

The HBPW Board of Directors met **Monday, October 11, 2010** at 4:00 p.m.
 in the Service Center Board Room
 625 Hastings Ave
 Holland, Michigan

Chair Tim Hemingway called the meeting to order at 4:03 p.m.

Members Present: Paul Elzinga, Diane Haworth, Tim Hemingway, Phil Miller, Jim Storey, and Ex Officio Member Soren Wolff

Members Absent: City Council Liaison: Bob Vande Vusse

Staff Present: Loren Howard, Dave Koster Dan Nally, Ellen Taub, John Van Uffelen, and Freda Velzen; Angela Badran, Bill Bush, Andree Keneau, Bob Mihos, Dan Sorek, and Loralyn Bunce

11.038 **Board Minutes – Regular Meetings of August 9 and September 13, 2010; Study Session of August 23, 2010; and, Special Meeting of August 27, 2010**

As part of the Consent Agenda, the Board of Directors approved the minutes of the Regular Meetings of August 9 and September 13, 2010; Study Session of August 23, 2010; and, Special Meeting of August 27, 2010.

11.039 **Easement from Request Foods, Inc**

To provide the new Request Foods facility on 128th Ave with electric service, the HBPW is planning to install underground electric lines, switchgear, and metering cabinets. A portion of the installation will be installed on and across property owned by Grandquest Realty which is the owner of record of the Request Foods site. Accepting the easement will allow HBPW to install electric lines to establish a loop feed design which decreases outage duration and permits maintenance activities.

As part of the Consent Agenda, the Board of Directors accepted the Grant of Easement for underground electric lines and forward to the City Council for approval. The easement has been approved as to form by the City Attorney and has been executed by the Grantor which is Grandquest Realty LLC.

11.040 **Declare Surplus**

Items declared surplus can be donated, auctioned off, or sold since they no longer meet Holland Board of Public Works (HBPW) department needs.

The HBPW has identified materials and equipment, which are no longer pertinent for our use. The items on the attached lists have been determined excess, obsolete, or uneconomical to repair.

First, we determine if the items are usable within the HBPW and other City departments. Secondly, in an attempt to recover as much as we can, we will try to sell items to companies that specialize in inventory disposal. Our third course of action is to auction items that are remaining. The HBPW has the ability to conduct its own limited auction, open to the public. Items not sold or donated are recycled to the maximum extent.

As part of the Consent Agenda, the Board of Directors approved the lists of obsolete items ready to be declared surplus; and, forwarded the recommendation the Holland City Council for their approval.

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

11.041 Board Meeting Schedule for 2011

A regular schedule is necessary because as a public body we are bound by the standards of the Open meetings Act 267 Chapter 15.265 Section 5 as quoted below:

“(1) A meeting of a public body shall not be held unless public notice is given as provided in this section by a person designated by the public body.

(2) For regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.

(3) if there is a change in the schedule of regular meetings of a public body, there shall be posted within 3 days after the meeting at which the change is made, a public notice stating the new dated, times, and places of its regular meetings.

(4) Except as provided in this subsection or in subsection (6), for a rescheduled regular or special meeting of a public body, a public notice stating the date, time, and place of the meeting shall be posted at least 18 hours before the meeting...”

As designated on the “Proposed Board Schedule 2011”, the HBPW Board of Directors will plan to meet the Monday following the first Wednesday of each calendar month at 4 pm in the Service Center Board Room for the regular meeting and the fourth Monday at the same location for a Study Session.

As part of the Consent Agenda, the Board of Directors accepted the “Proposed Board Schedule 2011” for the 2011 calendar year.

11.042 Motion to approve Consent Agenda 11.038 – 11.041 *DH*
 Second *PM*
 Favor *5*
 Oppose *0*

11.043 Communications from the Audience

There were no communications

11.044 Financial Statement – July and August 2010

For information only

11.045 Major Projects Update

For information only

11.046 Public Act 295 Update

The State of Michigan enacted legislation, Public Act 295, in 2008, requires utilities to implement energy optimization programs. The Holland BPW energy optimization program is called Energy Smart.

A Report of the 2010 Energy Smart Program was presented at the meeting

For information only

11.047 Agreements with Theka Associates, Inc

Pending the Board’s approval, engineering work will begin in November 2010 and be completed in December 2010. Subsequent control panel fabrication would take place during January and February of 2011 with installation scheduled for March of 2011. The FY2011 capital budget includes \$150,000 funding for this project which was based a

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previous project using a different engineering firm. The cost of the relays, electric hardware, and complete assembly of the 5 replacement control panels by the panel fabricator is estimated to be approximately \$55,000. The field installation of the new panels at the James Street substation will require the services of an installation contractor which is estimated to cost \$55,000. The final design, installation constraints, and market conditions will affect the total project cost.

Theka Associates has qualifications and experience in substation design and construction. Theka has submitted a complete engineering and construction management proposal at the lowest cost in compliance with the HBPW request for proposal. Their scope of services includes panel and wiring design, equipment specifications, bid evaluations, construction management, and complete functional testing of the completed installation.

The Board of Directors approved the Agreement for Engineering Services with Theka Associates Inc. in the amount of \$39,625 for engineering services for the James Street Relay Upgrade Project pending approval of the agreement as to form by the City Attorney.

Motion to approve agreement with Theka Associates, Inc.	PE
Second	PM
Favor	5
Oppose	0

11.048

Agreements with S&C Electric Company

The budget for this project in the FY2011 budget is \$500,000. The devices purchased for this project will communicate by radio in a mesh network. The devices will be installed to support the reliability of circuit 93, our most trouble prone circuit. The adjoining circuits (38 and 98) will also see a benefit from this installation as they will be able to receive support from circuit 93 in the event of an interruption on their feeders. This installation will impact over 4000 HBPW customers.

Although S & C was the higher priced of the two systems that were bid, the control philosophies of the two bidders were different. Cooper quoted a system that had centralized control. The field devices communicated back to a central processor and then the processor analyzes the situation and tells which devices to act. The S & C system has distributed control. All of the devices in the field communicate with each other and decide amongst themselves which circuits to open and close. Staff prefers and recommends the S & C system because its self healing process will still function in case of a loss of communication to the main processor. S & C's system can be operated manually by a central location if desired. Cooper's system will not self heal if there is a problem or loss of communication with the main processor. Cooper requires an annual support of \$6,650 for software licensing after the first year.

Staff contacted seven utilities that had one or both systems in place. S & C was preferred by most. Other vendors were considered, but S & C and Cooper were the only ones that could supply both hardware and software similar to devices already in place at the HBPW. Other possible vendors had to utilize teams of four different suppliers in order to provide a distribution automation solution for us. This was deemed to be unacceptable by staff.

The Board of Directors approved the purchase of six S&C Intellirupter Pulse Closers, one automatic remote supervisory PMH-9 switch, supporting communications infrastructure, interface software, set up and training support up to the amount of \$362,158 from S&C Electric Company. The price includes a 10% contingency.

Motion to approve agreement with S&C Electric Company	PE
Second	JS
Favor	5
Oppose	0

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11.049

Construction Contract with Dan Hoe Excavating

The water main in Central Ave has seen an increasing number of breaks in recent years. It was installed in 1964 in predominantly corrosive clay soils. Several failures have occurred and continue to occur more frequently.

The FY2011 Capital Improvement Budget allocated \$100,000.00 for various water projects. The total project is estimated at \$115,000.00 which will require a transfer of \$15,000.00 from the water contingency account. With the exception of soil borings and materials testing, all engineering and construction contract administration will be performed in-house.

A request for bids was advertised and on September 27, 2010 four (4) proposals were received. Of the proposals received, Dan Hoe Excavating presents the best overall price, meets specifications and has performed successfully in the past.

The Board of Directors approved a construction services contract with Dan Hoe Excavating of Holland, MI in the amount of \$103,000 with a 10% contingency of \$10,300.00 for a total of \$113,300.00, subject to City Attorney approval. Board also approved a budget transfer of \$15,000.00 from the water contingency fund and forwarded to City Council. .

Motion to approve contract with Dan Hoe Excavating	DH
Second	PM
Favor	5
Oppose	0

11.050

Agreement with Paradigm Design

Staff received proposals for design and construction engineering services for this project. The Fiscal Year 2011 Capital Improvement Budget dedicates \$775,000 for water main replacement and \$340,000 for sanitary main replacement. For this project, the HBPW will partner with the City's Transportation Services Department to share in the cost of the design and construction engineering services. The HBPW and the City will each share 50% of the costs initially and adjust the ultimate engineering liability for each agency based upon the respective share of reconstruction bid prices.

The water main in Central Avenue appears to have been installed around 1930. Parallel wastewater trunk lines exist between 16th and 19th Streets. An 18-inch wastewater main installed around 1909 parallels a wastewater trunk line between 19th and State Streets. Capacity will be evaluated to determine if the 18-inch main will need to be replaced or if it can be removed with flows diverted to the parallel trunk sanitary sewer main. The capacity evaluation will also determine if lowering portions of one of the trunk lines will allow for the eventual removal of the Cherry Street lift station.

Requests for proposals were sent to engineering firms qualified to prepare bid packages and on October 1, 2010, eleven proposals were received. Of the proposals received, Paradigm Design of Grand Rapids, MI presented the best overall price, meets specifications, and has performed successfully in the past.

The Board of Directors approved the Board's portion of a design and construction engineering services contract with Paradigm Design of Grand Rapids, MI in the amount of \$78,835 with a 10% contingency in the amount of \$7,884 for a total of \$86,719, subject to attorney approval.

Motion to approve agreement with Paradigm Design	PM
Second	DH
Favor	5
Oppose	0

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11.051 **Service Center Driveways Projects**

Holland Board of Public Works (HBPW) staff identified the need to resurface select driveways at the Service Center. The resurfacing is limited to the restricted access asphalt driveway to Hastings Ave at the south end of the Service Center and the asphalt drive leading to the north end of the Service Center garage. The resurfacing will include select storm sewer work to extend the life-expectancy of the new asphalt. Soil borings performed by Soils & Materials Engineers, Inc (SME) revealed that the existing pavement base and sub base conditions are not ideal. Pavement rehabilitation options that yield a 20-year service life are cost-prohibitive and even the selected 10-year service life option exceeded the amount budgeted for the project. Additionally, the relatively small scale of this project inflated the unit prices above the Average Unit Prices (AUP) as compiled by the State of Michigan and used to generate the engineer’s estimate.

With the exception of soil borings and materials testing, all engineering and construction contract administration will be performed in-house. As part of the FY2011 Capital budget, \$50,000 was budgeted for the resurfacing and we anticipate spending \$65,000.

The Board of Directors approved a construction services contract with Al’s Excavating, Inc of Hamilton, MI in the amount of \$61,465, subject to attorney approval.

The Board also approved a budget transfer in the amount of \$15,000 to cover costs associated with construction, soil borings and materials testing and forwarded to City Council for action.

Motion to approve service contract with Al’s Excavating, Inc	<i>PM</i>
Second	<i>DH</i>
Favor	<i>5</i>
Oppose	<i>0</i>

11.052 **Approval of Governance Policies**

The Board of Directors accepted the Governance Policies as edited with recommendations made during the Study Session of October 4, 2010.

Motion to approve Governance Policies	<i>JS</i>
Second	<i>DH</i>
Favor	<i>5</i>
Oppose	<i>0</i>

11.053 **Review of General Manager’s Fiscal Year 2010 Goals**

Board Chair Tim Hemingway reviewed the goals established with the Holland Board of Public Works’ General Manager and, according to the methodology and procedure documented by former Board Member Richard Cook, calculated the variable pay component of the contract agreement to be 9.4 of a possible 10 percent.

Board Members Storey and Elzinga commended the General Manager for leadership that has led to outstanding vigilance in safety.

The Board of Directors approved variable pay at 9.4% of salary for the General Manager

Motion to approve variable pay at 9.4%	<i>TH</i>
Second	<i>JS</i>
Favor	<i>5</i>
Oppose	<i>0</i>

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11.054 **Contract with General Manager**

The Holland Board of Public Works (HBPW) Board of Directors is the employer of the Holland BPW General Manager as designated by Section 12.10 of the Holland City Charter. The employment arrangement is an 'at-will' contractual arrangement between the parties. The existing employment agreement has been in place for three years and has an annual renewal provision. Changes in various employment matters including wages, benefits, and employment requirements have resulted in a new agreement being negotiated between the HBPW Board of Directors and the General Manager.

The Board of Directors approved an employment contract between the Holland Board of Public Works and the HBPW General Manager and forwarded the contract to the Holland City Mayor for signature.

Motion to approve agreement	<i>TH</i>
Second	<i>JS</i>
Favor	<i>5</i>
Oppose	<i>0</i>

11.055 ***Added Recommendation - Resolution Accepting Support Research and Methodology prepared by Richard Cook***

Recommendation Withdrawn

ANNOUNCEMENTS

The National Award for our electronic annual report will be presented October 25, 2010 during the APPA Customer Conference. Congratulations to Chris Van Dokkumburg and team!

At the Study Session scheduled for Monday, October 25, 2010, the board will review and discuss the Delegation policies.

ADJOURNMENT

A motion to adjourn the meeting of October 11, 2010 was made by *Miller* supported by *Haworth* and agreed upon by the Board of Directors present.

The Board Meeting of October 11, 2010 adjourned at *5:56 p.m.*

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

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