

Board of Public Utilities

Regular Meeting Agenda

Monday, August 26, 2013
4:00 p.m., DPW Conference Room, 1199 8th Avenue



City of South Haven

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Acceptance of Minutes for the Record – July 29, 2013
5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

REPORTS

6. **Cost of Energy from Indiana-Michigan Power Company (AEP)**
 - A. 2012 Billings – All Charges
 - B. 2011 Billings – All Charges
7. **Financial Reports**
 - A. Water Fund CuFt Comparisons
 - B. Water Fund Financial Statement
 - C. Sewer Fund Financial Statement
 - D. Electric Fund KWH Comparisons
 - E. Electric Fund Financial Statement
8. **Indian Grove Infrastructure Project**
 - A. Phase II Smoke Testing Plan
9. **Unresolved Issues Report**

NEW BUSINESS

10. Board will hear from Ms. Jessica Nickel concerning the 10% penalty rate for late utility payments.
11. Board will be requested to approve consulting contracts with GRP Engineering, Inc. for design, construction administration, and start-up for the 2013-14 Electric Projects.

12. Board will be requested to consider offering private beach water quality analysis on a limited basis.

13. Next meeting is scheduled for Monday September 30, 2013 at 4:00 pm in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.

14. Director's Comments

15. Board Member Comments

16. Adjourn

RESPECTFULLY SUBMITTED,

Roger Huff
Public Works Director

Board of Public Utilities

Regular Meeting Minutes

Monday, July 29, 2013

4:00 p.m., DPW Conference Room, 1199 8th Avenue



City of South Haven

1. Call to Order by Stickland at 4:00 p.m.

2. Roll Call

Present: Burr, Winkel, Stickland

Absent: Henry, Overhiser (ex-officio), Rose (ex-officio), Stein (ex-officio)

Also present: Roger Huff, Public Works Director; Larry Halberstadt, City Engineer; William Conklin, Engineer; Michael P. McGeehan, P.E., President, GRP Engineering, Inc.

3. Approval of Agenda

Motion by Burr, second by Winkel to approve the agenda as presented.

All in favor. Motion carried.

4. Acceptance of Minutes for the Record - June 24, 2013 Regular Meeting Minutes July 11, 2013 Special Meeting Minutes

Motion by Winkel, second by Burr to accept the June 24, 2013 Regular Meeting Minutes.

All in favor. Motion carried.

Motion by Winkel, second by Burr to accept the July 11, 2013 Special Meeting Minutes.

All in favor. Motion carried.

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

A. Plug-In Electric Vehicle Electric Rates from various electric utilities are provided as background information for the Board in anticipation of a citizen attending the meeting regarding this subject.

The board discussed Plug-In Electric Vehicle Rates.

Sabrina Callahan, 04437 Beechwood Lane, South Haven. Owns a Tesla 2013 Electric Car, has had a charge port with a 240 hookup installed. Requested a discounted rate for the electric car charging portion of their bill.

The board discussed nearby locations of charging stations. Stickland noted that the city does not have a rate; has not considered a rate because this issue has not come up previously. The board discussed Holland BPW getting grants to install their charging stations. Halberstadt will approach Meijer's regarding installing a charging station at the new store in South Haven.

Stickland noted that the city has some issues with subsidizing one customer over another since we are a public-owned utility. The board briefly discussed other electric car manufacturers and how electric cars are charged.

Stickland requested that staff and the board do some research and bring this subject to the next meeting.

REPORTS

6. Cost of Energy from Indiana-Michigan Power Company (AEP)

- A. 2013 Billings – All Charges
- B. 2012 Billings – All Charges
- C. AEP Rate change information

Huff noted he included an email from Conklin that outlined the rate change. Burr said it adds up approximately \$300,000 compared to last year. Stickland noted the demand charges went up more than the commodity cost went down. Stickland recommended that the city look into time related metering.

7. Financial Reports

- A. Water Fund CuFt Comparisons
- B. Water Fund Financial Statement
- C. Sewer Fund Financial Statement
- D. Electric Fund KWH Comparisons
- E. Electric Fund Financial Statement
- F. Memo regarding financial reports

Stickland noted that unaccounted for water is less than 10% while Huff informed the board that the plant is running very efficiently and flushing is roughly accounted for. Burr noted that quite a few water mains have been repaired.

The board discussed the timing of debt service payments; Hochstedler noted that debt service is paid twice yearly.

The board discussed the comparison to last year. Hochstedler pointed out the amount in cash and investments and noted that depreciation is not a cash expense so can be subtracted. Hochstedler noted that if depreciation is added back the utility makes a small profit. The board discussed doing work on the system to get the system into better condition.

Hochstedler pointed out the memo in the board's packet explaining that last month's financials were pulled because it had been noticed that in November that some figures had been doubled up during part of the month for the old system and the new system resulting in about a \$200,000 change.

Stickland requested a copy of the audit when it is complete.

8. Indian Grove Infrastructure Project

- A. Sewer Study Progress Report
- B. MDEQ Notice of Grant Application Approval
- C. S2 Grant Press Release

Huff noted that there has been additional work being done and that project completion will be spring 2014. The board discussed the Peterson Drain and some issues that were discovered and repaired.

9. Unresolved Issues Report

Huff noted the updates and pointed out that there were no issues added.

10. Electric Outage Report, 2nd Quarter 2013

Stickland thinks the outage report just confirmed what McGeehan said in his report. Burr asked McGeehan his opinion on whether the city's trees are adequately trimmed. McGeehan said that visually there is more work to be done; there have been many tree-related outages. The board discussed increasing the amount of tree work being done with special attention to the areas where the most tree outages were occurring. Hochstedler noted that \$180,000 worth of tree work was done this year compared to \$70,000 last year.

Quarterly report with a graph was requested by Burr to determine whether we are having more or fewer tree related outages.

OLD BUSINESS

11. Board will be presented additional, requested information regarding Bulk Water Sales, and requested to pass a motion recommending that Council adopt new Bulk Water Sales by Resolution.

Halberstadt noted he added Subsection E with availability of hydrant meters. This would be for an emergency situation; Halberstadt does not think any customer will really request this service because it will be very expensive. But if that is something that is an issue, the city can provide that service. Huff noted that there were two extreme weather events, spring freeze and drought, which created a larger-than-usual demand for water.

Halberstadt did not propose any changes to what was recommended last time; equivalent to standard monthly standby fee divided by number of days in the month. Other municipalities were charging a wide variety of fees. Halberstadt recommended staying with what is shown on the chart provided.

Motion by Burr to accept the bulk water sales policy and rates and forward this to the City Council for final approval. Second by Winkel.

All in favor. Motion carried.

NEW BUSINESS

12. Board will be presented the Electric Distribution System Study & Five-Year Plan prepared by GRP Engineering, Inc.

Michael P. McGeehan, P.E., President, GRP Engineering, Inc. Pointed out several slides and graphs from GRP's study provided in the packet. The goal in this report is to project out five (5) years and ten (10) years as well as see where the City of South Haven's distribution system at this time. Substation transformers and equipment were also looked at and the entire system was reviewed, not to the point of looking at every pole and every line, but checking to see if our model is correct and which areas in the distribution areas are obviously aged.

McGeehan reviewed the slides and spoke to equipment failure and weather related outages. Slide one demonstrates that when one transformer is under peak conditions, the maximum loading on that transformer would be 40% of its maximum rating. If one transformer is out of service that entire load needs to be brought over to another transformer. McGeehan also noted that it is not good practice to load a transformer all the way to 100%; 40% to 80% is preferable.

McGeehan explained that to establish a philosophy of how much substations should be loaded, allow the distribution circuit with a tie switch to be loaded to 60% in the case of a transformer being out of service. Noted that by not going all the way to 100% of capacity, there is always a little reserve capacity. McGeehan noted, "As we modeled the entire system and the load on the entire system, we looked at all conductors to see if any were loaded above the 60% level."

McGeehan presented models indicating no loss of customers on a peak day and contingency one. Under the second contingency modeled there would be two major pieces of equipment down and McGeehan noted, "There would be customers out of service."

McGeehan pointed out the City of South Haven Historical System Load graph from 2001 – 2012. "This chart is done in MVA, not megawatts. MVA includes "imaginary" power; if you do not include this, your system must be built even greater for that var or Imaginary flow.

"We show by the graphs that there is not enough transformer capacity and backup," McGeehan noted. With added load growth of 1.5% and with the addition of Meijer's, the addition of another transformer at Phoenix Road would put the system where it should be. McGeehan noted, "If we take out transformer #1 at Substation #1, we can do so at peak conditions and still maintain the load."

After a question from Burr, McGeehan stated that GRP's recommendation for locating a transformer would be at Phoenix Road. This would allow the system in 2014 to show a spreading of the load due to the addition of the suggestions made.

Visually inspected problem areas showed up on outage reports; the study found some aged areas that need to be brought into a 5-year plan for replacement due to failing hardware, copper conductor, etc. These are recommended projects but not a priority to be done in the first year. The need to insure that we can keep the greatest number of customers on at the same time is the top priority.

Burr said we are looking at ten (10) months to a year to obtain a new transformer. "What can we do now, short-term, to fill up this year (in preparation for installing a new transformer)?" McGeehan responded that distribution projects that are scheduled for 2014 as part of a new transformer project. That would result in having the two circuits ready when the transformer comes in, according to Burr, to which McGeehan agreed.

There was discussion regarding the timing of ordering the transformer including the design, review and bidding processes.

The board discussed whether the city is fed from American Electric Power (AEP) by radial or loop. There was also discussion regarding who would own the transformer, AEP or the city.

Burr asked McGeehan what the steps are for the transformer project, to which McGeehan responded that GRP would put the specs (specifications) together on the transformer and put together a bid package. Burr asked about bidding out the two circuits and McGeehan did not recommend putting the circuits out to bid as a joint project but separately. One circuit is all overhead work while the other is all underground and would likely be bid by different contractors. Hochstedler asked about timing for bidding the two circuits to which McGeehan recommended the overhead this winter and the underground in spring.

The board discussed other interim projects the city can do with McGeehan recommending secondary projects including work on core downtown areas; the open wire secondaries; replacement of mechanical connections and small conductors feeding to large conductors. Per McGeehan, "There are investments that need to be made in the system that aren't really a 'project'."

There was discussion of how this preliminary work could be bid and how contractors could bid a set price on reviewing the system and replacing only the aged or faulty parts. Huff noted there would need to be field engineering by GRP. Stickland noted that the advantage of replacing everything would be you could bid it out that way and when they were done everything would be new. McGeehan noted that alternatively a more engineered design could be used on that portion of the system. Burr asked if work could begin almost immediately on the secondary to which McGeehan responded, "Yes."

Conklin noted that most problems, according to Electric Supervisor Hasty, have been in the connection side. Burr noted the secondary has only been addressed on an as needed basis. Stickland asked how much of the proposed secondary work is parallel with the primary work that needs done to which McGeehan responded that the work is not parallel. Stickland said we could go to that high density area and get competitive bids for that and McGeehan said a better price could be obtained by bidding it out that way.

There was discussion regarding getting bids for immediate work versus winter work as well as locating primaries in front yards versus back yards.

Burr said we need to order the transformer and start on the secondary; build the two circuits. Stickland commented on getting a proposal to do the downtown area and put together specs (specifications) for the substation. Burr reminded of the two new circuits to be bid out. Burr asked if there is any secondary part that our guys can do. There was discussion of how much time our crews have to do "time and material" type of work. Burr said some work for in house crews needs to be defined and the "four-square" downtown area needs to be done.

Conklin noted that transformer ordering involves money paid up front followed by progress payments. The board discussed the various transformer manufacturers.

13. Board will be requested to approve a recommendation to enter into a contract with Fishbeck, Thompson, Carr and Huber, Inc. for Professional Services for the 2013 Water System Reliability Study.

Huff noted that Halberstadt and Miller reviewed proposals; recommending Fishbeck, Thompson, Carr & Huber (FTC&H) based on their familiarity with the system and the clarity of their proposal; the modeling has already been done. The board discussed the costs of the proposals.

Motion by Burr to enter into a contract with Fishbeck, Thompson, Carr & Huber (FTC&H) for Professional Services for the 2013 Water System Reliability Study. Second by Winkel.

All in favor. Motion carried.

14. Next meeting is scheduled for Monday August 26, 2013 at 4:00 pm in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.

15. Director's Comments

Huff distributed a regional trend handout regarding rising wholesale electric prices.

16. Board Member Comments

Winkel: Finds the discussion interesting.

Huff: Responded to questions by Stickland regarding finding an (electrical) superintendent.

17. Adjourn

Motion by Winkel, second by Burr to adjourn at 6:12 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

CITY OF SOUTH HAVEN
 Cost of Electric Energy from Indiana-Michigan Power Company (AEP)
 2013

Date	ACTUAL				BILLING			COST				PJM Open Access Transmission Tariff						Total Cost	cts/ KWHR		
	KW Demand	KVAR Demand	KVA	Power Factor	KW Demand	KVAR Demand	KWHR	\$ KW Demand	\$ KWHR	\$ Fuel Charge	\$ Fuel Adjust	Actual Fuel True-up	Sch 1A \$ KWHR	\$ Network	RTO Start-up \$	Other	Credits			Total PJM	
Main	19,550	6,147	20,494	0.9540	19,550	6,147	8,600,694	\$321,441.35	\$82,742.12												
Welder	122	168	207	0.5882	122	168	72,641	\$2,004.28	\$698.83												
Phoenix	14,385	5,953	15,568	0.9240	14,385	5,953	6,014,292	\$236,521.71	\$57,859.89												
Welder	18	30	35	0.5132	18	30	15,349	\$295.96	\$147.67												
Jul-13	34,075	12,297	36,226	0.9406	34,075	12,297	14,702,976	\$560,263.29	\$141,448.51	\$221,294.49	\$69,969.99	\$72,804.58	\$1,260.44	\$65,299.25	\$206.53	\$8,934.19	(\$1,057.32)	\$74,643.09	\$1,140,423.95	7.756	
Main	14,830	4,272	15,433	0.9609	14,830	4,272	6,741,714	\$243,834.78	\$64,857.99												
Welder	298	322	439	0.6792	298	322	102,884	\$4,901.36	\$989.78												
Phoenix	10,721	3,707	11,343	0.9451	10,721	3,707	4,734,771	\$176,269.67	\$45,550.39												
Welder	19	37	41	0.4645	19	37	14,096	\$315.69	\$135.61												
Jun-13	25,868	8,337	27,178	0.9518	25,868	8,337	11,593,465	\$425,321.49	\$111,533.77	\$174,493.25	\$63,031.35	\$51,836.92	\$770.88	\$54,110.29	\$199.87	\$8,339.01	(\$879.14)	\$62,540.91	\$888,757.69	7.666	
Main	13,029	3,332	13,448	0.9688	13,029	3,332	6,455,809	\$183,239.86	\$78,302.51												
Welder	382	403	555	0.6878	382	403	172,669	\$5,366.82	\$2,094.30												
Phoenix	9,812	3,161	10,308	0.9518	9,812	3,161	4,524,171	\$137,988.94	\$54,873.67												
Welder	19	44	48	0.4065	19	44	15,359	\$272.84	\$186.29												
May-13	23,242	6,939	24,255	0.9582	23,242	6,939	11,168,009	\$326,868.46	\$135,456.78	\$169,279.09	(\$846.54)	(\$20,309.17)	\$742.59	\$55,913.96	\$206.53	\$7,741.19	(\$905.80)	\$63,698.47	\$674,147.09	6.036	
Main	10,379	1,565	10,496	0.9888	10,379	1,565	6,014,325	\$145,970.61	\$72,947.75												
Welder	310	366	480	0.6455	310	366	144,533	\$4,355.62	\$1,753.04												
Phoenix	7,106	1,507	7,264	0.9782	7,106	1,507	4,059,293	\$99,944.76	\$49,235.16												
Welder	21	58	62	0.3419	21	58	15,181	\$296.75	\$184.13												
Apr-13	17,816	3,497	18,156	0.9813	17,816	3,497	10,233,332	\$250,567.74	\$124,120.08	\$155,111.73	\$22,709.81	\$22,668.66	\$680.44	\$54,110.29	\$199.87	\$7,727.55	(\$862.24)	\$61,855.91	\$637,033.93	6.225	
Main	11,123	1,244	11,192	0.9938	11,123	1,244	6,608,087	\$156,434.29	\$80,149.49												
Welder	391	357	529	0.7388	391	357	139,920	\$5,500.43	\$1,697.08												
Phoenix	7,222	917	7,280	0.9920	7,222	917	4,346,681	\$101,570.63	\$52,720.90												
Welder	22	51	55	0.3957	22	51	15,969	\$306.60	\$193.68												
Mar-13	18,758	2,569	18,933	0.9908	18,758	2,569	11,110,656	\$263,811.95	\$134,761.15	\$168,409.77	\$19,466.98	\$32,019.07	\$738.78	\$55,913.96	\$206.53	\$7,727.55	(\$865.41)	\$63,721.41	\$682,190.33	6.140	
Main	11,561	1,160	11,619	0.9950	11,561	1,160	6,250,121	\$162,593.97	\$75,807.72												
Welder	130	305	332	0.3914	130	305	137,266	\$1,825.51	\$1,664.90												
Phoenix	7,514	864	7,563	0.9935	7,514	864	4,148,351	\$105,675.56	\$50,315.35												
Welder	22	45	50	0.4456	22	45	14,696	\$313.63	\$178.25												
Feb-13	19,227	2,374	19,373	0.9925	19,227	2,374	10,550,434	\$270,408.67	\$127,966.22	\$159,918.21	\$744.86	\$9,033.45	\$701.53	\$50,502.94	\$186.55	\$7,727.55	(\$899.26)	\$58,219.31	\$626,290.72	5.936	
Main	7,956	1,231	8,051	0.9882	7,956	1,231	6,835,812	\$111,896.42	\$82,911.57												
Welder	24	351	352	0.0687	356	351	170,192	\$5,006.78	\$2,064.25												
Phoenix	11,518	926	11,555	0.9968	11,518	926	4,535,845	\$161,990.98	\$55,015.26												
Welder	356	46	359	0.9918	24	46	18,216	\$340.35	\$220.94												
Jan-13	19,855	2,554	20,018	0.9918	19,855	2,554	11,560,064	\$279,234.53	\$140,212.02	\$175,221.67	(\$11,764.68)	\$18,342.99	\$768.66	\$55,913.96	\$206.53	\$7,727.55	(\$1,124.11)	\$63,492.59	\$664,739.12	5.750	

Year to Date 2013: 80,918,937 \$5,313,583 6.567

CITY OF SOUTH HAVEN
WATER FUND
CuFt COMPARISONS
ROLLING TWELVE MONTHS

		GALLONS PUMPED TO MAINS	CuFt PUMPED TO MAINS	CuFt PLANT TAP UNBILLED	CuFt WATER QUALITY FLUSHING	CuFt BILLED	PERCENTAGE BILLED PLUS PLANT TAP TO PUMPED TO MAINS (ROLLING 12 MOS)	PERCENTAGE BILLED PLUS PLANT TAP TO PUMPED TO MAINS CURRENT MONTH
FISCAL 2012								
July	2011	68,313,000	9,132,754	0	190,312	7,441,256	85.55%	81.48%
August	2011	59,907,000	8,008,957	103,610	244,928	7,402,180	84.90%	93.72%
September	2011	50,823,000	6,794,519	19,658	231,936	6,658,175	85.02%	98.28%
October	2011	38,457,000	5,141,310	23,888	231,936	4,862,072	85.07%	95.03%
November	2011	30,875,000	4,127,674	4,273	231,936	3,573,435	85.44%	86.68%
December	2011	30,441,000	4,069,652	17,174	231,936	3,191,493	85.57%	78.84%
January	2012	32,467,000	4,340,508	14,319	68,972	3,074,589	85.44%	71.16%
February	2012	29,495,000	3,943,182	23,262	68,972	3,219,167	85.84%	82.23%
March	2012	30,150,000	4,030,749	38,320	65,764	3,450,952	86.13%	86.57%
April	2012	32,927,000	4,402,005	31,678	68,972	3,378,738	86.74%	77.47%
May	2012	50,646,000	6,770,856	37,087	78,956	4,537,251	86.12%	67.01%
June	2012	72,150,000	9,645,722	41,402	144,360	6,461,594	84.46%	66.99%
		<u>526,651,000</u>	<u>70,407,888</u>	<u>354,672</u>	<u>1,858,980</u>	<u>57,250,902</u>		
FISCAL 2013								
July	2012	97,223,000	12,997,727	42,043	149,172	9,601,173	81.95%	74.19%
August	2012	73,095,000	9,772,059	40,244	227,566	10,549,444	83.36%	108.37%
September	2012	51,928,000	6,942,246	36,348	218,946	7,875,634	84.80%	113.97%
October	2012	37,774,000	5,050,000	27,350	259,447	4,949,605	85.50%	98.55%
November	2012	28,082,000	3,754,278	16,894	255,838	3,275,439	86.15%	87.70%
December	2012	27,941,000	3,735,428	34,835	160,400	3,150,827	86.30%	85.28%
January	2013	29,090,000	3,889,037	35,639	83,007	3,204,712	86.22%	83.32%
February	2013	27,257,000	3,643,984	25,791	72,180	3,368,685	86.69%	93.15%
March	2013	28,716,000	3,839,037	30,416	75,789	2,955,708	87.40%	77.78%
April	2013	27,256,000	3,643,850	38,784	79,398	3,120,869	88.84%	86.71%
May	2013	44,617,270	5,964,876	52,314	342,855	3,962,497	88.14%	66.43%
June	2013	52,158,000	6,972,995	57,485	312,780	5,366,701	91.24%	76.96%
		<u>525,137,270</u>	<u>70,205,517</u>	<u>438,141</u>	<u>2,237,378</u>	<u>61,381,294</u>		
FISCAL 2014								
July	2013	70,321,000	9,401,203	62,968	127,844	6,705,606	88.48%	72.00%
Prior Year-to-date		97,223,000	12,997,727	42,043	149,172	9,601,173		
Two Years Prior		68,313,000	9,132,754	0	190,312	7,441,256		

City of South Haven
Water Fund - Fund 591
For the period ended July 31, 2013

Col 6 & 11

Revenues:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2013-14 Adopted Budget	% of Annual Budget
	1	2	3	4	5	6	7	8	9	10	11	
Sales	\$ 212,902	\$ 170,341	\$ 261,526	\$ 42,561	\$ (48,625)	\$ 212,902	\$ 170,341	\$ 261,526	\$ 42,561	\$ (48,625)	\$ 2,044,086	10%
Debt Service Charges	\$ 128,340	\$ 117,634	\$ 123,425	\$ 10,706	\$ 4,915	\$ 128,340	\$ 117,634	\$ 123,425	\$ 10,706	\$ 4,915	\$ 1,411,610	9%
Charges for Service	4,035	6,250	4,267	(2,215)	(233)	4,035	6,250	4,267	(2,215)	(233)	75,000	5%
Interest Income	37	167	145	(129)	(107)	37	167	145	(129)	(107)	2,000	2%
Special Assessment Revenue	812	1,083	-	(271)	812	812	1,083	-	(271)	812	13,000	6%
Other Revenue	3,494	2,917	8,006	577	(4,512)	3,494	2,917	8,006	577	(4,512)	35,000	10%
Total Revenues	\$ 349,620	\$ 298,391	\$ 397,370	\$ 51,229	\$ (47,750)	\$ 349,620	\$ 298,391	\$ 397,370	\$ 51,229	\$ (47,750)	\$ 3,580,696	

Expenses:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2013-14 Adopted Budget	% of Annual Budget
	1	2	3	4	5	6	7	8	9	10	11	
Operating Expenses	\$ 59,451	\$ 114,259	\$ 92,122	\$ (54,808)	\$ (32,671)	\$ 59,451	\$ 114,259	\$ 92,122	\$ (54,808)	\$ (32,671)	\$ 1,371,112	4%
Property Tax Equivalents	8,349	8,349	7,103	0	1,246	8,349	8,349	7,103	0	1,246	100,193	8%
Capital Outlay	113	30,000	5,594	(29,887)	(5,481)	113	30,000	5,594	(29,887)	(5,481)	360,000	0%
Debt Service	500	120,970	-	(120,470)	500	500	120,970	-	(120,470)	500	1,451,636	0%
Transfers Out	167	2,824	123,425	(2,657)	(123,259)	167	2,824	123,425	(2,657)	(123,259)	33,884	0%
Depreciation	47,917	47,917	16,307	-	31,610	47,917	47,917	16,307	-	31,610	575,000	8%
Administrative Expenses	11,386	18,376	13,778	(6,990)	(2,392)	11,386	18,376	13,778	(6,990)	(2,392)	220,512	5%
Total Expenses	\$ 127,883	\$ 342,695	\$ 258,329	\$ (214,812)	\$ (130,446)	\$ 127,883	\$ 342,695	\$ 258,329	\$ (214,812)	\$ (130,446)	\$ 4,112,337	

Net Fund Change	\$ 221,737	\$ (44,303)	\$ 139,040	\$ 266,041	\$ 82,697	\$ 221,737	\$ (44,303)	\$ 139,040	\$ 266,041	\$ 82,697	\$ (531,641)	
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City of South Haven
Sewer Fund - Fund 592
For the period ended July 31, 2013

Col 6 & 11

<i>Revenues:</i>	<i>Month Actual</i>	<i>Monthly Budget</i>	<i>Prior year MTD</i>	<i>MTD Variance to Budget</i>	<i>MTD Variance to Prior Year</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>Prior YTD Actual</i>	<i>Variance to Budget</i>	<i>Variance to Prior Year</i>	<i>2013-14 Adopted Budget</i>	<i>% of Annual Budget</i>
Sales	\$ 199,018	\$ 183,638	\$ 207,768	\$ 15,380	\$ (8,750)	\$ 199,018	\$ 183,638	\$ 207,768	\$ 15,380	\$ (8,750)	\$ 2,203,654	9%
IPP Revenues	12,918	7,310	13,060	5,608	(142)	12,918	7,310	13,060	5,608	(142)	87,724	15%
Interest Income	16	625	1,610	(609)	(1,594)	16	625	1,610	(609)	(1,594)	7,500	0%
Special Assessment Revenue	1,150	1,423	-	(272)	1,150	1,150	1,423	-	(272)	1,150	17,071	7%
Grant Revenue	-	-	28,451	-	(28,451)	-	-	28,451	-	(28,451)	-	#DIV/0!
Other Revenue	200	292	200	(92)	-	200	292	200	(92)	-	3,500	6%
Total Revenues	\$ 213,302	\$ 193,287	\$ 251,089	\$ 20,015	\$ (37,786)	\$ 213,302	\$ 193,287	\$ 251,089	\$ 20,015	\$ (37,786)	\$ 2,319,449	

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<i>Expenses</i>	<i>Month Actual</i>	<i>Monthly Budget</i>	<i>Prior year MTD</i>	<i>MTD Variance to Budget</i>	<i>MTD Variance to Prior Year</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>Prior YTD Actual</i>	<i>Variance to Budget</i>	<i>Variance to Prior Year</i>	<i>2013-14 Adopted Budget</i>	<i>% of Annual Budget</i>
Operating Expenses	\$ 65,503	\$ 101,321	\$ 66,225	\$ (35,818)	\$ (723)	\$ 65,503	\$ 101,321	\$ 66,225	\$ (35,818)	\$ (723)	\$ 1,215,852	5%
Grant Expense-SSSES	13,829	3,333	28,816	10,495	(14,987)	13,829	3,333	28,816	10,495	(14,987)	40,000	35%
Property Tax Equivalents	7,453	7,453	7,317	0	137	7,453	7,453	7,317	0	137	89,441	8%
Capital Outlay	113	31,175	473	(31,062)	(360)	113	31,175	473	(31,062)	(360)	374,098	0%
Transfers Out	19,917	23,680	-	(3,763)	19,917	19,917	23,680	-	(3,763)	19,917	284,158	7%
Depreciation	22,917	22,917	20,379	-	2,538	22,917	22,917	20,379	-	2,538	275,000	8%
Administrative Expenses	17,252	25,966	20,671	(8,714)	(3,420)	17,252	25,966	20,671	(8,714)	(3,420)	311,588	6%
Total Expenses	\$ 146,983	\$ 215,845	\$ 143,881	\$ (68,862)	\$ 3,102	\$ 146,983	\$ 215,845	\$ 143,881	\$ (68,862)	\$ 3,102	\$ 2,590,137	

Net Fund Change \$ 66,319 \$ (22,557) \$ 107,208 \$ 88,877 \$ (40,888) \$ 66,319 \$ (22,557) \$ 107,208 \$ 88,877 \$ (40,888) \$ (270,688)

