REGULAR MEETING

The HBPW Board of Directors met **May 8, 2023** at 4:00 p.m. 625 Hastings Ave. Holland, Michigan

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

MembersPJ Thompson, Tim Hemingway, Paul Lilly, Beth Snyder, Carolyn Maalouf, City Council LiaisonPresent:Nathan Bocks, and Ex Officio Members Keith Van Beek, and Dave Couch

Members Mayor Bocks, Keith Van Beek

Absent:

StaffDave Koster, Janet Lemson, Ted Siler, Becky Lehman, Joel Davenport, Chuck Warren, Chris VanPresent:Dokkumburg, Julie DeCook, Steve Bruinsma, Nate Johnson, Phil Leerar, Alex Craigmile, Steve
Bruinsma, Pieter Beyer; Guest: City Attorney Ron Vander Veen

23.220 Approval of Agenda

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

23.221 Board Minutes – Regular Meeting Minutes of April 10, 2023, and Study Session Minutes of April 24, 2023

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

23.222 Surrender Agreement for the Expired 49 West 3rd Street Lease

A Surrender Agreement, describing the conditions and obligations of tenant (Magna Services of America, Inc. ["Magna"]) and landlord (City of Holland, acting by and through its Holland Board of Public Works) has been provided by Magna for consideration and execution. The Agreement restates and clarifies the conditions and obligations of each party at lease termination.

All of the conditions and obligations specified in the Agreement have been satisfactorily met by both parties.

As part of the Consent Agenda, the Board of Directors approved the Surrender Agreement for the expired 49 West 3rd Street lease, subject to approval as to form by the City Attorney.

23.223 Water Treatment Plant Low Service Pump #1 Replacement

Four pump suppliers were solicited for proposals for the Low Service Pump #1 replacement, and two suppliers returned qualified proposals. Pricing in the two proposals was extremely competitive with only a \$269 difference between the two bidders.

HBPW staff evaluated the proposals and found them to be competitive with the lower priced pump showing better performance over the entire desired pumping range. Clarifications were requested from the supplier to ensure the scope and fee was understood. After thorough evaluation of the proposals, the low bidder, Detroit Pump, had the best overall proposal for the intended operating scenarios.

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

Pump Supplier	Location	Quote Amount	Delivery	Exceptions
Detroit Pump & Mfg. Co.	Warren, MI	\$113,569.00	34 Weeks	Ν
Kerr Pump and Supply, Inc.	Oak Park, MI	\$113,836.37	30 Weeks	Ν
KSB Dubric	Comstock Park, MI	No Bid	-	-
Kennedy Industries	Wixom, MI	No Bid	-	-

A summary of the evaluated bid results and quoted lead times are as follows:

BPW Staff recommends that an equipment procurement contract for supplying the replacement Low Service Pump #1 be issued to Detroit Pump. This project is included in the proposed FY 2023 and FY 2024 budgets.

As part of the Consent Agenda, the Board of Directors approved a contract with Detroit Pump & Mfg. Co., in the amount of \$113,569, with a 10% contingency of \$11,000, for a total of \$124,569, pending approval as to form from the City Attorney.

23.224 Utility Easement Amendment for Howard Avenue Underground Electric Distribution

Holland BPW Electric Distribution has a project to convert a section of line from overhead to underground along Howard Avenue between River Avenue and the western edge of Dunton Park. In order to best protect the equipment from risks associated with installing electrical boxes in the road right-of-way, the project has been designed to locate the required equipment outside of the right-of-way and on private property. There are four easements with this project, three of which were approved in October 2022. This is the last of four easements required for the project. This property already has an easement for HBPW, and this recommendation is to amend the existing easement to allow for the additional space needed to complete the project

As part of the Consent Agenda, the Board of Directors approved an amendment to Utility Easement with Parke Davis & Company, LLC, a Michigan liability company ("Grantor"), whose address is 188 Howard Avenue, Holland, Michigan 49424.

23.225 Action on Consent items:

Motion to approve, accept, or adopt ConsentLillyAgenda itemsMaaloufSecondMaaloufFavor5Oppose0

23.226 Communications from the Audience

None

23.227 Major Project Update

For information only

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23.228 Drinking Water State Revolving Fund (DWSRF) Project Plan Presentation

The five-year capital plan for the water utility includes the construction of a new chemical storage building at the Water Treatment Plant (WTP), and the expense budget includes funds for the replacement of private side lead service lines (LSL).

Funds for these projects are eligible for funding using the Drinking Water State Revolving Fund loan program. The DWSRF program provides low-interest loan funding (currently 1.875%) and an opportunity for principal forgiveness for qualified projects. The DWSRF program is an opportunity for HBPW to fund these infrastructure projects in a very cost-effective manor so as to reduce the impact on rates.

A project plan which examines alternatives to the proposed projects, as well as the environmental, health, and financial impacts of the projects will be reviewed by HBPW Staff. In order to be eligible for DWSRF low-interest loan from EGLE, the Board and City Council must adopt the project plan by formal resolution that also designates Dave Koster as the authorized representative for all activities associated with the projects.

Recommendation: The Board of Directors adopted a resolution that formally adopts the DWSRF Project Plant for Water System Improvements and forward the draft Council resolution to the City for adoption at the May 17, 2023, City Council meeting.

Motion to approve recommendation	Lilly
Second	Snyder
Favor	5
Oppose	0

23.229 Water Treatment Plant Generator Construction

The WTP Generator Construction and Installation services include installation of a new natural gas line from the existing meter to the generators, conduits and wiring, concrete foundations for the generators and switchgear, earthwork, water main removal, and unloading and setting the generators upon delivery.

Proposals were requested from four contractors. Three bids were received. HBPW staff evaluated the proposals and found pricing overall varied by 16.4% with the two low bids having a 4.9% difference.

A summary of the evaluated bid results are as follows:

Contractor	Location	Quote Amount	Exceptions
Buist Electric	Byron Center	\$461,485	N
Parkway Electric & Communications LLC	Holland	\$483,920	Ν
Newkirk Electric Associates, Inc.	Muskegon	\$537,100	Y
Windemuller	Grand Rapids	No Bid	

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Based on the team's evaluation, BPW staff recommend that a contract for construction services to install the two new Cummins natural gas generators be issued to Buist Electric.

The project was budgeted in January 2022. Since that time, labor and material costs have continued to rise. Due to these inflationary pressures, an increase in the capital project budget of \$400,000, from \$1,250,000 to \$1,650,000, is requested. Below is a summary of project costs to date:

Service	Contractor	Base Contract Cost	Contingency	Total
Engineering Services	Theka	\$135,432.00	\$13,543.00	\$148,975.00
Generator Equipment	Cummins	\$819,850.00	\$40,993.00	\$860,843.00
Switchgear	Eaton	\$29,407.26		\$29,407.26
Construction	Buist	\$461,485.00	\$46,148.00	\$507,633.00
Gas Service Upgrade	Semco	\$67,605.00	\$6,760.00	\$74,365.00
Totals		\$1,513,779.26	\$107,444.00	\$1,621,223.26

Of the project budget requested, more than \$100,000 is for contingency and nearly 40% of the contingency is for the pre-procured generators that are nearing shipment in September. The risk of incurring contingency costs on this part of the project is considered low at this point. This project is included in the FY 2023 and FY 2024 budgets.

Recommendation: The Board of Directors approved a contract with Buist Electric, in the amount of \$461,485, with a 10% contingency of \$46,148, for a total of \$507,633, pending approval as to form from the City Attorney. Also, approve an amendment to the FY 2023 WTP capital budget in the amount of \$400,000 for an overall project budget of \$1,650,000.

Motion to approve recommendation	Lilly
Second	Maalouf
Favor	5
Oppose	0

23.230 Laketown Township Water Supply Agreement Renewal

In December 2020, the current retail water agreement with Laketown Township reached its expiration date. In accordance with the terms of that agreement, this expiration date triggered an automatic 5-year renewal. This renewal period afforded both parties an opportunity to negotiate revised terms that could align better with the recently completed agreement with Park Township, when the retail area served in Park expanded to north of Lake Macatawa.

Some of the principal elements of the proposed agreement include:

- Revocation of three prior agreements and replacement with the new proposed retail water agreement; this includes a trunk main agreement, which was also terminated for Park Township its 2020 renewal
- No change to the service area
- 30-year term with automatic 30-year renewals, which trigger with 10 years remaining on the original or any renewed term
- Conformance with the Park Township terms in many ways including controlling the size of connection and type of use as opposed to capping the daily limit for the entire township
- Water rates uniform with the City of Holland customers; maintain the ability to charge surcharges for non-standard systems
- Consent to use public rights-of-way for transmission mains

The contract renewal timeframe is of importance given the obligation the Holland Board of Public Works would have to repair and replace infrastructure using the same approach it does for assets in the City of Holland. Knowing that a subsequent 30-year relationship is triggered with 10 years remaining on a term gives additional certainty to the HBPW that the capital investments will be recovered by future rates.

Recommendation: The Board of Directors approved the attached water supply agreement with Laketown Township, subject to City Attorney approval as to final form.

Motion to approve recommendation	Maalouf
Second	Lilly
Favor	5
Oppose	0

23.231 Closed Door Session – Written Legal Opinion From the City Attorney

Motion to enter Closed S	Session @ 5:12 p.m.	<nam< th=""></nam<>
Made by	Lilly	<nam< td=""></nam<>
Second:	Maalouf	
Favor	5	
Oppose	0	
ROLL CALL: Thompson	, Hemingway, Lilly,	
Snyder, Ma	aalouf	
Motion to re-enter Open	Session @ 5:38 p.m.	<nam< td=""></nam<>

Motion to re-enter Open Session	n @ 5:38 p.m.	<name< th=""></name<>
Made by	Lilly	<name< td=""></name<>
Second	Hemingway	
Favor	5	<mark><#></mark>
Oppose	0	<mark><#></mark>

23.232 General Manager Comments

- Thanked BOD members for feedback on Strategic Planning efforts. Anticipated dates of Sept 25, 26, 27 in the afternoons (1-5:00).
 - Governance self-evaluation survey anticipated to go out this week.
 - One on one phone interviews (30 minutes) planned to begin the week of June 26. Targeted completion by July 7.
- JDY ballot issue passed with 63% positive disposing of property
- May 22 will be changed to a Special Meeting
- May 23 lunch in honor of Sue Franz
- June 13 is Tim' Hemingway's retirement from the BOD dinner

23.233 Board Comments

- May 18 MPPA Stakeholder event begins at noon for those who are attending
- Sale of JDY property, we will need to approve the asset as surplus, and the second step would likely be a redevelopment agreement
- May 22 Water System Advisory Council meeting scheduled (just prior to the Special Meeting)

ADJOURNMENT

A motion to adjourn the meeting of *May 8, 2023,* was made by *Hemingway* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of May 8, 2023, adjourned at 5:55 p.m.

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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