

Board Regular Meeting
Board of Public Works
January 21, 2020

The regular meeting of the Board of Public Works Commission was held at the BPW Administrative Office, 350 E. Washington Avenue, on Tuesday, January 21, 2020. Chairperson Boerman called the meeting to order at 3:30 p.m.

PRESENT: Commissioners – Chairperson Boerman, Dykstra, Walters, Query, Cooney
ABSENT: Commissioners – None
GUEST: Dwayne Masselink - InterActive Studio

Staff Present: General Manager Boatright, Electric T&D Manager DeKraker, Electric Power Supply & Market Operations Manager Mulder, Manager of Water Operations Levandoski, IT Manager Carlton and City Clerk Holmes

Motion was made by Commissioner Cooney and seconded by Commissioner Query to approve the minutes of the December 17, 2019 regular meeting. Motion carried.

Public Comment

No public comment given.

Safety Minute

The Safety Minute for this month was driving in snow and ice.

Building Space Use/Needs Assessment Update

We are nearing the conclusion of the BPW Building Space Use and Needs Assessment study being performed by InterActive Studio (IA). IA's Dwayne Masselink was present at the Board of Commissioner's meeting today to present an update which will focus on the action items that were developed when we last met and reviewed space needs concepts at a meeting on December 19, 2019. Those actions items were a) consider a "clean slate" option that essentially involves building the office/administrative space anew, or b) to amend the proposed second story plan to optimize functional connections on the first floor and use the second floor for meeting space and other secondary functions. Masselink shared site plans of these different options for Board discussion and consideration.

20.001 Approve Cash Disbursements and Regular Monthly Transfers

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the December, 2019 cash disbursements and the regular monthly transfers for the month of January, 2020 as follows:

Cash and Investments as of: December 31, 2019

	Electric	Water
Receiving	\$2,789,078	\$578,098
Accumulated Debt Service (in Receiving Fund)	-	74,492
Plant Improvements and Contingencies	27,810,413	11,114,802
Bond and Interest Payment Reserve*	-	131,000
Totals	30,599,491	\$ 11,895,393

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: January, 2020

	Electric	Water
Receiving	(207,646)	(282,131)
Accumulated Debt Service	-	24,831
Plant Improvements and Contingency	165,900	257,300
General Fund (per charter provision)	41,746	-
Motion carried.		

Water Operations

Manager Levandoski reviewed the Water Department report and updated the Board on the Water projects.

Bid Recommendation – Dixon Engineering Professional Services Agreement

Levandoski explained that in October 2019 Dixon Engineering completed an ROV (Remotely Operated Vehicle) Inspection on the North 1.25 million gallon (MG) Water Reservoir located at Washington Pump Station and provided a summary of their findings.

Staff is recommending engaging Dixon Engineering at a price of \$49,620.00 to oversee the 1.25MG North Reservoir Interior/exterior Painting Project including, but not limited to, the following services.: Developing the specifications for bidding, advertise the specifications, provide a notice of award recommendation and letter, provide the contract documents for signatures, provide the 399 permit for the City to send to EGLE, review project submittals prior to the start of the project, coordinate and conduct a preconstruction meeting, provide project administrative functions during the project, review contractors pay requests and submit payment recommendations, review request for change orders during the project and provide required documents, review contractors' requests for project substitutions or clarifications of requirements, provide project closeout documents, and provide quality assurance site observation service for all specification requirements.

20.002 Dixon Engineering Professional Services Agreement

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the Dixon Engineering Project Service Agreement at an estimated cost of \$49,620.00. Motion carried.

Water/Wastewater Reports Review

Levandoski reviewed the 2019 Ottawa County Water and Wasterwater Rate Survey Results, the ZBPW 2019 EGLE Preliminary Distribution System Materials Inventory, the ZBPW 2019 Annual EGLE Pumpage Report, and the ZBPW June – September 2019 EGLE Lead and Copper Monitoring Report.

Electric Transmission & Distribution

Manager DeKraker reviewed the Electric Department report and updated the Board on the Electric projects.

Bid Recommendation Capacitor Bank

DeKraker explained the underground padmount capacitor bank is for our W-5 circuit that we have recently put underground. We would like to replace the old existing overhead capacitor with an underground unit to help the performance of the circuit. We are needing to put it underground as there are very few overhead lines left on this circuit and therefore no good clean pole to install it on. We also are planning to add controls to this unit as a test for our distribution automation as part of our new AMI Pilot Program. This will give our operators the ability to turn the capacitor unit on and off as they need it based on the load on the circuit.

20.003 Award Capacitor Bank Purchase

Motion was made by Commissioner Walters and seconded by Commissioner Query to award the purchase of underground padmount capacitor bank to Border States for a total price of \$23,993.68. Motion carried.

Information Technology

Information Technology Manager Carlton updated the Board on current activities and projects.

Electric Power Supply & Market Operations

Manager Mulder updated the Board on the current operations status, activities and projects.

MPPA Short-term Energy Purchase

Mulder explained based on MPPA's 2019 fourth quarter hedge plan report, a short-term energy purchase recommendation has been provided to align our price certain supplies with our energy hedge policy, for the period extending from March through December of 2020. Mulder provided the Board with the proposed maximum purchase amounts.

Due to some uncertainty regarding the delivery of particular energy supplies during this period, the amounts given are the anticipated maximums, and the actual purchase quantities will be reassessed and confirmed by MPPA staff against the most current forecast information prior to purchase. Consequently, the requested authorization will likely be executed by MPPA in the form of multiple transactions during this period, as market opportunities arise and improved certainty of supplies are confirmed. Adjustments to the anticipated maximum volumes could potentially be caused by:

- Changes in the forecasted Autumn Hills production due to increased generating capacity, and improvements in gas delivery
- Uncertainty regarding the status of the Pegasus Wind project beyond June of 2020.
- Changes to the scheduled outage dates for Belle River and AFEC.

Mulder provided a summary of the BPW's current and recommended positions with regards to this recommendation and price certainty of supply. BPW staff recommends the purchase commitments be approved.

20.004 MPPA Short-Term Energy Purchase, March – December 2020

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the MPPA Short-Term Energy Purchase, March – December 2020 and that the General Manager be authorized to commit to purchase the short-term energy by the detail provided totaling a maximum of 73,245.6 MWh, at a maximum price not to exceed \$2,597,619.20. Motion carried.

**Commissioner Cooney left the meeting.

Purchase of 49 N. Centennial Street

In conjunction with the on-going Building Space Use and Needs Assessment study, sometimes referred to as the Building Master Plan Initiative, BPW is considering strategic ownership of properties to the west of the current complex along Washington Avenue. Recently, the house at 49 N. Centennial Street was placed on the market for sale. An offer was extended and accepted. Staff seeks Board of Commissioner approval, and if approved, City Council and City Attorney approval.

20.005 Purchase 49 N. Centennial - Tabled

Motion was made by Commissioner Query and seconded by Commissioner Dykstra to Table the purchase of 49 N. Centennial Street in accordance with the Purchase Agreement dated January 10, 2020. Motion carried.

FY2021 Budget Timeline and ZBPW Budget Assumptions

Staff is beginning preparations for the FY2020-2021 budget cycle. Boatright reviewed the budget timeline which includes key milestones for BPW Board review along the way toward ultimate recommendation to

City Council in March. Budget assumptions have also been drafted and were included in the meeting packet. Staff shared the highlights of the assumptions document and requested the Board's feedback.

Disher Leadership Training and Coaching

The BPW leadership team comprised of General Manager Boatright, Transmission & Distribution Manager DeKraker, Information Technology Manager Carlton, Water Operations Manager Levandoski, and Power Supply and Market Operations Manager Mulder will be participating in team-building training scheduled for January 29, 2020. This will be a one-half day workshop led by Disher at the Colonial Clock Building which involves required advanced reading of The Five Dysfunctions of a Team by Patrick Lencioni (signed proposal enclosed).

Staff is requesting Board consideration for an additional leadership development opportunity with Disher involving another one-half day session workshop entitled "Strengths-Based Team Development". To reinforce these two leadership development workshops, staff is also requesting Board consideration to procure one-on-one Leadership Coaching. Each member of the aforementioned leadership team would be provided six (6) one-hour coaching sessions with an assigned Disher coach.

The first leadership workshop, 5 Dysfunctions, has already been procured. The total cost of the "Strengths" workshop and one-on-one coaching is \$10,450. Because of the magnitude of this expense and in light of the fact that this item was not specifically identified in the FY2020 budget, staff seeks the Board's approval.

20.006 Leadership Development Training & Coaching

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the purchase of Leadership Development Training and one-on-one Leadership Coaching provided by Disher in the total amount of \$10,450.00. Motion carried.

Community Grant Program Update

Boatright reviewed the draft copy of the Community Grant Program Policy and application. The sub-committee developed this by way of reviewing other agencies grant policies as a model. The key items of the updated policy include allowing 501(c)(3) organizations, any kind of school, municipalities and other government entities served by the Zeeland BPW. A new application was also developed which asked the amount of funding required and that it may be split among multiple eligible projects. The Board agreed the application should note that it will reimburse for the eligible projects and not pay upfront. They also agreed this opens the door for more applicants and, by consensus, gave Boatright the authorization to move forward with fine-tuning the policy.

Electric Vehicle Charging Update

Boatright gave an update on electric vehicle charging in the City and proposed the question of how far do we want to go with this. These chargers were replaced in September and they are getting used but are not in high demand. Boatright explained there has been some hype about rebates and wanted to get the Board's feedback on that. For example, for a level 2, Holland offers a \$300 household rebate or \$1000 commercial rebate. A few entities have asked what the BPW is doing in regards to rebates. Since we don't have anything at the moment, Boatright is proposing a \$500 rebate for charger purchases which he feels will generate some revenue on the electric side. He would like to be in a position to be ready and "keep up with the Joneses" if the Board approves.

City Council 2020 Goal-Setting Retreat

The City Council 2020 Goal Setting Retreat was held on January 13 and 14 at Zeeland City Hall. During this retreat, Council and City Managers developed the Core Values of the City (Excellence, Service, Accountable and Intentional), agreed on setting six commitments to spread the Zeel in 2020 (Vibrant downtown; Strong, Safe and Connected Neighborhoods; Economic and Community Development; Infrastructure and City Services; Culture, Parks and Recreation; and Financial Sustainability). The group

broke into sub-groups to identify action steps the City can take to implement the six key ways to spread the Zeel. The subgroups identified 91 action steps and then voted on the steps they would like to see pursued. The City Manager reviewed the lists with Council at their January 20 meeting and discussed which items would remain as the City of Zeeland's priority action steps and which ones would be removed.

Assembly Solar Press Release

Boatright shared a Press Release regarding Michigan's largest solar farm being under construction in Shiawassee County. The Assembly Solar Project will provide clean, renewable energy to Michiganders who obtain their electric service from a large group of locally owned and controlled municipal utilities that aggregate and share power supply through the Michigan Public Power Agency (MPPA). The project will create more than 300 jobs during construction and will contribute to the economic growth of Shiawassee County and the region surrounding. The Project is expected to reduce carbon dioxide emissions by 394,000 tons annually in the short term – equivalent to the yearly emissions of 77,702 cars.

Upcoming Events

- **Next BPW Meeting – February 18, 2020, 3:30 p.m. ZBPW Board Room**
- Lakeshore Advantage Annual Meeting, January 30, 2020, 11:00 a.m. Pinnacle Center, Hudsonville, MI
- Michigan Water Environmental Assoc. / American Water Works Assoc. (MWEA/AWWA) Operators Day, February 3-5, 2020, Lansing, MI
- APPA Winter Institute, Underground Distribution System Course, February 10-14, 2020, Savannah, GA
- MPPA Board of Commissioners Meeting, February 12, 2020, 10:00 a.m., Lansing, MI
- APPA Legislative Rally, February 24-26, 2020, Washington, DC
- RSA Conference, February 24-28 2020, San Francisco, CA

Motion was made and supported that the meeting be adjourned at 5:30 p.m. Motion carried.

Pamela Holmes, City Clerk