

SPECIAL MEETING

The HBPW Board of Directors met
May 22, 2023
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

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

Members Present: PJ Thompson, Tim Hemingway, Beth Snyder, Paul Lilly, City Council Liaison Nathan Bocks, and Ex Officio Members Dave Couch and Keith Van Beek

Members Absent: Carolyn Maalouf

Staff Present: Dave Koster, Janet Lemson, Ted Siler, Joel Davenport, Becky Lehman, Chuck Warren, Tracy York, Chris VanDokkumburg, Pete Hoffswell, Bill Badran, Julie DeCook, Pieter Beyer

23.234 **Approval of Agenda**

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

23.235 **Communications from the Audience**

None

23.236 **Financial Update – April 2023**

For information only

SPECIAL ACTION ITEM

23.237

Holland City Fiber Design/Build Contract

Since the approval by the community in August to move forward with a fiber optic network to provide high speed internet services to all properties within the City of Holland, staff has taken a number of steps to move the project forward. In September, CTC Technology & Energy was brought on board to provide owner's engineering services for the project. Approximately \$2,000,000 in fiber optic materials has been ordered to mitigate supply chain issues and keep the construction schedule on track. Staff also published a Request for Proposals (RFP) for the design and construction of the fiber optic passings network.

The design/build RFP was sent to approximately 25 qualified bidders experienced in the design and/or construction of fiber optic networks. Five bids were received and reviewed by HBPW staff and CTC for completeness in the response to the bid spec, as well as the approach to the project. All five bids demonstrate the bidder's ability to complete the project per our specifications. Two of the bids are significantly higher in price than a cluster of three bids that are in the \$16,000,000 range. The bid response pricing is summarized in the table below.

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

Bidder	Dycom	EX2 Technology	Aspen Smart Networks	Henkels & McCoy	LECOM
Engineering	\$ 764,853.00	\$ 729,180.62	\$ 1,794,160.00	\$ 3,100,672.75	\$ 1,025,000.00
Construction	\$12,635,059.50	\$ 12,235,453.79	\$ 12,719,505.50	\$ 17,496,182.02	\$ 23,540,740.00
Materials	\$ 2,181,413.68	\$ 3,003,511.79	\$ 2,057,757.43	\$ 3,075,425.84	\$ 3,310,421.45
Total	\$15,581,326.18	\$15,968,146.20	\$16,571,422.93	\$23,672,280.61	\$27,876,161.45

HBPW staff and CTC had conversations with Dycom, EX2, and Aspen to review their approach to the project and have them clarify and answer questions about their bids. After review and evaluation, staff and CTC recommend approving a contract with EX2 Technology for design and construction of the network. CTC's recommendation letter is also included for your review.

The final cost for the materials and construction portion of the project will be determined when the final design of the network is completed. Quantities will be adjusted to reflect the final design, but the task-specific costs will remain the same. Per the proposed schedule from EX2, engineering activities can get started in June with construction activities in the initial service areas proceeding in the fall.

Recommendation: Approve a contract with EX2 Technology, LLC in the amount of \$15,968,146.20, with a 10% contingency of \$1,596,815.00 for a total of \$17,564,961.20, pending approval as to form from the City Attorney

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

STUDY ITEMS

23.238 **Cost of Service Studies: Water & Wastewater**

UFS has been engaged to prepare cost-of-service (COS) studies for the HBPW Water and Wastewater Utilities. COS studies are an integral part of the rate setting/design process and help to ensure rates are established that:

- maintain the long-term health and integrity of utility systems
- recover the true costs of providing services
- equitably recover these costs from the various customer classes
- support the policies, priorities, and initiatives of HBPW and the City

The COS studies prepared by UFS propose rates intended to meet the above objectives along with financial analyses summarizing the fiscal impact if those rates are adopted by HBPW. Staff has reviewed the studies and recommends consideration of the proposed rates for adoption.

Study item; no Board action required.

23.239 **2023-2024 Insurance Renewal Strategy**

City and HBPW staff have been working with Marsh staff on ways to improve the annual insurance renewal process. As insurance markets have hardened in recent years, negotiations between Marsh and the insurance companies have become more complex and lengthy, leading to very short periods of time, prior to expiration of current coverages, for City and HBPW staff to review and evaluate proposals and prepare appropriate recommendations for City Council and the HBPW's Board of Directors.

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Staff and Marsh have agreed that bifurcating the coverage periods, and thus, the renewal dates, will help to resolve the current issues. Coverage for HBPW energy property will continue on a July - June fiscal year while the combined City/HBPW coverage will move to a November - October timeframe.

Summary of actions to-date by Coverage/Carrier:

Coverage/Carrier	Extension Process	Policy Term Information	Extension Premium	Comments
Casualty Pkg/Ambridge	Extend to 11/1/23, then renew 11/23-10/24	11/1/2023-10/31/2024		
Auto/Selective	Renew 7/23-6/24, cancel on 11/1/23, reissue 11/23-10/24	11/1/2023-10/31/2024		
Work Comp/Accident Fund	Renew 7/23-6/24, cancel on 11/1/23, reissue 11/23-10/24	11/1/2023-10/31/2024	\$346,117/yr	Awaiting order to bind
Property/Chubb	Extend to 11/1/23, then renew 11/23-10/24	11/1/2023-10/31/2024	\$53,750	Awaiting order to extend
Boiler/Chubb	Extend to 11/1/23, then renew 11/23-10/24	11/1/2023-10/31/2024	\$11,300	Awaiting order to extend
Pollution/Ironshore	Extend to 11/1/23, then renew 11/23-10/24	11/1/2023-10/31/2024	\$30,967	Awaiting order to extend
Cyber/Coalition (City)	Extend to 11/1/23, then renew 11/23-10/24	11/1/2023-10/31/2024	\$17,349	Awaiting order to extend
Cyber/? (HBPW)	Still reviewing quotes			2 quotes received, BCS allowed to expire
Blanket Volunteer/Nat'l Union	Seeking 7/23-10/24 renewal			
Public Officials/AXA	Extend to 11/1/23, then renew 11/23-10/24	11/1/2023-10/31/2024	\$506	Awaiting order to extend

Marsh representatives will present the proposed HBPW energy property and combined COH/HBPW property and liability programs at the June 12, 2023, regular HBPW Board meeting.

Study item; no Board action required.

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