

# Board of Public Utilities

## Regular Meeting Minutes

Monday, September 30, 2013  
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, Stein (ex-officio), Stickland  
Absent: Overhiser (ex-officio), Rose (ex-officio), Winkel

Motion by Burr, second by Henry to excuse Winkel.

All in favor. Motion carried.

Also present: Larry Halberstadt, City Engineer; Steve Oosting, City Engineer; Wendy Hochstedler, Finance Department Director

### 3. Approval of Agenda

Motion by Henry, second by Burr, to approve the September 30, 2013 Regular Meeting Agenda as presented.

All in favor. Motion carried.

### 4. Approval of Minutes – August 28, 2013

Motion by Henry, second by Burr, to approve the August 28, 2013 Regular Meeting Agenda 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. 2013 Billings – All Charges

B. 2012 Billings – All Charges

Discussion ensued regarding the electrical usage and charges.

**7. Financial Reports**

- C. Water Fund CuFt Comparisons
- D. Water Fund Financial Statement
- E. Sewer Fund Financial Statement
- F. Electric Fund KWH Comparisons
- G. Electric Fund Financial Statement

Stickland had a question on the debt service budget which Hochstetler addressed as bonds for the water treatment plant. Burr noted the prior year-to-date sales seem to reflect only one month. Hochstetler will double check the calculations.

Stickland questioned capital outlay for electrical being in anticipation of projects.

**8. Indian Grove Infrastructure Project**

- A. Sewer Study Progress Report

Huff pointed out the additional smoke testing is complete and will be followed up next month with a summary of findings. Stickland recalled a situation around ten years ago when there were findings in the same area and it was repaired in-house. Stickland, Halberstadt and Huff discussed whether smoke testing would show results in a house with a sump pump. Halberstadt noted that sump pumps have a check valve which works against discovering an issue using smoke testing. Discussion ensued regarding the intersection of Dyckman and Black River.

**9. Unresolved Issues Report**

Halberstadt requested the Dyckman and Black River storm sewer issue be placed on the report.

Stickland noted there are several issues that have been the report for a while.

Security lighting: A study on the cost would be helpful so the city knows what to charge for rental and installation.

The board noted a change in the wording in agreements regarding contractors not being liable for sub-contractors' quality of work.

Tampering fees: Still under discussion.

Halberstadt updated the board on Meijer's putting in an electric car charger. Meijer's will not be installing one at the South Haven store because they feel there will be no demand.

**NEW BUSINESS**

**10. Update on Phoenix Street, Fall Paving and Dyckman Bridge.**

Oosting noted that the Phoenix Street project is going great; the starting point was the water main which has been installed, disinfected and pressure tested. The pavement at Phoenix and Broadway has been completed and Broadway is opened up to traffic again. Work is progressing on underground utilities between Broadway and the welcome island: water services, storm sewer, etc.

In response to a question from Burr, Oosting noted the new twelve-inch (12") main is in place to the welcome island; the old eight-inch (8") main is still serving the buildings until the connection to the new water main can be made.

Burr and Oosting discussed the demolition of the building on the corner; Oosting would like to see it done soon so heavy trucks and equipment can go through on gravel rather than after new pavement is in place.

In response to a question from Burr about the installation of the fiber optic cable, Oosting noted that there is existing conduit through which Bloomingdale Communication's cable runs and there is room in that conduit for the new fiber for Wi-Fi.

Halberstadt updated the board on fall paving, as outlined in the staff memo. Center from Superior to Huron is a straight-forward resurfacing along with replacing some sidewalks and sidewalk ramps to achieve compliance with Americans with Disabilities Act (ADA). Halberstadt informed that the project should be wrapped up by mid-November. There was discussion regarding how late the asphalt plants stay open.

Dyckman Bridge project. Halberstadt updated the board on the delay as indicated in the press release. MDOT decided to throw out the bids received on September 6<sup>th</sup> due to unbalanced bid items and require new bids.

Huff noted that Halberstadt did a lot of work with MDOT with a good level of cooperation from the people he was working with; however, MDOT officials made the decision to re-bid.

## **OLD BUSINESS**

### **11. Board will continue discussion concerning the ten percent (10%) penalty rate for late Utility payment.**

Responding to questions from the board on how the current penalty is applied, Hochstedler explained that the ten percent (10%) late fee is applied on the current amount that is late. Stickland pointed out a couple of the municipalities are charging 2% only on electric late fees. Based on research into various utilities' late fee policy, it was determined that there are variables among the utilities regarding late fee policy. Henry said the ten percent (10%) penalty seems like a lot for someone who does an occasional nonpayment or late payment as opposed to someone who is historically late. Stein pointed out that the ten percent (10%) or two percent (2%) fee does not seem to matter to some people. Burr noted any utility usually has a percentage of people who always pay on time, a percentage that will always be late, etc. Stickland would like to have the time to research a little bit and be able to make a comparison between ten percent (10%) and two percent (2%) across the board compounding with no waivers and a charge for bad checks. Stein said it would be interesting to know what the difference would be between a straight ten percent (10%) and two percent (2%) compounded. The board will continue to review this item.

**12. Next meeting is scheduled for Monday October 28, 2013 at 4:00 pm in the DPW Conference Room, 1199 8<sup>th</sup> Avenue, South Haven, Michigan.**

**13. Director's Comments**

Huff updated the board on GRP electrical projects:

- 2<sup>nd</sup> Avenue rebuild: bid opening date October 17.
- Phoenix Road Transformer: will be out to bid in 2 weeks.
- Veterans Boulevard: will be out to bid in early November.
- Core city upgrades: first section will be out to bid in December.

Huff announced the appointment of a new electrical supervisor: Jim Pezzuto.

**14. Board Member Comments**

Henry asked if city employees are expressing concerns about pension plans to which Hockstedler responded that no one has expressed concern. Discussion ensued regarding changes that have occurred and potential changes.

**15. Adjourn**

Motion by Burr, second by Henry to adjourn at 5:11 p. m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary