

REGULAR MEETING

The HBPW Board of Directors met
October 10, 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, Paul Lilly, Beth Snyder, Tim Hemingway, Carolyn Maalouf, City Council Liaison, Nathan Bocks and Ex Officio Member Keith Van Beek

Members Absent: None

Staff Present: Dave Koster, Janet Lemson, Becky Lehman, Ted Siler, Alex Craigmile, Steve Bruinsma, Julie DeCook, Theo VanAken, Pieter Beyer, Pete Hoffswell

23.064 **Approval of Agenda**

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

23.065 **Board Minutes – Regular Meeting Minutes of September 12, 2022, and Special Meeting Minutes of September 26, 2022**

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

23.066 **Electric Easements for Howard Avenue Underground Electric Distribution Construction**

Holland BPW Electric Distribution has a project to convert a section of line from overhead to underground along Howard Avenue between River Avenue and the western edge of Dunton Park. In order to best protect the equipment from risks associated with installing electrical boxes in the road right-of-way, the project has been designed to locate the required equipment outside of the right-of-way and on private property. Each of these easements represents a location that Electric Distribution requires to set either (1) a transformer for local load, (2) a switchgear for main line terminations and switches, or (3) a power line that crosses the land of another to serve an existing customer.

Easement 4, as it is depicted in the attachment titled "Pfizer Property," is not through the owner approval process and will be presented at a later date.

As part of the Consent Agenda, the Board of Directors approved the following easements as approved as to form with the City Attorney.

Easement 1:

Approve a grant of Power Line Easement with Holland Charter Township, a Michigan general law township, ("Grantor"), whose address is 353 N. 120th Avenue Holland, Michigan 49424, for the parcel located at River and Howard Avenue Lift Station #70-16-20-355-015, Holland MI 49424, with compensation in the amount of \$1.00. AND

Easement 2:

Approve a grant of Power Line Easement with Michigan State University, 535 Chestnut Road, Room 246, East Lansing, MI 48824, ("Grantor") for the parcel located at 188 Howard Avenue, Holland, MI 49424, with compensation in the amount of \$1.00. AND

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

Easement 3:

Approve a grant of Power Line Easement with Holland Charter Township, a Michigan general law township, ("Grantor"), whose address is 353 N. 120th Avenue Holland, Michigan 49424, for the parcel located at the 11 Block of Howard Avenue, Holland MI 49424, with compensation in the amount of \$1.00.

23.067

Electric Distribution Easements for Washington Boulevard Electric Distribution Construction

As part of continuing efforts to increase system reliability by undergrounding electrical distribution cables, HBPW has been working to complete an overhead to underground conversion on Washington Boulevard. from 9th Street to 16th Street, as well as Washington Avenue from 16th Street to 19th Street. This conversion will follow the Van Raalte Avenue conversion, one block over, while implementing lessons learned and best practices from previous projects.

Due to narrow road right-of-ways along Washington Boulevard/Avenue the majority of electrical boxes required in the project scope were unable to be installed in road right-of-ways. In order to best meet the project specific requirements, the plan has been designed to locate the required boxes outside of the right-of-way on public and private lands. Each of these easements represents a location that Electric Distribution requires to set either a transformer for local load, or a power line that crosses the land of another to serve an existing customer.

The easement values represent fair market value of the land being used. An additional sum was offered if the parcel owners signed in a timely manner; and all but one owner signed within 30 days, the last owner signed within 90 days.

As part of the Consent Agenda, the Board of Directors approved the following easements pending approval as to form with the City Attorney.

Easement 1:

Approve a grant of Power Line Easement with Monica Donnelly, the property owner, ("Grantor"), for the parcel located at 238 Washington Blvd. Holland, Michigan 49423, with compensation in the amount of \$300.00. AND

Easement 2:

Approve a grant of Power Line Easement with Carlos & Alicia Vera, the property owners, ("Grantor"), for the parcel located at 234 W 11th St. Holland, Michigan 49423, with compensation in the amount of \$300.00. AND

Easement 3:

Approve a grant of Power Line Easement with John L. & Kim M. Shea, the property owners, ("Grantor"), for the parcel located at 233 W. 12th St. Holland, Michigan 49423, with compensation in the amount of \$300.00. AND

Easement 4:

Approve a grant of Power Line Easement with VRE Properties LLC, a Michigan Domestic Limited Liability Company, ("Grantor"), whose address is 429 Turner Ave NW Grand Rapids, Michigan 49504, for the parcel located at 304 Washington Blvd, Holland MI 49423, with compensation in the amount of \$300.00 for property owner(s). AND

Easement 5:

Approve a grant of Power Line Easement with Maricela Becerra Debravo, the property owner, ("Grantor"), for the parcel located at 234 W. 13th St. Holland, Michigan 49423, with compensation in the amount of \$100.00. AND

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Easement 6:

Approve a grant of Power Line Easement with HRH Properties, a Michigan Domestic Limited Liability Company, ("Grantor"), whose address is 429 Turner Ave., NW Grand Rapids, Michigan 49504, for the parcel located at 352 Washington Blvd., Holland MI 49423, with compensation in the amount of \$300.00 for property owner(s). AND

Easement 7:

Approve a grant of Power Line Easement with Boulevard Church of Holland, a Michigan Domestic Limited Liability Company, ("Grantor"), whose address is 230 W 15th St., Holland, MI 49423, for the parcel located at 238 W. 15th, Holland MI 49423, with compensation in the amount of \$800.00 for property owner(s). AND

Easement 8:

Approve a grant of Power Line Easement with Michael and Jane Trombley, the property owners, ("Grantor"), for the parcel located at 210 W 16th St. Holland, Michigan 49423, with compensation in the amount of \$300.00. AND

Easement 9:

Approve a grant of Power Line Easement with Joni Gibson, the property owner, ("Grantor"), for the parcel located at 431 Washington Ave. Holland, Michigan 49423, with compensation in the amount of \$300.00. AND

Easement 10:

Approve a grant of Power Line Easement with David B. Holthof & Heather R. Holthof, the property owners, ("Grantor"), for the parcel located at 225 Van Raalte Ave. Holland, Michigan 49423, with compensation in the amount of \$10.00. AND

Easement 11:

Approve a grant of Power Line Easement with Alan Martens & Cheryl L. Rademacher, the property owners, ("Grantor"), for the parcel located at 251 Van Raalte Ave. Holland, Michigan 49423, with compensation in the amount of \$10.00

23.068

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 lists of items as surplus.

23.069

Action on Consent items:

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

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

23.070 **Communications from the Audience**

None

23.071 **Major Project Update**

For information only

23.072 **WRF Disinfection Improvements Project**

Design of the WRF Disinfection Improvements Project is planned to commence in Fiscal Year 2024. To expedite design and construction of the improvements, the HBPW is seeking to commence an engineering study in FY23 to collect data necessary to refine the project scope.

The Disinfection Improvements Project was initially planned to utilize sodium hypochlorite. Massive cost increases in sodium hypochlorite, as well as market stability disruptions in the past two years, have made a case to investigate alternative disinfection options prior to design and construction of a disinfection system. An engineering study will help ensure that the correct disinfection solution is chosen as well as compile needed data for system design.

The proposed study will focus on ultra violet (UV) disinfection and collecting UV transmissivity data as well as collimated beam testing. Both sets of data are important to accurately design a UV disinfection system. A UV transmissivity (UVT) sensor will also be purchased and installed by the plant as part of the study. This study will allow the HBPW to determine whether UV or sodium hypochlorite disinfection should be constructed.

The cost breakdown for the engineering study and UVT sensor are as follows:

	Cost
Engineering Study	\$62,700
Study Contingency (5%)	\$3,165
UVT Sensor	\$11,135
Total	\$77,000

The FY23 capital budget amendment was approved by the WRF Administrative Committee on September 22, 2022. The associated work will precede the Disinfection Improvements Project design planned to begin in FY 24 and construction anticipated in FY 25. The project is included in the Water Reclamation Facility's five-year capital improvement plan with a budget of \$6,400,000.

Recommendation: The Board of Directors approved an amendment to the Fiscal Year 2023 (FY 23) capital budget in the amount of \$77,000 to enable preliminary design work to begin on the WRF Disinfection Improvements Project.

*Motion to approve recommendation
Second
Favor
Oppose*

*Maalouf
Lilly
5
0*

23.073 **49 West Third Street Design-Build Agreement**

In September 2022, HBPW project team requested proposals from four local contractors qualified in performing design-build services. The services requested include design, preconstruction services, and construction execution of an office building remodel. Bids were received from three contractors that attended the pre-bid conference and walk-through. BPW staff interviewed the

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bidders and determined that they had qualified bids. The following table summarizes the bids received:

Contractor	Location	Not to Exceed Fixed Fee	Construction Services Fee (%)	Estimated Total Fee*
EV Construction	Holland, MI	\$68,656	4.95%	\$118,156
O-A-K	Grand Rapids, MI	\$49,616	10.44%	\$154,016
Lakewood	Holland, MI	\$13,500	10%	\$113,500
GDK	Holland, MI	No response		

*Based on assumed Guaranteed Maximum Price of \$1,000,000.

While Lakewood Construction had the lowest estimated total fee, this is contingent on a Guaranteed Maximum Price (GMP) of \$1,000,000, which aligns with the most recent estimate for the work. If project unknowns or inflationary pressures drive up the construction cost beyond the current estimate, EV quickly becomes the lower overall price due to their lower Construction Services Fee percentage.

Additionally, staff has some concerns that the structure of the Lakewood bid could drive up construction pricing slightly, negating perceived savings on fixed fees. These factors were accounted for in the bid evaluations and resulted in a recommendation to award the contract for construction of the office building remodel to EV Construction.

This contract initially includes the services for design and construction contract management fixed fees that will be paid on an as-used basis. The construction costs and construction services fee will be awarded via change order once the contractor has developed the GMP.

This project has an approved budget amount of \$1,800,000. Project costs outside of the EV contract will include procurement of furniture for the portion of the building to be occupied by HBPW and exterior improvements (signage, walkways, etc.).

Recommendation: The Board of Directors approved a contract with EV Construction for a not to exceed amount of \$68,656, pending approval as to form by the City Attorney. Additionally, authorize HBPW General Manager to execute change orders to the contract up to a total contract value of \$1,300,000 to cover construction costs and any unforeseen issues that may arise.

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

23.074 **East Point Substation System Operations Building and Budget Amendment**

The construction of the East Point Substation has a few outstanding items for purchase and approval to complete the project. Reclosers, cable, and potential transformers are the remaining pieces of equipment that will be purchased directly by HBPW for the substation construction.

In addition, three contractors were contacted to provide design/build services for the construction of the system operations building at the substation site. Lakewood Construction was the only firm to provide a bid. We have worked with Lakewood to define the project needs and to develop a cost estimate for the building. We have worked with Lakewood on multiple projects in the past.

The total project budget for the East Point Substation is requested to increase to \$13,900,000 to enable these final purchases for the project.

The following list summarizes the items included in the budget increase request:

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<u>Category</u>	<u>Cost (w/contingency)</u>
Reclosers (estimate based on recent purchase)	\$161,000
Cable (inventory purchase)	\$750,000
Potential Transformers (estimate)	\$81,558
Systems Operations Building	\$389,836
Total	\$1,382,394

Recommendation: The Board of Directors approved a contract with Lakewood Construction in the amount of \$371,272, with a 5% contingency of \$18,564 for a total of \$389,836, pending approval as to form from the City Attorney. Approve an amendment to the FY 2023 Electric Distribution capital budget for East Point Substation in the amount of \$1,400,000 for a new total project budget of \$13,900,000.

*Motion to approve recommendation
Second
Favor
Oppose*

*Lilly
Maalouf
5
0*

23.075

General Manager Comments

- Last week was Public Power Week, thanks to all who participated
- October 24 will be a Special meeting. Our annual audit will be presented. Audit Committee meetings have been scheduled prior to our 24th meeting.
- Last organizational results and variable pay will also be presented
- Amendment to ERM contract associated with demolition of JDY
- Special Counsel will likely be hired to work with the Inflation Reduction and how it relates to Municipal Utilities
- November 7 is our next regular meeting

23.076

Board Comments

- Lilly asked regarding the potential sale of the Lake Michigan waterfront property sale in Laketown that will be on the November ballot, we are preparing something to be published giving a general overview (information to be given directly to the Board members)

ADJOURNMENT

A motion to adjourn the meeting of *October 10, 2022*, was made by *Hemingway* supported by *Snyder* and agreed upon by the Board of Directors present.

The Board Meeting of October 10, 2022, adjourned at *5:11 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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