

Board of Public Utilities

Regular Meeting Minutes

Monday, July 30, 2012

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



City of South Haven

1. Call to Order by Chairperson Stickland at 4:02 p.m.

2. Roll Call

Present: Burr, Winkel, Stickland

Absent: Berry, Henry, Overhiser, Rose, Stein

3. Approval of Agenda

Moved by Burr to approve the agenda. Seconded by Winkel.

Voted Yes: All. Motion carried.

4. Acceptance of Minutes for the Record – June 25, 2012

Moved by Burr to accept the minutes of June 25, 2012 as presented. Seconded by Winkel.

Voted Yes: All. Motion carried.

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

Randy Locker & Rick Shine spoke to the board regarding electrical service at 10420 M-140 Hwy. Mr. Shine presented and reviewed a timeline of events regarding the request to change the electrical service at this address from one meter at the pole but would like to have 5 meters put on the building. Upon review of the service, City staff informed the owner that the transformers would need to be replaced. Mr. Shine and Mr. Locker were questioning the series of events, the total cost of the replacement and the amount that the owner would be responsible for. It was explained that the City would pay for the material costs associated with the replacement of the transformers. Roger Huff informed the board that the City would also be willing to pay the labor costs associated with replacing the transformers. Staff will recalculate the material and labor costs and re-invoice the customer.

REPORTS

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

A. 2012 Billings – All Charges

B. 2011 Billings – All Charges

The board reviewed the cost of energy reports. It was noted that a \$348,000 credit was applied which makes it appear that the costs are much less than normal.

Staff has reviewed the new rates from AEP and found that the rates for energy and demand have gone down therefore, no changes are needed to the rate structure.

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

Finance Director Hochstedler was not available, but the board briefly reviewed the financial reports provided. A few items were noted. It was noted that water usage was down from 2010 to 2011 due to the wet summer but that usage is up for 2012 because it has been so dry. Stickland questioned why they budgeted to spend \$20,000 in the capital outlay but spent \$180,000.

8. Indian Grove Infrastructure Project

- A. Sewer Study Progress Report

The board reviewed a monthly status report from Abonmarche regarding the Sewer Study. Mr. Huff stated that staff and Abonmarche meet with the DEQ and noted that the meeting went well. The project is on target.

9. Unresolved Issues Report

Mr. Huff reviewed updates to the unresolved issues report.

- No response has been received from the MMEA on gathering policies regarding meter tampering. City staff is now working on gathering those policies.
- Staff is still working on scheduling a meeting AEP regarding the March 7th outages.
- The board asked staff to continue to work on getting information out to contractors regarding meter tampering. The main focus should be on getting something together for the City and make sure it is working, then ask the townships to implement.

10. Electric Outage Report, 2nd Quarter 2012

The board reviewed the information provided regarding the number of tree caused outages between 1991-2011 broken down by municipality. It was noted that there appears to be a correlation between the year the tree ordinance was enacted and an increase in the number of tree caused outages within the City.

NEW BUSINESS

11. Board will consider a written request from Mikkel Hansen concerning the utility bill meter tampering charge.

- A. Original Request
- B. Transcribed Request

Mr. Huff stated that he has spoken with Mr. Hansen several times. Since Mr. Hansen cannot be present for the meeting, he has submitted a letter to the board in writing. The City has no idea who tampered with the meter. The board discussed options for sealing the water meters to prevent tampering from occurring. Staff will provide a recommendation for sealing and for updating the tampering fee during an upcoming meeting.

Moved by Burr to waive the \$250 tampering fee for Mr. Hansen. Seconded by Winkel.

Voted Yes: All. Motion carried.

12. Board will be requested to review the hydrant meter sales policy.

The current policy allows for a \$50.00 fee for installing a hydrant meter. The City Manager has requested that any rate adjustments be done with the next round of rate amendments. Staff now provides Covert with information when a hydrant meter will be going into their jurisdiction. Staff suggested that requests for hydrant meters for Covert Township go through Covert Township before coming to the City. Staff is gathering information on policies for hydrant meter sales from other jurisdictions.

13. Next meeting is scheduled for Monday, August 27, 2012 at 4:00 pm in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.

14. Director's Comments

5-year Electrical Plan – Conklin and GRP are working on the smart meter proposals. GRP is doing the design for Meijer and will be doing the 5-year plan update but we have not received a proposal from them yet. There is some information that will be needed regarding the freezer storage development before the plan can be done.

15. Board Member Comments

Burr: No comments.
Winkel: Still learning about the board.
Stickland: No comments.

16. Adjourn

Moved by Burr to adjourn. Seconded by Winkel.

Voted Yes: All. Motion carried. Meeting adjourned at 5:24 p.m.

RESPECTFULLY SUBMITTED,



Amanda Morgan
City Clerk