

REGULAR MEETING

The HBPW Board of Directors met
August 8, 2022
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

Chair Thompson called the meeting to order at 4:00 p.m.

Members Present: PJ Thompson, Tim Hemingway, Paul Lilly, Carolyn Maalouf, Beth Snyder, City Council Liaison Nathan Bocks, and Ex Officio Member Keith Van Beek

Members Absent: None

Staff Present: Dave Koster, Janet Lemson, Joel Davenport, Becky Lehman, Chuck Warren, Ted Siler, Chris Van Dokkumburg, Pieter Beyer, Steve Bruinsma, Amy Yost

23.029 **Approval of Agenda**

Board Member Hemingway made a motion to approve the agenda. The motion was seconded by Board Member Lilly.

23.030 **Board Minutes – Regular Meeting Minutes of July 11, 2022, and Special Meeting Minutes of July 25, 2022**

As part of the Consent Agenda, the Board of Directors approved the minutes as presented.

23.031 **M-40 Tank & Water Treatment Plant (WTP) 3MG Reservoir Improvements**

Maintenance inspections were performed on May 6, 2020, and December 4, 2020, for the 3MG concrete reservoir at the WTP and M-40 spheroid tank, respectively. As a result of these inspections, a list of recommended improvements was provided. These improvements include, but are not limited to, painting, installing a mechanical mixer, upgrading fall protection equipment, etc.

All recommended improvements are planned for this project with the exception of the mechanical mixer at the M-40 tank. There has been an on-going issue with lower chlorine residuals at this tank location during the summer months because of lower usage and longer turnover times. Currently, a mechanical mixer is in place and has been proven to be ineffective at mixing the tank as needed. To resolve this issue, it is proposed we install a hydrodynamic mixer, a different method of mixing that utilizes the energy of the incoming water flow directed through a series of oriented nozzles to mix the tank. This method has become the industry standard specification of newly installed tanks as the selected method of mixing. An overview of this system is attached to this recommendation for general reference.

Below are the results of the bid opening:

<i>Contractor</i>	<i>Cost</i>
Fedewa Inc.	\$ 287,500
PT&T	\$ 447,100
LC United	\$ 376,500
Seven Brothers	\$ 398,100
MW Cole	\$ 401,900
L&T Painting Inc.	\$ 272,200

Did not include mixing system

** Red italics indicate information or discussion added during the meeting and/or action taken.*

Fedewa Inc. was the low bidder and is the recommended contractor for this project. Fedewa has won several bids of this type for HBPW in the past and has successfully completed the work. L&T Painting's bid appeared to be the lowest bid received; but it did not include the mixing system, which represented \$80,000 of Fedewa's bid. The cost of the project will be shared between water treatment and water distribution capital budgets for the respective tanks and falls below the approved capital budgets for each department.

As part of the Consent Agenda, the Board of Directors approved a contract with Fedewa Inc., in the amount of \$287,500 with a 10% contingency of \$28,750 for a total of \$316,250, pending approval as to form from the City Attorney.

23.032 **Declaration of Surplus Material**

The HBPW has identified materials and equipment which are no longer pertinent for use. The attached lists show the items determined as excess, obsolete, or uneconomical to repairs. Once declared surplus, the items will be disposed of in the following order:

1. Offered to other City Departments
2. Sell to companies specializing in inventory disposal
3. Auction (utilizing GovDeals online portal)
4. Public auction (in limited cases)
5. Donation
6. Recycling or waste disposal

As part of the Consent Agenda, the Board of Directors approved the attached list of items as surplus.

23.033 Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Hemingway</i>
Second	<i>Lilly</i>
Favor	<i>5</i>
Oppose	<i>0</i>

23.034 **Communications from the Audience**

None

23.035 **Major Project Update**

For information only

23.036 **Electric Terms of Service Update For the HBPW Distributed Generation Program**

The current HBPW Distributed Generation (DG) Program credits customer generation at the applicable HBPW energy rate at the time of the energy outflow. The generation credit is also limited to the amount of energy inflow from HBPW during the monthly billing cycle.

A recently completed staff tactical action resulted in a calculation that uses past year wholesale energy, distribution, and transmission costs to more accurately value the generation outflow for customers participating in the DG Program. The new credit is defined as the Distributed Generation Value. The proposed updates to the Electric Terms of Service make the following changes to the DG Program.

1. Customer generation outflow will be valued at the greater of the applicable customer energy charge or the new seasonal DG value.

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- 2. The DG value is updated annually on July 1 based on a rolling three-year average of HBPW's seasonal wholesale energy, capacity, and delivery costs.
- 3. DG customers will receive the DG value for all generation outflow, and can offset energy, delivery, capacity, and Readiness to Serve charges. No generation outflow credits are granted toward future billings.
- 4. Generation outflow from grandfathered Net Metering Program customers will continue to be credited at the applicable energy and delivery rate at the time of the energy outflow.

Electric rate sheets will be updated to identify the seasonal DG value for DG Program participants. For the remainder of FY 2023, the DG value will be the applicable energy rate.

Recommendation: The Board of Directors approved the electric terms of service language update for the Distributed Generation Program.

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Maalouf</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

23.037

HBPW Non-Residential Electric Vehicle Program Terms of Service and Non-Residential Electric Vehicle Charging Service Rate

The HBPW Electric Terms of Service (Section 7.1) contains information on residential Level 2 electric vehicle (EV) charger installations. Additionally, Section 7.2 includes reference to the HBPW Commercial Electric Vehicle Charging Program and rate for EV Direct Current Fast Charger customer installations. These two items addressing non-residential EV charging are requested for approval and implementation.

The proposed Non-Residential Electric Vehicle Program Terms of Service adds more detail to the Level 2 charger rebate program, includes a new rebate opportunity for customers installing a Direct Current Fast Charger (DCFC), and adds more detailed requirements and expectations for the installation of both Level 2 and DCFC. The proposed DCFC rebates will be calculated individually based on charger demand size (kW), with a minimum 150 kW charger requirement and a maximum \$35,000 per charger rebate available.

As described in the Electric Terms of Service, the **Non-Residential Electric Vehicle Charging Service (NREV)** rate would be implemented for separately metered DCFC customer installations. Without this new rate, and based on their typical electric service demand and load factor, DCFC installations would qualify for Rate M, which includes both capacity and delivery charges. The proposed NREV rate removes capacity charges and lowers the delivery charge in recognition of the low peak coincidence factor. A much higher total per kWh charge will result if these installations are left on rate M. The lower NREV rate, combined with the proposed rebates for DCFC installations, helps remove a barrier in order to improve the availability of faster EV charging options for residents and visitors to the HBPW service territory.

Recommendation: The Board of Directors Approve the HBPW Non-Residential Electric Vehicle Program Terms of Service, subject to approval as to form by the City Attorney. Approve the new Non-Residential Electric Vehicle Charging Service rate for DCFC customer installations.

<i>Motion to approve recommendation</i>	<i>Maalouf</i>
<i>Second</i>	<i>Lilly</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

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23.038

General Manager Comments

- Next meeting, August 22, is changed to a Special Meeting.
- GM explained special counsel support recommendation that will come up at the Special Meeting.
- Thank you for the positive vote of the community the vote on Fiber Optic Broadband for the Holland community hollandcityfiber.com will continue to be used as our main vehicle of communication to the public

23.039

Board Comments

- The Mayor spoke to the confidence shown in the HBPW by the citizens of Holland in passing the Fiber Optic initiative to provide Broadband for the people of Holland.
- Lilly and Maalouf are unable to attend our August 22 Special Meeting.

ADJOURNMENT

A motion to adjourn the meeting of *August 8, 2022*, was made by *Hemingway* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of August 8, 2022, adjourned at *5:19 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board