

REGULAR MEETING

The HBPW Board of Directors met
August 11, 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, Brian Lynn, City Council Liaison Scott, and Ex Officio Members Keith VanBeek and Dave Couch

Members Absent: Engbers, Lilly

Staff Present: Dave Koster, Janet Lemson, Becky Lehman, Ted Siler, Chuck Warren, Jenessa Carter, Joel Davenport, Pieter Beyer

26.024 **Approval of Agenda**

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

26.025 **Communications From the Audience**

None

26.026 **Board Minutes – Regular Meeting Minutes of July 7, 2025, and Study Session Minutes of July 28, 2025**

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

26.027 **Transfer Huntington National Bank Custody Account Services to Argent Institutional Trust Company**

The City/Holland Board of Public Works (HBPW) approved an agreement with Meeder Public Funds in 2019 to provide investment manager services and the HBPW currently utilizes their services to provide advice on investments that meet the criteria established in their investment policy (and Michigan Public Act 20) and in October 2024, the City approved an agreement with Huntington National Bank to serve as the custodian for the investments proceeds of the broad-band bonds. This required a separate custody agreement with Huntington National Bank as these funds need to be held separately in accordance with bond requirements.

The City and HBPW were recently notified that Huntington National Bank has entered into an agreement to sell the Huntington Corporate Trust and International Custody business to Argent Institutional Trust Company (AITC). To facilitate the transition, all existing clients are required to complete a Consent to Assignment form through DocuSign.

In the attachment are the following documents:

- Argent Consent Letter (please note they have agreed to extend the date from the original August 1 deadline given the timing of the Council meeting)
- AITC-HNB FAQ document
- AITC Informational Document

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

City Council approved the use of Meeder Public Funds for City investments and approved the Huntington National Bank custody agreement at its August 6, 2025, meeting. It also authorized the City Finance Director and the HBPW Finance Director to execute any needed documents to facilitate these transactions.

As part of the Consent Agenda, the Board of Directors accepted for information the Holland City Council action consenting to the assignment of the City/HBPW institutional custody account agreements from Huntington National Bank to Argent International Trust Company.

26.028 Grant of Utility Easement With Holland Public Schools for Holland City Fiber Project

HBPW obtained an easement from Holland Public Schools in 2024. The school, however, is requesting that the easement be shifted by a few feet to allow for construction of a new project. Since HBPW has not yet started fiber construction in this area, we can easily accommodate this through the amended easement.

As part of the Consent Agenda, the Board of Directors approved an easement with the School District of the City of Holland, Ottawa, and Allegan Counties for the installation of new fiber infrastructure, subject to approval as to form by the City Attorney.

26.029 Grant of Water and Sewer Easement for 470 Cleveland Avenue - Ottawa Townhomes

Jubilee Ministries has agreed to a water and sewer easement for sanitary sewer construction. The easement will allow HBPW to operate, maintain and replace or repair as necessary the sanitary sewer that will be constructed within the Ottawa Townhomes Development.

As part of the Consent Agenda, the Board of Directors approved an easement with Jubilee Ministries in the City of Holland for the access to sanitary sewer for operations and maintenance, subject to approval as to form by the City Attorney.

26.030 Broadband Bucket Truck Purchase

With the addition of Holland City Fiber, Broadband services is reaching a point where contractor construction services will be ending and a bucket truck is needed for maintaining fiber as well as future additions to the network and customer drop construction. As the need grows, the bucket truck will allow us to perform this work in-house, decreasing costs and increasing efficiency.

The team explored hybrid options and determined that electrifying the lift system would cost over \$50,000. According to HBPW Policy D014-2 on Alternative Fuel Vehicle and Equipment Purchasing, this expense exceeds the 15% threshold for justifying the addition of this option. The team evaluated three truck options, as detailed in the following chart:

Bidder	Cost	Meets Specification	Employee Evaluation
ALTEC	\$163,239	Yes	Preferred
JDC (Skylift)	\$267,750	No	Not Interested
Versalift	\$147,712	Yes	Satisfactory

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

The Versalift truck option is the lowest price and meets all requirements. Field technicians also completed hands-on evaluations of each truck to understand their features and performance. They found Versalift to be a satisfactory option.

This price is within the Broadband Services FY2026 budget of \$250,000 for this vehicle.

As part of the Consent Agenda, the Board of Directors Approve a Purchase Order for the purchase of a Versalift SST-37EIH Telescoping Insulated Bucket Truck for \$147,712.00.

26.031 **ABC Sanitary Sewer Main Lining Project - Phase 2**

In August of 2024, the Board approved a contract with Inland Waters Pollution Control, Inc. in the amount of \$599,000 for the ABC Sewer Lining Project. At the time HBPW bid the work as a single multiyear project to include the A, B, and C trunk sewers. Inland Waters submitted a bid of \$1,088,300 to complete all the work with the understanding that it would be broken over two years. The FY25 scope of work included rehabilitation of the A and B trunk sewers along the south side of Lake Macatawa using CIPP lining.

This year is a continuation of the lining work for trunk sewer C. Inland Waters Pollution Control, Inc. completed the first phase and will continue this lining project for FY26 with the same pricing as agreed upon in FY25. The requested amount is \$489,300, which is the 2024 bid amount of \$1,088,300 less the FY25 \$599,000 portion.

As part of the Consent Agenda, the Board of Directors approved a change order in the amount of \$489,300 with Inland Waters Pollution Control, Inc for the completion of the A, B, and C trunk sewer lining project.

26.032 Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Maaloof</i>
Second	<i>Lynn</i>
Favor	<i>3</i>
Oppose	<i>0</i>

26.033 **Major Project Update**

For information only

26.034 **Water Meter and Radio Replacement Contract**

HBPW is undertaking a water meter replacement project, and the Board has recently approved purchase orders for the procurement of the new water meters and meter data transmitting units (MTUs). This recommendation is for the approval of a contract with Ferguson Waterworks for the installation of the meters and MTUs. The scope of work for Ferguson includes communication with customers and scheduling appointments, replacement of the water meter, MTU, and wire connecting the two, performing a cross connections survey of the interior and exterior of each premise, and verifying the water service line material against HBPW records.

Staff obtained proposals from Aclara and Ferguson Waterworks for the replacement of the meters and radios.

- Aclara submitted a proposal in the amount of \$1,471,832.62 with installation provided by Aclara's Smart Grid Solutions subsidiary.
- Ferguson submitted a proposal in the amount of \$1,360,990.10 with installation services provided by Utility Metering Solutions.

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

Based on recent experiences with the Park Township meter replacement work, staff evaluated the proposals for critical areas such as the proposed approach to communicating with customers and setting appointments, quality of wiring work and MTU programming, familiarity with programming Aclara MTUs, data and project management, as well as cost.

Staff met with both vendors to evaluate their capabilities and believe that Ferguson has provided the best proposal for the work. Ferguson's proposal included additional support for project and data management beyond Aclara's offered services at a similar cost, and they evaluated several potential meter replacement sub-contractors to identify the one best suited for the extensive wiring work that is part of this project and that has familiarity with Aclara MTUs. Ferguson estimates that the work will take 11 months to complete.

The total cost for the meter replacement effort is summarized below:

	<u>Cost</u>	<u>Vendor</u>
Water Meters	\$1,840,158.31	Ferguson
MTUs	\$1,171,000.00	Aclara
Aclara AMI System Expansion	\$ 75,449.09	Aclara
Installation Services	\$ 1,360,990.10	Ferguson & UMS
Total	\$4,447,597.50	

Of this total \$147,237.90 is for the completion of cross connection and service line material surveys. This work is funded from operating budgets for these regulatory programs, leaving \$4,300,359.60 to be allocated to the meter replacement project. In 2024 the funding needed for the meter replacement effort was estimated to be \$3.8 M. The increase in cost over the estimate was because the budget estimate was based on a lower cost proposal received from Aclara for the meter installations that was recently rescinded after it was determined that they neglected to include the MTU to meter wire replacement in their costs.

It is typical that a small percentage of the meters included in the contract (~5-10%) will fall off the scope of work due to non-responsive customers, vacant homes, or non-standard installations. Since compliance with the meter replacement effort ultimately can require a shut-off of water service to the customer, these meter replacements will be handled by HBPW staff at the conclusion of the project. Due to the resulting attrition in the quantities of this contract a contract contingency is not being recommended at this time.

Meter replacement work typically spans multiple fiscal years and the funding for this project is distributed over the FY25, FY26, and FY27 recurring budget line-item for meter replacements, with \$2.14M in spending projected in the FY26 budget. It is also split equally between the water and wastewater funds. In order to approve this contract, an FY26 budget amendment in the amount of \$2,160,359.60 (\$1,080,179.80 in each the water and wastewater budget) is needed to pull anticipated FY27 funding forward and cover the increase in costs from the initial estimate. The payment for the work performed will still be split between the fiscal years though, meaning that the fiscal impacts are largely still in line with the approved and projected budgets.

Recommendation: The Board of Directors approved an FY26 budget amendment in the amount of \$1,080,179.80 in the Water utility and \$1,080,179.80 in the Wastewater utility for a total amendment of \$2,160,359.60 yielding a total project cost of \$4,300,359.60 and approve a contract with Ferguson Waterworks in the amount of \$ 1,360,990.10 pending approval as to form from the City Attorney.

<i>Motion to approve recommendation</i>	<i>Maalouf</i>
<i>Second</i>	<i>Lynn</i>
<i>Favor</i>	<i>3</i>
<i>Oppose</i>	<i>0</i>

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

26.035

Resolution Authorizing Membership in the Western Michigan Health Insurance Pool

For at least the past 34 years, the City of Holland and Board of Public Works (City/BPW) have offered employee health and dental insurance benefits using a self-funded approach. In a self-funded health care plan, the employer directly takes on financial responsibility to pay for most plan benefits, instead of paying fixed monthly premiums to an insurance carrier.

Employers with self-funded plans generally have more flexibility with their plan design and more control over plan costs than if they purchased fully insured health insurance products. In 2024, roughly half of Michigan's private sector businesses with more than 50 employees that offered health insurance had at least one self-funded health plan.

Employers with self-funded plans typically protect themselves from extremely large benefit claims by purchasing "stop loss" insurance. This insurance reimburses the employer for costs incurred by covered individuals that exceed a specified amount during the benefit year.

Employers with self-funded plans also typically pay another entity to administer their benefit plans and manage benefit billing. Since 2011, the City/BPW have contracted with Priority Health to provide administrative services for their health and dental plans. Since 2005, the Western Michigan Health Insurance Pool ("The Pool"), has provided an alternative to self-funded and fully-insured insurance plans. Using a membership-based pooling arrangement, The Pool has created significant structural economies of scale. Due to its market size, The Pool has been successful negotiating lower administrative services fees and better prescription drug arrangements than the City/BPW currently experience.

Because of its large size, The Pool is also able to significantly reduce the expense of stop loss insurance by selecting a much higher attachment point, resulting in a significantly lower insurance cost.

Due to these structural benefits, The Pool anticipates that it will be able to reduce indirect and fixed costs related to City/BPW health insurance benefits, resulting in an overall plan savings of roughly 9% (around \$500,000/yr.).

Following detailed review, City and BPW staff support pursuing membership in The Pool and transitioning employee benefit plans to The Pool effective January 1, 2026. In 2026, City/BPW plans will continue to be administered by Priority Health (through The Pool), and employees will continue to have "In Network" access to the same medical providers that they currently have.

For efficiency and simplicity, it is recommended that the BPW and City join The Pool as separate entities. The recommended resolution is consistent with this approach.

Given the continued upward pressure on medical-related expenses, joining The Pool may not result in an actual reduction in annual health insurance expenses. It will, however, reduce indirect and fixed costs as detailed above.

The Pool trustees have retained Gallagher Benefit Services, Inc., to manage The Pool. Consistent with federal law (HIPAA), a separate Business Associate Agreement needs to be entered into with Gallagher Benefit Services, Inc., to govern the use, disclosure, and security of protected health information.

Recommendation: The Board of Directors adopted a resolution to join the Western Michigan Health Insurance Pool for a period of not less than three years, subject to approval as to form by the City Attorney. Approve a Business Associate Agreement with Gallagher Benefit Services, Inc. subject to approval as to form by the City Attorney.

<i>Motion to approve recommendation</i>	<i>Maalouf</i>
<i>Second</i>	<i>Lynn</i>
<i>Favor</i>	<i>3</i>
<i>Oppose</i>	<i>0</i>

26.036

General Manager Comments

- Next mtg august 25, Study Session Governance policies review, Energy Waste Reduction Programs update
- Dave spoke to TV8 last Friday regarding water demand levels
- Funds from PFAS settlements have begun to flow, 3M and Dupont
- FYI energy assistance requirement for staff placed on bills by Sept 1, beginning the LIEAF Surcharge
- Energy Saving Trees have all been reserved, Saturday September 13, 2025, 9:00-noon

ADJOURNMENT

A motion to adjourn the meeting of *August 11, 2025*, was made by *Maalouf* supported by *Lynn* and agreed upon by the Board of Directors present.

The Board Meeting of August 11, 2025, adjourned at *4:41 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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