

The HBPW Board of Directors met **Wednesday, February 3, 2010** at 4:00 p.m.
 in the Service Center Board Room
 625 Hastings Ave
 Holland, Michigan

Chair Jim Storey called the Special Meeting to order at 4:13 p.m. A quorum was present.

Members Present: Paul Elzinga, Diane Haworth, Tim Hemingway, and Jim Storey

Members Absent: Rich Cook

Staff Present: Loren Howard, Dave Koster, Dan Nally, Ellen Taub, Freda Velzen; and, Loralyn Bunce

10.018 **Minutes – Available at a regular meeting**

10.019 **Communications from the Audience**

There were no communications from the audience.

10.020 **Financial Statement – Available at a regular meeting**

10.021 **Property Purchase for Industrial Development**

A potentially new manufacturer, Compact Power, has proposed building a lithium-ion battery plant in the City of Holland. The property that Compact power is interested in is located on 48th Street east of Waverly Road. The total parcel desired by compact power is approximately 70 acres and is made up of land owned by three parties. One parcel is in the city limits of Holland, the other properties are located in Fillmore Township. In order to accommodate the requirements of Compact power, the proposed option agreement between Compact power and the Holland Board of Public Works was prepared and presented.

The Board of Directors approved an Option Agreement between the Holland Board of Public Works (HBPW) and Compact Power, Inc. covering the sale of land to Compact Power and forwarded to City Council for their approval.

The Board of Directors approved an Acceptance of Assignment from Lakeshore Advantage in the amount of \$10,000 for the purchase of the Welscott and Rabbers properties and forwarded to City Council for their approval.

10.022 **Electric Resource Plan**

Holland Board of Public Works (HBPW) regularly forecasts electric demand and energy and evaluates options to meet those requirements. Periodically, a formal study of these options is necessary to establish a long range plan that evaluates various electric resource options that will require significant capital investment. The most recent study in 2002 called for an additional base-load resource and set in motion the development process for options to meet that need. The HBPW has been working for about six years to develop an option to replace Unit 3, a 10 MW, 1958 vintage unit, at the James De Young Generation Station (JDY) with a 78 MW unit. In addition to that option, other utilities in the state are developing base-load resources that Holland could participate in similar to the HBPW ownership in Campbell 3 project and the Belle River project. Since critical decision points for these options are near, it is important to evaluate the viability of each option in light of the current demand projections and forecasted market conditions.

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

The study currently underway by Black & Veatch consists of two parts: 1) the future forecasts of electric demand and electric energy; and, 2) electric resource options to meet those forecasts. In order to complete the second part of the study, the forecast of electric demand and energy must be selected to evaluate the various options available to meet those forecasts.

At the January 25th study session of the HBPW Board of Directors, Black & Veatch presented their forecast evaluation and findings. The recommended forecasts of demand and energy represent the most likely requirements for electric demand and energy for the next 20 years. These forecasts include factors to account for reduction in demand and energy as a result of energy optimization and conservation efforts as projected by the Electric Power Research Institute's Realistically Achievable Potential for Demand Side Management analysis.

The second part of the study will perform screening analyses on several generation resource options including a myriad of renewable resources. From this information, specific additional resource plan cases will be run to evaluate the impact of the various proposed options, including a case where no additional generation is built and there is reliance on external market energy. This second half of the study will be presented at the February 22, 2010 HBPW Board Joint Study Session.

The Board of Directors accepted the "HBPW Electric Resource Plan Demand and Energy Forecasts 2010" as the forecasts to be used to evaluate various electric resource options needed to meet future electric resource requirements.

10.023 Labor Litigation Settlement

In March 2007, the Holland Board of Public Works (HBPW) discontinued the employment of MacArthur ("Clyde") Robinson. At that time, Robinson was serving as Human Resources Director for the HBPW.

In April 2008, Robinson contested his termination and filed a lawsuit in the Ottawa County Circuit Court to regain his employment with the HBPW. Prior to the jury trial, the Court dismissed four of the five Robinson claims. The final claim regarding termination of employment without just cause was scheduled for jury trial in late January 2010.

As a result of negotiations during the pre-trial conferences between the parties, a settlement agreement was reached. This case and settlement are covered by the HBPW's employment practices insurance policy, which provides coverage less a self insured retention of a \$100,000 which is paid by the HBPW per incident. Costs above this self insured retention amount are paid by the insurance company. The HBPW has been in on-going communication with the insurance company, which supports resolving this case in the manner recommended. The agreement provides that both parties will not comment on the settlement agreement and that neither party will disclose the agreement except in response to a Freedom of Information Act request or other statute or law.

The Board of Directors approved the Release and Settlement Agreement between The City of Holland, acting by and through its Holland Board of Public Works, and MacArthur "Clyde" Robinson, and forwarded the Agreement to City Council for approval.

ANNOUNCEMENTS

*Regular Board Meeting - Monday, February 08, 2010 at 4 p.m. in the Service Center Board Room
Joint Study Session – Monday, February 22, 2010 at 4pm in Ottawa Room at Double Tree Hotel & Conference Center*

ADJOURNMENT

A motion to adjourn the meeting of February 3, 2010 was made by *Haworth* supported by *Hemingway* and agreed upon by the Board of Directors present.

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The Board Meeting of February 3, 2010 adjourned at *4:55 p.m.*

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board