

Board of Public Utilities

Special Meeting Minutes

Wednesday, October 16, 2013
9:00 a.m., DPW Conference Room



City of South Haven

1. Call to Order by Burr at 9:00 a.m.

2. Roll Call

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

Also present: Brian Dissette, City Manager

3. Approval of Agenda

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

All in favor. Motion carried.

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

None at this time.

UNFINISHED BUSINESS

5. Board will be requested to review the Power Line Supply agreements and make a recommendation to City Council.

Huff noted that this agreement has been worked on for a year and reviewed the background of the request. Huff credited Chair Stickland with bringing this proposal to the form it is in today, where the city and Power Line Supply share the risk, and all in principal are in agreement. Whatever profit is made would be split between the city and Power Line Supply.

Stickland expanded on the difficulty of negotiations and how this agreement was drafted.

Dissette said we have worked actively with the city's attorney in drafting this agreement. Counsel advises that if the city took this to court we would have approximately fifty thousand dollars (\$50,000) in legal fees with a fifty-fifty (50/50) chance of getting a jury to agree with us and we would still be a customer of this company. The city attorney has been saying, "Work to get an agreement."

Henry understands all the hard work done, and all the information he has, but the proposed agreement should have some discussion about ending. If this issue is not resolved, we are back at the same point at the Oct. 2016 date. Dissette explained that the four year issue can be resolved easily. Stickland suggested making that a contingency of approval.

Motion by Henry, second by Winkel to approve the Transformer Inventory Management Agreement in the amount of \$213,648.60, with a revision for the agreement to be completed October 2017.

Discussion ensued regarding how this agreement will be handled through council.

Burr asked if we are going to actually going to meet again in two weeks. Huff noted that Stickland is not going to be here for the regular meeting on Oct. 28. Tomorrow we are receiving bids for one of the GRP jobs, Huff noted, and he would like to get approval for that unless the board wants to let staff make that decision based on GRP's recommendation.

6. Next meeting is scheduled for Monday October 28, 2013 at 8:00 a.m. in the DPW Conference Room.

Burr requested financial statements be presented at the special meeting.

The regularly scheduled 4:00 p.m. meeting has been canceled.

7. Board Member Comments

Discussion of a conference call to be placed following this meeting.

8. Adjourn

Motion by Winkel, second by Burr to adjourn at 9:52.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary