

Board of Public Utilities

Regular Meeting Minutes

Monday, June 25, 2012
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: Berry, Burr, Henry, Winkel, Stickland

Absent: Overhiser, Rose, Stein

Also Present: Daniel Dombos, PE Abonmarche; Wendy Hochstedler, Finance Department;
Larry Halberstadt, City Engineer; Roger Huff, DPW Director/Liaison

3. Election of Board Chairman

Motion by Burr, second by Henry to nominate Bob Stickland for Chair.

All in favor.

Motion carried.

4. Approval of Agenda

Motion by Henry to approve the Agenda with the following change:

Move Item 12 up to become Item 6a. Second by Berry.

All in favor.

Motion carried.

5. Approval of Minutes – April 30, 2012

Motion by Henry, second by Burr to accept the April 30, 2012 minutes as corrected.

All in favor.

Motion carried.

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

6a. (Originally Item 12). Mike Salamun, 15 Delaware.

Salamun gave the Board the background regarding his house on Delaware Court which has an existing water meter and years ago had an existing sprinkler meter which Salamun had taken out two years ago while doing a repair and upgrade. Salamun noted that there is no water shut-off between the meter and the City tap. Salamun's plumber gave him a rough estimate of about \$1,000 to dig out the pit and redo the piping for a sprinkler system. Salamun noted that his understanding is that City policy is to either start new or pay the back stand-by charges. Salamun is asking if those stand-by charges could be waived since he has not had a sprinkler meter for over two years.

Burr asked why Salamun wants to put in a separate sprinkler system on a residential property since the City does not charge sewer for sprinklers during summer months. Salamun explained the circumstances surrounding his request. The board discussed the new rates and current fees for standby charges.

Larry Halberstadt explained that Salamun would have to pay monthly standby fees on both meters. Salamun does not understand why he would have to pay back charges if he hooks up the sprinkler meter again. Stickland explained that is policy and people make changes in their plumbing systems regularly; if the board approved such for Salamun, they would have to waive this fee for everyone. The standby fee covers the water plant and the people who keep the water coming. Salamun asked if the standby fee could be waived for the sprinkler even though it is only used 4 months out of the year; Stickland said that is the time period when usage is the highest.

Burr asked how far back they go back in determining the standby fee. Halberstadt said if there was no record it would be capped at one REU of availability. Huff noted standby charges on this account were calculated back to September 2010.

Berry suggested that Salamun find another plumber. Salamun said he talked to two and they said whatever is done will cause a big flood due to there not being a shut-off. Halberstadt suggested sending a crew out and crimping off the line but Salamun said the line is not soft copper. The Board discussed the design of the system with Salamun and the financial and physical side of the design and how the upgrade would have to be done.

Burr suggested sending Ron Dotson, Operations Manager out to take a look. Halberstadt said it sounds like there are some remediation efforts to be done.

(Hochstedler was called out of the meeting.)

REPORTS

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

- A. 2012 Billings – All Charges
- B. 2011 Billings – All Charges

The Board discussed the raise in the cost of energy which is due to the demand charge. Our peak demand, per Stickland, is caused by the demand of air conditioners in the summer months.

8. 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 pointed out the drop in water sales in the past year and noted that electric held firm and sewer is okay. Huff noted the demand is starting to go up.

Stickland asked what the "other revenue" is in the sewer fund. This question will be referred to Hochstedler.

Stickland noted all three funds are in the red, for perhaps the first time in history. Henry noted that the renewable energy act helped with that. Halberstadt pointed out demand charges and the load of construction (Williams, Dunkley) coming back to the electric utility. Stickland noted it is all in the cost of energy. Stickland asked what is going on with the idea of smart meters. Halberstadt noted that staff is working on a report so a recommendation can be brought to the board.

The board and Halberstadt discussed what other municipalities are using smart metering and their philosophies.

Burr said it is not that the cost of electricity is higher but that we are paying for more kilowatt hours of electricity; pointed out comparison with last year's costs.

9. Water Filtration Plant Construction Project

- A. Fishbeck, Thompson, Carr & Huber Monthly Status Report 44

Huff pointed out that this report was previously transmitted electronically to the board on June 11, 2012. This is the last report. Construction on the South Beach Improvements is complete. A copy of the report is also included in the agenda packet.

- B. South Beach Project Funding

The payment for the South Beach playground equipment is covered in Huff's staff report, indicating the funds that were paid from. The filtration plant itself was funded by a bond.

10. Indian Grove Infrastructure Project

- A. Sewer Study Progress Report

Daniel Dombos, PE, Abonmarche gave a report explaining the studies that have been done and those that are ongoing. The studies will all be wrapped up in a report that will recommend a State Sanitary Sewer Revolving Fund grant (SRF) project plan. Burr noted that there is a time limit during which corrective action has to begin or the City will be in default of the grant money spent on the project.

Dombos explained the Phase I Meter Layout diagram. Main meters 1 through 3 and Meter 4, noting that the meters (indicated red) are installed and in the ground. The green meters

were installed in the city, removed and moved to the township. Dombos noted that they have 7 meters. Dombos gave an overview of the preliminary findings.

Using those results Abonmarche determined where to begin smoke testing. Dombos gave an overview of the various types of noticing that was done. After seeing the Briar Hills data the Board discussed whether the Briar Hills pipe is a private or a public main.

Dombos gave an overview of what was found in the Central Section, including smoke from catch basins. Noted that an illicit connection was found at 319 Edgell. The first phase of smoke testing will be complete this week. The second phase of flow-metering will focus on townships; the third phase will be back in the city at the St. Joseph district and the north side of town.

Burr had questions about street drains flowing into the sanitary sewer systems. Dombos said he would need to go back to the data. Stickland noted that in the old part of town, there are no storm drains. Burr asked whether the ties on the street are because there is no storm sewer. Halberstadt agreed with Burr that the way to cure that is to install new storm sewer.

The Board discussed whether it is against the law to discharge excess water into the street. The Board also discussed what the fix will be and that the plant is very near capacity.

11. Unresolved Issues Report

Huff gave an overview of the updated issues and what was done to attempt to obtain data.

NEW BUSINESS

12. Board will hear from Mike Salamun concerning the standby charges for reinstating a sprinkler meter.

Covered as Item #6a.

13. Board will hear from Korrey Williams concerning the utility bill meter tampering charge.

Did not attend.

14. Next meeting is scheduled for Monday, July 30, 2012 at 4:00 pm in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.

15. Director's Comments

Huff noted that at the April meeting Sue Cobb came regarding the tamper fee, and shared the thank you note she sent to the board.

Energy Optimization. Huff noted that we started getting monthly reports and that if the board wants to see this report monthly he can do that.

16. Board Member Comments

Henry said the Department of Public Works is doing a good job; folks notice and folks appreciate it.

Burr commented on the 10 year plan and whether we have a replacement plan. Huff said a 5-year plan is going to be in the fiscal year budget. Halberstadt pointed out that we did not follow up on a tie line out in the township.

Berry : No Comment

Winkel found the board quite interesting.

Stickland said we try to keep the lights on and keep the costs as low as possible.

17. Adjourn

Motion by Burr, second by Henry at 5:34 p.m.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary