

Regular Meeting  
Board of Public Works  
Water Warehouse Meeting Space  
Electronic (Virtual) Meeting  
April 20, 2021

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 350 E. Washington, Tuesday, April 20, 2021. Chairperson Boerman called the meeting to order at 3:30 p.m.

PRESENT: Commissioners – Chairperson Boerman, Query, Dykstra (Electronically – Zeeland) and Walters  
ABSENT: Commissioners – Vice-Chairperson Cooney

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

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the minutes of the March 16, 2021 regular meeting. Motion carried. All voting aye.

**Public Comment**

No public comment given.

**Safety Minute**

The Safety Minute this month was in regards to severe weather and lightening.

**Introduction of New Employee – Kate Chrisman, Utility Accounting and Finance Manager:**

We are pleased to announce the hiring of Katherine (Kate) Chrisman who will begin serving in the new role of Utility Accounting & Finance Manager. Her first day was Monday, April 12, 2021. Kate comes to us with both public and private sector accounting and finance experience through her previous roles as Controller for Aramark Higher Education, Deputy Treasurer for City of Kentwood, Deputy Finance Director for City of Hudsonville, and Bookkeeper for Deaf & Hard of Hearing Services – Kentwood. She holds a Bachelor of Science in Accounting and is nearing completion of coursework toward a Master of Accountancy degree. In her new role at BPW, she will be handling all financial- and accounting-related matters as well as leading the Customer Service Team. Kate and her two teenage daughters live in Wyoming with their black lab mix and two cats. Outside of work, life is spent taxiing around competitive swimmers and soccer players. When time allows, Kate enjoys upgrading and redecorating the house, yard work, bonfires, and cross stitch.

**Annual Financial Report Year Ending June 30, 2020:**

Matt Sinnema, from Kieover, Scholma & Shumaker, PC attended the meeting to present the Financial Report for year ending June 30, 2020 to the Board of Commissioners. It was a Clean Opinion and the finances are in good order.

21.032 Approve Cash Disbursements and Regular Monthly Transfers

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the March, 2021 cash disbursements and the regular monthly transfers for the month of April, 2021 as follows:

Cash and Investments as of: March 31, 2021

	<b>Electric</b>	<b>Water</b>
Receiving	\$2,911,392	\$374,348
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$26,390,539	\$12,831,616
Bond and Interest Payment Reserve*	<u>-</u>	<u>-</u>

Totals \$29,301,931 \$ 13,205,963

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

Recommended Transfers for the Month: March, 2021

	<b>Electric</b>	<b>Water</b>
Receiving	(175,898)	(88,300)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	133,700	88,300
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 informational items such as the 1.25MG South Reservoir Painting Project, Water AMI Solution RFP and the Zeeland BPW 2020 Water Quality Report.

Levandoski explained GP Strategies Corporation (GP) is an international performance improvement company dedicated to helping customers increase knowledge, improve performance, and significantly impact business results. GP helps clients to attain business goals and achieve operational excellence by focusing on improvements to Key Performance Indicators (KPIs). GP's consultative approach and proven product and services lines are dedicated to helping customers gain a competitive edge by ensuring the peak performance of your people, your processes, and how you leverage technology.

GP Strategies is a recognized leader in Operational Excellence and performance improvement consulting, with a focus on helping our clients meet and exceed business KPIs, by applying practical and sustainable solutions. Our consultative approach focuses on accelerating excellence across 33 Critical Standards for performance at industrial facilities, including power plants, transmission and distribution assets, refineries, petrochemical plants, pipelines, manufacturing facilities, aerospace, steel and heavy metals, and many other related facilities

GP's 50+ year history of delivering excellence for their clients is built on a pool of highly talented and motivated industry experts and professionals and an unmatched depth of technical product and service offerings, including:

- Operational Excellence Consulting and Assessment Software
- Asset Performance Management (including software tools)
- EtaPRO Real-Time Thermal Performance and Asset Condition Monitoring System
- The GPiLEARN+ Workforce Qualification and Competency Management Portal
- Workforce Optimization and Human Performance Improvement services
- Capital Expenditure and Operational Readiness Services

GPiLEARN+ offers the latest technology and user experience, with a focus on the following areas of benefit:

- Optimize the learner experience through targeted development plans and Job Roles, substantial content offerings, and intuitive user interface with course reminders and notifications
- Collaborative and Social Learning Tools
- Streamline the Administrative Management of training to target optimized workforce performance
- Provide a fully integrated business intelligence platform, Learning Analytics, which allows leadership to leverage data to make workforce related decisions and forecast workforce needs, as part of strategic initiatives

GP is offering very competitive pricing of \$445 annually for each seat, for the 29 seats required by Zeeland. In addition, a one-time implementation fee of \$6,000 covers the initial programming and configuration of our branded site

21.033            GPiLearn + Safety Learning Management System

Motion was made by Commissioner Query and seconded by Commissioner Walters to award purchase and installation of GPiLEARN + Safety Learning Management System for a total of \$18,905 initial total annual cost with a \$45.99/seat recurring annual fee after the first year of \$12,905.00. Motion carried. All voting aye.

***Electric Transmission & Distribution***

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

DeKraker demonstrated the MyMeter Customer Usage Web Portal.

DeKraker explained the Zeeland Board of Public Works has a variety of options used to meter our electric customers. Electrical metering needs differ based upon the service we are providing. Many commercial and industrial customers have three-phase electrical services, which require current transformers and voltage transformers to be metered. This scope of work is for maintaining and testing 120-meter installations to verify proper functionality, the billing information is correct, and that revenue is not being lost.

Two bids were received with Complete Meter Services being the low bidder.

21.034            Commercial and Industrial Electric Meter Testing

Motion was made by Commissioner Walters and seconded by Commissioner Query to award the bid for Commercial and Industrial Electric Meter Testing to Complete Meter Services for a total price of \$18,000.00. Motion carried. All voting aye.

DeKraker reported as part of our transmission and substation system improvements, we are planning on installing the new transformer at Perry Substation that was moved from the Fairview Substation. Installation of the transformer and supporting equipment is needed to complete Perry Transformer 2 Construction project.

21.035            Perry Substation Transformer 2 Construction Bid Recommendation

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the bid for Perry Substation Transformer 2 contraction to Kent Power for a total price of \$343,168.38. Motion carried. All voting aye.

DeKraker explained underground 500 copper wire is needed to add two circuit to the Perry Substation for the Perry 5 & 6 circuits. The wire will get the circuit out of the substation and to Perry Street. The rest of the circuit will be built later in the fall by our crews. This was a recommendation in the last Electric System Study. Not only will it improve reliability for this area by giving us some switching options, but it will also help us unload some of the other substation transformers. The exact cost could change due to the price of copper potentially rising, but all three quotes have the same escalation clause.

21.036            Wire for Perry Substation Circuits 5 & 6 Bid Recommendation

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the purchase of underground 500 copper wire to Power Line Supply for a total price of \$67,044.00. Motion carried. All voting aye.

DeKraker explained this project is for the Engineering work for the addition of the second 138kV to 69KV transformer at Riley Substation. PKM is our preferred Engineering Firm for all substation projects due to their familiarity with our system and its operation. Staff recommends PKM Consulting to perform the design, construction administration and start-up services for the addition of Transformer #4 at Riley Substation.

21.037 Professional Services Recommendation - Riley Transformer #4 Engineering Proposal

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the engineering Proposal to PKM Consulting for \$71,023.00 for the Riley Substation #4 addition. 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 including updates on the BPW office remodel, winter storm “Uri” and Autumn Hills.

Mulder reported the Zeeland Board of Public Works (BPW) participates in the wholesale power market through the Michigan Public Power Agency (MPPA). Beyond the near-term requirements of the BPW’s Risk Management and Hedging Policy, staff with the support of MPPA, periodically review the BPW’s long-term capacity resources in conjunction with its load forecast to assess its resource adequacy planning.

The capacity deficiencies for the upcoming planning year (PY2021/22) have already been addressed to satisfy the Midcontinent Independent System Operator’s (MISO) planning reserve margin requirements (PRMR), and the compliance requirements of Michigan’s Public Act 341 (PA341) are satisfied for three of the next four years. Accordingly, a capacity purchase to achieve 95% of the BPW’s forecasted PRMR for PY2025/26 is the only requisite transaction, however, prudent risk management requires a longer-range view.

Based on the long-term forecasted capacity requirements, the BPW has substantial open positions beginning in planning year 2025/26, which become significantly greater in planning years 2028/29 and beyond. This is partially due to the forecasted increase in load growth, but also the anticipated loss of existing capacity resources.

As MPPA and BPW staff continue to update long-term forecasts and assess market conditions, staff recommends that an additional 10-year Zonal Resource Credit (ZRC) capacity transaction be executed at this time commencing with PY2025/26. The recommended transaction will not completely address the open position in any of these forward years. Rather, it will serve as a portion of the BPW’s portfolio to reduce risk, while allowing participation in future projects and developing technologies as they become available.

A review of the BPW’s multi-year forward capacity transactions since 2015 indicate that multi-year forward transactions have ranged in price from \$3.40 - \$5.00 per kW-Month, with an increase seen in recent years. Based on a tightening capacity market due to the retirement of existing generating resources in MISO Zone 7, the current cost of constructing and operating a new plant, and the 10-year term of the transaction, staff believes the recommended transaction to be attractive and a good fit

21.038 Resolution - MPPA Capacity Purchase Recommendation

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the Resolution authorizing the General Manager to commit to purchase through the Michigan Public Power Agency with a maximum total purchase commitment of \$4,023,000.00 over the 10-year term. Motion carried. All voting aye.

At the March 16th meeting of the BPW Board, a bid recommendation to purchase a mid-size pickup truck budgeted in the FY2021 electric department capital improvement plan was presented, and subsequently awarded to Barber Ford. Because a comparably equipped truck was included in the upcoming FY2022 electric department budget, members of the Board asked staff to consider ordering a second truck early if there were benefits to doing so, such as discounted volume pricing, model year price increase avoidance and avoid potential delivery delays due to microchip shortages, among others.

Because Barber Ford was the low bidder, staff reached out to the dealership in follow-up to this request and was advised that a \$200 discount would be applied to each vehicle if a second, comparably equipped vehicle was purchased, and that a small price increase is expected for the 2022 model year. Furthermore, delivery is currently estimated at 6-12 weeks, based on shutdowns and various material shortages.

Accordingly, staff recommends taking advantage of this opportunity to purchase a second vehicle at a reduced cost, and that the order be placed earlier than anticipated to reduce potential delivery delays. Based on the estimated delivery timeframe, the vehicle could be delivered either during the City's FY2021 or FY2022

The Electric Transmission & Distribution Department included the purchase of a mid-size pickup in their FY2022 capital improvement plan budget, to provide an additional vehicle for use by the recently hired T&D department electrical engineer. This vehicle is an addition to the BPW's fleet rather than a replacement. A replacement was recently ordered for truck #544, which staff intends to retain until this additional truck is received, providing an additional vehicle during that period. The need to purchase and professionally install accessories such as vehicle safety warning lights and a mobile two-way radio will be required to outfit the vehicle for service.

#### 21.039 Electric T&D Department Pickup Truck Purchase

Motion was made by Commissioner Walters and seconded by Commissioner Query to purchase one 2021 Ford Ranger Super Cab Pickup truck in the amount of \$26,264.00 from R.E. Barber Ford and that \$2500.00 be appropriated to equip the new vehicle with safety warning lights, a two-way radio and other accessories as necessary. Motion carried. All voting aye.

The Zeeland Board of Public Works (BPW) owns and operates five (5) 2,055 kW natural gas fired Caterpillar generators at the Riley Generation Facility. BPW Electric System Operators are able to remotely start and stop the generating units from the Power Plant Control Room via the electric SCADA system, which interfaces with the generator controls and other equipment via a remote terminal unit (RTU).

In late 2020, a project was commissioned to enhance the control and monitoring capabilities of the electric SCADA system at the BPW's Riley Generation facility, providing the Electric System Operators with improved visibility and control. These enhancements required minor program changes to the generation controls, the wiring of additional input/output devices, and configuration changes to the Riley Generation SCADA RTU.

The existing SCADA RTU was installed in 2005, and is no longer supported by the original manufacturer. The task of modifying the RTU configuration, although simple enough in concept, has proven to be a challenge for a multitude of reasons, most notably a missing configuration file and limited product support. Although completing this task with the existing RTU is possible, staff believes the time and effort necessary to do so are not worth the investment given the age of the equipment and available support. Accordingly, staff proposes replacement of this RTU with a contemporary product that will perform the same functions, but is supported by both the manufacturer and local contractors, and is consistent with our general system architecture.

#### 21.040 Riley Generation SCADA RTU Upgrade

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve upgrading the Riley Generation SCADA RTU for an estimated project budget of \$14,000.00 and that \$6,500 professional services contract be awarded to PKM Consulting, LLC for Engineering Services. Motion carried. All voting aye.

#### ***COVID-19 Business Operations Update:***

##### Customer Service Counter Hours:

The new Customer Service Lobby has been fully in-service for over one month now and everyone, staff and customers alike, seems to be adapting nicely to the surrounds. There remain a few minor tweaks to accomplish

and these will be scheduled in the coming weeks in such a way as to not impede customer service. With the full complement of customer service staffing now in place, the team will soon be evaluating the establishment of permanent customer lobby hours. We will keep you apprised of developments in this regard. Boatright stated the report for this item stands as provided in the Board packet.

#### Electric and Water Service Shut-Offs

Utility shut-offs due to non-payment resumed as of Thursday, April 15, 2021. We had a total of six (6) accounts that were impacted. Of these, one has been rectified and the remaining five (5) remain disconnected as of this memo, possibly due to abandonment.

#### Customer Service Utility Billing Metrics:

Boatright stated the report for this item stands as provided in the Board packet.

#### ***Purchase Power Committee Meeting Report from March 23, 2021:***

The Purchase Power Committee was asked to convene to authorize the sale of Renewable Energy Credits (RECs) attributable to the NANR Autumn Hills Landfill Gas Generation Facility. Minutes from this meeting have been included in the packet. Power Supply Manager Mulder will provide a verbal update on this REC transaction.

#### ***Holland and Zeeland Charter Townships Franchise Agreements Update:***

The subject 30-year franchise agreements expire in August 2022. Staff has been in contact with both township managers (Tom Oonk –ZCT; Steve Bulthuis, HCT) to begin educating ourselves on the process for extension. The current agreements along with newspaper clippings have been provided in the packet. You will note that the agreements mirror each other in nearly every aspect. Tom Oonk engaged the township attorney, Ron Bultje, who is also the township attorney for Holland Charter. Attorney Bultje provided the following information:

*As the Township did in 1992, if it wants to grant a franchise to the ZBPW, it would do that by adopting an ordinance. If the Township pursues that direction, I recommend that we update the language of the ordinance from 1992, including the addition of headings or catch lines for each section of the ordinance, as required by Michigan law.*

*Section 4 of the current ordinance calls for a franchise fee to be paid to the Township. Would the intent be to continue the fee at the current rate? [See the BPW franchise fee payment history below.]*

*Article VII, Section 30 of the Michigan Constitution provides that no franchise granted by a township may exceed 30 years. That is the duration of the current franchise. Would the intent be to adopt an ordinance with another 30 years provided?*

*Section 3 of the current ordinance states it is not exclusive. Thus, the ZBPW is not the only utility providing electricity to Township residents and property owners. I assume that would be true with any new franchise ordinance.*

*Finally, Article VII, Section 25 of the Michigan Constitution provides that a franchise issued to a public utility by a city or a village is revocable at will by the governmental agency, unless the franchise is approved by 3/5ths of the electors voting at a local election. This requirement is interpreted to apply to townships as well, which is why the franchise back in 1992 was submitted to and approved by the electors, meaning that the franchise possessed by the ZBPW was not revocable by the Township until the end of the 30 years. Thus, if the ZBPW wants the franchise to not be revocable by the Township during the life of the franchise, the ZBPW would want the franchise submitted to the electors. In that event, ZBPW should pay any elections costs attributable to the ZBPW proposition on the ballot.*

As for timing, as of now, it appears that the timing for both ordinance consideration by Township Trustees in both townships and the ballot initiative could be the same in 2022 as that of 1992. We would ask for ordinance consideration in the townships in May 2022 and target August 2022 for the ballot initiative. If the election is a state election the BPW would incur no election costs other than costs incurred for the campaign, should this be necessary. If the election date selected was not a state election, the BPW would incur costs estimated at \$20,000 to \$40,000 per

election. As of now the August ballot would include an E-Unit (emergency services) millage request for Holland Charter. The August ballot is expected to generate high voter turnout due to this being a gubernatorial election year. Staff welcomes any guidance from the Commissioners regarding this issue.

***North-Star Utility Billing Software Utilization Review and Maintenance Release/Upgrade***

The Utilization Review, which was approved by the Board of Commissioners in November 2020 (Item 6.B.4.), is scheduled to begin on April 26. Originally, we were scheduled to start mid-May, but an opening came available, and they have asked if we would be willing to revise the schedule. Because we have had a previous Utilization Review a few years ago, we can skip some of the “easy stuff” and get right into deeper detail. One bonus to doing this earlier is we will be generating disconnect notices and billing that week; perfect time to evaluate our processes.

Staff has also submitted a request to NorthStar for the next software upgrade to 6.6.7 (we are at 6.5 now) which was due for release mid-April. NorthStar staff will do the testing as usual. Once everything is ready for deployment in our LIVE environment, the onboarding will need to be done after hours. Staff has requested a “deeply discounted” rate for the testing because our last upgrade did not remedy several of the functionality issues we were promised. It was suggested that we instead take a discounted rate for the onboarding since it is much higher. Staff has approved a Scope of Work at a cost of \$5,670.00. Staff has assurances from NorthStar that running these two projects simultaneously will not pose any problems.

***APPA Excellence in Reliability Recognition***

Once again, the BPW has been awarded the subject recognition due to our outstanding electric reliability performance. Included in the packet is the award certificate and the APPA 2020 Annual Benchmarking Report which illustrates how our reliability performance compares regionally and nationally. This recognition is largely attributable to the hard work and dedication of our operating personnel who work round-the-clock to keep services running in peak condition.

***APPA Safety Award of Excellence***

The BPW has received a first place in Group C (30,000 to 59,999 worker-hours of exposure) for the subject recognition. This is a very difficult recognition to secure because only one reportable incident is enough to take us out of contention for recognition. Congratulations to all staff members for remaining accident-free and for being vigilant in safe work practices day-in and day-out.

***Upcoming Events***

- **Next Regular ZBPW Board Meeting, May 18, 2021, 3:30 p.m., Water Warehouse Meeting Space**
- National Lineman Appreciation Day was April 18, 2021.
- Gentex Little League Softball Complex at Huizenga Park Opening Day, Saturday, April 24, 2021, 9:45 a.m. to 11:00 a.m. (See announcement in packet)
- MPPA Virtual Stakeholder’s Meeting, May 14, 2021, 9:00 a.m. – 12:00 p.m. (See announcement in packet)

Motion was made and supported that the regular meeting be adjourned at 6:17 p.m. Motion carried. All voting aye.