

REGULAR MEETING

The HBPW Board of Directors met
March 7, 2022
at 4:00 p.m.
625 Hastings Ave.
Holland, Michigan

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

Members Present: PJ Thompson, Sue Franz, Paul Lilly, Carolyn Maalouf, City Council Liaison Nathan Bocks, and Ex Officio Members Bob Shilander and Keith Van Beek

Members Absent: Tim Hemingway

Staff Present: Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Joel Davenport, Jon Hofman, Grant Koster, Pieter Beyer, Steve Bruinsma, City Attorney, Ron VanderVeen

22.148 **Approval of Agenda**

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

22.149 **Board Minutes – Regular Meeting Minutes of February 7, 2022**

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

22.150 Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Lilly</i>
Second	<i>Maalouf</i>
Favor	<i>4</i>
Oppose	<i>0</i>

22.151 **Communications from the Audience**

None

22.152 **Major Project Update**

*Closeout Memos also presented for:
College Avenue Reconstruction
Electric Distribution College Avenue
10th Street Reconstruction*

For information only

22.153 **Gas Pipeline Verification Dig Services**

The Holland BPW is required to conduct in-line inspections (ILI) on our gas pipelines every seven years as part of the Pipeline Integrity Management Program. The program also requires an ILI to be followed up by verification digs. Verification digs are a process of exposing sections of pipeline to allow for non-destructive examination (NDE) on a selection of features found during the ILI. The findings of the verification dig NDEs will be compared to the findings of the ILI tool allowing for

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- 5.5% Other Expenses
- 16.0% Depreciation

Contribution to the City is budgeted at a total of \$8,456,856, slightly less than the FY 2022 budget of \$8,595,384.

Capital projects for FY 2023 total \$19.1 million, of which \$18.5 million (97%) is for distribution system improvements. Included in the \$18.5 million amount is \$8.5 million for a new substation, \$1.9 million for new underground lines and equipment, and \$1.1 million for bucket and service trucks. All of the capital projects are internally funded.

Small adjustments are proposed for Rate D (Public Lighting/Security Lighting) due to increased operating and capital costs. Rate S has been adjusted to reflect increased chemical costs. No other rate changes are proposed for Electric.

Broadband

The Broadband utility continues to grow, primarily in the shared gigabit and dark fiber areas. Operations and maintenance costs, at 63% of total operating expenses, are down 7.1% from the FY 2022 budget.

Capital project outlays are budgeted at \$810,000, a 71% increase over the FY 2022 budget; \$330,000 of capital outlays will be for GPON services in the Campustown project. The capital projects are internally funded.

No rate increase is proposed for FY 2023.

Water

The Water utility will expend about 53% of its operating budget on chemicals, production, and distribution expenses. This is up slightly from last year and due largely to increased chemical costs related to supply disruptions and diminishing manufacturer capacities. Lead service line replacements and inspection costs are expected to be \$760,000, a 248% increase over FY 2022 budget. Inspections to verify lead service line installations is \$300,000 of that total. The replacements and inspections are State-mandated, unfunded costs.

The capital plan totaling \$11.4 million includes \$750,000 for an onsite electrical generation project, \$740,000 for chemical storage improvements, \$4.4 million for the completion of a new transmission main, and \$4.9 million in for several smaller distribution system replacements/ upgrades. The new transmission line project, at a total cost of \$14.5 million, is being funded by newly issued debt in FY 2022.

A 2.0% rate increase is proposed for FY 2023.

Wastewater

The Wastewater utility will expend 53% of its operating budget on chemicals, treatment, and collections expenses, the same as the FY 2022 budget.

Capital projects will total about \$11.3 million in FY 2023. The major portion of this amount, \$8.0 million, is for the continued construction of the anaerobic digester project, which will cost about \$33.7 million when complete. This project is largely funded by a \$30 million State Revolving Fund loan which closed in October 2019. The remaining \$3.7 million will be provided by Wastewater equipment replacement funds; \$2.0 million will be expended on collection system improvements, including \$1.0 million for lift station rehabilitation and controls.

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22.156 **Labor Agreement with UWUA**

Recommendation: The Board of Directors approved the labor agreement between the HBPW and UWUA Local 610 effective April 1, 2022, through March 31, 2025.

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Franz</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

22.157 **General Manager Comments**

- March 9 City Council Session on Broadband, Training Room on Second Floor of City Hall
- March 28 our Study Session we will review the Broadband Business Plan
- Regulatory Accounting
- Review of Electric Resource Portfolio at April 11, the next Regular Meeting

22.158 **Board Comments**

None

ADJOURNMENT

A motion to adjourn the meeting of *March 6, 2022*, was made by *Maalouf* supported by *Lilly* and agreed upon by the Board of Directors present.

The Board Meeting of March 7, 2022, adjourned at *6:55 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

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