

REGULAR MEETING

The HBPW Board of Directors met
November 12, 2018
at 4:00 p.m.
in the Service Center Board Room
625 Hastings Ave.
Holland, Michigan

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

Members Present: Tim Hemingway, Phil Miller, Sue Franz, Paul Lilly, Brian Lynn City Council Liaison, Ex Officio Member
Bob Shilander

Members Absent: Diane Haworth, Keith Van Beek

Staff Present: Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Chuck Warren, Joel Davenport, John VanUffelen, Steve Bruinsma, Kevin Koning, Tracy Jousma, Tamara Black, Ashley Kimble, Pete Hoffswell, Jane Monroe

19.053 **Board Minutes – Regular Meeting Minutes of October 8, 2018, and Special Meeting Minutes of October 22, 2018**

As part of the Consent Agenda, the Board of Directors approved the minutes, with one correction on the October 22 minutes to include Sue Franz as present and delete her name from the absent column.

19.054 **Calendar Year 2019 Board Meeting Schedule**

Currently, the HBPW's Board of Directors is scheduled to meet twice a month, once for a "Regular Board Meeting," and once for a "Study Session." Regular Board Meetings are scheduled on the first Monday following the first Wednesday City Council Meeting of the month. Study Sessions are scheduled for the fourth Monday of the month, except for holidays or known conflicts.

After the calendar year meeting schedule is approved, it is posted publicly with the intent to give adequate notice of Board meetings.

As part of the Consent Agenda, the Board of Directors approved the calendar year 2019 Board meeting schedule.

19.055 **Line Truck Replacement**

The line truck is primarily used to raise and set equipment in locations that are challenging to reach and may be in energized locations. The recommended line truck comes equipped capable of lifting up to 12,000 pounds, for 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, there was apprehension by some of the manufacturers as well as some lesser lifting capabilities. Furthermore, the augering and setting poles isn't possible when running on battery power. Terex has had a couple trucks with the hybrid option and didn't have a total success, so the staff isn't recommending a hybrid option.

The request for pricing was performed by NJPA, now Sourcewell, an extended purchasing program which allows government entities to use national 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 NJPA through their competitive bidding processes. NJPA, Sourcewell, is a national version of MiDEAL, which is a state purchasing program.

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

The existing Truck 46, a 2009 Altec Sterling, will be traded in rather than auctioned. Recently we've been auctioning our vehicles; however, the last large truck didn't retrieve what we expected, and Terex provided a larger than expected trade in value. The existing truck has some lifting deficiencies, and repairs are starting to increase. The lead time for these trucks is almost a year, and to start the purchase of this truck now will allow us to receive it late next summer FY2020.

The FY2019 budget amount for the line truck purchase is \$300,000.

As part of the Consent Agenda, the Board of Directors approved the purchase of one new Terex hydraulic rotating digger derrick with turntable winch truck from Terex Utilities Inc. for a price of \$294,530 with \$5,470 contingency, including trading in our existing 2009 Altec D3055, and declare the existing line Truck 46 surplus.

19.056 Adjust Miscellaneous Fees and Charges and IPP Monitoring Fees

Holland BPW periodically reviews non-rate fees and charges. The current schedules were approved by the Board on November 6, 2018, for implementation in January 2018.

The changes to the current schedule are highlighted in the attachment. Most of the changes are the result of an update to the MDOT Schedule C Equipment Rental Rates and from incremental changes due to material cost and labor rate changes. This schedule is the basis for the equipment rental charges on the HBPW fee schedule.

The Industrial Pretreatment Program (IPP) monitoring fee structure has been in place for many years. Definitions of the fees and the schedule of fees are posted on the Holland BPW website. There are a few changes as a result of incremental changes due to material cost and labor rate changes.

As part of the Consent Agenda, the Board of Directors approved the January 2019 Schedule of Fees and Charges and Industrial Pretreatment Program Fees.

19.057 Action on Consent items:

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

19.058 Communications from the Audience

None

19.059 Major Project Update

For information only

2018-11-12 Cypress 2018 Project Closeout Memo

19.060 Additional Engineering Services, 21st Street, Van Raalte to Cleveland

On January 8, 2018, the BPW Board of Directors approved an Engineering Services Agreement with OMM Engineering Inc. for a variety of project design and engineering services over a two-year period. OMM was the low bid of seven responsive bidders. Included in this agreement were design and inspection services for 21st Street from Van Raalte to Cleveland. The original planning effort and RFP identified this area as requiring a partial sewer main replacement and galvanized service replacements.

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

Further planning and review of the condition of the sanitary sewer in 21st Street revealed a sanitary sewer with a very inconsistent vertical alignment (large bellies), and a large amount of groundwater seeping through the laterals. Neither one of these deficiencies can be corrected by lining, which is the preferred rehabilitation strategy. The logical design was a complete replacement of the sanitary sewer and laterals within the right of way. The sanitary sewer was constructed in approximately 1919 and the water main in 1921. The majority of the water services are galvanized, requiring service replacements from the main to the customer meter.

The surface impacts generated by mainline sanitary sewer replacement, lateral replacements, and full water service replacements were so substantial that the BPW and OMM ultimately discussed a full utility reconstruct (water, sewer, and storm) with the City Transportation Department. The City decided to participate in the project leading to the current project scope which would effectively reconstruct the ROW and associated City-owned utilities. The City would also include some storm replacement in Cleveland Avenue as part of the project.

The initial project cost estimate for 21st Street was approximately \$504,000, with \$28,568 in design engineering fees and \$41,185 in construction inspection fees. The project now has an estimated cost of \$1,741,000, with \$71,348 in total proposed design engineering fees and \$80,686 in construction inspection fees. The original OMM contract had a value of \$448,400 with a design contingency of \$22,330 and construction contingency of \$45,020. This contingency would remain for other miscellaneous design/construction changes. The following is a summary of the proposed OMM contract changes:

- Revised BPW design scope, including water main, sanitary sewer, full water service replacement, and re-bid/delay in project: \$22,370
- Additional City storm scope, including rebuilt/regraded storm/road and Cleveland Avenue storm: \$20,410
- Extended construction inspection services: \$39,501

The project will occur over the FY19 and FY20 budget seasons. BPW's FY19 budget included \$500,000 for water and \$500,000 in wastewater improvements for 21st Street. Additional funds will be budgeted in the FY20 budget.

Recommendation: The Board of Directors approved a contract modification with OMM Engineering Inc. in the amount of \$82,281, for a total Board approved contract value of \$530,681.

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

19.061 **Water System Advisory Council**

The rules, which were made effective on June 14, 2018, require water systems serving more than 50,000 to create a Water System Advisory Council within six months. The Council must have at least five members and include at least one member to be a local resident who does not formally represent the interests of any incorporated organization. The Council must meet at least annually with meetings conducted in compliance with the open meetings act. The Council's duties will be directed to public awareness, advising the HBPW on development of plans for remediation and replacement on lead services, promoting transparency relating to lead in drinking water, collaborating with local community groups, and coordinating efforts with the state level Water Advisory Council.

Staff will offer recommendations for appointments to the Council at a later date.

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

Recommendation: The Board of Directors recommended City Council adopt a resolution establishing an ordinance to amend the City Code by adding Article IV, Section 37-34 Water System Advisory Council which creates a Water System Advisory Council.

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

19.062 **Strategic Plan Results Relating to General Manager Performance-Based Compensation**

Consistent with the General Manager's employment agreement, the Board of Directors, through its Board Chairman, has previously defined the performance goals and objectives needed to determine the General Manager's performance salary for FY 2018.

During the past fiscal year, these performance goals and objectives included six areas of organizational performance and eight specific tactical action areas. These items, their status, and the percentages of performance salary attributable to them, are summarized in the attachment to this report.

Based upon the HBPW's organizational performance and the General Manager's individual performance, the performance salary achieved in FY 2018 for the General manager during the time period specified above is 10.9% out of a possible 12%.

Recommendation: The Board of Directors accepted the FY 2018 strategic plan results relating to the General Manager's performance-based compensation and approve a performance salary payment of 10.9% for the General Manager.

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

19.063 **Closed Door Session – Legal Opinion**

Motion to enter Closed Session @ 5:03 p.m.	<Name>
Made by	Lilly
Second:	Miller
Favor	4
Oppose	0

ROLL CALL: Hemingway, Miller, Franz, Lilly

Motion to re-enter Open Session @ 6:05 p.m.	<Name>
Made by	Lilly
Second	Franz
Favor	4
Oppose	0

BOARD COMMENTS

The next Board Study Session date has been changed from November 26 (Monday) to November 27, a Tuesday.

ADJOURNMENT

A motion to adjourn the meeting of *November 12, 2018*, was made by *Miller* supported by *Lilly* and agreed upon by the Board of Directors present.

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

The Board Meeting of November 12, 2018, adjourned at *6:06 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board