

The HBPW Board of Directors met **Monday, May 10, 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: Rich Cook, Paul Elzinga, Diane Haworth, Tim Hemingway, Jim Storey, and City Council Liaison: Bob Vande Vusse and Ex Officio Member Soren Wolff

Members Absent:

Staff Present: Loren Howard, Dave Koster, Dan Nally, John Van Uffelen, and Freda Velzen; Angela Badran, and Loralyn Bunce

10.061 **Board Minutes – April 19 & 26, 2010**

As part of the Consent Agenda, the Board of Directors accepted the minutes as an accurate report of actions taken.

10.062 **Molecular Sieve Replacement**

The Holland Area Wastewater Treatment Plant (WWTP) uses a Pressure Swing Adsorption (PSA) system to generate oxygen that is used in the activated sludge treatment process. This system uses a molecular sieve to remove the oxygen from the nitrogen in atmospheric air. The sieve in one of oxygen generating skids has failed after 30 years of service and must be replaced.

As part of the Consent Agenda, the Board of Directors approved a budget transfer in the amount of \$144,000 from the equipment replacement fund for all the items associated with the molecular sieve replacement and forwarded to City Council for their approval.

10.063 **Audit Services Contract**

A Request for Quote (RFQ) was sent to eight audit firms requesting a proposal of qualifications to audit the City of Holland (City), the Holland Board of Public Works (HBPW), Herrick District Library, Holland Historical Trust, Macatawa Area Express Transit Authority, and the West Michigan Airport Authority. Many of the firms responded with a letter to decline the opportunity to bid. Only Rehmann Robson responded to the RFQ with a proposal. A brief Audit Committee meeting was held and the committee recommended a Request for Proposal be sent to Rehmann Robson requesting them to detail the cost breakdown for each entity. The proposal received offered three options, the least costly of which was a five year contract. The Audit Committee requested that they include six major programs at no additional cost. The original proposal included five. Rehmann Robson agreed to this additional program. Both the City and the HBPW have been satisfied with the thoroughness and quality of the firm during the previous contract period and the committee recommended the acceptance of the proposal from Rehmann Robson.

As part of the Consent Agenda, the Board of Directors approved the audit proposal for a five year contract for the annual financial audit from Rehmann Robson and authorized Freda Velzen, the Finance Director, to execute the appropriate documents for the arrangement. The HBPW's portion of the fee for FY2010 audit is \$12,200 and is included in the budget.

10.064 **Actuarial Services for Other post employee Benefits (OPEB) 2010**

An actuarial valuation to determine the liability for Other Post Employment Benefits (OPEB) for financial statement disclosure is required every two years. Two years ago Watkins Ross & Co. provided this service to the City of Holland and the HBPW. They were very thorough and

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knowledgeable. The City and the HBPW would like to enter into an agreement with them to provide the actuarial services needed at this time.

As part of the Consent Agenda, the Board of Directors approved the agreement with Watkins Ross & Co. to provide actuarial services and consulting services for the Holland Board of Public Works (HBPW) in conjunction with the City of Holland and authorized Freda Velzen, the Finance Director to execute the appropriate documents that may be needed for the arrangement. The HBPW's portion of the \$5,300 fee for FY 2010 is \$2,120 and is included in the budget.

Motion to approve the Consent Agenda as presented	<i>TH</i>
Second	<i>DH</i>
Favor	<i>4</i>
Oppose	<i>0</i>

10.065 Communications from the Audience

No communications from the audience

10.066 Financial Statement – March 2010

Although February shows negative revenues in all utilities, this is often the case in the months of January and February. February 2010 did show a slight trend in increased sales.

10.067 18th Street and Harrison Construction Services

The water and sewer infrastructure in 18th Street between Cleveland and River Avenues are in need of replacement. The water and sewer mains on Harrison Avenue between 18th and 19th Streets are old and undersized. The City's Transportation Services Department is partnering in the project to replace storm sewers and participate in the roadway restoration.

The FY2010 and FY2011 Capital Improvement Budgets dedicate \$890,000 for water main replacement and \$540,000 for sanitary main replacement for a total project budget of \$1,430,000. With the recommended bid, the project including engineering and construction is anticipated to be under budget by \$264,766.

A request for bids was advertised and on April 30, 2010, ten (10) proposals were received. Of the proposals received, Wyoming Excavators, Inc presents the best overall price, meets specifications and has performed successfully in the past.

The Board of Directors approved a construction services contract with Wyoming Excavators, Inc of Ada, MI in the amount of \$1,848,234 with a 10% contingency of \$184,823 for a total of \$2,033,057, subject to City Attorney approval. Approve the HBPW's portion of the contract in the amount of \$997,107 with a 10% contingency of \$99,711 for a total of \$1,096,818.

Motion to approve the purchase and maintenance agreement	<i>PE</i>
Second	<i>DH</i>
Favor	<i>4</i>
Oppose	<i>0</i>

10.068 Contribution to City General Fund

The Holland City charter provides that up to 50% of the annual net income of the BPW may be appropriated for City general purposes. Historically, the mechanism used to calculate the amount to be contributed to the City has been to calculate the amount based on retail electric sales. The past few years, the percentage has been 5% of actual electric retail sales in the previous calendar year. Due to the financial difficulties the general City is experiencing, the City Manager has recommended that this payment be calculated using 5½% for FY 2011. The City Manager proposes that this percentage be maintained at that rate through fiscal year 2013 when the anticipated additional

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revenues from the two new lithium-ion battery projects is fully experienced.

The Board of Directors approved the Holland Board of Public Works contribution to the City for FY 2011 as 5.5% of actual gross electric retail sales for calendar year 2009.

Motion to approve	<i>DH</i>
Second	<i>TH</i>
Favor	<i>4</i>
Oppose	<i>0</i>

10.069 **Closed Session - Sierra Club versus City of Holland / Holland Board of Public Works**

ANNOUNCEMENTS

Notice Correction - Study Session May 24, 2010 @ 4:00 pm in Service Center Board Room

ADJOURNMENT

A motion to adjourn the meeting of May 10, 2010 was made by *Hemingway* supported by *Haworth* and agreed upon by the Board of Directors present.

The Board Meeting of May 10, 2010 adjourned at *5:37 p.m.*

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

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