

**SPECIAL MEETING**

The HBPW Board of Directors met  
**September 28, 2020**  
at 4:00 p.m.  
Via Zoom Teleconference

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

**Members Present:** Diane Haworth, Sue Franz, Paul Lilly, P.J. Thompson, City Council Liaison Nathan Bocks, and Ex Officio Members Bob Shilander and Keith Van Beek

**Members Absent:** Tim Hemingway

**Staff Present:** Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Chuck Warren, Joel Davenport, Pieter Beyer, Chris Van Dokkumburg, Julie DeCook, Mark Gipson, Steve Bruinsma

21.053 **Approval of Agenda**

*Motion to Approve the Agenda made by Thompson  
Second Franz  
Favor 4  
Oppose 0*

21.054 **Communications from the Audience**

*None*

**SPECIAL AGENDA 8th Street Water Main Reconstruction - Walnut Avenue to US-31**

21.055 Due to a frequent break history, the difficulty of repairing these breaks, and the significant impact these breaks have had on customers, HBPW engineering staff prioritized the water main in 8th Street from Walnut Avenue to US-31 for replacement. The HBPW contracted with Holland Engineering to develop the plans, bid the project to contractors, and provide construction inspection.

The project budget for this replacement was originally estimated assuming that typical water main replacement practices would apply to the project. During the design phase of the project, several additional challenges were identified that have increased construction costs above the original estimate.

Temporary Water Service

A 24" water transmission main lies on the north side of 8th Street, and the sanitary sewer and storm sewer lie near the center of the road. These existing utilities leave little room to reconstruct the local distribution main in traditional methods. Traditionally, a space nearby the existing main is selected and new main is built while the existing main continues to serve customers. Due to the placement of the other utilities in the road, such an approach is not possible for this project. The existing water main needs to be taken out of service and replaced in its current alignment. This process requires installation of a temporary water main on the sidewalk to provide service to our customers for the duration of construction. The proximity of the other utilities to the existing water main also slows down the construction process and, therefore, increases construction costs.

Pavement Restoration

Initial discussions were held with the Ottawa County Road Commission (OCRC) on the pavement restoration requirements for the project. These discussions indicated that the OCRC likely would only require restoration of one travel lane of pavement because the OCRC was planning on a full roadway resurfacing project in two years. After submittal of the construction plans to the OCRC and after

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receiving bids from contractors for the work, HBPW received notification that one travel lane of pavement restoration was not sufficient and restoration of two travel lanes to the centerline of the road was required.

Cost Summary

Bids were solicited from seven contractors, and bids were received from three of the bid meeting attendees. The received bids are shown in the table below. The bid prices do not reflect the changes requested by the OCRC, but the recommended contract price does include the expected increase.

<u>Bidder</u>	<u>Bid Price</u>
Diversco	\$ 592,295.50
Kammaing & Roodvoets	\$ 665,286.00
Milbocker	\$ 723,580.51

Based on the bids, a project cost breakdown is provided below. The additional costs for the temporary water services and the additional pavement work were:

- Temporary Water Services \$ 78,600.00 (included in Bid)
- Additional Pavement Restoration \$ 40,681.40 (not included in Bid)

FY 20 Budget	\$ 500,000.00
Engineering	\$ 76,700.00
Construction (Including Additional Pavement Work)	\$ 632,976.90
Construction Contingency	\$ 63,297.69
Additional Budget Contingency Requested	\$ 196,274.59

*Recommendation: The Board of Directors approved a contract with Diversco Construction in the amount of \$632,976.90, with a 10% contingency of \$63,297.69 for a total of \$696,274.59, pending approval as to form from the City Attorney. Further, approve a transfer from contingency in the amount of \$196,274.59 to fund the increased construction costs for this project.*

<i>Motion to approve recommendation</i>	<i>Franz</i>
<i>Second</i>	<i>Lilly</i>
<i>Haworth</i>	<i>Y</i>
<i>Franz</i>	<i>Y</i>
<i>Lilly</i>	<i>Y</i>
<i>Thompson</i>	<i>Y</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

**STUDY ITEMS      Energy Risk Management Policy Updates**

21.056      The current Energy Risk Management policy, which includes HBPW's Hedge Program, was developed in 2013 and last updated in 2017. Earlier this year, HBPW contracted with StoneX (formerly "FCStone") to review the current policy and make recommendations for potential improvements. StoneX presented the results of that review to the Board at the April 27, 2020, Board Study Session.

Since that time, the Risk Management Committee (RMC) has developed draft modifications to the policy to address StoneX's recommendations as well as other improvement opportunities identified by the committee. Staff will be presenting the proposed updates to the Board for information and review. Board approval of the revised policy will then be sought at a future date.

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*Study item. No Board action required.*

21.057 **Discussion Regarding Board Interest in Study Session Topics**  
Item description

*Study item. No Board action required.*

21.058 **Comments From the General Manager**

*Our next meeting is a Regular Meeting scheduled for October 12, 2020.*

*The next meeting of the Strategic Development Team is scheduled for October 19.*

21.059 **Comments From the Board**

*None.*

**ADJOURNMENT**

A motion to adjourn the meeting of *September 28, 2020*, was made by *Lilly* supported by *Thompson* and agreed upon by the Board of Directors present.

The Board Meeting of September 28, 2020, adjourned at *6:09 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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