

SPECIAL MEETING

The HBPW Board of Directors met
September 26, 2022
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

Chair Thompson called the meeting to order at 4:0 p.m.

Members Present: PJ Thompson, Paul Lilly, Tim Hemingway, Carolyn Maalouf, Beth Snyder, and City Council Liaison Nathan Bocks

Members Absent: Keith VanBeek

Staff Present: Dave Koster, Janet Lemson, Joel Davenport, Chuck Warren, Becky Lehman, Ted Siler, Julie DeCook, Pete Hoffswell,

23.055 **Approval of Agenda**

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

23.056 **Communications from the Audience**

Dean Whittaker spoke for himself and his business partner Daniel Morrison (Whittaker Associates) in full support of the passing of the City/HBPW's broadband initiative.

SPECIAL ACTION ITEMS **City of Holland Unlimited Tax General Obligation Bonds for Broadband Bonds Reimbursement Resolution**

23.057 The City approved the Resolution Approving Submission of Bond Proposition to Electors on April 20, 2022. The purpose of this Reimbursement Resolution is to clearly indicate that the City and/or HBPW expects to incur and pay expenses relating to the project prior to issuing the Bonds and declare its intent to reimburse those expenditures from the proceeds of the Bonds when available.

Paragraph 1 of the Resolution contains specific reference to the Internal Revenue Code provision which authorizes the City to reimburse itself from Bond proceeds for certain costs relating to the project incurred prior to issuance of the Bonds. The language of the Resolution is taken from the IRS regulations.

Under the reimbursement rules of the Internal Revenue Code, the City can reimburse itself from proceeds of the Bonds for capital expenditures relating to the Project (e.g. hard costs like equipment purchases, construction, or land acquisition) up to 60 days prior to the date of adoption of a resolution indicating the City's intent to issue the Bonds and reimburse from Bond proceeds. This would make clear that expenditures after August 6, 2022, would be within this Reimbursement Resolution. The City Council Resolution adopted on April 20, 2022, could be considered to indicate the City's intent to issue the Bonds and reimburse for prior expenditures from Bond proceeds, and 60 days prior to that action would be February 19, 2022. By adopting this Resolution, it makes it clear that any capital expenditures after August 6, 2022, could be reimbursed from proceeds of the Bonds. Preliminary soft costs relating to the project can be reimbursed even if they were paid prior to the February 19, 2022, or August 6, 2022, dates.

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

Adoption of this resolution is important since a considerable amount of planning and engineering work will be undertaken by third-party contractors prior to the issuance of the City's Unlimited Tax General Obligation Bonds.

The Board of Directors recommended City Council consider and adopt the "Broadband Bonds Reimbursement Resolution."

<i>Motion</i>	<i>Hemingway</i>
<i>Second</i>	<i>Snyder</i>
<i>Favor</i>	<i>5</i>
<i>Against</i>	<i>0</i>

23.058

Broadband Capital Budget Amendment

The approval by the community to move forward with the Holland City Fiber project requires a budget amendment to complete the required activities for design and construction of the fiber network. Estimates provided by CTC in 2021 indicated a cost of approximately \$24M for these activities. Staff expects an increase in this estimate due to recent supply chain and inflationary pressures. The owner's engineer will provide an updated estimate this fall based on current conditions and a more accurate total build cost will be known after receiving responses to the request for network design/build services. A Broadband budget increase is needed at this time in order to bring on owners engineering services as well as pay for conduit installations during construction of developments within the city limits that are occurring before construction of the network begins in FY 2024. The budget increase will also enable the purchase of long lead time items for the network if required to maintain the planned construction schedule.

The approval of the Holland City Fiber project also negates the need for the \$330,000 budgeted for the expansion of the existing GPON network south of the downtown corridor and this item can be removed from the FY 2023 capital budget.

The Board of Directors amended the FY 2023 Broadband Capital budget to include \$25,000,000 for the design and construction of the Holland City Fiber project, and remove the budgeted \$330,000 for GPON expansion south of the downtown corridor.

<i>Motion</i>	<i>Lilly</i>
<i>Second</i>	<i>Hemingway</i>
<i>Favor</i>	<i>5</i>
<i>Against</i>	<i>0</i>

23.059

Holland City Fiber Owner's Engineer Services

With the approval by the community to proceed with the engineering and construction of the Holland City Fiber network, HBPW is moving forward to complete the necessary tasks needed to define the project in more detail and develop a Request for Proposals for Design/Build Services. A supplementation to the HBPW staff is required to complete these tasks in a timely manner.

A Request for Proposal (RFP) was sent to seven (7) vendors with the capability to supply engineering services to HBPW. The RFP specifically requested assistance in the following areas:

1. Review of previous work and finalization of the conceptual design of the fiber network.
2. Identification of areas for overhead and underground construction.
3. Development of the design and construction specifications.
4. Development of the RFP for Design/Build services and evaluation and recommendation of submitted proposals.
5. Construction QA/QC activities and oversight.
6. Evaluation and approval of project close out documentation and delivery requirements.

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HBPW received two proposals in response to the owner's engineer services RFP.

- CTC Technology and Energy \$465,410
- Communication Network Engineering (CNE) \$948,000

Along with being the low bidder, CTC has done much of the preliminary work for HBPW on the Holland City Fiber project and understands the project well. CTC is involved in a number of similar projects in the role of owner's engineer but also provides detailed design engineering and construction oversight for fiber network builds. For these reasons staff recommends CTC as the successful bidder to provide owner's engineer services for the Holland City Fiber project.

The Board of Directors approved a contract with CTC Technology and Energy in the amount of \$465,410, with a 10% contingency in the amount of \$46,541 for a total of \$511,951, pending approval as to form from the City Attorney.

*Motion Lilly
Second Maalouf
Favor 5
Against 0*

**STUDY
ITEMS**

Lakeshore Advantage Update

23.060

Holland Board of Public Works (HBPW) has a long history of supporting economic development in our service area. Roughly eighty-two percent of our electric revenue comes from commercial and industrial customers. Lakeshore Advantage is a key partner to the HBPW in the effort to support and grow these businesses. Lakeshore Advantage focuses its efforts on the primary manufacturers within Ottawa and Allegan Counties.

Jennifer Owens, President and CEO of Lakeshore Advantage will be present to deliver an update on recent results, priorities, and highlights of where its partnership with the HBPW have made positive impacts.

Presented as a study item; no Board action required

23.061

Youth Engagement Program

Holland Board of Public Works operates with a commitment to customers and the community. By developing a robust community engagement program with local youth and schools groups, HBPW will further improve community relations as well as foster understanding and support of the work HBPW does. By cultivating interest and engagement in local youth, potential future workforce development will occur as youth become more aware of careers in the utility industry. This also supports the Strategic Priority of strengthening our position as an employer of choice.

HBPW staff collaborated to further plans for programming that engages local youth. Staff involved with the development of these plans will be on hand to present the specifics to the HBPW Board of Directors.

Presented as a study item; No Board action required

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**OTHER
BUSINESS**

23.062

Appointment of Second Board Member to the Audit Committee

The first meeting of this committee to review the FY 2022 audit will take place on October 17, with the second meeting taking place on October 24, prior to our Special Board meeting of that date.

The nomination of Carolyn Maalouf as our second Audit Committee member was made by *Hemingway* and supported by *Lilly*. With no further nominations, upon a vote Carolyn Maalouf was appointed to the HBPW's Audit Committee.

Yeas 5 Nays 0

23.063

General Manager Comments

- GM gave an overview analysis of the impact to our bottom line for the forthcoming year in light of increasing natural gas prices
- Wednesday's City Council study session will be discussing the broadband, timeline, ARPA dollars, and owner's engineer
- Monday, October 10, will be our next Regular Board Meeting,
- The week of October 3 is Public Power Week
- GM read a very positive customer testimonial on our efforts to restore the power of one of our electric customers on 13th Street.

ADJOURNMENT

A motion to adjourn the meeting of *September 26, 2022*, was made by *Hemingway* supported by *Maalouf* and agreed upon by the Board of Directors present.

The Board Meeting of September 26, 2022, adjourned at *5:40 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board