

REGULAR MEETING

The HBPW Board of Directors met
November 7, 2022
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

Chair Thompson called the meeting to order at 4:01 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, Joel Davenport, Becky Lehman, Ted Siler, Chuck Warren, Alex Craigmile, Steve Bruinsma, Pieter Beyer, Brian Richey, and Nate Johnson

23.089 **Approval of Agenda**

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

23.090 **Communications from the Audience**

None

23.091 **Board Minutes – Regular Meeting Minutes of October 10, 2022, and Special Meeting Minutes of October 24, 2022**

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

23.092 **Calendar Year 2023 Board Meeting Schedule**

Currently, the HBPW's Board of Directors is scheduled to meet twice a month, once for a Regular Board Meeting, and once for a Study Session. Regular Board Meetings are scheduled on the first Monday following the first Wednesday City Council Meeting of the month. Study Sessions are scheduled for the fourth Monday of the month, except for holidays or known conflicts.

After the calendar year meeting schedule is approved, it is posted publicly with the intent to give adequate notice of Board meetings.

As part of the Consent Agenda, the Board of Directors approved the calendar year 2023 Board meeting schedule.

23.093 **Utility Easement 747 – 160th Avenue, Holland, MI for Metering Communications Equipment**

In order to best serve water and electric metering telemetry in a section of Park and Laketown Townships, an easement for underground electric lines and a utility pole needs to be procured from the property owner at 747 -160th Avenue, Holland, MI 49423. A 10-foot utility easement near the southwest corner of the property will be used for a pole and an underground line to power the communications equipment installed on the pole.

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As part of the Consent Agenda, the Board of Directors accepted a grant of utility easement with Country Miller, pending approval as to form by the City Attorney.

23.094 **Declaration of Surplus Water Meter Telemetry Unit (MTU) Radio Modules**

HBPW operates two advanced meter infrastructure (AMI) systems for metering of the water distribution system. Initially, a Landis & Gyr system was proposed for transmitting meter reads across the whole water system; and Landis & Gyr meter transmitting units (MTUs) were procured for all water meters. These MTUs communicate via a mesh network created by HBPW electric meters to transmit the water meter reads.

After beginning the installation of the Landis & Gyr system, it became evident that the installation of the mesh radio network was more challenging than originally anticipated, and the MTUs struggled to effectively transmit data via the alternate radio network. Due to these issues, HBPW completed an evaluation and upgraded the existing Aclara AMI system outside of the electric service territory mesh network. Additionally, HBPW began identifying premature failures of the MTUs that have required frequent warranty services. These failures have resulted in use of the Aclara AMI system in areas within the Landis & Gyr mesh network as well.

As a result, HBPW currently has 1,200 Landis & Gyr MTUs originally intended for the areas outside of the electric service territory that are no longer needed. HBPW has been contacted by the Wyandotte (MI) Water Department which is interested in purchasing the MTUs. The MTUs were originally purchased for \$118 each, and a tentative agreement has been reached to sell the MTUs for \$90 each. The discounted price is based on Landis & Gyr not providing warranty coverage for re-sold units and that each MTU requires manual reprogramming by Wyandotte prior to installation.

This recommendation is to declare the 1,200 MTUs surplus for eventual resale.

As part of the Consent Agenda, the Board of Directors approved the declaration of 1,200 Landis & Gyr Series 3 water meter MTUs as surplus.

23.095 Action on Consent items:

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

23.096 **Major Project Update**

For information only

2022-11-07 Project Closeout Memo – WTP High Service Pump Replacement

23.097 **Engineering Services and Hydraulic Modeling of Sanitary Sewer Collection System**

Holland BPW currently does not have an existing sanitary sewer model. As mentioned in the introduction, this would be a similar effort to the hydraulic modeling of the water distribution system completed by Fishbeck in 2021.

Much like the model for the water system, this sewer model would provide a much better understanding of the sewer collection system capacity. Understanding the capacity of the system not only points out the areas of the system that are at or near capacity, but also provides efficiencies in decision making. The model would provide numerous benefits including:

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- Determining remaining capacity at or near proposed developments.
 - o Understanding this allows the BPW to refer to the model for the initial conversations with developers so that they are aware of the capacity of our system.
- Sizing of proposed sanitary lift stations.
 - o This is extremely beneficial for the sizing of new pumps and sewer sizes as the BPW continues the effort of lift station rehabilitation.
- Identifying current or imminent capacity bottlenecks for upcoming capital projects.
 - o Understanding this allows the BPW to upsize existing sanitary sewer (as needed) within proposed project limits.

Fishbeck was solicited for this work due to their already ongoing involvement in the water distribution system master planning effort as well as the recently completed wastewater treatment plant master plan. Maintaining the same consultant for the wastewater collection system model and master planning effort allows them to utilize the work already completed (and knowledge gained) from the other projects to the wastewater collection system model and avoids duplication of efforts. After completion of the model a demand forecasting effort will also be undertaken for both the water and wastewater systems. Having the same consultant create both models and then work on demand forecasts for both utilities will result in a more efficient process and holistic deliverable.

This contract with Fishbeck would include efforts to gather and review existing data from previous flow monitoring performed in FY 21 and any other pertinent data from lift station flows, build a hydraulic model from scratch, and assess the existing and future build-out conditions on the sewer system. The hydraulic model would become an integral part for master planning of the wastewater utility.

The contract value plus contingency amount of \$131,296 is below the \$150,000 FY 23 approved budget for this effort.

Recommendation: The Board of Directors approved a contract with Fishbeck in the amount of \$119,360, with a 10% contingency of \$11,936 for a total of \$131,296, pending approval as to form from the City Attorney.

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

23.098 **17th Street Lift Station Rehabilitation Engineering Services**

Utilizing the recently completed lift station assessment and evaluating historical maintenance issues, HBPW staff identified the 17th Street lift station needing extensive rehabilitation. An RFP for engineering services was issued to eight (8) potential consultants. Proposals were received from two (2) of those. The proposals are summarized below:

<u>2022 17th Street Lift Station RFP Pricing</u>		
	Addendum	Price
Donohue & Associates	Y	\$ 98,000
Fleis & Vandenbrink	Y	\$165,000

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execute the documents necessary to bind coverage, as long the final total premium amount does not exceed \$60,000.

Recommendation: The Board of Directors approved the Marsh USA HBPW Owner Controlled Project Specific Contractor's Pollution Liability insurance coverage for the James De Young (JDY) and Sixth Street Peaking Unit (Unit 6) Abatement and Demolition Project, at a cost not to exceed \$60,000; and permit the HBPW General Manager to execute the documents necessary to bind coverage as long as the cost condition is met.

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

23.100 **Appointment of Special Counsel to Assist With Assessing and Filing For Certain Clean Energy Tax Credits Available to HBPW Under the Inflation Reduction Act**

The Inflation Reduction Act ("Act") makes certain energy tax credits available directly to municipal entities making certain qualifying investments. The anaerobic digester project appears to meet the criteria making credits exceeding 30% available for at least some project costs. These credits will be made available to HBPW through direct payments made by the U.S. Department of the Treasury. Needless to say, the regulations stemming from the IRA are expected to be extraordinarily complex, since the Act is largely relying on existing federal income tax law to make direct payments of clean energy investment and production tax credits available to entities, including municipalities, that typically do not file income tax returns.

The Water Reclamation Facility anaerobic digester project appears to have many attributes that qualify for production or investment credits under the Act. For some project costs, these credits exceed 30%. For example:

- Base credit of 6% for biomass conversion to gas for production or sale
- Base credit increase to 30% for qualifying energy projects (the digester CHP unit appears to qualify)
- Domestic Content bonus of 2% (all of the iron/steel in the digester project meets American Iron and Steel provisions)
- Energy Community Bonus credit 2% (criteria met by proximity to JDY site)

Determining and then identifying the specific qualifying costs for each of these credits, along with preparation of the necessary claim documents is where staff feels the expertise of Brownstein Hyatt Farber Schreck will be invaluable. New territory in the Internal Revenue Tax Code will be charted, and BHFS has experience at the highest levels in this area, as can be seen in the background summaries of the team that would be assigned to this project.

Recommendation: The Board of Directors engaged Brownstein Hyatt Farber Schreck, LLP, to assist HBPW in identifying and filing for energy tax credits available to HBPW through the Inflation Reduction Act, subject to City Attorney approval of the engagement agreement.

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

23.101 **General Manager Comments**

- Our next meeting is a study session, scheduled for November 28.
- Presentation of the 2022 DTE Electric Integrated Resource Plan
- The BPW will host the Holiday Light Exchange on November 15 from 12-5 pm at the Civic Center.

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ADJOURNMENT

A motion to adjourn the meeting of *November 7, 2022* was made by *Hemingway* supported by *Snyder* and agreed upon by the Board of Directors present.

The Board Meeting of November 7,2022, adjourned at *5:20 p.m.*

Minutes respectfully submitted by,

Aleesa Hounshell, Acting Secretary to the Board

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DRAFT

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