

**REGULAR MEETING**

The HBPW Board of Directors met  
**July 8, 2019**  
at 4:00 p.m.  
in the Service Center Board Room  
625 Hastings Ave.  
Holland, Michigan

**Chair Hemingway called the meeting to order at 4:04 p.m.**

**Members Present:** Tim Hemingway, Diane Haworth, Phil Miller, Sue Franz, Paul Lilly, Ex Officio Members Bob Shilander and Keith Van Beek

**Members Absent:** Brian Lynn

**Staff Present:** Dave Koster, Janet Lemson, Chuck Warren, Joel Davenport, John Van Uffelen, Ted Siler, Jane Monroe, Kevin Koning, Mark Gipson, Pete Hoffswell, Steve Bruinsma, Edward Watson, Julie DeCook

20.000 **Board Minutes – Regular Meeting Minutes of June 16, 2019, and Study Session Minutes of June 24, 2019**

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

20.001 **Resolution for Insurance Claims Administration FY 2020**

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.*

20.002 **Resolution Authorizing the Signing of Contracts FY 2020 (Contract Authorization Resolution [CAR])**

Prior to the Contract Authorization Resolution (CAR), all contracts were submitted to both the Board and the City Council for approval before staff could proceed with work plans. This imposed an unnecessary delay, causing various difficulties, and often did not permit adequate time to address customer requests. After the City Attorney's review, it was determined that the City Charter authorizes the Board to carry out its work plan without further Council approval, once a budget had been approved. However, it is necessary for the Mayor and City Clerk to be authorized to sign such contracts on behalf of the Board.

*As part of the Consent Agenda, the Board of Directors adopted the Resolution authorizing the Mayor and City Clerk to sign contracts that are approved by the Board and within budget and forwarded the Resolution to City Council for their adoption.*

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

20.003 **Resolution Authorizing Transfer of Funds for Contribution to the City FY 2020**

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 \$7,656,276 from the Electric Utility funds for FY 2020 for the general purposes of the City of Holland.*

20.004 **Rehmann Robson Engagement Letter for Holland Board of Public Works Fiscal Year 2019 Annual Audit**

HBPW has retained Rehmann Robson to conduct the audit of the HBPW's financial statements for the year ended June 30, 2019 (FY2019). 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.

*For information as part of the Consent Agenda, the Board of Directors reviewed the Rehmann Robson engagement letter for Holland Board of Public Works fiscal year 2019 annual audit.*

20.005 **DA Davidson Non-Corporate Organizations and Associations Resolution**

The current resolution on file at DA Davidson permits HBPW staff only trading authority, not the authority to transfer securities out of the account. In order to permit Meeder Investment Management oversight over those securities, they need to be transferred to the HBPW custodial account established at Huntington National Bank. This account holds all of the HBPW securities managed by Meeder Investment Management.

*As part of the Consent Agenda, the Board of Directors approved the DA Davidson Non-Corporate Organizations and Associations Resolution authorizing the HBPW General Manager or Finance Director to take the actions necessary to move/transfer securities and investments from DA Davidson to Holland Board of Public Works' custodial account at Huntington National Bank.*

20.006 **REC Sales Board Report**

Holland BPW receives RECs corresponding to the energy we purchase from each of the projects in our renewable energy portfolio. Those RECs in turn can be used for compliance with the renewable energy standards required by the State of Michigan's Public Act 295. While all of the RECs received by the BPW from our renewable portfolio qualify for usage in Michigan, RECs generated at the NANR landfill gas project and Wildcat Wind Farm also qualify for RECs in other states. As such, the BPW has the choice of whether to apply the RECs from those facilities to our PA 295 requirements or sell them in the PJM market.

In January we were able to sell RECs in the PJM market at a significant advantage to the market for Michigan qualified RECs (MIRECS). We sold 14,044 Reporting Year (RY) 2018 vintage New Jersey Class I RECs for \$5.25 each, 10,292 RY 2019 vintage New Jersey Class I RECs for \$5.65 each, 29,355 RY 2018 multi state qualified RECs at \$5.55 each, and 13,173 RY 2019 multi state qualified RECs at \$5.70 each for a total sale of \$369,887.15. A future MIRECS purchase will be completed to replace these RECs if needed to meet future PA295 compliance.

*For information as part of the Consent Agenda, the Board of Directors reviewed and accepted the REC sales report for information.*

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Action on Consent items:

Motion to approve, accept, or adopt Consent *Lilly*  
 Agenda items  
 Second *Haworth*  
 Favor *5*  
 Oppose *0*

20.007 **Communications from the Audience**

*None*

20.008 **Major Project Update**

*For information only*

20.009 **Election of HBPW Board Officers for the FY 2020**

*Recommendation: Board member Phil Miller made a motion that the Board of Directors retain Tim Hemmingway in the position of Chair and Diane Haworth in the position of Vice Chair serving our Board.*

*Motion to approve recommendation Miller*  
*Second Lilly*  
*Favor 5*  
*Oppose 0*

20.010 **Construction Contract for Zeeland Landfill Closure**

The HBPW's landfill in Zeeland Township is no longer needed for disposal of materials by Operations and a Closure Plan has been submitted to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for review and approval. A bid package for the earthwork services needed to close the active cell was also recently issued and bids were received from three contractors qualified in executing work at Michigan landfills. The following table summarizes the received bids.

<b>Bidder Name</b>	<b>Business Location</b>	<b>Base Bid</b>	<b>Bid Total with 3 Alternates</b>	<b>Prev. Contracts</b>
Kamminga & Roodvoets	Grand Rapids, MI	\$893,667.70	\$841,256.20	Yes
Ryan Central	Janesville, WI	\$987,804.00	\$903,064.00	Yes
Catskill	Brighton, MI	\$1,011,860.75	\$953,339.75	No

BPW staff interviewed K&R as the apparent low bidder and is comfortable with their bid and approach. Therefore, staff recommends awarding a contract to K&R as the lowest responsible bidder. The requested contract of \$900,164.70 includes the addition of Alternate 3 (road improvement) to the base bid. Alternate 2 (leachate tank fill) is not being recommended by staff and Alternate 1 (geocomposite strips) cannot be awarded without EGLE approval. If Alternate 1 is approved, a change order will be issued to deduct \$57,413.50 from the approved contract. The total requested amount of \$990,164.70 is within the \$1.7 million Operations budgeted for the landfill closure.

*Recommendation: The Board of Directors approved a contract with Kamminga & Roodvoets, Inc. in the amount of \$900,164.70 and a 10% contingency of \$90,000 for a total of \$990,164.70, pending approval as to form from the City Attorney.*

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*Reminder: July 22 Study Session has been cancelled.*

*Our next regular meeting is August 12.*

*A Joint Session with City Council is planned for August 14. Anaerobic digester and fiber options and analysis of our downtown deployment of fiber are the topics. This meeting takes place in the upstairs training room at City Hall at 5:30 p.m.*

*Suggestions were made from Bob Shilander as well as a request for filling out information and how staff arrived with budgetary figures.*

**ADJOURNMENT**

A motion to adjourn the meeting of *July 8, 2019*, was made by *Lilly* supported by *Haworth* and agreed upon by the Board of Directors present.

The Board Meeting of July 8, 2019, adjourned at *5:14 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board