

Board Regular Meeting
 Board of Public Works
 Electronic (Virtual) Meeting
 November 17, 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, November 17, 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 (electronically), Accountant Collins, Electric T&D
 Manager DeKraker Manager DeKraker, IT Manager Carlton (electronically), Electric Power
 Supply & Market Operations Manager Mulder, Water Manager Levandoski and
 City Clerk Holmes

Motion was made by Commissioner Dykstra and seconded by Commissioner Cooney to approve the minutes of the October 20, 2020 regular meeting. Motion carried.

Public Comment

No public comment given.

20.094 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: October 31, 2020

	Electric	Water
Receiving	\$3,157,633	\$862,849
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	26,675,389	12,337,327
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$29,833,022</u>	<u>\$ 13,200,176</u>

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: November, 2020

	Electric	Water
Receiving	(422,198)	(576,800)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	380,000	576,800
General Fund (per charter provision)	42,198	-

Motion carried. All voting aye.

Water Operations

Manager Levandoski reviewed the Water Department report and updated the Board on the Water projects and current activities along with the Calendar Year 2020 Water Demand Chart.

Electric Transmission & Distribution

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

DeKraker explained as part of our transmission and substation system improvements, we are planning for a new Washington 69 kV Transmission Line which will improve the reliability to the Washington Distribution Substation giving it two 69kV feeds, instead of how it currently sits with just one feed. Three (3) bids were received for the construction of the line by a contractor line crew with Kent Power Company being the low bidder.

20.095 Washington 69kV Transmission Line Construction Bid Recommendation

Motion was made by Commissioner Query and seconded by Commissioner Cooney to award the construction of the Washington 69kV Transmission Line Construction to Kent Power for a total price of \$298,978.65. Motion carried. All voting aye.

DeKraker explained the Electric Department is often needing a dump trailer when bringing dirt to job sites for projects such as filling holes after poles are removed or restoring lawns after a project is complete. Also, a trailer is needed to carry the larger transformers and switchgear to job sites. In the past we have put these on our digger truck to take to a job site. Our new digger truck doesn't have as much room and often this doesn't work well with getting this larger equipment on/off the truck itself. We have borrowed Holland BPW's trailer several times when we weren't able to transport a large transformer ourselves. Therefore, we added a new trailer to our budget for this year. Four (4) bids were received and the low bidder was Global Rental Company.

20.096 Dump Trailer Bid Recommendation

Motion was made by Commissioner Dykstra and seconded by Commissioner Cooney to award the bid purchase to Global Rental Company for a Dump Trailer in the amount of \$17,590.00. Motion failed. All voting nay.

DeKraker reported that NorthStar recommends a Utilization Review (UR) of our Customer Information System (CIS) to assist us in examining our existing processes and to identify where we can develop more efficient opportunities. Our previous UR was performed in 2015 to coincide with a software upgrade from 5.19 to 6.0. During that review, the Customer Service Staff learned of a long list of areas where we could improve our work processes and efficiencies. The majority of the recommendations have been put into practice.

In the past 5-plus years, many new features have been implemented and upgraded enhancing the capabilities of our CIS. With a collection of software enhancements still available, we believe it is time to re-assess our practices. NorthStar recommends performing a UR each year or two, thus making us overdue.

In addition to consulting with Customer Service, analysis is conducted for meter reading practices and amongst other departments. With changes on the horizon for our current meter reading software, we are anxious to learn recommendations and suggestions as to how to make implementation easier.

A traditional Utilization Review is performed on-site with a NorthStar Business Consultant working both one-on-one and as a group with users. Due to the current health crisis, NorthStar is prepared to perform the analysis virtually if necessary. While it is our preference to have this done in person, we are comfortable with continuing online.

The fixed price of \$20,790 covers the review based on a 5-day consult. If travel is possible, the BPW will also incur charges for travel time and expenses. Considering the consultant typically travels from Ottawa, Canada, it is likely we will be required to do the analysis virtually. The Statement of Work further outlines additional expenses incurred should extra consulting time be necessary. Our intent is to confirm acceptance of the Statement of Work in order to be placed on NorthStar's schedule in first quarter of 2021.

As we continue to enhance our offerings to our customers, it is imperative that we also continue to be equipped with the tools and knowledge to move forward. The ability to consult with our experts is essential.

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve NorthStar Statement of Work for a Utilization Review of the Customer Information System for \$20,790.00, plus travel expenses of the Business Consultant. Motion carried. All voting aye.

Information Technology

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

Electric Power Supply & Market Operations

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

Mulder reported the switchgear and generator controls at the Washington Pump Station Generation Facility are in need of an upgrade. The facility was constructed in 2002, and includes two Caterpillar 3516 natural gas fired 1,000 kW generators which primarily provide emergency backup power for the Washington Pump Station, but also serve as energy and capacity resources for Power Production. The controls use a programmable logic controller (PLC) for sequencing, along with various generator protection relays and specialty control equipment.

During the summer of 2019, the failure of some communications equipment resulted in the Electric System Operator's inability to remotely monitor the status of certain equipment via SCADA, including one of the two generating units. This was promptly resolved by procuring and installing a used replacement component, and subsequently migrating those communications to a different platform. However, the situation prompted a more comprehensive review of the control equipment in general, and its available support. Accordingly, a budget for the project was developed, and included in the BPW's FY2021 and FY2022 capital improvement plan.

The BPW has historically used Theka Engineering Solutions / Newkirk Electric Associates of Muskegon, MI for its Riley Street Caterpillar Generation Facility engineering services, which they designed. Although Theka did not perform the original engineering services at the Washington Pump Station Generation Facility, they are experienced with the units and control equipment, and have completed similar upgrade projects in recent years. Preliminary discussions regarding this project took place in early 2020, and again more recently to finalize the recommended scope of work. The project budget was split across two budget plan years, with the engineering and design occurring first to finalize labor and material requirements, so that portion of the project budget could be refined and adjusted if necessary, for the subsequent budget plan year.

20.098 Washington Pump Station Generator Controls Upgrade

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to award a professional services contract totaling \$37,940.00 be awarded to Theka Engineering Solutions to perform the engineering and design phase of the Washington Pump Station Generator Controls Upgrade. Upon completion, the installation and material scope of work will be reevaluated based on the design, and adjusted as necessary before a contract is issued for Phase 2. The estimated total project cost is \$142,000.00, and includes a contingency of \$10,176.88 for potential replacement of the existing generator speed controllers. An allocation of \$20,000 for the engineering and design phase of this project was included in the FY2021 capital improvement plan budget, and \$65,000 in FY2022 for the installation and material. Accordingly, staff requests a budget amendment of \$17,940.00 for FY2021, to increase the budgeted amount to \$37,940.00. The impact on the FY2022 capital budget plan will be confirmed, and adjusted prior to the final submittal. Motion carried. All voting aye.

Mulder reported the Zeeland Board of Works (BPW) owns and operates 36MW of natural gas and dual-fuel diesel / natural gas fired generating units, the ages of which range from 15 to over 50 years. Accordingly, it is essential to regularly assess the condition of these units and the value they provide with respect to changes in market conditions, so that capital improvement expenses and potential retirement dates can be properly planned. In 2011, the BPW commissioned Sargent & Lundy to perform a comprehensive Integrated Resource Plan (IRP), including an evaluation of its generating units, environmental compliance considerations, forecasted load growth, and transmission system connection/adequacy to name only a few. The plan was completed and the final report delivered

in March of 2012. Although the Michigan Public Power Agency (MPPA) and other resources regularly assist staff with performing some of these tasks, staff believes that an updated condition assessment of its generating units should be performed in the near future. Because Sargent & Lundy performed the most recent assessment, staff believes they are best positioned to provide this service.

While developing the FY2021 electric department operations and maintenance budget, staff engaged in conversations with Mr. Matthew Thibodeau, P.E., of Sargent & Lundy. Mr. Thibodeau was involved in preparing the most recent IRP, and expressed familiarity with both our equipment and needs. Preliminary discussions yielded a budgetary estimate to perform a comprehensive update, which exceeded but was in line with the \$156,000 fee charged to complete the previous plan in 2012.

Following discussions regarding our specific objectives with Mr. Thibodeau, MPPA staff, and fellow MPPA members, it was determined that updating specific portions of the plan would be a more prudent approach; their proposal included the primary objective being a high-level assessment of the existing generation units (\$24,000.00) and developing an alternative resource plan (\$12,000.00) plus \$500 for travel expenses.

20.099 Generating Unit Condition Assessment & Development of Alternative Resource Plans

Motion was made by Commissioner Cooney and seconded by Commissioner Query to award a professional services contract totaling \$36,500.00 be awarded to Sargent & Lundy for the services outlined in their proposal. Motion carried. All voting aye.

COVID-19 Business Operations Update

COVID-19 Business Operations Update: With the recent upsurge in coronavirus cases occurring close-to-home, we continue to be mindful of the increased likelihood for implementing alternative workplace configurations and practices. Some good news - as of this memo, we have restored the full staffing complement at the Power Plant and there are no known active infection or close contact cases at the BPW. We are so very blessed and thankful that no one on staff has been seriously adversely impacted by the coronavirus and we pray for the strength to cope with whatever hand we are dealt in this regard. We are monitoring any business operational maneuvers being considered or implemented by neighboring utilities, such as altering customer counter operations, and will evaluate our situation and respond accordingly. Although not the preference of staff, nor available in certain job capacities, teleworking capabilities remain an option and are being utilized where necessary or appropriate. In addition, we will soon implement, and have available for use if necessary, a remote phone answering feature that will enable remote inbound and outbound calling using the COZ/BPW phone system.

1. **Open Meetings Act Amendments:** In the packet is a concise summary of the revised Open Meetings Act legislation, forwarded via email by CM Klunder. For now, and until January 1, 2021, we can offer electronic meeting attendance. After January 1, 2021, electronic meetings can occur in only those circumstances requiring accommodation of members absent due to military duty, a medical condition, or a statewide or local state of emergency or disaster. In the circumstances of a state of emergency or disaster, a meeting could be held electronically only to allow the electronic attendance of a member who lives in the affected area or to allow the electronic meeting of a public body that regularly holds its meetings in the affected area. After December 31, 2021, electronic meetings can occur only in the circumstances requiring accommodation of members absent due to military duty. At their regular meeting on November 9, 2020, City Council approved a revision to their rules of procedure, incorporating the requirements for electronic meetings in accordance with the recent Open Meetings Act legislation (resolution included in the packet). On the face of it, these changes likely will not hinder our ability to conduct Board meetings. These changes are impactful, however, regarding how MPPA and MMEA board meetings are conducted. The pandemic has forced a transition to exclusive use of electronic meetings for these governing bodies. Meeting electronically has proven beneficial in this case in that members are not required to travel long distances to attend meetings in-person. Therefore, the MPPA/MMEA is actively seeking a legislative solution to expand the electronic meeting option further into 2021, or until the conclusion of the pandemic.

2. **2021 Board Meeting Venue:** Speaking of meetings, I have taken the liberty to reserve the Howard Miller Community Center West Activity Room for all 2021 Board of Commissioner meetings. A schedule of meeting dates and locations is included in the packet. Note that for the November 2021 meeting, the meeting venue will be the front half of the Banquet Room. We really appreciate the efforts of the HML team in accommodating us for our Board monthly meetings. If you see Library Director Heather Wood-Gramza or Event Coordinator Jenelle Ensing, please give them a shout-out for their excellent customer service.

Maple Street Closure Evaluation

The property located at 349 E. Main Avenue (Sligh Building) has been sold to GDP – Zeeland LLC (Geenan DeKock Properties). BPW Staff has attended two or three meetings with City staff and the developer regarding this matter. One meeting also included members from Zeeland Public Schools. The developer has requested consideration of the closure of Maple Street to allow a greenspace buffer on the east side of the building where there is currently no such space due to the presence of the Maple Street right-of-way. A concept plan depicting the proposed alternate configuration is included in the packet. Although there would be considerable due process involved in the closure of Maple Street, an early action item is to determine if there would be any objection from the BPW and Peerbolts, Inc. HVAC Services to at least evaluating the concept of closure as these two entities require access to their respective campuses via Maple Street. On Thursday, November 12, 2020, I met electronically with Andy and Jeff Peerbolt to ascertain if there would be objection to evaluating the closure of Maple Street in conjunction with the proposed Sligh Building redevelopment plan. They indicated no such objection and asked that I relay this sentiment to the Board.

20.100 Maple Street Closure Evaluation

Motion was made by Commissioner Cooney and seconded by Commissioner Dykstra to approve an expression of interest to the City of Zeeland in evaluating the closure of Maple Street in conjunction with the proposed redevelopment of the property at 349 E. Main Avenue by GDP – Zeeland LLC (Geenan DeKock Properties) and to authorize the General Manager to negotiate on behalf of the BPW regarding same. Motion carried. All voting aye.

Interim Office Remodel Project Update

InterActive Studio issued an RFP to five (5) construction contractors and proposals were received from four (4) firms. GDK declined to respond. Lakewood Construction provided the lowest bid. The bid tabulation was included in the Board Packet for reference along with Lakewood's written proposal.

IT Services Report and Recommendations

An action step from the 2020 City of Zeeland Strategic Action Plan was to “*make a determination as to the oversight of our IT infrastructure which includes network administration, endpoint management, and cyber security. This oversight could include a combination of managed services, IT consulting, and additional internal IT resources.*” The “IT Services Report and Recommendations” document, which was included in the packet, is the culmination of multiple years of strategizing about what IT Services should look like for the City of Zeeland and the Zeeland Board of Public Works. The report itself was made possible through the contributions of not only those listed in the byline, but also numerous subject matter experts within and outside of the organization. This report very nicely packages what we now know about the COZ/BPW IT Infrastructure and gives us an excellent reference from which we can measure success in future IT endeavors. The report has been shared with the Personnel Committee at their November 5, 2020 meeting and with City Council during their November 9, 2020 Work Study session.

Health, Dental, Retiree Health Insurance Updates

Increased costs in health plans will result in employees seeing higher bi-weekly contributions for 2021. As for Dental Insurance coverage, the plan costs remain unchanged going into 2021 and there is no change in coverage. Employees do not contribute toward the premium cost of Dental Insurance. Retiree Health Insurance coverage is also being renewed and will result in no increase in the Medicare supplemental insurance costs for the covered employee, but there will be a 6.4 percent per month increase in premium costs of the non-Medicare eligible spouse. There are

five (5) BPW staff members who remain eligible for coverage under this plan. The Personnel Committee approved these changes at their meeting on November 5, 2020 and City Council approved these changes at their November 9, 2020 regular meeting.

Employee Handbook Revision Update

Included in the Board Packet was a memo from City Manager, Tim Klunder, and accompanying documentation to include “Part-Time Employees Under Patient Protection and Affordable Care Act (PPACA) as of 2013” in the Employee Handbook. The Personnel Committee approved this update at their meeting on November 5, 2020 and City Council approved the update at their November 9, 2020 meeting.

Recall an inquiry by Commissioner Query at the September 15, 2020 Board meeting to consider inclusion of a Whistleblower Policy to the Employee Handbook. I have asked HR Solutions to assist with the development of this policy. A draft policy is anticipated within the next week or so and should be available for Personnel Committee consideration at their next scheduled meeting in December.

APPA 2019 Revenue per Kilowatt-Hour Report

This perennial report provides rate comparisons for nearly all electric utilities in the United States. I am happy to report the Zeeland Board of Public Works maintains **the lowest residential rate in the state of Michigan** and is among the lowest nationwide.

Upcoming Events

- **Next Regular ZBPW Board Meeting, December 15, 2020, 3:30 p.m., Howard Miller Public Library West Activity Room**
- 2020 Holiday Power Dollars – Issuing certificates to eligible residential electric customers November 30 – December 13, 2020.

At 6:03 p.m., staff was excused from the meeting and a motion was made and supported to enter into a Closed Session to discuss a personnel issue.

The Board reconvened from Closed Session at 6:40 p.m.

Motion was made and supported that the regular meeting be adjourned at 6:41 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk