

## **Minutes of the Public Works and Public Utilities Committee of the City of Centralia for Monday, February 2, 2015.**

The meeting was called to order by Chairman Bormann at 7:50 p.m. Present were Mayor Tim Grenke, Aldermen Jim Lee, David Wilkins, Andrea Vollrath, Richard Ward and Landon Magley. Also attending were Matt Harline, Mark Mustain, Phil Hoffman, Heather Russell of the City staff, and James Smith of the Fireside Guard.

The Committee met following a special meeting of the Board of Aldermen.

### **COMMENTS FROM CITIZENS**

None

### **ELECTRIC DEPARTMENT**

*Activity Report* Chairman Bormann noted that there was a short report from the Electric Department and asked for comment on the Activity Report and there was none.

#### *Demonstration of On-line/Credit Card Bill Pay*

City Clerk, Heather Russell gave a detailed presentation of the on-line bill pay that allows customers to pay City utility bills by credit 24 hours per day. Russell noted that the usage history provides each customer information about how much water and electric power they used by month over the past year. Mustain noted that he had already tried it with the Electric Barn and it was working. Russell explained that customers can get an on-line account to see your usage and never pay by credit card. Russell explained that the credit card information is handled completely by a third party vendor and that the City never sees the information. Russell noted that there will be a 3% fee charged and the revenues are split by the credit handling company (BluFin) and CUSI the company that developed our utility billing software. Russell reported that the system is live. Bormann asked about which methods of payment were possible and Russell replied that only credit and debit card are accepted.

#### *Purchasing*

Wire bids: Bormann noted that we received seven bids for underground primary wire. Mustain noted that it was for 5,000 feet of wire. Mustain recommend accepting the bid from Arkansas Electric as it was the lowest and best bid. **Grenke moved and Magley seconded a motion to accept the best bid by Arkansas Electric at \$7,985.00. Motion was approved by unanimous voice vote.**

#### *Pole Attachment Agreement with Ameren (gas)*

Harline reported that Scott Mueller of Landis-Gyr has been working with the staff on trying to install five or more "collector" units for remote read gas meters as a contractor for Ameren. Harline said that Muller had said that Harline reported that both parties have come up a general agreement setting the rate for pole attachments at \$11.31 per month; this amount was arrived at by adding a combination of the base meter fee plus the rate we charge the telephone company per pole attachment. Harline noted that there would be a very minimal electrical use and the City staff would do the 120V connection. Harline stated the agreement included insurance protection. Harline stated that we would not actually meter the usage.

#### *Boring for Electric Conduit under the Railroad Tracks Update*

Harline reported that the contracts had arrived and the full cost would be \$8,000. Harline reported

that he and Mark had looked into the possibility of providing additional conduit space for fiber optic cable since we were already boring underground. Harline stated that in conversations with BHMG they discovered that it would not fit in the electric wire conduit and that it would require additional cost and permitting and much higher cost if the fiber was for any use besides the City's own internal use. Mustain reported that the actual boring would cost in the neighborhood of \$150,000 due to insurance, flagman and boring – the boring is not the major cost. Mustain noted this would only provide for the casing and the conduit and the wire would be paid for in the FY2017 budget. The project will help redistribute more load on to the Wilson Street substation and provide better service on the east side of town. Harline said more specifically the total railroad costs are \$63,000 and the boring will be \$80,000. Mustain thinks he can cut those costs by a different boring strategy. Bormann asked about the requirements for permits to pull the wire. Mustain said he would have to check into it.

#### *Long term power RFP and sale of capacity*

Harline reported that now that the Prairie State power plant is operational, we have some rights to the capacity in it that we can sell. The cities in the Mid-Missouri Group (MMG) have been working with Bob Harbour to look into our options to sell these rights Harline added. Harline noted that a small sliver of the 1.6 MW we have rights to can be sold to Ameren/Dynegy to cover the addition Planning Reserve Margin that MISO will require in their next fiscal year and offset about \$8,000 in costs each of the next two years. Harline said that we have been offered \$1.45 for the additional capacity so this is “found money” of approximately \$14,000. Bormann asked how it compared to the amount we pay for power and the rate we pay. Harline stated that it was a small fraction we are getting back of the more than \$2 million dollars we pay for electricity annually and that since this is sale of capacity, it isn't really possible to compare it to the rate we pay for energy. Harline noted that the cost of power will be going down slightly due to the contract negotiated by Lynn. Harline explained that there will be a chance next October to seek bids for the sale of our capacity next year. Lee asked if the rating could change; if the Prairie State plant could go up from the 1.6MW level. Harline said that it could. Harline added that the negotiations for the power purchase contract for June 2017 – 2020 was still underway and MPUA had asked to make a presentation to the MMG group.

## **WATER AND SEWER**

### *Activity Report*

Bormann noted that Mike Forsee was not here to answer questions about the lengthy Water Department report.

### *Water*

Chlorine bids: Bormann noted that there were bids for chlorine. Harline noted that the staff recommendation was for DPC because they had lower prices than Brentag. Harline added they had used both companies and both did well but DP had the lower bid this time. **Ward moved and Magley seconded a motion to accept the bid of DPC for \$0.35/pound for 150 pound cylinders. The motion was approved by unanimous voice vote.**

### *Sewer*

Bormann asked for general sewer questions and there were none.

### *Other*

Bormann asked for any other questions and there were none.

## **PUBLIC WORKS**

### *A. Activity Report*

Bormann asked for any questions or comments on the activity report and there were none.

### *B. Streets*

#### Road Project List Update and Discussion

Harline noted that after a lengthy tour of the streets in Centralia with Phil Hoffman he has a substantially different list than last time. Harline noted that he would like to keep the \$15,000 for sidewalks and the \$10,000 for matching funds for the Jefferson Street sidewalk project. Harline gave a report highlighting the information in the spreadsheet included in the packet including Orchard Street and Jefferson Street. Bormann asked about Jefferson Street and Harline and Hoffman replied the costs were on the spreadsheet, but not in the budget for next year as a full reconstruction or an overlay. Bormann noted that he agreed that it would be better to do some overlay work this year instead of reconstruction of Jefferson Street between the railroad tracks. Harline noted that Central Street was moved back a year or two on the list because there was on-going development. Hoffmann noted that the Street Department would need to do some concrete patches first anyway. Bormann noted that Central Street was not built properly by the developer and maybe the City needs to require inspection of street construction and get the training to do it. Magley noted that the City of Columbia required an inspector on the job and therefore he supported the idea of inspecting road construction; starting in Cobblestone. There was further discussion about repairing and maintaining Central Street. Harline and Hoffmann explained the reason they selected the roads that they had recommended for repair in the summer of 2015. Bormann recommended hiring a summer intern to update the street inventory and get the road conditions entered into the GIS database. Grenke asked if that was the recommended list for FY2016. Harline and Hoffmann replied that was correct. Hoffmann added that improvement of the downtown streets was not even on the list and would probably require two years' worth of budgeted funds. Bormann asked for additional comment or questions.

### *C. Sanitation*

Bormann asked for any other questions and there were none. Harline noted that Hoffmann had been getting paid for our scrap instead of just giving it to vendors for free and had brought home about \$1,100. Magley asked if we could do the same with the household appliances. Hoffmann reported that local scrap dealers usually take those away. Harline noted that Ryan Enterprises called and asked if the City would continue to take plastic there instead of taking it to Columbia since they were now taking all plastics. Harline noted that the City had also been approached with offers for taking our solid waste at other facilities. Harline asked if the Committee would like to see a more formal agreement. Bormann said he would like to see us open it up for anyone. Magley asked about getting a Roll-off container from Central Metals. Hoffmann said he would look into it.

### *Stormsewer*

#### FY 2016 Projects

Harline stated that he intended to have a full report but he didn't get it done. Harline stated we are looking at three main projects; the Miles Street Ditch extension, the Midland GIS mapping project and the culverts under South Jefferson Street/Gano Chance Street. Hoffman explained that he was waiting back on bids for lining those two culverts and a large culvert under the railroad tracks. Bormann said that we had made promises on Miles Street but the culverts may be more

of an emergency. Hoffman replied in response to a question from Magley that the ones on Jefferson Street are getting pretty bad. Bormann asked to see those bids when they are available. Harline and Bormann noted that any project under Jefferson Street should be designed to accommodate a 28 – 38 foot wide Jefferson Street.

#### **OTHER**

None

#### **RED FLAG RULE UPDATE**

Harline stated that we make a report every year and there are no changes but he felt that he should note that the City had no additional requirements

#### **ADDITIONAL BUDGET DISCUSSIONS**

Harline noted that he had looked at the utility revenues and expenses and saw no cause for alarm.

#### **AS MAY ARISE**

Grenke reported that he had attended a meeting of the Mid-Missouri Regional Planning Commission and MODOT reported that in FY 2017 their budget would be \$325 million and they had already made all the cut backs they could so in the coming years MODOT will focus on 8,000 miles of the 34,000 mile system. Grenke replied in response to Bormann's question that they only wanted to inform the public about their budget shortfall and that they could get more money from the Federal Government if the State Legislature would increase our gasoline tax. Bormann noted that MODOT has responsibility for many roads which other states expect local governments to repair. Grenke noted that Missouri is 46<sup>th</sup> in funding for roads per mile.

Magley asked about the concrete section under the tracks on Allen Street. Harline said he had spoken with a representative of Norfolk-Southern and he said that they had removed it because it was needed and that it probably wasn't worth the added expense.

#### **ADJOURN**

There being no other business, Borman called for a motion to adjourn. Wilkins moved and Grenke seconded a motion to adjourn. The motion was approved unanimously by voice vote. The Committee adjourned at 9:15 p.m.

G:\City of Centralia\Council\working folder - 3rd Board of Alderman Meeting\Minutes - Public Utilities & Public Works-2Feb- 2015.docx