

**REGULAR MEETING**

The HBPW Board of Directors met  
**July 7, 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, Kyle Engbers, Brian Lynn, City Council Liaison Scott Corbin, and Ex Officio Members Dave Couch and Keith VanBeek

**Members Absent:** Paul Lilly

**Staff Present:** Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Joel Davenport, Chuck Warren, Jenessa Carter, Pieter Beyer, Madison Rudolph, Andrew Reynolds, Harley Battjes, Julie DeCook

26.000 **Approval of Agenda**

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

26.001 **Communications From the Audience**

*None*

26.002 **Election of Officers**

*Board Member Lynn made a motion to reelect PJ Thompson as Chair of the HBPW Board of Directors and reelect Carolyn Maalouf as Vice Chair of the Board. Board Member Engbers seconded the motion. Upon the vote, all voting Board Members present unanimously approved this motion 4/0.*

26.003 **New Employee Introduction, Jenessa Carter**

*Koster introduced our new Finance Director, Jenessa Carter. When Chuck Warren retires this fall, Jenessa will fill the role full time. She comes from Crowe, and prior to that, worked for City of Grand Rapids Finance Department for water/wastewater utilities for eight years.*

26.004 **Board Minutes – Regular Meeting Minutes of June 9, 2025, and Study Session Minutes of June 23, 2025**

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

26.005 **Resolution Authorizing Transfer of Funds for Contribution to the City - FY 2026**

This joint resolution is pursuant to §12.16 of the City of Holland Charter. The amount of money appropriated was approved during the FY 2026 budget process; and this Joint Resolution is passed for the purpose of complying with the requirements of §12.16 of the City of Holland Charter in the event the amount should exceed or be less than 50% of the net income of the Board of Public Works Electric & Water utilities, as defined therein.

*As part of the Consent Agenda, the Board of Directors adopted the Joint Resolution to appropriate \$8,396,016 from Electric Utility funds for FY 2026 for the general purposes of the City of Holland.*

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

26.006

**Change in Alternate Designated Representative for Air Emissions Reporting**

The Clean Air Act Amendments of 1990, the Clean Air Interstate Rule, the Mandatory Greenhouse Gas Reporting Rule, the Transport Rule, and any future similar air emissions regulations require, or will likely require, that each utility file with the EPA the name of the employee at the utility who is responsible for submitting documents and conducting allowance transactions. This person is called the "Designated Representative". These rules specify that an agreement shall be used to bind the selected employee and the owners and operators of the utility. Joel Davenport is the current Designated Representative.

The rules also allow for each utility to file with the EPA the name of one Alternate Designated Representative. The Alternate Designated Representative may act on behalf of the Designated Representative as outlined in the attached contract. Trista Gregorski, Safety & Regulatory Compliance Manager, is currently the Alternate Designated Representative but will be leaving HBPW after July 18. Madison Rudolph works in the Safety & Regulatory Compliance group as HBPW's Regulatory Compliance Specialist.

The attached contract has been updated to meet current regulation language and is in accordance with the requirements of the current air emissions regulations referenced above. The agreement stipulates the authority, duties, and indemnity of the Alternate Designated Representative. Upon execution of the contract, a notification is filed with the EPA.

*As a part of the Consent Agenda, the Board of Directors adopted the attached resolution and approved the associated contract between the City of Holland and Madison Rudolph to act as the City's Alternate Designated Representative to the Environmental Protection Agency for various air emissions regulations.*

26.007

**Energy Risk Management Policy Updates**

The Energy Risk Management policy was adopted September 16, 2013, and was last revised on December 12, 2022. Periodic reviews of the policy are needed to ensure that it remains current and cohesive with our Strategic Plan, appropriately reflects HBPW's risk tolerance, provides the tools and authorities necessary to achieve the desired risk mitigation, and includes appropriate controls and oversight.

HBPW's Risk Management Committee (RMC) recently reviewed the policy, and results of that review were discussed with the Board as part of the June 23, 2025, Study Session. Notable revisions to the policy can generally be described as follows:

1. Risk Management Committee Roles and Responsibility – Updates add a new non-voting member to the committee and shifts the chair duties to the Operations Director.
2. Transaction Authority - Matrix outlining authorization levels updated including adding several authorized parties and products previously omitted.
3. Emission Allowances - Appendix added to outline how HBPW manages emission allowances for our production facilities.
4. Renewable Energy Credits - Hedging program updated to account for changes required by Public Act 235 and to reflect changes recently implemented to provide rate stability for customers on HBPW's elective renewable energy rate.
5. Credit Risk Management - Updates replace previous credit risk evaluation process with more robust process.

*As part of the Consent Agenda, the Board of Directors adopted the revisions to HBPW Delegation Policy D015-1 Energy Risk Management.*

26.008 **Water Demand Management Program - FY 26 Approval**

Over the last few months, staff have implemented many of the recommendations from the FY 24 water demand management tactical action team:

- Implemented new tiered water rates for residential customers in July 2024
- Implemented tiered rates for commercial and industrial irrigation in July 2025
- Hired a new full-time position on the Efficiency team
- Added water conservation and demand management content to both our residential and commercial educational walkthrough programs
- Updated the HBPW website and created new customer-facing educational materials to raise awareness of water demand management needs

Measure	Residential	Commercial
Irrigation Education	Postcards, <a href="#">newsletter</a> , blogs, etc.	Postcards, emails, staff outreach, etc.
Home Energy 101 w/water focus	Already implemented	N/A
Business water/energy audits	N/A	Free (BPW staff) or consultant audits if needed
Peak day alerts (with giveaway)	Opt-in with water meter data	N/A
Peak day alerts (no incentive)	Email request for voluntary reduction	Email request for voluntary reduction
Turf grass removal rebate	N/A (for now)	Rebate of up to \$2,500/acre for install

One of the final pieces recommended by last year's TA team was to implement new rebate programs for residential and commercial customers to further encourage peak day water use reduction. The overview of the proposed programs is shown in the table below. Spending on these individual program elements will align with the approved FY 26 budget for water conservation activities.

*As part of the Consent Agenda, the Board of Directors approved the proposed FY26 water demand management program activities as outlined in this recommendation memo which were presented in detail at the June 23, 2025, Board of Directors study session.*

25.009 **Holland Energy Park Chemical Feed Pumps**

The cooling water system at HEP utilizes several chemicals to prevent microbial growth and scaling within the cooling tower and recirculation system. One of these chemicals is sodium hypochlorite, which chlorinates the water, acting as a biocide to control microbial growth and prevent biofouling. Another is sodium bisulfite, which is used to dechlorinate any water discharged from the cooling tower via the blowdown.

As previously discussed, HBPW recently obtained a National Pollution Discharge Elimination System (NPDES) Permit for HEP which will allow the cooling tower blowdown water to be discharged directly to the pond on the east side of the surrounding park. As staff has prepared to make this transition, they found that the existing sodium hypochlorite and sodium bisulfite chemical feed pumps for the cooling water system are oversized, creating challenges with chemical dosing control and inefficiencies with chemical usage.

Staff recently received a quote for four (4) new pumps (2 per chemical) that would be more appropriately sized for HEP's needs. While this creates an upfront cost of around \$40,000, there are corresponding operational savings due to the more efficient dosing of sodium hypochlorite

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and sodium bisulfite. With the new pumps, staff is estimating annual chemical costs will decrease by approximately \$12,000 per year.

While the existing chemical feed pumps are still functioning properly, they are approaching 8 years of service. Chemical feed pumps tend to have a relatively short design life due to the harsh chemicals that they handle. Due to the age of the existing pumps, need for improved dosing control, and forecasted savings, Electric Production staff is requesting a capital budget amendment to facilitate the replacement of these pumps.

*As part of the Consent Agenda, the Board of Directors approved an amendment to the FY 2026 EP capital budget in the amount of \$45,000 for new chemical feed pumps.*

Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Maalouf</i>
Second	<i>Lynn</i>
Favor	<i>4</i>
Oppose	<i>0</i>

26.010 **Major Project Update**

*For information only*

26.011 **Renewable Energy Certificate Power Purchase Commitment**

Public Act 235 of 2023 ("PA 235") amended Michigan's Clean and Renewable Energy and Energy Waste Reduction Act of 2008. The act included re-establishment of a Renewable Energy Standard (RES) with aggressive renewable energy requirements of 50% starting in 2030 and 60% starting in 2035. Compliance with the RES is based upon retirement of Renewable Energy Certificates (RECs). RECs are contractual instruments used to account, track, and assign ownership of the environmental attributes of renewable energy. One REC conveys the attributes of one megawatt-hour of electricity generated from a renewable source.

For municipally owned electric utilities, disassociated RECs can be used to achieve compliance through the end of calendar year 2035. Disassociated RECs are those that are purchased without also purchasing the corresponding energy and capacity. In order to be used for compliance, those RECs must also be generated within the Regional Transmission Organization (RTO) that the electric provider is located within. For the purposes of Holland, this means that the RECs need to originate within the Midcontinent Independent System Operator (MISO) footprint.

MPPA is entering into two transactions with a large energy provider to supply RECs compliant with PA 235. One transaction is to provide RECs compliant with PA 235 to members in the PJM RTO and one is to provide RECs to members in the MISO RTO. HBPW would be participating in the MISO transaction, which involves RECs generated from two hydroelectric facilities located in Kentucky.

The REC purchase commitment would be for a ten-year term and is for REC vintage years 2025 through 2034. Analysis of REC pricing by MPPA found the associated rate to be favorable vs. forecasted pricing in those years. As such, the transaction is being recommended as a cost-effective opportunity to hedge REC volume toward compliance with HBPW's future renewable energy obligations.

*Recommendation: The Board of Directors approved the signing of a Power Purchase Commitment Authorization by the HBPW General Manager for an expected average annual quantity of 150,000 Renewable Energy Certificates per year.*

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*Motion to approve recommendation*  
*Second*  
*Favor*  
*Oppose*

*Maalouf*  
*Lynn*  
*4*  
*0*

26.012 **Concrete Water Transmission Main Inspection**

HBPW's water transmission system includes two main transmission routes that are made of 13.3 miles of 20" to 36" prestressed concrete cylinder pipe (PCCP). The two routes both convey water from the water treatment plant to the distribution system and are therefore very critical assets. The pipe itself is a concrete pipe that has a steel cylinder embedded in it that has been wrapped with pre-stressed wire. The wire wrapped cylinder provides strength for the pipe to convey pressurized liquids, and the concrete provides corrosion protection and structural integrity.

Approximately half of the concrete pipe was installed in the 1940s and 1950s, and the other half was installed in the late 1970s. The pipe installed in the 1940s and 1950s is now reaching the end of its design life, and the 1970s pipe was produced by a manufacturer that is known to have produced defective pipe, with several documented instances of premature failure throughout the country. Because of these potential issues, there is a need to inspect these mains to determine their remaining useful life and identify any potential failure points.

The primary mechanism of failure of PCCP mains is corrosion and failure of the pre-stressing wire. Failure of several wires in close proximity to each other significantly weakens the pipe and can result in large and explosive main breaks. Due to this failure mechanism an electromagnetic inspection tool has been developed which can be inserted into the transmission main and propelled by the flow in the pipe to identify the quantity and location of failed wires. The inspection tool is also equipped with acoustic leak detection sensors and a camera to record the condition of the interior of the pipe. This data can then be used to assess the remaining useful life of each individual pipe segment and implement targeted repair efforts to extend the life of the pipe.

Proposals were solicited from the only two vendors that provide this inspection service:

- Pure Technologies - \$1,263,725
- Insight Water Solutions - \$ 859,000

Staff conducted interviews with both firms and discussed the project with references for both vendors. It was determined that Insight Water Solutions was fully capable of implementing the project at a lower cost, and their project team also includes the developers of the inspection technology. Staff, therefore, recommends proceeding with Insight Water Solutions for the work.

Since there are two transmission routes that require inspection, the work has been broken into two phases. The first phase will take place this winter and will include the 1970s pipe which is known to have defective wire. The cost of this phase is \$403,000. The second phase will take place next winter and will include the 1940s and 1950s pipe at a cost of \$456,000. The approved FY 26 budget for the first phase of the work is \$450,000.

Additional construction work is expected in order to create the insertion and retrieval points for the inspection tool, however, it is not known yet whether this will be accomplished through internal staff resources or contractor support

*Recommendation: The Board of Directors approved a contract with Insight Water Technologies in the amount of \$403,000 with a 10% contingency of \$40,300 for a total of \$443,000, pending approval as to form from the City Attorney.*



26.014

**General Manager Comments**

- Our next meeting, July 28, will include a review of the Policy Governance Model, and assignment of homework to Board members
- We will also introduce an opportunity for an insurance pool (liability, property, etc.) "The Pool" with a very good savings potential which also includes employee health insurance
- We have an open house August 1, another "touch a truck" event; location, HEP Noon – 2 p.m.

**ADJOURNMENT**

A motion to adjourn the meeting of *July 7, 2025*, was made by *Maalouf* supported by *Lynn* and agreed upon by the Board of Directors present.

The Board Meeting of July 7, 2025, adjourned at *4:50 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board