

Board of Public Utilities

Regular Meeting Agenda

Monday, November 28, 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, Alan Overhiser (ex-officio), Bill Roberts, Ross Stein (ex-officio), Bob Stickland

Absent: Dennis Palgren (ex-officio), Barry Winkel

Also present: Bill Hunter, DPW Director; Larry Halberstadt, City Engineer

3. Approval of Agenda

Motion by Burr, second by Henry to approve the November 28, 2016 Regular Meeting Agenda as presented.

Hunter asked if he could add an item to the agenda.

Motion lost.

Motion by Henry, second by Burr to approve the amended November 28, 2016 Regular Meeting Agenda with the addition of # 9a. Grant Opportunity.

All in favor. Motion carried.

4. Approval of Minutes for the Record

A. October 31, 2016 Regular Meeting Minutes

Motion by Henry, second by Roberts to approve the October 31, 2016 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. 2016 Billings – All Charges
- B. 2015 Billings – All Charges

After a question by Roberts regarding who the official person is from Covert Township now it was noted that Dennis Palgren has been elected as township supervisor. Discussion ensued regarding whether the township representative on this board is always the supervisor or if someone else can be appointed. Halberstadt looked up the language and it was determined that the board can appoint any member of the township board to be the representative on the Board of Public Utilities. Hunter will look into who Covert Township wants to appoint as a representative on the Board of Public Utilities.

7. Financial Reports

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

Halberstadt quoted the PJM and fuel charge for 2015. Stickland requested the fuel adjustment which was a difference of \$.02/kwh.

Stickland commented on funding depreciation in our electric budget, noting Hochstedler is not here to explain it. After discussion, Hunter said he will get back with the board after he is able to get in touch with Finance Director Hochstedler, who had a family emergency and was unable to attend today.

Henry pointed out current assets decreased significantly. Stickland said we're almost \$1,000,000 over budget in purchased power costs. Burr requested that Hunter will send an email answering those two questions.

Burr wants to know how close we came to the \$300,000 profit. Burr and Hunter will meet with Hochstedler and have her explain this and email back to the board.

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

Stickland asked when the numbers show up for special assessment revenues. Stein explained it gets billed on your winter tax bill.

Roberts asked when the customer will begin seeing increases on the bond sales. Burr believes next August the bond rep is supposed to provide a rate. Stein commented that some of the special assessment goes to the bond payment, and the rest will go on customer's bills. Burr pointed out that DDA and LDFA approved giving some money toward

the assessment costs. Hunter explained that the dollar figure will come after the televising is done.

E. Sewer Fund – Financial Statement

Stein noted that cash investments went down \$275,000 instead of up like the water and electric. Halberstadt explained that the SAW loan we are getting, does not disburse all the cash up front but we have to apply for monthly disbursements as we go. There will not be a big lump sum that shows up as revenue.

Discussion ensued regarding payments already being made on North Shore Drive and Monroe.

Hunter will provide the board with a brief explanation of the back and forth of the bond payments.

NEW BUSINESS

8. Board will be requested to review the North Beach Improvement plans and provide comments.

Board member Winkel is concerned about the size of the drain taking water from his house to the river. Burr explained that sand gets plowed over and blocks the water flow and Winkel is concerned about something being done to be sure that water flows away from his house, or a larger outlet or something. Halberstadt noted he will meet with Winkel and he recommends that there be several different drains with as big of grates as we can put there. Discussion ensued regarding the sand mound between the end of the road and the pier. Hunter will check with the engineer. Stickland noted it would help if the sand were pushed toward the beach instead of the direction it is being plowed now. Hunter said the mound of sand has to go away to accommodate a walkway that will be going in and he will talk to Ron Dotson and see if the street department can plow a different direction and redistribute the sand on the beach.

Discussion ensued regarding the paving of the Monroe Park area with Halberstadt informing that the street paving is coming out of the street millage and the rest of the beach area is part of the building authority borrowing.

9. Board will be requested to make a recommendation of award for the Wastewater Treatment Plant Digester Mixing Improvements.

