

REGULAR MEETING

The HBPW Board of Directors met
July 11, 2022
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

Chair Hemingway called the meeting to order at 4:00 p.m.

Members Present: Tim Hemingway, PJ Thompson, Paul Lilly, Sue Franz, and City Council Liaison Nathan Bocks. Township Representative, Vacant.

Members Absent: Keith Van Beek, Carolyn Maalouf

Staff Present: Dave Koster, Janet Lemson, Ted Siler, Joel Davenport, Chuck Warren, Carl Thorwall, Steve Bruinsma, Theo VanAken, Phil Leerar, Pieter Beyer, Julie DeCook

23.000 **Approval of Agenda**

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

23.001 **Election of Officers**

-Chair: Nominations opened for the position of Chairman of the HBPW Board of Directors. Hemingway nominated Thompson for the position and the nomination was seconded by Lilly. With no further nominations, the nominations for the Chair closed. Upon vote of the Board members present, PJ Thompson was elected 4 years, 0 nays to the position of Chairman for the July 2022 – June 2023 fiscal year

-Vice Chair: Nominations opened for the position of Vice-Chairman of the HBPW Board of Directors. Thompson nominated Hemingway for the position, and the nomination was seconded by Franz. With no further nominations, the nominations for Vice Chair closed. Upon vote of the Board members present, Tim Hemingway was elected 4 years, 0 nays to the position of Vice-Chairman for the July 2022 – June 2023 fiscal year.

23.002 **Board Minutes – Regular Meeting Minutes of June 6, 2022, and Special Meeting Minutes of June 27, 2022**

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

23.003 **Resolution Authorizing Transfer of Funds for Contribution to the City FY 2023**

This Joint Resolution is pursuant to §12.16 of the City of Holland Charter. The amount of money appropriated was approved during the FY 2023 budget process; and this Joint Resolution is passed for the purpose of complying with the requirements of §12.16 of the City of Holland Charter in the event the amount should exceed or be less than 50% of the net income of the Board of Public Works Electric & Water utilities, as defined therein.

As part of the Consent Agenda, the Board of Directors adopted the Joint Resolution to appropriate \$8,456,856 from Electric Utility funds for FY 2023 for the general purposes of the City of Holland.

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

23.004 **Resolution for Insurance Claims Administration FY 2023**

This resolution is to establish and authorize the claims settlement authority for the City and the HBPW within the self-insured retention portion of the City and the HBPW's insurance program. The resolution shall permit the settlement and compromise of claims, actions, and liabilities by the designated adjuster in an amount not to exceed \$5,000 against the City and/or the HBPW.

Paragraph 5 grants authority to the designated representative of the HBPW in conjunction with the City Attorney to settle claims against the HBPW, including joint claims with the City, in an amount not to exceed \$10,000. The settled claims shall be reported by the HBPW to the Board as needed during the fiscal year.

Paragraph 6 allows claims in excess of \$10,000 to be settled, compromised, and approved upon review and recommendation/ approval of the of Directors of the HBPW with referral to City Council for final review and recommendation/approval.

As part of the Consent Agenda, the Board of Directors approved the resolution allowing the designated representative of the HBPW, in conjunction with the City Attorney, the settlement authority, to settle claims in an amount not to exceed \$10,000.

23.005 **Electric Easements for Lakewood Boulevard Road Construction**

This summer the HBPW Water Distribution group has endeavored to install a new 36" Water Transmission Main from the Water Treatment Plant to the point of interconnection near the River Avenue bridge. HBPW partnered with the Ottawa County Road Commission, the agency having right-of-way jurisdiction for the project. The Ottawa County Road Commission, as part of their scope, will be widening a section of Lakewood Boulevard. The widening will require the existing overhead power line be moved. The affected area will be converted to underground and moved from the north side of the road to the south side of the road, consistent with local regulations.

In order to best protect the equipment from risks associated with installing electrical boxes in the road right-of-way, the project has been designed to locate the required boxes outside of the right-of-way on public and private lands. Each of these easements represents a location that Electric Distribution requires to set either (1) a transformer for local load, (2) a switchgear for main line terminations and switches, or (3) a power line that crosses the land of another to serve an existing customer.

