

Minutes of the Public Works and Public Utilities Committee for Monday, April 3, 2017.

The meeting was called to order by Alderman Jim Lee, Chairperson at 7:00p.m.

Present.

Present also were Mayor Tim Grenke, Aldermen, Andrea Vollrath, Landon Magley, Don Rodgers, Dick Ward, and Jim Lee. Also attending were City Administrator Matt Harline, Street & Sanitation Foreman Phil Hoffman, Water & Wastewater Foreman Mike Forsee, Electric Foreman Jeff Armontrout. Citizens present were Don Bormann, John Williams and John Grotzinger of MPUA and James Smith of the Fireside Guard.

I. Comments from Citizens.

None

II. Presentation by John Grotzinger of MPUA

Grotzinger of the Missouri Joint Municipal Electric Utility Commission (MJMEUC) explained the contract the City is looking at signing to purchase wind energy from the Grain Belt Express and the Iron Star Wind Project. Grotzinger explained that Clean Line is working state by state to receive the regulatory approvals needed to site the Grain Belt Express (GBE) from Kansas through Missouri to Illinois. Grotzinger noted that MJMEUC estimates savings over SPP transmission of approximately \$10M a year, they are hoping for a decision by June. The Iron Star Wind Project has an excellent wind resource area and is a low cost opportunity and it is located near Kansas AC/DC converter, Grotzinger explained. Grotzinger added that getting energy to Missouri is contingent on the Grain Belt DC line. The MJMEUC contract combines Grain Belt Express and Iron Star Wind Project to form Kansas Wind Project 1. Grotzinger explained that the project will offer expected service in 2021, low delivered cost starting under \$21/MWh, a fixed 2% escalation cost, low congestion cost expected at NE Missouri location to deliver to City. Grotzinger stated that this is a rare opportunity. Rodgers asked about the problems for landowners with putting in the powerline and Grotzinger said they would pay for the damages and also said that a DC power line is more efficient over long distances and very controllable. Harline said Hubbell is a preferred partner and this will create jobs in Centralia. Grenke stated that he would like to see this opportunity come to fruition. Grotzinger explained that the limit of the purchase from GBE is 200 MW and anyone that signs on for this 200 MW will get this locked in price. Grenke asked when our current contract is up and how we would bridge the gap. Harline explained our current purchase power agreement is up in 2020 but we could fill the 1 MW amount (of total 10.5 MW needed) without much trouble. Harline and Grotzinger explained how MJMEUC and Centralia could work together to make this work. Harline expressed this is an excellent idea for Centralia and there are few reasons we wouldn't want to do this. We could buy this 1 MW and use it, sell it back. Harline noted that we would be locked in this contract but the very worst scenario, where no wind is generated, we are out \$17,000 per year. Harline said that the biggest risk is the Missouri Public Service Commission (MPSC) says no and if that happens we are released from the deal. Grotzinger said they do have protection and guarantees in the contract. Grotzinger replied in response to a question from Lee that there were no turbines in the ground, but their construction time is about eighteen months. Grotzinger answered a question from the audience replied that the timetable for the MPSC is between this June and a year from now.

III. Public Works

A. *Activity Report* Lee asked for comments and questions on the Activity Report. Rodgers said

that he received a big thank you for the big tree being removed from the creek near Emerald Drive by the street department. Harline noted that the Hubbell's directional signs were up. Hoffman said in answer to Lee's question that the mulch pile is still smoldering.

B. Streets

1. Street Overlay RFP: Harline said that the RFP includes the streets that have been approved previously by the Board of Aldermen except that on part of Alco didn't really need it so there may be extra funds. **Ward made a motion to move forward with the streets overlay RFP. Vollrath seconded the motion and the motion carried unanimously by voice vote.**

C. Sanitation

1. Spring Cleanup: Harline said we do have this scheduled April 21-23 and April 28-30. Harline explained that roll off dumpsters will not be there during the week and there will be one pass through town to collect the brush and limbs curbside.

2. Recycling Trailer Grant

Harline said the grant application in the packet has been submitted for a roll off container to collect recycling adding that the City cost is budgeted at \$1000. Lee asked where it would be placed. Harline said it would be set by the Street Department shed.

D. Storm sewer: Hoffman said that he had been cleaning a lot of culverts and inlets.

E. Other - None

IV. Water and Sewer Department.

A. Activity Report Lee asked for comments and questions on the Activity Report. Forsee said in answer to a question from Lee that they have not isolated the rag problem in the sewers because the problem kept turning up in different places. Grenke asked if they have used the valve insertion tool and Forsee said they have not but will have training on it soon. Grenke said that he would like to be involved in this.

B. Water

1. Tap fees

Harline said as the handout shows, the actual cost for a new tap on a water line is \$710 and that was a three-hour job that did not have to go across the street. Harline noted that \$250 is the current fee. Harline recommended that these need to be increased to somewhere around \$500-\$600 a tap over the next three to five years. Forsee said these can be a full day job but this one was just three hours. Forsee noted that concrete and road overlay is also sometimes needed. Harline will get a range of prices charged by other cities and will bring this up in the next couple of months.

2. Bid for cleaning the Panther Water Tower (or SW Water Tower by Well #6)

Harline said this is \$1,000 less than the first price we have received and possibly the Fire department could get involved and clean the Water Tower instead. Forsee said it really just needs to be cleaned. If we can do this ourselves it would save \$6,000. Forsee replied to Lee's question by stating that the tower was 139 feet to the top, 85 – 90 feet to bottom of the bowl and that a full tank is 122 feet. Harline said that the City would experiment with trying to clean it ourselves.

C. Sewer – None.

D. Other - None.

V. Electric Department

A. Activity Report Lee asked for comments and questions on the Activity Report and there were none. In answer to Lee's question Harline said that we did charge Hubbell our actual cost to help them erect four power poles for training and testing.

B. Generation/Purchase

1. Contract with MJMEUC for wind power:

Harline said our Attorneys have looked at this and they said it looks one sided but they usually do for electric energy pool purchases. Harline stated that if this does get built then it is much more likely to see a lower cost in electric energy costs. Harline is recommending the Committee ask the staff to bring back an ordinance in a couple of weeks to execute a contract. **Magley made a motion to create an ordinance to approve the MJMEUC contract at the next meeting. Vollrath seconded motion and the motion carried unanimously by voice vote.**

2. Prairie State Tour – April 20, 2017

Harline went over the details of the trip to the Prairie State Energy Campus including the dress code and the information that he would need.

C. Distribution - None

D. Other - Harline is going to review the protocol for tree removal with John Kottwitz of the Tree Board. Harline said that the protocol will follow largely along the lines of: 1. Is it threat to a power line; 2. If it is not a threat to the power lines and it is a City tree is it an unhealthy tree that needs to come down? Harline suggested that if it is not a threat and not a City tree then it is the homeowner's responsibility.

V. OTHER.

A. Tour of City Facilities in May

Harline would like the Aldermen to take a look at the Water Plant and possibly other facilities next meeting (May 1).

VII. AS MAY RISE.

Grenke has spoken with someone about the manhole covers on north Allen. Hoffman will look into this. Grenke read the Arbor Day Proclamation, : This is the 26th year Centralia has received this award by The National Arbor Day Foundation, trees can cut heating and cooling costs, moderate temperature, clean the air, produce life-giving oxygen and increase property values, enhance the economic vitality of business areas and beautify our community, Everyone is encouraged to participate on Friday April 7th, 2017 at 2:20 p.m. at the Centralia Intermediate School to celebrate. Grenke encouraged all citizens to plant trees.

VIII. ADJOURN.

Magley made a motion to adjourn the meeting that was seconded by Vollrath and approved by unanimous voice vote.

The Committee adjourned 8:11 p.m.