

# Board of Public Utilities

## Regular Meeting Minutes

Monday, October 27, 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, Roberts, Rose (ex-officio), Winkel (arrived 4:23 p.m.), Stickland  
Absent: Henry, Overhiser (ex-officio), Stein (ex-officio)

A motion was made and approved to excuse Mike Henry.

Also present: Bill Conklin, City Staff; Larry Halberstadt, City Engineer

### 3. Approval of Agenda

Motion by Burr, second by Roberts to approve the October 27, 2014 agenda as presented.  
All in favor. Motion carried.

### 4. Approval of Minutes – September 29, 2014 Regular Meeting Minutes

Motion by Roberts, second by Burr to approve the September 29, 2014 regular meeting minutes as corrected.

- Page 5, 1<sup>st</sup> paragraph, replace “yes” with “no”.

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. 2014 Billings – All Charges
- B. 2013 Billings – All Charges

## 7. Financial Reports

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

It was noted that the electric fund is in the red, which is unusual. Discussion ensued regarding capital outlay and comparing the figures, not to this year's budget, but to last year's figures.

Discussion ensued regarding the bridge project, including the hydrant meter which is connected to a hydrant meter for which the contractor will be billed.

It was pointed out that the sewer fund is up from last year and that there are adjusting entries pending.

## 8. Unresolved Issues Report

Halberstadt noted that the finance director was unable to provide the monthly report requested by the board due to her involvement with the auditors.

## 9. Quarterly Outage Report

Discussion ensued regarding there having been multiple outages in Ridgewood Estates and tree trimming activities in that area. There was discussion regarding the extent of the tree trimming done in the core city project, the time frame of the tree trimming project and whether there will still be outages this winter due to trees in the wires.

## 10. Transformer Inventory – Independent Accountant's Report

Huff noted this is just a follow-up of the agreement in the summer; had an inventory taken of the transformers. Halberstadt noted that some transformers were transferred down here for the core city project.

*Winkel arrived at 4:23 p.m. and apologized for his tardiness.*

Stickland reviewed the backstory regarding the transformer inventory.

Conklin clarified the status of the transformers being held in Reed City and indicated that they are smaller transformers; the 25KVA and 50s are what Reed City is holding. Discussion ensued regarding the transformers at defunct developments and whether or not those transformers were energized.

## NEW BUSINESS

### **11. Board will be requested to award a five year contract for substation maintenance to Electrical Power System (EPS) in the total amount of \$147,468.00.**

It was clarified that this is a project for both substations. Burr explained that I & M used to do the maintenance on the transformers for the city. Conklin noted we had two previous five (5)

year contracts with I & M, which averaged \$27,255 *per year*. Discussed ensued regarding the new contracts and the reason for the disparity in the bids.

Conklin, in response to questions, stated that the city will continue to do the oil-testing and thermal scans, borrowing equipment periodically to do so. In response to Burr's question, Conklin explained the difference in the type of breakers used now compared to what used to be used and the difference in the amount of maintenance needed. Conklin noted that he will determine on a case-by-case basis whether to pay for maintenance or have staff do it.

Motion by Burr, second by Winkel to make a recommendation to City Council to award the five year substation maintenance contract for \$147,468 to Electric Power Systems (EPS) at the November 3, 2014 regular meetings, at which time, if City Council approves the award of the contract to Electric Power Systems (EPS), City Council should pass a motion authorizing the City Manager to review and to sign a maintenance agreement with Electric Power Systems (EPS) or with the ~~next~~ *second* lowest bidder should negotiations with EPS not be satisfactory.

All in favor. Motion carried.

## **12. Public Works Director Comments**

A. Next Meeting is scheduled for November 24, 2014.

Expressed his thanks to Larry Halberstadt, City Engineer, for picking up the pieces during the time he was off, noting that he really appreciates it.

## **13. Board Member Comments**

Rose: Questioned whether anyone else had gotten an email she received on Friday from Covert Generating, indicating that Covert Generating has red lined the distribution water main extension agreement. Discussion ensued regarding why the generating plant requested these changes. There was discussion of whether the plant is being operated and maintained to the standard the city set.

Stickland: Reviewed the information he received at the Michigan Municipal Electric Association (MMEA) conference regarding how much ~~tax~~ *cash* reserve the city should have.

## **14. Adjourn**

Motion by Roberts, second by Burr to adjourn at 5:23 p m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary