

Board of Public Utilities

Regular Meeting Agenda

Monday, November 26, 2012
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: Burr, Henry, Overhiser, Rose, Stein, Winkel, Stickland
Absent: Berry

Also present: Dave Mulac, Waste Water Treatment; Larry Halberstadt, City Engineer; Dan Dombos, Abonmarche; Chris Cooke, Abonmarche

3. Approval of Agenda

Motion by Henry, second by Winkel to approve the November 26, 2012 Agenda as presented.
All in favor. Motion carried.

4. Acceptance of Minutes for the Record – October 26, 2012

Motion by Winkel, second by Henry to accept the October 26, 2012 meeting minutes for the record.
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. 2012 Billings – All Charges
- B. 2011 Billings – All Charges

Burr asked if there is any way to come up with the cost per kWh (kilowatt hour) at the end of the year. Huff will have that put together for the board to review.

Burr noted that with the fracking for natural gas, it is cheaper to generate electricity with natural gas than with coal. American Electric Power (AEP) was quoted last week as saying

that when gas gets to \$3.00 to \$3.25, it is equal to the cost for coal. We might have a more stable electric cost for the next few years. Burr would be interested in seeing the demand figures.

Stickland requested Burr have American Electric Power (AEP) bring their numbers guy up here and talk to us. There was discussion regarding the local coal fired plant and the cost of gas. The board discussed other municipalities and their power sources. Halberstadt said the Michigan Municipal Electric Association (MMEA) and the Michigan Public Power Agency (MPPA) are having conversations with Consumers Energy about doing a joint natural gas plant; Halberstadt will try to keep track of how those conversations go.

7. Financial Reports

- A. Water Fund CuFt Comparisons
- B. Water Fund Financial Statement
- C. Sewer Fund Financial Statement
- D. Electric Fund KWH Comparisons
- E. Electric Fund Financial Statement

Huff noted that W. Hochstedler, Finance Director, is absent due to illness.

Burr asked about operating expenses on the Water Fund; two months ago it was \$200,000 less so Burr wondered what got put in there to bring the number up. Halberstadt said it may be aimed at the project on Kalamazoo Street. Stein pointed out that last month operating expenses were \$420,000.

Burr asked about the Sewer Fund, what is the \$69,000 in "other revenue" for this month.

Burr had a question on the Electric Fund: "Is the revenue just cash or does that include receivables?"

Burr noted that the Ramada Inn paid off \$90,000. Burr had the following questions: "Is it in the cash report? How does it get displayed to us? If it is on the cash report, how often does the board see that report?"

Burr noted that the water rate increase went into effect in July because the expectation was that the fund amount was dropping; however, the fund amount has not dropped as expected.

Huff said Hochstedler will get answers to these questions when she gets back in the office.

8. Indian Grove Infrastructure Project

- A. Sewer Study Progress Report
- B. Update Presentation by Abonmarche

Abonmarche is still working on flow metering; the flow metering project will be wrapped up in December. Computer modeling and televising will also be going on starting in December.

Dan Dombos from Abonmarche gave an overview of the progress of the S2 Project Tasks, including Utility Mapping; Flow Metering, Phase I, II and III; Computer Modeling, Sewer Televising, Smoke Testing and the SRF Project Plan.

Henry questioned the spikes on the graphs depicting Flow Metering Phase I results; Dan Dombos stated the spikes follow the rainwater events. When Abonmarche staff sees inflow and infiltration, smoke testing is done to try to determine the source of some of these inflow and infiltration events.

Dan Dombos presented an overview of Phase II Metering Results. There was discussion of range and peaking factors. Phase III overview indicates that there were rain events and corresponding increases long-term. Dombos also noted that while Indian Grove is suspected by staff as a problem area, testing is not really confirming that. Some meters were redeployed due to construction; Meter 17 was pulled due to very level base flow.

During Phase III, according to Dombos, some meters were pulled and reinstalled. There will be some televising done in the sewers.

The S2 Grant Project wrap up will include Utility Mapping; Field Investigation and Data Review; Smoke Testing; Flow Metering (Phase III to be complete December 2012); Computer Modeling (to be complete in January 2012); Sewer Televising (to be complete January 2013) and finally, the Project Plan will be implemented, completed in the spring and submitted to the Michigan Department of Environmental Quality (MDEQ).

Stickland said our goal is to try to find ways to solve some of the problems within our system. The board discussed the Indian Grove area which staff has felt is one of the problem areas but Abonmarche has not found much there; Halberstadt stated that it might be attributable to the infrastructure work that has already been done.

9. Unresolved Issues Report

Huff updated the board on the issues he has been working to eliminate. Worked with Ryan Bosscher (GIS Tech) to create a chart to record 2011 – 2012 substation “operations.” Stickland said the board wants to know if the number of “blips” per year is increasing.

NEW BUSINESS

10. Board will hear from Thomas Scanlan, 321 North Shore Drive, concerning water and sewer usage charges.

Scanlan gave the history behind the event on October 29 when he was contacted by Kim Eastman of an extremely large water and sewer bill. Scanlan said he can only speculate regarding how the water was turned on after he supervised the water being turned off. Roger gave the board an overview of the series of events that transpired on the City side. Noted that the water would not be turned back on by the City without a work order. The board discussed the process the City does when a turn off is requested and the information Scanlan gave regarding how he winterized his cottage every year and the process he used for turning off the water in early October.

Scanlan said when he winterized the house, the taps were all opened. He was there when the house was winterized. After discussion, Burr said someone who requested to have their water turned off can not be charged for the water.

Motion by Burr, second by Winkel to disregard all charges for the water and sewer except the normal stand-by charges.
All in favor. Motion carried.

Scanlan asked what the next step will be. Huff said Scanlan will probably receive an adjusted bill from Kim Eastman in Utility Billing.

11. Board will be presented information concerning summer sewer credit.

Huff noted that the Financial Director put this information together; churches are not classified as residential in the billing system. Huff said the City Manager does not see justification for doing this for some and not all. Stickland said we are not talking about giving the credit to everybody. Burr said summer sewer credit cannot be extended to commercial and industrial accounts; it is done for residential accounts to avoid the expense of installing another meter.

Motion by Burr to include churches as residential for the purpose of giving the summer sewer credit. Second by Henry.
All in favor. Motion carried.

There was discussion that there might need to be a minimum of usage; Stickland said there is a minimum. Huff said the minimum is 1,000 cubic feet per month.

12. Board will be requested to establish a schedule for Regular Meeting Dates for the 2013 Calendar Year.

Huff noted that except for May, which is moved one week back due to Memorial Day and December, when there is no meeting, the board will meet on the last Monday of the month. The dates as listed in the staff report include:

- January 28, 2013
- February 25, 2013
- March 25, 2013
- April 29, 2013
- May 20, 2013 (Moved forward one week due to Memorial Day on May 27)
- June 24, 2013
- July 29, 2013
- August 26, 2013
- September 30, 2013
- October 28, 2013
- November 25, 2013

All meetings will begin at 4:00 pm. Meetings will be held in the Department of Public Works Conference Room.

Motion by Winkel, second by Henry to approve the proposed Regular Meeting schedule for the 2013 calendar year.

All in favor. Motion carried.

13. Next meeting is scheduled for Monday, January 28, 2013 at 4:00 pm in the DPW Conference Room, 1199 8th Avenue, South Haven, Michigan.

14. Director's Comments

Follow up from the last meeting and the outage map. Huff will email the map to everyone.

The water plant is getting another award from the American Council of Engineering Companies (ACEC). Huff noted that the award will be awarded February 23 in Detroit.

15. Board Member Comments

Rose: Noted that Roger (Huff) and Public Works Water Department worked with Covert setting up our hydrants and everything is working well. Rose is concerned about the cost and whether the expenses are being covered. Halberstadt noted that rate has not been adjusted since 2006. Huff is gathering information from other municipalities regarding their policies.

Henry: Regarding the Medevac pad at the hospital. Noticed on a Tuesday night the helicopter coming in on a steep approach past the power lines and noted it is a potential hazard. Henry reminded that he flew helicopters for quite some time. Since seeing that helicopter land, Henry talked to a friend who just retired from EMS (Emergency Medical Services) in Florida and flew for many years prior. Normally you come in, stabilize 200 to 300 feet above your intended point of touchdown and hover on down. The distance between the 40' power line and the helipad is 150', you are going 30-40 knots, decelerating and if there is any kind of malfunction, you are set up to have a significant mishap. Henry's friend said at nighttime the pilots are using 100% night vision goggles which give phenomenal vision. Henry suggests putting this on the boards project list and identify some grants that the City might be able to use to put those power lines underground.

Halberstadt said he can see both sides of the argument. Stickland said he is concerned about the precedent. Huff said this came up in 2010 and noted that Conklin looked into the project and the cost and concluded that since the power line is a primary it would cost \$75,000. Huff also noted that generally one does not want to bury just a small section of primary due to the potential to set up a ground for lightning strikes.

16. Adjourn

Stickland declared the meeting adjourned at 6:12 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary