

REGULAR MEETING

The HBPW Board of Directors met
February 9, 2026
at 4:00 p.m.
270 S River Ave
City Council Chambers
Holland, Michigan

Chair Thompson called the meeting to order at 4:01 p.m.

Members Present: PJ Thompson, Carolyn Maalouf, Paul Lilly, Brian Lynn, Kyle Engbers (arrived late), City Council Liaison Scott Corbin, and Ex Officio Members Keith VanBeek

Members Absent: Dave Couch

Staff Present: Dave Koster, Janet Lemson, Joel Davenport, Becky Lehman, Ted Siler, Alex Craigmile, Brian Richey, Pieter Beyer, Carlos Panuco, Nate Grysen, Julie DeCook, Steve Bruinsma, Grant Koster, Bernie Merkel

26.139 **Approval of Agenda**

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

26.140 **Communications From the Audience**

None

26.141 **Board Minutes – Regular Meeting Minutes of January 12, 2026, and Study Session Minutes of January 26, 2026**

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

26.142 **Amendments to Consumers Energy Leases**

Holland BPW has an existing lease agreement with Consumers Energy that gives Holland BPW access to the "ANR Site" where gas pipelines A and B connect to TC Energy's ANR pipeline. Holland BPW also has an existing lease agreement with Consumers Energy that gives Holland BPW access to the "Consumers Site" where gas pipeline A connects to the Consumers Energy natural gas supply system. Both sites use phone lines for communications back to Holland Energy Park. The phone lines are susceptible to intermittent outages due to high winds and storms taking out power and phone lines in the area. The outages can range from a couple of hours to multiple days.

Holland BPW staff would like to upgrade the communication equipment at the sites to utilize high speed fiber optic connections to Holland Energy Park. 123.Net, Inc., a fiber optic communications provider, can provide this service. However, work to run the fiber optics to the sites requires operating in an area outside of our currently leased lots. Proposed amendments to the lease agreements grant Holland BPW and 123.Net, Inc. the rights to run fiber optics and provide the guidelines we must follow to complete the work.

As part of the Consent Agenda, the Board of Directors approved the First Amendment to lease agreement MI00000023499ALL and Second Amendment to lease agreement MI00000023502ALL with Consumers Energy Company, pending approval as to form from the City Attorney.

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

26.143 **Grant of Sewer Bill of Sale for 470 Cleveland Avenue – Ottawa Townhouse**

Jubilee Ministries has submitted a sewer Bill of Sale for sanitary sewer in the development at 470 Cleveland Avenue. The bill of sale transfers ownership of sanitary sewers in a previously approved easement to HBPW. The easement was approved by the Board and executed in September of 2025 and is included as Exhibit A to the bill of sale. The contributed capital value of the sewer in the bill of sale is \$75,000.

As part of the Consent Agenda, the Board of Directors approved a bill of sale with Jubilee Ministries in the City of Holland for the ownership of sanitary sewer, subject to approval as to form by the City Attorney.

Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items
Second
Favor
Oppose

Lilly
Maalouf
5
0

26.144 **Major Project Update**

For information only

2026-02-09 Brecado LS Rehab (SWR98) Project Closeout Memo
 2026-02-09 Graafschap Pipe Bursting (WR98) Project Closeout Memo

26.145 **James Street Substation T1 Transformer Replacement**

Bid proposals to provide a replacement transformer for the James Street Substation transformer replacement project were requested from qualified bidders. Three qualified bids were received. Bid pricing includes transformer supply, delivery, and commissioning. A summary of the evaluated bid results and quoted delivery times are as follows:

Bidder Name	Business Location	Quote Amount	Delivery	Previous Purchase
Virginia Transformer	Roanoke, VA	\$2,051,695	50-55 Weeks	Yes
Pennsylvania Transformer	Canonsburg, PA	\$2,224,653	86-88 Weeks	Yes
Ohio Transformer	Louisville, OH	\$2,111,082	Q2 2029	No

The proposals were evaluated on the transformer costs, technical specifications, warranty, and delivery lead time. Virginia Transformer Corporation had the best lead time while meeting the technical specifications.

Holland BPW Staff recommends that a contract for the transformer be issued to Virginia Transformer Corporation. The James Street Substation transformer replacement project is part of the approved FY 2026 capital budget (\$3.0M) which also includes the installation of a new oil containment system.

Recommendation: The Board of Directors approved a contract with Virginia Transformer Company in the amount of \$2,051,695, with a 10% contingency of \$205,170 for a total of \$2,256,865, pending approval as to form from the City Attorney.

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

Motion to approve recommendation
Second
Favor
Oppose

Maalouf
Engbers
5
0

26.146 **Amendment to Unit 7 Major Inspection Contract Contingency**

Unit 7 has been in commercial operation since May of 1992 and is currently undertaking its first major inspection and field rewind to extend its useful life. Major inspections for peaking units like Unit 7 are driven based on the number of starts. Because peaking resources have higher variable costs to operate than their baseload counterparts, their starts and hours of operation tend to be limited. This correspondingly means that maintenance inspections on peaking units occur much less frequently than on baseload resources, and it can be more difficult to predict what will be encountered.

During the ongoing Unit 7 major inspection and generator field rewind, Allied Power Group (APG) identified several critical issues that required work beyond the original contract scope. The initial phase of extra work, covered in Change Order #1, involved shipping the turbine rotor off-site for blade removal after on-site contractors were unable to remove them without risking damage. Additionally, inspections of the generator rotor revealed damage that required repair to ensure the unit could safely return to operation.

As the inspection progressed, significant hardware replacements became necessary. Change Order #2 addressed the replacement of the Stage 1 and 2 turbine rotor buckets. The Stage 1 buckets were found to be an obsolete design and unrepairable, while the Stage 2 buckets had reached their operational life limit based on Original Equipment Manufacturer (OEM) recommendations. During this phase, a Stage 2 disc was also found to have unrepairable damage, necessitating a full rotor de-stack and restack to install a replacement.

Change Order #3 expanded the scope to include heavy repairs of combustion components and the generator bearings. This included work on bullhorn brackets, liners, and nozzles, as well as repairs on the Stage 3 nozzles to mitigate the high risk of stress-induced cracking.

Change Order #4 focused specifically on the compressor section after shop inspections found the rotor unbalanced beyond OEM standards. To prevent future vibration issues, APG recommended de-stacking the compressor to perform blast cleaning, non-destructive inspections, and wheel measurements. This order also includes turbine rotor corrections and a new compressor bolt kit to replace the hardware removed during the disassembly process.

Since Change Order #4 includes inspections of the compressor section of the rotor that are currently ongoing, APG has said to expect additional cost for repairs on this item as well. Based on past inspections of similar equipment, APG recommends an additional estimated \$100,000 in funds to cover these costs if they are deemed necessary.

The total amount of all four of these change orders is listed below.

PO 34021 Change Order #1 Amount	\$ 177,476.00
PO 34021 Change Order #2 Amount	\$ 1,028,558.00
PO 34021 Change Order #3 Amount	\$ 414,367.80
PO 34021 Change Order #4 Amount	\$ 195,855.00
PO 34021 Change Order #5 Amount (Estimate)	\$ 100,000.00
Total Change Order Amount	\$ 1,716,256.80
Total Change Order Amount including CO 5 estimate	\$ 1,816,256.80

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

The HBPW selected Trojan as the preferred equipment vendor to use for the project. Donohue has been designing the project utilizing the Trojan equipment as the basis of the construction documents that are planned to be issued to general contractors for bid in the Spring of 2026. To keep the quoted cost and help with long lead times on the items, HBPW is recommending entering into a contract with Trojan with an assignment clause to assign the contract over to the general contractor once construction bidding is completed in the spring.

Recommendation: The Board of Directors approved an Equipment Procurement Agreement with Trojan in the amount of \$999,720 with a 10% contingency of \$99,972, for a total of \$1,099,692 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>5</i>
<i>Oppose</i>	<i>0</i>

26.148

Purchase and Sale Agreements for Portion of 4036 Hillside Trail Property

Since 2001, the Holland Board of Public Works has owned property at 4036 Hillside Trail as a potential site to access Lake Michigan for additional potable water supply. While recent investments in water transmission infrastructure make it unlikely in foreseeable future that a plant will be developed south of Lake Macatawa, the HBPW can still maintain an option to develop a plant without the necessity of owning a 24-acre parcel with 325 feet of frontage. This can be accomplished by preserving a 50-foot easement through the property along with maintaining adequate space at the east end for a pump station.

To this end, and in accordance with Charter provisions, the question was put to the voters in November of 2022 to request authorization for the Holland Board of Public Works and Holland City Council to determine the how to dispose of the property. The referendum passed with over the required 60% voting in favor.

Since that time, staff has worked with Coldwell Banker to market the property. While we have not yet been able to secure a suitable buyer for the entire parcel, staff believes it is in the best interest of the rate payers to execute a sale of part of the property, that portion immediately east of the adjacent waterfront owners, which then will allow the marketing of the waterfront separately.

After considerable discussions regarding alterations to the easements and restricted covenants for the property, staff is prepared to recommend approval of this purchase and sale agreement. The provisions contained herein will provide the HBPW with the capability sometime in the future to construct an intake line and pump station, which would then be able to convey water for treatment at a facility further inland.

As is typical with purchase and sale agreements, certain contingencies are noted. Specifically, approvals by Laketown Township of certain lot splits and boundary extensions will be required in order to reach closing. It is at closing where the amended and restated easement and restricted covenant agreements would also be executed.

Once this sale is finalized, staff will present the Board and City Council with an updated listing agreement for the remaining property to be marketed for sale.

Recommendation: The Board of Directors approved the attached purchase and sale agreements, along with addendum #1 and the restated and amended easements and restricted covenants attached thereto.

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

Motion to approve recommendation
Second
Favor
Oppose

Lilly
Lynn
5
0

26.149

General Manager Comments

- Customer survey was soft launched February 9th to about 10% of customers
- February 11th City Council has a study session. Presentation by the community energy plan strategic development team
- Next Public Open House scheduled for February 27th and March 1st at Holland Energy Park
- MPPA has the annual stakeholder meeting May 14th at Frederick Meijer Gardens
- Next meeting February 23rd at 49 W 3rd St and is a study session with the topics being the January financials and wastewater utility and high-level overview of proposed budget
- Congratulations to PJ Thompson on receiving Lakeshore Advantage's Visionary Award!

ADJOURNMENT

A motion to adjourn the meeting of *February 9, 2026*, was made by *Lilly* supported by *Engbers* and agreed upon by the Board of Directors present.

The Board Meeting of February 9, 2026, adjourned at *5:16 p.m.*

Minutes respectfully submitted by,

Carlos Panuco, Acting Secretary to the Board