

HOLLAND BOARD OF PUBLIC WORKS
625 HASTINGS AVENUE
HOLLAND, MICHIGAN

August 10, 2009
4:00 p.m.

Call to order

Suspend Rules of Order for Election of Board Officers

1. **CONSENT AGENDA**

All items marked (Consent) are considered routine and/or have previously been reviewed and will be enacted with one motion. There will be no separate discussion of these items unless a Board Member or an audience member so requests. When requested, the item will be removed from the consent agenda and considered in its normal sequence:

1. Announcement of above by the facilitator
2. Summary of the Consent
3. Request to remove or add items
4. Motion & Support to approve Consent Agenda items
5. Voice Vote

1B. **MINUTES**
(Consent)

Open Minutes: May 11, May 21, June 8, June 29, July 6, 2009

1C. **TECHNOLOGY**
(Consent)

Consulting Contract for Design and installation of New Phone System

Recommendation: Approve a contract with Convergent Technology Partners in the amount of \$11,941.80 to design and manage the installation of a new phone system, pending City Attorney approval of contract.

1D. **UTILITY SERVICES**
(Consent)

Purchase Order for Relay Controls

Recommendation: Approve a purchase order to Keystone Electric, Des Moines, Iowa in the amount of \$110,242.07 for the construction and delivery of 12 completely equipped and wired control panels and 12 rear panel doors.

1E. **OPERATIONS**
(Consent)

Contract with Great Lakes Painting

Recommendation: Approve the contract with Great Lakes Painting, the low evaluated bidder, for the painting of the HBPW Unit 7 Combustion Turbine housing and associated structure in the amount of \$43,600. Also, approve a 10% contract contingency in the amount of \$4,360 for structural repairs if any are needed. This total project amount is below the \$53,000 budgeted for fiscal year 2010 for this work.

BOARD
(Consent)

Consent Item(s) Action

Recommendation: Approve, accept, or adopt the Consent Items as presented.

2. **COMMUNICATIONS**

The Board welcomes input from the audience at this time.

Please state your name and address before addressing the Board.
Please limit your communication to 5 minutes

3. **FINANCE** **Financial Statement – Year End Not Yet Available**
Recommendation: None at this time
4. **EXECUTIVE** **Election of Board Officers**
Suspend rules of order and take action immediately after Call to Order
Recommendation: Elect a Chairperson and Vice-Chairperson for the fiscal year 2010 from its appointed members.
5. **EXECUTIVE** **Report – Praxair Update**
Presentation by Loren Howard, General Manager
Recommendation: Receive this report for information only
6. **BUSINESS SERVICES** **Economic Development Rider**
Presentation by Dan Nally , Business Services Director
Recommendation: Adopt the proposed Rate F and M Economic Development Rider.
7. **OPERATIONS** **Report – Pharmaceutical Collections**
Presentation by Judy Visscher, Environmental Regulatory Specialist
Recommendation: Receive this report for information only.
8. **UTILITY SERVICES** **Report – Energy Smart**
Presentation by Bob Mihos, Conservation Programs Manager
Recommendation: Receive this report for information only
9. **UTILITY SERVICES** **Report – Storm Update**
Presentation by John Van Uffelen, Utility Services Director
Recommendation: Receive this report for information only
10. **EXECUTIVE** **Report – Transmission Regulations Update**
Presentation by Loren Howard, General Manager
Recommendation: Receive this report for information only
11. **CLOSED SESSION** **Pending Litigation: Robinson v City of Holland / Holland Board of Public Works**

“Reports and Attachments” available at www.hollandbpw.com OR by request

*Accommodations are available for persons with disabilities.
If you need any aid, please contact the Holland Board of Public Works
at 616/355-1520
in advance of this Board meeting*

AUDIENCE PARTICIPATION:

*Members of the audience may address the Board of Directors during public hearings and under “Communications from the Audience”.
Audience participation includes stating name and address and limiting speaking time to no more than five minutes.*

Proposed

MINUTES of the BOARD of DIRECTORS

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The HBPW Board of Directors met **Monday, May 11, 2009** at 4:00 p.m.
in the Service Center Board Room
625 Hastings Ave
Holland, Michigan

Chairperson Bryan Gras called the meeting to order at 4:04 p.m.

Members Present: Rich Cook, Paul Elzinga, Bryan Gras, and James Storey

Members Absent: Tim Hemingway and Ex Officio Member Soren Wolff

Staff Present:

Staff: Loren Howard, Dave Koster, Dan Nally, Ellen Taub, Freda Velzen, Andree Keneau, Abel Rodriguez, Chris VanDokkumburg, and Loralyn Bunce

Others Present: City Council Liaison: *Craig Rich*
Media Representative(s): Holland Sentinel, Grand Rapids Press

09.059 **Consent Agenda**

(Item 1C – Dark Fiber Lease Agreement with Hope College; Item 1D – Contract with Brenner Excavating; Item 1E – Contract with Newkirk Electric; Item 1F – Obsolete Equipment)

All items listed as Consent are considered to be routine or previously discussed. If requested, the item will be removed from the Consent Agenda and considered separately.

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

09.060 **Dark Fiber Lease Agreement with Hope College**

The current Dark Fiber Lease Agreement (DFLA) between Hope College and the HBPW has expired. Hope College has requested to continue leasing dark fiber from the HBPW. Hope College has agreed to the terms and conditions in the newly revised dark fiber lease agreement. The monthly revenue from this lease is \$1,186.50.

As part of the Consent Agenda, the Board approved the Dark Fiber Lease Agreement with Hope College, and forwarded to City Council for approval.

09.061 **Contract with Brenner Excavating for Maple Ave – 20th Street**

The water and wastewater utilities replacement on Maple Avenue between 8th and 24th Streets was identified for improvements in the 5-year capital improvement projection. It was reprioritized for reconstruction in calendar year 2009 in response to the collapse of an 18-inch wastewater main in the intersection of 20th Street and Maple Avenue during the rain events of June 2008. The water main in the area is also in need of replacement and it is appropriate to replace it while the roadway is removed for wastewater reconstruction.

In 2006, a 24-inch water transmission main was extended from the lake crossing to the 20th Street

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and Washington Avenue intersection. This main is planned to connect to the existing transmission main at 19th Street and Pine Avenue. As part of this project, it is appropriate to continue to work towards this goal by installing a portion of the transmission main in Maple Ave between 19th and 20th Streets and in 20th Street between Maple and Washington Avenues.

As part of the Consent Agenda, the Board of Directors approved the low bid from Brenner Excavating in the amount of \$2,495,450; and approved the Holland BPW portion of the contract for \$1,232,108 with a 5% (\$61,605) contingency for a total of \$1,293,713.

093.062 **Contract with Newkirk Electric for Circuit Switcher**

The construction contract is for the installation of the Industrial Substation circuit switchers, control panels, and all associated material and labor required for a complete installation. The circuit switchers were previously approved for purchase and will be delivered in May 2009. The construction contract agreement has been reviewed by the City Attorney and is approved as to form.

The Industrial Circuit Switcher project was approved for the current 2008-2009 budget year. The project consists of installing 138kv circuit switching equipment to automatically isolate the substation transformers from the 138kv transmission line in the event of a transformer failure or secondary bus fault without de-energizing the transmission loop. The circuit switchers and control panels have been obtained directly by HBPW.

Project specifications were developed for the installation of the equipment and forwarded to qualified electrical contractors. Three (3) sealed bids were received and opened on April 16, with Newkirk Electric submitting the lowest bid

As part of the Consent Agenda, the Board approved a Construction Contract Agreement between HBPW and Newkirk Electric in the amount of \$79,000 for the installation of the Industrial Substation Circuit Switchers.

09.063 **Obsolete Equipment**

The HBPW has identified materials and equipment, which are no longer pertinent for our use. The items on the 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 authority 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 approved the lists of obsolete items ready to be declared surplus and forward the recommendation to the Holland City Council for their approval.

09.064 **Communications from the Audience**

There were no communications from the audience.

09.065 **Financial Statement – March / End of Third Quarter 2009**

Accepted as information only.

Proposed

09.066 **Public Hearing - Integrated Resource Planning and Rate Design Modifications to promote Energy Efficiency Investments**

Non-regulated utilities of a certain size, such as the HBPW, are required to consider each of four new standards, but are not required to adopt them. As part of the consideration, Public Utilities Regulatory Policy Act (PURPA) requires that each qualified utility provide a public hearing, then make a determination in writing based upon findings and evidence presented in the hearing, and make that information available to the public.

One standard is the *Integrated Resource Planning*. This standard states that the utility consider the integration of energy efficiency resources into utility, state and regional plans, and the adoption policies establishing cost-effective energy efficiency as a priority resource.

Another standard is the *Rate Design Modifications to Promote Energy Efficiency Investments*. This standard states that rates allowed by the utility shall align utility incentives with the delivery of cost-effective energy efficiency and promote energy efficient investments. Six specific policy options are suggested for consideration.

The public hearing commenced with the public notices placed in the Holland Sentinel on April 29, 2009, including the option of email, paper, or oral comments. The public hearing will conclude with Board action to close the public hearing at the Board meeting of May 11, 2009.

Staff will bring a recommendation back to the Board after the review of all written and oral comments no later than the regularly scheduled Board meeting in December 2009.

No members of the public submitted written comments or attended the oral comment session, so the Board of Directors closed the public hearing.

Suspended Rules of Order for Closed Session

09.067 **Closed Session for Pending Litigation Sierra Club versus City of Holland / Holland Board of Public Works**

Michigan's Open Meetings Act provides in Section 8 (c) that a public body may enter into closed session by a two-thirds roll call vote for a discussion related to pending litigation. .

Motion to enter Closed Session made at 4:10 p.m.	<i>Cook</i>
Second	<i>Hemingway</i>
Favor	<i>5</i>
Oppose	<i>0</i>

ROLL CALL: Cook, Elzinga, Gras, and Storey

The Board of Directors returned to Open Session at 5:39 p.m.

09.068 **Delegation of Management Policies and Procedures to General Manager**

Over the years, Holland Board of Public Works (HBPW) policies and procedures have not been managed in a standard corporate format. HBPW management seeks to improve and unify this process throughout all HBPW departments. Policies and procedures will be divided into three types: governance, corporate, and management.

Governance policies are created by the Board of Directors, and define how the Board operates. Corporate policies are also designed by the Board of Directors, and define broad HBPW goals,

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strategies, and purpose. In contrast, management policies are developed by HBPW management for the purpose of day to day management of the company.

Past practice has been that all policies receive formal Board approval and some have received City Council approval. Staff believes that assigning control of management policies to the General Manager would allow for more efficient functioning of day to day department operations and eliminate unnecessary review of daily HBPW operating issues at Board and City Council meetings.

The Board of Directors approved of delegating the responsibility and management of Holland Board of Public Works (HBPW) management policies and procedures to the General Manager and forwarded to City Council for approval.

Motion to approve delegating responsibility	<i>Storey</i>
Second	<i>Gras</i>
Favor	<i>4</i>
Oppose	<i>0</i>

09.069 **Coal Supply Resource Replacement**

The Holland Board of Public Works (HBPW) is in the second of a three-year contract for coal supply with the C Reiss Coal Company, a subsidiary of Koch Industries. The contracted coal is a blend of three different mine sources. Over the past several months, one of those sources, the Westridge mine in Utah has experienced production difficulties as a result of unstable conditions. After review by the Mine Health and Safety Administration, the owner was directed to cease operation in the current long wall location. Owner Murray Energy issued a Force Majeure declaration to C Reiss, who in turn notified the HBPW about the impact on supply. It is anticipated that the production issues should not linger past this year. So, at this time, there has been no Force Majeure declared for next year's tonnage.

C Reiss, in accordance with the contract, did offer replacement coal. The HBPW staff reviewed the offering and also solicited proposals to see if more competitive offerings could be found. Another producer, MC Mining, with mines in Central Appalachia was able to offer a product with a higher heating value at the same price per unit of energy (BTU) through its agent Alliance Coal Sales. Staff has recommended contracting with MC Mining to provide approximately four vessels of coal supply. The overall impact on projected coal expense is likely to be an additional \$250,000.

The Board of Directors approved the agreement with MC Mining, LLC for the supply of approximately 46,000 tons of Central Appalachian low-sulfur bituminous coal at a delivered price of \$76.25 per ton (\$3.05/MBTU) or a total contract value of \$3,507,500.

Motion to approve the agreement	<i>Cook</i>
Second	<i>Elzinga</i>
Favor	<i>4</i>
Oppose	<i>0</i>

09.070 **Job Classification Adjustment and Secretary to the Board Role**

In an effort to properly maintain organizational records, the Holland Board of Public Works (HBPW) staffs one full-time Records Management Coordinator position. This position is currently paid at the BP-1 wage scale (\$30,076.80 - \$39,083.20). As the result of a 2008 compensation review, it has been determined that a closer approximation to market wage for this position is the BP-4 wage scale (\$35,630.40 - \$46,321.60).

In addition, the HBPW does not currently have an administrative staff member formally responsible for serving as the Secretary to the Board. Instead, the Secretary to the Board's responsibilities are

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being handled successfully as an ancillary duty by an existing HBPW employee. In 2008, the HBPW developed a job description for the Secretary to the Board role and is proposing that this responsibility become a compensated developmental opportunity which is made available to interested HBPW employees for assignment terms of not less than one year.

The Board of Directors approved the reclassification of the Records Management Coordinator from the BP-1 wage scale to the BP-4 wage scale, and established the Secretary to the Board role as a compensated ancillary duty in the amount of \$5,000 per year.

Motion to approve the reclassification and establish position	<i>Elzinga</i>
Second	<i>Storey</i>
Favor	<i>4</i>
Oppose	<i>0</i>

ANNOUNCEMENTS

Board Chairperson Bryan Gras announced his resignation from the Board of Directors effective immediately. Gras has taken employment outside the City of Holland. Paul Elzinga, Rich Cook, and Jim Storey thanked Gras for his role as a Director for the past 3 years and as Chairperson for the past 5 months.

On behalf of the City Council and Mayor, Council Liaison Craig Rich expressed gratitude for Gras's contributions to the Board of Directors and Holland Board of Public Works.

Reminder of Study Session on Thursday, May 21, 2009.

ADJOURNMENT

A motion to adjourn the meeting of May 11, 2009 was made by *Bryan Gras* supported by *Tim Hemingway* and agreed upon by the Board of Directors present.

The Board Meeting of May 11, 2009 adjourned at 6: 03 p.m.

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

Proposed

MINUTES of the BOARD of DIRECTORS – Study Session & Special

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The HBPW Board of Directors met **Thursday, May 21, 2009** at 4:00 p.m.
in the Holland Board of Public Works' Service Center Board Room
625 Hastings Ave
Holland, Michigan

Board Vice-Chair Jim Storey called the Study Session to order at 4:11 p.m.

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

Members Absent: Rich Cook and Ex Officio Member Soren Wolff

Staff Present:

Staff: Loren Howard, Dave Koster, Ellen Taub, John Van Uffelen, Andree Keneau, Becky Lehman, Mike Radakovitz, Chris VanDokkumburg, and Loralyn Bunce

Others Present: City Council Liaison: *Absent*
Media Representative(s): *None*

Study Session

General Manager Loren Howard introduced the topic of Capital Projects for discussion at the meeting.

During and following Howard's presentation of Cash Flows, Electric Generation Projects, Capital Expenditures, and Anticipated Projects for the next five years, discussion focused on establishing priorities in electric generation, the issues regarding the operating income for the water, wastewater, and broadband utilities.

ANNOUNCEMENTS

Reminder of Regular Meeting on Monday, June 8, 2009

ADJOURNMENT

A motion to adjourn the meeting of May 21, 2009 was made by *Elzinga* supported by *Hemingway* and agreed upon by the Board of Directors present.

The Board Meeting of May 21, 2009 adjourned at 5:57 p.m.

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

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05.21.09

Proposed

MINUTES of the BOARD of DIRECTORS

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The HBPW Board of Directors met **Monday, June 8, 2009** at 4:00 p.m.
in the Service Center Board Room
625 Hastings Ave
Holland, Michigan

Vice Chairperson Jim Storey called the meeting to order at 4:02 p.m.

Members Present: Rich Cook, Paul Elzinga, Tim Hemingway, James Storey, and Ex Officio Member Soren Wolff

Members Absent: None

Staff Present: Loren Howard, Dave Koster, Dan Nally, and Freda Velzen; Bill Bush, Loralyn Bunce, Jon Hofmann, Andree Keneau, Bob Mihos, Abel Rodriguez, Chris VanDokkumburg, Randy Van Vels, and Judy Visscher

Others Present: City Council Liaison: *Craig Rich*
Media Representative(s): None

09.074 **Consent Agenda**

(Item 1A – Assignment of Clerk Duties ; Item 1C – Water Plant Property Lease Agreement; Item 1D – Ultra Violet Camera Purchase; Item 1E – Contract for Water Replacement and Sewer Construction; Item 1F – Contract Extension for Electrical Construction; Item 1G – Purchase & Installation of Feed-water Regulating Valve; Item 1H – Amendment to Surplus Equipment and Materials)

All items listed as Consent are considered to be routine or previously discussed. If requested, the item will be removed from the Consent Agenda and considered separately.

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

09.075 **Assignment of Clerk Duties**

Prior to 1999, the City Clerk or Deputy City Clerk attended Holland Board of Public Works (HBPW) Board of Directors meetings and performed the duties of complying with the Michigan Open Meetings Act and recording meeting minutes. In late 1999, the City informed the HBPW that due to workload issues, the City Clerk would no longer attend HBPW Board meetings. Since then, the Secretary to the Board duties has been performed by an HBPW employee.

At its May 11, 2009 meeting, the Board of Directors approved formally establishing the Secretary to the Board as a compensated ancillary duty to be assigned to an HBPW employee. In reviewing this Board action, the City Attorney recommended the City Council and Board of Directors formalize the Secretary to the Board position to be consistent with section 12.7 of the City Charter. This formality will resolve a lack of written records regarding the 1999 transition of duties from the City Clerk to an HBPW employee.

As part of the Consent Agenda, the Board adopted the resolution requesting assignment of Clerk duties to the Holland Board of Public Works (HBPW) Secretary to the Board, and forwarded to City Council for action.

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MINUTES of the BOARD of DIRECTORS

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09.076 Water Plant Property Lease

The Holland Board of Public Works (HBPW) owns property to be leased to Ottawa County that includes an approximately two hundred feet wide parcel adjacent to and north of Tunnel Park. . Also included in the lease is property along the south side of the treatment plant outside of the fence along Perry Street which the County uses for overflow parking.

The terms of the new lease are similar to the existing lease and consist of the following: Total rent of one dollar; Ottawa County will pay \$500 for the preparation of the lease; Use of the property is restricted to general park purposes consistent with the master plan filed with the City of Holland. Ottawa County will maintain the property, caring for the lawn, fence and sprinkling system; Ottawa County indemnifies and insures the City of Holland against all liability from its use of the property; Upon termination of the lease, Ottawa County shall return the property to its original condition; and either party may terminate the lease with a minimum of six month's notice.

The lease arrangement has worked well over the past twenty years. The public has been able to enjoy the additional property for park uses. The Water Treatment Plant is saved from the expense of maintaining the lawn, sprinkling system, and fence.

As part of the Consent Agenda, the Board of Directors approved a new ten year lease agreement for the designated portion of the water treatment plant property to Ottawa County for Tunnel Park uses.

09.077 Ultra Violet Camera Purchase

In January 2009, an insulator on our 138kV transmission system over the River Avenue Bridge failed and broke loose. Several lines and heavy porcelain insulators fell to the road and bike path below. The cost of this repair exceeded \$25,000. The falling lines and insulators had the potential to seriously injure or kill someone and also could have caused a power outage to a substantial portion of the Holland area. Examination of the failed insulator showed a pre-existing crack. Cracks like this often create corona and can be detected by ultraviolet cameras. Detecting problems with the camera prior to failure would save costly repairs and improve reliability in the electric distribution system.

The HBPW evaluated and compared the cameras from the two major ultraviolet camera manufacturers, Ofil and CSIR. The cameras were evaluated on the following criteria: ergonomics, ease of use, sensitivity, cost, and the ability to be used in both substations and the 138kV transmission system. The only camera that met all criteria and required specifications was the DayCor Superb by Ofil.

As part of the Consent Agenda, the Board of Directors approved the budget transfer of \$70,700 from contingency to purchase the DayCor Superb Ultraviolet Camera and forwarded the recommendation to City Council for approval.

09.078 Contract for Water Replacement and Sewer Construction

Holland Board of Public Works (HBPW) staff identified a need to replace the water main on 40th Street between Washington and Lincoln Aves due to advanced corrosion caused by localized clay soils. In the summer of 2008, staff designed the project in-house and bid it as a "pipe bursting" project with conventional "open cut" as an alternative. Construction bids received on August 4, 2008 indicated that the "open cut" method was considerably less expensive. The City's 5-year plan included the replacement of the 40th St roadway. Accordingly, the City preferred that the HBPW not "open cut" the water main replacement as all roadway work would be removed and replaced in the near term.

The City decided to advance their 40th St reconstruction plans to 2009 and incorporate it with the

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MINUTES of the BOARD of DIRECTORS

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water main replacement. The classification of 40th St made it eligible for available American Recovery & Reinvestment Act (ARRA) funding. Also, the project was expanded to include Central Ave from 32nd to 40th and Colonial Ct from 40th St to its terminus to address sanitary and storm sewer concerns that came to light during the June 2008 rain event.

Partnering with City Transportation Services, the HBPW entered into an Engineering & Construction Contract Administration (CCA) Services Contract with OMM Engineering of Grand Rapids, MI. During an open-house style meeting held as part of the design process and the following City Council meeting, it became obvious that the proposed 40th St roadway improvements were unacceptable to impacted residents. Accordingly, the 40th St portion of the project was delayed until 2010. However, HBPW and City staff agreed to proceed with the proposed improvements to Central Ave and Colonial Ct. Therefore, the water main on Colonial Ct and portions of Central Ave will be replaced and all of the sanitary sewer on Central Ave will be replaced. Sanitary sewer work on Colonial Ct will be limited to manhole casting replacement. Construction is planned to begin on June 15, 2009 and be complete on October 4, 2009.

As part of the Consent Agenda, the Board of Directors approved a contract with My-Con, Inc, for the reconstruction of Colonial Ct from 40th St to its terminus and Central Ave from 32nd to 40th in the amount of \$1,175,622 with a 10% (\$117,562) contingency for a total of \$1,293,184. The Holland BPW portion of the contract includes the replacement of approximately 2,700 FT of water main and 2,500 FT of wastewater main in the amount of \$552,542 with a 10% (\$55,254) contingency for a total of \$607,796.

09.079 **Construction Services Contract Extension**

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 current contract with Johnson Electric expires on June 30, 2009 unless extended. Johnson Electric has agreed to keep the prices the same as last year. They have the equipment and expertise to perform the underground work and have been responsive to the needs of the Holland Board of Public Works.

As part of the Consent Agenda, the Board of Directors approved the second one year extension of the Construction Services Contract dated May 30, 2007 with Johnson Electric with no price change. Based on estimated quantities, the estimated contract value for FY 2010 is \$628,223.

09.080 **Unit 5 Boiler Feed water Regulating Valve Replacement & Budget Transfer**

The main boiler feed water control valve on Unit 5 at the James De Young (JDY) generating station is almost 20 years old and has experienced wear of the valve seat to the point where the valve cannot control flow at the low end of the generation range. This has forced the JDY control room operators to use the auxiliary (backup) control valve. Two bids were received for this feedwater control valve replacement

As part of the Consent Agenda, the Board of Directors approved the purchase and installation of a new control valve, and authorized the transfer of funds from contingency in the amount of \$19,480. The total project cost comprises the low bid supply from Cornerstone Controls Incorporated in the amount of \$16,080.20 for the replacement valve and actuator assembly and an additional \$3,400 to install and re-insulate the valve.

09.081 **Amendment to Surplus Equipment and Materials**

The Holland Board of Public Works (HBPW) has identified materials and equipment, which are no longer pertinent for our use. The items on the list have been determined excess, obsolete, or uneconomical to repair.

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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 authority 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 list of obsolete items ready to be declared surplus, and forwarded the recommendation to the Holland City Council for their approval.

09.082 **Communications from the Audience**

There were no communications from the audience.

09.083 **Financial Statement – April 2009**

Accepted as information only.

09.084 **Public Hearing for Smart Grid Information and Consideration of Smart Grid Investments**

Non-regulated utilities of a certain size, such as the Holland Board of Public Works (HBPW), are required to consider each of the Public Utility Regulatory Policy Act's (PURPA) four new standards, but are not required to adopt them. As part of the consideration, PURPA requires that each qualified utility provide a public hearing, then make a determination in writing based upon findings and evidence presented in the hearing, and make that information available to the public.

One such standard is the *Smart Grid Information*. This standard states that all electricity purchasers (i.e. customers) shall be provided direct access, in written or electronic machine-readable form as appropriate, to information from their electricity provider (HBPW). There are a number of suggested options as to the information that is to be available.

No oral comments regarding the Smart Grid information standard or Consideration of Smart Grid Investments standards were presented to the Board of Directors.

Motion to close hearing
Second
Favor
Oppose

*Hemingway
Elzinga
4
0*

09.085 **Contract with Consert , Incorporated for Pilot Program**

Smart Grid Technology will enable many applications to operate over a common network, somewhat similar to the way the Internet operates today. The smart grid will allow real-time monitoring of the customer's energy usage, and eventual deployment of real-time pricing. Real-time pricing occurs when energy is priced at different rates depending on the time of day and how much demand there is for electricity. It is assumed that this type of pricing may result in decreased electric usage as customers are able to see how much energy they are consuming and the hourly price they are paying. The smart grid will also be able to utilize energy from distributed clean power projects, such as solar panels and small wind turbines, and feed it back to the distribution grid while compensating the utilities accordingly. Smart grid technology also allows the utility to exercise more efficient distribution of electricity by allowing better management of load on the grid, such as reducing the amount of spinning reserves as the load curve levels itself through free-market capitalism.

Consert, Inc. has recently approached the HBPW with a request to form a partnership for a pilot program utilizing hardware and software for managing a "smart grid." The pilot project is proposed to

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occur in the Cobblestone subdivision, where HBPW fiber optic technology is already installed to each home. The HBPW staff recommended moving forward with this program, pending city attorney approval of the contract.

The Board of Directors approved the Pilot Program Agreement with Consert, Inc., pending city attorney approval

Motion to approve the agreement
Second
Favor
Oppose

*Elzinga
Hemingway
4
0*

09.086 **Electric Service Ordinance**

The proposed "Electric Service" ordinance addresses the following: Establishes that all contracts for electric service with the HBPW are subject to the rules and regulations of the HBPW and ordinances adopted by the respective governmental unit; Gives the HBPW access to customer premises to service electrical and metering equipment; Establishes customer responsibility for providing and upgrading metering sockets to be compatible with HBPW metering equipment; Sets forth the ability for the HBPW to offer installment payments and financial assistance when it becomes necessary for customers to upgrade or change out meter sockets; Gives the HBPW the right to upgrade the metering or equipment and lien the property if the customer refuses to upgrade when requested by the HBPW; Allows the HBPW to terminate service when a customer tampers with metering equipment or fails to comply with the HBPW rules and regulations; Establishes that the HBPW does not guarantee continuous electric service, and that customer acknowledges that HBPW may interrupt service and has no obligation for damages or loss of the customer due to such interruption or suspension of service; Grants the HBPW the right to trim trees and remove obstructions which may endanger the electrical system; and, Establishes general penalties, both civil and criminal, as remedies when customers fail to comply with rules and regulations of this ordinance or are found guilty of theft of electrical service.

The Board of Directors approved the "Electric Service" ordinance and recommended that the City of Holland and Laketown, Park, Holland and Fillmore Township governments within the Holland Board of Public Works (HBPW) service area adopt the ordinance.

Motion to approve ordinance
Second
Favor
Oppose

09.087 **Light-Emitting Diode (LED) Traffic Lighting Project**

The City of Holland owns the traffic lights within the City limits of Holland. The Holland BPW maintains them. Most of the city's traffic lights use incandescent bulbs. The wattage of the bulbs ranges from 69 watts to 157 watts each. The Holland BPW staff evaluated the life cycle costs (energy and maintenance) of the LED bulbs as compared with incandescent bulbs. The evaluation predicts a saving of approximately 90% in energy consumption and approximately 50% in maintenance costs. In addition, LED traffic lights will improve safety and increase reliability.

The Board of Directors approved a contract with Strain Electric in an amount of \$197,250 to replace the traffic lights inside the City of Holland with LED bulbs, and, approved a budget transfer from contingency in the amount of \$216,975 which includes the contract amount plus a 10% contingency.

Motion to approve the contract
Second

*Cook
Hemingway*

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

Proposed

Favor 4
Oppose 0

09.088 **Wholesale Power Purchase**

In December 2008, staff recommended a purchase of wholesale power over the next two years due to the presence of very low market prices. Natural gas prices have continued to soften with current prompt prices hovering around \$4.30 per MBTU. Longer range pricing suggests that gas may be stable around \$6 to \$7 per MBTU over the next few years. Some estimates received by staff indicate that the prices for a three-year purchase starting in calendar year 2011 are close to \$60 per megawatt-hour. This is approximately \$5 per megawatt-hour less than the average price that was seen in the Day-Ahead market during fiscal year 2008. Due to the delays in the permitting process for a new base load unit and since recent developments suggest new demand coming to the Holland Board of Public Works (HBPW) service territory, staff believes this is an opportunity to purchase wholesale electricity while the market is relatively soft.

According to the risk policy approved a few years ago, staff is empowered to execute transactions up to a year in length. Beyond that, transactions must come to the Board for approval. However, the difficulty with doing that, is that the price constantly changes and the suppliers that have positions to support the transaction vary by the day. By the time we would bring the transaction to the Board for approval, it would no longer be valid. This recommendation gives staff the ability to act within defined parameters.

The Board of Directors approved the schedule of wholesale power purchases in three three-year agreements in varying amounts up to twenty megawatts of power during the on peak hours of calendar years 2011 through 2015 at prices up to \$63 per megawatt-hour for the 2011 – 2013 transaction, \$67 per megawatt-hour for the 2012 – 2014 transaction and \$70 per megawatt-hour for the 2013 – 2015 transaction. Additionally, delegate authority to the Operations Director to execute the necessary transaction confirmation sheets associated with the purchase.

Motion to approve purchase schedule Cook
Second Hemingway
Favor 4
Oppose 0

09.089 **Dredge Materials Removal Funding**

The City of Holland / Holland Board of Public Works (HBPW) owns a parcel of land bordered by Lakewood Boulevard and the Black River just east of 120th Avenue in Holland Township. At this location, the United States Army Corps of Engineers (USACE) operates and maintains a dredge placement facility. Every four to five years, the USACE provides dredging of the inner harbor to maintain adequate depth for cargo vessels. Since this parcel is one of the last viable pieces of land for such an activity, the intent has been to keep this site available by recycling dry dredge solids back into the Macatawa Watershed.

There are four main harbor users including the HBPW power plant. The other users and the HBPW have agreed to pool funds and services together to accomplish the hauling of material. The group has identified three sites within the watershed that could use large amounts of material totaling 101,000 cubic yards. At an estimated \$4.50 per cubic yard, the hauling effort is approximately \$455,000. The HBPW's contribution would be capped at \$300,000. The remainder would come from the other harbor users and from material recipients. Maintaining an open shipping channel is vitally important to the power plant operations. Alternative methods of receiving coal, such as trucking, would likely add over \$2 million annually.

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

Proposed

The Board of Directors approved the funding of the trucking and placement of dredge materials from the Holland Harbor Dredge Containment Facility in the amount of \$300,000; Approved the carryover of \$100,000 from the FY 2009 budget; and, a \$100,000 transfer from contingency to supplement the \$100,000 currently budgeted in FY 2010.

Motion to approve the funding	<i>Cook</i>
Second	<i>Hemingway</i>
Favor	<i>4</i>
Oppose	<i>0</i>

09.090 **Tolling Agreement with Alternative Service Concepts, LLC**

Litigation between former employee Dave Durham and the Holland Board of Public Works (HBPW) is still in arbitration. The insurance coverage of the Holland BPW is important to maintain. The insurance claims servicing company may have liability in this matter and the Tolling Agreement with Alternative Service Concepts, LLC preserves the right to maintain Alternative Service Concepts, LLC liability.

The Board of Directors approved the Tolling Agreement with Alternative Service Concepts, LLC.

Motion to approve agreement	<i>Hemingway</i>
Second	<i>Cook</i>
Favor	<i>4</i>
Oppose	<i>0</i>

09.091 **Contract Extension with Tim Morawski**

On December 13, 2006, the City of Holland, acting through the Holland Board of Public Works (HBPW), entered into a Consulting Agreement with former General Manager Tim Morawski, to provide consulting services relating to the management and administration of the HBPW during his tenure; reviewing documents and material regarding the administration of policies of the HBPW; and appearing at meetings, conferences, and other scheduled events for purposes of performing such services as necessary. The Consulting Agreement also provided payment and reimbursement relating to any deposition, arbitration proceeding, or other judicial proceeding.

The Consulting Agreement had an original term of two (2) years, but permitted an extension for an additional one (1) year term through December 31, 2009. It is staff's recommendation that the Consulting Agreement be extended through December 31, 2009 in accordance with the same terms and conditions.

The Board of Directors approved the extension of the Consulting Agreement dated December 13, 2006 with Tim Morawski until December 31, 2009.

Motion to approve agreement	<i>Elzinga</i>
Second	<i>Hemingway</i>
Favor	<i>4</i>
Oppose	<i>0</i>

09.092 **CLOSED SESSION: Legal Opinion on Intergovernmental Contracts and Update on Labor Negotiations**

ROLL CALL: Cook, Elzinga, Gras, Hemingway, and Storey

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

Proposed

MINUTES of the BOARD of DIRECTORS

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Motion to enter Closed Session made at 5:02 p.m.
Second
Favor
Oppose

Elzinga
Hemingway
4
0

Motion to enter Open Session at 5:38 p.m.
Second
Favor
Oppose

Elzinga
Cook
4
0

The Board of Directors returned to Open Session at 5:38 p.m.

ANNOUNCEMENTS

None

ADJOURNMENT

A motion to adjourn the meeting of June 8, 2009 was made by *Richard Cook* supported by *Tim Hemingway* and agreed upon by the Board of Directors present.

The Board Meeting of June 8, 2009 adjourned at 5:38 p.m.

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

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

06.08.09

Proposed

MINUTES of the BOARD of DIRECTORS

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The HBPW Board of Directors met **Monday, June 29, 2009** at 4:00 p.m.
in the Holland BPW's Service Center Board Room
625 Hastings Ave
Holland, Michigan

Vice Chair Jim Storey called the meeting to order at 4:03 p.m.

Members Present: Rich Cook, Paul Elzinga, Tim Hemingway, and James Storey

Members Absent: None

Staff Present: Loren Howard, Dave Koster, Dan Nally, John Van Uffelen; Jon Hofmann, Andree Keneau, Bob Mihos, Abel Rodriguez, and Lorilyn Bunce

Others Present: City Council Liaison: *Absent*
Media Representative(s): *Holland Sentinel, Lakeshore Press*

09.093 **Consent Agenda**

None

09.094 **Communications from the Audience**

There were no communications from the audience

09.095 **Labor Agreement**

In December 2008, the HBPW entered into contract renewal discussions with Technical, Professional, and Office Workers Association of Michigan (TPOAM) Holland Board of Public Works (HBPW) Utilities Local. TPOAM represents approximately 95 HBPW employees (roughly 54% of the utility's workforce). The existing Labor Agreement was due to expire April 1, 2009.

Using collaborative bargaining techniques, management and union reviewed and reached consensus regarding a wide variety of contractual issues.

When it became apparent that a successor agreement would not be ratified prior to April 1, 2009, the existing Labor Agreement was extended to May 1, 2009, by action of the HBPW Board of Directors and City Council.

On May 5, 2009, management and union reached final consensus on the terms of a tentative agreement. The union successfully ratified this tentative agreement with its membership on June 10, 2009.

The Board of Directors approved the Labor Agreement with the Technical, Professional, and Office Workers Association of Michigan for the term of April 1, 2009 through March 31, 2012, as presented and forwarded it to the City for approval by the City Council.

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

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Proposed

MINUTES of the BOARD of DIRECTORS

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09.096 Energy Optimization Agreement

On April 13, 2009, the Holland Board of Public Works Board of Directors approved a Resolution to join the Michigan Public Power Agency (MPPA) Energy Efficiency Service Committee. This Committee intends to assist the MPPA members in meeting the energy efficiency obligations required by Michigan PA 295. The Holland Board of Public Works (HBPW), as a member of MPPA, is interested in entering into an agreement to provide Energy Optimization Implementation Contracting services, through the Energy Efficiency Service Committee.

The Board of Directors approved the MPPA Energy Efficiency Service Committee Agreement, pending city attorney approval

09.097 Insurance Proposal for Fiscal Year 2010

Each year the City and the Holland Board of Public Works (HBPW) through our agency, solicits bids from underwriters for insurance coverage for the upcoming fiscal year July 1, 2009 - June 30, 2010. The current proposal from our insurance agency, HUB International, is similar to last year using the package policy coverage for property and boiler with coverage up to \$350,000,000 with Travelers and liability of \$10,000,000 underwritten by Princeton with an additional \$10,000,000 layer of reinsurance called excess liability underwritten by Catlin. The total cost to the HBPW is \$956,530, which is \$16,695 or 1.7% less than last year during FY2009, (not including the workers' comp coverage of \$69,673). \$51,200 (annualized on a three year policy) is the pollution policy premium related to moving to CHUB, a carrier who is able to write a more favorable policy for less cost. The savings on the pollution coverage is \$49,920.

The proposed insurance package, underwritten by Princeton Excess Surplus Lines Insurance Company, continues the All Lines Aggregate coverage for the City and HBPW have maintained for the past 16 years. The package provides for \$100,000 deductible for most lines of coverage for each occurrence and an aggregate deductible of \$372,500 which is the same as last year. The large deductibles result in effectively being self insured with protection from a catastrophic event. The workers compensation coverage is with Accident Fund of Michigan. It provides first dollar coverage with a guaranteed cost to limit our loss exposure and a dividend plan to provide a return of premium when loss experience is less than 40% of premium.

The Board of Directors approved, in support of City Council's approval, the proposal from HUB International for insurance coverage for fiscal year (FY) 2010. The package includes policies for \$10,000,000 liability coverage, an additional \$10,000,000 in excess coverage, property, automobile, boiler, pollution, and workers compensation. The premium for the HBPW portion is \$956,530 for the package and \$69,673 for the workers compensation.

09.098 Rate Format Modification

The Energy Optimization (EO) plan, as required by Public Act 295, determined the revenue requirements for residential customers as \$211,900. The recently approved electric residential rates to become effective July 1, 2009, stated the EO Charge as a flat rate. This proposal is to state the EO Charge as a per kWh rate of \$.001373 with the same revenue target and the same July 1, 2009 effective date. This change will fully comply with the statutory requirement.

The Board of Directors approved the tariffs per the residential rate sheets that represent the EO billing of \$.001373 per kWh effective July 1, 2009 for the Electric Utility.

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

Proposed

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OTHER BUSINESS

Storm Repair Progress Update

Next meeting – Monday, July 6, 2009

ADJOURNMENT

A motion to adjourn the meeting of June 29, 2009 was made by *Tim Hemingway* supported by *Rich Cook* and agreed upon by the Board of Directors present.

The Board Meeting of June 29, 2009 adjourned at 5:14 p.m.

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

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06.29.09

Proposed

MINUTES of the BOARD of DIRECTORS

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The HBPW Board of Directors met **Monday, July 6, 2009** at 4:00 p.m.
in the Service Center Board Room
625 Hastings Ave
Holland, Michigan

Vice Chair Jim Storey called the meeting to order at 4:03 p.m.

Vice Chair, Jim Storey welcomed Diane Haworth as the newly appointed board member. Haworth works as a sustainability manager for Haworth, Inc. and has a long background in industry. She continues to work for a sustainable future both personally and professionally.

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

Members Absent: None

Staff Present: Loren Howard, Dan Nally, Freda Velzen, John Van Uffelen, Andree Keneau, Jim Van de Wege, Chris Van Dokkumburg, and Loralyn Bunce

Others Present: City Council Liaison: *Absent*
Media Representative(s): *Holland Sentinel*

Audience Members: *Marty Dugan*

09.099 **Michigan Public Power Agencies Commissioner Assignment**

Currently, Loren Howard is the designated Michigan Public Power Agencies (MPPA) Commissioner and Dave Koster is the Alternate Commissioner. As a result of the recent change in leadership of the Holland Board of Public Works (HBPW), duties and responsibilities of several individuals has changed. HBPW is also a member of the Michigan Municipal Electric Association (MMEA). In the past year, Loren Howard was elected to the MMEA Board of Directors. Fulfilling the responsibilities of both MPPA Commissioner and MMEA Board member would require substantial time away from HBPW matters. Since the work of MMEA is more in the arena of utility policy making, it is more appropriate for the HBPW General Manger to work with that agency. The work of MPPA is more electric generation project oriented and it makes more sense that both the HBPW Operations Director and the HBPW Utility Services Director focus on the tasks of MPPA.

As part of the Consent Agenda, the Board of Directors appointed Operations Director David Koster as the Holland BPW MPPA Commissioner, Utility Services Director John Van Uffelen as the first Alternate Commissioner and General Manager Loren Howard as the second Alternate Commissioner.

09.100 **Michigan WARN Resolution**

Water and Wastewater Agency Response Network (WARN) is a network of water/wastewater utilities helping other water/wastewater utilities to respond to and recover from emergencies. The purpose of a WARN is to provide a method whereby water/wastewater utilities, that have sustained or anticipate damages from natural or human-caused incidents, can provide and receive emergency

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aid and assistance in the form of personnel, equipment, materials, and other associated services as necessary from other State water/wastewater utilities.

A MIWARN membership provides the following benefits to a water/wastewater utility: Establishment of a single Mutual Aid Agreement (MAA), which is the backbone of the WARN concept, where provisions for network activation, reimbursement, liability and other issues are mutually agreed upon by participating utilities; Voluntary participation with no obligation to respond or cost to participate; Establishment of a forum to populate and maintain emergency contacts; Access to specialized equipment and personnel that may be needed during a water/wastewater emergency; Facilitation of training that specifically focuses on the exchange of resources during an emergency or drill; Increased emergency preparedness and coordination.

As part of the Consent Agenda, the Board of Directors approved the Board Resolution to participate in the Michigan Water/Wastewater Agency Response Network (MIWARN) and forwarded the resolution to City Council for approval.

09.101 **Black & Veatch Oxy-coal Additional review**

At the request of the Holland Board of Public Works (HPW), Black & Veatch performed additional engineering review of the oxy-coal project specifically related to the optimal use of fuel for the boiler. B&V also incorporated costs developed by HT Engineering for the CO2 pipeline into the financial model that B&V created. Additionally, B&V incurred costs by hosting a meeting at their office with the BPW and Praxair for a review of the project. The original contract with Black & Veatch was in the amount of \$80,000.

As part of the Consent Agenda, the Board of Directors approved the payment of \$9,154 for services rendered by Black & Veatch for the additional engineering review of the oxy-coal plant proposed by Praxair for the U.S. Department of Energy Clean Coal Power Initiative.

09.102 **Energy Star Partnership**

The US Environmental Protection Agency (EPA) and the Department of Energy (DOE) developed the ENERGY STAR Partner program to promote buildings, products, homes, and industrial facilities that use less energy while providing the same or better performance than conventional designs. ENERGY STAR Partner's agree to use the partnership and the ENERGY STAR mark to promote energy efficiency as an easy and desirable option for organizations and consumers to prevent pollution, protect the global environment, and save on energy bills. Being an ENERGY STAR Partner would be a strategic advantage to the Holland Board of Public Works (HBPW), as we develop and implement our Energy Optimization Programs.

The Partnership Agreement between ENERGY STAR and the HBPW is a standard EPA document which clearly identifies the Partner Commitments for both parties involved in the Agreement. Being an ENERGY STAR Partner is consistent with the message and direction that the HBPW wants to deliver with our Energy Optimization Programs.

As part of the Consent Agenda, the Board of Directors approved the ENERGY STAR Partner Agreement, pending city attorney approval.

09.103 **Black & Veatch Support for Praxair**

Holland Board of Public Works (HBPW), Praxair, Black & Veatch, Battelle, and HT Engineering met on June 9, 2009 to assess the status of the Oxy-coal project in regards to the U.S. Department of Energy Clean Coal Power Initiative proposal made by Praxair. During the meeting, specific items were identified as needing modification from Black & Veatch's financial model. These include costs

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Proposed

related to operation and maintenance of the air separation and carbon dioxide compression units, plant operating staff, program manager, review of electrical feeds and distribution, and staged demonstration period unit availability. In addition to making these modifications B&V proposes to review financial tables that HBPW will assemble for Praxair.

As part of the Consent Agenda, the Board of Directors approved the payment of up to \$6,000 for proposed engineering services by Black & Veatch to support Praxair's request to supply information that will help them assess the feasibility of the Holland site for an Oxy-coal carbon dioxide capture demonstration plant.

09.104 **Contract Authorization Fiscal Year 2010 Resolution**

Prior to the contract authorization resolution, all contracts were submitted to both the Board and the City Council for approval before staff could proceed with work plans. This imposed an unnecessary delay causing various difficulties, and often did not permit adequate time to address customer requests. After the City Attorney review, it was determined that the City Charter authorizes the Board to carry out its work plan without further Council approval, once a budget had been approved. However, it is necessary for the Mayor and City Clerk to be authorized to sign such contracts on behalf of the Board.

As part of the Consent Agenda, the Board of Directors adopted the Resolution authorizing the Mayor and City Clerk to sign contracts that are approved by the Board and within budget and forward the Resolution to City Council for their adoption.

09.105 **Contribution to City Resolution**

At the inception of each fiscal year, the Holland Board of Public Works adopts a resolution to appropriate a budgeted contribution from the Electric Utility to the City of Holland. This Joint Resolution is pursuant to Section 12.16 of the Charter of the City of Holland. The amount of money appropriated has been approved during the budget process and this Joint Resolution is passed for the purpose of complying with the requirements of Section 12.16 of the Charter of the City of Holland in the event that the amount should exceed or be less than 50% of the net income of the Board of Public Works Electric Utility, as defined therein.