The easement values represent fair market value of the land being used and takes into consideration existing, overlapping easements from other utility companies. An additional sum was offered if the parcel owners signed in a timely manner, and all signed within a timely manner. Easement 4, as it is depicted in the attachment titled "Lakewood Boulevard Electric Easement Locations", required sections of land from two different parcel owners and was split into two easements a "Part A" and a "Part B".

As part of the Consent Agenda, the Board of Directors approved the following easements pending approval as to form with the City Attorney.

Easement 1:

Approved a grant of Power Line Easement with Park Township, a Michigan general law township, ("Grantor"), whose address is 52 152nd Avenue Holland, Michigan 49424, for the parcel located at 750 W. Lakewood Boulevard, Holland MI 49424, with compensation in the amount of \$1.00.

AND

Easement 2:

Approved a grant of Power Line Easement with Winter Oaks Association, a Michigan nonprofit

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corporation, ("Grantor") for the parcel located at 318 Winter Oak East, Holland MI 49424, with compensation in the amount of \$1,150.00.

AND

Easement 3:

Approved a grant of Power Line Easement with Winter Oaks Association, a Michigan nonprofit corporation, ("Grantor") for the parcel located at 318 Winter Oak East, Holland MI 49424, with compensation in the amount of \$790.00.

AND

Easement 4 Part A:

Approved a grant of Power Line Easement with James Warner & Gail M Trust, the property owners, ("Grantor") for the parcel located at 646 W. Lakewood Boulevard, Holland MI 49424, with compensation in the amount of \$400.00.

AND

Easement 4 Part B:

Approved a grant of Power Line Easement with John Trockke, the property owner, ("Grantor") for the parcel located at 632 W. Lakewood Boulevard, Holland MI 49424, with compensation in the amount of \$400.00.

AND

Easement 5:

Approved a grant of Power Line Easement with Justin & Meghan Wolfenden, the property owners, ("Grantor") for the parcel located at 574 W. Lakewood Boulevard, Holland MI 49424, with compensation in the amount of \$300.00.

Action on Consent items:

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

23.006 **Communications from the Audience**

None

23.007 **Major Project Update**

For information only

23.008 **US-31 Water Main Lining**

A 1964 12" cast iron water main under US-31 from Washington to West 48th Street broke in 2004. Due to difficult access and repair complexity, the main was valved off on either side of MDOT's right-of-way. This main was one of two water mains that conveyed water from the Southside Pump Station to the elevated storage district. At the moment, only a single 20" water main remains under the highway.

The current reconstruction of US-31 has provided the opportunity to access a portion of the broken water main and rehabilitate the main to restore conveyance redundancy. HBPW staff evaluated two options for rehabilitating the water main:

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- Boring a new HDPE main under the highway. This would have additional costs for abandoning the existing main completely and permitting from MDOT for new construction.
- Line the water main with a cured-in-place liner using the existing permitted alignment, casing, and main.

Full open-cut replacement was not considered due to the impacts to the highway and cost. HBPW staff chose to pursue lining the water main due to cost and permitting considerations and received three proposals for this work.

<u>Company</u>	<u>Cost</u>
Insituform	\$ 214,594.40
Michels	\$ 114,900.00
Fer-Pal	\$ 109,140.00

After evaluating the liner technology proposed by each company, the proposal from Michels was chosen, since the resin and liner provided the strongest liner at a competitive price. The cost of the work is within budget and a considerable savings over an open-cut replacement approach. This also gives us the opportunity to implement this technology on water main rehabilitation for the first time in our system

Recommendation: The Board of Directors approved a contract with Michels Pipe Services, in the amount of \$114,900, with a 10% contingency of \$11,490 for a total of \$126,390, pending approval as to form from the City Attorney.

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

23.009

Electric Distribution Hybrid Bucket Truck and Digger Derrick Truck Purchase

Bucket trucks are primarily used to service our overhead electrical distribution system, traffic signals, and street lighting. The Electric Distribution Department has researched many varieties of bucket trucks, looked at serviceability, and has determined that a TA60 Bucket Truck from Altec, with the JEMS hybrid option, will serve our needs well. The DC power system is used to run the hydraulic system for the aerial lift without need to run the diesel engine. The energy system can be charged through an advanced alternator while the vehicle is in motion or after hours while plugged into a charger.

The advantages of the hybrid system are avoided maintenance and fuel savings due to reduced engine idling, reduced emissions, and increased engine life as well as noise reduction to the public and the crews when a truck is performing aerial work. The JEMS hybrid option adds \$71,306 to the cost of the bucket truck which is an additional 19%. Although not required by the Alternative Fuel Vehicle and Equipment Purchasing Policy, staff is recommending the hybrid option to meet our goals of reduced fuel usage and the financial and environmental benefits that come with that savings.

The digger derrick truck is primarily used to raise and set equipment in locations that are challenging to reach and may also be in energized locations. The Electric Distribution Department researched many varieties of digger derrick trucks, including serviceability, and determined that a D3055E digger derrick truck from Altec will serve our needs well. The recommended truck is capable of lifting up to 12,000 pounds to move and set transformers and switchgear. Along with the lifting capabilities, the truck can auger holes and set poles for our overhead electric distribution system. The staff investigated a hybrid option; however, they are not yet available on derricks of this size.

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Lead time for these pieces of equipment has increased to three years. In order to keep up with replacements, staff proposes the purchase of one large bucket truck and one digger derrick truck at the beginning of FY 2023, with the understanding that they will not arrive until 36 months from now. At that delivery time, payment will be made. The request for pricing was performed with the Michigan MIDeal contract pricing process. Michigan MIDeals is an extended purchasing program which allows units of government to use the State of Michigan contracts to buy vehicles and tools. HBPW saves time and money by avoiding its own bidding process and taking advantage of lower costs established by a MIDeal contract through their competitive bidding processes.

Recommendation: The Board of Directors approved a purchase order for one Altec Inc. hybrid 60 foot bucket truck in the amount of \$376,650, plus a 10% contingency of \$37,000, for a total of \$413,650. Approve a purchase order for one Altec 55 foot digger derrick in the amount of \$383,295, plus a 7.5% contingency of \$29,000, for a total of \$412,295. Amend the FY 2023 capital budget in the amount of \$825,945 to enable the purchase of these vehicles.

Motion to approve recommendation Franz
Second Hemingway
Favor 4
Oppose 0

23.010 **Contract Award and Budget Transfer for Secondary Clarifiers 3 & 4 Replacement**

The Secondary Clarifiers 3 & 4 Replacement Project was approved with a budget of \$900,000. This budget was based on cost numbers from the Secondary Clarifiers 1 & 2 Replacement that took place as a part of the 2015 Improvements Project as well as the Primary Clarifiers Replacement Project that took place in 2018-2019. Staff recently bid the work and received quotes from two qualified contractors. The pricing came in higher than expected during budgeting but below the Engineer's Opinion of Probable Construction Cost estimate of \$2,500,000.

Firm	Business Location	Base Proposal Price	Meets Requirements	Previous Contracts
Allied Mechanical Services	Grand Rapids, MI	\$1,524,000	Yes	Yes
DHE	Hudsonville, MI	\$1,674,000	Yes	Yes

Reflecting bid costs, the overall project cost will be 84% (\$754,600) over budget. The proposed project budget includes a previously awarded engineering contract of \$95,000 with Tetra Tech.

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Project Breakdown	Proposed Contract Amount
Allied Mechanical Services	\$1,479,600*
Tetra Tech	\$ 95,000**
Sub-Total	\$1,574,600
Contingency (5%)	\$ 80,000
Proposed Budget	\$1,654,600
Approved Budget	\$900,000
Proposed Budget Transfer Amount	\$754,600

* Includes Selected Bid Deducts. Note that this price may be lower as additional deducts are being considered.

** Contract Previously Approved

The project is intended to demolish and replace the mechanical and electrical portions of Secondary Clarifiers 3 & 4 as well as repair any structural damage to the clarifier tank. The variance between budget and bid price is attributed to inflation and supply chain issues. It is recommended that the project move forward, as the clarifiers are showing signs of deterioration. The clarifiers are past their useful life of 20 years for the drive unit and 30 years for the center column and rake (current age, 42 years old for all mechanical components). The secondary clarifiers are critical to maintain proper treatment at the Water Reclamation Facility. It is also expected that labor and material costs will continue to increase in the future, and any delay in project implementation will incur additional costs.

There is currently money available in the Equipment Replacement Fund (ERF) to complete this work (projected \$5,000,000 at the end of FY 2022 including this project). A budgeted roof replacement project at the Solids Handling Building is being delayed, as the roof condition assessment came back better than expected. This would save \$190,000 in planned capital expense for FY 2023. The current ERF 5 year out projection (FY 2027) does show a balance of \$400,139 if this budget transfer is approved. There is potential that all of the contingency from the digester project will not be needed as well as a possibility to delay the replacement of Final Clarifiers 5 & 6 currently budgeted for FY 2026 to free up funds to maintain funding levels in the ERF.

The recommended budget transfer was approved by the Administrative Committee on June 15, 2022.

Recommendation: The Board of Directors approved a contract to Allied Mechanical Services of up to \$1,479,600 in addition to approving a transfer from contingency of \$754,600 for an overall project budget of \$1,654,600, including a 5% contingency of \$80,000.

*Motion to approve recommendation
Second
Favor
Oppose*

*Lilly
Franz
4
0*

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23.011 **Water Treatment Plant Chemical Storage Addition**

Six firms were solicited for engineering service proposals for the WTP Chemical Storage Addition and three firms returned qualified proposals. HBPW staff evaluated the proposals and found them to be very competitive. Clarifications were requested from the firms to ensure the scope and fee of each proposal was understood for an accurate comparison.

Pricing on the three proposals was extremely competitive with only a \$5,000 difference (1.3%) between the high and low bidders. As submitted, Prein & Newhof (P&N) was the highest bidder. However, after thorough evaluation of the proposed scope and understanding of the project, P&N's proposal was scored higher than the other firms during evaluation by HBPW staff. P&N included the most comprehensive project scope in their proposal, whereas the other two firms made design assumptions that increase the potential for additional fees via change orders to complete the same design scope. P&N also proposed to use an experienced professional engineer for construction inspection, which is expected to similarly reduce risk of change orders during the project's construction phase.

A summary of the evaluated bid results and quoted design times are as follows:

Engineering Firm	Location	Quote Amount	Delivery (through bids)	Exceptions
Prein & Newhof	Grand Rapids	\$400,000	9 Months	N
Tetra Tech	Lansing	\$395,000	9 Months	Y
Fishbeck	Grand Rapids	\$398,300	9 Months	Y
Moore & Bruggink	Grand Rapids	No Bid		
AECOM	Grand Rapids	No Bid		
Black & Veatch	Grand Rapids	No Bid		

Based on the team's evaluation, P&N received the highest score and BPW Staff recommends that a contract for design of the building addition be issued to Prein & Newhof. This project is included in the proposed FY 2023 and FY 2024 budgets.

Recommendation: The Board of Directors approved a contract with Prein & Newhof, in the amount of \$400,000, with a 10% contingency of \$40,000, for a total of \$440,000 pending approval as to form from the City Attorney.

<i>Motion to approve recommendation</i>	<i>Franz</i>
<i>Second</i>	<i>Hemingway</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

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23.012 **Closed Door Session – Legal Opinion from City Attorney**

Motion to enter Closed Session @ 5:06 p.m.

Made by Lilly
Second: Franz
Favor 4
Oppose 0

ROLL CALL: Thompson, Lilly, Hemingway, Franz

Motion to re-enter Open Session @ 5:44 p.m.

Made by Lilly
Second Franz
Favor 4
Oppose 0

23.013 **General Manager Comments**

- Our next meeting, July 25, will be a Special Meeting. We'll be updating the Board on our business plan and the results of tactical actions for FY 2022 as well as reviewing tactical actions for FY 2023. Other topics covered will be quarterly reports, changes to the distributed generation program, and updates to the value of solar

23.014 **Board Comments**

- Both Sue Franz and Mayor Bocks will be out of town and unable to attend the July 25 meeting.
- Moving forward on a Board candidate to replace Sue Franz.
- The Sustainability Committee with the City has been dissolved now that they have a part time Sustainability Director; the Outdoor Discovery Center has also taken over a great many of the responsibilities formerly addressed by the Sustainability Committee.

ADJOURNMENT

A motion to adjourn the meeting of *July 11, 2022*, was made by *Hemingway* supported by *Franz* and agreed upon by the Board of Directors present.

The Board Meeting of July 11, 2022, adjourned at *5:53 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board