

REGULAR MEETING

The HBPW Board of Directors met
September 13, 2021
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

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

Members Present: Franz, Lilly, Thompson, Maalouf, Hemingway, City Council Liaison Nathan Bocks and Ex Officio Members Bob Shilander and Keith VanBeek

Members Absent: None

Staff Present: Ted Siler, Janet Lemson, Becky Lehman, Chuck Warren, Joel Davenport, Pieter Beyer, Steve Bruinsma

22.041 **Approval of Agenda**

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

22.042 **Board Minutes – Regular Meeting Minutes of August 9, 2021, and Study Session Minutes of August 23, 2021**

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

22.043 **Greenly Substation Surrounding Land Lease Agreement with Country Corners Farm, LLC**

The land surrounding the Greenly Substation site has been leased to Ron Nienhuis for the last four and a half years. This new lease with Country Corners Farm LLC c/o Tim Nienhuis, Ron's son and successor, is revocable by either party. Under the terms of the agreement, Country Corners Farm LLC will pay \$1,000 per year to farm the 16 acre site. The leasing arrangement benefits the HBPW by generating revenue and reducing expenses required for vegetation control on this parcel if the farming use of the parcel did not exist. The term of the lease expires December 31, 2026.

As part of the Consent Agenda, the Board of Directors approved a lease agreement with Country Corners Farm LLC for a 64-month term, in the amount of \$1,000 per year.

22.044 **Electronic Bill Payment Services Agreement**

A FY2021 tactical action to research the greatest improvement potential to customer service interactions was completed. The results indicated that electronic payment processing and paperless billing should be upgraded to provide improved services to our customers. It was also decided to absorb online convenience fees as presented to HBPW Board at the August 23 study session. Our annual customer satisfaction survey results have a significant number of customers commenting on their unhappiness with the electronic payment processing fees that are now born by the customer. Many other Michigan municipal utilities are now bearing the total cost of the electronic transactions.

Proposals were received from the payment providers that offer real-time integration with Northstar; Paymentus and Invoice Cloud. Paymentus submitted the lowest evaluated annual cost and offers convenient single sign on with our current customer portal. The per transaction fee for Paymentus is \$1.66 for credit/debit transactions, 2.85% for payments > \$750.00 and \$0.40 for Echeck/ACH

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transactions. At current electronic payment levels this is an expected annual cost of ~ \$132k per year. We expect the net cost to be lower because increases in electronic payments and paperless billing enrollments will lower our internal billing and payment processing costs accordingly.

As part of the Consent Agenda, the Board of Directors approved a master services agreement with Paymentus for electronic bill payment services. The agreement has been approved as to form by the City Attorney.

22.045 Action on Consent items:

Motion to approve, accept, or adopt Consent *Lilly*
 Agenda items
 Second *Franz*
 Favor *5*
 Oppose *0*

22.046 **Communications from the Audience**

None

22.047 **Major Project Update**

For information only

22.048 **Distributed Control System Upgrade**

The Siemens SPPA-T3000 DCS at HEP controls the operation of the two combustion turbines (Units 10 and 11), steam turbine (Unit 12), and a number of the balance of plant equipment and systems. The current version of this DCS, 7.2, resides on Microsoft Server 2008 R2 and Windows 7 operating systems, both versions of which Microsoft ended support in January 2020. This project will move the DCS to version 8.2 and will update the client and server operating systems to Windows 10 and Server 2016. These systems are currently planned to be supported by Microsoft until 2025 and 2027 respectively.

In addition to the software upgrades, new hardware will also be supplied and installed including new operator workstation mini tower thin clients, an application server, a security server used for patch upgrades, a terminal server, a firewall, Ethernet switches, and network attached storage.

As part of the work, Siemens personnel will travel to HEP to perform an on-site audit and software backup. The backup will be brought back to Siemens' Alpharetta, Georgia, office for a software update and review. Part of the review process will be a factory acceptance test performed by Siemens and witnessed in person by an HBPW employee. In May 2022, HEP will be brought offline for approximately 10 days to allow for the implementation of the DCS upgrade.

Siemens was the only bidder for this project as they are the Original Equipment Manufacturer (OEM) and are the only distributor of the T3000 system.

Bidder Name	Business Location	Quote Amount	Meets Specifications	Previous Contracts
Siemens Energy	Alpharetta, GA	\$494,335.93	Yes	Yes

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Recommendation: The Board of Directors approved a contract with Siemens Energy in the amount of \$494,335.93, with a 10% contingency of \$49,000.00 for a total of \$543,335.93, pending approval as to form from the City Attorney.

<i>Motion to approve recommendation</i>	<i>Franz</i>
<i>Second</i>	<i>Lilly</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

22.049 Purchase of an Altec Model DB37 Mini-Derrick and Trailer

The mini-derrick is primarily used to raise poles, dig holes, and set equipment in locations that are challenging to reach and many times not accessible with our line trucks. The recommended mini-derrick comes equipped with tracks capable of lifting up to 5,500 pounds, for poles, transformers, and switchgear. Along with the lifting capabilities, the mini-derrick can auger holes and set poles for our overhead electric distribution system. The quote includes a tandem axle galvanized trailer designed for this machine.

The request for pricing was performed by MI-Deals, an extended purchasing program which allows State of Michigan government entities to use state contracts to buy goods and services. HBPW saves time and money by avoiding its own bidding process and taking advantage of lower costs established by Mi-Deals through their competitive bidding processes. The staff investigated various options and capabilities and determined Altec could offer one of the best pieces of equipment and local service availability.

Our 2007 mini-derrick and trailer will be declared surplus and auctioned after we receive the new machine.

