

**REGULAR MEETING**

The HBPW Board of Directors met  
**November 11, 2024**  
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, Carolyn Maalouf, Brian Lynn, Paul Lilly, Kyle Engbers, and Ex Officio Members Dave Couch and Keith Van Beek

**Members Absent:** Scott Corbin

**Staff Present:** Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Joel Davenport, Piet Beyer, Brian Richey, Mark Gipson, Pete Hoffswell, Grant Koster, Tracy York, and Julie DeCook

25.085 **Approval of Agenda**

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

25.086 **Communications From the Audience**

*None*

25.087 **Board Minutes – Regular Meeting Minutes of October 7, 2024, and Special Meeting Minutes of October 28, 2024**

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

25.088 **17th Street Lift Station Rehabilitation Engineering - Contract Amendment**

In December 2022, HBPW entered into a contract with Donohue & Associates in the amount of \$98,000 for engineering evaluation and design of the rehabilitation of the 17th Street Lift Station. Additionally, there was a 10% contingency of \$9,800 approved.

Since then, Donohue has incorporated additional efforts into the design, including HVAC components, roofing repairs, and a few other items that were not initially included in the scope of work. Also, Donohue has supported the unplanned efforts of bidding and rebidding the project with the lack of response from prospective bidders. HBPW has also requested that Donohue update their cost to provide additional time for construction observation, mostly for the bypass pumping phase of the project.

The attached change order for \$50,500 addresses the additional services provided during design, the additional time necessary due to the multiple bidding efforts, and additional construction observation throughout the construction phase of the project. This change order brings the total contract value with Donohue to \$148,500.

*As part of the Consent Agenda, the Board of Directors approved a contract amendment with Donohue & Associates in the amount of \$50,500 for a new total contract value of \$148,500.*

25.089      **16th Street Widening Project**

The City Transportation Department recently undertook a project to widen 16th Street from Country Club to Quarterline Road in conjunction with a local housing development project. HBPW Staff elected to replace a short distance of end-of life 8-inch water main that was remaining from a 2015 water main replacement project. The 2015 project went up to, but did not include the current project area, so a short section of old pipe remained.

The original project plan was for half of the 4-lane roadway to be under construction with 2 lanes used for construction and 1 lane of traffic in each direction. After bidding, staff was notified the project area would become the Chicago Drive MDOT Project designated detour routethough; and the project had to be re-bid due to MDOT constraints on traffic impacts and scheduling. Specifically, MDOT required the construction to be contained within 1 lane, with 2 lanes of traffic in the direction of the detour and 1 lane of traffic in the opposite direction. This resulted in a higher cost after re-bid.

The original \$100,000 FY25 budget for the work was in line with the original bids, however, a budget amendment of \$34,377.28 is now needed to cover the additional costs incurred due to the MDOT project. The amendment amount is based on the final invoicing received by HBPW from the City for HBPW's component of the work.

*As part of the Consent Agenda, the Board of Directors approved an FY25 capital budget amendment in the amount of \$34,377.28 for a total project budget of \$134,377.28.*

25.090      **Grant of Four Utility Easements for Holland City Fiber Project**

The properties noted have agreed to utility easements for fiber construction. The easements will allow HBPW to provide fiber service to the residents in their condominium associations or to locate fiber equipment on the property.

*As part of the Consent Agenda, the Board of Directors approved the following easements as had been approved to form, by the City Attorney:*

*Easement 1:*

*The owners of the property noted as Farington Heights Condominium Association on Farington Boulevard in the City of Holland have agreed to an easement to locate new fiber infrastructure.*

*Easement 2:*

*The owners of the property noted as Spring Lane Condominium Association on Spring Lane in the City of Holland have agreed to an easement to locate new fiber infrastructure.*

*Easement 3:*

*The owners of the property noted as The Villas at Fountain View Association on and near Fountain View Circle in the City of Holland have agreed to an easement to locate new fiber infrastructure.*

*Easement 4:*

*The owners of the property noted as Calvary Reformed Church, 995 East 8th Street in the City of Holland, have agreed to an easement to locate new fiber infrastructure.*

25.091      **Resolution for Insurance Claims Administration Settlement Authority**

This resolution is to establish and authorize the claims settlement authority for the City and the HBPW within the self-insured retention portion of the City and the HBPW's insurance program. The resolution shall permit the settlement and compromise of claims, actions, and liabilities by the designated adjuster in an amount not to exceed \$5,000 against the City and/or the HBPW.

Paragraph 5 grants authority to the designated representative of the HBPW, in conjunction with the City Attorney, to settle claims against the HBPW, including joint claims with the City, in an amount not to exceed \$10,000. The settled claims shall be reported by the HBPW to the Board as needed during the fiscal year.

Paragraph 6 allows claims in excess of \$10,000 to be settled, compromised, and approved upon review and recommendation/ approval of the of Directors of the HBPW with referral to City Council for final review and recommendation/approval.

*As a part of the Consent Agenda, the Board of Directors approved the resolution allowing the designated representative of the HBPW, in conjunction with the City Attorney, the settlement authority, to settle claims in an amount not to exceed \$10,000 and effective for the period November 1, 2024, through October 31, 2025.*

**25.092 Declaration of Surplus Material November 2024**

The HBPW has an opportunity to join the City Transportation Department in a partnership with Westenbroek's. They have an hourly program that includes getting new mowers every two years. The initial term is for four years, after which an evaluation will be done to determine if we continue with the program or switch back to the way we have historically purchased mowers and kept them for a life of 10 years. Getting started with this program necessitates starting fresh with three new mowers. Two of the three existing mowers are able to be used to replace old mowers at the Water Treatment Plant and Water Reclamation Facility. The old ones from the plants and one from the Service Center need to be declared surplus. We are confident that the price we will get for the used six-year-old mower will offset the remaining depreciation.

HBPW has also identified transformers which are no longer pertinent for use. The attached lists show the items described. 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.*

**25.093 Action on Consent items:**

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

**25.094 Financial Update**

*The 1<sup>st</sup> Quarter FY 25 financials were presented for information only*

25.095      **Major Projects Update**

*In addition to an update of the status of major projects, the following closeout memos were presented for information:*

*Unit 9 DI Generator Field Rewind and Controls Update  
32<sup>nd</sup> Street, Morningside, and Kenwood Water Main Replacement  
16<sup>th</sup> Street Widening*

25.096      **Audited Financial Report for FY 2024**

Rehmann Robson LLC was retained by the City and HBPW to perform the audit for FY 2024. The HBPW Board of Directors Audit Committee met with the auditors prior to this presentation to facilitate closure of the audit process and to provide the Board an opportunity to directly and independently communicate with the auditors.

Draft documents were presented to the full board by Paul Matz of Rehmann at the special meeting on October 28, 2024. No changes have been made to the financial statements since that presentation.

*Recommendation: The Board of Directors accepted the audited financial statements and related independent auditor's report issued by Rehmann Robson LLC regarding the FY 2024 financial position of HBPW.*

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

25.097      **Amend HBPW Water Utility Notice of Intent to Issue Tax Exempt Revenue Bonds From \$10 million to An Amount Not to Exceed \$12 million**

The Water Utility infrastructure projects described in the March 20, 2024, recommendation have not changed. These projects include:

- installing approximately 8,900 new residential, commercial and industrial water meters and Advance Metering Infrastructure (AMI) telemetry devices throughout the System service area,
- constructing a new approximately 2,700 square foot chemical storage addition to the filter building at the Water Treatment Plant including, but not limited to, (a) improvements within the footprint of the existing filter building, (b) rehabilitation of approximately 545 square feet of the existing fluoride room, (c) extension of the existing personnel elevator to the third floor, and (d) demolition of the existing freight elevator and chemical storage facilities on the third floor,
- sliplining approximately 3,200 feet of the 24-inch Macatawa Lake crossing water transmission line from the north corner of Park and Holland Townships to the City on the south side of the lake.

The sliplining project was a complex undertaking, turning out to be much more difficult than planned. The total cost of the above projects was estimated to be approximately \$10,000,000, which includes \$1.8 million for the sliplining project.

Actual expenditures were approximately \$2.8 million. Therefore, approval is requested to increase the tax-exempt revenue bonds to an amount not to exceed \$12,000,000. This amount is deemed sufficient to cover the costs of the above projects in addition to increased bond issuance costs.

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

*Recommendation: The Board of Directors approved the amended resolution declaring official intent to reimburse project expenditures with bond proceeds, in an amount not to exceed \$12 million, and requesting publication of notice of intent to issue tax-exempt revenue bonds.*

<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>

25.098      **Hart Solar Second Amended and Restated Power Purchase Commitment Authorization**

MPPA executed the original PPA with Hart Solar in May 2021 and a First Amendment to that PPA in December 2022. The PPA is a 20-year agreement to purchase 50 Megawatts (MW) of solar power supply from the 120 MW Hart Solar Project. Correspondingly, the City of Holland Acting by and through its Holland Board of Public Works executed a PPC Authorization in June 2021 and first amended and restated PPC Authorization in January 2023. The PPC provides for Holland to receive 23.4% (11.7 MW) of MPPA's solar power supply from the project. This participation was executed to contribute to HBPW's power supply portfolio decarbonization goals outlined in the Community Energy Plan (CEP).

Since the time of the original authorization, the developer of the Hart Solar Project has experienced development challenges and delays, primarily due to the limited availability and increased cost of Engineering, Procurement, and Construction (EPC) contractors. The forecasted delays and cost increases led MPPA to evaluate numerous alternative solutions over the past year, including early termination of the PPA with financial damages. That evaluation ultimately resulted in a negotiated Second Amendment to the PPA with Hart Solar Partners that delivers the best outcome for project participants.

The following provides a general overview of the terms and conditions that will be modified by the amendment:

- Ensures project participants still receive new, competitively priced, Michigan-based solar power supply.
- Provides larger financial guarantees in the event that the developer fails to perform (\$9 million from \$3.6 million).
- Extends the Commercial Operation Date (COD) from June 1, 2025, to December 1, 2026.
- Obligates the developer to replace capacity project is expected to provide if the COD is delayed.

Staff recommends the execution of this amended and restated PPC Authorization in order to maintain the value this deal provides for our power resource portfolio and the continued progress it provides relative to the decarbonization goals of the CEP and Michigan's Clean and Renewable Energy legislation.

*Recommendation: The Board of Directors approved the signing of the second amended and restated PPC Authorization by the HBPW General Manager as part of the MPPA Energy Services Project for approximately 11.7 MW of installed capacity of solar power from Hart Solar Partners.*

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

25.099 **Truck 87 Combination Sewer Cleaning Machine Replacement**

HBPW's current 2017 Gap Vac has experienced numerous breakdowns and has become unreliable. The unit has required more than 65 service events over seven years. Many were covered under warranty but since the warranty expired HBPW has incurred over \$85,000 in repair bills. The number of issues has resulted in an unacceptable level of down-time and maintenance costs, so replacement is being recommended. The Water/Wastewater Services team members visited the recent Water & Wastewater Equipment, Treatment & Transport Show in Indianapolis, as well as local trade shows to research vendors and sought advice from neighboring communities and contractors.

Staff developed minimum requirements to ensure the truck has the ability to perform various forms of sewer main cleaning, lift station wet well cleaning, and hydro excavation. Major requirements included a minimum 10 cubic yard debris tank, 1,200 gallon water tanks, 800-foot hose reel, and a robust safety lighting system.

Staff looked at many different manufacturers and brought demonstration units on-site from six different suppliers. Of the six demo trucks the Kaiser model recycler truck was found not to be a good fit for our system and was not pursued further. The other five other manufacturers were invited to submit proposals and provide a trade in estimate for Truck 87. Price points ranged from \$552,128.87 to \$586,752.97.

<u>Vendor</u>	<u>New Truck</u>	<u>Trade-In</u>	<u>Total</u>
Vac Con	\$ 552,128.87	\$ 175,000.00	\$ 377,128.87
Camel	\$ 572,571.17	\$ 125,000.00	\$ 447,571.17
SECA	\$ 578,513.59	\$ 175,000.00	\$ 403,513.59
Aquatech	\$ 580,876.00	No Bid	
Vactor	\$ 586,752.97	No Bid	

Based on the demonstrations and testing of the equipment BPW staff found the Vac Con unit to be the most desirable. A key feature that was well received by the team was Vac Con's "ProReel" that allows for versatile deployment of the cleaning apparatus. The Vac Con truck also has the lowest base price and the highest trade-in for the Gap Vac (Truck 87). References from other communities who currently use Vac Con units provided favorable feedback on their trucks. Based on this, staff recommends purchase of the Vac Con Sewer Cleaning Truck. The total cost of the new Vac Con truck with trade-in credit for the Truck 87 Gap Vac is \$377,128.87. This is below the approved replacement budget of \$500,000.

*Recommendation: The Board of Directors approved a Purchase Order with Best Equipment Co., in the amount of \$377,128.87 for the purchase of a Vac-Con Dual Engine Combination Sewer Cleaner.*

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

25.100 **Southside Pump Station Rehabilitation**

In February of 2023, the design of the Southside and Scenic Shores Pump Stations was approved for the rehabilitation of each station. The Southside Pump Station was designed first with hydraulic design considerations pending for Scenic Shores.

The Southside Pump Station was built in 1984 near US-31 and Washington Avenue off Meadowlane Drive. As mentioned in the Board recommendation for design services, this station is

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experiencing frequent control system failures; and the current pumping configuration creates pressure surges in the distribution system. Southside also has pumps, electrical, and mechanical components that are beyond their design life. As a result, the station is in need of rehabilitation to replace pumps, controls, piping, valving and the addition of variable frequency drives (VFDs). The rehabilitation will also include a control valve in place of the existing altitude valve, in which the valve will be controlled remotely in a similar fashion to the Waverly Pump Station and Reservoir.

An RFP for construction services was issued to several potential contractors. Two bids were received for the work, as tabulated below:

<b>Allied Mechanical Services</b>	<b>\$1,219,000</b>
<b>Northwest Kent Mechanical</b>	<b>\$1,228,500</b>

Allied Mechanical was contacted to discuss their bid and approach to the project, and staff recommends the award of the work to them.

In addition to the construction, an engineering contract was issued to Prein & Newhof for this project. The total project cost including construction, engineering, and construction and engineering contingencies, totals \$1,448,615.

The approved capital budget for this project is \$1,450,000.

*Recommendation: The Board of Directors approved a contract with Allied Mechanical Services, Inc. in the amount of \$1,219,000, with a contract contingency of \$120,000 for a total of \$1,339,000, pending approval as to form from the City Attorney.*

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

25.101

**General Manager Comments**

- The next meeting, November 25, we are switching the main study topic from electric issues to broadband issues, elective renewable rate (high volume users), and cancellation cost on transformers for the 40<sup>th</sup> Street substation (assignment agreement).
- We will have one combined meeting in December, the 16<sup>th</sup>, covering the electric issues study topic as well as the IRP
- Congratulations to our staff on earning the APPA Customer Satisfaction Silver Level award
- APPA Excellence was won by our Communications Renewable Energy/brochure
- This Wednesday, November 13, is the Home Energy Expo. The event also includes the holiday light exchange.

**ADJOURNMENT**

A motion to adjourn the meeting of *November 11, 2024*, was made by *Maalouf* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of November 11, 2024, adjourned at *5:50 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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