**REGULAR MEETING**

The HBPW Board of Directors met
**August 10, 2026**
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

**Chair Thompson called the meeting to order at 4:00 p.m.**

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| **Members Present:** | PJ Thompson, Carolyn Maalouf, Paul Lilly, Brian Lynn, Kyle Engbers, City Council Liaison Scott Corbin, and Ex Officio Members Dave Couch and Keith VanBeek |
| **Members Absent:** | None |
| **Staff Present:** | Dave Koster, Janet Lemson, Joel Davenport, Becky Lehman, Jenessa Carter, Ted Siler, Brian Richey, Grant Koster, Julie DeCook, Joe Sikma, Alex Craigmile, Nate Johnson, Liz Maciag-Lankherd, Guest: Vince Duckworth, City Attorney, Cunningham Dalman |

27.021 **Approval of Agenda**

*Board Member Maloof made a motion to approve the agenda. The motion was seconded by Board Member Lilly.*

27.022 **Communications From the Audience**

*None*

27.023 **Board Minutes – Regular Meeting Minutes of July 13, 2026, and Study Session Minutes of July 27, 2026**

*As part of the Consent Agenda, the Board of Directors approved the minutes as presented.*

27.024 **Electric Distribution Easements for Pine Bay Avenue**

Holland BPW is working on a project on Pine Bay Avenue off Division Avenue to remove the overhead primary lines and transformers in the backyards and relocate them to underground in the front yards to increase system reliability and address end of life equipment. The primary will be undergrounded along the street and connected to two pad mount transformers. The secondary will then enter the three proposed easements to the backyards to feed the existing distribution and service drops. A number of poles and open wire secondary will also be replaced during this project.

*As part of the Consent Agenda, the Board of Directors approved the following easements pending approval as to form with the City Attorney:*

*Easement 1:*
*Approve a grant of Power Line Easement with Richard Rasmussen, the property owner, ("Grantor"), for the parcel located at 726 Pine Bay Ave., Holland, Michigan 49424, with compensation in the amount of $0.*

*Easement 2:*
*Approve a grant of Power Line Easement with Matthew Rose, the property owner, ("Grantor"), for the parcel located at 737 Pine Bay Ave., Holland, Michigan 49424, with compensation in the amount of $0.*

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

*Easement 3:*
*Approve a grant of Power Line Easement with LuAnn Kern, the property owner, ("Grantor"), for the parcel located at 782 Pine Bay Ave., Holland, Michigan 49424, with compensation in the amount of $0.*

27.025 **Water Treatment Plant Low Service Backup Power Construction Agreement**

The WTP relies on the Low Service Pumping Station to pump raw water from Lake Michigan to the plant for treatment and distribution. Currently, four electric pumps and one natural gas powered pump are installed in the station. During an extended power outage, the natural gas pump is the only one capable of providing flow into the plant. This pump has a rated capacity of approximately 10 MGD, which is less than the average daily flow produced by the WTP. Thus, in a period of extended power outage, the WTP may not be capable of providing sufficient water to the distribution system. Installation of a dedicated standby generator will alleviate this issue. Additionally, it allows the natural gas pump, which is original to the 1957 construction of the station, to be decommissioned and eventually replaced with an additional electric pump, adding redundancy to the pumping station.

The budget amendment is needed due to several items that arose during the design phase that were not a part of the original estimates and market conditions that appear to be pushing installation costs upwards. Alterations encountered during the design phase include electrical upgrades needed within the pump station to accommodate the installation of the generator and automatic transfer switch (ATS). Some of these upgrades include installation of an auxiliary lighting panel and associated transformer, additional cable tray to accommodate large power feed cables, and relocation of some existing electrical conduit to meet National Electric Code (NEC) working space requirements. The selected final locations of equipment both inside the pump station and the generator outside led to higher-than-expected conduit and conductor costs, primarily due to the desire to locate the generator further from potentially encroaching sand dunes.

