

Board of Public Utilities

Regular Meeting Minutes

Monday, April 25, 2016
4:00 p.m., DPW Conference Room
1199 8th Avenue



City of South Haven

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

2. Roll Call

Present: Mike Henry, Alan Overhiser (ex-officio), Bill Roberts, Ross Stein (ex-officio), Barry Winkel, Bob Burr. Barbara Rose (ex-officio) – 4:17 p.m.

Absent: Bob Stickland

Also present: Roger Huff, Department of Public Works Director; Larry Halberstadt, City Engineer

3. Approval of Agenda

Motion by Winkel, second by Roberts to approve the April 25, 2016 Regular Meeting Agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes for the Record

A. March 28, 2016 Regular Meeting Minutes

Motion by Henry, second by Roberts to accept the March 28, 2016 Regular Meeting Minutes, as corrected, for the record.

- On page five, last paragraph, second line; replace the words “a year” with “total”.

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. 2016 Billings – All Charges
- B. 2015 Billings – All Charges

Halberstadt reviewed the cost of energy from Indiana-Michigan Power Company (AEP).

In response to a question by Burr, Halberstadt will find out what the numbers on the bottom left of page 13 indicate.

Burr asked about the numbers on the Electric sales noting, “We sold \$450,000 and have \$1M overage on sales? How do we figure we’re going to make that much in sales? Where is the other \$1M going to come from?” Discussion ensued regarding how expenses are paid, on a 4-week or 6-week month? Burr will ask tonight at the budget meeting before the budget is approved. Overhiser commented on depreciation dollars being included in that figure, as cash.

7. Financial Reports

- A. Electric Fund – Financial Statement
- B. Electric Fund – Review of Percentage Billed

Discussion ensued regarding the clean up on the Overton site; when it will be starting; how much electric they expect to use.

- C. Water Fund – Financial Statement
- D. Water Fund – Review of Percentage Billed

Burr noted that the state passed a law requiring us to budget for depreciation, so we may have to address that. Burr said depreciation has to be shown as an expense, in response to a question by Roberts. Halberstadt pointed out that the budget currently includes a line item for depreciation. Discussion ensued regarding what is funded by the SAW Grant with Halberstadt noting that staff needs to start moving into getting sewer televising done and assigning a condition rating to all of the sewers. Huff noted that information about criticality of the asset (how many customers would be out if this sewer fails) will be needed before the rate consultant can do his work.

- E. Sewer Fund – Financial Statement

Burr noted that it would be good to get started on bonds as the rates are supposed to start rising.

8. Quarterly Outage Report

Roberts questioned the matching of the graphs and maps. Halberstadt will ask Bosscher to look at the maps and explain why the numbers don’t match.

NEW BUSINESS

9. Board will be requested to review Electric System Capital Improvements for the 2016-17 fiscal year.

Halberstadt explained that three of the upcoming sewer/road projects will include electrical projects; North Shore Drive will need poles moved back to allow parking on both sides of the street; Monroe Boulevard will have overhead electric and poles relocated due to roadway widening and the overhead electric which extends from Dunkley and Dunkley along the entrance roadway in Black River Park will be moved underground. In addition, the plan is to move forward with four projects from the 5 year plan prepared by GRP Engineering, Inc.:

Project Number	Project Location/Description	Estimated Cost
108	14 th Avenue Rebuild Overhead (76 th Ave to 77 th Ave)	\$84,000
110	Kalamazoo St Rebuild Overhead (south of Lovejoy)	\$51,000
111 & 112	Capacitor Banks	\$24,500
113	LeGrange & Phillips Rebuild Overhead	\$232,500

The proposed capital improvements for the fiscal year have a total estimated cost of \$1,175,000, including engineering fees.

In response to a question regarding North Shore drive pole relocation Halberstadt explained that the pole line is on the east side while the poles on the west side are mostly light poles or service drop poles; we want to go underground as much as possible to open up the view. Discussion ensued about converting private services to underground, probably at the expense of the city. Halberstadt noted the intent is to eliminate overhead crossing as much as possible. Roberts asked whether the energy efficiency dollars can be used to purchase the LED Cobra lighting. Burr explained how the street lighting costs are calculated. Halberstadt noted that the street lights are not paying anything for energy efficiency right now so would not be eligible for energy efficiency money.

Discussion ensued regarding GRP being the city's approved contractor for the doing the study and being contracted to do the electrical work.

In response to a question about whether these projects are considered core electric upgrades, Halberstadt explained this is relocation of primary in the right-of-way; everything will be new, no material will be re-used.

Motion by Henry, second by Roberts to recommend that City Council award the engineering services to GRP Engineering, Inc. for the six projects noted below.

Project	Engineering Services Proposal
North Shore Drive	\$37,000
Monroe Boulevard	\$14,000
14 th Avenue	\$11,000
Kalamazoo Street	\$6,000
Capacitor Banks	\$4,500
LeGrange & Phillips	\$27,500

All in favor. Motion carried.

10. City Engineer Comments

May meeting is scheduled for Monday, May 23 to avoid conflict with Memorial Day.
Farewell to DPW Director Roger Huff.

11. Board Member Comments

There were no comments.

12. Adjourn

Motion by Henry, second by Winkel to adjourn at 4:45 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary