

Board of Public Utilities

Regular Meeting Agenda

Monday, November 25, 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 - October 28, 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. 2013 Billings – All Charges
 - B. 2012 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
 - F. JUNE 2013 Water Fund Financial Statement
 - G. JUNE 2013 Sewer Fund Financial Statement
 - H. JUNE 2013 Electric Fund Financial Statement

8. **Indian Grove Infrastructure Project**
 - A. Sewer Study Progress Report

9. **Unresolved Issues Report**

NEW BUSINESS

10. **Board will continue discussion concerning the 10% penalty rate for late utility payments and be requested to make a recommendation.**

NEW BUSINESS

11. Board will be requested to approve award of the Phoenix Road Transformer Procurement Bid.
12. Board will be requested to approve a consulting contract with GRP Engineering, Inc. for Phoenix Road Substation Transformer #2 design and construction observation services.
13. Board will be requested to establish a schedule for Regular Meeting Dates for the 2014 Calendar Year.
14. Next meeting is scheduled for Monday January 27, 2014 at 4:00 p.m. in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.
15. Director's Comments
16. Board Member Comments
17. Adjourn

RESPECTFULLY SUBMITTED,

Roger Huff
Public Works Director

South Haven Department of Public Works Building is Barrier-free and the City of South Haven will provide the necessary reasonable auxiliary aids and services for persons with disabilities, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting to individuals with disabilities at the meeting upon seven (7) days notice to the South Haven City Clerk. Individuals with disabilities requiring services should contact the City Clerk by writing or calling South Haven City Hall at (269) 637-0750.

Board of Public Utilities

Regular Meeting Minutes

Monday, October 28, 2013
8:00 a.m., DPW Conference Room, 1199 8th Avenue



1. Call to Order at 8:00 a.m.

2. Roll Call

Present: Burr, Henry, Stein (ex-officio), Winkel
Absent: Overhiser (ex-officio), Rose (ex-officio), Stickland

Also present: Brian Dissette, City Manager; Wendy Hochstedler, Finance Director; Larry Halberstadt, City Engineer; Dave Mulac, Wastewater Supervisor; Abonmarche staff: Christopher J. Cook, PE, President/CEO; Daniel A. Dombos, PE, Senior Project Engineer and Tony McGhee, Business Development Director

2a. Appointment of Temporary Chair.

Motion by Henry, second by Winkel to appoint Burr as temporary chair due to absence of Chair Stickland.

All in favor. Motion carried.

3. Approval of Agenda

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

All in favor. Motion carried.

4. Acceptance of Minutes for the Record - September 30, 2013 - October 16, 2013 Special Meeting

Motion by Henry, second by Winkel to accept the regular meeting minutes of September 30, 2013 and the special meeting minutes of October 16, 2013 for the record.

All in favor. Motion carried.

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

None at this time.

REPORTS

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

- A. 2013 Billings – All Charges
- B. 2012 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

Burr reviewed the Water Fund and Sewer Fund financials.

Burr noted the consumption, cost and usage of electric and differences between last year and this year; pointed out that last year there was a heavy air conditioning load which we did not have this year. The Energy Optimization charge was questioned by Burr and explained by Hochstedler as an accounting error caught by the auditors.

Burr questioned the administrative cost which Hochstedler stated was due to the way personnel costs are charged and recorded now.

Burr noted that there should be five and a half million dollars (\$5.5M) in cash reserves of which two million dollars (\$2M) are set aside for capital projects planned for this year.

8. Indian Grove Infrastructure Project

- A. Sewer Study Progress Report

Huff informed the board that this item will be incorporated into the discussion of Item #12.

9. Unresolved Issues Report

Huff pointed out that the area on Dyckman from Park Avenue to the bridge have been video tested and shows a number of spots that need some work. In the spring the worst of the problems, such as a collapsed manhole and one other spot, were repaired. Halberstadt noted that the sewer line that goes up Dyckman predates the Waste Water Treatment Plant.

Burr noted a section of that pipe which used to allow water infiltration was replaced near All Seasons. Abonmarche has observed a backwater condition there. Mulac pointed out that during heavy rains there was some back up, and agreed that the section of line that was replaced has improved that area. There are several other places along that line which need repair.

Stein asked whether the charging station at Meijer's could be removed from the unresolved issues report since Meijer's has said they will not be installing a charger for electric cars. Huff noted that Stickland wants Huff to write a letter directly to Meijer, even though Halberstadt had spoken with the engineers who said they would not be installing the car charging station.

10. Electric Outage Report, 3rd Quarter 2013

Burr mentioned that the tree contact item is up due to the area which we are going to focus on this year. The past three years we were at 25% of tree contact and this year it is up to 38%. Burr stated we had a bump this year due to a system wide outage. Burr noted that we should see a dramatic drop on the tree contact once the tree trimming is addressed in that area.

NEW BUSINESS

11. Board will be requested to approve award of Bid Number 2013-11, #102 PR-C Circuit / 2nd Avenue Rebuild.

After a brief discussion of the differences in the bids, Burr called for a motion.

Motion by Henry, second by Winkel to approve a recommendation to City Council to award Contractual services for Electric Distribution System Improvement Project #102 Bid Number 2013011, 2nd Avenue Rebuild, by SKF Electrical Contracting of Williamsburg, Michigan in the amount of \$59,839.60. Labor and materials to be provided are defined in the contract documents prepared by GRP Engineering.

All in favor. Motion carried.

12a. Presentation by Abonmarche, Inc. regarding SAW grant

Huff noted that this item has been added to the agenda due to another grant opportunity. A recommendation from this board to city council is needed giving authority to the city manager to apply for the grant.

Christopher J. Cook, PE, President/CEO, Abonmarche. Gave an overview of the Stormwater, Asset Management, and Wastewater (SAW) grant program; the State came out with a program that will fund sanitary sewers, asset management and wastewater treatment. The grant will cover ninety percent (90%) on the first million dollars, seventy-five percent (75%) on the second million, and one hundred percent (100%) for disadvantaged communities. Additionally, up to five hundred thousand dollars (\$500,000) in grant funds will be available toward design engineering at either ninety thousand dollars (\$90,000) or one hundred thousand dollars (\$100,000) depending on whether the city gets the disadvantaged designation. There is also half a million dollars (\$500,000) toward construction, again tied to the disadvantaged status. Abonmarche has been working on getting this ready for public notice toward the end of November at which time some of the sewer study data, which would be included in the grant app.

Referencing the map in the Power Point presentation, on which SAW and SRF areas are indicated by various colors. Due to upcoming work on the Dyckman Bridge, and to structural defects in the pipes in the Dyckman area adjacent to the bridge this area becomes a priority for the first phase of the projects. North Shore Drive along the lake shore and the Black River Street problem which has been there for quite some time and the main lift station on the north end of town would also be in Phase One of the project combined with the Wells station and the Indian Grove project, which has been improved but there is still work that needs to be done there. Abonmarche is looking at making that fix at Indian Grove to put that area behind us. Additional metering enabled Abonmarche to remove the ravine area, which

was sourced as the main infiltration problem, from the list, while that same metering revealed that we have seven (7) manholes that have tops that need to be brought up out of the flood area; they were causing the infiltration we were metering.

Cook referenced loose catch basins in Center Street area which can be addressed during the construction portion while the asset management portion can finish up any related work of the sewer system. Finally, all of the mapping data can be input to the Geographic Information Systems (GIS) and gives us an opportunity to get the storm sewer system mapped and into the GIS program as you have with the water. Video exam of storm sewer lines plus a little metering for finding trouble spots would also be a part of that project.

Cook enumerated the various grants or loans that the City could apply for, noting that is the sum of Phase 1.

Phase 2, Cook noted, could include identified structural issues in the Kalamazoo area to be undertaken at a later date.

Cook then explained that the SAW program has \$450M in it, the first round award of ninety-seven million dollars (\$97M) will be decided by lottery on Dec. 2 or Day One. If South Haven is not awarded in Round One we could hope that it would qualify for Round 2.

Henry questioned whether this project is for the fiscal year to which Cook responded, "No, over several years." Responding to Henry's question regarding whether this is federal pass-through money, Cook stated that it is state money. Dissette noted that the time frame is unstated; typically there will be up to three (3) years typically to start construction after the design work is done. Dissette has been pushing for North Shore Drive to be in Phase One since it has not had any attention since 2006, when the city did Baseline Road. Dissette's hope would be to immediately target Dyckman to coordinate with the bridge work, which is tentatively scheduled for fall 2014, noting that he could not pick a better time to address that issue, effectively not inconveniencing residents and visitors two separate times.

Abonmarche noted that any costs incurred after January 2013 are eligible; in other words, the city can get the design done now and get reimbursed for it as part of the grant, either December or at some later date. Asset management can use city staff for the match part of the grant; data collection and GIS work could count toward the match as "in kind service." Dissette said anything Ryan, GIS tech and Larry & Steve are doing is attributable to this.

Dissette said the state has heavily marketed this program so it is almost "shame on you" if you don't apply.

Winkel asked about the time frame the lotteries will last to which Cook responded that after Dec. 2, the city is in line; you do not have to resubmit. The merits of your work don't matter; you have to have a technical threshold. Cook noted that the Department of Environmental Quality representative has already been actively calling the city, asking if we are submitting a SAW grant.

Stein asked if there is a timeline for completion to which Dissette responded, "We don't know at this time. We have been focusing on Indian Grove for years." By getting this application in, the city could have the next project in the queue when the Indian Grove Project is completed. Henry said it is all upside.

Dissette said he anticipates that once you have the funds, engineering would need to begin, which could take two (2) to 3 years to complete engineering and then start construction. Dissette said the state has been very helpful with the SRF and anticipates they will be flexible with the SAW.

Burr asked the extent of the project, would it be done just like Kalamazoo, to which Cook responded, "Yes."

General discussion ensued about what might be done in various areas, including grinder pumps and lift stations. Burr explained the importance of determining where the lift station would be located in relation to the Black River Park Master Plan. Halberstadt agreed you need to get that route defined. Tony McGhee will get the information to the Black River Park Master Plan designer.

Burr questioned whether Kalamazoo Street, shown in red on the map, will undergo any changes in procedure. Cook responded that nothing will change at all. Halberstadt noted that to install the force main the project needs to go all the way to Lovejoy Street.

Burr asked if it is good news that the ravine is not the source of the infiltration problem to which McGhee said, "It is about five million dollars (\$5M) worth of good news."

Discussion ensued regarding what will need to be financed down the road. Abonmarche said our study will have to define that. Henry wondered whether special assessments will be done. Dissette feels that since we are working on Kalamazoo he would like to jump over to another section of the city, specifically North Shore Drive, rather than jumping right into another low-income neighborhood.

Motion by Henry, second by Winkel to recommend that City Council authorize the City Manager to apply for the Stormwater, Asset Management, and Wastewater (SAW) grant.

All in favor. Motion carried.

12b. Next meeting is scheduled for Monday November 25, 2013 at 4:00 p.m. in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.

13. Director's Comments

None at this time.

14. Board Member Comments

There were none.

15. Adjourn

Motion by Winkel, second by Henry to adjourn at 9:08 a.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	11,074	2,312	11,313	0.9789	11,074	2,312	6,466,839	\$182,078.71	\$62,213.57											
Welder	238	179	298	0.7988	238	179	137,692	\$3,908.26	\$1,324.65											
Phoenix	7,999	1,974	8,239	0.9709	7,999	1,974	4,334,232	\$131,512.98	\$41,697.04											
Welder	10	31	33	0.3071	10	31	6,635	\$166.06	\$63.83											
Oct-13	19,320	4,496	19,837	0.9740	19,320	4,496	10,945,397	\$317,666.02	\$105,299.10	\$164,739.18	\$12,395.66	\$26,374.42	\$938.31	\$65,299.25	\$206.53	\$9,067.49	(\$988.26)	\$74,523.32	\$700,997.70	6.404
Main	15,924	4,583	16,570	0.9610	15,924	4,583	6,855,337	\$261,823.07	\$65,951.08											
Welder	306	273	410	0.7468	306	273	138,670	\$5,037.83	\$1,334.06											
Phoenix	11,887	4,349	12,657	0.9391	11,887	4,349	4,669,743	\$195,441.78	\$44,924.80											
Welder	24	32	40	0.6024	24	32	6,648	\$394.61	\$63.96											
Sep-13	28,141	9,236	29,618	0.9501	28,141	9,236	11,670,398	\$462,697.28	\$112,273.90	\$175,651.17	\$42,092.79	\$3,060.70	\$1,000.47	\$63,192.82	\$199.87	\$9,109.48	(\$917.87)	\$72,584.77	\$868,360.61	7.441
Main	16,543	4,854	17,240	0.9595	16,543	4,854	7,898,702	\$271,999.92	\$75,988.67											
Welder	287	267	392	0.7314	287	267	113,753	\$4,710.63	\$1,094.34											
Phoenix	11,964	4,370	12,737	0.9393	11,963	4,370	5,525,867	\$196,703.78	\$53,161.05											
Welder	8	17	19	0.4154	8	17	21,391	\$129.89	\$205.79											
Aug-13	28,801	9,508	30,330	0.9496	28,801	9,508	13,559,712	\$473,544.23	\$130,449.85	\$204,087.23	\$8,981.95	(\$35,351.84)	\$1,162.43	\$65,299.25	\$206.53	\$9,643.55	(\$1,020.06)	\$75,291.70	\$857,003.12	6.320
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:

117,094,444

\$7,739,944

6.610

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%
August	2013	62,517,000	8,357,888	48,003	196,427	8,322,168	88.81%	100.15%
September	2013	52,536,000	7,023,529	43,984	192,916	7,118,311	89.52%	101.98%
October	2013	35,699,000	4,772,594	41,176	182,891	5,303,775	90.51%	111.99%
		<u>221,073,000</u>	<u>29,555,214</u>	<u>196,132</u>	<u>700,078</u>	<u>27,449,860</u>		
Prior Year-to-date		260,020,000	34,762,032	145,984	855,131	32,975,856		
Two Years Prior		217,500,000	29,077,540	147,156	899,112	26,363,683		

City of South Haven
Water Fund - Fund 591
For the period ended October 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	\$ 355,504	\$ 287,975	\$ 283,580	\$ 67,530	\$ 71,924	\$ 1,417,905	\$ 1,151,899	\$ 1,410,993	\$ 266,007	\$ 6,912	\$ 3,455,696	41%
Charges for Service	17,068	6,250	4,256	10,818	12,812	21,102	25,000	21,971	(3,898)	(869)	75,000	28%
Interest Income	31	167	32	(135)	(1)	142	667	430	(525)	(288)	2,000	7%
Special Assessment Revenue	2,773	1,083	-	1,690	2,773	7,578	4,333	978	3,244	6,600	13,000	58%
Other Revenue	4,787	2,917	2,277	1,870	2,510	15,289	11,667	23,173	3,622	(7,884)	35,000	44%
Total Revenues	\$ 380,164	\$ 298,391	\$ 290,145	\$ 81,772	\$ 90,019	\$ 1,462,016	\$ 1,193,565	\$ 1,457,545	\$ 268,451	\$ 4,471	\$ 3,580,696	

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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	\$ 93,914	\$ 114,259	\$ 115,794	\$ (20,346)	\$ (21,880)	\$ 374,708	\$ 457,037	\$ 422,962	\$ (82,329)	\$ (48,253)	\$ 1,371,112	27%
Property Tax Equivalents	8,349	8,349	7,103	0	1,246	33,398	33,398	28,413	0	4,985	100,193	33%
Capital Outlay	121,963	30,000	45,555	91,963	76,408	218,129	120,000	71,055	98,129	147,074	360,000	61%
Debt Service	-	120,970	-	(120,970)	-	6,925	483,879	7,031	(476,954)	(106)	1,451,636	0%
Transfers Out	167	2,824	115,591	(2,657)	(115,424)	667	11,295	471,290	(10,628)	(470,623)	33,884	2%
Depreciation	47,917	47,917	16,307	-	31,610	191,667	191,667	65,228	-	126,439	575,000	33%
Administrative Expenses	43,764	18,376	21,888	25,388	21,877	79,741	73,504	83,309	6,237	(3,568)	220,512	36%
Total Expenses	\$ 316,073	\$ 342,695	\$ 322,237	\$ (26,621)	\$ (6,164)	\$ 905,235	\$ 1,370,779	\$ 1,149,288	\$ (465,544)	\$ (244,053)	\$ 4,112,337	

Net Fund Change \$ 64,090 \$ (44,303) \$ (32,093) \$ 108,394 \$ 96,183 \$ 556,781 \$ (177,214) \$ 308,257 \$ 733,995 \$ 248,524 \$ (531,641)

THE LARGE VARIANCE IN DEBT SERVICE FROM LAST YEAR TO THIS YEAR IS THAT THERE HAVE BEEN NO PAYMENTS OF PRINCIPAL & INTEREST YET ON THE WATER PLANT BONDS

THE VARIANCES FROM BUDGET IN ADMINISTRATIVE EXPENSE IS DUE TO INSURANCE PREMIUMS BILLED & PAID LATER THAN USUAL AND PREMIUMS INCREASED BY 22%.

City of South Haven
Sewer Fund - Fund 592
For the period ended October 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	\$ 237,579	\$ 183,638	\$ 152,510	\$ 53,941	\$ 85,068	\$ 848,748	\$ 734,551	\$ 761,480	\$ 114,197	\$ 87,268	\$ 2,203,654	39%
IPP Revenues	5,802	7,310	13,277	(1,508)	(7,475)	26,363	29,241	35,414	(2,879)	(9,051)	87,724	30%
Interest Income	1	625	47	(624)	(46)	48	2,500	1,746	(2,452)	(1,697)	7,500	1%
Special Assessment Revenue	2,030	1,423	-	608	2,030	5,424	5,690	6,349	(266)	(925)	17,071	32%
Grant Revenue	-	-	69,633	-	(69,633)	-	-	98,084	-	(98,084)	-	#DIV/0!
Other Revenue	300	292	150	8	150	900	1,167	765	(267)	135	3,500	26%
Total Revenues	\$ 245,712	\$ 193,287	\$ 235,617	\$ 52,424	\$ 10,094	\$ 881,484	\$ 773,150	\$ 903,838	\$ 108,334	\$ (22,354)	\$ 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	\$ 107,175	\$ 101,321	\$ 90,408	\$ 5,854	\$ 16,767	\$ 343,051	\$ 405,284	\$ 363,785	\$ (62,233)	\$ (20,733)	\$ 1,215,852	28%
Grant Expense-SSSES	14,178	3,333	23,729	10,845	(9,551)	64,855	13,333	79,545	51,521	(14,691)	40,000	162%
Property Tax Equivalents	7,453	7,453	7,317	0	137	29,814	29,814	29,267	0	547	89,441	33%
Capital Outlay	107,391	31,175	40,673	76,216	66,718	117,446	124,699	68,623	(7,253)	48,823	374,098	31%
Transfers Out	19,917	23,680	-	(3,763)	19,917	79,667	94,719	2,720	(15,053)	76,947	284,158	28%
Depreciation	22,917	22,917	20,379	-	2,538	91,667	91,667	81,515	-	10,152	275,000	33%
Administrative Expenses	47,750	25,966	30,188	21,784	17,562	104,147	103,863	113,257	285	(9,110)	311,588	33%
Total Expenses	\$ 326,781	\$ 215,845	\$ 212,694	\$ 110,937	\$ 114,088	\$ 830,647	\$ 863,379	\$ 738,712	\$ (32,732)	\$ 91,935	\$ 2,590,137	

Net Fund Change \$ (81,070) \$ (22,557) \$ 22,924 \$ (58,512) \$ (103,993) \$ 50,837 \$ (90,229) \$ 165,126 \$ 141,066 \$ (114,289) \$ (270,688)

SSSES GRANT EXPENSE OVER BUDGET DUE TO 2ND GRANT AWARDED - NO REIMBURSEMENT RECEIVED YET

THE VARIANCES FROM BUDGET IN ADMINISTRATIVE EXPENSE IS DUE TO INSURANCE PREMIUMS BILLED & PAID LATER THAN USUAL AND PREMIUMS INCREASED BY 22%.

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%
August	2013	13,559,712	13,582,248	42,342	52,126	13,624,590	94.42%	100.48%
September	2013	11,670,399	12,462,283	48,796	52,143	12,511,079	95.03%	107.20%
October	2013	10,945,398	10,453,792	54,475	52,125	10,508,267	94.91%	96.01%
		<u>50,878,484</u>	<u>48,862,512</u>	<u>183,353</u>		<u>49,045,865</u>		
Prior Year-to-date		53,851,678	52,500,638	184,955		52,685,593		
Two Years Prior		52,874,323	49,935,038	392,411		50,118,953		

City of South Haven
Electric Fund - Fund 582
For the period ended October 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	\$ 1,068,406	\$ 1,146,367	\$ 1,010,358	\$ (77,961)	\$ 58,049	\$ 5,234,174	\$ 4,585,468	\$ 5,488,018	\$ 648,706	\$ (253,844)	\$ 13,756,404	38%
Charges for Service	\$ 1,881	\$ 12,500	\$ 4,513	\$ (10,619)	\$ (2,632)	\$ 104,566	\$ 50,000	\$ 31,735	\$ 54,566	\$ 72,832	\$ 150,000	70%
Interest Income	\$ 397	\$ 2,500	\$ 5,854	\$ (2,103)	\$ (5,457)	\$ 10,092	\$ 10,000	\$ 8,374	\$ 92	\$ 1,718	\$ 30,000	34%
Other Revenue	\$ 4,755	\$ 2,500	\$ 8,264	\$ 2,255	\$ (3,509)	\$ 39,098	\$ 10,000	\$ 20,461	\$ 29,098	\$ 18,636	\$ 30,000	130%
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Revenues	\$ 1,075,439	\$ 1,163,867	\$ 1,028,988	\$ (88,428)	\$ 46,451	\$ 5,387,930	\$ 4,655,468	\$ 5,548,588	\$ 732,462	\$ (160,658)	\$ 13,966,404	

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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	\$ 700,998	\$ 800,000	\$ 650,146	\$ (99,002)	\$ 50,852	\$ 3,566,785	\$ 3,200,000	\$ 3,301,182	\$ 366,785	\$ 265,603	\$ 9,600,000	37%
Other Operating Expenses	\$ 146,759	\$ 146,581	\$ 146,181	\$ 178	\$ 577	\$ 513,749	\$ 586,323	\$ 520,611	\$ (72,574)	\$ (6,862)	\$ 1,758,969	29%
Property Tax Equivalents	\$ 57,236	\$ 57,236	\$ 54,821	\$ (0)	\$ 2,415	\$ 228,943	\$ 228,943	\$ 219,283	\$ (0)	\$ 9,660	\$ 686,830	33%
Energy Optimization Costs	\$ 21,917	\$ 21,800	\$ 21,684	\$ 117	\$ 233	\$ 87,907	\$ 87,201	\$ 86,734	\$ 706	\$ 1,173	\$ 261,602	34%
Capital Outlay	\$ 4,169	\$ 127,333	\$ 893,847	\$ (123,165)	\$ (889,679)	\$ 15,440	\$ 509,333	\$ 77,322	\$ (493,894)	\$ (61,882)	\$ 1,528,000	1%
Transfer Out	\$ 14,754	\$ -	\$ -	\$ 14,754	\$ 14,754	\$ 59,016	\$ 59,016	\$ -	\$ (0)	\$ 59,016	\$ 177,049	33%
Depreciation	\$ 45,000	\$ 45,000	\$ 39,510	\$ -	\$ 5,490	\$ 180,000	\$ 180,000	\$ 158,041	\$ -	\$ 21,959	\$ 540,000	33%
Administrative Expenses	\$ 99,910	\$ 60,153	\$ 60,508	\$ 39,757	\$ 39,403	\$ 228,720	\$ 240,612	\$ 247,084	\$ (11,892)	\$ (18,364)	\$ 721,836	32%
Total Expenses	\$ 1,090,742	\$ 1,258,103	\$ 1,866,697	\$ (167,361)	\$ (775,955)	\$ 4,880,561	\$ 5,091,429	\$ 4,610,257	\$ (210,868)	\$ 270,304	\$ 15,274,286	

Net Fund Change \$ (15,303) \$ (94,236) \$ (837,708) \$ 78,933 \$ 822,406 \$ **507,369** \$ (435,961) \$ 938,331 \$ 943,330 \$ (430,962) \$ (1,307,882)

THE VARIANCES FROM BUDGET IN ADMINISTRATIVE EXPENSE IS DUE TO INSURANCE PREMIUMS BILLED & PAID LATER THAN USUAL AND PREMIUMS INCREASED BY 22%.

City of South Haven
Water Fund - Fund 591
For the period ended June 30, 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>2012-13 Amended Budget</i>	<i>% of Annual Budget</i>
Sales	\$ 166,695	\$ 169,533	\$ 228,024	\$ (2,838)	\$ (61,329)	\$ 2,031,340	\$ 2,034,395	\$ 1,765,021	\$ (3,055)	\$ 266,319	\$ 2,034,395	100%
Debt Service Charges	\$ 130,704	\$ 122,607	\$ 192,194	\$ 8,097	\$ (61,490)	\$ 1,458,856	\$ 1,471,279	\$ 1,232,560	\$ (12,423)	\$ 226,297	\$ 1,471,279	99%
Charges for Service	-	7,625	72,190	(7,625)	(72,190)	60,391	91,500	121,229	(31,109)	(60,839)	91,500	66%
Interest Income	830	208	231	621	598	1,921	2,500	2,077	(579)	(156)	2,500	77%
Special Assessment Revenue	(11,502)	1,154	(62,519)	(12,656)	51,017	59,437	13,844	20,601	45,593	38,836	13,844	429%
Other Revenue	(11,925)	3,917	3,443	(15,842)	(15,369)	30,813	47,000	38,609	(16,187)	(7,796)	47,000	66%
Total Revenues	\$ 274,801	\$ 305,043	\$ 433,564	\$ (30,242)	\$ (158,763)	\$ 3,642,758	\$ 3,660,518	\$ 3,180,097	\$ (17,760)	\$ 462,661	\$ 3,660,518	

<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>2012-13 Amended Budget</i>	<i>% of Annual Budget</i>
Operating Expenses	\$ 174,682	\$ 118,641	\$ 124,219	\$ 56,041	\$ 50,463	\$ 1,258,414	\$ 1,423,690	\$ 1,193,586	\$ (165,276)	\$ 64,829	\$ 1,423,690	88%
Property Tax Equivalents	12,117	12,117	7,103	(0)	5,014	145,408	145,408	85,238	-	60,170	145,408	100%
Capital Outlay	(170,929)	32,138	4,875	(203,067)	(175,804)	31,687	385,660	48,121	(353,973)	(16,434)	385,660	8%
Debt Service	(667,986)	117,291	(26,195)	(785,276)	(641,791)	960,552	1,407,486	1,293,003	(446,934)	(332,451)	1,407,486	68%
Transfers Out	8,956	2,917	-	6,039	8,956	38,137	35,000	44,882	3,137	(6,744)	35,000	109%
Depreciation	69,373	47,917	16,307	21,456	53,066	596,456	575,000	195,684	21,456	400,772	575,000	104%
Administrative Expenses	12,457	17,421	15,106	(4,964)	(2,649)	204,461	209,056	206,058	(4,595)	(1,597)	209,056	98%
Total Expenses	\$ (561,329)	\$ 348,442	\$ 141,415	\$ (909,771)	\$ (702,745)	\$ 3,235,116	\$ 4,181,300	\$ 3,066,572	\$ (946,184)	\$ 168,544	\$ 4,181,300	

Net Fund Change \$ 836,130 \$ (43,399) \$ 292,149 \$ 879,529 \$ 543,981 \$ 407,642 \$ (520,782) \$ 113,524 \$ 928,424 \$ 294,117 \$ (520,782)

City of South Haven
Water Fund - Fund 591
For the period ended June 30, 2013

AS OF JUNE 30, 2013				
Retained Earnings	\$	7,256,567		
Less Net Capital Assets (Net of related Debt)	\$	(5,652,354)		
Less Restricted cash for revenue bond retirement	\$	(60,662)		
Net Undesignated Reserves		\$ 1,543,552	→	Net Working Capital
Thru 6/30/13				\$ 1,543,552 Thru 6/30/13

Breakdown:	
Cash/Investments	\$ 1,379,587
Other Current Assets	\$ 968,764
Current Liabilities	\$ (804,799)

The Net Working Capital is shown here for June 30, 2013. The amounts represent what is left over after all of the short-term obligations have been met and represents the relatively liquid portion of the Utility's retained earnings or reserves that can be used for future expenditures.

NOTES ON WATER FUND:

Other Revenues	The negative amount in the current month column represents an audit adjustment for a receipt that should have reduced accounts receivable instead of increasing revenue.
Special Assessment Revenue	The negative amount in the current month column represents an audit adjustment for special assessment receivable payments received that are not actually additional revenue. The only new revenue for the fiscal year would be the special assessment interest income levied on the installments.
Other Operating Expenses	The increased amount in the current month column represents the charge off of inventory items used during the year which are adjusted to the year end inventory levels.
Property tax equivalents	The change from one year to the other represents going back to 2005 levels with 4% of revenues calculation.
Capital Outlay	The negative amount in the current month column represents an audit adjustment for capital items purchased during the year that are not considered expenses
Debt Service	The negative amount in the current month column represents an audit adjustment for principal payments made during the year not considered expenses but reduction of O/S debt
Depreciation	The increased amount in the current month column represents the depreciation expense charged off to agree with the depreciation schedule totals per audit. Current year depreciation expense increased overall by depreciation of the new WFP and new capital asset additions for the year.

City of South Haven
Sewer Fund - Fund 592
For the period ended June 30, 2013

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	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	2012-13 Amended Budget	% of Annual Budget
Revenues:												
Sales	\$ 170,917	\$ 181,731	\$ 259,379	\$ (10,813)	\$ (88,462)	\$ 2,022,446	\$ 2,180,766	\$ 2,094,234	\$ (158,320)	\$ (71,788)	\$ 2,180,766	93%
IPP Revenues	12,943	8,402	1,509	4,541	11,435	85,638	100,824	80,372	(15,186)	5,266	100,824	85%
Interest Income	1,483	625	1,712	858	(229)	3,803	7,500	5,808	(3,697)	(2,005)	7,500	51%
Special Assessment Revenue	(45,238)	1,423	(84,311)	(46,660)	39,073	41,798	17,071	34,985	24,727	6,813	17,071	245%
Grant Revenue	-	22,500	-	(22,500)	-	268,849	270,000	88,378	(1,151)	180,471	270,000	100%
Other Revenue	(99)	292	311	(390)	(409)	2,001	3,500	3,765	(1,499)	(1,764)	3,500	57%
Total Revenues	\$ 140,007	\$ 214,972	\$ 178,599	\$ (74,965)	\$ (38,593)	\$ 2,424,536	\$ 2,579,661	\$ 2,307,541	\$ (155,125)	\$ 116,994	\$ 2,579,661	
Expenses												
Operating Expenses	\$ 137,699	\$ 113,267	\$ 66,839	\$ 24,432	\$ 70,860	\$ 1,210,448	\$ 1,359,204	\$ 1,071,737	\$ (148,756)	\$ 138,711	\$ 1,359,204	89%
Grant Expense-SSES	15,625	21,996	53,167	(6,371)	(37,542)	285,151	263,957	151,364	21,194	133,786	263,957	108%
Property Tax Equivalents	8,075	7,317	7,317	759	759	96,904	87,800	87,800	9,104	9,104	87,800	110%
Capital Outlay	(203,332)	25,383	(23,865)	(228,716)	(179,467)	56,243	304,600	50,745	(248,357)	5,498	304,600	18%
Transfers Out	12,034	20,542	150,074	(8,508)	(138,040)	253,766	246,500	269,210	7,266	(15,444)	246,500	103%
Depreciation	165,723	22,083	20,379	143,640	145,344	408,640	265,000	244,545	143,640	164,095	265,000	154%
Administrative Expenses	20,273	25,460	22,280	(5,187)	(2,007)	294,140	305,522	291,239	(11,382)	2,901	305,522	96%
Total Expenses	\$ 156,097	\$ 236,049	\$ 296,189	\$ (79,951)	\$ (140,092)	\$ 2,605,292	\$ 2,832,583	\$ 2,166,641	\$ (227,291)	\$ 438,652	\$ 2,832,583	
 Net Fund Change	 \$ (16,090)	 \$ (21,077)	 \$ (117,590)	 \$ 4,986	 \$ 101,499	 \$ (180,757)	 \$ (252,922)	 \$ 140,901	 \$ 72,165	 \$ (321,657)	 \$ (252,922)	

City of South Haven
Sewer Fund - Fund 592
For the period ended June 30, 2013

AS OF JUNE 30, 2013				Breakdown:
Retained Earnings	\$ 6,798,556			Cash/Investments \$ 879,210
Less Net Capital Assets (Net of related Debt)	\$ (5,414,023)			Current Assets \$ 682,285
Net Undesignated Reserves	\$ 1,384,534	Thru 6/30/13	→	Current Liabilities \$ (176,961)
				Net Working Capital \$ 1,384,534 Thru 6/30/13

The Net Working Capital is shown here for June 30, 2013. The amounts represent what is left over after all of the short-term obligations have been met and represents the relatively liquid portion of the Utility's retained earnings or reserves that can be used for future expenditures.

NOTES ON SEWER FUND:

Special Assessment Revenue	The negative amount in the current month column represents an audit adjustment for special assessment receivable payments received that are not actually additional revenue. The only new revenue for the fiscal year would be the special assessment interest income levied on the installments.
Other Operating Expenses	The increased amount in the current month column represents the charge off of inventory items used during the year which are adjusted to the year end inventory levels.
Property tax equivalents	The change from one year to the other represents going back to 2005 levels with 4% of revenues calculation.
Capital Outlay	The negative amount in the current month column represents an audit adjustment for capital items purchased during the year that are not considered expenses
Depreciation	The increased amount in the current month column represents the depreciation expense charged off to agree with the depreciation schedule totals per audit. Current year depreciation expense increased overall by new capital asset additions for the year and corrections to prior yrs.

City of South Haven
Electric Fund - Fund 582
For the period ended June 30, 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	2012-13 Amended Budget	% of Annual Budget
Electric Sales	\$ 914,203	\$ 1,227,993	\$ 1,262,067	\$ (313,790)	\$ (347,864)	\$ 14,183,223	\$ 14,735,913	\$ 13,640,040	\$ (552,690)	\$ 543,183	\$ 14,735,913	96%
Charges for Service	\$ (45,954)	\$ 27,083	\$ 22,267	\$ (73,037)	\$ (68,221)	\$ 229,407	\$ 325,000	\$ 181,140	\$ (95,593)	\$ 48,267	\$ 325,000	71%
Interest Income	\$ (181,528)	\$ 4,167	\$ 3,846	\$ (185,694)	\$ (185,374)	\$ (147,383)	\$ 50,000	\$ 47,170	\$ (197,383)	\$ (194,553)	\$ 50,000	-295%
Other Revenue	\$ (3,732)	\$ 4,583	\$ (10,672)	\$ (8,316)	\$ 6,940	\$ 39,977	\$ 55,000	\$ 32,331	\$ (15,023)	\$ 7,646	\$ 55,000	73%
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Revenues	\$ 682,989	\$ 1,263,826	\$ 1,277,508	\$ (580,837)	\$ (594,519)	\$ 14,305,224	\$ 15,165,913	\$ 13,900,681	\$ (860,689)	\$ 404,544	\$ 15,165,913	

1 2 3 4 5 6 7 8 9 10 11

Expenses	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	0	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2012-13 Amended Budget	% of Annual Budget
Purchased Power	\$ 888,758	\$ 729,167	\$ 606,629	\$ 159,591	\$ 282,129	\$	\$ 8,666,157	\$ 8,750,000	\$ 9,086,858	\$ (83,843)	\$ (420,701)	\$ 8,750,000	99%
Other Operating Expenses	\$ 322,387	\$ 152,505	\$ (188,392)	\$ 169,883	\$ 510,779	\$	\$ 1,880,195	\$ 1,830,056	\$ 1,569,701	\$ 50,139	\$ 310,494	\$ 1,830,056	103%
Property Tax Equivalents	\$ 120,558	\$ 54,821	\$ 52,312	\$ 65,737	\$ 68,245	\$	\$ 723,586	\$ 657,849	\$ 627,748	\$ 65,737	\$ 95,838	\$ 657,849	110%
Energy Optimization Costs	\$ 21,917	\$ 21,738	\$ 21,684	\$ 179	\$ 233	\$	\$ 242,983	\$ 260,854	\$ 213,057	\$ (17,871)	\$ 29,926	\$ 260,854	93%
Capital Outlay	\$ (194,238)	\$ 27,000	\$ 530,480	\$ (221,238)	\$ (724,717)	\$	\$ 1,738	\$ 324,000	\$ 167,558	\$ (322,262)	\$ (165,820)	\$ 324,000	1%
Transfer Out	\$ -	\$ -	\$ 13,688	\$ -	\$ (13,688)	\$	\$ 167,018	\$ 167,018	\$ 167,456	\$ -	\$ (438)	\$ 167,018	100%
Depreciation	\$ 98,654	\$ 40,500	\$ 39,510	\$ 58,154	\$ 59,143	\$	\$ 544,154	\$ 486,000	\$ 474,124	\$ 58,154	\$ 70,030	\$ 486,000	112%
Administrative Expenses	\$ 52,384	\$ 57,969	\$ 52,557	\$ (5,585)	\$ (173)	\$	\$ 670,914	\$ 695,627	\$ 660,015	\$ (24,713)	\$ 10,898	\$ 695,627	96%
Total Expenses	\$ 1,310,419	\$ 1,083,699	\$ 1,128,468	\$ 226,720	\$ 181,951	\$	\$ 12,896,744	\$ 13,171,404	\$ 12,966,518	\$ (274,660)	\$ (69,774)	\$ 13,171,404	

Net Fund Change \$ (627,430) \$ 180,127 \$ 149,040 \$ (807,557) \$ (776,470) \$ **1,408,480** \$ 1,994,509 \$ 934,163 \$ (586,029) \$ 474,317 \$ 1,994,509

City of South Haven
Electric Fund - Fund 582
For the period ended June 30, 2013

AS OF JUNE 30, 2013					
Retained Earnings		\$	17,697,263		
Less Net Capital Assets		\$	(10,946,919)		
Net Undesignated Reserves	Thru 6/30/13	\$	<u>6,750,344</u>	→	
					Breakdown:
					Cash/Investments \$ 6,364,537
					Current Assets \$ 2,479,074
					Current Liabilities \$ (2,093,266)
					Net Working Capital \$ 6,750,344 Thru 6/30/13

The Net Working Capital is shown here for June 30, 2013. The amounts represent what is left over after all of the short-term obligations have been met and represents the relatively liquid portion of the Utility's retained earnings or reserves that can be used for future expenditures.

NOTES ON ELECTRIC FUND:

- Charges for Services The negative amount in the current month column represents an audit adjustment for a receipt that should have reduced accounts receivable instead of increasing revenue.
- Interest Income The negative amount in the current month column represents an audit adjustment for unrealized market value adjustments to investments that is posted at the end of the year. The market values were adjusted downward due to the volatile market conditions in the amount of \$201,025. This loss will not be actually realized but need to be reported in the audit
- Other revenues The negative amount in the current month column represents an audit adjustment for special assessment receivable payments received that are not actually additional revenue. The only new revenue for the fiscal year would be the special assessment interest income levied on the installments.
- Other Operating Expenses The increased amount in the current month column represents the charge off of inventory items used during the year which are adjusted to the year end inventory levels.
- Property tax equivalents The increased amount in the current month column actually represents two months of charges as adjusted by audit.
- Capital Outlay The negative amount in the current month column represents an audit adjustment for capital items purchased during the year that are not considered expenses but are depreciable capital assets
- Depreciation The increased amount in the current month column represents the depreciation expense charged off to agree with the depreciation schedule totals per audit.



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. Analysis and recommendations included in the Five Year Plan presented at the July 29, 2013 meeting.~~
- 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.

Board of Public Utilities
Staff Report
Agenda Item #9
Prepared by Roger Huff
Page 1 of 2
November 25, 2013

- 7/29/13 – As a result of the electric vehicle charging station discussion, Stickland requested that staff and the Board do some research and bring this subject to the next meeting. Halberstadt discussed with Meijer’s engineer and confirmed that a charging unit is not planned for the South Haven site. Huff will draft a letter to Meijer requesting consideration of installation on a charging unit.
- 9/30/13 – Staff will research the Dyckman/Black River Street sewer issue. Halberstadt provided sanitary sewer videos to Abonmarche. **Included in the SAW Grant application.**

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:

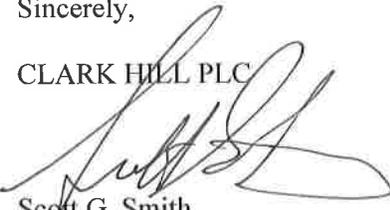
We are writing to confirm our recent conversation regarding the City's fee for late utility payments. We understand that the City charges a 10% fee for payments received after the due date. Some in the community have suggested that the late fee cannot exceed the 2% rate set by the Michigan Public Service 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).

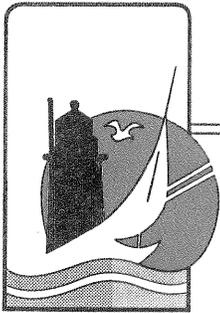
⁴ See *Bolt v City of Lansing*, 459 Mich 152, 161 (1998).

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			

09/23/2013

ACCOUNT BALANCE REPORT FOR CITY OF SOUTH HAVEN
 PERIOD ENDING 06/30/2013

GL NUMBER	DESCRIPTION	BALANCE 06/30/2012	2012-13 AMENDED BUDGET	END BALANCE 06/30/2013	AVAILABLE BALANCE
Fund 582 - ELECTRIC FUND					
Revenues					
582-000-658-000	PENALTIES - UTILITY BILLS	136,654.58	135,000.00	128,915.24	6,084.76
TOTAL Revenues		136,654.58	135,000.00	128,915.24	6,084.76
Total Fund 582 - ELECTRIC FUND		136,654.58	135,000.00	128,915.24	6,084.76
Fund 591 - WATER FUND					
Revenues					
591-000-658-000	PENALTIES - UTILITY BILLS	34,851.69	35,000.00	33,528.55	1,471.45
TOTAL Revenues		34,851.69	35,000.00	33,528.55	1,471.45
Total Fund 591 - WATER FUND		34,851.69	35,000.00	33,528.55	1,471.45
Fund 592 - SEWER FUND					
Revenues					
592-000-658-000	PENALTIES - UTILITY BILLS	25,994.13	26,000.00	13,103.57	12,896.43
TOTAL Revenues		25,994.13	26,000.00	13,103.57	12,896.43
Total Fund 592 - SEWER FUND		25,994.13	26,000.00	13,103.57	12,896.43
			Totals	175,547.36	



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.



City of South Haven

Agenda Item # 11

Phoenix Road Transformer Procurement

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 and provided recommendations for electrical system projects to significantly improve system reliability. The Board directed GRP Engineering to provide proposals for engineering services for four recommended projects. Phoenix Road Transformer Procurement is one of those projects.

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 project phase includes material procurement for the new power transformer only.

On November 5, 2013, bids were opened for the 12/16/20MVA Transformer for the Phoenix Road Substation. A copy of Bid Tabulation prepared by GRP Engineering, Inc. is attached. Three qualified firms were invited to bid and submitted bids. Delta Star submitted the low bid for the transformer in the total amount of \$316,230.00. Delta Star also provided a cost of \$2,101.00 for one spare bushing each for both the 69kV and the 13.8kV terminals. GRP Engineering has reviewed the bids and recommends that the project be awarded to Delta Star in the total amount of \$318,331.00. Copies of the bid evaluation and bid recommendation prepared by GRP Engineering are attached.

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

Recommendation:

Approve a recommendation to City Council to award Procurement of the phoenix Road Substation Transformer to Delta Star in the total amount of \$318,331.00. Materials to be provided are defined in the contract documents prepared by GRP Engineering.

Support Material:

Bid Tabulation

Bid Evaluation
GRP Engineering Recommendation Letter

BID TABULATION

OWNER:
 SOUTH HAVEN DPW
 1199 8TH AVE
 SOUTH HAVEN, MI 49090

PHOENIX RD SUBSTATION TRANSFORMER PROCUREMENT

ENGINEER:
 GRP ENGINEERING, INC.
 660 CASCADE W PKWY SE
 SUITE 65
 GRAND RAPIDS, MI 49546

BIDDERS	BID SECURITY	BASE BID PRICE	EXTRA BUSHINGS	EVALUATED COST	REMARKS
DELTA STAR	5%	\$316,230.00	\$2,101.00	\$452,574.00	
SPX/WAUKESHA	5%	\$330,224.00	\$3,550.00	\$474,714.00	
ABB/KUHLMAN	5%	\$372,480.00	\$7,200.00	\$518,532.00	

This is to certify that at 10:00a.m., local time on Thursday, November 5, 2013, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.

By: 

 Robert A Shelley, P.E.

ONE 12/16/20 MVA TRANSFORMER FOR
PHEONIX RD SUBSTATION
SOUTH HAVEN, MICHIGAN

	DELTA STAR	ABB Kuhlman	WAUKESHA/SPX
ITEM NO.1 (12/16/20 MVA)	\$316,203.00	\$372,480.00	\$330,224.00
ITEM 2 (5 year warranty)	\$0.00	\$0.00	\$0.00
ITEM 3 (Spare 69kV Bushing)	\$1,317.00	\$4,400.00	\$2,244.00
ITEM 4 (Spare 15kV Bushing)	\$784.00	\$2,800.00	\$1,306.00
PLACE OF MANUFACTURE	SAN CARLOS, CA LYNCHBURG, VA	Crystal Springs, MS	Waukesha, WI Goldsboro, SC
DELIVERY TIME	24-28 wks	26 wks	18-22 wks
PROJECTED DELIVERY	6/1/2014	5/15/2014	4/15/2014
BID BOND	Yes	Yes	Yes
KV -BIL of BUSHINGS HV/LV/HOXO	350/110/110	350/150/150	350/110/110
IMPEDANCE: POSITIVE/ ZERO	6.67% / 6.6%	8.0% / 7.6%	8.0% / 7.6%
COIL WINDING MATERIAL:	COPPER	COPPER	COPPER
VACUUM FILL REQUIRED:	YES	Yes	No
LOSSES: NO LOAD	9.30	8.99	8.60
LOAD @10.0 MVA (50% Loading)	27.70	29.90	31.40
TOTAL LOSSES	37.00	38.89	40.00
LOSS COSTS: NO LOAD @ \$5,800/KW *	\$53,940.00	\$52,142.00	\$49,880.00
LOAD @ \$2900/KW +	\$80,330.00	\$86,710.00	\$91,060.00
TOTAL LOSS COST	\$134,270.00	\$138,852.00	\$140,940.00
* Costs Based on \$0.066 kWh for 10 yrs			
+ Costs Based on \$0.066 kWh for 10 yrs w/ 50% use factor			
COOLING CLASS:	ONAN/ONAF/ONAF	ONAN/ONAF/ONAF	ONAN/ONAF/ONAF
COOLING EQUIPMENT:	3 RAD / 12 FANS	10 RAD / 12 FANS	3 RAD / 18 FANS
SOUND LEVELS: 1' / 6'	NA / 72db	69 db / 72 db	NA / 65db
OIL: GALLONS	2,690	2,170	2,485
CORE & COIL WEIGHT: lbs.	33,900	29,100	29,609
TOTAL WEIGHT: lbs	75,100	65,000	67,677
SHIPPING WEIGHT (HEAVIEST PIECE): lbs	69,700	57,000	59,314
OIL PRESERVATION SYSTEM	NITROGEN	NITROGEN	NITROGEN
BASE DIMENSIONS	5'-9" X 9'-11"	Not Given	8'-7" X 5'-1"
PAYMENT TERMS (Net 30)	90%/10%	90%/10%	30%/30%/30%/10%
BID VALID FOR	60 DAYS	60 DAYS	30 DAYS
TOTAL EVALUATED PRICE (12/16/20 MVA)	\$452,574.00	\$518,532.00	\$474,714.00
EVALUATED COST DIFFERENTIAL		\$65,958.00	\$22,140.00

November 6, 2013
13-0618.01

Mr. Roger Huff
South Haven DPW
1199 8th Ave
South Haven, MI 49090

**RE: South Sub Transformer
Bid Recommendation**

Dear Roger:

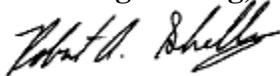
GRP Engineering, Inc. has completed reviewing the bids submitted for the 12/16/20MVA Transformer for the Phoenix Rd Substation. All three bidders solicited for bids replied to the bid request. Delta Star submitted the low bid for the transformer in the total amount of \$316,230.00. Delta Star also provided a cost of \$2,101.00 for one spare bushing each for both the 69kV and the 13.8kV terminals.

Therefore GRP Engineering, Inc. recommends that South Haven accept the low bid from Delta Star for the transformer and purchase one set of spare bushings from Delta Star for a total amount of \$318,331.00.

Delta Star took no major exceptions to the bid documents however they did issue their standard terms and conditions. It should be noted that Delta Star offers a 2% discount on the purchase price if South Haven agrees to their payment schedule. This should be given some consideration by South Haven. The evaluated bid spreadsheets are attached to this letter.

Please contact me at 616.942.7183 should you have any questions regarding this evaluation.

Sincerely,
GRP Engineering, Inc.



Robert A. Shelley, P.E.
Electrical Engineer



Agenda Item # 12

Consulting Contract with GRP for Phoenix Road Substation Transformer #2 Design and Construction Observation Services

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 and provided recommendations for electrical system projects to significantly improve system reliability. The Board directed GRP Engineering to provide proposals for engineering services for four recommended projects, which included Phoenix Road Transformer Procurement and two new circuits and substation exits. These projects have been designed under those contracts. This contract provides the engineering services for completing the substation design construction observation associated with the 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.

GRP Engineering, Inc. will provide the engineering design services for a lump sum fee of \$89,000, and the Construction Administration & Start-up services for an hourly fee not-to exceed \$37,000 including expenses and all subcontracted services.

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 Phoenix Road Substation Transformer #2 design and construction observation services.

Support Material:

Phoenix Road Substation Proposal

Respectfully submitted,

Roger Huff, P.E.
Director

October 28, 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 #2**

Dear Mr. Huff:

GRP Engineering, Inc. is pleased to present this proposal to the City of South Haven for engineering services associated with the Phoenix Road Substation Transformer #2 project.

Phoenix Road Substation Transformer #2 Project Scope

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. Engineering services for substation transformer procurement and substation exits have been completed under separate proposals. Estimated construction cost is: \$1,350,000.

Scope of Services

Our scope of services for completing the substation design and construction observation services include:

Engineering Design

- Project administration (maintain correspondence & meeting minutes.)
- Project planning & control (design schedules & cost estimates.)
- Project kickoff meeting and preliminary design review with City of South Haven staff.
- Complete substation expansion physical design including equipment, structures, bus, foundations, oil containment and control house revisions.
- Design coordination with AEP.
- Attendance at design review meetings with City of South Haven and AEP as required.
- Prepare and process procurement contracts for City of South Haven furnished substation equipment including 69kV breakers (if necessary), 69kV circuit switcher, 69kV PT/CT's, 69kV & switches, and relay control panels.
- Complete detailed schematics (3-line and DC) and all control panel wiring diagrams.
- Preparation of relay & recloser settings.
- Preparation of one (1) construction contract plus assistance with bid and award.

GRP Engineering, Inc. will provide the engineering design services for the Phoenix Road Substation Transformer #2 Project for a lump sum fee of \$89,000 including expenses and all subcontracted services.

Construction Administration, Start-up & Function Testing

- Project administration (maintain correspondence & meeting minutes.)
- Attend and conduct pre-construction meeting with substation construction contractor.
- Update project schedule after input from successful construction contractor.
- Review & process all material shop drawings.
- Prepare & process contract change orders (if required.)
- Provide on-site construction observation during all critical processes.
- Attend construction progress meeting with City of South Haven and the substation contractor.
- Install relay settings and test all relaying.
- Develop and implement functional test procedures on new relay protective systems to verify proper operation.
- On-site representation during initial energization and transformer loading.
- Review and approve all payment requests submitted by contractor.
- Provide record documents and drawings at the completion of the project.

GRP Engineering, Inc. will provide the Construction Administration & Start-up services for the Phoenix Road Substation Transformer #2 for an hourly fee not-to-exceed \$37,000 including expenses and all subcontracted services.

All services performed for the City of South Haven within this scope will be billed on a monthly basis. 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, 2014



City of South Haven

Agenda Item # 13

BPU Regular Meeting Schedule

Background Information:

A Regular Meeting schedule for the 2014 Calendar Year needs to be established. Historically, the Board of Public Utilities meets on the last Monday of each month at 4:00 pm in the Department of Public Works Conference Room, with no regular meeting held in December. A special meeting can be called in December if necessary, with one week's advance publication of a meeting agenda.

Recommendation:

Holding meetings on the last Monday of the month at 4:00 pm will avoid conflicts with other Board and Commission meetings. It is recommended that this time schedule be maintained in 2014. If the Board desires to explore alternate dates and times, the City Clerk will need to be consulted to explore alternate available time slots.

It is recommended that the Board approve the following schedule of Regular Meetings of the Board of Public Utilities for the 2014 Calendar Year:

January 27, 2014
February 24, 2014
March 24, 2014
April 28, 2014
May 19, 2014 (Moved forward one week due to Memorial Day on May 26)
June 30, 2014
July 28, 2014
August 25, 2014
September 29, 2014
October 27, 2014
November 24, 2014

All meetings will begin at 4:00 pm. Meetings will be held in the Department of Public Works Conference Room.