BPW staff have analyzed ways to reduce costs, and several cost-saving opportunities are included in this contract. Some examples include accepting a deductive alternate to move the generator approximately 40 feet closer to the station (reducing conduit and conductor cost), electing for a concrete cap over the buried conductors in lieu of a fully encased duct bank, and removal of the built-in ATS manual bypass, which added significant cost to the ATS equipment. A partial credit for the previously approved automatic transfer switch (which originally included the manual bypass) has been granted from the equipment supplier. This credit, in addition to any unused contingency costs and the potential return of the unused portions of two project allowances (one for material testing and one for SCADA programming and testing services), will likely lower the overall cost of the project upon completion. However, the budget amendment is needed to cover the entire maximum cost, including all contingencies.

Bid proposals for construction of the WTP Low Service Backup Power Project were requested in July 2026 from three qualified contractors, with bids received from two contractors that attended a mandatory pre-bid conference. BPW staff and Fishbeck Engineering reviewed the bids and determined that both had qualified bids. The following table summarizes the bids received:

| Construction Firm | Location | Bid Amount* | Addenda | Completion Date |
|---|---|---|---|---|
| Parkway Electric and Communications LLC | Holland, MI | $445,125.00 | Yes | January 30, 2027 |
| Bazen Electric | Grand Rapids, MI | $561,824.00 | Yes | January 30, 2027 |
| Hillard Electric | Cedar Springs, MI | No Bid | N/A | N/A |

*Tabulated bid amount is the base bid cost, minus deductive alternates No. 1 and No. 2, both of which are proposed to be taken.

The team recommends awarding the contract for the construction of the WTP Low Service Backup Power project to Parkway Electric and Communications LLC as the lowest price qualified bidder.

*As part of the Consent Agenda, the Board of Directors approved a contract with Parkway Electric and Communications LLC in the amount of $445,125, with a 10% contingency of $44,500, for a total of $489,625 pending approval as to form by the City Attorney.*

*Additionally, approve a Fiscal Year 2027 capital budget amendment of $150,000, increasing the project budget from $800,000 to $950,000 to cover the additional project costs.*

27.026 **Capital Budget Amendment - Unplanned Failed Infrastructure Replacements**

The Unplanned Failed Infrastructure Replacements capital budget is intended to fund unexpected infrastructure failures that require capital replacement including water main failures, valves, hydrants, and other emergency system reliability improvements. The currently approved FY 2027 in this budget is $75,000.

A recent failure of a 24-inch transmission system valve requires replacement at an estimated cost of approximately $77,000. This replacement exceeds the entire approved annual budget for this capital budget line item. Because this project alone would consume more than the available budget, staff requests an increase of $75,000 to provide adequate funding for the valve replacement while maintaining the budget for additional unplanned infrastructure failures that may occur during the remainder of the fiscal year.

Maintaining available funding within this budget category is important to ensure timely replacement of critical system components and address unforeseen capital needs such as valve replacements, hydrant replacements, and water main break-related improvements, including installation of replacement sections of water main when larger failures occur.

**Fiscal Impact:**
- Current Budget: **$75,000**
- Requested Increase: **$75,000**
- Revised Budget: **$150,000**

This amendment will provide sufficient funding for the 24-inch valve replacement and preserve a balance for other unforeseen capital infrastructure replacements through the remainder of FY27.

*As part of the Consent Agenda, the Board of Directors approved a capital budget amendment in the amount of $75,000 for the FY27 Water Distribution Capital Budget line item: Unplanned Failed Infrastructure Replacements. This will bring the new total budget to $150,000.*

27.027 **Declaration of Surplus Material Summer**

The HBPW has identified materials and equipment which are no longer pertinent for use. The attached lists show the items determined as excess, obsolete, or uneconomical to repair. Once declared surplus, the items will be disposed of in the following order:

1. Offered to other City departments
2. Sell to companies specializing in inventory disposal
3. Auction (utilizing GovDeals or Biddergy online portal)
4. Public auction (in limited cases)
5. Donation
6. Recycling or waste disposal

***Holland City Fiber surplus detail -***
Some of the items in this surplus are from the Holland City Fiber Passings project. Due to supply chain shortages, the project purchased materials in advance of a full and final design process. The high-level design provided by CTC and used for the project planning and RFP process used more conduit runs and lower count fiber cables than the final EX2 design that was submitted and approved. This final design resulted in significant savings on labor but did leave us with excess materials HBPW purchased for the project. Funds received for the excess materials will be reimbursed to the Holland City Fiber passings project. We have interest from a third party for these materials, and they will be offered in an auction process.

*As part of the Consent Agenda, the Board of Directors approved the attached lists of items as surplus.*

27.028 **Grant of Public Utility Easement for Robert De Nooyer Chevrolet, Inc.**

As part of the 8th Street Water Main Replacement Project, Holland BPW Water/Wastewater Services is connecting the distribution main to the transmission main in 8th Street near the intersection of 8th Street and US-31. This connection will improve water system reliability and provide additional redundancy within the distribution system. A public utility easement is needed from Robert De Nooyer Chevrolet, Inc. to construct, operate, maintain, repair, and replace the connection on private property at 600 E. 8th Street.

*As part of the Consent Agenda, the Board of Directors approved a Grant of Public Utility Easement with Robert De Nooyer Chevrolet, Inc., the property owner ("Grantor"), for the parcel located at 600 E. 8th Street, Holland, Michigan, in the amount of $0, pending approval as to form by the City Attorney.*

27.029 Action on Consent items:

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| Motion to approve, accept, or adopt Consent Agenda items | *Lilly* |
| Second | *Maalouf* |
| Favor | *5* |
| Oppose | *0* |

27.030 **Major Project Update**

*For information only*

27.031 **Combustion Turbine Generator B Inspection Improvements**

In January 2024, Siemens Energy published a Product Warning regarding the Turbine Disc 2 (TD2) on SGT-800 combustion turbine generators (CTG) with 50-57 MW capacity ratings. This product warning applies to Units 10 and 11 at Holland Energy Park. The TD2 is a component in the hot gas section of the combustion turbine generator (CTG). The turbine is comprised of three separate discs that are bolted together to create the turbine rotor. The turbine blades are affixed to the discs to harness the energy in the hot gases and rotate the rotor. This Product Warning noted long term, higher than normal temperatures in the TD2 blade region could "lead to a blade liberation and secondary damages to turbine section". An event like this could greatly damage the CTG and make it unavailable for a detrimental amount of time. This would result in loss of power generation, loss of capacity, and unknown repair costs.

In response, Siemens Energy took several steps to address the issue. First an inspection on the turbine disc was created to determine the risk of a blade liberation event. The inspection though requires the disc to be exposed which is done infrequently. A method to calculate the probability of

failing this inspection was also created to help prepare CTG owners going into an outage of the possible outcomes. This probability calculation is based on operational temperatures and run hours. In addition to this, several parts improvements were made to sealing and cooling components around the TD2 region to improve longevity of the components.

Holland Energy Park has an outage scheduled for October 2027 that includes a B Inspection on the CTGs. As part of the work scope of the B inspection, the turbine blades and discs will be exposed for inspection. This means that Siemens Energy will be inspecting the TD2 per the Product Warning. In preparation of this outage, Siemens Energy ran the probability of inspection failure calculation for Units 10 and 11 at Holland Energy Park which resulted in a 25% and 60% probability, respectively.

Based on the elevated probability of inspection failure on Unit 11, Siemens Energy is recommending that HBPW prepare for potential TD2 replacement by having a new unit on hand at the time of the outage. They are also recommending that HBPW implements the sealing and cooling improvements to both units during the outage, regardless of TD2 inspection results. There is a long lead time to all of these components. The TD2 has the longest current lead time at 85 weeks. However, Siemens Energy has one available for the HBPW to purchase and have onsite for the October 2027 outage. Siemens Energy requires a PO by the end of September 2026 to meet this timeline on the available TD2. It is in the HBPW's best interest to order a new TD2 for Unit 11 and the other associated sealing and cooling components to have onsite during the outage. A failed inspection on TD2 indicates an elevated risk of blade liberation and catastrophic turbine damage.

HBPW Staff is recommending having a spare TD2 on hand to install on Unit 11 if it should fail the inspection as well as installing all upgraded sealing and cooling components on both Units 10 and 11 regardless of the inspection results. These upgrade sealing and cooling components will prolong the life of TD2, regardless of whether the TD2 is new or original to the unit. HBPW Staff will evaluate inspection results on Unit 10 and availability of TD2 after the October 2027 outage to determine the need to order a second TD2 as a potential inventory item for future replacement.

The quoted price for one TD2 and upgrade sealing and cooling components for both Units 10 and 11 is $1,673,956, of which the TD2 is $1,334,112. The requested $2,000,000 budget amendment would cover the purchase of these parts, additional outage costs associated with installing the TD2, and other capital improvements to the CTGs that are being discussed with Siemens Energy during the October 2027 outage.

*Recommendation: The Board of Directors approved a fiscal year 2027 capital budget amendment in the amount of $2,000,000 and authorize a parts purchase with Siemens Energy in the amount of $1,673,956 by means of change order to the long-term program.*

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| *Motion to approve recommendation* | *Maalouf* |
| *Second* | *Lynn* |
| *Favor* | *5* |
| *Oppose* | *0* |

27.032 **Scenic Shores Pump Station Rehabilitation**

In February 2023, the design of the Southside and Scenic Shores Pump Stations was approved for the rehabilitation of each station. The Southside Pump Station rehabilitation was issued for bid first and was previously approved by the Board. Bids for the rehabilitation of the Scenic Shores Pump Station were recently received.

Initially, Scenic Shores was bid for construction on May 28, 2026, but only received one bid. The bid was significantly over the approved budget. To generate additional contractor interest and improve competitiveness, the project was reissued for bid with modifications to the schedule and bidding audience. The second bid opening was held on August 4, 2026, and yielded four bids.

Results of the bid are as follows:

| Contractor | Bid |
|---|---|
| Lee Contracting | $1,092,280 |
| Erhardt | 1,106,843 |
| CopperRock | 1,149,027 |
| GRC | 1,180,800 |

Although Lee Contracting submitted the lowest cost bid, staff evaluated all proposals based on qualifications, schedule, experience, and overall value to the project. Lee Contracting's original proposed schedule did not meet project expectations, and there is a level of uncertainty associated with their performance on a project of this magnitude as they have not previously completed similar work for HBPW.

Erhardt Construction proposed a schedule that met project expectations and has recent experience successfully working with HBPW, most notably completing the Water Treatment Plant Chemical Storage Building project. Erhardt also proposed subcontractors familiar with HBPW facilities and standards. Erhardt also identified potential cost-saving opportunities during discussions with the design engineer, Prein & Newhof. Based on their qualifications, experience, proposed schedule, and overall value to the project, both staff and Prein & Newhof recommend awarding the contract to Erhardt Construction.

In addition to construction costs, engineering services have been provided by Prein & Newhof for design and construction administration. The total project cost, including the construction contract, engineering services, a $100,000 construction contingency for unforeseen conditions and potential change orders, and other associated project expenses, is estimated at $1,400,000.

The approved capital budget for this project is $900,000. To fully fund the project, including the recommended construction contingency and engineering costs for construction oversight, a FY27 Capital Budget amendment of $500,000 is recommended.

*Recommendation: The Board of Directors approved a contract with Erhardt Construction Company in the amount of $1,106,843 with a contingency of $100,000 for a total of $1,206,843, pending approval as to form from the City Attorney. Additionally approve a FY27 Capital Budget amendment of $500,000 for a total project budget of $1,400,000.*

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| *Motion to approve recommendation* | *Lilly* |
| *Second* | *Maalouf* |
| *Favor* | *5* |
| *Oppose* | *0* |

27.033 **Southside Tank Repairs - Capital Budget Amendment**

The Southside Tank Repairs project will address necessary repairs and maintenance to support the tank's continued reliability and regulatory compliance. Estimated project costs include $20,000 for engineering services from Dixon Engineering, Inc. and $61,300 for construction by Seven Brothers Painting, Inc., for a subtotal of $81,300.

With a 10% contingency of $8,130, the total estimated project cost is $89,430. The overall project budget was originally approved at $100,000; but mistakenly, only $70,000 was requested to be carried forward into the FY27 capital budget (expected 2027 cash flow vs total project budget). The requested amendment restores the project to its originally approved total funding level and is not the result of increased project scope or unforeseen cost escalation.

*Recommendation: The Board of Directors approved a capital budget amendment for the Southside Tank Repairs project in the amount of $30,000, increasing the total project budget from $70,000 to $100,000.*

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| *Motion to approve recommendation* | *Maalouf* |
| *Second* | *Lynn* |
| *Favor* | *5* |
| *Oppose* | *0* |

27.034 **Owner's Engineer for Local Generation Resources Evaluation and Contracting**

In follow-up to the Integrated Resource Plan (IRP), HBPW undertook a tactical action to investigate the economics of local resources by preparing and issuing a Request for Proposals (RFP) for the installation of utility owned solar generation and battery storage. The RFP was issued in January 2026, and proposals were received on March 6, 2026. Following an initial evaluation, PRISM Power's proposal for a 5-20 MW, 4-hour duration, Battery Energy Storage System (BESS) at HBPW's 48th Street Peaking Station emerged as a leading opportunity. In April, staff began working with PRISM Power to further evaluate the project and explore its viability.

As part of a potential project, five firms were solicited for owner's engineering service proposals for the BESS project. Four firms returned qualified proposals. HBPW staff evaluated the proposals and found them to be competitive. Pricing on the four proposals had a $446,700 difference between the high and low bidders. As submitted, Commonwealth was the lowest bidder. Differences in the estimates of cost was dependent on an estimation of number, type, and format of deliverables from PRISM, length of construction activities, and type of documentation provided for Investment Tax Credit (ITC) certification. Due to the unknown variability of hours and reviews tied to the estimated cost, staff focused on the associated rates for the staff proposed, length of review time needed, background experience on similar projects (BESS), and type of Service (Owner's Engineer). Clarification questions were asked and provided to confirm the rates and scope included in Commonwealth's proposal. Commonwealth included the most comprehensive project experience in their proposal with competitive staff rates.

A summary of the evaluated bid results and quoted design times are as follows:

| Engineering Firm | Location | Proposal Submitted | Review Time | Resource Availability for Proposed Schedule | Past Project Experience BESS | Rate Sheet | Estimated Hours | Budget Cost |
|---|---|---|---|---|---|---|---|---|
| Commonwealth | Jackson, MI | Yes | 2 weeks | Yes | Yes | Yes | 590 | $150,000 |
| HDR | Ann Arbor, MI | Yes | 2-4 weeks | Yes | Yes | Yes | 2,451 | $596,700 |
| PSE | Madison, WI | Yes | 1.5 – 2 weeks | Yes | No | Yes | 1,463 | $345,960 |
| NTH | Grand Rapids, MI | Yes | N/A | Yes | | Yes | 780 | Not Provided |
| 1898 & Co. | Chicago, Il | No | | | | | | |

Based on the team's evaluation, Commonwealth received the highest score; and HBPW Staff recommends entering into an engagement with Commonwealth for preliminary Owner's Engineer (OE) services. If evaluation and contracting is favorable, a capital budget amendment and recommendations for BESS Build Transfer Agreement and the remaining OE services will be brought to the Board in September.

*Recommendation: The Board of Directors approve staff to engage with Commonwealth to enter into a Purchase Order not to exceed $15,000 to assist in evaluation and contracting with PRISM.*

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| *Motion to approve recommendation* | *Lilly* |
| *Second* | *Lynn* |
| *Favor* | *5* |
| *Oppose* | *0* |

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

27.035 **Closed Door Session – Legal Opinion**

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| Motion to enter Closed Session @ 4:54 p.m. | | *<Name>* |
| Made by | Lilly | *<Name>* |
| Second: | Maalouf | |
| Favor | 5 | |
| Oppose | 0 | |
| *ROLL CALL: Thompson, Maalouf, Engbers, Lilly, Lynn* | | |
| Motion to re-enter Open Session @ 5:45 p.m. | | *<Name>* |
| Made by | Lilly | *<Name>* |
| Second | Lynn | |
| Favor | 5 | *<#>* |
| Oppose | 0 | *<#>* |

27.036 **General Manager Comments**

- August 24, a Study Session, is our next meeting

ADJOURNMENT

A motion to adjourn the meeting of *August 10, 2026,* was made by *Lilly* supported by *Maalouf* and agreed upon by the Board of Directors present.

The Board Meeting of August 10, 2026, adjourned at *5:46 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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