

REGULAR MEETING

The HBPW Board of Directors met
June 10, 2024
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

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

Members Present: PJ Thompson, Carolyn Maalouf, Brian Lynn, Paul Lilly, and Kyle Engbers, City Council Liaison
Scott Corbin

Members Absent: Dave Couch, Keith VanBeek

Staff Present: Ted Siler, Chuck Warren, Janet Lemson, Steve Bruinsma, Julie DeCook, Pete Hoffswell, Brian Richey, Mark Gipson, Ashley Williams; Guest: John Hurley, Marsh USA LLC

24.215 **Approval of Agenda**

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

24.216 **Communications From the Audience**

None

24.217 **Board Minutes – Regular Meeting Minutes of May 6, 2024, and Study Session Minutes of May 20, 2024**

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

24.218 **FY 2025 Terms of Service Updates**

The following changes are being proposed to the Terms of Service to become effective July 1, 2024:

General Terms of Service - Located at the beginning of each utilities Terms of Service and applies to all services.

Section 5.C. Added a "Payment Methods" section to clarify the types of payments accepted to pay HBPW bills.

Section 5.G.2. Account Security Deposits - Added "... for new Commercial or Industrial tenants, a letter of good credit standing with at least 12 months' history from a previous utility company may be requested to be used in lieu of a cash deposit." This has been our standard practice but has not been included in the Terms of Service language.

Electric Terms of Service

Section 15.A Customer Equipment – added, "Except as part of an approved PURPA Qualified Facility (see Section 22) or participation in the HBPW Distributed Generation Program (see Section 23), a Customer shall not back-feed or transmit energy from Customer equipment to the HBPW distribution system".

Section 16.D. Equipment Location – added "All metering locations shall meet the clearance requirements specified in the Michigan Electric Code. New and refurbished electric services shall be inspected and approved by the City or Township Inspector prior to HBPW installing a meter and activating service."

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Section 16.F. Separate Disconnect – removed "...that are installed or upgraded after January 1, 2019."

Section 17.A. Residential Electric Vehicle Charging – removed "Customers desiring in home use of stored energy from an electric vehicle battery system shall apply for the HBPW Distributed Generation Program as an option."

Section 17.B. Non-Residential Electric Vehicle Charging – added "Customers shall not back-feed or transmit energy from an electric vehicle's battery to HBPW's distribution system."

Water Terms of Service

Section 14.D.II Water Service Connection Applications – added "All connections to the water system are to be made by HBPW personnel. Any customer or contractor found to have made a connection to the water system without approval by HBPW, or in the absence of HBPW personnel, may be assessed a Tampering Fee, restricted from future work involving HBPW utilities and service to the customer may be permanently discontinued."

Section 16.A Temporary Metering – added "... for a period of less than 10 months that temporary metered water service is available to contractors."

Section 16.B Meter Location – added "... unless a master meter for the parcel is installed at the public right-of-way boundary, a meter shall be provided for each service line entering a building."

Section 18.D Water Service Line Replacement as Required by the Lead and Copper Rule – added "Any existing galvanized iron water service must be treated as a lead service line and any repair or replacement of such services requires prior notification to HBPW. Failure to provide such notification may result in a Tampering Fee and could result in the entity performing the work restricted from future work involving HBPW utilities."

Section 18.I Fire Hydrant Use – added "7. Hydrant meters are not available and shall not be used during winter months or periods of freezing temperatures."

Wastewater Terms of Service

Section 14.B.II Sewer Service Applications – added "All connections to the main are to be made by HBPW personnel. Any customer or contractor found to have made a connection to the main without approval by HBPW and in the absence of HBPW personnel may be assessed a Tampering Fee, restricted from future work involving HBPW utilities and service to the customer may be permanently discontinued."

Section 16.A Deduct Meters – added that deduct meters will be provided and installed by HBPW and removed the standards of the meters since HBPW will be providing the deduct meters.

Section 16.C Well Supply Meters - added "4. Where metering is not possible, an un-metered connection may be allowed which is billed a flat monthly rate per the current rates."

As part of the Consent Agenda, the Board of Directors approved the terms of Service modifications and forwarded them to City Council for approval.

24.219 **Sewer Condition Assessment Program Renewal**

In April of 2021, the Board approved a competitively bid contract with Plummer's Environmental for the first year of a four-year condition assessment effort to clean and inspect HBPW's entire sanitary sewer system. Plummer's completed the first phase of work in the fall of 2021. This work included cleaning and assessment of 33% of the sewer system. Plummer's contract was renewed in 2022 & 2023 to continue the program and maintain consistent inspection results for the entire inspection cycle. For all three years, HBPW staff found the work and inspection deliverables to be of high quality.

Due to good past performance, HBPW staff recommends the renewal of the condition assessment contract with Plummer's Environmental Services for the final year of assessment. Plummer's has agreed to extend previous unit pricing with a 3% increase to accommodate increases in fuel costs. This increase is below the 5% increase over the same time for the Construction Cost Index, a standard benchmark for unit pricing renewal. The proposed project for CY 2024 would result in the

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cleaning and inspection of approximately 125,000 feet of sewer and 559 manholes at a cost of \$227,134.67. This renewal would address all remaining portions of the collection system and complete the current condition assessment cycle.

The work will be funded from the \$850k Sewer System Rehabilitation FY 2025 capital project budget.

As part of the Consent Agenda, the Board of Directors approved a contract with Plummer's Environmental Services in the amount of \$227,134.67, with a 10% contingency of \$22,713.47 for a total of \$249,848.14, pending approval as to form from the City Attorney.

24.220 **40th Street Substation 15kV Circuit Breaker Procurement**

HBPW asked Siemens Energy to provide a proposal to provide nine 15kV circuit breakers and related services for the 40th Street Substation project. HBPW has standardized this Siemens 15kV breaker across all existing substations. Bid pricing included supply and delivery. Lead times for these breakers are 45-47 weeks.

Costs associated with the construction of the 40th Street Substation are subject to reimbursement from LG Energy Solution Michigan per the Second Amendment to the Development Agreement.

As part of the Consent Agenda, the Board of Directors approved a purchase order with Siemens Energy, in the amount of \$496,578, with a 10% contingency of \$49,658, for a total of \$546,236 pending approval as to form from the City Attorney.

24.221 **Bill-of-Sale and Utility Easement at Shoreline Flats II**

Kendall Property Group constructed the Shoreline Flats II apartments west of the previous Shoreline Flats at Quarterline Road and 16th Street. This development is complete with new public utilities having passed acceptance testing and new customers being served by those utilities. The new public utilities consist of public mains from 16th Street through the apartment complex to complete looped mains that also serve Medilodge at 1221 E. 16th Street. The easement matches what was depicted on the approved construction plans.

Staff estimates the contributed capital as \$359,000 for water and \$217,000 for sanitary.

As part of the Consent Agenda, the Board of Directors accepted a bill-of-sale and easement for underground utilities with Shoreline Flats II, LLC for the sum of less than \$1, pending approval as to form from the City Attorney.

24.222 **Grant of Utility Easement for Timber Ridge Estates Subdivision**

Timber Ridge Estates is comprised of properties located along Hunters Run Circle in the City of Holland. The easement will be used to provide fiber service to the homes along these streets. Accepting the easement will allow HBPW Broadband Services to provide Holland City Fiber service to these residents.

As part of the Consent Agenda, the Board of Directors accepted a Grant of Utility Easement with Timber Ridge Estates in the City of Holland from Timber Ridge Estates Condominium Association.

24.223 **Grant of Utility Easement for 16 Graves Place, Holland**

The property noted as Parcel 70-16-29-407-028 in the City of Holland is at 16 Graves Place, near Hope College. The easement will be used to provide fiber service to the homes along its west

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side and the church to the north. Accepting the easement will allow HBPW Broadband Services to provide Holland City Fiber service to these residents.

As part of the Consent Agenda, the Board of Directors accepted a Grant of Utility Easement on Parcel 70-16-29-407-028 in the City of Holland from property owners Christian Reformed Church of Central Avenue, pending approval as to form from the City Attorney.

24.224 Declaration of Surplus Material Fourth Quarter

The HBPW has identified materials and equipment which are no longer pertinent for use. The attached list shows the items determined as excess, obsolete, or uneconomical to repair. Once declared surplus, the items will be disposed of in the following order:

1. Offered to other City departments
2. Sell to companies specializing in inventory disposal
3. Auction (utilizing GovDeals online portal)
4. Public auction (in limited cases)
5. Donation
6. Recycling or waste disposal

As part of the Consent Agenda, the Board of Directors Approve the attached list of items as surplus.

24.225 Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Lilly</i>
Second	<i>Maalouf</i>
Favor	<i>5</i>
Oppose	<i>0</i>

24.226 Major Project Update

For information only

24.227 FY 2025 Property Insurance Coverage for HBPW Energy Production Assets

Board approval of the FY 2025 insurance program provided through Marsh Inc. is requested. The FY 2025 program involves nine leading insurance companies (an increase from five carriers for FY 2024), assuming various levels of risk. Overall program structure is not changed. Total premiums are \$1,256,640.04, an increase of 13.3% from the prior year.

The FY 2025 premium includes an increase in the deductible for the steam turbine generator and gas turbine generators to \$1,000,000. The total premiums would be \$1,378,977.91 if the deductible is not increased. The bulk of the increased cost is attributable to a 21.8% increase in insurable values.

Details on the participating carrier coverage amounts and premiums can be found in the attached HBPW Program Summary document.

Recommendation: The Board of Directors approved the Marsh USA HBPW energy property asset property insurance program for FY 2025, with the increased deductible option, at a total premium cost of \$1,256,640.04, and authorize the HBPW Finance Director authority to execute the documents necessary to bind coverage.

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

24.228 **Lake Macatawa Transmission Main Slip Lining Contract**

Background

In February of 2023, HBPW staff identified a leak in the 30" transmission main crossing under Lake Macatawa. The leak was tracked back to a failed repair performed on the pipe during installation in 2008. Further assessments have shown that the only viable method of rehabilitating the pipeline is to slip line it with a smaller diameter pipe inside of the leaking main.

HBPW contracted with the engineering firm Brierley Associates to lead this process. Brierley pursued a collaborative design approach by pre-qualifying contractors and suppliers that were specialists in their relative fields and developing a rehabilitation design with their input. This allowed for the development of an alternative that was based on sound engineering principles while also taking into account any potential constructability or scheduling concerns.

One of the critical contractors for the project is a horizontal directional drilling contractor that will be responsible for pulling the new pipe through the existing pipe. During the design phase, Brierley reviewed the project with several contractors including Gabe's Construction, Murphy Pipeline Contractors, and Ellingson. Of the contractors that were contacted, Gabe's had the most direct experience with similar projects and was very willing to engage in a collaborative design process and provide constructability reviews. Gabe's is a regional contractor that has worked with HBPW previously and is performing other work in Holland Township this year; and as a result, they also have the most ability to accommodate the project in their schedule.

Gabe's has provided a proposal to perform a final proofing of the pipe with a mandrel, assist in the fusing of the new PVC pipe and pull the new pipe into place for \$811,232. Brierley has reviewed the proposal and has confirmed that it represents current market rates for this type of work and is responsive to all the items required to complete the work. As a result, a recommendation is being made to approve a contract with Gabe's Construction Co., Inc. in the amount of \$811,232, with a 15% contingency of \$121,684, for a total of \$932,916.

Recommendation: The Board of Directors approved a contract with Gabe's Construction Company Inc. in the amount of \$811,232 with a 15 % contingency of \$121,684 for a total of \$932,916, pending approval as to form from the City Attorney.

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

24.229 **40th Street Substation Engineering Services Agreement**

HBPW has been requested to provide electrical service for LG Energy Solution Michigan (LGESMI) Phase III in the southeast portion of our service area. This new service request requires the design and construction of a new substation.

The new substation's design and equipment will be based on East Point Substation which was recently designed by Theka Associates. Theka has been assisting our team with preliminary design and equipment procurement for the new substation. Staff requested a proposal from Theka for continued engineering services based on the scope of work they provided for East Point Substation as well as additional engineering services related to the review of conditions found on and adjacent

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