

REGULAR/STUDY MEETING

The HBPW Board of Directors met
December 15, 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, Paul Lilly, Kyle Engbers (arrived 5:24), Brian Lynn (arrived 4:24), Scott Corbin (arrived 5:26)

Members Absent: Carolyn Maalouf, Dave Couch, Keith VanBeek

Staff Present: Dave Koster, Janet Lemson, Joel Davenport, Becky Lehman, Jenessa Carter, Ted Siler, Julie DeCook, Pete Hoffswell, Bill Badran, Tracy York, Alex Craigmile, Andrew Reynolds, Amy Yost, Travis Hallifax, Carlos Panuco

26.101 **Approval of Agenda**

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

26.102 **Communications From the Audience**

None

26.103 **Board Minutes – Regular Meeting Minutes of November 10, 2025, and Special Meeting Minutes of November 24, 2025.**

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

26.104 **Broadband Terms of Service Update**

The Broadband Terms of Service (TOS) were most recently revised in February 2024 in order to add service descriptions for the new Fiber Internet offering in the City limits. Current changes to the TOS include:

- Removing Service Offering definitions that were duplicative of what was included in the descriptions of the Service Offerings in the body of the TOS.
- Including Transit Service offering for both Shared Gig and Fiber Internet Service. This was missed when Fiber Internet Service was added in the previous version. Ensures we have a rate for a 3rd party Internet Service Provider to use both networks.
- Removed Termination of Service specifics that are addressed in the General TOS.
- Addition of references to regulatory requirements.

The new Broadband Terms of Service will take effect after City Council review and approval.

As part of the Consent Agenda, the Board of Directors approved the revised Broadband Terms of Service.

26.105 **Non-Rate Fees and Charges Update**

As part of HBPW's annual review, non-rate fees and charges are adjusted as needed to reflect changing business conditions. The current fees and charges were approved by the HBPW Board

on December 16, 2024, and implemented on January 1, 2025.

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

The changes in the current schedule are highlighted in the attachment. Most adjustments reflect updated MDOT Schedule C Equipment Rental Rates and incremental increases in HBPW construction, material, and labor costs. In addition, multiple electric, water, wastewater, and broadband fees have been updated with modest increases to service calls, meter-related charges, taps, terminations, inspections, hydrant meter rental rates, and frontage and trunkage assessments to reflect current costs.

As part of the Consent Agenda, the Board of Directors approved the 2026 Schedule of Fees and Charges, effective January 1, 2026.

26.106

49 West Third Street Roof Replacement

The roof was installed in 1997 and evaluated by the HBPW in 2015 when it was found to be in satisfactory condition with an expected life span of an additional 4-6 years (2019-2020). Since then, the roof at 49 West has been watched and evaluated for potential/increased need of repairs. Several small leaks have been discovered and patched during this time. Last year, a second evaluation was conducted, and it was determined that the life of the roof had been met. A capital budget item was added for the replacement of the roof in the FY26 budget.

In November 2025, the HBPW project team requested proposals from six local roofing contractors qualified in performing commercial roofing services. The services requested included removing and disposal of the existing EPDM membrane, wood fiber board, and any wet or damaged polyiso or EPS insulation as well as any related sheet metal gravel stops, counter flashing, parapet copings, abandoned or obsolete equipment, debris, installation of new EPDM roofing system (to include additional insulation to R-30 to meet current code requirements), metal roof edging and copings, flashings, re-working drains as needed, and other roofing related items necessary to provide a complete weatherproof roofing system. Alternate bids were also requested for repair of the existing gables if budget allowed. The gables are of a similar vintage and show significant signs of deterioration.

Bids were received from four contractors who attended the pre-bid conference and walkthrough. HBPW staff reviewed the bids and determined that they had qualified bids. The following table summarizes the bids received:

Company	Location	Base Bid	Alternate Bids			Addend	Unit Prices	Contract Exceptions
			EPDM West gable	UC500 West gable	UC-500 East gable			
Mikalan Roofing Inc.	Zeeland, MI	\$244,900	\$2,800	\$5,500	\$5,500	Y	Y	N
J&L Roofing Co.	Grand Rapids, MI	\$308,960	\$2,800	\$10,260	\$7,400	Y	Y	N
Division 7 Roofing	Kalamazoo, MI	\$293,150	\$5,000	\$12,000	\$12,000	Y	N	N
Modern Roofing Inc.	Dorr, MI	\$308,000	\$3,200	\$7,600	\$7,600	Y	Y	N
Hoekstra Roofing	Kalamazoo, MI	did not submit bid						
Langerak roofing	Hudsonville, MI	did not attend pre-bid meeting						

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Mikalan’s bid with preferred Alternates 2 and 3 (UC500 East and West gable repair) was the low bid. As part of the project, several unknowns exist with the roofing repair. These included damage to the decking and insulation under the existing EPDM membrane. To mitigate these costs, staff had each bid include unit pricing for these unknown items. Below is a breakdown of the unit pricing bids.

Company	Replace decking (sq ft)	Repair decking (sq ft)	Rem/Repl wet insulation (sq/ft)	Walk pads (per pad)	Drain recon.	New drains	Nailers 2x4 / 2x6
Mikalan	\$14.65	\$11.88	\$4.07	\$84.22	\$265.00	\$570	3.93/4.31
J&L	\$10.00	\$7.00	\$3.00	\$52.00	\$250.00	\$500	3.00/3.50
Division 7	\$15.00	\$5.00	\$2.50	\$87.50	N/A	\$1,750	3.50/4.00
Modern	\$12.75	\$4.50	\$1.75	\$80.90	\$125.00	\$900	1.95/3.10

A balanced bid evaluation occurred with these unit prices to determine if Mikalan would remain the low bid. Division 7, the next lowest bid, would not become the low bid unless 27% of the decking would need repair (7,000 of the 26,000 sft of roof). Based on this evaluation, staff feels Mikalan Roofing to be the lowest qualified bidder.

When determining contingency, staff looked at 10% of the roof being damaged and needing repair (2,600sft of the 26,000sft). Based on the unit pricing provided from Mikalan, 10% of the roof being damaged and needing decking/insulation repair would equate to 20% of the contract amount. Based on these numbers, staff recommends a contract contingency of 20%.

The team recommends awarding the contract for construction to Mikalan Roofing Inc. as the qualified bidder with the lowest as-read bid.

As part of the Consent Agenda, the Board of Directors approved a contract with Mikalan Roofing Inc. for a not to exceed amount of \$255,900, with a 20% contingency of \$51,180, for a total of \$307,080 pending approval as to form by the City Attorney.

26.107

James Street Substation 138 kV Circuit Switcher

Bid proposals to provide a SF6 circuit switcher for the James Street Substation Transformer Replacement Project were requested from qualified bidders. Two qualified bids were received. Bid pricing included supply and delivery. A summary of the evaluated bid results and quoted delivery times are as follows:

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Bidder Name	Business Location	Quote Amount	Delivery	Type
Siemens Energy	Richland, MS	\$104,001	140 Weeks	SF6
Stuart C Irby Co.	Mount Pleasant, MI	\$106,259	98 Weeks	SF6

Factors in the evaluation process included the equipment, costs, technical specifications, warranty, and delivery lead time. Irby with the S & C Switcher had the best lead time while meeting the technical specifications. We use S & C equipment in all but one of our existing substations.

Based on the team's evaluation, BPW Staff recommends that a purchase order for the circuit switcher be issued to Stuart C Irby Co. The James Street Substation Transformer Replacement project is part of the approved FY 2026 capital budget (\$3.0M).

As part of the Consent Agenda, the Board of Directors approved a purchase order with Stuart C Irby Co. in the amount of \$106,259 with a 10% contingency of \$10,600 for a total of \$116,859.

26.108

Holland Board of Public Works (HBPW) Alternative Fuel Vehicle and Equipment Purchasing Fiscal Year (FY) 2025 Annual Report

The Alternative Fuel Vehicle and Equipment Purchasing Policy (D014-2) requires annual reporting on the following items:

- A list of vehicles by class, by year, and a similar list of non-vehicle fuel combusting equipment, including
 - Make and model
 - Drive train
 - Vehicle # and VIN
 - Fuel type
 - Annual miles for vehicles and hours for equipment
 - Annual fuel consumption
 - Annual maintenance costs by vehicle/equipment
 - Estimated CO2 emissions

- Attached to this report, please find the following reports:
 - Alternative Fuel Vehicle Report Basic Vehicle Info listing such things as vehicle make/model, HBPW vehicle #, VIN, department using the vehicle, fuel type, and date acquired.
 - Alternative Fuel Vehicle Report Annual Vehicle Miles and Fuel Consumption.
 - Alternative Fuel Vehicle Report Maintenance Costs, reporting total maintenance costs by department.
 - Alternative Fuel Vehicle Report FY 2024 vs. FY 2025 CO2 Emissions, showing an estimated 2.29% decrease in CO2 emissions from FY 2024 to FY 2025. Notably, diesel consumption stayed essentially the same during this period, so the reduction is primarily gasoline related.

- There is no significant recorded data to track CO2 emissions for fuel using equipment.

At the end of FY 2025, the HBPW vehicle pool included six EV's and two hybrids. The EV's are four light/medium duty pick-ups, one small SUV and one van.

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As part of the Consent Agenda, the Board of Directors Accept the HBPW Alternative Fuel Vehicle and Equipment Purchasing FY 2025 Annual Report for information.

26.109 **Declaration of Surplus Material December**

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 approve the attached list of items as surplus.

26.110 Action on Consent items:

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

26.111 **Financial Update – October 2025**

For information only

26.112 **Major Project Update**

1. Project Closeout Memo – Structure A Heat

For information only

26.113 **Customer Energy Optimization Plan Approval**

According to PA 229, the overall goal of a Customer Energy Optimization Plan is to help the electric provider's customers reduce energy waste and to reduce the future costs of providing service to customers by delaying the need for new electric generation. Municipal electric providers must save 1.5% of their annual retail sales, and they may accomplish that through both Energy Waste Reduction (EWR) and Efficient Electrification (EFEL) programs.

In addition to enumerating the 1.5% savings targets that electric providers will aim to achieve in each year of the plan, the Michigan Public Service Commission uses these plans to verify the cost-effectiveness of EWR programs through the use of a specific cost-benefit test known as the Utility System Resource Cost Test (USRCT). This cost test estimates the value of the provider's energy waste reduction programs from the perspective of the utility itself. When all proposed programs and measures are included, a portfolio score that is greater than 1.0 indicates that the benefits of a provider's program exceed their costs. The overall program score for Holland BPW's proposed plan is 2.0, indicating a cost-effective overall program. This can be interpreted as: 'for every dollar spent on these programs, Holland BPW sees two dollars of benefit'.

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It is worth noting that these cost benefit tests do not include the costs and benefits of electrification (EFEL) measures. The benefits to the utility of such measures are often significant, since they represent new revenue that is derived from measures in homes or businesses that used to be powered by natural gas. In lieu of a specific cost test, staff have historically developed incentive levels for electrification measures that are modeled on our line extension policy, which ensures that incentive amounts should be recaptured in revenue within a prescribed number of years based on the customer and type of measure.

Per PA 229, municipal utilities need to receive approval of their proposed Customer Energy Optimization Plan by their governing body (the HBPW Board). Once approved, we plan to voluntarily submit our Customer Energy Optimization Plan to the MPSC via a collaborative filing with other Michigan Municipal Electric Association (MMEA) members and their respective plans.

Recommendation: The Board of Directors approved the attached 2026-2029 Customer Energy Optimization Plan for submittal to the Michigan Public Service Commission.

Motion to approve recommendation
Second
Favor
Oppose

Engbers
Lynn
4
0

STUDY TOPICS

26.114 **Broadband Utilities Issues Discussion**

Staff continues a four-month series of presentations on the HBPW's Electric, Water, Wastewater, and Broadband Utility operations. Staff will highlight major issues that affect the current operations and future planning.

Plans to address short- and long-term broadband build as well as the Holland City Fiber Initiative will be discussed, along with high-level summaries of the capital plans.

The Board of Directors accepted for information the staff report on issues affecting the Broadband Utility, with emphasis on the Holland City Fiber Initiative and other future plans.

26.115 **Policy Governance Review – Session 6: Completion of Delegation Policy Review**

This session continues a review of Governance policies with a deeper exploration of the Delegation group of policies. These policies, also termed "executive limitations," generally describe the Board of Directors' methods of placing boundaries on the General Manager's authority. Here policies are sometimes nested into increasing levels of definition of those limitations.