Hunter explained this is a contract; a bid opening was done and bids were 20 percent higher than budgeted. Hunter would like to go forward approving it because we don't think it's going to get any lower if we bid it again.

In response to a question by Henry about the function of the digester, Halberstadt explained the digester is used to process the solids. Halberstadt noted we have always had a problem with solids at the plant; this is more about update of obsolete equipment which is critical. This piece of equipment, which was installed in 1998, has a very high consequence and priority of failure. Halberstadt does not want to replace the current equipment with the same

type of equipment because of the gas and possibility of an explosion noting that this is probably the most dangerous piece of equipment down there.

Discussion ensued regarding the total project, and that we are in Step 1. Halberstadt said Abonmarche did the study with the S2 grant, only looking at the sewer system, not the sewer plant. As part of taking all this grant money, the state now requires the development of asset management plans.

Stickland noted the items that he believes were part of the original project and this is new money to us. Roberts asked about the supplemental contingency. Halberstadt noted that each of the 4 projects has 5% contingency built into it. This is extra contingency and in response to a question from Roberts, Halberstadt stated he is comfortable spending some of that contingency now.

Motion by Roberts, second by Henry recommending that Council award the contract for Digester Mixing improvements to Franklin Holwerda Company of Wyoming, Michigan in the amount of \$361,700.00.

All in favor. Motion carried.

9a. Grant Opportunity

Hunter explained that a \$20,000 grant for the inventory of the trees in the city right-of-way has been received, which would include inputting the city trees into GIS and the ability to do assessments. While this program won't be in GIS, Ryan Bosscher and Aaron Priebe will be working on it. The electric side could use this for plantings. Hunter explained this will come from the General Fund. Hunter noted that Priebe will be able to use an online app. Halberstadt explained that a consultant will do the initial survey and then Priebe will be able to use the tools in the app. Halberstadt said some of the other good things it will tell us, is whether too much of a specific species is being planted; we want more variety in case of future diseases. Stickland said the benefit to the utility is probably minimal but the cost will also be minimal. Halberstadt said part of the analysis is also on the condition of the trees and will tell us which trees need to be removed. Roberts said our arborist will have a little more backing other than just his opinion, for removing trees that need to be removed. Hunter noted the oak wilt, emerald ash borer and other diseases, including one that affects maple trees, may be coming.

Motion by Henry, second by Roberts to recommend that city Council approve this.

All in favor. Motion carried.

10. DPW Director Comments

Moved into the city so he is a resident now.

11. Board Member Comments

Henry: Appreciates the updates Hunter is providing on the various projects.

Burr: Spoke about the installation in January of the new sewer lines near his house. Hunter will get back to Burr after a progress meeting tomorrow and can get back to you.

Discussion ensued regarding access to gas meters that are in enclosed garages during construction, in the case of a gas line break.

Roberts spoke about something he read in Currents magazine, with temporary signs on tree trimming trucks, noting they are utility approved.

Roberts: Questioned why we are building a pumping station to which Halberstadt responded that it will replace two lift stations. Roberts asked if this will affect the processing and Halberstadt explained it does not increase the amount but does have more pumping capacity. Burr noted it will also decrease infiltration. Halberstadt explained how infiltration inflow will be handled. A wet weather event will be handled by storing and treating any overflow rather than letting it run off into the river.

Stein: Reiterated Henry's comments.

Stickland wants to talk about next year's schedule. Noted that the board doesn't meet in December. Wants to cancel the February meeting because we haven't had a quorum the past few years and have a meeting in March between the two counsel meetings.

Halberstadt began going through the calendar calling out dates: Monday, January. 30, 2017; skip February; Monday, March 13, 2017; April 24, 2017; Monday, May 22, 2017. At this point Stickland suggested this item be postponed until the next meeting. Halberstadt noted that if we don't approve a calendar, the January meeting will be a special meeting.

12. Adjourn

Motion by Henry, second by Burr to adjourn at 5:17 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary