

**Minutes, Paw Paw Village Council  
Regular Meeting, May 26, 2009**

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| 1. The regular Village Council meeting of Tuesday May 26, 2009, convened at 7:33 p.m. at 114 S. Gremps, Paw Paw, Michigan. President Pro tem Basinger presiding.  | <b>Meeting Convened</b>   |
| 2. Present: Basinger, Wilhelmi, McIntosh and Rohr. Excused: Plaszczak, Larcinese and Pioch Also present: Village Manager, Larry Nielsen   | <b>Members Present</b>  |
| 3. Motion by McIntosh supported by Rohr, to approve the corrected May 11, 2009 minutes of the regular meeting. All members present voting yes, motion carried.  | <b>Approved Minutes</b>   |
| 4. Motion by Rohr and supported by Basinger, to approve accounts payable for \$180,042.12 as presented. All members present voting yes, motion carried.   | <b>Accounts Payable</b>   |
| 5. Officer Eric Rottman was present to present some survey information regarding police departments with ride-a-long policies. Some information was different than presented in a survey of managers. The difference may be regarding council vs. departmental policies for citizens vs. council members. Regardless, Rottman indicated the patrol union is in support of council ride along.   | <b>Comments from<br/>Audience Members<br/>Eric Rottman</b>                |
| 6. Diane Stump asked if the Village was planning on closing wells 6 and 8 since it was finding other sites for water. It was explained the Village was not planning on closing wells 6 or 8; the Village had been looking for an alternative water site or sites 1) since Wal-Mart needed more water than could be supplied safely by wells 6 and 8 as the pressure may drop below requirements; 2) since wells 6 and 8 were in the same site, it is not safe to have water from just one source; 3) well 4 would not be able to supply the needs; and , 4) should wells 6 and 8 become contaminated by Coca Cola ground water concerns, the Village would need another site. | <b>Diane Stump, wells 6<br/>and 8 question</b>                            |
| 7. Deborah Klinger expressed thanks to Manager Nielsen for his Memorial Day comments.   | <b>Klinger thanks<br/>Nielsen</b>   |
| 8. Motion by McIntosh with support from Rohr to adopt Resolution 09-04 supporting a grant application by Bloomingdale Communications Inc. to develop a fiber optic ring in Van Buren County. All members voting yes, motion carried   | <b>New Business<br/>Fiber Optic Ring<br/>Resolution 09-04</b>             |
| 9. Motion by McIntosh with support from Wilhelmi to grant the request for the 11 <sup>th</sup> annual Float Fly - model plane landing and take-off from Maple Lake - for July 25, 2009 from 8:00 a.m. to 3:00 p.m. with a rain date of August 1, 2009. All members voting yes, motion carried.  | <b>11<sup>th</sup> Annual Float Fly<br/>Granted Use of<br/>Maple Lake</b> |

**Minutes, Paw Paw Village Council  
Regular Meeting, May 26, 2009**

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| 10. Motion by Wilhelmi with support from McIntosh to adopt Ordinance 419 – Outdoor and Open Burning Ordinance. Roll Call of members, all voting yes, motion carried.  | <b>Ongoing Business<br/>Outdoor &amp; Open<br/>Burning Ord. 419</b> |
| 11. The Ride a Long policy was held until other members could be present.   | <b>Council Ride A Long</b>  |
| 12. Finance and Administration Committee did not meet.  | <b>Committee Reports<br/>F &amp; A</b>                              |
| 13. Public Services Committee did not meet but Council member McIntosh asked the next meeting to consider burial of power lines along North Kalamazoo Street between Maple Island and the Boat Launch.  | <b>DPS Committee</b>  |
| 14. Parks and Recreation meets June 1, 2009.  | <b>Parks &amp; Recreation</b>                                       |
| 15. Nielsen reported the Downtown Development Authority made two more grants for a total of over \$16,000 in grants since March 1, 2009. The DDA also decided to extend its grants and loan program to consider interior renovations and demolitions.   | <b>DDA</b>  |
| 16. No report.  | <b>Fire Board</b>   |
| 17. Nielsen reported on activities around the Sesquicentennial Celebration.   | <b>Historical Comm.</b>   |
| 18. Rohr reported the Housing Commission will have its annual car wash and bake sale on June 20 <sup>th</sup> . Also reported the Commission will be having its regular and historical inspections. <b>Correction 6-8-09. As request by HUD.</b>  | <b>Housing Commission</b>   |
| 19. No report   | <b>RLF</b>  |
| 20. No report   | <b>PPWHF</b>  |
| 21. Nielsen reported the Maple Lake and Natural resources Committee met with consultants regarding nutrient loading and weed options for Maple Lake. A recommendation may be forthcoming at the next meeting.   | <b>Maple Lake &amp; Nat.<br/>Resources</b>                          |
| 22. Motion by McIntosh, supported by Rohr to close the regular meeting at 8:12 p m and reconvene the public hearing recessed on May 11, 2009 and take comment on the proposed Village of Paw Paw Energy Optimization Plan & Renewable Energy Portfolio. All members present voting yes, motion carried. | <b>Reopen Recessed<br/>Public Hearing –<br/>REP &amp; EOP</b>       |
| 23. In reconvening the public hearing, Basinger welcomed comments from audience and Council members.  |   |

**Minutes, Paw Paw Village Council  
Regular Meeting, May 26, 2009**

24. Nielsen explained that the Village purchases wholesale electrical power from IMP/AEP and distributes (resells) electrical energy to local customers. As such, both AEP and the Village are required as per P.A. 295 to file REP and EO plans with the Michigan Public Service Commission. Nielsen discussed the sequential documents in the MPSC docket regarding the Village of Paw Paw electric utility. **Corrections 6-8-09. The ruling and documentation was due July 21, 2009.** **Nielsen details plans**
25. Nielsen proceeded through the REP, as filed, page by page explaining pertinent information. Nielsen mentioned the options for wind power included in the plan and worked through the calculation sheets leading to the energy saving projections and the surcharges to customers. **REP Plan**
26. Nielsen then went through the EO plan as filed page by page explaining the various types of programs which the Village may implement. Nielsen pointed out the budget and expected energy savings for each effort. **EO Plan**
27. Council members asked about the REP and EO plan surcharges that get passed on to each customer. In particular, Council members inquired whether or not Indiana Michigan Power/ AEP, who provides electrical power to the Village, and the Village of Paw Paw are both going to have surcharges passed on the same Village customers. Nielsen replied the Public Act and the MPSC rules and regulations require both AEP and the Village to have plans and implement plants and that both can pass surcharges onto the same customers. Council member Basinger indicated that Village customers would be getting a double whammy with the implementation of the REP. **Surcharges by both IMP/AEP and Village Electric Dept.**
28. Council member Wilhelmi questioned whether customers knew how much it was going to cost them when the bills were being passed. Wilhelmi stated the public hearing was a waste of time since customers are not aware of what the actual increases on their electric bills are going to be. Nielsen indicated that it is hard for customers to understand the impacts of the plans until they actually get their bills with the surcharges.
29. Nielsen reviewed Village REP surcharge (\$1.43) and the EO surcharges (\$0.01199/kWh, plus potential additional costs (custom software changes; billing printing and mailing) to implement rules and regulations governing customer contact and printed bill information (estimated currently at \$0.005/kWh) Council members expressed concern. Again, Council members noted that AEP will also pass on surcharges to the same customers.
30. Nielsen also pointed out AEP interprets clauses in the agreement to mean that the Village cannot generate any power from any renewable source believing the contract means they (AEP) are to provide 100% of the power the Village purchases. Nielsen wondered if that remains the case, whether or not the **Extra printing on bills required to add costs to bills**

**Minutes, Paw Paw Village Council  
Regular Meeting, May 26, 2009**

Village could do anything to provide any amount of energy from a renewable source and if not, what that may mean for the Village's compliance with the REP plan.

31. Nielsen pointed out that AEP's submitted plan calls for them to collect the EO surcharge and forward the funds to the MPSC who would become responsible, through a subcontractor, to implement EO efforts.
32. Comments were again solicited from audience members. **Comments solicited**
33. Wilhelmi indicated that according to his last bill, just the Village's EO plan surcharge would add roughly another \$4.00 to his monthly bill. He worried others would have a difficult time coming up with the extra money to pay the surcharges passed on by the Village and AEP. **Wilhelmi – Questions process**
34. Deborah Klinger stated that the information was very hard to understand but that she understood her bills were going to go up. Klinger stated that she would have a hard time keeping up with all the increased costs. **Klinger - Confusing**
35. There being no further comments, McIntosh moved and Rohr supported a motion to close the hearing at 8:54 p.m. All members present voting yes, motion carried. **Hearing Closed**
36. McIntosh commented on the power lines along M-40; satellite dishes, blight, the Planning Commission, letter from Hunts thanking DPS Director Small and department, and inspections. **Council Comments McIntosh**
31. Wilhelmi commented on Maple Lake South Basin. This led to comments regarding a tree in lake near Gremps lift station and a new chemical being used in Lake Brownwood. **Wilhelmi**
32. Nielsen commented on the M-40/N. Kalamazoo Street project and the denial of MDOT Lansing superiors for the South bound turn lane at Power Plant Road. He also commented on the Master Plan Update, the 2008 actual True Up calculations and the need for a hearing for the Truth in Taxation requirement. **Village Manager Comments**
33. Motion by McIntosh with support from Rohr to hold a Truth in Taxation Hearing for June 22, 2009 at 7:35 p.m. All members voting yes, motion carried. **Truth in Taxation Hearing Set**
34. Motion by Wilhelmi, supported by Basinger, to adjourn the meeting. All members present voting yes, motion carried. Meeting adjourned at 9:14 p.m. **Adjournment**

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Respectfully submitted:

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Village President  
Roman Plaszcak

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Village Manager,  
Larry Nielsen