CITY OF SOUTH HAVEN
ELECTRIC FUND
KWH COMPARISONS
ROLLING TWELVE MONTHS

		KWH PURCHASED	KWH BILLED	KWH STREET LTS	STREET LTS 12 MO AVE.	TOTAL KWH BILLED AND STREET LTS	PERCENTAGE BILLED AND STREET LTS TO PURCHASED (ROLLING 12 MOS)	PERCENTAGE BILLED AND STREET LTS TO PURCHASED CURRENT MONTH
FISCAL 2012								
July	2011	15,964,582	12,755,514	37,013	52,009	12,792,527	95.31%	80.13%
August	2011	14,632,086	15,136,722	42,500	52,092	15,179,222	95.19%	103.74%
September	2011	11,307,801	12,319,850	47,553	52,087	12,367,403	95.87%	109.37%
October	2011	10,969,854	9,722,952	56,849	52,308	9,779,801	95.46%	89.15%
November	2011	10,739,972	10,221,480	61,585	52,280	10,283,065	95.52%	95.75%
December	2011	11,617,747	9,798,051	68,085	52,367	9,866,136	95.17%	84.92%
January	2012	11,913,417	11,146,773	65,812	52,441	11,212,585	94.66%	94.12%
February	2012	10,944,615	10,940,177	58,568	52,236	10,998,745	95.24%	100.49%
March	2012	11,050,285	10,825,582	58,568	52,363	10,884,150	95.14%	98.50%
April	2012	10,395,921	10,227,215	47,347	52,247	10,274,562	95.46%	98.83%
May	2012	11,744,237	10,681,872	44,415	52,218	10,726,287	95.09%	91.33%
June	2012	13,267,935	10,895,095	38,072	52,197	10,933,167	93.60%	82.40%
		<u>144,548,453</u>	<u>134,671,283</u>	<u>626,367</u>		<u>135,297,650</u>		
FISCAL 2013								
July	2012	17,466,170	14,702,549	38,276	52,303	14,740,825	93.26%	84.40%
August	2012	14,358,453	15,845,089	43,385	52,376	15,888,474	93.50%	110.66%
September	2012	11,481,145	12,211,557	48,595	52,463	12,260,152	94.22%	106.79%
October	2012	10,545,910	9,741,443	54,699	52,284	9,796,142	94.11%	92.89%
November	2012	10,466,158	10,312,656	61,617	52,287	10,374,273	94.68%	99.12%
December	2012	11,131,795	9,798,623	69,065	52,368	9,867,688	94.46%	88.64%
January	2013	11,560,064	10,621,867	68,768	52,615	10,690,635	94.14%	92.48%
February	2013	10,550,434	10,544,686	59,658	52,705	10,604,344	94.21%	100.51%
March	2013	11,110,656	10,170,132	53,004	52,242	10,223,136	93.95%	92.01%
April	2013	10,233,332	9,906,424	48,201	52,313	9,954,625	94.19%	97.28%
May	2013	11,168,009	10,537,176	44,120	52,288	10,581,296	94.78%	94.75%
June	2013	11,593,465	10,064,318	37,708	52,258	10,102,026	95.35%	87.14%
		<u>141,665,592</u>	<u>134,456,520</u>	<u>627,096</u>		<u>135,083,616</u>		
FISCAL 2014								
July	2013	14,702,976	12,364,189	37,740	52,213	12,401,929	94.64%	84.35%
Prior Year-to-date		17,466,170	14,702,549	38,276		14,740,825		
Two Years Prior		15,964,582	12,755,514	37,013		12,792,527		

City of South Haven
Electric Fund - Fund 582
For the period ended July 31, 2013

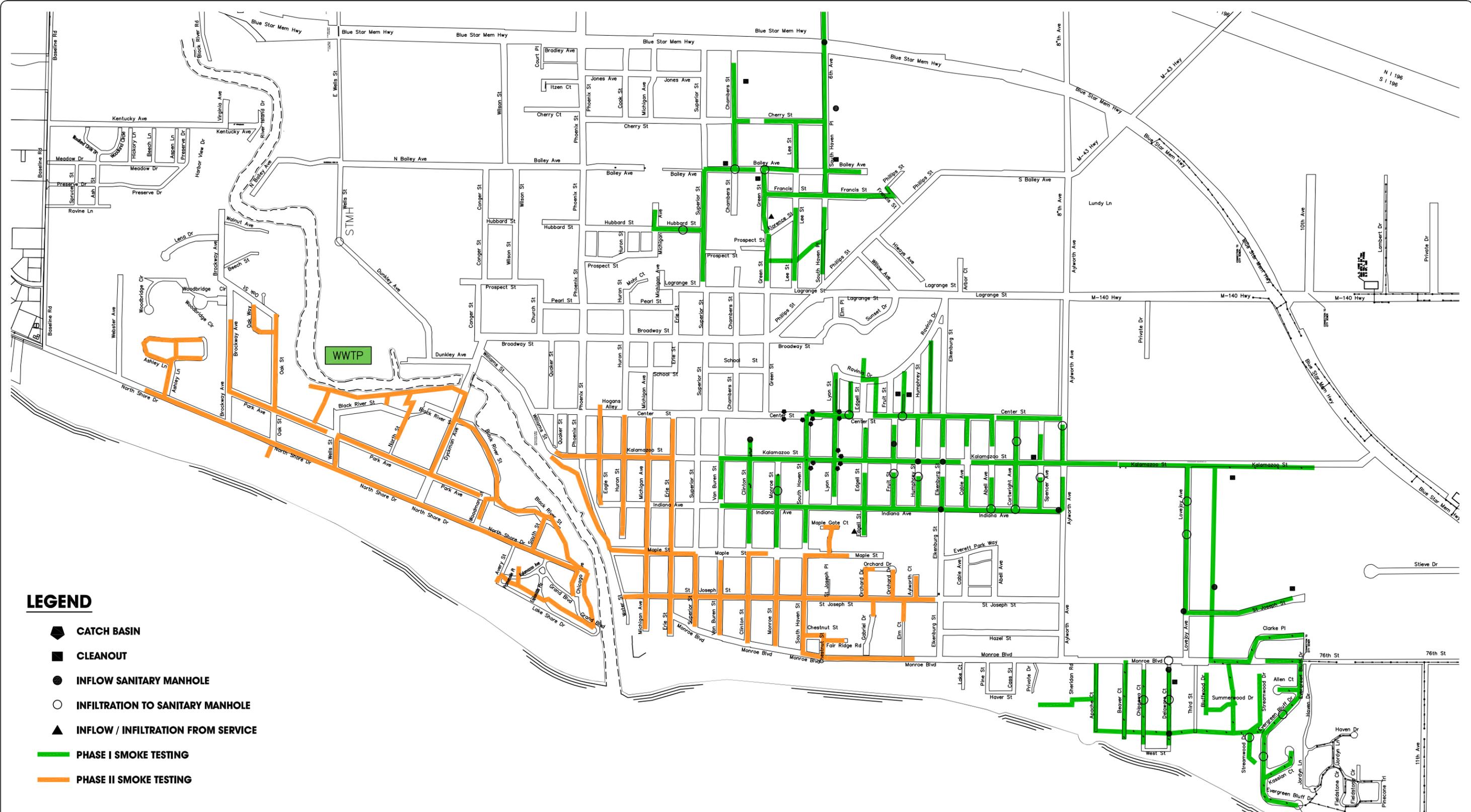
Col 6 & 11

Revenues:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2013-14 Adopted Budget	% of Annual Budget
Electric Sales	\$ 1,308,016	\$ 1,227,993	\$ 1,512,373	\$ 80,023	\$ (204,357)	\$ 1,308,016	\$ 1,227,993	\$ 1,512,373	\$ 80,023	\$ (204,357)	\$ 14,735,913	9%
Charges for Service	\$ 8,361	\$ 27,083	\$ 3,698	\$ (18,722)	\$ 4,663	\$ 8,361	\$ 27,083	\$ 3,698	\$ (18,722)	\$ 4,663	\$ 325,000	3%
Interest Income	\$ 0	\$ 4,167	\$ 894	\$ (4,167)	\$ (894)	\$ 0	\$ 4,167	\$ 894	\$ (4,167)	\$ (894)	\$ 50,000	0%
Other Revenue	\$ 25,881	\$ 4,583	\$ 4,838	\$ 21,298	\$ 21,043	\$ 25,881	\$ 4,583	\$ 4,838	\$ 21,298	\$ 21,043	\$ 55,000	47%
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Revenues	\$ 1,342,258	\$ 1,263,826	\$ 1,521,803	\$ 78,432	\$ (179,545)	\$ 1,342,258	\$ 1,263,826	\$ 1,521,803	\$ 78,432	\$ (179,545)	\$ 15,165,913	

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Expenses	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2013-14 Adopted Budget	% of Annual Budget
Purchased Power	\$ 1,140,424	\$ 800,000	\$ 1,009,701	\$ 340,424	\$ 130,723	\$ 1,140,424	\$ 800,000	\$ 1,009,701	\$ 340,424	\$ 130,723	\$ 9,600,000	12%
Other Operating Expenses	\$ 105,577	\$ 146,581	\$ 117,836	\$ (41,004)	\$ (12,259)	\$ 105,577	\$ 146,581	\$ 117,836	\$ (41,004)	\$ (12,259)	\$ 1,758,969	6%
Property Tax Equivalents	\$ 57,236	\$ 57,236	\$ 54,821	\$ (0)	\$ 2,415	\$ 57,236	\$ 57,236	\$ 54,821	\$ (0)	\$ 2,415	\$ 686,830	8%
Energy Optimization Costs	\$ 22,157	\$ 21,800	\$ 21,684	\$ 357	\$ 473	\$ 22,157	\$ 21,800	\$ 21,684	\$ 357	\$ 473	\$ 261,602	8%
Capital Outlay	\$ 76,033	\$ 127,333	\$ 898,695	\$ (51,300)	\$ (822,662)	\$ 76,033	\$ 127,333	\$ 6,298	\$ (51,300)	\$ 69,735	\$ 1,528,000	5%
Transfer Out	\$ 14,754	\$ -	\$ -	\$ 14,754	\$ 14,754	\$ 14,754	\$ 14,754	\$ -	\$ (0)	\$ 14,754	\$ 177,049	8%
Depreciation	\$ 45,000	\$ 45,000	\$ 39,510	\$ -	\$ 5,490	\$ 45,000	\$ 45,000	\$ 39,510	\$ -	\$ 5,490	\$ 540,000	8%
Administrative Expenses	\$ 39,451	\$ 60,153	\$ 49,880	\$ (20,702)	\$ (10,430)	\$ 39,451	\$ 60,153	\$ 49,880	\$ (20,702)	\$ (10,430)	\$ 721,836	5%
Total Expenses	\$ 1,500,631	\$ 1,258,103	\$ 2,192,128	\$ 242,528	\$ (691,496)	\$ 1,500,631	\$ 1,272,857	\$ 1,299,730	\$ 227,774	\$ 200,901	\$ 15,274,286	

Net Fund Change \$ (158,373) \$ 5,723 \$ (670,324) \$ (164,096) \$ 511,951 \$ (158,373) \$ (9,031) \$ 222,073 \$ (149,342) \$ (380,446) \$ (108,373)



LEGEND

-  CATCH BASIN
-  CLEANOUT
-  INFLOW SANITARY MANHOLE
-  INFILTRATION TO SANITARY MANHOLE
-  INFLOW / INFILTRATION FROM SERVICE
-  PHASE I SMOKE TESTING
-  PHASE II SMOKE TESTING



SMOKING TESTING PLAN
CITY OF SOUTH HAVEN





City of South Haven

Agenda Item # 9

Unresolved Issues

New items shown in **bold** text.

Completed items shown with single ~~strike through~~ text for one meeting, then double ~~strike through~~ text for the next meeting, then removed from the list.

ACTION ITEMS

- 6/2/10 – Security light costs (material, labor, O & M). File located, under review.
- 5/23/11 – Welder transformer. Addressed under agenda item 11 at the July meeting. GRP Engineering has been requested to perform an analysis of the cost of the “no load losses” associated with these transformers, and to evaluate alternatives. City staff has compiled data and forwarded to GRP. GRP is proceeding with the analysis.
- 2/27/12 – October 31, 2011 meeting requested staff pursue possible contract language change not limiting liability to the amount of the contractor’s insurance; and remove statement that the contractor is not liable for making sure the sub-contractors do the work properly.
- 3/26/12 – Stickland requested that staff provide the utility policy concerning tampering fees for review at the next meeting. Addressed under agenda item 15 at the April 30, 2012 meeting. MMEA was contacted requesting their assistance in contacting fellow members for their policies regarding meter tampering, disconnection or tampering with service feeders/pipes, theft of service, and unsealed meter showing consumption. No response has been received from MMEA. City staff is contacting fellow IMMUDA members plus Holland, Lowell, and Coldwater. Policies have been received from Bluffton, IN; Coldwater, MI; Holland BPW; Lowell Light & Power; Niles, MI; Sturgis, MI; Zeeland BPW. These policies will be compiled and summarized and distributed to staff and the BPU for review and comment.
- 4/30/12 – As a result of the tamper fee discussion with a resident, staff was requested to compile a list of electrical and plumbing contractors licensed to work in South Haven for the purpose of sending notification letters concerning the tamper policy. City staff contacted the State of Michigan and Michigan Township services, but they could not provide specific information. City of South Haven Building Services has a bulletin board available for posting notices. Suggestion was made to add it to the building permit form or instructions. Start with the City and then work with the townships.
- **7/29/13 – Stickland requested that staff and the Board do some research and bring this subject to the next meeting.**

Board of Public Utilities
Staff Report
Agenda Item #9
Prepared by Roger Huff
Page 1 of 2
August 26, 2013

- **7/29/13 – The Board requested GRP Engineering provide engineering contracts for the Phoenix Road Substation transformer, the two new associated circuits, and the upgrade of secondary lines in the core downtown area. See agenda item 11.**

CLARK HILL

Scott G. Smith
T 616.608.1109
F 616.608.1169
Email: sgsmith@clarkhill.com

Clark Hill PLC
200 Ottawa Avenue NW
Suite 500
Grand Rapids, Michigan 49503
T 616.608.1100
F 616.608.1199

clarkhill.com

August 16, 2013

Brian Dissette, City Manager
City of South Haven
539 Phoenix Street
South Haven, MI 49090-1490

***CONFIDENTIAL – SUBJECT TO
ATTORNEY/CLIENT PRIVILEGE***

Re: Penalty rates for late utility payments

Dear Mr. Dissette:

We are writing to confirm our recent conversation regarding the City's fee for late utility payments. We understand that the City charges a 10% fee for payments received after the due date. Some in the community have suggested that the late fee cannot exceed the 2% rate set by the Michigan Public Service Commission ("MPSC"). However, the MPSC has no jurisdiction over municipal utilities.¹ Accordingly, the City is free to set the rate in any manner consistent with the City Charter and applicable state laws.

Michigan courts have recognized that charges for late payments can be imposed as regulatory fees or as fines for municipal civil infractions.² The City's charge is currently imposed as a regulatory fee.³ As such, it must be reasonably proportional to the cost that the City incurs due to late payments.⁴ This would include the labor costs involved in reviewing payment records and contacting delinquent customers, as well as lost interest resulting from the delinquency.

We trust that this letter sufficiently responds to your inquiries. Please contact us if you have any further questions.

Sincerely,

CLARK HILL PLC



Scott G. Smith

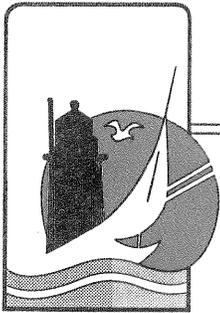
¹ MCL 460.6(1) ("The public service commission is vested with complete power and jurisdiction to regulate all public utilities in the state except a municipally owned utility.").

² *Landon v Flint*, 2013 Mich App LEXIS 130, Docket No 310241 (unpublished).

³ See City Code § 86-3 (providing that enforcement mechanisms can be set by policy and regulation).

⁴ See *Bolt v City of Lansing*, 459 Mich 152, 161 (1998).

UTILITY LATE BILLING FEES			
Utility Name	Late Fee Charged	Utilities Served	Notes
Bay City Electric Light & Power	2%	Electric, Sewer, Water, Trash	Late fee not assessed against inactive accounts or trash billing
Coldwater Board of Public Utilities	2%	Electric, Sewer, Water, Cable,	5 day grace period provided before assessing late fee
City of Charlevoix	5%	Electric, Sewer, Water	Late fee not applied to Energy Optimization Surcharge
Village of Clinton			
City of Dowagiac	8%	Electric, Sewer, Water	Applied to current amount due, less taxes
Grand Haven Board of Light & Power	2%	Electric	
City of Harbor Springs			
Holland Board of Public Works		Electric, Sewer, Water	
Lansing Board of Water & Light		Electric, Water	
Lowell Light & Power		Electric	
City of Marshall	5%	Electric, Water, Sewer	
Marquette Board of Light & Power		Electric	
Mishwaka Utilities (Indiana)	3% Electric & Water, 10% Sewer	Electric, Water, Sewer	Electric & Water, 10% of first \$3.00 and 3% of Balance
City of Niles			
City of Norway			
Village of Paw Paw	10%	Electric, Sewer, Water	
City of Petosky			
Portland Light & Power Board			
Sebawing Light & Water Department	1.50%	Electric, Internet, Water	
City of South Haven	10%	Electric, Sewer, Water	Applied to current amount due, less taxes
City of Sturgis	2%	Electric, Sewer, Water	
Wyandotte Municipal Services			
Zeeland Board of Public Works			



City of South Haven

City Hall • 539 Phoenix Street • South Haven, Michigan 49090-1499
Telephone (269) 637-0700 • FAX (269) 637-5319

July 22, 2013

TO: Brian Dissette, City Manager
FROM: Wendy Hochstedler, Finance Director
SUBJECT: Percentage Penalty Assessed on Late Utility Payments

Below is a summary of what rates are charged by surrounding communities for late utility payments:

<u>Municipality</u>	<u>Percentage</u>
Village of Hartford	15
City of Douglas	10
City of Grand Haven	10
City of Portage	10
City of Saugatuck	10
City of St. Joseph	10
City of Three Rivers	10
Village of Mattawan	10
City of South Haven	10
City of Dowagiac	8
City of Kalamazoo	5
Village of Paw Paw	5
City of Benton Harbor	2
City of Holland	2

It appears that the City of South Haven is in the majority with the 10% penalty assessed on late payments.



Agenda Item # 11

Consulting Contracts with GRP for the 2013-14 Electrical Projects

City of South Haven

Background Information:

At the July 29, 2013 Regular Meeting of the Board of Public Utilities, GRP Engineering, Inc. presented the Electric Distribution System Study & Five-Year Plan. This study reviewed the City of South Haven's substations and distribution system for equipment and conductor capacity issues, voltage and VAR flow issues, projected 5 and 10 year load growth, and assessed the physical condition of the electrical system. The report provided recommendations for electrical system projects to significantly improve system reliability. These projects will provide usable circuit & substation backfeed capabilities, will rebuild lines with failing hardware, will fix problems with open-wire secondary and associated connections, and will decrease system VAR flow.

The Board directed GRP Engineering to provide proposals for engineering services for the following recommended projects:

1. Phoenix Road Substation Transformer Procurement – Overall project scope includes the installation of a second 12/16/20 MVA transformer and two underground substation exits (PR-C and PR-D) at Phoenix Road Substation along with necessary 69kV transmission connections, breakers, bus work, etc. This initial project design phase includes material procurement for the new power transformers.
2. Project #102 PR-C Circuit 2nd Avenue – Project scope is to construct a new circuit (PR-C) on 2nd Avenue/Wells Street from Phoenix Road Substation to Blue Star Highway with #336.4 ACSR conductor (0.7 miles double circuit) on the existing pole line. Additionally, the project will include shifting all circuit MS-F load on North Shore Drive to this new circuit PR-C. Proposed primary conductor is #336.4 ACSR, but #336.4 Hendrix spacer cable will be utilized if final design dictates. Project includes replacement of all poles between the substation and I-196, and utilizing existing poles west of the highway.
3. Project #103 PR-D Circuit Veteran's Boulevard – Project scope is to construct a new circuit (PR-D) Veteran's Blvd from 2nd Avenue to Phoenix Road (0.6 miles) with #500kCM 15kV CU underground including padmount switchgear to relieve load and reduce geographic area from circuit PR-A. Additionally, the project will include design and construction of the new substation circuit exits for both PR-C and PR-D plus system protection changes on PR-A as listed in the system study.

4. Secondary Line Upgrade – Engineering services to be provided on an hourly basis due to the unknowns in amount of construction, the number of contracts, etc. Project includes replacement of failing hardware and small conductors.

Funds are included in the Fiscal Year 2013-14 Adopted Budget for electrical system improvements.

Recommendation:

Approve a recommendation to City Council for consulting contracts with GRP Engineering Inc. to provide engineering services for design, construction, administration, and start-up for the 2013-14 Electrical Projects.

Support Material:

Phoenix Road Substation Transformer Procurement Proposal
Project #102 PR-C Circuit 2nd Avenue Proposal
Project #103 PR-D Circuit Veteran's Blvd. Proposal

Respectfully submitted,

Roger Huff, P.E.
Director

August 17, 2013

Mr. Roger Huff
Public Works Director
City of South Haven
1199 8th Ave.
South Haven, MI 49090

**RE: Engineering Services Proposal
Phoenix Road Substation Transformer Procurement**

Dear Mr. Huff:

GRP Engineering, Inc. is pleased to present this proposal to the City of South Haven for engineering services associated with the addition of a second transformer to Phoenix Road Substation.

Overall project scope includes the installation of a second 12/16/20 MVA transformer and two underground substation exits (PR-C and PR-D) at Phoenix Road Substation along with necessary 69kV transmission connections, breakers, bus work, etc. This initial project design phase includes material procurement for the new power transformers.

Scope of Services

Our scope of services for completing the transformer procurement services include:

- Develop list of qualified manufacturers for bidding.
- Determine electrical energy costs to be used in loss evaluation of new power transformers.
- Develop power transformer specifications.
- Preparation and processing of the transformer procurement contract.
- Coordinate and assist on site with bid opening and contract award.
- Evaluate bids received and prepare recommendation for contract award.
- Review and approve transformer shop drawings.

GRP Engineering, Inc. proposes to complete the transformer procurement services for the Phoenix Road Substation Second Transformer project for a lump sum fee of \$6,000. Should additional services be required outside the scope of this proposal, we will complete those tasks on an hourly basis based on the attached rate sheet.

We appreciate the opportunity to submit this proposal and look forward to being of service to you. Please contact me should you have any questions.

Sincerely,

GRP Engineering, Inc.



Michael P. McGeehan, P.E.
President

Enclosures

cc/enc: City of South Haven
Mr. Bill Conklin

GRP ENGINEERING, INC.
HOURLY BILLING RATES

Employee Title	Engineer Level	Hourly Rate Range
Senior Project Manager	8	\$125 - \$150
Project Manager	7	\$105 - \$120
Senior Engineer	6	\$90 - \$105
Project Engineer	4 - 5	\$80 - \$90
Engineer	2 - 3	\$70 - \$80
Entry Level Engineer	1	\$50 - \$70
Engineering Technician		\$40 - \$50
Engineering Support		\$30 - \$43
Administrative Support		\$35 - \$50

Expenses will be invoiced at cost including, but not limited to, mileage, meals, lodging, printing and reproduction.

All subcontracted services will be invoiced at cost, with no additional markup.

Rates are valid through December 31, 2013

August 17, 2013

Mr. Roger Huff
Public Works Director
City of South Haven
1199 8th Ave.
South Haven, MI 49090

**RE: Engineering Services Proposal
Project #102 PR-C Circuit 2nd Avenue**

Dear Mr. Huff:

GRP Engineering, Inc. is pleased to present this proposal to the City of South Haven for engineering services associated with the distribution line project #102 along 2nd Avenue & Wells Street from Phoenix Road Substation west to Blue Star Highway.

Project #102 PR-C Circuit 2nd Avenue Scope

Project scope is to construct a new circuit (PR-C) on 2nd Avenue/Wells Street from Phoenix Road Substation to Blue Star Highway with #336.4 ACSR conductor (0.7 miles double circuit) on the existing pole line. Additionally, the project will include shifting all circuit MS-F load on North Shore Drive to this new circuit PR-C. Proposed primary conductor is #336.4 ACSR, but #336.4 Hendrix spacer cable will be utilized if final design dictates. Project includes a replacement of all poles between the substation and I-196, and utilizing existing poles west of the highway. Estimated construction cost is: \$136,000.

Scope of Services

Our scope of services for completing the distribution line design and construction inspection services include:

- Conduct field review meeting with City of South Haven staff.
- Inventory all units for retirement.
- Complete engineering design for the project including provisions for joint-use where applicable.
- Preparation of new and removal staking sheets and associated drawings.
- Preparation of new construction and removal unit lists and required material list.
- Preparation and processing of one Construction Contract.
- Coordinate and assist on site with bid opening and contract award.
- Prepare and process all county road commission and MDOT permits.

- Conduct pre-construction meeting.
- Construction stake the line project.
- On-site inspection of construction at critical times.
- Final inventory of the line project.
- Preparation of project “punch list” following completion of construction.
- Review and process monthly and final contractor invoicing.
- Preparation of record drawings & staking sheets.
- Update the WindMil computer model with new conductor and primary equipment information from the line construction project.

GRP Engineering, Inc. proposes to complete the engineering services for the Project #102 PR-C Circuit 2nd Avenue project for a lump sum fee of \$13,000. Should additional services be required outside the scope of this proposal, we will complete those tasks on an hourly basis based on the attached rate sheet.

We appreciate the opportunity to submit this proposal and look forward to being of service to you. Please contact me should you have any questions.

Sincerely,

GRP Engineering, Inc.



Michael P. McGeehan, P.E.
President

Enclosures

cc/enc: City of South Haven
Mr. Bill Conklin

GRP ENGINEERING, INC.
HOURLY BILLING RATES

Employee Title	Engineer Level	Hourly Rate Range
Senior Project Manager	8	\$125 - \$150
Project Manager	7	\$105 - \$120
Senior Engineer	6	\$90 - \$105
Project Engineer	4 - 5	\$80 - \$90
Engineer	2 - 3	\$70 - \$80
Entry Level Engineer	1	\$50 - \$70
Engineering Technician		\$40 - \$50
Engineering Support		\$30 - \$43
Administrative Support		\$35 - \$50

Expenses will be invoiced at cost including, but not limited to, mileage, meals, lodging, printing and reproduction.

All subcontracted services will be invoiced at cost, with no additional markup.

Rates are valid through December 31, 2013

August 17, 2013

Mr. Roger Huff
Public Works Director
City of South Haven
1199 8th Ave.
South Haven, MI 49090

**RE: Engineering Services Proposal
Project #103 PR-D Circuit Veteran's Blvd**

Dear Mr. Huff:

GRP Engineering, Inc. is pleased to present this proposal to the City of South Haven for engineering services associated with the distribution line project #103 along Veteran's Blvd from Phoenix Road Substation south to Phoenix Road.

Project #103 PR-D Circuit Veteran's Scope

Project scope is to construct a new circuit (PR-D) Veteran's Blvd from 2nd Avenue to Phoenix Road (0.6 miles) with #500kCM 15kV CU underground including padmount switchgear to relieve load and reduce geographic area from circuit PR-A. Additionally, the project will include design and construction of the new substation circuit exits for both PR-C and PR-D plus system protection changes on PR-A as listed in the system study. Estimated construction cost is: \$435,000.

Scope of Services

Our scope of services for completing the distribution line design and construction inspection services include:

- Conduct field review meeting with City of South Haven staff.
- Complete inventory of the existing underground system along Veteran's Blvd.
- Complete engineering design for the underground project including all primary, secondary, and connection to the existing system and two new Phoenix Rd Substation exits.
- Design and implementation of system protection changes on circuit PR-D (old PR-A).
- Preparation of new and removal construction drawings.
- Preparation of new construction and removal unit lists and required material lists.
- Preparation and processing of two (2) construction contracts. One for conduit installation and a second contract for electrical cable & equipment installation.
- Coordinate and assist on site with two bid openings and contract award.

- Prepare and process all county road commission permits.
- Conduct pre-construction meeting for each contract.
- Construction staking of conduit centerline and padmount equipment.
- On-site inspection of construction at critical points.
- Preparation of circuit switching orders and on-site representation during primary outages.
- Final construction inspection and inventory.
- Preparation of project “punch lists” following completion of construction.
- Review and process monthly and final contractor invoicing.
- Preparation of record drawings.
- Update the WindMil computer model with new conductor and primary equipment information from the new circuit construction project plus all system protection changes included with this project.

GRP Engineering, Inc. proposes to complete the engineering services for the Project #103 PR-D Circuit Veteran’s Blvd project for a lump sum fee of \$43,000. Should additional services be required outside the scope of this proposal, we will complete those tasks on an hourly basis based on the attached rate sheet.

We appreciate the opportunity to submit this proposal and look forward to being of service to you. Please contact me should you have any questions.

Sincerely,

GRP Engineering, Inc.



Michael P. McGeehan, P.E.
President

Enclosures

cc/enc: City of South Haven
Mr. Bill Conklin

GRP ENGINEERING, INC.
HOURLY BILLING RATES

Employee Title	Engineer Level	Hourly Rate Range
Senior Project Manager	8	\$125 - \$150
Project Manager	7	\$105 - \$120
Senior Engineer	6	\$90 - \$105
Project Engineer	4 - 5	\$80 - \$90
Engineer	2 - 3	\$70 - \$80
Entry Level Engineer	1	\$50 - \$70
Engineering Technician		\$40 - \$50
Engineering Support		\$30 - \$43
Administrative Support		\$35 - \$50

Expenses will be invoiced at cost including, but not limited to, mileage, meals, lodging, printing and reproduction.

All subcontracted services will be invoiced at cost, with no additional markup.

Rates are valid through December 31, 2013

memo

City of South Haven Water Filtration Plant

To: Brian Dissette, City Manager
From: Bob Miller, Water Plant Superintendent
CC: Roger Huff, Public Work Director
Date: 8/14/2013
Re: Private Beach Water Quality Monitoring

Comments: Historically, the Water Filtration Plant has had no involvement with monitoring the water quality of the public or private beaches in and around South Haven. We are, however, certified by the State of Michigan to perform the same analysis (enumeration of E. Coli) used by the local Health Department in issuing the contact advisories.

As such, we are able, at a very limited capacity, to analyze beach samples for homeowners, association managers, etc. Due to the fact that we only have sufficient laboratory equipment to analyze one set of samples every 24 hours, customers would have to be served on a first-come first-serve basis. Most importantly, the Water Plant will only be delivering results to the customer, not interpreting them. I will recommend that results be conveyed, by the customer, to the Van Buren-Cass County Health Department for discussion and safety recommendations. The Water Plant lab WILL NOT declare a sample "safe" or "unsafe" for contact.

Customers will be charged \$15.00 for each sample to cover the cost of the materials used for the testing, and can expect results 24-48 hours from the time the sample is accepted at the plant. Sample containers must be picked up from the plant, along with the appropriate paperwork. NO samples will be accepted in outside containers. Arrangements MUST be made ahead of time to ensure we can accommodate the analysis before any samples can be collected.

For any further questions, or to arrange sampling, please call me directly at the Water Plant at 637-0715.

Thank You!