

**PERU UTILITIES
MINUTES OF THE PERU UTILITIES SERVICE BOARD MEETING OF
APRIL 3, 2019**

The Peru Utilities Service Board held a meeting at the Peru office at 335 East Canal Street, Peru, Indiana, on April 3, 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, M. Svantner, J. Clark, J. Beisiegel, B. Zartman, and J. Languell-Peru City Council Liaison.

1.) BOARD MINUTES OF MARCH 20, 2019:

The minutes of March 20, 2019, meeting were approved upon the motion of Mr. Burnell and seconded by Mrs. Edwards. Motion unanimously carried.

2.) PAYMENT OF CLAIMS:

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

NEXT REGULAR MEETING:

The next regular meeting will be held on Wednesday, April 17, 2019, at 4:00 p.m. in the Utility Service Board room.

3.) PUBLIC COMMENT: None

4.) OLD BUSINESS: None

5.) NEW BUSINESS:

**A.) APPROVE SRF DISBURSEMENT REQUEST #59 AND OCRA CLAIM
VOUCHER FOR THE PERU WATER UPGRADES:**

The Board considered the following disbursement request #59 and OCRA Claim Voucher for the Peru Water Upgrades.

Disbursement #59, Deichman Excavating, the primary contractor, for \$260,288 for the Peru Water Upgrades.

OCRA Claim Voucher, for \$6,000 for the Peru Water Upgrades.

*Mrs. Edwards made a motion to approve SRF Disbursement Request #59 for \$260,288 and the OCRA Claim Voucher for \$6,000 for the Peru Water Upgrades. Mr. Burnell seconded the motion.
Motion unanimously carried.*

Mr. Chance said that there is \$600,000 remaining from the Peru Water Upgrades original State Revolving Fund (SRF) loan. It is planned to put this remaining money towards the river crossing projects.

B.) APPROVE DESTRUCTION OF COMPUTER EQUIPMENT:

Mr. Chance said that there are 12 pieces of computer equipment that are obsolete and needs Board approval to be disposed of. There are 3 servers and 9 obsolete PC’s. From 2007 – 2014. We do not just throw them away, the hard drives need to be disposed of in a responsible manner.

*Mr. Burnell made a motion to dispose of the obsolete computer equipment from 2007 – 2014. Mrs. Edwards seconded the motion.
Motion unanimously carried.*

7. CITY ADMINISTRATION UPDATE:

Mrs. Languell announced that the presentation of the Peru Utilities Customer Portal to the City Council has been rescheduled to May 6.

8. CITY ATTORNEY’S UPDATE:

Attorney Dustin Kern reported he is working on an agreement with SBA and New Cingular Wireless (AT & T) with regard to the Grissom water tower attachment. He is coordinating with Mr. Walsh and Mr. Beisiegel as to the details. Mr. Chance stated that Peru Utilities has also contracted with an engineering company to review the plans for the tower to ensure structural integrity. There will be four inspections during the construction period.

9. MANAGER’S REPORT:

CUSTOMER PORTAL:

Mr. Chance said starting this week information about the Customer Portal will be printed on customer bills, tomorrow customers can access the customer portal by first logging into peruutilities.com.

PHOSPHATE CHEMICAL ADDITIVE TREATMENT:

Mr. Chance stated we received our permit from IDEM to proceed with our plan to add phosphates to drinking water as a corrosion inhibitor to prevent the leaching of lead and copper from pipes. We will now move forward with the corrosion control plan. There will be a bidding process for treatment, equipment, and construction, which will be brought before the Board for approval.

LETTER FROM KEN NUNN LAW OFFICE:

Mr. Chance stated Peru Utilities was in receipt of a notice from the law firm of Ken Nunn regarding a February 15, 2019 accident at U.S. 31 and 500 South. A semi collided with a small vehicle and was forced off the road that took out a pole and lines and created an outage. Another semi reportedly sustained damage from

the low hanging lines immediately after the accident. Our insurance company has been notified and are sorting out the details.

WATER RATE COMPARISONS:

American Water has just increased water rates by 8% for 2019 – 2020, which will be an increase of \$2.41 to their customer’s bills. Their customers will pay \$45.32 for 4,000 gallons of water compared to Peru Customers who currently pay \$29.00 for 4,000 gallons of water.

WESSLER ENGINEERING REPORT FOR GRISSOM WATER SYSTEM:

Mr. Chance presented Board members with a copy of the Grissom Water System Capital Improvements Plan compiled by Wessler Engineering. The total cost for the entire project will be \$3,962,000. Mr. Chance stated that due to the cost of this project we are going to have to prioritize the most critical areas to update and repair. It was noted that the highlighted lines in the report pertain to minor things which are not included in the cost of repairs. Mr. Chance and Mr. Beisiegel will meet with Amy Miller of Cornerstone Grants and Wessler Engineering to discuss prioritizing and financing options.

Mr. Chance read aloud a few of the things that stood out as follows: the clearwell was inspected in 2005 by Dixon Engineering, Inc. The inspection found cracks in the south chamber, spalling of the roof slab, which exposed rebar, and deterioration of the exposed walls. The roof is covered with an asphaltic membrane which was showing signs of deterioration at the time of inspection. Conditions are likely to have worsened since that time. Safety concerns were also noted including deterioration of ladder rungs and fall hazards when entering the south access hatch. All electrical equipment at the Water Treatment Plant (WTP) will need to be replaced except for the standby power generator and automatic transfer switch which were added within the last 5 years. The existing electrical equipment is showing signs of corrosion and lacks the safety features of modern electrical equipment. The location of the equipment within WTP is not ideal as personnel must walk near equipment to access the upstairs control room. Spare parts are not available for this vintage electrical equipment. The existing SCADA System is at the end of typical life which is normally 15-20 years. It is outdated and in need of updates and replacements. Some of the equipment is no longer supported by the supplier and spare parts are no longer available. The water system is currently manually controlled for ten hours a day while staff is onsite and then controlled via a timer when the plant is unmanned. SCADA monitoring of the Grissom water system via the radio system is unreliable and the radio system is no longer supported by the suppliers. Spare parts are unavailable. Alarming is minimal at the remote sites, including the wells, booster pump station, and water storage tanks.

Mr. Chance informed the Board due to the stipulations contained in the transfer of the Grissom utility properties from the U.S. Government to Peru Utilities that was

finalized in November 1999, the agreement states that Peru Utilities is prohibited from dissolving the assets for a period of thirty years. During that time period, Peru Utilities must be and remain a municipal utility of the City of Peru. There is also a clause that says that Peru Utilities shall develop and maintain sufficient storm systems to ensure continued reliable operations. Mr. Chance will use this information when he meets with the State. Ms. Costin inquired if Peru could help finance the Grissom project. Mr. Chance said it could not be done due to the fact that Grissom and Peru were separate entities. Mr. Chance explained that with regard to the impending rate study (Wessler’s Preliminary Engineering Report), the cost of the needed repairs will have to figure into the upcoming rate study. The increase would be across the board for both commercial and residential at Grissom. Currently, the prison is 48% and the Base is 11% of the total Grissom water revenue. Ms. Costin had concerns about the impending rate increase on the residents at Grissom. Mr. Beisiegel noted that the rates at Grissom are currently a lot less than the rates at Peru or anywhere else.

10. ADJOURNMENT:

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

Matt Burnell, Secretary Peru Utilities Service Board