

# Board of Public Utilities

## Regular Meeting Minutes

Monday, July 28, 2014  
4:00 p.m., DPW Conference Room  
1199 8<sup>th</sup> Avenue



City of South Haven

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

### 2. Roll Call

Present: Burr, Henry, Roberts, Rose, Winkel, Stickland

Absent: Overhiser, Stein

### 3. Approval of Agenda

Motion by Henry, second by Winkel to approve the July 28, 2014 regular meeting agenda as presented.

All in favor. Motion carried.

### 4. Approval of Minutes – May 19, 2014 Regular Meeting Minutes

June 10, 2014 Committee Minutes

Motion by Burr, second by Roberts to accept the May 19, 2014 regular meeting minutes and the June 10, 2014 committee minutes as written.

All in favor. Motion carried.

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

None at this time.

### REPORTS

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

A. 2014 Billings – All Charges

B. 2013 Billings – All Charges

Burr noted that kw hours/sales are up this June as compared to last year at this time.

## 6. Financial Reports

- A. Electric Fund – Financial Report for period ending June 30, 2014
- B. Electric Fund – Review of Percentage Billed
- C. Water Fund – Financial Report for period ending June 30, 2014
- D. Water Fund – Review of Percentage Billed
- E. Sewer Fund – Financial Report for period ending June 30, 2014

Discussion ensued regarding interest income being an adjustment for Market Value. Hochstedler discussed a net correction to the fuel adjustment calculation. Other operating expense for this particular month includes a portion of the inventory on hand, to adjust it to the actual.

Hochstedler explained that she is not getting project codes on invoices, which makes it impossible for her to charge expenses out to the correct projects. Discussion ensued regarding keeping track of the inventory of electric parts and even salt. Halberstadt stated that these are not insurmountable issues and noted that Hochstedler needs to be provided with the information she needs to keep better records. Roberts pointed out that good record-keeping is protection for everyone involved. Henry noted that we should be able to say we spent X dollars (\$X) on this project and we either overspent or underspent. Halberstadt noted that staff has been using a trailer to store the product for a particular project so it does not get mixed in with the product in the store room. Hochstedler noted that she often does not have a project budget to look at to know if costs are in the ball park as a project comes to a close.

Stickland asked for a report to the board regarding what will be done to initiate using project codes; Halberstadt expressed his willingness to provide the requested information.

Burr asked about debt service. Hochstedler explained why it was moved to the balance sheet, noting that only the interest is expensed. Hochstedler noted another change; on the sewer fund it shows as a negative amount on special assessment revenue; on the water fund the principal part of the installments had to be moved. “Every year at this time we also take out the revenues and put it against the receivable to show how much we have to collect yet,” Hochstedler commented.

Burr noted the loss and the depreciation, “Is the difference that is shown what was actually lost?” to which Hochstedler responded that the Kalamazoo project has not been taken out and capitalized yet.

Burr asked about the cash amount on the electric fund; Hochstedler said she will get that figure to him.

## **7. Quarterly Outage Report**

Burr noted that the rebuild near the Catholic Church is going to be done and wondered when the contractor will come back, to which Halberstadt responded that staff was told that work will resume after Labor Day. Burr commented that we have not had the storms this summer that we have had in the past. Stickland said the majority of our outages are caused by trees, squirrels and obsolete (failed) devices. Stickland suggested squirrel guards and upon questions, explained how they work.

Discussion ensued regarding preventability of outages due to failed devices, the length of time since the secondary has been addressed with maintenance and what constitutes an underground failure.

## **8. Unresolved Issues Report**

No changes.

## **NEW BUSINESS**

### **9. Board will be requested to approve award of contract for Cross Connection Control Program.**

Halberstadt noted that the city runs a Cross Connection Control Program; it's been about three (3) years since the city contracted with someone. Halberstadt explained that the state mandates that municipalities run this program; the purpose is to prevent potentially contaminated water from flowing back into the public distribution system. High risk customers get inspected annually. Burr explained that we have a contractor who takes care of managing testing of backflow preventers. Burr noted, in response to a question from Roberts, that if it fails the test the backflow preventer has to be inspected.

The board discussed whether a bid other than the low bid can be approved.

Motion by Henry, second by Winkel to award the contractor, Hydro Design, the project based on their prior performance.

## **10. Acting Public Works Director Comments**

A. Next Meeting is scheduled for August 25, 2014.

B. As of today, Roger Huff has returned to work on a part time schedule. He will be working Monday, Wednesday, and Friday from 8:00 AM – 12:00 PM. I will continue

assisting Roger with Department of Public Works (DPW) Director duties until he is able to return to work full time.

#### **11. Board Member Comments**

Roberts: June 10<sup>th</sup> meeting minutes. Stickland noted that the main focus of the meeting was whether to form an authority. Halberstadt noted there is some potential cost savings. Hochstedler noted that the state looks on authorities more favorably. Stickland noted that we hope to bring back information at another meeting. Halberstadt noted that we have legal counsel to help us through the process.

#### **12. Adjourn**

Motion by Henry, second by Winkel to adjourn at 5:10 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary