

**REGULAR MEETING**

The HBPW Board of Directors met  
**September 8, 2025**  
at 4:00 p.m.  
625 Hastings Ave.  
Holland, Michigan

**Chair Thompson called the meeting to order at 4:03 p.m.**

**Members Present:** PJ Thompson, Paul Lilly, Brian Lynn, and Ex Officio Members Dave Couch and Keith Van Beek

**Members Absent:** Carolyn Maalouf, Scott Corbin, Kyle Engbers

**Staff Present:** Joel Davenport, Janet Lemson, Ted Siler, Becky Lehman, Jenessa Carter, Chuck Warren, Steve Bruinsma, Nate Johnson, Mike Radakovitz, Amy Yost, Julie De Cook, Adam Assink, Brian Richey

26.043 **Approval of Agenda**

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

26.044 **Communications From the Audience**

*None*

26.045 **Board Minutes – Regular Meeting Minutes of August 11, 2025, and Study Session Minutes of August 25, 2025**

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

26.046 **FY 2026 Terms of Service Updates**

The following updates are being proposed to the General Terms of Service and Electric, Water, and Wastewater Terms of Service to become effective when in process changes to City of Holland Ordinance Sections 9-6 and 37-33 become effective.

General Terms of Service - Located at the beginning of each utilities Terms of Service and applies to all services.

A number of items in the utility specific terms of service were moved to the General Terms of Service to avoid duplication, including:

- Access to premises
- Readiness to serve
- Sales tax
- Miss Dig notification requirements
- Right of Way and Easement Restoration
- Shut off (disconnection) policy
- HBPW actions in Emergency situations
- Prohibition on resale and sharing of utility services

Definitions - addition of multiple definitions at the suggestion of the City Attorney and requirements due to Michigan Public Service Commission (MPSC) Low-Income Energy Assistance Fund (LIEAF) rules that apply to HBPW.

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

Deposit requirements - with the in process update of City of Holland ordinance Sections 9-6 and 37-33, the utility deposit requirements for Electric and Water have been changed to reference the new ordinances. Deposit requirements for non-pay customers have also been reduced to simplify and automate the deposit process in the Customer Information System. The HBPW ability to lien property owners, and our timeliness on disconnections of service for non-pay reduce the number of accounts in arrears that need to be sent to collections on an annual basis. The updated Terms of Service will be published after the City Ordinance updates are effective.

Addition of Governing Law and Venue (Section 2G)

Electric Terms of Service

Definitions - addition of multiple definitions at the suggestion of the City Attorney.

Addition and clarification of when a Line Extension Agreement or a Development Agreement is required for new customers requesting service.

Removed the Stranded Cost rate as a requirement for PURPA Qualified facilities (Section 19E). This rate ensured recovery for outstanding debt requirements from the Holland Energy Park construction.

Water Terms of Service

Additional language noting unpaid equipment rental fees will be added to a Customer's Utility bill or sent to a collection agency if renter is not a customer (Section I. Fire Hydrant Use).

Wastewater Terms of Service

Definitions - addition of definitions

Broadband Terms of Service will be brought for approval of changes later this calendar year.

*As part of the Consent Agenda, the Board of Directors approved general Terms of Service and Electric, Water, and Wastewater Terms of Service updates and forward to City Council for approval, subject to approval and effect of September 2025 changes to City of Holland Ordinance Sections 9-6 and 37-33 regarding Electric and Water utility deposit requirements.*

26.047

**Low Service Backup Generator Engineering Services Agreement**

The WTP relies on the Low Service Pumping Station to pump raw water from Lake Michigan to the plant for treatment and distribution. Currently, four electric pumps and one natural gas-powered pump are installed in the station. During an extended power outage, the natural gas pump is the only one capable of providing flow into the plant. This pump has a rated capacity of approximately 10 MGD, which is less than the average daily flow produced by the WTP. Thus, in a period of extended power outage, the WTP may not be capable of providing sufficient water to the distribution system.

Installation of a dedicated standby generator will alleviate this issue. Additionally, it allows the natural gas pump, which is original to the 1957 construction of the station, to be decommissioned and eventually replaced with an additional electric pump, adding redundancy to the pumping station.

A Request for Proposals was sent to three engineering firms with experience working at the WTP and with expertise in the area of standby generation installation. Two of the three firms supplied proposals, with the third declining to bid due to current workload.

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<b>Firm</b>	<b>Proposed Fee</b>
Theka Associates	\$173,731.00
Fishbeck	\$114,400.00
Prein & Newhof	Declined to Submit Proposal

Staff recommends issuing an engineering services agreement to Fishbeck for this project based on several factors. The primary factor is their cost advantage amongst the bids received. Second is their familiarity with the project needs based on their design and construction administration for several successful projects at the WTP, most recently with the Second Intake Feasibility Study. Finally, Fishbeck’s knowledge of the project scope and intricacies of the site provides additional efficiencies to the project and HBPW, as is reflected in their lower price.

The Board approved \$800,000 in the Fiscal Year 2026 capital budget for the design, procurement, and installation of a new standby generator at the Water Treatment Plant Low Service Pumping Station. Fishbeck’s proposed fee is within the expected costs for design and construction phase engineering and leaves sufficient budget available for procurement of the generator and site construction.

Fishbeck and HBPW staff will work together for the major equipment selection and place the order to lessen the impacts of long lead times on these items.

*As part of the Consent Agenda, the Board of Directors approved an Engineering Services Agreement with Fishbeck in the amount of \$114,400 with a contract contingency of \$11,440 for a total of \$125,840, pending approval as to form from the City Attorney.*

26.048

**Flocculation/Sedimentation Basin No. 3 Rehabilitation**

The flocculation and sedimentation basins are critical to the pre-treatment process at the WTP. Raw water is dosed with a coagulant at the WTP main filtration building before flowing to these basins for gentle mixing and settling. The gentle mixing – flocculation – builds small, coagulated particles into larger ones, while the settling – sedimentation – allows those particles to settle. This process removes much of the suspended solids and organics from the flow stream, which prolongs the life of the downstream filters and improves their performance.

Basin number 3 was last rehabilitated in 2014, but the scope of work was very limited. The current rehabilitation effort is intended to replace the remaining basin parts that have reached the end of their usable life. The intent is to increase the reliability of the pretreatment process and prevent costly emergency repairs that could occur if the basins were left in their current condition.

A Request for Proposals was sent to seven mechanical contractors with experience working at water treatment plants and industrial facilities. The following three contractors provided pricing for this project:

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<b>Firm</b>	<b>Proposed Fee (Base Bid + Selected Additions)</b>
Northern Boiler Mechanical Contractors	\$102,670.00
Allied Mechanical Services	\$381,000.00
Midwest Power Systems Water & Wastewater (Lee Industrial Contracting)	\$182,216.00

Based on the team’s review of the bids, staff recommend issuing a contract to Northern Boiler for this project based on two main factors. The primary factor is their cost advantage amongst the bids received. The second is their familiarity with mechanical projects with access challenges. Access to the basins is limited to small hatches in the basin ceiling. Northern Boiler’s experience with mechanical work in boiler systems, pipe galleries, and other areas with small access openings gives them an advantage for this type of work.

The Board approved \$125,000 in the Fiscal Year 2026 capital budget for this basin rehabilitation project. Currently, \$114,353 remains in the budget after procurement of some long lead time items to be used in this project. The total contract price including contingency is within the remaining project budget.

*As part of the Consent Agenda, the Board of Directors approved a contract with Northern Boiler Mechanical Contractors, Inc. in the amount of \$102,670 with a 10% contract contingency of \$10,267 for a total of \$112,937, pending approval as to form from the City Attorney.*

26.049 **Declaration of Surplus Material September 2025**

The HBPW has identified materials and equipment which are no longer pertinent for use. The attached list shows the 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

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

26.050 Action on Consent items:

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

26.051 **Major Project Update**

*For information only*

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26.052      **Greenly Substation Transformer Service Contract**

Greenly Substation ABB transformers were put into service in 2013 to serve new customer load in the northern service area of the electric distribution system. Both transformers have developed an issue originating from the preventative auto transformers inside the main tank of the 138 kV to 12.47 kV substation transformers. This equipment is part of the on-load tap change option to control voltage output from the transformers. Staff has been operating the transformers in a non-routine basis to avoid the transformer status causing the issue.

We solicited proposals from three different vendors to investigate the issue and present solutions for the repair of these units. A Southwest Electric proposal is the lowest cost option for the scope of work requested at approximately half the price of a proposal from Hitachi. We could not come to an agreement on the scope of work with the third vendor.

A larger contingency for this contract is requested with the possibility that a repair can be made during the inspection rather than incurring another outage and mobilization in the future.

*Recommendation: The Board of Directors approved a contract with Southwest Electric Inc. in the amount of \$145,260, with a contingency of \$100,000 for a total of \$245,260, pending approval as to form from the City Attorney.*

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

26.053      **Units 10 & 11 Gearset Replacements**

Siemens Energy has found that the gearset design Holland uses in its combustion turbine generators at Holland Energy Park (HEP) has the potential to fail which could result in damage to their respective generators. The gearsets reduce the speed of the combustion turbines from 6600 rpm to the 1800 rpm at which the generators rotate. Each gearset is comprised of two gears – a pinion gear/shaft that is coupled to the combustion turbine, and a bull gear/shaft that is coupled to the generator. The bull gear used at HEP is shrink fitted onto the shaft that is coupled to the generator. Siemens has found that the bull gear has the potential to slip on its shaft causing misalignment of the teeth of the pinion and bull gears causing damage to both the gear teeth as well as the generator.

This has been seen at other sites using gearsets with the same design as the gearsets used in Holland; and because of that, Siemens has made a fleet wide recommendation to replace the existing gearsets with a newer design gearset. The new design has the bull gear and shaft manufactured as one piece, thereby eliminating the potential for gear slip.

The quoted pricing for the two new gear sets totals \$3,205,812. In addition to the gearsets to be supplied by Siemens, they will also supply most of the labor and equipment necessary to install the gearsets. This work is tentatively planned to occur during the next maintenance inspections of the combustion turbines which are scheduled for September 2026. Siemens' portion of the installation work is currently estimated to be \$1,345,630. Holland will be responsible for supplying rigging equipment and services to assist in the disassembly/reassembly process, and the cost for those services is estimated at \$70,000. The total requested budget value includes these costs plus a contingency of \$178,558 to address any unanticipated issues that may arise.

Replacement of the gearsets was previously planned to occur during the next B inspection of Units 10 and 11, tentatively planned for the fall of 2027. The work was included in HBPW's most recent five-year capital improvement plan with associated costs planned to be incurred in FY27

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(equipment procurement) and FY28 (installation). Due to a recent incident with a broken tooth on the gearset of Unit 10, the gearset Original Equipment Manufacturer (OEM) recommended we move up the replacement to maintain long term system reliability of the unit. The budget amendment is required to move up the procurement of the new gearsets in time to replace them during the September 2026 outage. This will effectively move up associated costs by one year from the previous plan.

*Recommendation: The Board of Directors approved a fiscal year 2026 capital budget amendment in the amount of \$4,800,000 and authorize the General Manager to execute a change order to the long-term service agreement with Siemens Energy for the work.*

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

26.054 **Graafschap Water Main Pipe Bursting Project**

In 2024, work was completed to boost pressures in an area of the water distribution system that has experienced lower pressure. The work allowed HBPW staff to turn valves and bring this area onto the elevated pressure district. Shortly after this was done, there were eight breaks that are believed to have been caused by the higher pressure in a main that has only experienced lower pressures in the past. The condition of the pipe could not withstand the increase to the higher-pressure district; consequently, this main is in need of replacement to complete the transition for customers in this area.

HBPW staff explored several options for replacement of this water main including traditional (open-cut) excavation, lining, slip-lining, and pipe bursting. After several discussions with local contractors and engineering consultants, the most cost-effective solution identified was pipe bursting. Pipe bursting allows for installation of a new main with minimal excavation and has a low impact on the services connected to the main.

The project was designed in-house with consultation from engineers and contractors experienced in pipe bursting projects. Once designed, it was sent out for bid to four contractors, one of who submitted a bid. The bid of \$397,550 was received from Midwest Trenchless Services (MTS). HBPW staff has communicated with MTS and references provided and feel comfortable recommending their approval for this project.

Of the total bid amount, \$27,000 is allocated for private water service replacements which will be funded from the water expense budget. This leaves a total capital cost of \$370,550. In comparison, the cost to complete this project with an excavated trench process would be ~\$500K based on a recent project bid for similar pipe construction.

The approved FY 2026 capital budget for this project is \$300,000. Since HBPW did not have recent bids for this type of work to understand what pricing to expect in the Holland area, bid results from other projects in Michigan were used as the basis for the budget estimate. It appears this estimate was low and that actual costs are higher due to price adjustments compared to other referenced bids and a less competitive bid environment in Holland. As a result, a \$110,305 capital budget amendment is needed to cover this overage from the estimate and a 10% construction contingency. We will use this project to gain experience for potential cost savings in future distribution main replacements where pipe bursting is a good option.

HBPW staff recommends approval of a contract with MTS in the amount of \$397,550, with a 10% contingency of \$39,755, for a total of \$437,305. Further, an FY 2026 capital budget amendment of \$110,305 is recommended for a total capital project budget of \$410,305.

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*Recommendation: The Board of Directors approved a contract with Midwest Trenchless Services in the amount of \$397,550 with a 10% contingency of \$39,755 for a total of \$437,305, pending approval as to form from the City Attorney. Further, they approved an FY 2026 capital budget amendment in the amount of \$110,305 for a total project budget of \$410,305.*

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

26.055

**Operations Director Comments**

- Our next meeting is a study session scheduled for September 22
- Strat Dev Team Wed 4 p.m. Sept 10

ADJOURNMENT

A motion to adjourn the meeting of *September 8*, was made by *Lilly* supported by *Lynn* and agreed upon by the Board of Directors present.

The Board Meeting of September 8, 2025, adjourned at *4:39 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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