

**REGULAR MEETING**

The HBPW Board of Directors met  
**July 6, 2020**  
at 4:00 p.m.  
Via Zoom Teleconference

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

**Members Present:** Tim Hemingway, Diane Haworth, Sue Franz, Paul Lilly, P.J. Thompson, and Ex Officio Members Bob Shilander and Keith Van Beek

**Members Absent:** Nathan Bocks

**Staff Present:** Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Joel Davenport, Chuck Warren, Steve Bruinsma, Jon Hofman, Andrew Reynolds, Carl Thorwall

21.001 **Board Minutes – Regular Meeting Minutes of June 8 2020, and Special Meeting Minutes of June 22, 2020**

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

21.002 **Resolution for Insurance Claims Administration FY 2021**

The 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.*

21.003 **Resolution Authorizing Transfer of Funds for Contribution to the City FY 2021**

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

*As part of the Consent Agenda, the Board of Directors adopted the Joint Resolution to appropriate \$7,968,900 from the Electric Utility funds for FY 2021 for the general purposes of the City of Holland.*

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

21.004 **Rehman Robson Engagement Letter for Holland BPW FY 2020 Annual Audit**

HBPW has retained Rehmann Robson to conduct the audit of the HBPW's financial statements for the year ended June 30, 2020 (FY2020). The engagement letter issued by Rehmann Robson communicates certain information to the HBPW Board of Directors, including the auditors' responsibilities in a financial statement audit and the auditors' responsibilities for testing and reporting on compliance with laws and regulations and internal controls over financial reporting. The most recent peer review of Rehmann Robson is also attached to the engagement letter.

*As part of the Consent Agenda, the Board of Directors reviewed the Rehmann Robson engagement letter for Holland Board of Public Works fiscal year 2020 annual audit.*

21.005 **River Avenue 138kV Pole Relocation Project Engineering Contract**

This project will relocate four (4) 138kV poles along north River Avenue between 2nd Street and the bridge. To reduce the possibility of vehicle strikes and to improve corridor aesthetics, four existing wooden poles located on the east side of River Avenue will be removed and new steel poles will be installed on the west side of River Avenue. The 138kV conductors in this section of the distribution loop are also nearing the end of their expected useful life.

An engineering services proposal was received from Theka Associates, Inc. (Theka) for engineering design, bidding, and construction support services for the project. Theka is a local firm that routinely provides electric distribution engineering services to the BPW for maintenance and emergency projects in addition to larger projects such as the Pine Avenue and Greenly substations. They are one of only a few firms in Michigan qualified to provide engineering for high voltage distribution work of this type and have proved to be competitive against the larger qualified firms.

The total project budget is \$750,000 and this contract is within the estimated engineering costs for the project.

*As part of the Consent Agenda, the Board of Directors approved a contract with Theka Associates, Inc. for a not-to-exceed amount of \$44,030 and a 10% contingency of \$4,400 for a total of \$48,430, pending approval as to form by the City Attorney.*

21.006 **Action on Consent items:**

Motion to approve, accept, or adopt Consent Agenda items	Haworth
Second	Franz
<i>Lilly</i>	<i>Y</i>
<i>Franz</i>	<i>Y</i>
<i>Thompson</i>	<i>Y</i>
<i>Haworth</i>	<i>Y</i>
<i>Hemingway</i>	<i>Y</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

21.007 **Communications from the Audience**

*None*

21.008 **Major Project Update**

*For information only*

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

21.009 **Election of Officers for FY 2021**

Annually at the first regular meeting of the fiscal year, nominations and elections for Chair and Vice Chair of the HBPW Board takes place.

Diane Haworth made a motion for Tim Hemingway to be our Board Chair for another year. With no other nominations, her motion was seconded by Paul Lilly

*Recommendation: Tim Hemingway was reelected to the position of Chairman of the Board of Directors for the HBPW Board.*

<i>Motion to approve recommendation</i>	<i>Haworth</i>
<i>Second</i>	<i>Lilly</i>
<i>Lilly</i>	<i>Y</i>
<i>Franz</i>	<i>Y</i>
<i>Thompson</i>	<i>Y</i>
<i>Haworth</i>	<i>Y</i>
<i>Hemingway</i>	<i>Y</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

Paul Lilly made a motion for Diane Haworth to be our Board Vice Chair for another year. With no other nominations, his motion was seconded by Sue Franz.

*Recommendation: Diane Haworth was reelected to the position of Vice Chair of the Board of Directors for the HBPW Board.*

<i>Motion to approve recommendation</i>	<i>Haworth</i>
<i>Second</i>	<i>Franz</i>
<i>Lilly</i>	<i>Y</i>
<i>Franz</i>	<i>Y</i>
<i>Thompson</i>	<i>Y</i>
<i>Haworth</i>	<i>Y</i>
<i>Hemingway</i>	<i>Y</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

21.010 **Pole Attachment Agreement Contract Approval**

Holland BPW Electric Distribution owns and maintains most utility poles in the HBPW service area. In general, third party entities such as cable companies, phone companies, and fiber Internet service providers attach their equipment to existing HBPW utility poles; and in some cases, HBPW attaches power to third party company poles. HBPW had numerous Pole Attachment Agreements that govern attachments and set attachment fees. Last year at the March 11, 2019, Board meeting, the Board approved the termination of all pole attachment contracts in order move to a uniform contract for all companies.

The previous pole attachment agreements were diverse in language, fees, and implementation methodologies. The contractual variations created ongoing challenges that negatively impacted the community. Some of the agreements did not have sufficient language to motivate attachees to perform their duties in a timely manner. This resulted in a number of old, shortened poles being co-located with brand new poles that HBPW elected to replace—an aesthetic disturbance to the community; and at times, a safety concern. HBPW has worked with the communications companies that are attached to our poles, and most have agreed to the new standard contract. Those that have agreed to the contract are being recommended within this board report for approval.

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

The new agreements contain a number of improvements.

- Utilizes an industry standard rate calculation that makes the attachment rate equal for all companies that will be attaching to our poles.
- Annually adjustable to reflect HBPW's investment in new poles and infrastructure where Licensee's gain a benefit.
- Includes timelines for attachment removals and transfers of communications equipment from old poles to replacement poles, which reduces the number of duplicate poles in the field.
- Allows for additional forms of cellular equipment to be mounted to HBPW poles, which is new for utilities and consistent with Michigan SB 637.

Three companies have not yet assented to the terms of the new pole attachment agreement. Efforts are underway to work with these firms to get them on the new standard agreement. Those contracts will be brought for approval at a later date.

Attachee	Contact	Last Contact	Assent to Terms?
Charter Communications, Inc.	Aaron Bekius	Unresponsive	No
Everstream Great Lakes Comnet	Clarise Jackson	4/14/2020	YES
Everstream GLC Holding Company, LLC	Erica Bennett	4/8/2020	YES
AT&T – Michigan Bell	Sharon Rosiak	3/31/2020	No - Legal Reviewing
Comcast	Shannon VanSach	3/6/2020	No - Legal Reviewing
US Signal Company, LLC	Barbara Boshoven	3/31/2020	YES
KEPS Technologies, Inc d/b/a ACD.net	Kevin Schoen / Andrea Brand	4/6/2020	YES
Fiber Technologies Network, LLC / Crown Castle	Drew Parker	4/9/2020	YES
Holland BPW Fiber	Pete Hoffswell	3/18/2020	YES

*Recommendation: The Board of Directors approved a Pole Attachment contract agreement with Everstream Great Lakes Comnet, LCC, US Signal Company, LLC, KEPS Technologies, Inc d/b/a ACD.net, Fiber Technologies Network, LLC d/b/a Crown Castle and the HBPW Broadband Department. All contracts have been approved to form by the City Attorney.*

*Motion to approve recommendation      Haworth*  
*Second    F Franz*  
*Lilly    Y*  
*Franz    Y*  
*Thompson    Y*  
*Haworth     Y*  
*Hemingway    Y*  
*Favor     5*  
*Oppose    0*

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

21.011 **Retiree Health Insurance Subsidy Corrective Action Plan (CAP)**

The HBPW offers qualifying retirees a monthly health insurance subsidy until they reach 65 years old. The maximum monthly subsidy is \$250 for single coverage and \$450 for two-person or family coverage. These maximum subsidy amounts are fixed and have no escalation clauses.

Historically, the HBPW has provided this benefit on a "pay as you go" basis. In FY2019, subsidies provided through this program totaled less than \$39,000. However, Michigan Public Act 202 of 2017 requires this type of benefit be funded like a pension benefit, with actuarially determined amounts set aside by the employer each year to fund the payment of subsidies to future retirees.

The HBPW Board and City Council recently approved the establishment of a trust account with the Municipal Employees' Retirement System of Michigan (MERS) where these funds can be deposited and maintained.

The attached corrective action plan describes HBPW actions that will bring this benefit into compliance with P.A. 202.

*Recommendation: The Board of Directors Approve the Protecting Local Government Retirement and Benefits Act Corrective Action Plan for the HBPW's Retiree Health Insurance Subsidy benefit.*

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Haworth</i>
<i>Lilly</i>	<i>Y</i>
<i>Franz</i>	<i>Y</i>
<i>Miller</i>	<i>Y</i>
<i>Haworth</i>	<i>Y</i>
<i>Hemingway</i>	<i>Y</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

**BOARD COMMENTS**

*None*

**ADJOURNMENT**

A motion to adjourn the meeting of *July 6, 2020*, was made by *Haworth* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of July 6, 2020, adjourned at *5:33 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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