

November 8, 2016  
45 Monroe Street  
Hillsdale, MI 49242

The regular Hillsdale Board of Public Utilities meeting was called to order at 7:00 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 and Ms. Lois Howard.

Board Members Absent: Mr. Chris Sumnar

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.

Moved by Mr. Hill, supported by Mr. Batt to approve the minutes of the October 11, 2016 regular meeting and record in the official minute book.

Motion carried by unanimous voice vote.

#### **Claims Drawn on Operations & Maintenance Fund**

##### **October 2016**

A CLEAN START	300
ACD INC	202
AFLAC	630.84
ALEXANDER CHEMICAL	2,817.84
AMERICAN COPPER &	897.28
AT&T	780.44
BCBS	32,757.25
BECKER & SCRIVENS	110
BILL BRIGGS	70
BIOLOGICAL RESEARCH	25
BRADLEY J MARTIN	93.11
BUSINESS CARD	4,035.20
CEM	439.54
CENTURYLINK QCC	58.12
CINTAS LOCATION	2,346.31
CITY OF HILLSDALE	94,179.23
CLASSIC CUTS PLUS SALON & SPA	148.06

COMMUNITY ACTION AGENCY	2,658.28
CURRENT OFFICE	841.44
DISTRICT COURT	816.1
DUBOIS TRUCKING	333
DUNHAM RODERICK R	29.34
EASTERDAY JAY K	63.25
ELHORN ENGINEERING	1,240.80
ENVIRONMENTAL MGMT	2,990.85
FASTENAL COMPANY	110.99
FLEIS & VANDENBRINK	32,028.52
GRAHAM CODY T	4
GRIFFITHS	249.25
HACH COMPANY	23.04
HARRIS COMPUTER	3,900.00
HEFFERNAN SOFT WATER	89.25
HEIDELBERG ALISHA A	105
HILLSDALE COUNTY	300
HILLSDALE DAILY NEWS	395
HILLSDALE HARDWARE	347.32
HILLSDALE HIGH - YEAR	110
HOOP LAWN & SNOW, LLC	3,000.00
HORN DEREK R	89
HYDROCORP	1,333.00
IBEW	610.37
IRBY	2,340.00
ITRON	3,640.46
JACK DOHENY SUPPLIES	749.33
JOHNSON, BRENT	99.99
JONESVILLE LUMBER CO	809.82
JUDY KRISTA D	76.8
JUNIOR ACHIEVEMENT	150
KENDALL ELECTRIC	257.98
KSS ENTERPRISES	274.74
KUBRA DATA TRANSFER	2,600.44
LASER LUKE O	102.34
LD DOCSA ASSOCIATES	102,926.70
LEVI SHILLING	100
MARKET HOUSE	105.91
MERIT LABORATORIES	2,978.15
MICHIGAN GAS	1,006.85
MICHIGAN MUNICIPAL	2,838.77
MIKA MEYERS BECKETT	526.68
MODERN WASTE SYSTEMS	236

MONROE JERAMY M	375.93
MSCPA	7,533.08
NONIK TECHNOLOGIES	7,114.00
NORRIS, PERNE'	1,556.25
ONLINE UTILITY EXCHANGE	148.6
PERFORMANCE AUTO	49.55
POINT RENTAL & SALES	25
POWER LINE SUPPLY	2,183.49
POWERS CLOTHING, INC	520.05
RUPERT'S CULLIGAN	26
SCHOLL RONALD J	172
SCRIVENER NICOLE M	73.42
SLC METER LLC	21,496.55
SMITH & LOVELESS	855
SMITH BILLIE JO	120
SOLOMON CORPORATION	9,320.00
SPRATT TIA R	67
SPRATT'S TRADING	50.52
SPRINT	626.26
SSOE GROUP	1,880.81
STATE OF MICHIGAN	5,739.59
STOCKHOUSE COMPUTER	971.71
TELEDYNE ISCO, INC	135.46
TEMPLES THOMAS B	12.46
THE WATER STORE	10
TRYON CLINT J	21.17
TYCO INTEGRATED	2,154.27
UIS PROGRAMMABLE	3,570.00
USABLUEBOOK	2,497.86
UTILITIES INSTRUMENT	7,194.62
WATKINS OIL COMPANY	4,901.97
WCSR	631
WHEELER WORLD INC	49,684.75
WHITE'S WELDING	350

Moved by Mr. Hill, supported by Mr. Batt to approve the above October bills in the amount of \$445,447.35.

Motion carried by unanimous voice vote.

Moved by Mr. Batt, supported by Mr. Hill, to approve the September MSCPA bill usage in the amount of \$803,793.20.

Motion carried by unanimous voice vote.

### **Director's Report**

1. The Audit will be presented to the Board at the December Board meeting.
2. BS&A will be on-site December 5<sup>th</sup>.
3. PCA freeze added to the Agenda.

### **Items:**

#### **1. Proposal for Electric Cost of Service and Rate Design Study**

January will provide the last rate adjustment in our current 5 year study. It would be of benefit to begin a new study. A request for proposals was put out. We received 2 responses. Utility Financial Solutions, LLC., and SSOE Group are the 2 proposals that were received and we have had an excellent past relationship with both firms.

Utility Financial Solutions	\$24,500.00
SSOE Group	\$18,500.00

**Recommendation:** It is staff's recommendation that the Board approve the SSOE Group to provide an Electric Cost of Service and Rate Design Study for the not-to-exceed cost of \$18,500.00

Moved by Mr. Hill, supported by Mr. Batt to approve the contract with SSOE Group to provide an Electric Cost Service and Rate Design Study for the not-to-exceed cost of \$18,500.00.

Roll Call: Unanimous. Motion Carried.

#### **2. BS&A Change Request**

When the modules were reviewed between BS&A and staff, it was noted that the Inventory Management Conversion and Training, Work Order Training and Time Sheet Training was not included in our package. They have submitted a quote to provide this at a cost of \$5,915.00.

**Recommendation:** It is staff's recommendation that the Change Request to BS&A be approved for the cost of \$5,915.00.

Moved by Mr. Batt, supported Mr. Hill to approve the Change Request to BS&A at a cost of \$5,915.00.

Roll Call: Unanimous. Motion Carried.

3. **Pole Attachment Licensing Agreement**

Our Pole Attachment Agreement needs to be updated so all of the communication providers that utilize space on our poles understand what is expected of them and also new carriers complete the process of attachment to our poles in the manner outlined by the Agreement. Our Attorney has provided us with a legal opinion on this agreement and has given his approval to move forward.

**Recommendation:** It is Staff's recommendation that the Board approve the presented Pole Attachment Licensing Agreement.

Moved by Mr. Batt, supported by Mr. Hill to approve the presented Pole Attachment Agreement.

4. **Proposal for Distribution System Improvements**

One of our Capital Projects for FYE 2017 is to reconfigure feeders 13 and 14, complete the design and energization of the High Rise Substation and replace the old dead-end riser structure at the High Rise Substation. We have received a proposal from SSOE Group to provide the services to move forward with this project. This includes engineering, design, bidding and construction administration to get to an acceptable completion. SSOE Groups has proposed a total cost for their participation in the project at \$48,900.00. The cost will come from the FYE 2017 Capital Projects that have been approved at \$350,000.

**Recommendation:** It is Staff's recommendation that the Board approve The SSOE Group to engineer, design, solicit bids and administrate the construction to reconfigure feeders 13 & 14, complete the design of the High Rise Substation and replace the dead-end riser structure at the High Rise Substation for a cost of \$48,900.00.

Moved by Mr. Hill, supported by Mr. Batt to approve the SSOE Group to engineer, design, solicit bids and administrate the construction to reconfigure feeders 13 & 14, complete the design of the High Rise Substation and replace the dead-end riser structure at the High Rise Substation for a cost of \$48,900.00.

Roll Call: Unanimous. Motion Carried.

5. **Freezing PCA**

It is Staff's recommendation to freeze the Power Cost Adjustment until the new rate study has been completed.

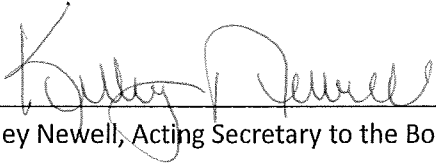
**Recommendation:** It is Staff's recommendation to freeze the Power Cost adjustment until the new Rate Study is complete.

Moved by Mr. Hill, supported by Mr. Batt to approve to freeze the Power Cost Adjustment until the new Rate Study is complete.

Board Member Roundtable – None

Public Comment – None

Meeting Adjourned – 7:44 p.m.

A handwritten signature in cursive script, appearing to read "Kelley Newell", is written over a horizontal line.

Kelley Newell, Acting Secretary to the Board