

Board of Public Utilities

Regular Meeting Minutes

Monday, July 27, 2015
4:00 p.m., DPW Conference Room
1199 8th Avenue



1. Call to Order by Stickland at 4:09 p.m.

2. Roll Call

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

3. Approval of Agenda

Motion by Burr, second by Winkel to approve the July 27, 2015 regular meeting agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes for the Record – June 29, 2015 Regular Meeting Minutes

Motion by Burr, second by Winkel to accept the June 29, 2015 regular meeting minutes as written.

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. 2015 Billings – All Charges
- B. 2014 Billings – All Charges

7. Financial Reports

- A. Electric Fund – Financial Statement
- B. Electric Fund – Review of Percentage Billed
- C. Water Fund – Financial Statement
- D. Water Fund – Review of Percentage Billed
- E. Sewer Fund – Financial Statement

8. Unresolved Issues Report

Huff noted that this report is down to two old items; added that the second one he needs to run by the building department. Discussion ensued and culminated in agreement to remove these three-year old items.

9. SAW Grant Project Progress Report

- A. SAW Grant – Asset Management Plan Project Status Report

Huff noted these are the standard work tasks that are being currently worked on.

The regularly scheduled meeting has been moved to July 29, 2015.

10. Quarterly Outage Report

Huff said tree and animal related outages are down 25% from this time last year. Burr noted this is due to rebuilding a section of secondary lines. Phases Three (3) & Four (4) will be worked on this winter. Stickland pointed out that the biggest issues are old hardware and trees.

NEW BUSINESS

11. Board will be requested to review a request to grant an exception to Sec. 86-156 of the Code of Ordinances and make a recommendation to City Council. Presentation by Global Remediation Technologies on behalf of the Michigan Department of Environmental Quality.

Richard Raetz, P.E., President Global Remediation Technologies: Introduced himself and noted he submitted two documents. Stickland asked if there were another option. Raetz noted ideally there would be and explained the Department of Environmental Quality's role in this and how it affects the project.

Raetz briefly reviewed the information included in the agenda packet for this item, noting that the main components of his presentation: the treatment plan, the proposed sampling plan and sunset dates.

Raetz pointed out the addresses that are closest to the discharge and explained the acceptable values for drinking water; for a body of water like Lake Michigan; and for off-gassing. Discussion ensued regarding the properties at 107 Orchard Drive and 108 Orchard Drive being the area to which these chemicals are trying to flow. Raetz explained that this request is to hook up the sumps from 107 & 108 Orchard Drive to eliminate discharge into the storm sewers and then into Lake Michigan.

Burr asked if all of the flow is inorganic and upon hearing that it is commented that the waste water treatment plant does not treat that. Raetz explained a small amount in the aeration basin could go off as gas and it is such a small amount that you could drink it for seventy (70) years with a very, very low rate of effect. Burr stated that the only thing the plant is doing is diluting it. Raetz elaborated on that, stating that diluting occurs and a bit of stripping occurs in both the aerator and the anaerobic digester.

Raetz explained that the Department of Environmental Quality (DEQ) does not like untreated discharges when there is a known chemical in a sump which is discharging into surface water untreated. Raetz asked, "Are those concentrations a health hazard? I am not asking for that reason." Raetz explained that he is here because the concentration is above that which is acceptable for drinking water and the DEQ does not like discharging chemicals that have not been treated. Stickland asked if this were an industrial customer whether the state would allow the city to put this through without pretreatment. Raetz noted this is an orphan site with chemical impacts where there is no liable party so it ends up being an orphan of the state of Michigan or the community. There is not a liable party or company that will step up and take responsibility for the clean-up. When it's an orphan the state is looking at situations like this and trying to stretch tax dollars to cover all of the problems out there.

Raetz gave an example of a job they did where pretreatment was required, but those concentrations were much higher. Raetz directed the board's attention to an illustration in his presentation of the shallow ground water plume and discussion ensued regarding the depth of the ground water. Raetz then directed the board to the illustration of the cross-section of the plume, indicating the approximate building location and property boundary in back of the condominiums and 107 Orchard Drive on the illustration. The sand holds between 1.5 to 2 feet of water which contains a little bit of contamination; the predominant location of the chemical is down deep in the clay.

Discussion ensued regarding the process by which the chemical will be driven out of the clay, which Raetz described as 'In Situ Thermal Remediation'. The chemical is in the clay and will be driven out by heat; facilitated by electrodes making a positive to negative heat

contact. The electrodes actually heat the chemical and force it out of the ground using a process that is being done all over the world. Raetz informed the board that the total process will take about eighteen (18) months.

Burr asked about where this has been done and one example Raetz provided is Owosso, Michigan, at a former dry-cleaning operation.

Huff asked if the bid date was still August 2 to which Raetz responded, "We are about two (2) weeks behind."

Burr asked how the system prevents the chemical from absorbing into the area. Raetz said it will be driven up through the entire column, and will be heated and treated in a walled contained vertical well.

Burr asked the cost and according to Raetz it will be about a two (2) million dollar project which will be paid for by the State of Michigan.

After a question from Stickland about how we can take this to the treatment plant Halberstadt explained that there is no rule that says we cannot take this water to the treatment plant; our code of ordinances prohibits infiltration and inflow (discharging groundwater to the sanitary sewer). Huff stated that staff had the city's IPP Consultant review this and his statement was the risk to the treatment plant and surface water from this discharge appears to be minimal at this time. Raetz referred to the letter he wrote which is included in the packet and said he is making this request on behalf of the DEQ and it is copied to Ray Spaulding, the specialist Huff referred to. Raetz noted the State of Michigan itself is requesting this variance of the City of South Haven. The monies, if we are forced to do pre-treatment, are monies that cannot be used to clean up here or other environmental issues over time.

Stickland expressed concern, asking, "We won't violate any discharge rules?" Huff said that is correct. Huff also noted there is a sampling program which will report back to the Board of Public Utilities yearly. Raetz clarified that reporting starts out quarterly then changes to annually; the addendum provides for a sunset date of seven (7) years.

Raetz noted, after a question, that the presentation did not include what the concentrations of acceptability are, so he will have to go back and find that information for the board.

Discussion ensued about how long some of the other projects ran, and what level they reached. Raetz said the cleanup goals are different. Some are to complete to a pristine level; do not stop until nothing is left. The best way to accomplish that is to dig. But they are saying we want to take out ninety-eight (98) percent of the strongest mass that is covering fifteen (15) percent of the overall volume giving it the ability to self-restore. That is how the

State of Michigan has been doing cleanup; they lack the dollars to make it pristine but they have the monies to bring it to more than ninety-eight (98) percent clean.

Raetz estimated it will take about eight (8) weeks for heat-up; three (3) to four (4) months for treatment. Burr asked if there is an odor when that gas is coming up out of the ground. Raetz said it is pretty odorless; the gas comes up through treatment stacks.

Discussion ensued regarding what electrical equipment will need to be provided. Raetz pulled up a presentation on his laptop and noted that the power requirements are two thousand two hundred (2200) megawatt hours over the life of the project.

Raetz informed that McGellan and McGee out of Calgary, Canada is his firm's teaming partner for the design of the project.

Burr asked if there is any sound with this process to which Raetz responded, "Very little, though the blowers will have some sound; we can require a certain decibel level since this is in a residential neighborhood."

Discussion ensued regarding the system's seventy-two (72) thermocouples; the web-based system; the electrodes that go down into the ground; that the componentry is manned and monitored via web twenty-four (24)/seven (7) and that the equipment comes in on skids and is all self-contained.

Stickland asked if this system has been designed to which Raetz responded, "We are in the throes of design." Raetz quickly reviewed the presentation that was done at City Council after Paul VandenBosch gave a presentation about the demolition, to show what will happen after the demolition. Burr wondered if there has been any dissent regarding the clean-up from local residents and Raetz said they were very engaged and interested in getting this done.

Regarding the time frame of the project, Raetz noted that there are five (5) contractors throughout the world that do this type of work and they will all be invited to bid it. Raetz also explained that each contractor has their own patented system.

Raetz then reviewed the addendum and expressed that he feels that he does need to get a number for you from the DEQ about when we can be done and disconnect. Conservatively, Raetz feels the city can be looking at three (3) to five (5) years of connectivity after the eighteen (18) month cleanup. Because of the way the "mother lode" is in the clay Raetz would like to think by the three (3) year mark we will be looking at a time to unhook the system.

Burr wants a definition of when the concentrations are acceptable. Raetz will make Addendum #2 and submit that after he gets the information from Ray Spaulding, MDEQ State Project Manager for the site.

Motion by Burr, second by Winkel to grant the Department of Environmental Quality permission to plumb sump discharge piping into the sanitary sewer from residential sewers at 107 Orchard Drive and 108 Orchard Drive for a period up to seven (7) years or whenever the sampling results fall below a certain threshold to be submitted.

Huff noted that this approval will go to the city attorney to draft a final agreement.

All in favor. Motion carried.

UNFINISHED BUSINESS

12. Board will be requested to provide any additional review comments concerning the DRAFT South Haven Area Water-Sewer Authority Contract (presented at the June 11, 2015 workshop and reviewed at the June 29, 2015 regular meeting).

Huff noted this is a carryover from last meeting and asking if there are any other comments. Hearing none, Huff stated that the city attorney has made some changes based on comments from attendees at that session. Dissette will distribute a draft of that by the end of next week.

Stickland wonders if the chairman of the authority should be a city representative. Halberstadt said we have to see the amended agreement and Huff will pass that on as soon as that is available.

13. Public Works Director Comments

A. Next Meeting is scheduled for August 31, 2015.

Huff updated on the storm two weeks ago which set a new record at the plant.

Huff is having surgery on his shoulder August 6th. Larry Halberstadt, City Engineer, will fill in during his recuperation.

14. Board Member Comments

Rose updated the board on the Court of Appeals experience. Covert Generating brought a vice-president to the tax hearing, which they had never done before. The township is up to \$800,000 to \$890,000. Rose explained that everyone involved is on board to continue to the end.

15. Adjourn

Motion by Burr, second by Winkel to adjourn at 5:46 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,
Marsha Ransom
Recording Secretary