

December 13, 2016
45 Monroe Street
Hillsdale, MI 49242

The regular Hillsdale Board of Public Utilities meeting was called to order at 7:02 p.m. by Mr. Duke Anderson, President to the Board.

Board Members Present: Mr. Duke Anderson, President; Mr. Bob Batt, Vice-President; Mr. Barry Hill; Ms. Lois Howard and Mr. Chris Sumnar.

Board Members Absent: None

Others present: Mike Barber, Director; Chris McArthur, Assistant Director; Kelley Newell, Acting Secretary to the Board; Scott Sessions, Mayor; Bill Briggs, Water Distribution Superintendent/WWTP Supervisor; Don Reid, Hillsdale Daily News; Chad Culbert, Electric Distribution Superintendent; Bonnie Tew, City of Hillsdale Finance Director; David Mackie, City Manager and Thomas Thompson, of Marcoux, Allen, Bower, Nichols & Kendall P.C. Attorneys-At-Law.

Moved by Mr. Hill, supported by Mr. Sumnar to approve the minutes of the November 8, 2016 regular meeting and record in the official minute book.

Motion carried by unanimous voice vote.

**Claims Drawn on Operations & Maintenance Fund
December 2016**

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| A CLEAN START | 300.00 |
| AFLAC | 630.84 |
| AMERICAN COPPER & | 1103.50 |
| ANIXTER INC | 14.00 |
| APPLIED INDUSTRIAL | 6692.07 |
| AT&T | 1800.22 |
| BCBS | 28205.61 |
| BDN | 3900.00 |
| BECKER & SCRIVENS | 282.50 |
| BRADLEY J MARTIN | 47.93 |
| BUSINESS CARD | 2705.06 |
| CENTURYLINK QCC | 50.91 |
| CINTAS LOCATION | 2453.40 |
| CITY OF HILLSDALE | 65293.06 |
| CLARK HILL | 280.00 |
| COGSWELL EDWARD | 29.58 |

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| COMMUNITY ACTION AGENCY | 5269.14 |
| CONDON, HECHT, BISHE | 5000.00 |
| COOPER POWER SYSTEMS | 2339.14 |
| CURRENT OFFICE | 488.28 |
| DANIELS BOB D | 138.00 |
| DEATON NICOLE L | 44.00 |
| DUBOIS TRUCKING | 111.00 |
| DUKE STEVEN P | 298.33 |
| DURLING AUSTIN K | 205.00 |
| ELHORN ENGINEERING | 1146.80 |
| ENTRIKIN SHARRON | 16.98 |
| FASTENAL COMPANY | 278.40 |
| GLOBAL ENVIRONMENTAL | 600.00 |
| GRIFFITHS | 230.37 |
| HANNIBAL SONYA L | 37.00 |
| HEFFERNAN SOFT WATER | 24.00 |
| HILLSDALE DAILY NEWS | 518.50 |
| HILLSDALE HARDWARE | 228.89 |
| HOOP LAWN & SNOW, LLC | 1800.00 |
| HUFFMAN TODD | 17.85 |
| HYDROCORP | 1333.00 |
| IBEW | 643.62 |
| IDEXX LABORATORIES | 919.91 |
| IRBY | 27.00 |
| KENDALL ELECTRIC | 420.16 |
| KEY GOVERNMENT | 80855.63 |
| KOZARA KIM A | 121.00 |
| KUBRA DATA TRANSFER | 2632.38 |
| MARKET HOUSE | 16.92 |
| MAST KAYLA R | 35.00 |
| MCCOSH KENNETH | 53.91 |
| MCINTYRE ANDREW J | 171.00 |
| MEDWEST MEDICAL SUPPLY LLC | 326.06 |
| MERIT LABORATORIES | 2870.64 |
| METROFF ASHLEY L | 39.00 |
| MICHAEL JERRY L | 67.00 |
| MICHIGAN GAS | 1059.76 |
| MIKA MEYERS BECKETT | 9978.75 |
| MODERN WASTE SYSTEMS | 236.00 |
| MORRILL, TRENTON | 134.99 |
| MSCPA | 232.88 |
| NELSON CATHERINE SUE | 211.61 |

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| NONIK TECHNOLOGIES | 6026.67 |
| NORTH CENTRAL LAB | 132.22 |
| NORTHERN SAFETY | 221.25 |
| OFFICIAL PAYMENTS CORP | 339.03 |
| ONLINE UTILITY EXCHANGE | 159.65 |
| PARNEYS CAR CARE INC | 35.20 |
| PERFORMANCE AUTO | 471.95 |
| PLANTE & MORAN, PLLC | 16350.00 |
| POWER LINE SUPPLY | 3666.35 |
| PSI | 1017.00 |
| QUALITY ASPHALT | 7150.00 |
| RENFRO TAYLOR L | 39.00 |
| REPUBLIC WASTE | 971.14 |
| ROTH REAL ESTATE COMPANY | 38.80 |
| RUPERT'S CULLIGAN | 24.00 |
| SAFETY SYSTEMS, INC. | 342.00 |
| SAMANTHA SMITH | 230.00 |
| SCHILLING LISA B | 10.00 |
| SLC METER LLC | 908.16 |
| SPAHR STEVEN D | 7.46 |
| SPRATT'S TRADING | 58.76 |
| SPRINT | 626.26 |
| STATE OF MICHIGAN | 9039.07 |
| STOCKHOUSE COMPUTER | 117.21 |
| SUN LIFE FINANCIAL | 931.33 |
| TALL PINE PROPERTIES | 40.00 |
| THE WATER STORE | 20.00 |
| USABLUEBOOK | 2126.77 |
| WALLACE JAMES D | 94.88 |
| WATKINS OIL COMPANY | 1555.98 |
| WCSR | 190.00 |
| WHEELER WORLD INC | 39484.43 |
| | 327391.15 |

Moved by Mr. Sumnar, supported by Mr. Batt to approve the above November bills in the amount of \$327,391.15.

Motion carried by unanimous voice vote.

Moved by Mr. Sumnar, supported by Mr. Batt, to approve the October MSCPA bill usage in the amount of \$724,326.70.

Motion carried by unanimous voice vote.

Director's Report

1. Audit Update: Donna Hecht from CHBW needed to push the presentation of the Audit back another month.
2. SB 437 & SB 438: Both bills have passed the Senate and were presented to the House when they returned on November 29th.
3. MSCPA: We have authorized nFront to perform a Power Supply Study at a cost not to exceed \$100,000. This will allow us to review our portfolio and to update our long term power supply plans.
4. AMP: The AFEC Unit #2 that was taken out of service in September was put back on line in November. After a few days of operations it had to be taken back out of service due to vibration. The vibration will be investigated, repaired and the unit placed back in service as soon as possible.
5. Field Gymmy: We have been in contact with Biddergy.com, the company that sold the Gymmy, and the individual that made the bid had a deadline of December 7th to make payment. If he didn't pay, Biddergy.com will proceed with a lawsuit against him to complete the purchase.

Items:

1. Point & Pay Service Agreement

With our new financial software being implemented in January, the City and the Utility are proposing to add the Point & Pay services to bring our bill payments up to current standards.

The Service Modules they will be providing include:

Counter Module: The Counter Module will allow customers to make payments utilizing a payment device (Debit or Credit Cards).

Web Module: The Web Module allows customers to make payments online using a payment device (Debit or Credit Cards, Electronic Checks).

Interactive Voice Response (IVR) Module: The IVR Module allows customers to make payments over the phone using a payment device (Debit or Credit Card).

Training: Point & Pay will provide instruction manuals and up to four (4) hours of training.

Recommendation: It is staff's recommendation that the Board approve the E-Payment Services Agreement with Point & Pay at no cost to the Utility.

Moved by Mr. Hill, supported by Mr. Sumnar to approve the E-Payment Service Agreement with Point & Pay at no cost to the Utility.

Roll Call: Unanimous. Motion Carried.

2. Water Capital Improvement Plan

The Michigan Department of Environmental Quality performed a Sanitary Survey on the water system on July 20, 2016. One of the issues noted in the survey was the requirement of a Capital Improvement Plan. The Plan requires a five (5) year planning period and a twenty (20) year planning period encompassing all aspects of the water system and foreseeable needs in the respective time periods. The identified projects are required to have a funding source and be adopted by the water system owner.

Recommendation: It is staff's recommendation that the Hillsdale Board of Public Utilities adopt the attached schedule of capital improvements for the water system, to be updated annually and to have the Water Committee involved.

Moved by Mr. Sumnar, supported Mr. Hill to approve the Hillsdale Board of Public Utilities to adopt the attached schedule of capital improvements for the water system, to be updated annually and to have the Water Committee involved in the process.

Roll Call: Unanimous. Motion Carried.

3. Hiring an Operator at the Power Plant

With the engines/generators at the Power Plant being approved by the EPA and MISO for our capacity credits, Chris and I think it is time to start staffing the Power Plant for our summer operations. I have provided in the year's budget for 6 months of wages for an employee at the Power Plant.

Recommendation: It is staff's recommendation to approve the placement of an Operator for the Power Plant.

Moved by Mr. Batt, supported by Ms. Howard to approve the placement of an Operator for the Power Plant.

4. Elevated Water Storage Tank Space Lease/Wireless Antennae Lease - DMCI

DMCI has had an antenna on our water tower on South Street for several years, at no charge. They have recently put an antenna on the tower in the Industrial Park for their WIFI. A lease agreement was drawn up by the City Attorney. DMCI will pay \$1200.00 per month on the South Street tower and \$200.00 per month on the Industrial Park site tower for their WIFI.

Recommendation: It is staff's recommendation that the Board approves the lease agreement with DMCI in the amount of \$1200 per month for the use of the South Street tower and \$200 per month for the use of the Industrial Park site tower for their WIFI.

Moved by Mr. Hill, supported by Mr. Batt to approve the lease agreement with DMCI in the amount of \$1200 per month for the use of the South Street tower and \$200 per month for the use of the Industrial Park site tower for their WIFI.

Roll Call: Unanimous. Motion Carried.

Board Member Roundtable – None

Public Comment – None

Closed Session – Litigation

Closed session under Section 8 (e) of the Michigan Open Meetings Act, to consult with City Attorney regarding trial strategy in connection with Dawn Townley v City Council for the City of Hillsdale, Hillsdale Board of Public Utilities et al.

Moved by Mr. Hill, supported by Mr. Sumnar to leave closed session.

Moved by Mr. Sumnar, supported by Mr. Hill to adjourn meeting – 8:16 p.m.

Kelley Newell, Secretary to the Board