As part of the consent Agenda, the Board of Directors adopted the Joint Resolution to appropriate \$3,799,200 from the Electric Utility Fund for fiscal year July 1, 2009 through June 30, 2010 for the general purposes of the City of Holland.

09.106 **Insurance Claim Settlement Resolution**

The resolution presented is to establish and authorize the claims settlement authority for the City and the Holland Board of Public Works (HBPW) within the self-insured retention portion of the City and HBPW's insurance program. The resolution shall permit the settlement and compromise of claims, actions, and liabilities by the designated adjuster in an amount not to exceed \$5,000 against the City and/or the HBPW. Paragraph 5 grants authority to the designated representative of the HBPW in conjunction with the City Attorney to settle claims against the HBPW, including joint claims with the City, in an amount not to exceed \$10,000. The settled claims shall be reported by the HBPW to the Board as needed during the fiscal year. Paragraph 6 allows claims in excess of \$10,000 to be settled, compromised, and approved upon review and recommendation of the Board of Directors of the HBPW with referral to the City Council for final review and recommendation.

As part of the Consent Agenda, the Board of Directors approved the resolution allowing the designated representative of the Holland Board of Public Works, in conjunction with the City Attorney, the settlement authority, to settle claims in an amount not to exceed \$10,000.

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

Proposed

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09.107 **Communications from the Audience**

Marty Dugan of 17 W 10th ST Holland, MI asked four (4) questions of the board regarding board membership; board elections; status of the air permitting process; and, the soil of the dredge site.

09.108 **Financial Statement – May 2009**

The financial status of the utility is as budgeted and expected with the economic downturn.

09.109 **Construction Contract for 7th Street Water Main**

Using State funds, the City is reconstructing 7th Street from River to Lincoln Avenues and Lincoln Avenue from 7th Street to 8th Street. While the roadway is being reconstructed, it is fiscally responsible to replace the underlying, aged water main.

Engineering and Construction Contract Administration (CCA) will be performed in-house by City and Holland Board of Public Works (HBPW) staff. The project was bid through the Michigan Department of Transportation on June 5, 2009. A meeting was held with area customers on June 23, 2009 to discuss and address construction concerns. Construction began on July 7, 2009 and is scheduled to be completed on September 26, 2009.

As part of the FY2010 Capital Budget, \$200,000 was earmarked for this project. As engineering and design progressed, it became evident that additional monies would be required to address future utility service concerns in the area. The requested budget transfer will address all costs associated with the construction of this project.

The Board of Directors approved the Holland Board of Public Works (HBPW) portion of a contract with Nashville Construction in the amount of \$255,369 with a 10% (\$25,537) contingency for a total of \$280,906 for the replacement of approximately 2,500 feet of water main on 7th Street from River to Columbia Avenues; and approved a budget transfer from the water contingency fund in the amount of \$80,906 to address all costs associated with the construction of this project.

09.110 **Creek Bed Sanitary Sewers Project**

In the mid to late 1960's, the City installed several cross country sewer mains in lower elevations to avoid having to construct additional sewage lift stations. These creeks have eroded due to recent storms, scouring deeper channels and wider banks. This erosion has exposed the sewer main pipe in several locations. This project was planned as a result of the June 2008 rain event. An inspection following the June 2009 event of the same areas has revealed that the scope of the project has not changed.

In December 2008, the Holland BPW entered into an Engineering & Construction Contract Administration (CCA) Services Contract for \$84,380 with Driesenga & Associates of Holland, MI. Since then, the project has been designed, drawn and permitted through the Michigan Department of Environmental Quality. Bids were solicited on June 22, 2009 and four were opened on June 26, 2009.

The Board of Directors did not approve a construction contract with Quantum Construction for the repair and mitigation of creek bed sanitary sewers in the amount of \$222,148 with a 10% (\$22,215) contingency for a total of \$244,363.

After discussion about the bid specifications and possible reasons for such variance in bids

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submitted, the Board of Directors approved awarding the contract to the lowest bidder, Al's Excavating, contingent on meeting the project specifications as verified by staff.

09.111 **Credit Card Payment Services**

The Holland Board of Public Works (HBPW) customers have expressed interest in being able to pay their utility bills by credit card. Staff has explored many options to allow this at a reasonable cost. After participating in many demos, it is determined that Payment Services Network (PSN) can provide this service at a reasonable cost to the customer, and has an interface to our Harris billing system already developed and is also in use by other Harris clients. The customers can pay online or by phone using their credit card and will be charged a flat fee of \$2.95 for any bill amount up to \$300.00. The entire fee goes to the payment processor for the transaction. The HBPW costs are minimal at \$14.95 per month and a onetime set-up fee of \$249.00 to PSN. There will be no charge from Harris for the interface. The web site will be customized to inform customers they are using a payment processor and will be charged a \$2.95 convenience fee.

The Board of Directors approved the use of credit cards for residential customers to pay their utility bills with a reasonable convenience fee and approved the agreements with Payment Services Network subject to approval as to form by the City Attorney.

09.112 **Audit Committee Appointments**

To facilitate the audit process and to provide the Board an opportunity to directly and independently communicate with the auditors, the Board appoints two Board Members to serve on the Holland Board of Public Works (HBPW) Audit Committee. At the conclusion of the audit process and before presentation to the full Board, the auditors from Rehmann Robson P.C. and HBPW staff meet with the Audit Committee to discuss the financial position, review the financial statements in detail and read and discuss the auditors' management comments, if any. The committee is then given opportunity to meet with the auditors alone so they can discuss any concerns they may have or feel free to ask questions.

The Board of Directors appointed the volunteers, Tim Hemingway and Jim Storey, to serve on the Audit Committee and meet with the auditors to review the FY 2009 financial position and discuss the results of the audit.

09.113 **Snowmelt Expansion**

The snowmelt system in downtown Holland has been very beneficial to businesses, residents and visitors over the years since it was first installed during the mid 1980's. With the construction of the City's new parking deck on 7th Street, the City has requested and the City Council has approved the construction budget to include the snowmelt system for the project. The estimated cost of the transmission portion of the snowmelt for the project is \$150,000 in capital investment. The capital recovery for the project will be calculated as a rate change in the Electric Rate S and brought for the Board's consideration at a future meeting.

The Board of Directors approved the contribution of HBPW funds from the electric utility to the City for the capital expansion of the snowmelt transmission system in the amount of \$150,000.

09.114 **Election of Board Officers**

Citing the recent installation of Board member Haworth, Vice Chair Storey recommended postponing the annual election of officers until the August 10, 2009 meeting. The Board concurred without objection.

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

Proposed

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OTHER BUSINESS

Next meeting – Monday, August 10, 2009

ADJOURNMENT

A motion to adjourn the meeting of July 6, 2009 was made by *Paul Elzinga* supported by *Diane Haworth* and agreed upon by the Board of Directors present.

The Board Meeting of July 6, 2009 adjourned at 5:09 p.m.

Minutes respectfully submitted by,

Loralyn A Bunce
Secretary to the Board

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

06.29.09

HOLLAND BOARD OF PUBLIC WORKS
Technology Department
August 10, 2009

**Consulting Services Contract to Design and Manage
Installation of New Phone System**

Introduction

The current phone system used at the Holland Board of Public Works (HBPW) is lacking features that are becoming critical business needs. Even more important is the end of life status of many of the components supporting the Power Plant and Wastewater Treatment Plant. Interviews with at least eight phone system vendors has demonstrated the complexity of new phone systems, and the need to hire an outside consultant to ensure a smooth migration with minimal downtime.

Recommendation

Approve a contract with Convergent Technology Partners in the amount of \$11,941.80 to design and manage the installation of a new phone system, pending City Attorney approval of contract.

Discussion

The current Nortel phone system used at the HBPW uses out-dated PBX (Private Branch Exchange) technology, and many of its components are no longer supported by the manufacturer. Replacement of the entire phone system is necessary in order to provide more reliable service with additional productive business features, such as call recording, caller-id, integration with cell phone technology, detailed call reporting, and improved redundancy.

Broadband staff met with over eight phone system vendors. These meetings were very productive in enlightening staff on the complexities of phone technologies, and the need to hire a consultant to help select and implement a new phone system with minimum downtime for HBPW staff.

Two vendor-neutral network designer\phone system consultants submitted proposals and were interviewed by HBPW broadband staff. Both consultants came highly recommended, and appeared very capable of performing the tasks required of the HBPW. The low bidder was Convergent Technology Partners.

Consultant	Address	Bid
Convergent Technology Partners	801 S. Saginaw Street Suite 505 Flint, MI 48502	\$11,941.80
Commtech Design	3741 Windwood Drive Rockford, MI 49341	\$15,800.00

Use of Convergent Technology Partners' services to purchase and implement a new phone system should provide the smoothest possible phone system migration for HBPW facilities.

HBPW has a capital budget of \$250,000 set aside for a phone system overhaul. Hiring a network design company to help with this projects falls within this approved budget project.

Service contract with Convergent Technology Partners is Pending City Attorney approval.

Attachments:

Convergent Technology Partners Proposal

Commtech Design Proposal

Standard Service Contract with Convergent Technology Partners

Report prepared and submitted by Ellen S. Taub, Technology Director

**HOLLAND BOARD OF PUBLIC WORKS
SERVICE CONTRACT**

This Contract is entered into **this _____ day of _____, 2009** by and between the City of Holland, a Michigan municipal corporation of Ottawa and Allegan Counties, Michigan, acting by and through its Board of Public Works ("OWNER"), which has offices located at 625 Hastings Avenue, Holland, Michigan 49423 and **Commtech Design**, a C corporation ("CONTRACTOR"), which has offices located at 3741 Windwood Drive, Rockford, Michigan 49341.

In consideration of the promises below, the parties mutually agree as follows:

Article 1-Scope of Services / Statement of Work

The Contractor shall perform the following services:

See Attached **Proposal** from Convergent Technology Partners ("Work").

Article 2- Compensation

2.1) Upon the Contractor's final completion of the Work performed in accordance with Article 1 of this Contract, and acceptance of said Work by the Owner, the Owner shall pay the Contractor the sum of \$15,800, plus travel expenses. The Contractor shall send an itemized bill to the Owner upon final completion of the Work, or for the installment period during which the Work is performed by the Contractor for the Owner, and the Owner shall make payment within thirty (30) days of its acceptance of the Work.

2.2) No payments will be made to the Contractor until the certificates of Insurance have been received by the Owner. If the insurance furnished by the Contractor expires or is cancelled during the term of the contract, service and related payments will be suspended until insurance certificates evidencing renewal of coverage are submitted and accepted by the Owner.

Article 3-Responsibility and Reporting of The Contractor

3.1) The Contractor is responsible to **Ellen S. Taub, Technology Director**, of the Board of Public Works, and will cooperate and confer with her as necessary to insure satisfactory Work progress.

3.2) All reports, estimates, memoranda and documents submitted by the Contractor must be dated and bear the Contractor's name.

3.3) All reports made in connection with these services are subject to review and final approval of the Owner.

3.4) The Owner may review and inspect the Contractor's activities during the term of the contract.

3.5) When applicable and requested by the Owner, the Contractor will submit a final written report.

Article 4- Term

The Work shall be **completed no later than June 1, 2010**.

Article 5- Guarantee

The Contractor shall correct, re-perform, or re-do the Work as may be required to the satisfaction of the Owner.

Article 6- Conditions of Performance

6.1) The Contractor shall provide the required manpower, services, material, and expertise to perform the Work. The Contractor affirmatively represents to the Owner that it has the knowledge, skill and expertise to perform the Work in accordance with this contract.

6.2) All Work shall comply with applicable laws, ordinances, rules, regulations, construction standards of the Owner and its respective departments in effect on the date of this contract.

6.3) All Work shall comply with applicable laws, taxes, ordinances, rules, regulations and orders of any public body having jurisdiction over the Work area, or subject matter as of the date of this contract.

6.4) Contractor acknowledges that it has made an independent investigation relative to the nature and difficulties of the Work to be performed, and assumes all cost and risk in the performance of the Work during the term of the Contract.

Article 7- Insurance and Indemnification

This Agreement is subject to the following provisions:

7.1) The Owner and the Contractor acknowledge that the Contractor is an independent contractor in all of the Contractor's activities and that in the course of such activities, at no time do the Contractor, its officers, directors (trustees), members, employees, volunteers, or other persons acting on behalf of the Contractor become the agents of the Owner for any purpose, and at no time shall the Owner become liable in any manner whatsoever for any of the actions or activities of the Contractor, its officers, directors (trustees), members, employees, volunteers, or other persons acting on behalf of the Contractor. In the event any person shall undertake to hold the Owner liable for any conduct or activities of the Contractor, its officers, directors (trustees), members, employees, volunteers, or other persons acting on behalf of the Contractor, the Contractor expressly agrees to hold the Owner harmless of and from any such liability. The Contractor also agrees to save, indemnify, and hold harmless the Owner, its agents, officers, and employees from any claim, action, or liability arising out of or connected with its performance under the terms, conditions, and agreements of this Contract resulting in losses or injuries to persons (including death) or property. In addition thereto, the Contractor agrees to purchase liability insurance, in any amounts that the Owner may reasonably require, to insure the faithful performance of the Contractor's promise herein contained to hold the Owner harmless from any liability of any kind or nature that may arise in any manner, directly or indirectly, from the activities of the Contractor, its officers, directors (trustees), members, employees, volunteers, or other persons acting on behalf of the Contractor, during the terms of this Contract. This covenant of indemnification shall include reasonable attorneys fees and costs incurred by the Owner in defense of such claim, action or liability.

7.2) The Contractor shall, throughout the period of this Agreement, provide public liability and property damage insurance covering all operations of the Contractor, its agents and employees, including but not limited to, premises and automobiles, with minimum liability limits as set forth below; or, in the alternative, require that any subcontractor comply fully with the provisions of this paragraph. The Contractor shall also procure and maintain, throughout the period of this Agreement, Workers' compensation insurance coverage for all of its employees involved in the performance of this Contract and employers' liability insurance. Copies of workers' compensation and employers' liability insurance shall be provided to the Owner and shall be maintained to provide coverage as set forth below. The City of Holland, Holland Board of Public Works and their directors, officers, agents and employees shall be named as additional insureds of all applicable insurance policies. All insurance policies and certificates must include an endorsement providing thirty (30) days prior written notice to the Owner of cancellation and/or reduction of coverage. The Contractor shall cease operations on the occurrence of any such cancellation or reduction in coverage, and it shall not resume operations until new insurance is in full force and effect. The Contractor shall also maintain insurance on the inventory sufficient to reimburse for losses due to fire, theft or other perils. The Contractor and any of its subcontractors shall require their insurance carriers, with respect to all insurance policies, to waive all rights of subrogation against the Owner, its directors, officers, agents, and employees and against other contractors and subcontractors.

7.3) The limits of liability for the insurance required by this Contract shall be for not less than the following amounts or greater where required by Laws and Regulations:

7.3.1) Workers' Compensation

State	Statutory
Employer's Liability:	\$100,000.00 each Accident/Occurrence.

7.3.2) Comprehensive General Liability

Bodily Injury or Death (including completed operations and products liability):

\$500,000.00	Each Person
\$1,000,000.00	Each Occurrence

Property Damage:

\$500,000.00	Each Occurrence
\$1,000,000.00	Annual Aggregate

7.3.3) Comprehensive Automobile Liability:

This insurance coverage shall not be required unless the Contractor is required to use a motor vehicle in the performance of the Work.

Bodily Injury and Death:

\$500,000.00	Each Person
\$1,000,000.00	Each Accident/Occurrence

Property Damage:

\$500,000.00	Each Accident/Occurrence
\$1,000,000.00	Aggregate

Policies shall be written on a comprehensive form to include hired and non-owned vehicles.

Article 8 - Successors and Assigns

This contract is binding on the Owner and the Contractor their successors and assigns. Neither the Owner nor the Contractor shall assign or transfer its interest in the contract without written consent of the other.

Article 9 - Termination of Contract

9.1) Termination with or without cause. The Owner may terminate this contract with or without cause by giving 30 days written notice to the Contractor. In the event of termination by the Owner, the Contractor shall be paid for the portion of the Work it has satisfactorily completed through the effective date of termination, as determined by the Owner.

Article 10 - Changes in Scope or Schedule of Services

The Owner may require changes in the scope or schedule of the Work of the Contractor. Changes that are mutually agreed upon by the Owner and the Contractor, including any decrease or increase in the amount of the Contractor's compensation, will be incorporated into this contract by written amendments.

Article 11 - Extent of Contract

11.1) This contract represents the entire agreement between the Owner and Contractor and supersedes all prior representations, negotiations or agreements, whether written or oral.

11.2) The documents constituting the contract between the contractor and the owner shall include the following:

11.2.1) This Contract pages 1 to 5.

11.2.2) Specifications: Attached

11.3) This contract is to be interpreted by the laws of Michigan.

Article 12 - Execution of Contract

12.1) Execution of this contract shall constitute a contract between the Contractor and the Owner.

12.2) This contract is executed on the date and year noted in the first paragraph of this contract document.

IN WITNESS WHEREOF, the parties hereto have executed this Contract.

OWNER:

CITY OF HOLLAND, acting by and through its Board of Public Works

By

Albert H. McGeehan

Its Mayor

By

Anna Perales

Its Acting Deputy City Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF OTTAWA)

On this _____ day of _____, 2009, before me, a Notary Public in and for said County, appeared **Albert H. McGeehan and Anna Perales**, to me personally known, who, being by me duly sworn, did each for themselves say that they are, respectively, the Mayor and City Clerk of the City of Holland, the corporation named in and which executed the within instrument, and that said instrument was signed and sealed on behalf of the City of Holland by authority of its City Council; and said **Albert H. McGeehan and Anna Perales** acknowledged said instrument to be the free act and deed of the said City of Holland.

Notary Public

County, Michigan
My Commission Expires: _____
Acting in County of _____, MI

Holland Board of Public Works

Proposal Overview

The City of Holland Board of Public Works (BPW) requires telecommunications consulting services to develop a Scope of Work document which will be incorporated into the Purchasing Department's Request for Proposal, to provide vendor selection support and project management services. These services will facilitate the replacement of the existing voice communication switches which:

- no longer meets the evolving and growing needs of callers and the BPW
- exposes the BPW to communication service interruptions due to working equipment which is no longer supported by vendors
- will become a financial burden for the BPW to maintain.

Approach

Convergent Technology Partners (Convergent) has met with the Technology Services and Communications Department of the BPW to identify the concerns and issues relating to the existing Nortel Meridian 1 system. Convergent will provide the consulting services detailed by this proposal in three distinct phases which are:

1. conduct a review of the existing system configurations to order to develop a design and work specifications and to write the Scope of Work (SOW) section
2. to provide vendor selection support to the Technology Evaluation Team and
3. to provide project management services during the new system implementation.

1. Design, Specifications and Scope of Work

Convergent will conduct an in-depth discussion of the existing system's trunk lines, types of sets, station information, routing tables, number of schedules, programming, types of reports, outage tolerance, automatic redundancy requirements, unified messaging and growth requirements. Related issues such as 911 Service (relating to VoIP), ability of the existing data network to carry VoIP traffic, equipment BTU, UPS requirements, and diversity of A/C feeds will be discussed. If adjustments to these systems are required to facilitate the deployment of a new telecommunication system, Convergent will make note of that fact and carry forward recommendations relating to these systems.

Based upon the above discussions, Convergent will design the system configuration and develop the work specification. This information will be incorporated with required drawings into the Scope of Work document. BPW stakeholder recommendations from the Needs Analysis, will be checked to ensure that they are addressed in the Scope of Work. Upon completion, the Scope of Work will be reviewed with the Project Team. Any changes, additions or deletions required by the Project Team will be made before the Scope of Work document is delivered to the BPW Purchasing Department.

Holland Board of Public Works

2. Vendor Selection Support

After the BPW Technology and Purchasing Departments receive the Scope of Work document Convergent will create a list of recommended vendors based on Convergent's experiences and knowledge for the Purchasing Department's consideration and use. Prior to the mandatory pre-bid meeting, Convergent will prepare for the meeting and then participate in the meeting as required by the Purchasing Department. Technical questions that are raised either at the pre-bid meeting or following the pre-bid meeting up to a date set by Purchasing, will be addressed by Convergent and reported to Purchasing for distribution to the bidders. Should technical addendums be required to be developed, Convergent will write them and provide them to Purchasing for distribution to the bidders.

The Evaluation Team which is led by the Convergent and the Technology Department, has a number of responsibilities. They include developing a scoring matrix, making an initial review of the proposals, creating a short list of bidders, holding interviews, attending product demonstrations and selecting the vendor. As a member of the Evaluation Team, Convergent will participate and support these responsibilities. After the Evaluation Team decides who the recommended vendor will be, Convergent will write the Recommendations Report which will be presented to the Technology Department.

3. Project Management

Once the Board approves of the vendor recommendation and Purchasing awards the contract to the successful vendor, Convergent will conduct a walkthrough with the successful vendor and selected members of the Project Team.

The Project Team will need to approve the vendor's implementation plan and schedule. While the project implementation may vary in length, it is anticipated that this implementation will take twelve weeks to complete; six weeks for the vendor to order and receive equipment, set up for the installation, hold meetings and develop the installation plan detail which would be approved by the Project Team and another four to six weeks to execute the installation. Convergent will be involved for the entire project but more of Convergent's time would be spent on on the implementation and project management phase of the project. Convergent will conduct site inspections to ensure that the requirements of the Request for Proposal are being followed, that applicable Standards and Codes are complied with and that schedules and plans are on track. Convergent will write weekly status reports describing completed work and next steps. While Convergent is at the work sites, Convergent will meet with the vendor and as required, with the Project Team. Convergent will participate in problem resolution. Convergent will review vendor invoices to ensure that work invoiced has been completed and would only then recommend payment. As the project installation approaches completion, Convergent will conduct an inspection specifically to ensure that the vendor has installed, tested and trained the users on the system. We will ensure that all work was performed in a professional manner and in keeping with the specifications. Any deficiencies that are identified will be written up in the form of a "punchlist". After the vendor has complied with the exceptions listed in the punchlist, Convergent will conduct a final walkthrough and develop a Final Report for the Project Team. Acceptance of the system would follow the Final Report.

Holland Board of Public Works

Items Outside the Scope of the Proposal

This proposal does not include the following items:

- Initial creation of architectural, electrical or furnishings prints or specifications.
- Services which are not described in this proposal.
- Costs for supervision services over vendors selected by the BPW.
- Costs for BPW's staff time spent in planning, development and implementation.
- Electrical or HVAC design work. Convergent staff is able to work with appropriate engineering and electrical firms regarding technology as it relates to electrical and HVAC requirements, however, Convergent is not an electrical/HVAC engineering firm.
- Coordination with carriers, service providers and utilities on behalf of the BPW.
- Costs and delays caused by others.
- Should the BPW request Convergent time for services other than those specified in this proposal, Convergent will provide the services at an additional cost in accordance with the enclosed rate schedule.

Disclaimer

Convergent is not a technology product vendor, does not have, nor will Convergent accept any relationship with any technology product vendor offering any remuneration for business acquired by the technology vendor. Convergent's designs and specifications are generic in nature.

Project Management

Convergent manages and oversees the many details of large technology projects by:

- a.) utilizing project management software. Convergent uses Microsoft (MS) Project to manage the myriad of details associated with projects as complex as this project. MS Project tracks, schedules, assigns predecessors and resources and makes charts.
- b.) utilizing the State of Michigan Office of Project Management "Project Management Methodology". As the State contractor, Convergent is required to use the State standard which is an adaptation of the Project Management Institute's "Project Management Body of Knowledge". Convergent has successfully completed several large scale projects (1. Unemployment Agency's statewide network and call centers Integrated Voice Response equipment transition and turn-up and; 2. Internet Demilitarized Zone project which secured every internet address in the State government from unauthorized access). The methodology is used to format and to define the content of project documentation.
- c.) providing budget tracking for all costs associated with the technology portion of the project.
- d.) appointing a Project Manager and a team of specialists from within the company to provide design and support services as required. Each of our

Holland Board of Public Works

team members has the required project skills and experience and has proven themselves on numerous projects. Some members of this team have worked successfully together on projects for over 12 years.

Project Organizational Structure

As part of our overall Project Management philosophy, Convergent recommends three levels of contact for any project of this magnitude:

- project management
- steering committee
- overall account management.

Contact Level	Holland BPW	Convergent
Project Management	To be assigned	Edward Boychuk
Steering Committee	To be assigned	John Foster, Edward Boychuk
Account Level	To be assigned	John Foster

Convergent believes in the establishment of a Steering Committee made up of the City and Convergent senior managers and the project managers from both organizations. The Steering Committees focus will be to resolve those issues that are outside the control of the Project Management Team that adversely impact the technology plan or its timelines. Jeopardy situations, conflicts, peoplepower shortages and similar situations that might not be resolved at project manager level are escalated to the Steering Committee for resolution in each organization in order to keep the project on track.

A third relationship is often established; one between a manager from the BPW staff or Purchasing Department and Convergent's account representative. This relationship is at an account level. Discussions at this level would include assessment of Convergent's performance as a company, planning for future projects and talks that might not be included in the other lines of communication.

Quality Assurance Program

Convergent utilizes a Quality Assurance Program which can be applied to an entire project to test or to verify recommended solutions and decisions as specified in the **Approach** section of this proposal. The program is described as follows:

QA Area	Component	How reported to the client
Planning	Scope of Work	Initial proposal
Planning	Needs analysis	Reviewed with the client
Planning	Bid specifications	Reviewed with the client
Planning	Codes and Standards compliance	RCDD stamped designs
Planning	Team member roles & responsibilities	RACI charts, SWOT analysis and team organization structures
Planning	Design decisions	Documentation of important decision meetings
Planning	Risk analysis	Documentation of meeting results
Tools	Project management tools	MS Project, GANTT charts, Visio

Holland Board of Public Works

		flowcharts
Tools	Project deliverables	Punch lists
Audits	Project management meetings	Documentation of meeting results
Audits	Installation work in progress	Site inspection and status audits
Audits	Payment approval audit	Work completed, recommend payment to vendor
Documentation	Status reports	Monthly reports of: work completed this month, work for the next month, jeopardy or shortcoming situations, critical tasks to complete, % project completed, % project resources spent
Documentation	Performance	Test results
Documentation	Records	As-built CAD drawings
Documentation	Reports	Final report and lessons learned

Costs

Convergent will provide the above described consulting services for the not-to-exceed cost of **\$11,941.80**. A spreadsheet detailing all of the work activities, hours, rates and costs is attached. The costs have been developed from the attached rate schedule.

Convergent will charge only for services provided. The not to exceed price bid quoted above reflects expected times to complete the project. Should Convergent complete the project in less time than estimated, then the BPW would only pay for the time needed for Convergent to complete the project. For example, if Convergent estimated 1000 hours for a project and Convergent completed the project in 900 hours, the customer would only pay for 900 hours.

The hours actually estimated for this project are deemed adequate to complete the project as described. However, on occasional projects, decisions and events beyond Convergent's control (such as changes of scope, architectural changes, unreasonable number of meetings, etc.) result in time increases well beyond Convergent's estimated time. Should this occur or should the BPW request additional Convergent time for services other than those specified in this proposal, Convergent will provide the time and services at an additional cost in accordance with the attached rate schedule and with the BPW Purchasing approval.

Convergent has the resources to start working upon these proposed consulting services immediately.

Holland Board of Public Works

Why Choose Convergent?

- Specializing in voice switching systems for Michigan government and educational clients
- Large list of technology projects
- Employees with a great knowledge and experience
- Certified professionals on staff
- Low government rates
- Much attention to needs identification and visions
- Custom tailored solutions
- Not a sales or installation company
- Vendor-neutral consultant
- Extensive Quality Assurance Program
- Project management tools, structure and methodology
- Professional liability insurance
- Peace of mind.

Holland Board of Public Works

Local References

Steve Namenye, Telecommunications Administrator
Ottawa County
616-738-4460

Steve Barnett, Director
Eaton County Physical Plant
517-543-2593

David Wilkins
GMB
Architects and Engineers
616-796-0200

Mark Fedorowicz – Purchasing Manager
Interurban Transit Partnership
616-774-1170

Cathy Burton-Snell, Director
Allegan Area Education Service Agency
Technology, Employment and Community Services
269-686-5333

Additional references can be found on the attached reference lists.



3741 Windwood Drive Rockford, Michigan 49341
www.commtechdesign.com

June 8, 2009

Ms. Ellen Taub
Holland Board of Public Works
635 Hastings Ave
Holland, MI 49423

RE: Telephone system Design

Ms. Taub

I am writing in response to your request for consulting, design and installation oversight for a telephone system to serve the Holland, Michigan Board of Public Works administrators and employees. Thank you for thinking of us, we are excited about the possibility of working with you and the Holland BPW

As the base of this project, CommTech Design will be working with the BPW to design, bid and oversee the installation of a telephone system.

This proposal includes consulting, design and installation oversight of the following:

- Telephone system for the BPW buildings in Holland.

Consultation

To procure a complete telephone system to serve the BPW facilities you must first look at the groups and people within those groups that will be utilizing the systems. Their needs and requirements and future growth must be factored into the design of the systems. As part of the Consultation, CommTech Design proposes to:

1. Meet with administrators to present the project plan, review project goals, milestones, timeliness, deliverables and risks.
 - Document the business requirements
 - Document the functional and technical solution requirements.
2. Determine stakeholders for the telephone system. Meet with them to determine:
 - Identify the business area(s) being served and determine how they use telephone and data services.
 - Identify interconnectivity requirements between different BPW buildings and groups.
3. Gather key documentation of existing systems and applications
4. Review different technologies for the telephone and review with the owner the various merits of each.
5. Recommend Data Network upgrades to facilitate the installation and connection of an IP based telephone system.
6. Identify potential manufacturers and contractors of systems that will meet the requirements of the stakeholders.

Design

After we have a firm grasp on the goals of the systems, input from stakeholders and have identified the technologies that would meet all requirements, we move into the design phase.

The key activities associated with the design and generation of a Request for Proposal (RFP) for a telephone system and choosing the vendor to install the systems are:

1. Gather final information for RFP.
 - Specify training requirements for administrators, users and specialized personnel.
 - Determine if on-going support and maintenance is to be part of the RFP
 - Design acceptance tests and requirements the systems
 - Specify timetables for contractors as part of the RFP
2. Complete specifications and drawings.
 - Send out RFP documents to chosen contractors. There may be one RFP with multiple contractors.
 - Evaluate responses to the RFP and meet with bidders and BPW administrators.

Installation Oversight

Once the Contractor and technology solution is chosen we get into the Installation portion of the project. CommTech Design will:

1. Direct the chosen contractor in how the planning, installation and testing will proceed over the life of the project.
2. Identify coordination issues and determine Holland BPW's requirements to ensure that the contractor can meet their installation schedule.
3. Conduct regular meetings with the contractor during installation to check on schedule and coordinate installation issues.
4. Oversee system and acceptance testing.
5. Ensure delivery of as-built documentation from the contractor to Holland BPW,

Owner Requirements

Holland BPW personnel will:

- Provide CommTech Design with technical support and pertinent data concerning the architecture and infrastructure of the existing data network and telephone system.
- Help to identify all stakeholders and systems which will be connected to the telephone or data network and provide CommTech Design with all pertinent information to be included in the RFP.
- Provide front end documentation and distribute the bids.

Terms

CommTech design will consult, design and oversee the installation of a telephone system for Holland BPW.

CommTech Design proposes to do the work described for a fee of \$15,800 not including expenses. If additional work is required or the scope changes, CommTech Design will inform the owner prior to proceeding with the additional work.

Expenses will consist of printing and shipping expenses. Printing and shipping will be billed at cost.

Billing will be done monthly based on the work completed each month. Bret Emerson will be CommTech Design's project manager and will coordinate all CommTech activities.

CommTech will be happy to use Holland BPW's standard service agreement for this contract.

We appreciate your time and look forward to the possibility of working with you.

Sincerely,

A handwritten signature in blue ink that reads "Bret Emerson". The signature is written in a cursive, flowing style.

Bret Emerson, RCDD/NTS
President

HOLLAND BOARD OF PUBLIC WORKS
Utility Services
July 22, 2009

Washington and Industrial 138KV Line
Relay Control Panel Upgrade

Introduction

This recommendation is for the purchase of control panel doors equipped with new electronic relaying for the Washington and Industrial Substation Relaying project. This equipment is needed to replace the existing mechanical 138 KV line relaying at these two substations.

Recommendation

Approve a purchase order to Keystone Electric of Des Moines, Iowa in the amount of \$110,242.07 for the construction and delivery of 12 completely equipped and wired control panels and 12 rear panel doors.

Discussion

Existing relays at the Washington substation are exhibiting signs that they are nearing end of life. The existing mechanical relays in place since the Industrial Substation was constructed in 1981 are now obsolete. A relay failure at either substation could result in opening a section of the 138kv transmission loop, resulting in a power outage. Replacement parts and repair facilities are becoming more difficult to locate for the existing relay equipment.

The approved budget for the Washington and Industrial Relay Upgrade project is \$250,000. The project consists of removing the existing mechanical protective relaying equipment and installing new electronic relays and control equipment. The total cost includes engineering, specification development, construction administration, and field testing, which is being performed by GRP Engineering; the construction and purchase of the panels (this recommendation); and the installation of the panels, which will be bid out and contracted.

Panel specifications and design drawings were supplied to competent fabricators by GRP Engineering on behalf of HBPW. Three firms submitted bids for the construction and delivery of the control panels. GRP reviewed the bids for compliance and has recommended that HBPW accept the bid submitted by Keystone Electric. The results are shown below:

Washington/Industrial Relay Panel Bids		
Bidder	Base Bid Cost	Price Differential
Keystone Electric	\$110,242	0
Electrical Power Products	\$115,806	\$5,564
Harlo Corporation	\$120,586	\$10,344

Report prepared by Mike Buikema, Electric Engineering Supervisor
Submitted by John Van Uffelen, Utility Services Director

HOLLAND BOARD OF PUBLIC WORKS
Operations Department
August 10, 2009

Painting of Unit 7 Combustion Turbine

Introduction

This recommendation is for the painting of the Holland Board of Public Works (HBPW) Unit 7 Combustion Turbine housing, located at our 48th Street peaking station.

Recommendation

Approve the contract with Great Lakes Painting, the low evaluated bidder, for the painting of the HBPW Unit 7 Combustion Turbine housing and associated structure in the amount of \$43,600. Also, approve a 10% contract contingency in the amount of \$4,360 for structural repairs if any are needed. This total project amount is below the \$53,000 budgeted for fiscal year 2010 for this work.

Discussion

Due to weather and age related paint deterioration which can cause structural failure from resultant corrosion, the Unit 7 housing and two supporting buildings are in need of painting. The process being targeted may use a combination of either water or sand blasting, followed by painting. The work would be conducted during the summer of 2009. Unit 7 and Unit 8 Combustion Turbines with their two each support buildings, were constructed in 1992. Staff has reviewed the structures' condition and budgeted painting of Unit 7 in FY 2010 and Unit 8 in FY 2011.

The painting process will consist of the structures being water blasted or sand blasted, a primer coat will be added and two coats of a two part aliphatic urethane topcoat will be applied. Two of the existing doors will also have to be replaced due to severe rusting and general deterioration. By sand blasting or water blasting and painting these facilities, it is expected to extend their useful life for many years. This painting project is for exterior painting of the combustion turbine and support buildings only.

Bidder Name	Location of business	Quote Amount	Meets Specifications	Previous contracts
Great Lakes Painting	West Olive, MI	\$43,600	Yes	Yes
Kooi Industrial Painting co.	Grand Rapids, MI	\$48,600	Yes	Yes

Attachments:

Contract with Great Lakes Painting

Report prepared by Harold Smith, Electric Production Engineer

Submitted by Dave Koster, Operations Director

HOLLAND BOARD OF PUBLIC WORKS
Business Services
August 10, 2009

Economic Development Rider

Introduction

This Economic Development Incentive Rider (EDIR) is designed to provide an incentive that may influence a customer's decision to locate new operations in Holland, or expand existing operations in the Holland Board of Public Works (HBPW) service territory.

Recommendation

Adopt the proposed Economic Development Incentive Rider to Rates F and M effective September 1, 2009

Discussion

The Holland/Zeeland area has been in transition for a number of years, as has all of West Michigan. This area has already lost large industrial customers to globalization and downsizing. Additionally, smaller companies feel no compelling reason to stay in this area to grow a business to its potential.

Certain "industry clusters" such as automotive and office furniture have been very successful and dominant in the Holland/Zeeland area. But, the world has changed, and the global marketplace is much more competitive. Holland has already experienced the loss of several industrial customers due to plant closings, and the loss of many jobs to outsourcing to other countries. With each announcement of plant closings and job losses comes reduction in utility utilization, and therefore lost sales. Additionally, the Holland area has lost opportunities to attract new industry and businesses to other states and communities for a variety of reasons, which include a lack of utility incentives.

In an effort to grow the sales of the HBPW, as well as do what it can to help rebuild the community and bring jobs back to Holland, the HBPW has designed an Economic Development Incentive Rider (EDIR) to the existing Time of Use Rate F (Rates FC Commercial, and FI Industrial) and Demand and Energy Rate M (Rate MC Commercial, and MI Industrial). The intent of this Rider is to provide a means of assigning "points" to a business or industry interested in locating or expanding in Holland. This process will allow the affected business a first year discount reaching as high as 30% of the capacity (demand) charge. The maximum discount will drop to a maximum of 20% the following year and 10% in the final year that the discount is allowed. This Rider will be self-renewing and available until the maximum system peak is within 15% of the HBPW's total generating resources.

Attachments:

EDIR Terms and Conditions

EDIR Worksheet

EDIR Application



ECONOMIC DEVELOPMENT INCENTIVE RIDER

The Economic Development Incentive Rider (EDIR) is designed to attract new businesses, and to support existing business expansion within the Holland Board of Public Works (HBPW) service territory. This Rider to Rates F and M is intended to encourage customers who have options for locating all or part of their business operations outside HBPW's service territory and for whom electric costs are material to their site selection decision to choose to locate or expand in its service territory, as determined by the HBPW, and take electric service from HBPW. The EDIR allows “points” for meeting certain utility and non-utility related criteria.

The EDIR is available to customers who meet all of the Minimum Requirements listed below. A completed Application is required, and the customer must agree to adhere to all of the Terms and Conditions listed below. The discount is applied to the capacity charge only, and is applied after any other discounts.

TERMS AND CONDITIONS

Minimum Requirements:

This program was designed as a Rider to Rates F and M. The customer must meet all of the minimum requirements listed below:

- New or existing businesses must be on one of the following Electric Rates: FC, FI, MC, or MI.
- Minimum new load, or increased load of 50 kW or more per month for at least six months of each year in which the EDIR is in effect.
- Load factor must not fall below 30 percent for three consecutive months within the full term of the agreement.
- A minimum of five (5) points must be earned to qualify for the EDIR.

Start Date of EDIR:

Qualified customers start date must be within a year of signed application. Customer must indicate their desired start date on the Application. Under no circumstances will the discounts be applied retroactively if the customer does not apply within the first 12 months in which they are eligible.

Discount Calculation:

Determination of the total discount percentage is calculated by the accumulated attainable points in each of the following categories:

Utility Criteria:

- **Load Factor**-calculation formula is: $[(\text{Total kWh})/(\text{\#Days in Bill Cycle} \times 24 \text{ hrs/day})]/[\text{Peak kW Demand}] = \text{L.F. (Percent)}$. The average Load Factor for the year will determine the points allowed
- **Capacity** (new or increased)-determined by customer's monthly peak kW demand, and if increased demand, must be above the historical high demand within the past 24 months.

- **Business Diversity**-new NAICS code within the HBPW service territory

Non-Utility Criteria:

- **Number of New Full-Time Equivalent (FTE) Jobs** FTE jobs must meet all criteria as defined by the U.S. Federal Government.
- **Energy Efficiency**- determined based on LEED certification level
- **Location**- located within the City of Holland and/or “Brownfield Redevelopment Site” as defined by the Environmental Protection Agency.

Reconciliation:

Each account taking advantage of the EDIR will be reviewed every 12 months from their selected Start Date. If the account reconciliation finds that the discounts being applied are not accurate, the discounts will be removed or applied retroactively, as applicable.

If the customer fails to meet all the minimum requirements stated above during the full length of the term agreement, the discount credit is forfeited and/or subject to full refund of all discounts taken, and the customer will be removed from the EDIR.

Customers who relocate outside HBPW service territory within five years must refund HBPW the full discounted credit awarded plus applicable taxes.

Availability of EDIR:

This Rider will be self-renewing and available until the maximum system peak is within 15% of the HBPW’s total generating resources. The HBPW will calculate the availability by comparing the Projected Maximum System Demand to the highest Averaged Seasonal Output. Whenever the Projected System Demand is lower than the highest Averaged Seasonal Output, the EDIR option will not be available. Whenever the Projected System Demand is higher than the Averaged Seasonal Output, the difference, in MW, is the amount that is available for customer subscription. The calculation will be done annually and be available by December 15 of each year for the following year. Customers already utilizing the EDIR will not be affected.

Participation by the customer is voluntary and made available at the sole discretion of the HBPW

RULES AND REGULATIONS:

The Economic Development Incentive Rider is subject to Holland Board of Public Works Rules and Regulations. HBPW reserves the right to amend the agreement upon notice to its customers.



Economic Development Incentive Rider (EDIR) Worksheet*

		Rates M and F			
		Year 1	Year 2	Year 3	
Utility criteria	Points	Discount allowed: (applies to capacity charge only)			
<i>Load Factor</i>					
60% to <70%	2	<input type="text"/>	4.0%	2.7%	1.3%
70% to < 80%	4	<input type="text"/>	6.0%	4.0%	2.0%
80% or greater	6	<input type="text"/>	8.0%	5.4%	2.6%
<i>New or Increased Capacity</i>					
50 kw to <150 kW	2	<input type="text"/>	4.0%	2.7%	1.3%
150 kw to < 500 kW	4	<input type="text"/>	6.0%	4.0%	2.0%
500 kW or greater	6	<input type="text"/>	8.0%	5.4%	2.6%
<i>Business Diversity</i>					
New NAICS code	2	<input type="text"/>	4.0%	2.7%	1.3%
Maximum possible utility points	14	<hr style="width: 100%;"/>	20.0%	13.4%	6.6%
Non-utility Criteria					
<i>Number of new FTE jobs</i>					
5 to < 50	1	<input type="text"/>	1.0%	0.7%	0.3%
50 to < 100	2	<input type="text"/>	2.5%	1.7%	0.8%
100 or greater	3	<input type="text"/>	4.0%	2.7%	1.3%
<i>Energy Efficiency</i>					
LEEDS Silver	1	<input type="text"/>	1.0%	0.7%	0.3%
LEEDS Gold	2	<input type="text"/>	2.5%	1.7%	0.8%
LEEDS Platinum	3	<input type="text"/>	4.0%	2.7%	1.3%
<i>Location</i>					
Inside City of Holland	1	<input type="text"/>	1.0%	0.7%	0.3%
Brownfield Redevelopment site	1	<input type="text"/>	1.0%	0.7%	0.3%
Maximum possible non-utility points	8	<hr style="width: 100%;"/>	10.0%	6.6%	3.4%
TOTAL POSSIBLE POINTS ACHIEVED	22	<hr style="width: 100%;"/>	30.0%	20.0%	10.0%
Enter points achieved and attach to Application: <hr style="width: 100%;"/>					

Minimum Points Required to qualify: 5

*Participation is voluntary and is made available at the HBPW's sole discretion.



HOLLAND BOARD OF PUBLIC WORKS

Economic Development Incentive Rider (EDIR) Application*

Customer Expansion _____ New Customer _____ Requested Effective Date _____

Company _____ Date of submittal _____

Service Address _____

Billing Address (if different) _____

City/State/Zip _____ Inside Holland City Limits (Y/N) _____

Contact Person _____ Telephone _____

Title _____ Email _____

Brief description of company operations, proposed expansion and why the EDIR is a material factor in decision to locate or expand in Holland, MI. Attach any additional information as appropriate.

	Year 1	Year 2	Year 3
Anticipated Average Load Factor			
Anticipated new electric use (kW/mo.)			
Anticipated newly created FTE jobs			

NAICS Code _____

LEED certification level (submit proof) _____ Brownfield Site (Y/N) _____

*Please note that participation is voluntary and made available at the sole discretion of the HBPW.

Print Name

Signature

Date

Below this line, HBPW Internal Use Only

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Received by

Date of final approval

HOLLAND BOARD OF PUBLIC WORKS
Operations Department
August 10, 2009

**Co-Sponsorship of Residential Personal
Pharmaceuticals Collection**

Introduction

This report will give a brief description of a personal pharmaceuticals collection that is being planned jointly by the Holland Board of Public Works (HBPW) and the Ottawa County Health Department (OCHD).

Recommendation

Receive this report for information only.

Discussion

Managing unused medications is a safety and environmental concern, and is of considerable interest to staff at our Water and Wastewater Treatment Plants. Traditionally, the public has been told to flush unwanted medications down the drain or toilet rather than keeping them around so they would not be misused by others in the household. Although effective in removing the medications from potentially being misused, flushing creates a new and growing problem in the environment. Wastewater treatment plants are not designed to remove or process many compounds found in medications that end up being discharged into our surface and groundwater¹.

The Michigan Department of Environmental Quality (MDEQ) recommends special collections for residential medications as one method for disposing of unwanted drugs¹.

The OCHD sponsored two such collections in the Grand Haven area last year. Each collection drew about 150 residents, and took in two (2) 5-gal buckets of controlled substances, and a few 55-gal drums of uncontrolled medications.

The HBPW approached the OCHD to set up a similar collection for the Holland area. A date of Saturday, September 26, 9:00 am – 12:00 pm has been chosen. The collection will take place at the OCHD facility on James Street. The OCHD will provide law enforcement, pharmacists, volunteers and operating supplies. The HBPW agreed to provide volunteers, a truck with a lift gate for transporting the 55-gal collection drums to the Resource Recovery Center at the conclusion of the event, and community advertising. Mary Ann Hensley, recycling education coordinator for the City of Holland has offered to help “spread the word” through venues she has used for their recycling events.

Report prepared by Judy N. Visscher, Environmental Regulatory Specialist
Submitted by David G. Koster, Operations Director

¹“A Remedy for Residential Drug Disposal”, Michigan Department of Environmental Quality, November 2007, <http://www.deq.state.mi.us/documents/deq-ess-cau-rxbrochure.pdf>