

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

Chair Jim Storey called the meeting to order at 4:00 p.m. A quorum was present.

Members Present: Diane Haworth, Tim Hemingway, Jim Storey, and City Council Liaison: Bob Vande Vusse

Members Absent: Rich Cook and Paul Elzinga

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

10.033 **Minutes**

The Board of Directors approved the minutes of regular, joint, and study meetings held January 10, January 25, February 3, February 8 and February 22 of 2010 as presented

10.034 **Communications from the Audience**

There were no communications from the audience.

10.035 **January 2010 Financial Statement**

For Information Only

10.037 **Engineering Contract Modification for Wastewater Treatment Plant Headworks Improvement**

The Holland Board of Public Works (HBPW) contracted with Fishbeck Thompson Carr and Huber (FTC&H) of Grand Rapids, MI to perform engineering & construction contract administration (CCA) for the Headworks Improvements at the Holland Area Wastewater Treatment Plant (WWTP). A contract modification is needed to increase the scope of services to include additional improvements at the WWTP.

The Board of Directors approved Amendment 2 to the Professional Services Authorization for the Wastewater Treatment Plant Headworks Improvement project with FTC&H in the amount of \$48,500 and increased the project contingency by \$4,850 for a total additional contract authorization of \$53,350.

Motion to approve the contract modification	<i>Haworth</i>
Second	<i>Hemingway</i>
Favor	<i>3</i>
Oppose	<i>0</i>

10.038 **JWC Sewage Grinder Refurbishing**

The grinder needing refurbishing has been in operation since 1996. In 2003 the grinder was sent back to the factory for refurbishing. The unit is again in need of refurbishment at a cost of \$35,000. The work involved is actually a total overhaul at the factory, which includes a new submersible motor, all bearings, seals, and replacement of the cutter and the screens. During replacement of the cutters and screens, the sizing will be changed from ¼” to ½” to coordinate with the design of the new headworks system. Specifically, the new headworks will have bar screens downstream of the grinders with a ¼” spacing that will remove all items processed by the grinder. The function of the sewage grinders is to protect the pumps. The slight increase in size will not affect the pumps and

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will make it easier for the downstream bar screen to process the wastewater stream. Below is a picture of a sewage grinder in operation.

The Board of Directors approved the refurbishment by JWC, the original equipment manufacturer, of one of the south influent sewage grinders and an associated budget transfer in the amount of \$35,000.

Motion to approve refurbishment and budget transfer	<i>Hemingway</i>
Second	<i>Haworth</i>
Favor	<i>3</i>
Oppose	<i>0</i>

10.039 Construction Services for 40th St, Washington Ave to Lincoln Ave Reconstruction Project

Holland Board of Public Works (HBPW) staff identified the need to replace the water main in 40th St between Washington and Lincoln Aves due to advanced corrosion. On December 8, 2008, the Board approved a contract between the HBPW and OMM Engineering, Inc to perform the associated engineering and construction contract administration (CCA). On February 8, 2010, the Board approved a contract modification with OMM Engineering to address changes to the scope of the project.

In order to take advantage of ARRA funds, the City entered into a contract with the Michigan Department of Transportation (MDOT) on January 10, 2010. The project was bid through MDOT on February 5, 2010 and 17 bids were received. The lowest responsible bidder, Connan, has performed work for the City and HBPW in the past and meets all of our specifications. Therefore, MDOT will enter into a contract with Connan to execute construction.

The Board of Directors approved the HBPW's portion of the contract between the City and MDOT. The resultant contract between MDOT and Connan will obligate the Board to \$875,122; and, approved an additional 10% (\$87,512) for contingencies for a total of \$962,634.

Motion to approve portion of contract	<i>Haworth</i>
Second	<i>Hemingway</i>
Favor	<i>3</i>
Oppose	<i>0</i>

10.040 Michigan Renewable Energy Certification System Registration

Michigan Public Act PA295 created a requirement that utilities provide a certain percentage of the power to their customers from renewable energy sources. In order to track, register, transfer, and maintain the renewable energy credits obtained from or generated by these resources, the state hired APX to establish a system to administer the necessary accounting. Specifically, the Michigan Renewable Energy Certification System (MIRECS) system tracks credits via data transfers into the accounts established by the renewable electrical generation providers on a daily basis. Transfers between account holders are also managed in the MIRECS system. Ultimately, account holders will use balances in their respective accounts to demonstrate compliance with the target renewable energy credit requirements under PA295. Account holders must use this system in accordance with the terms and conditions established by MIRECS.

There are registrations and annual fees that account holders must pay. For the Holland Board of Public Works (HBPW) the fees will amount to a \$1,100 one-time subscription fee and a volumetric based charge as an electric service provider, which is approximately \$3,300.

The Board of Directors approved, pending City Attorney approval to form, the terms and conditions from APX, Incorporated (APX) for the use the MIRECS system and authorized the Holland Board of Public Works' Operations Director to complete the necessary online registration.

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Motion to adopt the resolution	<i>Hemingway</i>
Second	<i>Haworth</i>
Favor	3
Oppose	0

10.041 **Partial Coal Supply for 2010-2011**

This recommendation covers the second part of a coal supply solution for the next shipping season and is in line with a movement to increase the blend of Powder River Basin (PRB) coals to meet power generation needs. This coal would be blended on-site with the bituminous coal that is scheduled to be shipped from the recently closed Sappi Paper facility in Muskegon. Staff has worked to understand the necessary techniques and system improvements needed to support both on-site blending and increased percentages of PRB coal in the fuel mix. These improvements will come in the form of a 3-phase improvement plan.

The price for the Detroit Edison (DTE) Coal supply does not include fuel surcharges for transportation services or dust suppression agent sprays. Those costs are variable pass-through costs to the customer and are currently estimated at \$0.63 per ton transport and \$0.20 per ton spray treatment.

The staff has already accomplished the 2010 goal of burning 25% PRB coal and is now focusing on the coal handling techniques of burning this level using on-site blending on pure PRB coal. The 2011 goal is to reach 30% PRB coal with testing up to 40% blends of NPRB. The above savings that would be experienced from each 10% increase in the blend of PRB coal equates to generation savings of approximately \$1.90 per megawatt-hour (over \$550,000 annually).

The Board of Directors approved a contract, pending City Attorney approval, with DTE Coal Services for the supply of approximately 36,000 tons of sub-bituminous PRB coal for a price of \$39.75 per net ton delivered, or \$2.20/MMBTU.

Motion to approve the contract with DTE Coal Services	<i>Haworth</i>
Second	<i>Hemingway</i>
Favor	3
Oppose	0

10.042 **Coastal Container Engineering Feasibility Study**

In 2008, Michigan passed a renewable energy portfolio standard, PA 295, mandating all Michigan utilities add renewable energy resources to their electric generation. The law requires that the renewable electric energy supplied by a municipal utility must be 2% of the annual energy supplied by 2012, 3.33% by 2013, 5% by 2014 and 10% by 2015.

Currently the Holland Board of Public Works (HBPW) has added three projects to the renewable portfolio, two of which are currently producing renewable energy. The HBPW purchased 1000 Mwh from the Consumers Energy Grayling project in 2009. The contract with the Grayling plant was recently extended for 5 years. The HBPW expects to receive 5000 Mwh from the NANR landfill gas project in 2010 and should start receiving renewable energy from the Michigan Public Power Agency Granger project by the end of 2010.

The Coastal Container Waste Wood Electric Generating project is initially envisioned to be a relatively small renewable energy project producing 2000 to 3000 Mwh of renewable energy annually, but has the potential to be expanded in the future if the initial project is successful.

The Board of Directors approved an agreement with GMB Architecture + Engineering to perform a feasibility/preliminary engineering study for a waste wood electric generating project with Coastal Container with a contract amount not to exceed \$20,000 and a transfer from contingency in the amount of \$20,000.

Motion to approve the agreement	<i>Hemingway</i>
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Second	<i>Haworth</i>
Favor	3
Oppose	0

10.043 Holland-Google FiberTown Initiative

On February 10th, 2010, Google announced plans “to build and test ultra high-speed broadband networks in a small number of trial locations across the United States,” delivering Internet “more than 100 times faster than what most Americans have access to today.” Google plans to offer the service to between 50,000 and 500,000 people nationwide. Through this project, Google is trying to (1) encourage application developers to create new bandwidth-intensive applications, (2) test new ways to deploy fiber, and (3) create an “open-access” network giving users the choice of multiple service providers.

The Holland Board of Public Works (HBPW) staff believes that Google’s *Fiber to Communities* initiative is a strong fit with the current direction that the Holland Board of Public Works (HBPW) Broadband utility is moving.

ANNOUNCEMENTS

March 9, 2010 at 7:30am - Chamber of Commerce Breakfast at Haworth Center

March 10, 2010 at 6:00pm - Public Forum regarding budget issues at City Chambers

March 15, 2010 at 7:30am - Chamber of Commerce Breakfast at Alpenrose

March 22, 2010 at 4pm - Board of Directors Study Session

ADJOURNMENT

A motion to adjourn the meeting of March 8, 2010 was made by *Haworth* supported by *Hemingway* and agreed upon by the Board of Directors present.

The Board Meeting of March 8, 2010 adjourned at *4:57 p.m.*

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board