

Board of Public Utilities

Regular Meeting Minutes

Monday, October 31, 2016
4:00 p.m., DPW Conference Room
1199 8th Avenue



City of South Haven

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

2. Roll Call

Present: Bob Burr, Mike Henry, Ross Stein (ex-officio), Barry Winkel, Bob Stickland
Absent: Alan Overhiser (ex-officio), Bill Roberts, Barbara Rose (ex-officio)

Also present: Wendy Hochstedler

Burr questioned how long Barbara Rose's term lasts and Stein explained that after the election the winner will have to be sworn in by November 20, 2016.

3. Approval of Agenda

Motion by Burr, second by Winkel to approve the October 31, 2016 Regular Meeting Agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes for the Record

A. August 29, 2016 Regular Meeting Minutes

Motion by Henry, second by Winkel to approve the August 29, 2016 Regular Meeting Minutes for the record 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. 2016 Billings – All Charges
- B. 2015 Billings – All Charges

Discussion ensued regarding the true-up.

7. Financial Reports

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

Burr noted that the city set a record for kilowatt hours sold. Stickland noted losses were less than five percent Burr requested that after the audit, Hochstedler provide how much the electric fund made.

- C. Water Fund – Financial Statement

Burr stated it looks like we may have set a record for water sales. Discussion ensued regarding the amount of water sold to Bohn Aluminum, which Burr pointed out was year round.

- D. Water Fund – Review of Percentage Billed

- E. Sewer Fund – Financial Statement

Burr asked if “other revenues” is bond money. Hochstedler responded that it is the bond money, which the city hasn’t gotten yet. Stickland asked where assessments go and Hochstedler noted they will go into the appropriate areas, sewer, water, etc. Hochstedler said when we set up the 2017 budget; we set it up as if these borrowings will all be done in one year, so there will be some adjustments to split those out. Burr asked about the rate study, the SAW grant and the bonds. Hunter said he will get back with our financial advisor for the bonds and get the board caught up on that.

8. 2016 3rd Quarter Electric Outage Report

Burr noted tree contacts went up from last year. Stickland noted the three most common problems are squirrels, trees and devised and asked Hunter to have Jim come in and talk about what he is seeing with devices.

NEW BUSINESS

9. Board will be requested to make a recommendation of award for conduit installation for the North Shore Dr. electric rebuild project.

Hunter explained that this is a request to award the North Shore Drive Electric Line Rebuild conduit installation to Milbocker & Sons, Inc. in the amount of \$23,938.50. Hunter noted that this can be done simultaneously with the street work they are doing on site. Stickland questioned whether the city is paying double for this installation, which Hunter clarified is separate from the other work being done and the city it not paying twice.

Burr asked about telephone and cable and Hunter said they are required to go underground and there were three pre-bid meetings. Burr asked if Comcast's conduits will run parallel with the other utilities, which Hunter confirmed.

Motion by Burr, second by Henry to

All in favor. Motion carried.

10. Board will be informed on changes to the Safe Water Drinking Act –Part 14.

Hunter explained this is just informational for the board, changes the EPA directed to the DEQ. Changes to part 14, cross-connection control, onto a water system with non-potable water that could be drawn into a drinking system. Hunter explained that this spells out all customer types. Hunter plans to go out for bids and see how much it will cost to do all of our connections. After a question by Burr, Hunter's plan is to submit a revised plan to the state, only to residential customers every 15 years, residential are low hazard, the other part is you buy the gross of vacuum protectors, new faucets have them built in, the older faucets there is a screw on connection.

Stickland sprinkling system back-flow inspections – Hunter said that has to be tested once every three years. Hunter said installers are supposed to test and turn that in to the state; is that happening? I don't know. Hunter noted that there are actually classes to train people to test these connections, but there is a two-year wait to get into the classes.

Hunter said there is an agreement between the plumbing code and the MDEQ; as long as a municipality has a cross-connection program. That is better than the plumbing code which says a testable device will be tested once a year. This is cheaper than the alternative.

11. Board will be informed on the Covert Township Boil water event time-line.

Hunter noted that he was told at the board meeting that we need to improve our communication. Hunter explained that he is looking into alternatives for communicating. The question was asked why Covert should be treated any different as they are not a wholesale customer any more. Burr inquired whether there was anything that could prevent the water tank from emptying when a hydrant is hit. Hunter suggested an altitude valve, but said it would still empty. Stickland noted when you look at the time frame, a good job was done. Hunter said the guys went above and beyond; we even delivered bottles of water to the Covert Schools. Discussion ensued regarding how long it will take to get your pressure back which Hunter said it shouldn't take too long, but it depends on demand at the time you are trying to fill the water tank. Hunter said maybe 3 to 5 hours.

12. Board will be updated on the SAW grant project.

Hunter stated this is just an update of where we are. Televising will begin and the city will be out with our vector truck, coordinating with them. We will be concentrating on san lines up to 12" ahead of the camera. Due to size of our truck. Burr said it shows that the revenue structure will be taking place June – August 2017. Stickland noted it is on schedule.

Stickland asked if Kalamazoo Street reconstruction is on schedule which Hunter stated that it is, it is a very deep sewer so there is a lot of 15 – 18' deep.

13. DPW Director Comments

None

14. Board Member Comments

Stein asked what progress is being made at the Waste Water Treatment Plant. Hunter said he can forward the progress report – part of the pond is dug out, started to put some of the pilings in, working on coordinating (joint meeting scheduled with 2 separate contractors) the water line going in.

Hunter said he can forward the progress report.

Winkel asked if Lakeshore is going to be done this fall or next spring. Discussion ensued. Hunter will get a detailed plan on both of those with time frames. Burr questioned, “It is supposed to be done in spring, Memorial Day?” Hunter noted it just went out for bid.

Burr asked about 45 foot pilings going down the road to the plant and wondered when that will be occurring. Hunter said there will be a de-watering contractor on site throughout.

Discussion ensued due to a query from Henry about the duration of the Consumers plant. Noted that the Covert Generating Plant is on the auction block, again.

Stickland noted the meeting regarding our future power supply from I & M. Spoke about the possibility of buying power from more than one source. Discussion ensued regarding cost of power, fracking, directional drilling.

15. Adjourn

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

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary