

Hillsdale Board of Public Utilities  
Regular Meeting

July 11, 2017

The regular Hillsdale Board of Public Utilities meeting was called to order at the BPU Offices, 45 Monroe Street, Hillsdale, Michigan at 7:00 p.m. by Mr. Barry Hill, President to the Board.

Board Members Present: Mr. Barry Hill, President  
Mr. Bob Batt, Vice-President  
Mr. Chris Sumnar  
Mr. Eric Hoffman

Board Members Absent: Ms. Lois Howard

Others present: Mike Barber, Director; Chris McArthur, Assistant Director; Stephen M. French, Secretary to the Board; Scott Sessions, Mayor; Bill Briggs, Water Distribution Superintendent/WWTP Supervisor; Chad Culbert, Electric Distribution Superintendent; Don Reid, Hillsdale Daily News; and, David Mackie, City Manager.

**MINUTES**

Mr. Sumnar noted the appropriate motion and roll call vote on Item 1: "Water and Wastewater Revised Utility Rate Model" section of the June 13, 2017 minutes. Mr. French apologized for the oversight and stated he would insert those items in the meeting minutes.

Mr. Sumnar, seconded by Mr. Batt, moved to approve the June 13, 2017 regular meeting minutes with the correction noted by Mr. Sumnar. By a voice vote, the motion passed unanimously.

**BILLS PAYABLE**

Mr. Hill questioned the Michigan Gas Utilities charge for \$1,200.02 and noted the amount seemed high for a summer month. Director Barber stated the amount was higher due, as testing for the generators had occurred throughout the month.

Responding to a question from Mr. Hill, Director Barber stated the claim from Apogee Interactive, Inc. was for the annual maintenance charges for the energy conservation tools on the BPU's website.

Mr. Hill also questioned the multiple charges from Merit Laboratories regarding the Hillsdale Street Camera Pro. Director Barber stated BPU staff had discovered an oily-type substance during an inspection that needed to be analyzed by Merit Labs. Director Barber stated the results proved the substance was not oil-based and no further treatment was necessary in the area.

Mr. Batt, seconded by Mr. Hoffman, moved to approve the above June bills in the amount of \$307,859.24. By a voice vote, the motion passed unanimously.

Mr. Sumnar, supported by Mr. Batt, moved to approve the May Michigan South Central Power Authority (MSCPA) bill usage in the amount of \$766,575.06. By a voice vote, the motion passed unanimously.

#### **APRIL FINANCIAL REPORT**

President Hill presented the monthly financial report for review. President Hill encouraged BPU staff to begin reconciliation of the obsolete inventory at the power plant to either scrap or resell the remaining equipment. President Hill also questioned the negative account balances that were found within the report.

Mr. Sumnar noted the figures were still being reconciled and reminded the board that Finance Director Tew recommended the board not formally approve the report until final review had been completed by the auditors.

#### **DIRECTOR'S REPORT**

1. Director Barber reported the Emergency Response Plans that were included in the previous meeting packets were being updated and should be completed in August.
2. Director Barber stated the conversion to the BS&A Software package was completed and the software was fully operational on June 19, 2017. Director Barber commended the BPU staff for their diligence and commitment during this project.

Director Barber requested the BPU Board approve two, additional weeks of training for the BPU software from the BS&A Software at a cost of \$9,700. Director Barber stated this extension would extend the software training through the middle of August 2017.

Mr. Sumnar, seconded by Mr. Batt, moved to approve two, additional weeks of training for the BPU software from the BS&A Software at a cost of \$9,700. By a voice vote, the motion passed unanimously.

3. Director Barber reminded everyone of the MSCPA annual meeting scheduled for Wednesday, July 12, 2017 at 6:00 p.m. at Oliva's Chop House in Jonesville.

**ACTION ITEMS**

**1. Purchase of Padmount Transformer**

Mr. Culbert stated a new transformer was needed for the new chapel under construction at Hillsdale College. Mr. Culbert stated the utility had received two quotes for the equipment, with the low bid being from Solomon Corporation at a total price of \$9,985.00.

Mr. Batt moved, seconded by Mr. Sumnar, to approve the purchase a new padmount transformer from Solomon Corporation at a total price of \$9,985.00. By a voice vote, the motion passed unanimously.

**2. IBEW Tentative Agreement**

City Manager Mackie reviewed the agreement with the International Brotherhood of Electrical Workers (IBEW) that had been tentatively approved by both parties. City Manager Mackie stated there were two key components of the pension plan changes. The first would include closing the Defined Benefit Plan to all new participants hired after July 1, 2017 and replacing it with a Defined Contribution Plan. City Manager Mackie stated the second component would be to set the FAC to cap compensation at \$80,000 July 1, 2017 and \$85,000 on July 1, 2022.

City Manager Mackie stated the tentative agreement would increase wages for all IBEW employee by 2% with an equity adjustment of \$1.50 for linemen and \$1.00 for water operators in recognition of licensing requirements. City Manager Mackie noted the water operators who did not have their state certification would be required to obtain that licensure within two years to maintain their employment with the utility.

Mr. Hoffman questioned if the two-year window to obtain the proper state licensing would be adequate for current staff. City Manager Mackie stated the current water operators had all of the experience necessary for the license and the state offered appropriate preparatory courses for review.

Mr. Sumnar, seconded by Hoffman, moved to recommend approval of the IBEW Tentative Agreement as submitted.

Roll call:	Mr. Batt	Aye
	Mr. Hill	Aye
	Mr. Hoffman	Aye
	Mr. Sumnar	Aye

Motion passed 4-0.

**3. American Public Power Association (APPA) Annual Conference Report**

Mr. Batt provided information on the APPA conference that he recently attended. Mr. Batt noted the most beneficial topics were (1) Strategic Planning; and, (2) Community the Value of the Utility.

Mr. Batt discussed the importance of strategic planning and encourage the utility to begin the process to update its strategic plan, especially due to the number of new board members and staff positions. Mr. Batt thanked the BPU for the opportunity to attend the conference.

**DEPARTMENT PROJECT PROGRESS REPORTS/  
DEPARTMENT & INCIDENT REPORTS**

Mr. MacArthur reported the BPU was waiting for Department of Environmental Quality (DEQ) approval of the chemical used for the cooling tower at the power plant, which should be received within the next month. Mr. MacArthur also stated staff was being repairs on Engine 5 in the power plant, after the engine was found to be leaking water and a blown head gasket was discovered. Mr. MacArthur reported the third and final phase had begun of the project to replace on-board computer systems with updated Program Logic Controllers and continue final repairs to Generators #5 and #6.

Mr. Briggs provided an update on the wastewater improvement project and noted the concrete for the south, secondary clarifier would be poured in the near future. Mr. Briggs stated the excavation had begun for the new primary clarifier, while the floor of the new storage building was completed. Mr. Briggs reported the cleaning of the digester had begun and the solids building was nearly finished.

Mr. Culbert reported on the damage to the utility equipment that had been hit by lightning in a recent storm. Mr. Culbert stated the estimates to the damage was around \$9,000 including equipment replacement and employee costs. Mr. Culbert also discussed the purchase of reconditioned or remanufactured electric transformers and the appropriate uses and costs savings for each type of unit.

**BOARD MEMBER ROUNDTABLE**

Mr. Batt distributed upcoming seminar and conference information to the board.

**PUBLIC COMMENT**

City Manager Mackie reported the ownership of Hillsdale Terminal commended the BPU staff for promptly restoring power to their facility following the recent storm and lightning strike.

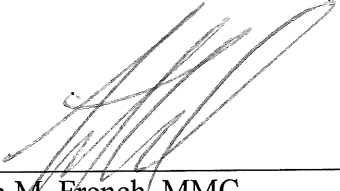
**ADJOURNMENT**

Mr. Sumnar, supported by Mr. Hoffman, moved to adjourn meeting. By a roll call the motion passed unanimously.

July 11, 2017

BPU Board Meeting

The meeting was adjourned at 8:02 p.m.



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Stephen M. French, MMC  
Secretary to the Board

**MINUTES APPROVED: AUGUST 8, 2017**