

REGULAR MEETING

The HBPW Board of Directors met
July 11, 2018
at 4:00 p.m.
in the Service Center Board Room
625 Hastings Ave.
Holland, Michigan

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

Members Present: Tim Hemingway, Diane Haworth, Jim Storey, Phil Miller, and Ex Officio Members Bob Shilander and Keith Van Beek

Members Absent: Sue Franz, Brian Lynn

Staff Present: Dave Koster, Janet Lemson, Joel Davenport, Ted Siler, Chris VanDokkuburg, Alison El-Cassabgui, Pete Hoffswell, Jane Monroe, Kevin Koning, Barry Rutherford, Anne Saliers, Morgan Kelly, Steve Bruinsma

18.182 **Board Minutes – Regular Meeting of May 7, 2018; Special Meeting Minutes of May 21, 2018**

As part of the Consent Agenda, the Board of Directors approved the minutes with amendment to May 7 minutes that Board Member Storey was absent from that meeting.

18.183 **16th Street Lift Station Upgrade**

The 16th Street Lift Station was built in 1968 at the intersection of 16th Street and Crescent Drive. This station is up for replacement and has been exhibiting end-of-life issues resulting in a loss of reliability and increase in after-hours call outs to the service crew. Maintenance of this station is particularly critical due to the large service area of approximately the west third of the sewer system.

This station was identified for replacement in a 2015 lift station evaluation/scoping study performed by Moore & Bruggink. Detailed engineering to update the lift station to current standards was performed under a separate contract with Moore & Bruggink in 2016 and 2017 with the bid package being released in May 2018.

Bid results are given in the table below:

Contractor	Bid	Location	Previous Contracts
Kamminga & Roodvoets	\$799,500	Grand Rapids, MI	Yes
Triangle Associates	\$965,000	Grand Rapids, MI	Yes
Davis Construction	\$891,983	Kentwood, MI	No

The project has gone through several iterations in its planning and budgeting stages. While planning the FY2018 budget, it was anticipated the station would be increased in size such that a nearby lift station, 17th Street, could be abandoned, and was given a total budget of \$2,000,000. Through subsequent design iterations, it was decided that financially the abandonment of the 17th Street lift station did not make sense until that station needed substantial structural improvements, which are not anticipated in the near term. Subsequently, for planning purposes, the department revised the total anticipated project cost to \$1,000,000, although this is not reflected in the budgeted dollar amount.

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Engineering allocated to the project is approximately \$56,000. Additional valve and bypass work was completed prior to the construction contract to ensure the station could continue to operate until construction (the improvements will be reused and not replaced during construction) totaling approximately \$55,000, for a total anticipated project cost of \$990,450.

As part of the Consent Agenda, the Board of Directors approved a contract with Kamminga & Roodvoets Inc, in the amount of \$799,500 with a 10% contingency of \$79,950 for a total of \$879,450, pending approval as to form from the City Attorney.

18.184

CLEARResult Master Services Agreement for EWR Programs

Public Act 295, also known as the “Clean, Renewable, and Efficient Energy Act” requires all providers of electric and gas service in Michigan to establish energy optimization (EO) programs by filing energy optimization plans with the Public Service Commission. The overall goal of an EO plan is to reduce the future costs of provider service to customers.

The plan must demonstrate that the provider’s EO programs, excluding program offerings to low income residential customers, will collectively be cost-effective and include a process for obtaining an independent expert evaluation to verify the incremental energy savings from each energy optimization program. Upon approval of its plan, the utility may recover the incremental cost of compliance in a surcharge, not to exceed two percent of electric retail sales. HBPW collects just 63.8 percent of what it may collect and has been able to achieve the kWh savings goal each year.

The MPSC allows providers flexibility in designing their energy optimization programs. Beyond the prescriptive measures with deemed savings, up to 5.5 percent of the costs of implementing the plan may be used for educational programs designed to alter consumer behavior. The objectives of the HBPW educational programs are:

- To develop broad consumer awareness of the benefits of energy efficiency
- To provide educational materials and services that motivate customers to participate in our EO programs and to motivate behavior change that can further reduce energy consumption

The purpose of pilot programs is to identify and learn more about new energy efficient technologies and program strategies with potential to capture additional electric energy savings in the residential and business sectors. Up to 5.5 percent of a utility’s total EO budget can be used for pilot programs, with a 5.5 percent contribution to the total energy savings goal.

Community Energy Services is proposing two new pilot programs to be implemented in the 2018 and 2019 program years. Both are designed and conducted by CLEARResult and offer opportunity to partner with SEMCO Energy for broader, more comprehensive solutions for the customer.

Strategic Energy Management helps large industrial customers achieve measurable, robust and persistent energy savings through continuous improvement and employee engagement practices. It applies the total quality management methodology of plan-do-check-act to identify and prioritize energy savings over the course of a 15-month structured curriculum (see SOW 1) that includes training, onsite consulting and cohort discussions. Rather than traditional tactical equipment change measures, SEM is strategic and process focused, looking at behavioral changes and streamlining equipment projects. The value goes beyond energy cost reduction.

This educational pilot program would help us discover and explore other energy saving options, especially from process energy and behavior change opportunities. As businesses complete conversion to LED technology, it will become much more difficult, and expensive, for both customers and HBPW, to find kWh savings to meet goal. SEM helps us get started identifying the most effective solutions now.

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The cost per customer is a fixed fee of \$18,500, which will be evenly split by month over the 2018 and 2019 program years. As tuition and skin in the game, customers will be charged 30 percent, or \$5,550, at the start the program. Our top six industrial customers (annual kWh) will be offered the opportunity to participate first. We will continue down the list by size until the roster is full. Expense recovery from tuition is \$33,300 - \$44,400 and will fall in FY 19. Customers will be given the option to deduct tuition from their 2019 incentive cap in lieu of cash payment. In the unlikely event we are not successful in recruiting at least six participants, our obligation to CLEAResult is nominal, only time and materials to date. Customers who have already indicated interest include Request Foods, Haworth, Yanfeng and LG Chem.

It is highly likely that SEMCO will partner with us in the program. For our customers, this means the inclusion of natural gas measures, thus making the program more robust and holistic for them. It will likely result in easier recruitment of companies to participate. Partnering with SEMCO would not change the pricing to HBPW. The price presented represents a focus only on electric consumption. Adding gas measures is incremental in the amount of time spent at each customer site and the breadth of content in the reports each receive.

Although new to HBPW and the first time offered in Michigan, CLEAResult has engaged more than 700 facilities in 14 states and provinces in the Strategic Energy Management Program. On average, the electricity load saved is 4.9 percent.

Manufactured Homes is a direct install turnkey residential pilot program targeting income qualified customers. It provides deep energy retrofits to overcome innate energy and comfort issues. Manufactured (mobile) homes face different energy efficiency challenges than permanent dwellings. Due to the nature of their assembly and transport, they contain large insulation gaps. This program will increase the effective R-value of existing insulation, reduce duct leakage, and minimize conductive heat loss. The added insulation will create substantial contact with the pressure boundary to achieve the claimed R-value.

The program includes both electric and gas related measures, as we are partnering with SEMCO on the cost of this pilot. There are kWh savings measures, as well as therm saving measures, that will be installed in each manufactured home that participates in this program. The savings breakdown can be found in the attached spreadsheet.

The kWh savings measures that will be implemented in this program are all long-term measures, and include duct sealing, weather-stripping, air sealing, programmable thermostats, indoor and outdoor LEDs, and mobile home belly insulation. SEMCO will claim therm savings for measures which include aerators, showerheads and pipe insulation, and will also claim savings associated with duct sealing, weather-stripping, programmable thermostats, and mobile home dense pack belly insulation. There are a couple of other measures including AC tune-ups (RCA, iManifold) and Furnace tune-ups, which are both short term measures, that will not be included in this proposed pilot plan due to a lack of funding. However, these measures may be eligible in future program years if they are deemed important, and if funding is available.

This program will be implemented by CLEAResult as a turnkey program. Although new to HBPW, CLEAResult has completed 4,000 Manufactured Home retrofits in 80 communities. Their unique approach provides powerful enhancements at no-cost to the customer. They will coordinate the marketing and outreach, connecting with mobile home park managements, as well as the contractors whom will be completing the work. They will ensure the completion of services, and provide month-to- month, and final reports. The details of these reports can be found in the SOW. CLEAResult has in mind to contact the following properties in Holland:

Country Acres Mobile Home Park (~120 units), Willow Homes (~190), Lincoln Estates (~190), Candlelight Manor (~190), and Leisure Estates (~ 420).

The estimated budget for the program running as a 2018 pilot is \$67,403.44. Our 2018 Pilot

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allowance is \$50,492.00, though we intend to draw from the Low Income budget. SEMCO will be paying for 75%, putting their total at around \$202,210. The estimated savings for the program running as a 2018 pilot is 114,369.88 kWh. The lifetime savings projection is 1,643,233.37 kWh. The savings per kWh is \$0.59. The annual CO2 metric tons decrease is projected to be 87.58, with a lifetime projection of 1,258.27.

If approved, the program would start in June beginning with marketing and outreach, moving into services beginning in July, Services completed in October/November, and the pilot finalized in December. The pilot report would be delivered in March.

CLEAResult is the leading provider of energy efficiency services in North America offering a comprehensive portfolio in program filing, planning and design, implementation, measurement and evaluation and pilots. For and in the State of Michigan, CLEAResult operates under the Efficiency United brand, including implementing SEMCO's EWR programs.

As part of the Consent Agenda, the Board of Directors approved the CLEAResult Master Services Agreement and Statement of Work No. 1 (SEM) for up to \$148,000 and Statement of Work No. 2 (MH) for up to \$67,403.33.

18.185

Electric Underground and Fiber Construction Services Agreement

Holland BPW maintains a construction agreement that covers the installation of underground electric lines and fiber optic aerial and underground cable and equipment. The current agreement with Precision Trenching expires on June 30, 2018.

Four companies were invited to bid with three submitting bids for the new agreement. Precision Trenching was the lowest bidder at \$719,101 for the fiscal year 2019, July 1, 2018, through June 30, 2019. This agreement may be extended three times for periods of 12 months at the sole option of Holland BPW, subject to mutually agreed upon pricing adjustments. Precision has held this agreement since July 2012 with very favorable results, meeting the needs of HBPW.

The bid is based on estimated unit quantities from the past three years of projects. This agreement at \$719,101 is \$109,686 more than the last agreement; however, quoted quantities are different from the previous agreement and are based on our usage. Unit pricing is approximately five percent above our existing agreement pricing with Precision Trenching for the 2015 - 2018 fiscal years.

Bidder	Bid Amount	Meets Specifications	Previous Contracts
Dewitt Trenching	No Bid	-	No
Precision Trenching	\$719,101	Yes	Yes
Utility Contracting	\$981,342	Yes	No
Western Tel-com	\$940,895	Yes	Yes

As part of the Consent Agenda, the Board of Directors approved a construction services agreement with Precision Trenching pending City Attorney approval. Based on the estimated quantities, the contract value for FY 2019 is \$719,101.

18.186

Large Diameter Valve Replacement and Air Release Improvement Contract

After the 36-inch transmission main break and during the follow-up leak detection inspection, flow rates at the tool extraction point (9th and Pine) did not make sense based on 'known' valve positions. Ultimately this was traced back to critical valves at the intersection of 168th and Perry being in poor condition.

One of the most critical valves in the transmission and distribution system is the valve that interconnects and separates the 30 and 36-inch transmission mains at 168th and Perry. This

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valve required very high torque settings to operate between its 'known' open and closed position, where it would 'torque out' at the apparent closed position. After further analysis, which required excavating the intersection and inspecting the valves, it was determined that the valve was only being closed half way.

Due to the criticality of the valve, the fact that another less critical (but still very critical) valve in the intersection was not operational, and that construction would allow for the insertion of a valve to create redundancy for a critical 1955 valve (only one valve, original to the 1955 transmission main, separates the Wyoming Interconnect from the Water Filtration Plant), the decision was made to replace the valves. Improvements to critical air relief vaults are planned during the same period the transmission mains will be shut down for the valve repair.

The BPW contracted with FTC&H to perform the engineering and contract administration for the valve replacements and air release improvements. It is currently planned to occur October 15, 2018 and last approximately one week. The planning and timing of the project is critical as it will require a total shutdown of the Water Filtration Plant. Water demands need to be low enough that the entire system demand can be met from the Wyoming Interconnect.

The 30-inch transmission main in 168th Ave, including the 24-inch gate valve, is owned 1/3, 1/3, 1/3 by the Holland BPW/City of Holland, Laketown Township, and Park Township. The replacement costs for this portion will be allocated between these entities. The 36-inch transmission main is owned by the Holland BPW/City of Holland, however, the City of Zeeland, per Contract, is required to participate in capital improvements to the transmission system in proportion to their water use.

Both the 30 and 36-inch transmission mains are concrete pressure pipe, which is a unique material widely used for large diameter transmission mains for approximately a 50 year period. A limited number of contractors in West Michigan have experience working on this type of pipe. Due to the criticality of the project, a limited invite list was generated by FTC&H for bidding the project. Of four contractors invited, three provided a bid:

Contractor	Bid	Location	Previous Contracts
Kamminga & Roodvoets, Inc.	\$ 359,408.75	Grand Rapids, MI	Yes
Jackson-Merkey Contractors, Inc.	388,468.00	Muskegon, MI	Yes
Diversco Construction Co.	640,791.75	Grandville, MI	No
Engineer's Estimate (FTC&H)	349,291.50	N/A	N/A

\$750,000 has been budgeted for inspections and improvements on the 36-inch transmission main through the end of FY18. Currently, \$203,619.03 has been spent, leaving \$546,380.97 remaining.

As part of the Consent Agenda, the Board of Directors approved a contract with Kamminga & Roodvoets, Inc. in the amount of \$359,408.75 with a 10% contingency of \$35,940.88 for a total of \$395,349.63, pending approval as to form from the City Attorney.

18.187

Action on Consent items:

Motion to approve, accept, or adopt Consent *Haworth*
Agenda items
Second *Storey*
Favor *4*
Oppose *0*

18.188

Communications from the Audience

None

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18.189 **Major Project Update**

For information only

18.190 **ChargePoint Inc. Data Sharing Agreement**

The Electric Vehicle Charging Strategy Tactical Action Project Team recommended that HBPW offer a rebate to electric customers for the purchase of qualified home chargers in support of electric vehicle charging infrastructure. Requirements for the \$300 rebate (approximately ½ the cost of a home-charger) specify that the charger contains an embedded meter for accurate Time-of-Use (TOU) calculation. The home-charging station will transmit data via the homeowner's WIFI to ChargePoint, who in turn will provide a means of accessing the data. The reports will show on-peak and off-peak usage from the charging station for manual calculation.

After the two year pilot, ChargePoint will continue to allow access to the data, but charge Port Access fees of \$24/port/year for the data, or \$36/port/year if we chose to include their Load Management feature.

Recommendation: The Board of Directors approved the Data Sharing Agreement with ChargePoint, Inc. for a two-year term, pending approval as to form from the City Attorney.

<i>Motion to approve recommendation</i>	<i>Storey</i>
<i>Second</i>	<i>Miller</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

18.191 **College Avenue 36-inch Sanitary Sewer Cured in Place Pipe (CIPP) Contract**

The College Avenue sanitary sewer main is the largest in the BPW's collection system and is made of reinforced concrete pipe. While structurally sound initially, concrete pipe is susceptible to hydrogen sulfide (H₂S) induced corrosion in sanitary sewer systems. The 36-inch interceptor proposed for CIPP lining runs from 16th Street and College north to 6th and College, then quasi cross-country northwest to the Water Reclamation Facility.

The majority of the pipe shows early to moderate signs of hydrogen sulfide induced corrosion, with concrete aggregate missing from the surface of the pipe, typically toward the top/crown of the pipe. The segment of pipe in the worst condition is near the entrance to the Water Reclamation Facility and has exposed and rusting reinforcing steel. After the collapse of the reinforced concrete pipe/manhole at the intersection of 8th and Country Club, the BPW has lined several segments of large diameter reinforced concrete pipe in poor condition, most notably 8th Street west of Country Club, 7th Street west of Lincoln, and 16th Street east of Central.

BPW staff has decided to include manhole rehabilitation with the project in order to provide for complete rehabilitation and H₂S protection of this critical asset. As previously discussed at several Board meetings, the variety of products, techniques, and range of cost continues to make choosing and bidding manhole rehabilitation significantly more difficult than the CIPP lining. Although the bid process generally went very well, the manhole lining element created confusion among the bidders, with three of four bidders submitting unapproved products/subcontractors with a significant range in costs. For purposes of evaluating the bids, this line item was removed as the subcontracted cost of approved products/subcontractors for manhole rehabilitation is effectively uniform across the bidders.

Based on contractor feedback about lack of scheduling availability this fall, the BPW also provided alternates in the bid that pushed some or all of the project into 2019. Ultimately these alternatives proved to have marginal or no savings as all contractors providing similar pricing to the base bid/schedule. Subsequently these alternates have been ignored for the purposes of bid evaluation.

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The following bids were received:

Company	Base Bid Excluding Manhole Rehab	Base Bid Including Manhole Rehab	Location	Previous Contracts
IPR Great Lakes	\$ 977,400.00	\$1,029,650.00	Detroit MI	Yes
Layne Inliner	983,450.00	1,158,250.00	Hilliard OH	No
Lanzo Trenchless Technol North	1,012,450.00	1,168,535.00	Roseville MI	No
Insituform Technol USA	1,024,098.20	1,295,651.90	Chesterfield MI	Yes

Manhole rehabilitation options included within the bid results ranged from \$52,250 to \$271,554. BPW staff is recommending the Cured in Place Manhole method, which utilizes similar technology to the pipe lining, for an anticipated cost of \$174,800. This cost is included in the requested contract approval amount.

\$2,000,000 was budgeted for sanitary sewer lining between FY2018 and FY2019. Several projects and contracts have/will utilize that budget:

Project	Project Budget
Misc. Manhole Lining	\$ 274,500.00
8-inch Lining	221,000.00
College/36-inch Manhole Adjustments	94,000.00
College/36-inch Engineering	63,000.00
College/36-inch Lining + Manholes	1,267,420.00
TOTAL	\$ 1,919,920.00

Recommendation: The Board of Directors approved a contract with IPR - Great Lakes, LLC in the amount of \$1,152,200 with a 10% contingency of \$115,220 for a total of \$1,267,420, pending approval as to form from the City Attorney.

<i>Motion to approve recommendation</i>	<i>Haworth</i>
<i>Second</i>	<i>Miller</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

18.192

Closed Door Session – Pending Litigation

Motion to enter Closed Session @ 4:42 p.m.	<i>Haworth</i>
Second	<i>Miller</i>

ROLL CALL VOTE: Hemingway, Haworth, Storey, Miller

Motion to re-enter Open Session @ 4:53 p.m.	<i>Storey</i>
Second	<i>Haworth</i>
Favor	<i>4</i>
Oppose	<i>0</i>

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18.193 **Settlement of Lawsuit**

Recommendation: The Board of Directors approved the motion for release and settlement agreement between the City of Holland by and through its Board of Public Works (as Plaintiff) and D.J. McQuestion & Sons, Inc. (as Defendant) of the litigation pending in Holland District Court for those reasons discussed in closed session.

<i>Motion to approve recommendation</i>	<i>Haworth</i>
<i>Second</i>	<i>Miller</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

BOARD COMMENTS

Joel Davenport updated the Board on the current state of the TOC (total organic carbon) water issue testing as we work through the situation with the state of Michigan's DEQ.

ANNOUNCEMENTS

Reminder: Next meeting is a Special Meeting on June 25, 2018

ADJOURNMENT

A motion to adjourn the meeting of *June 11, 2018*, was made by *Haworth* supported by *Miller* and agreed upon by the Board of Directors present.

The Board Meeting of June 11, 2018, adjourned at *5:26 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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