Recommendation: The Board of Directors approved a purchase order with Altec Inc. in the amount of \$190,625 for a model DB37 mini-derrick and trailer

<i>Motion to approve recommendation</i>	<i>Thompson</i>
<i>Second</i>	<i>Lilly</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

22.050 Lakewood Transmission Main Construction Contract

Bids were received on August 24, 2021, for the Lakewood Transmission Main project. Bids were solicited from five local qualified contractors. All five contractors initially expressed interest in submitting a bid and all five attended the mandatory pre-bid meeting. However, after further review of project scope, schedule, and their current 2022 workloads, two contractors elected not to provide a bid due to lack of manpower to handle a project of this magnitude. Below is a summary of total pricing for the bids received:

1. Kamminga & Roodvoets (K&R) \$13,533,619.00
2. Jackson-Merkey Contractors \$14,344,071.50
3. Diversco Construction \$19,156,886.60

K&R has completed several successful projects for the HBPW in past years and is recognized as a leading contractor in the west Michigan region for projects of this scope and magnitude. Based on this past experience, good references, and a low bid amount, it is recommended that the contract for the Lakewood Transmission Main Project be awarded to K&R.

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Holland Charter Township Scope & Cost

Additionally, the project includes additional work requested by our stakeholder Holland Charter Township (HCT) to install a new 16" transmission main from River Avenue to Aniline Avenue and installation of an emergency interconnection between the new HBPW transmission main and the HCT water system. Inclusion of the work as part of this project is preferred to avoid future disruption of the roadway and to avoid potential damage to the transmission main from a separate construction project after the transmission main is complete. The total cost for the HCT portion of the project is \$1,389,111.21 plus some minor shared indirect costs associated with the project. These costs will be invoiced to HCT as they are incurred and will, therefore, not be included in the HBPW financing for the project.

HBPW Construction Cost

The construction cost for the HBPW after removal of the HCT scope of work is \$12,062,953.65. With a 10% contingency of \$1,206,295.37, the total HBPW cost is \$13,269,249.02. Planned road reconstruction by Ottawa County is expected to save the project ~ \$1,000,000 by avoiding the usual road reconstruction costs associated with an underground project located in the roadway.

The total approved budget for this project is \$14,500,000 of which \$1,024,555 is allocated to a contract with the project engineer, Prein & Newhof, for design and construction services, and \$92,000 was allocated to a contract with Fishbeck Inc. for the alternatives analysis, conceptual design, and hydraulic modeling for the project. This leaves a remaining approved project budget of \$13,383,445, which is sufficient to cover the HBPW construction costs including the 10% contingency.

Recommendation: The Board of Directors Approve a contract with Kamminga & Roodvoets in the amount of \$13,533,619.00, with a 10% contingency on the HBPW portion of the costs of \$1,206,295.37, for a total of \$14,739,914.37 pending approval as to form from the City Attorney.

Motion to approve recommendation

Maalouf

Second

Franz

Favor

5

Oppose

0

22.051 **Lakewood Transmission Main Engineering Contract Change Order**

In September of 2020, the Board approved a contract with Prein & Newhof, Inc. for \$735,300 to complete the design of the Lakewood Transmission Main. In February of 2021, the Board approved a change order for \$84,300 for additional design services for a 1,200-foot extension of the route to the connection point with Zeeland in River Avenue.

Now that design is complete and the project has been bid, HBPW requested a proposal from Prein & Newhof to provide construction services not included in their original contract. This includes construction service costs associated with the revised project length, such as additional surveying, construction observation hours, and soil and groundwater testing. Their proposal also includes the cost of certain permit fees as well as the cost of serving as the project administrator for community outreach, project meeting coordination, and other project management activities that would have been accomplished by the HBPW Planning Engineer (currently vacant).

Their proposed costs of \$204,955 would bring their total contract amount to \$1,024,555. This additional amount exceeds the previously approved contract contingency of \$92,800. To allow the change order for the additional construction services costs beyond the current contingency, and to establish a \$45,000 contract contingency to cover any unanticipated changes during construction, a total of \$157,155 additional contract contingency is requested. The new contract amount is within the estimated engineering costs (\$1,155,000) for the project.

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Recommendation: The Board of Directors approved additional contract contingency in the amount \$157,155 to accommodate a change order with Prein & Newhof, Inc. relating to additional engineering construction services needed for the Lakewood Transmission Main construction project.

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Thompson</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

22.052 **HBPW Board Member Representation on Holland Energy Fund Board**

The Holland Energy Fund (HEF) is a 501(c)3 nonprofit corporation that supports the City of Holland's long-range Community Energy Plan. In partnership with the City of Holland, Holland Board of Public Works, and Michigan Saves, the HEF facilitates the Home Energy Retrofit program and the On-Bill Loan program. These programs support the goal for the community to become a world-class leader in energy security, affordability, sustainability, and efficiency.

Per the Articles of Incorporation, the HEF Board consists of up to five members and is appointed by the Mayor with the approval of City Council. Three directors shall be members of the City Council and two directors shall be voting members of the Board of the Holland Board of Public Works.

The current HBPW representative is Tim Hemingway. Diane Haworth was the second representative from HBPW until her term expired at the end of June 2021.

Recommendation: This item has been tabled for a future appointment.

22.053 **General Manager Comments**

- Our next meeting is a joint study session with City Council scheduled for September 22 in Council Chambers where we'll further discuss broadband deployment in the City of Holland
- The HBPW's study session is scheduled for September 27.
- The Strategic Development Team will present a report at the City Council study session on October 13.

ADJOURNMENT

A motion to adjourn the meeting of *September 13, 2021*, was made by *Thompson* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of September 13, 2021, adjourned at *5:18 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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