

**REGULAR MEETING**

The HBPW Board of Directors met  
**February 10, 2025**  
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, Kyle Engbers, Paul Lilly, Brian Lynn, and Ex Officio Member Keith Van Beek, Paul Lilly (arrived late)

**Members Absent:** Scott Corbin and Dave Couch

**Staff Present:** Dave Koster, Janet Lemson, Becky Lehman, Ted Siler, Joel Davenport, Julie DeCook, Pieter Beyer, Chuck Warren (arrived late)

25.148 **Approval of Agenda**

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

25.149 **Communications From the Audience**

*None*

25.150 **Board Minutes – Regular Meeting Minutes of January 6, 2025, and Special Meeting Minutes of January 27, 2025**

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

25.151 **Reappointment to the Water System Advisory Council**

The WSAC was established by ordinance in December 2018 and organized with bylaws in March 2019 for the purpose of advising and reporting to the Directors of the HBPW relating to public awareness of lead in drinking water and compliance with the new administrative requirements for the Lead and Copper Rule (LCR) adopted by the State of Michigan in June 2018. The bylaws established staggered five-year terms for Council members so that only one member's term expires each year.

Piet Beyer's existing term on the Council is set to expire on March 11, 2025. A second term for Piet is being recommended with an end date of December 31, 2029. This end date is part of a planned transition to align WSAC terms with the calendar year.

*As part of the Consent Agenda, the Board of Directors approved the reappointment of Piet Beyer to a new five-year term on the Water System Advisory Council with an expiration date of December 31, 2029.*

25.152 **Results of the Sale of Water Supply Revenue Bonds, Series 2025A**

Bids for the Water Supply System Revenue Bonds, Series 2025A, closed at 11:30am EDT on 2/4/2025. Our financial consulting firm (PFM) commented that the number of bids submitted and the quality of the bidders was better than they've seen for similar offerings in the past several months. As with our offering in 2022, this was attributed to the nature of the projects being financed and the strong credit rating (S&P AA) of the HBPW water supply system.

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

Details on all eight of the proposals received can be found in the attached sales order. True interest costs (the method used to rank the proposals received from qualified bidders), ranged from 3.790904% to 3.910520%. The best bid was provided by KeyBanc Capital Markets. The annual debt service associated with their bid is slightly better than staff projections for the water utility.

*As part of the Consent Agenda, the Board of Directors accepted for information the executed sales order describing the offering, proposals received and schedule of principal and interest payments for the successful proposer.*

25.153 Action on Consent items:

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

25.154 **Major Project Update**

*For information only*

25.155 **Intergovernmental Agreement With Holland Public Schools**

During the process of updating the emergency response plan for Holland Public Schools, Joe Soto, Director of Safety & Security approached HBPW with a request to use our facilities for temporary emergency sheltering needs. Both parties are authorized to enter into this Agreement by Public Act 35 of the Public Acts of 1951, MCL §124.1 et seq., and by Public Act 451 of 1976, the revised school code and MCL 380.11a. Both parties also agree it is in the public interests to collaborate in this way. Having an intergovernmental agreement formalizes the mutual interest.

*Recommendation: The Board of Directors approved an intergovernmental agreement with Holland Public Schools, pending approval as to form from the City Attorney.*

<i>Motion to approve recommendation</i>	<i>Engbers</i>
<i>Second</i>	<i>Maalouf</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

25.156 **Revisions to Cash Reserves Delegation Policy D013-1**

Holland Board of Public Works has a very robust policy requiring reserves to provide financial resources for critical operations that may be affected by unexpected changes in costs/operating conditions in addition to required debt service reserves and capital asset needs. The existing policy referred to required reserves as "cash" reserves. The required reserves currently exceed \$53 million. Idle cash returns a very small yield in today's markets. Prudent fiscal management dictates that these funds, to the greatest extent possible, be invested to generate reasonable returns. These investments will be made in accordance with the Investment Delegation Policy D014-3.

The current reserve policy (D013-1) has been amended, replacing the word "cash" with "financial reserves", to ensure there is no ambiguity in the policy's intent. The amendment also includes specific language on which reserves should be held in cash or cash equivalents only.

*Recommendation: The Board of Directors approved the proposed revisions to the Delegation Policy D013-1.*

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<i>Motion to approve recommendation</i>	<i>Engbers</i>
<i>Second</i>	<i>Lynn</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

25.157      **Renewable Energy Plan**

Michigan's Clean and Renewable Energy and Energy Waste Reduction Act (Public Act 295 of 2008) was recently amended via PA 235. One of the requirements of that amendment is that each electric provider in the state develops and files a REP for their utility with the MPSC by February 27, 2025. Working in coordination with HBPW staff, Michigan Public Power Agency ("MPPA") recently developed a REP for usage in HBPW's filing that was reviewed with the HBPW Board of Directors at their January 27, 2025, study session. The REP shows how HBPW expects, based on what it knows today, to meet the renewable energy compliance requirements of PA 235.

The Michigan legislature recognized when crafting PA 235 that a utility's plan for meeting the act's renewable energy requirements will change over time. This is best demonstrated by the fact that PA 235 requires an updated REP to be filed with the MPSC every two years after the initial submittal. The REP thus is intended to simply represent a utility's reasonable expectations at that specific point in time and does not commit a utility to specific actions.

PA 295 as amended does not have any specific requirements for adoption of the REP by the governing body of a municipal owned utility. However, HBPW staff feels it is important that any REP being filed with the MPSC first be reviewed by our governing bodies and adopted to demonstrate their support for the submittal. This action is also consistent with recommendations of MPPA and the Michigan Municipal Electric Association (MMEA).

*Recommendation: The Board of Directors adopted the attached Renewable Energy Plan for submittal the Michigan Public Service Commission.*

<i>Motion to approve recommendation</i>	<i>Maalouf</i>
<i>Second</i>	<i>Lynn</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

25.158      **General Manager Comments**

- GM Reviewed the annual report from 2024 that is currently on our website. Thank you to Julie DeCook and her team.
- GM gave a reminder on the BOD SharePoint page with info and updated regularly
- GM Also reviewed BOD SharePoint training opportunities
- Moving away from personal e-mails
- Communications Careers Brochure handed out to BOD members and explained details behind the whys of our decision to create this publication, press release on this going out next Monday
- Next Board meeting is a Special Meeting on February 24 (WW Issues discussion, Budget)

**ADJOURNMENT**

A motion to adjourn the meeting of *February 10, 2025*, was made by *Lilly* supported by *Maalouf* and agreed upon by the Board of Directors present.

The Board Meeting of February 10, 2025, adjourned at *4:48 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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