

**REGULAR MEETING**

The HBPW Board of Directors met  
**May 12, 2025**  
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, Paul Lilly, Kyle Engbers, Brian Lynn, City Council Liaison Scott Corbin, and Ex Officio Members Dave Couch and Keith Van Beek

**Members Absent:** None

**Staff Present:** Dave Koster, Janet Lemson, Becky Lehman, Ted Siler, Joel Davenport, Brian Richey, Julie DeCook, Steve Bruinsma, Madison Rudolph, Rene Kalkman, Jeffrey Koelsch, Trista Gregorski

25.208 **Approval of Agenda**

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

25.209 **Communications From the Audience**

*None*

25.210 **Board Minutes – Regular Meeting Minutes of April 7, 2025, and Study Session Minutes of April 28, 2025**

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

25.211 **Unit 8 Combustion Inspection Contingency Modification**

GE Vernova is contracted with the HBPW to provide turnkey services for an outage on Unit 8 in Spring of 2025. This contract is for a combustion inspection of the Unit. During the inspection, multiple items were discovered that needed extra work authorization (EWA) as they were not called out to be replaced in the original contract.

The items included:

- EWA-001 was for a total of \$36,000 and required a replacement of the spark plug lead to be replaced on can #10 due to testing failure to ignite on the old spark plug.
- EWA-002 was for a total of \$38,725 and was required to replace the Inlet Guide Vane (IGV) gears and rack segment that had broken teeth on the gear. Gears #12 and #13 were replaced and a new rack segment was installed.
- EWA-003 was for a total of \$59,750 and required blending and polishing of IGV brushing holder segments. Vanes in the IGV were found to rub against the metal casing and needed to be blended to the proper gap allowance to prevent rubbing in the future.

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

- EWA-005 was for a total of \$2,140 and was required to replace a gas fuel flex hose that was found cracked in the unit.

Another turbine parts supplier was contacted to get comparable quotes on these replacement parts but a minimum of eight weeks of lead time was expected for parts needed to make the necessary repairs.

While the EWAs were used to keep the work proceeding in a timely fashion, a change order is now required to facilitate the contractor payment. Because the total cost of the extra work performed exceeds the contingency amount approved by the Board in March of 2024, an amendment to the contingency is needed prior to execution of that change order.

Planned Change Order #1	\$136,615
Original Contingency	\$ 96,730
<b>Additional Contingency Required</b>	<b>\$ 39,855</b>
Originally Approved Construction Contract & Contingency	\$460,000
Additional Contingency Required	\$ 39,855
<b>New Contract Total</b>	<b>\$499,885</b>

With this contract contingency amendment, the overall project remains under the budgeted amount of \$650,000.

*As part of the Consent Agenda, the Board of Directors approved an increase to the contract contingency with GE Vernova for the Combustion Inspection of Unit 8 by the amount of \$39,885 for a new contingency total of \$136,615.*

25.212

**FY 2025 Capital Budget Amendment for 49 West Third Street Parking Lot Curb and Gutter Installation**

Pine Avenue Substation is located on the western portion of the HBPW 49 West Third Street property. The substation was constructed in 2015 to supply the customers that were served out of the James De Young plant and substation (decommissioned in 2016). The site is located at a lower grade than the parking area of 49 West, allowing storm water and debris to run into the substation during rain events and snowmelt periods. The water runoff and debris that carries with it is settling into the substation and deteriorating the di-electric attributes of the stone and ground grid, which is designed for the safety of our staff and contractors.

This capital budget amendment will allow for a concrete curb and gutter to be installed on the west side of the parking lot, eliminating the storm water and debris washing into the substation.

*As part of the Consent Agenda, the Board of Directors approved an amendment of \$20,000 to the FY 2025 HBPW Electric Distribution Capital Budget to install a curb and gutter on the west side of the 49 West Third Street Parking Lot.*

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25.213 **WTP Chemical Storage Engineering Agreement Contingency Modification**

Prein & Newhof (P&N) is the engineering firm for the Chemical Storage Addition project at the WTP. The original contract for this project was approved by the HBPW Board in July of 2022, in the amount of \$400,000, with a 10% contingency of \$40,000. That contract was amended in March 2024 to expand the design scope to include elevator modifications, building code analysis, and additional chemical system improvements. That same amendment removed construction phase engineering services with the intent to add them back in at a later date once the scope was better defined. Change Order No. 1 resulted in a contract price reduction of \$12,550.

With the recent bidding and award of construction services, the corresponding scope for construction phase engineering services was redefined and updated pricing was provided by P&N. Additional contingency is needed in order to process a planned Change Order No. 2 that will add the construction phase engineering services back into the P&N contract prior to commencement of construction. It also will provide a 10% contingency to address any unforeseen issues that may arise during construction. The table below summarizes the expected impact to the contract budget:

Current Contract Value	\$387,450
Planned Change Order No. 2	\$200,000
<b>Subtotal</b>	<b>\$587,450</b>
Construction Phase Contingency (10%)	\$ 20,000
<b>Total</b>	<b>\$607,450</b>
Originally approved construction contract & contingency	\$440,000
<b>Additional Contingency Required</b>	<b>\$167,450</b>

With this contract contingency amendment, the overall project remains within the approved budget.

*As part of the Consent Agenda, the Board of Directors approved an increase to the Prein & Newhof WTP Chemical Storage project contract contingency in the amount of \$167,450, for an overall contract and contingency total of \$607,450.*

25.214 **Declaration of Surplus Material May 2025**

The HBPW has identified materials and equipment which are no longer pertinent for use. The attached list shows items determined as excess, obsolete, or uneconomical to repair.

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

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

25.215 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>

25.216 **Major Project Update**

*For information only*

*Closeout memos for these projects were reviewed:*

*Sanitary Sewer Condition Assessment  
Maple 29<sup>th</sup> to 32<sup>nd</sup> Watermain Replacement*

25.217 **Water Meter and Radio Replacement Purchase Order**

The Water Utility currently meters approximately 18,000 customer service connections. Approximately 9,000 of these meters were installed during a 2004 meter replacement project which was when HBPW first implemented advanced metering infrastructure (AMI) with radio communication for water metering. The other 9,000 meters are comprised of meters that were added routinely through customer growth as well as the 4,000 Park Township customers that HBPW onboarded as retail customers in 2020.

The meters installed in 2004 have now reached the end of their reliable useful life and are in need of replacement. The meters are mechanical meters; and as they age, the wear of their components can influence the accuracy of reads. HBPW has actually benefited from our good water quality which has allowed us to utilize these meters far beyond the standard recommended 15-year service life.

HBPW has, in recent years, standardized on Neptune positive displacement water meters connected to an Aclara AMI radio network. In anticipation of the need for a meter replacement project, HBPW staff conducted a tactical action to assess whether this meter and AMI solution was still the best solution. Staff determined that since this effort represented only a partial replacement of all meters, and HBPW recently made significant investment in this configuration for the Park Township retail transition, that this configuration should continue to be used for the upcoming meter replacement as well.

HBPW staff obtained pricing from competitors (Kamstrup, Sensus, and Badger Meters) as well as other AMI vendors (Neptune, Sensus, and Itron) and found that the current Neptune and Aclara configuration is actually the most competitively priced pair of the products.

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This recommendation is for the approval of a purchase order with Ferguson Waterworks for the meters and meter gaskets, as well as a purchase order with Aclara Technologies for the transmitting units. The total cost of these purchase orders is \$3,011,158.31. The cost of this meter replacement project is split between the Water and Wastewater Utilities and is part of the approved FY 2025 capital plans for both utilities. A 5% contingency is added to account for potential pricing changes that can occur prior to delivery per the terms of the quotes.

A third purchase order with Aclara Smart Grid Solutions is anticipated at the June 2025 Board meeting for the installation of the meters and transmitters as well as recording material inventory and cross connection survey information during the customer site visits.

*Recommendation: The Board of Directors approved a purchase order with Ferguson Waterworks in the amount of \$1,840,158.31, plus a 5% contingency of \$92,008.00, for a total of \$1,932,166.31 for the purchase of water meters. Further, approve a purchase order with Aclara Technologies in the amount of \$1,171,000.00 plus a 5% contingency of \$58,550.00 for a total of \$1,229,550.00 for the purchase of the associated meter data transmitting units.*

<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>

25.218

**General Manager Comments**

- Our next Regular Board Meeting is June 9. The General Manager will be attending the APPA National Conference and Ted Siler will lead this meeting on his behalf.
- MMEA (40 members throughout Michigan) Impact Report of Public Power was discussed and the Board was briefed by the General Manager. Public Power is a great value, greatly lessened outage duration, and highly responsive to customer needs. Board Members were given a brochure.
- The Mayor is close to sending out invitations for the Strategic Development Team. These meetings would potentially starting third Monday in June and running once a month for six months.

**ADJOURNMENT**

A motion to adjourn the meeting of May 12, 2025, was made by *Lilly* supported by *Lynn* and agreed upon by the Board of Directors present.

The Board Meeting of May 12, 2025, adjourned at *4:43 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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