for the purchase of materials and installation.

SCADA / ENG. TECHNICIAN:

Mr. Chance announced that Catherine Neff would be joining Peru Utilities in the Line Department, Monday, July 15, as the SCADA/Engineering Technician. She is a recent graduate of Purdue University with a Bachelor of Science in Mechanical Engineering. She has a five-month Co-op/Internship at GE Aviation, Cincinnati, Ohio. In addition, she was employed as a substitute teacher at the North Miami Community Schools and was employed as a Sales Associate at JoAnn Fabrics and Crafts. She has five years of leadership experience at Pioneer Seed and has solid programming skills. Of all the applicants Catherine Neff, best suits our requirements.

SUBSTATION 2 REBID:

We received one bid for the transformer replacement at our Substation 2 on Blair Pike. The price we received did not meet our approval. Mr. Woessner is contacting other firms to rebid the install of the new transformer and rebuild of the old transformer. Mr. Van Baalen inquired about the pole change out along Prairie Ditch on North Broadway. Mr. Hall plans to meet with the contractor next Monday, it is anticipated that work will begin Monday, August 19.

PERU CIRCUS PARADE:

Mr. Chance stated that for the first time Peru Utilities would be participating in the Peru Circus Parade this year July 20.

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10.) ADJOURNMENT:

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

Matthew Burnell, Secretary Peru Utilities Service Board