

Board Regular Meeting  
Board of Public Works  
October 20, 2020

The regular meeting of the Board of Public Works Commission was held at the Howard Miller Library/Community Center, 14 S. Church Street, Tuesday, October 20, 2020. Chairperson Boerman called the meeting to order at 3:30 p.m.

PRESENT: Commissioners – Chairperson Boerman, Query, Dykstra, Vice-Chairperson Cooney, Walters  
ABSENT: Commissioners – None

Staff Present: General Manager Boatright, Accountant Collins, Electric T&D Manager DeKraker (via phone), IT Manager Carlton, Water Manager Levandoski and City Clerk Holmes

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the minutes of the September 15, 2020 regular meeting. Motion carried.

**Public Comment**

No public comment given.

20.087 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: September 30, 2020

	<b>Electric</b>	<b>Water</b>
Receiving	\$2,333,788	\$462,017
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	27,128,070	12,532,609
Bond and Interest Payment Reserve*	-	-
Totals	\$29,461,858	\$ 12,994,626

\* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: October, 2020

	<b>Electric</b>	<b>Water</b>
Receiving	( 42,198)	(175,900)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	175,900
General Fund (per charter provision)	42,198	-

Motion carried. All voting aye.

**GIS Demonstration**

Chris Pillsbury was present to demonstrate the tremendous progress he and BPW Teammates have made in the BPW Geographical Information System (GIS) mapping and facilities inventory.

**Water Operations**

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

### ***Electric Transmission & Distribution***

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

DeKraker explained GRP Engineering gave us a proposal in August, 2019 to perform a System Model Update along with a System Study. The model update was occurring at the same time we were creating our GIS based model. We also had some preliminary work done on the GIS model and coordinated with GRP Engineering. Shortly after that preliminary work was done, Chris Pillsbury was hired and thus our final GIS model was finalized. We quickly realized quite a bit of work was going to be needed to update the translation tool to take our GIS Model and send it to GRP Engineering to use in their WindMil Engineering Program. This is a process that we would together spend quite a bit of work to do, but in the future would enable our models to be easily interchangeable. We have paid GRP Engineering a total of \$15,278.08 for this work through February 3, 2020. Their estimate was \$13,000 but was a quote based on actual time. The work is now complete and GRP Engineering met with staff to review the actual time that was spent finishing up this process. Their memo dated September 15, 2020, which was included in the Meeting Package includes the description along with the final invoice for this work. There was an additional 500 hours of time spent on this translation tool and our system which relates to \$38,000. They are agreeing to discount this by 25% and thus have invoiced us for an additional \$28,500 for the completion of the System Model Update project

#### 20.088 System Model Update Budget Amendment

Motion was made by Commissioner Walters and seconded by Commissioner Cooney to authorize payment to GRP Engineering the additional \$28,500.00 for the work that was completed for our System Model update allowing us to have an accurate System Study completed this fall and in future years. Motion carried. All voting aye.

### ***Information Technology***

Information Technology Manager Carlton updated the Board on current activities and the on-going IT Projects list.

Carlton reported in 2004, a fiber network loop was installed in the city of Zeeland and surrounding areas to provide a highspeed network connection between the various city and BPW buildings as well as the clean water plant, the power plant, the water pump stations, and the electric distribution substations. The installation and ongoing maintenance of this fiber loop is managed through a consortium consisting of City of Zeeland, Zeeland Board of Public Works, Zeeland Public Schools, and AcenTek. Each member of the consortium has fiber pairs dedicated to their ongoing business operations, but the loop as a whole is managed by the group. The installation of this ring was done by Western Tel-Com and they are the organization that is contractually bound to provide on-going support. Due to these contractual commitments, this will be a sole-source bid recommendation.

This fiber loop is the foundation for all network traffic, not only for the business network, but also for the electric, water, and clean water SCADA networks. It is imperative that this loop is up and operational 24 hours a day, 7 days a week. In order to maintain this up-time, it is necessary to perform preventative maintenance in a timely fashion. In the 3rd quarter of this year, Western Tel-Com performed an audit of all network closets and fiber patch panels on the loop and came up with a number of recommendations to ensure the ongoing reliability of this essential framework. The outline of the proposed work from Western Tel-Com was included in the meeting package. The total estimated cost of this work is \$24,295 (\$13,240 – labor, \$11,055 - materials). The cost for this work will be shared 50/50 between COZ/ ZBPW and AcenTek. The COZ/ZBPW portion will then be split 50/50 between COZ and BPW for a net estimated cost to BPW of \$6,074.

#### 20.089 Fiber Network Maintenance Sole Source Purchase Recommendation

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to approve a contract not exceeding \$24,295.00 be awarded to Western Tel-Com to provide preventive maintenance on the fiber loop subject to approval by City Council with all project costs allocated against the BPW's FY2021 budget. Motion carried. All voting aye.

## ***Electric Power Supply & Market Operations***

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

Boatright explained in March of 2020, the Zeeland Board of Public Works (BPW) purchased the property located at 49 N. Centennial Street, which included a 1900's era two-story residence and detached garage. Although the BPW's facilities master planning study was not yet complete, BPW staff believed that the location of this property presented an opportunity that should not be passed over. After evaluating the condition of the structures, staff recommended that they be removed, and an application for demolition was subsequently approved by the City of Zeeland Planning Commission on July 16, 2020.

\*\*Cooney left the meeting.

Following approval by the City Planning Commission, a bid package was developed in conjunction with the City's plan to remove the residence and outbuilding located at 370 E. Rich Avenue. A summary of the 49 N. Centennial St. project scope of work includes the abatement of any hazardous material, the removal of all structures, and backfilling/compacting of the site in preparation for top soil and final grading (performed by others). Bidders were asked to provide bids for each project, as well as a price for both projects to realize any shared costs. In September, the bid package was released, and bids were received from two (2) contractors on October 9, 2020; one from Pitsch Companies, in the amount of \$14,100.00 and one from Site Work Solutions for \$18,875.00. Based on acceptance of the combined projects bid from Pitsch Companies, the realized savings for the 49 N. Centennial St. project results in a cost of \$13,230.00. Based on the project bid, costs incurred to-date, and anticipated landscape restoration costs, the total project cost is estimated at \$17,980.00.

### 20.090            49 N. Centennial Demolition

Motion was made by Commissioner Query and seconded by Commissioner Dykstra to award a contract not exceeding \$14,100.00 to Pitsch Companies to remove the structures located at 49 N. Centennial and other work as outlined in the bid package and to approve the complete project as outlined for a total estimated cost of \$17,980.00 subject to City Council approval and all costs allocated against the BPW's FY2021 budget. Motion carried. All voting aye.

The Zeeland Board of Public Works (BPW) participates in the wholesale power market through the Michigan Public Power Agency (MPPA). In addition to the requirements of the BPW's Risk Management and Hedging Policy, the State of Michigan's Public Act 341 (PA341) requires that all electric providers annually demonstrate to the Michigan Public Service Commission (MPSC) that they own or have rights to sufficient capacity to meet 95% of their ISO capacity obligation 4 years after the current planning year (PY). In the case of the BPW, the Midcontinent Independent System Operator (MISO) is the ISO, and the demonstration requires that the anticipated planning reserve margin (PRMR) be satisfied at that level.

\*\*Cooney re-entered the meeting.

In order to comply with the aforementioned policy, BPW staff, with the support of MPPA, regularly review its capacity planning resources, and solicits purchases if its internal and contractually allocated positions are insufficient. The BPW Energy Risk Policy Statement specifies that "Transaction terms greater than one but not more than five years are authorized to be made by the General Manager after approval by the majority vote of the BPW Power Purchase Committee (PPC). The PPC will be the Zeeland BPW Chairperson, the General Manager, and any one of the remaining BPW Commissioners."

Each year, BPW staff review and update the long-term forecasted energy and peak load requirements, based on a multitude of economic and regionally specific variables. This forecast is used by the BPW and MPPA for budgeting and long-term planning, and is also submitted to MISO for use in their overall system resource and adequacy planning. MISO's PRMR and the State's 95% requirement under PA341 are both derived from this long-term forecast. Mulder presented information for the next four (4) ISO planning years which reveals the BPW has insufficient capacity planning resources to meet the compliance requirements of PA341 in planning year PY2024/2025, resulting in the need to purchase the stated amount. Although sufficient compliance requirements are in place for PY2022/2023 and PY2023/2024, MPPA Energy Supply staff feel that purchasing the entire amount

necessary to satisfy the forecasted PRMR requirement is prudent for planning years PY2022/2023 – PY2024/2025, due to tightening capacity markets in MISO Zone 7 and the resulting upward pressure on pricing.

Based on the resource planning performed and uncertainty in the MPPA Peaking Project and renewal of the NANR Autumn Hills PPA, staff believes it is prudent to mitigate the potential risk of increased capacity costs in the near-term forward years through hedging. Accordingly, MPPA and staff recommend the BPW commit to purchase the maximum amounts listed below at the not-to-exceed purchase prices indicated, resulting in a maximum commitment of \$1,843,200.00

<u>Planning Year</u>	<u>Maximum Capacity (KW)</u>	<u>Maximum Price (per KW-Month)</u>
PY2022/2023	2,300	\$6.00
PY2023/2024	2,600	\$6.00
PY2024/2025	20,700	\$6.00

Note: Planning Years begin June 1 and extend through May 31 of the following year

An additional 100kW of capacity has been included for planning year PY2024/2025 in the authorization request due to rounding of the values shown in the preceding table, and to allow MPPA to refine their estimates and transact with counterparties in increments of 1,000 KW. A review of the BPW's multi-year forward capacity purchases since 2015 indicates capacity pricing below, but consistent with the maximum quoted prices based on current and forward market pricing.

20.091 Resolution - MPPA Capacity Purchase Recommendation, Planning Years 2022/2023 – 2024/2025

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to adopt the resolution authorizing the General Manager, subject to approval by City Council, to commit to purchase through the Michigan Public Power Agency the capacity amounts stated below, deliverable to MISO Zone 7 for the planning years indicated. The total maximum not-to-exceed commitment is \$1,843,200.

Planning Year 2022/2023: Up to 2,300 KW at a not-to-exceed price of \$6.00 per KW-Month  
Planning Year 2023/2024: Up to 2,600 KW at a not-to-exceed price of \$6.00 per KW-Month  
Planning Year 2024/2025: Up to 20,700 KW at a not-to-exceed price of \$6.00 per KW-Month

Motion carried. All voting aye.

***COVID-19 Business Operations Update***

With the recent closing of Howard Miller Library due to a staff member's positive COVID-19 test, the BPW leadership team is mindful that the pandemic is on-going and we must remain vigilant. As we enter the cold weather season, our action plan is to revisit our pandemic illness response plans, tweak where necessary, and disseminate information and tools to staff as appropriate.

Last May, when we conducted staff training on the COZ Pandemic Illness Response Plan, we also required staff to sign-off to acknowledge they would individually perform a daily health screening (temperature check and the health questions) before coming into the workplace. This 'once and done' acknowledgement is now apparently not sufficient in the eyes of MIOSHA who is apparently penalizing organizations that have not documented daily employee pre-shift health checks. Thus, COZ/BPW will soon be implementing a pre-shift health questionnaire which is to be performed by each employee prior to every work day. This tool will aid in documenting the performance of these health checks.

In addition, in anticipation of seasonal colds, flu, and other bugs potentially becoming more prevalent, the City has implemented a Symptom Checker that endeavors to provide a course of action for employees when they experience symptoms that may not exactly fit the symptom profile of COVID-19.

Staff wishes to advise the Commissioners that we have elected to suspend the monthly display of water and electric usage graphs at Board meetings in light of usage levels indicating nearly full recovery since the initial period directly following the stay home orders last March. We will resume the practice should the need arise.

Credit card and ACH fees on utility payments through our payment card vendor Invoice Cloud continue to be absorbed by the BPW, thereby encouraging customers to utilize all forms of electronic payment. However, effective in November, BPW will be placed on a different, less costly, credit card fee structure that has been offered by Invoice Cloud for entities who choose to absorb such fees. Therefore, we anticipate savings in these expenses. We will try this new fee structure for a couple billing cycles which will allow us to perform a before and after cost analysis and staff will share this information with the Board sometime in Q1 2021.

With the lifting of the Governor's Executive Orders, water disconnections due to non-payment have resumed. As of this memo, we have executed one disconnection which was a Logan Estates trailer home determined to be empty.

### ***2-Way Radio System Improvement Update***

At the July 21, 2020 meeting, the BPW Board approved \$12,410 to upgrade the BPW's two-way radios and repeater, which was part of a budgeted \$37,479 combined project between the BPW and City Street Department. City Council subsequently approved this expenditure at their August 3, 2020 meeting, but requested that staff evaluate the two-way radio equipment used by Public Safety to ensure that reliable inter-department communications are maintained. This request prompted an evaluation of that equipment, which resulted in an additional upgrade proposal. Furthermore, an in-depth assessment of the current repeater location and radio range issues identified a significant amount of background radio frequency noise present at the site. To resolve this, staff is collaborating with the Ottawa County Central Dispatch Authority to locate the City's two-way radio repeater equipment on their tower located north-east of town. Based on simulation models, this location will provide superior range compared to any of the BPW's or City's sites, and at little to no cost beyond installation and maintenance.

As a result of these changes in scope, the overall project budget has increased to an estimated \$70,131, of which an estimated \$18,776 is the BPW's portion. Prior to proceeding with the entire project, staff intends to install new antennas and relocate the existing repeater to the proposed site, to confirm that the radio range issues are satisfactorily resolved. The quoted cost for these services is \$10,720, which will be evenly split between the BPW and City. Staff has requested that a lease agreement between Ottawa County and the City be prepared by City Attorney Donkersloot, and acceptance of that agreement is necessary to proceed. Staff expects to complete this trial and provide a recommendation to City Council before the end of the year. E

### ***Electric Vehicle Charger Rebate Program***

Staff has been keeping an eye on trends in electric utility response to Electric Vehicles. One easy-to-replicate trend is offering rebates for the installation of EV Chargers in a home or business. Holland BPW, Consumers, and DTE each offer some form of EV Charger rebate. BPW wishes to also implement an EV Charger rebate program and we have already engaged one commercial and one residential customer in a "pilot" process with a \$500 incentive. We do not anticipate high uptake on the program offering for the foreseeable future. Nevertheless, we do feel that a \$500 incentive will yield a reasonable six- to seven-year payback period and could encourage additional electric usage, thus revenues. The proposed EV Charger Program instructions, application form, and terms and conditions are included in the packet for reference. Contingent on their being no objection from the Board of Commissioners, a soft marketing process will commence soon via the website and Facebook. Staff welcomes the Board's feedback on this initiative.

### ***Approve Storage Rental***

In anticipation of the building interim office remodeling project along with an inherent shortage of storage space for rolling stock and certain pieces of inventory as we enter the cold weather months, staff has been on the lookout for temporary storage options. Commercial storage space within proximity of Zeeland is difficult if not impossible to find in the desired timeframe. Property Plus has recently constructed large climate-controlled storage spaces located at 3059 80th Avenue, just east of M-121 between Felch and Riley Streets. Staff seeks Board approval to enter into a 12-month agreement for the rental of a 40' X 60' storage space with the option to extend the rental in 3-month increments. BPW would be responsible for gas and electric utility costs. This timeframe should be sufficient for BPW to make storage space improvements on the BPW campus.

20.092 Storage Rental Agreement with Property Plus

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the rental agreement with Property Plus for one 40' x 60' space for 12 months with the possibility to extend in 3-month intervals at \$1,450.00 per month. Motion carried. All voting aye.

\*\*Chairperson Boerman abstained

***Interim Office Remodel Project Update***

Staff continues to work with Interactive Studio on this project and will have more information next month.

***Community Grant Award***

At the May 2020 Board meeting, the Commissioners approved one Community Grant award in the amount of \$5,000 to the Innocademy for their Community Natural Play Structure and Exploration initiative. Furthermore, the Commissioners agreed to extend the deadline for Community Grant applications until September 1, 2020 due to COVID-19 at which time they would consider any new applications and, along with this, revisit the Innocademy grant application to determine if an additional funding award is warranted, contingent on available funding.

One additional grant application has been received from Zeeland Public Schools in this extended application cycle. They are requesting \$20,000 to purchase equipment for Zeeland Recreation Programs.

After discussion, the Board decided to split the remaining \$20,000 between Innoacademy and Zeeland Public Schools for the Zeeland Recreation Programs.

20.092 Consideration of Community Grant Applications

Motion was made by Commissioner Dykstra and seconded by Commissioner Cooney to award the Community Grant funds to Zeeland Public Schools in the amount of \$7,500.00 for Zeeland Recreation gymnastic and swimming equipment and \$12,500.00 to Innocademy for their Community Natural Play Structure and Exploration initiative. Motion carried. All voting aye.

***Upcoming Events***

- **Next Regular ZBPW Board Meeting, November 17, 2020, 3:30 p.m., Howard Miller Public Library West Activity Room**

Motion was made and supported that the meeting be adjourned at 6:00 p.m. Motion carried. All voting aye.

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Pamela Holmes, City Clerk