

The HBPW Board of Directors met **Monday, June 7, 2010** at 4:00 p.m.
 in the Service Center Board Room
 625 Hastings Ave
 Holland, Michigan

President 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, Ellen Taub, John Van Uffelen, and Freda Velzen; Angela Badran, Mike Radakovitz, Jim Theis, and Loralyn Bunce

10.072 **Board Minutes – May 10 & 24, 2010**

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

10.073 **Contract for Painting Unit 8**

Holland Board of Public Works' staff has reviewed the structural condition and budgeted painting of Unit 7 in FY 2010 and Unit 8 on 48th street in FY 2011. This painting project is for exterior painting of the combustion turbine and support buildings only. By sand or water blasting, followed by a primer coat and two coats of a two part aliphatic urethane topcoat the Unit 8 housing and two supporting buildings, we can expect to extend their useful life for many years. Two of the existing doors will also need to be replaced due to severe rusting and general deterioration. The work will be completed during the summer of 2010.

As part of the Consent Agenda, the Board of Directors approved the contract with Great Lakes Painting, the low evaluated bidder, for the painting of the HBPW Unit 8 Combustion Turbine housing and associated structure in the amount of \$43,600.00 dollars. Also, approved a 10 % contract contingency in the amount of \$4,360 for structural repairs, if any are needed. Approval of the grand total of \$47,960 is below the \$50,000 budgeted for fiscal year 2011 for this work.

10.074 **Action on Consent Items**

Motion to approve Consent Agenda	<i>Elzinga</i>
Second	<i>Haworth</i>
Favor	<i>4</i>
Oppose	<i>0</i>

10.074 **Communications from the Audience**

No communications from the audience

10.075 **Financial Statement – April 2010**

For Information Only

10.076 **Award to Jim Van De Wege**

Dave Koster highlighted achievements of Jim Van De Wege during his sixteen years (16) as the Holland Board of Public Works' Water Treatment Plant Superintendent. Dave Koch, the incoming director of the Michigan Chapter of AWWA, and other representatives and former award recipients

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were present in honor of Van De Wege's recognition. Koch described the background of the George Warren Fuller Award as the highest national level given for distinguished service, inventive technician, major contributions, and standardization in the water treatment profession. The potential award recipients go through a nomination process and are confirmed at the AWWA Annual Conference and Exposition. Koch expressed respect and appreciation to the Holland Board of Public Works, City of Holland, and all water supply systems

Jim Storey expressed honor and thanks on behalf of the Board of Directors.

10.077 **Service Center Solar Power Presentation**

For Information Only

Jim Theis explained the positive and negative aspects of the on-going experiment with solar energy on the south side of the utility garage. Theis talked about how panel size and age determines capacity; the role of the inverter and some of the weather complications of western Michigan.

Theis stated that it is too early to tell about the potential results of solar energy at this facility.

In response to Vande Vusse's question about the potential role of solar energy for charging car batteries, staff explained that solar energy for car batteries requires different and specialized processes.

In response to Storey's request that the data be displayed in the lobby, staff explained that a display similar to the one for wind generation is already in process.

10.078 **Electric and Water Rate Changes**

The approved Fiscal Year 2011 Budget detailed the need and the dollar impact of the Electric and Water Utilities. The overall required percent increase for Electric Utility is 3.5% and 8.0% for Water Utility. The increases are needed to recover operating expenses and maintenances of infrastructures.

In addition, both utilities provide various services and use of equipment which are now included as items in the Fee Schedule.

The Wastewater Utility will restructure the pollution control fees and surcharges for commercial and industrial customers on a separate schedule. These are being evaluated to properly recover the cost of service and will be presented later during this calendar year.

The rate sheets define the proposed rates in specific dollar amounts. The proposed rates are still very low and remain competitive compared to the surrounding communities.

Presently, the budget process includes changes that are stepped up to the operational level including the subsequent year. The Holland Board of Public Works (HBPW) was able to keep the changes lower than discussed because of on-going efforts to cut costs, being sensitive to change, and still responsible for paying the backload on affected bonds. In response to questions regarding needed changes for the wastewater rates, staff responded that the water is in a more difficult spot. The utility has two to three months to address the wastewater concerns of debt repayment, fixed costs, working with minimal crews, and addressing interest income.

The Board of Directors approved and, forwarded to City Council for approval, the tariffs per the rate sheets that represent an increase effective July 1, 2010 for the Electric and Water Utilities.

Motion to approve tariffs
Second
Favor
Oppose

*Haworth
Hemingway
5
0*

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10.079 Black & Veatch ADVEC Report

The Board approved a confidentiality agreement (CA) with ADVEC in March 2009 and a recommendation to enter into a contract with Black & Veatch (B&V) in October 2009 to investigate and report on ADVEC's power production technology. B&V also entered into a CA with ADVEC.

B&V met with and interviewed the Chief Executive officer (CEO) of ADVEC on topics related to the technology such as capital and development costs, completeness of system design, permitting and licensing, and schedule. B&V subsequently drew upon its own resources and experience in the engineering design, permitting process, and construction of power plants to evaluate ADVEC's technology. In summary, in order to move ADVEC's system to commercial operation B&V identified the following challenges that would need to be overcome:

1. Although the technology will theoretically work, it would still need to go through prototype testing and because this is a first of a kind technology, there is a large risk.
2. Significant financial resources to pursue the required permit application review process.
3. Incomplete system design (no balance of plant).
4. Lengthy schedule (7-10 years) to commercial operation due to permit application process and review by the appropriate regulatory authority.
5. Increased capital budget over the original estimated by ADVEC due to balance of plant design and construction, certification and operating license applications, and project development costs.

Each of these factors independently would be considered enough to stop further participation in a project with ADVEC. Combined, these factors strengthen the recommendation to discontinue interest in the ADVEC technology by the HBPW.

Based on the results of the study performed by Black & Veatch (B&V), the Board of Directors agreed to end the exploration of ADVEC's power generation technology as an alternative to a power supply resource for the Holland Board of Public Works (HBPW.).

10.080 Contract for Low Income Energy Optimization Program

An integral component of the Energy Optimization portion of P.A. 295, State of Michigan legislation, is the Low Income Residential Services. These services are focused on helping low income customers reduce their energy use. For 2010, the Energy Efficiency Service Committee of the Michigan Public Power Agency (MPPA) has collaborated with the Michigan Community Action Agency Association (MCAAA) for the contracted delivery of Low Income Residential Services programs to members.

The agreement will include MCAAA communicating with its member local community action agencies (CAA) on installing Compact Fluorescent Lights (CFL's) and EnergyStar Refrigerators in qualified low income HBPW residential customers homes, leveraging extensive Federal and State funds, in addition to the HBPW contribution, which totals \$62,266 for 2010. This program will assist approximately 147 low income HBPW customers in lowering their electrical energy use.

Under the agreement HPW will contribute \$279 for each refrigerator installed plus \$55 administration fees to each the MCAAA and the local CCA for a total of \$389 per refrigerator. HBPW will also pay \$2.50 for each cfl plus \$.50 administration fees to each the MCAAA and the local CAA for a total of \$3.50 per cfl. Each home can receive 10cfl's.

This agreement will include MCAAA members coordinating with HBPW customers in both Ottawa and Allegan counties. Collaborating with the MCAAA is an efficient and effective method to assist HBPW low income residential customers. The cost of the Low Income Residential Services program is included in the 2010 HBPW Budget.

The Board of Directors approved an agreement to provide funding in the amount of \$62,266 with MCAAA to provide Low Income Residential Energy Optimization services for 2010.

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Motion to approve agreement	<i>Cook</i>
Second	<i>Elzinga</i>
Favor	<i>5</i>
Oppose	<i>0</i>

10.081 **Contract for Electric Underground and Fiber Optics Construction**

The Utility Services Department maintains a construction services contract that covers the installation of underground electric lines, surface mounted electric equipment and both underground and aerial fiber optic cabling. The bids received for the contract are as follows:

Bidder Name	<i>Quote Amount</i>	Meets Specifications	Previous contracts
Western Tel-Com	\$431,042.50	Yes	Yes
Precision Trenching	\$494,544.50	Yes	Yes
Utility Contracting	\$771,298.50	Yes	No
Advanced Underground	NO BID	Yes	Yes
Dewitt Trenching	NO BID	Yes	Yes
Turnkey Network Solutions	NO BID	Yes	Yes

The Board of Directors approved the Construction Services Contract dated June 1, 2010 with Western Tel-Com, Inc. Based on estimated/projected quantities, the estimated price for FY 2011 is \$431,042.50

Motion to approve	<i>Cook</i>
Second	<i>Haworth</i>
Favor	<i>5</i>
Oppose	<i>0</i>

ANNOUNCEMENTS

Cancel Study Session scheduled for Monday, June 21, 2010
 Schedule Special Meeting and Study Session for Monday, June 28, 2010 at 4pm

ADJOURNMENT

A motion to adjourn the meeting of June 7, 2010 was made by *Elzinga* supported by *Haworth* and agreed upon by the Board of Directors present.

The Board Meeting of May 10, 2010 adjourned at *4:52pm*

Minutes respectfully submitted by,

Loralyn A Bunce
 Secretary to the Board

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