

Regular Meeting
Board of Public Works
Water Warehouse
August 17, 2021

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, August 17. Chairperson Boerman called the meeting to order at 3:30 p.m.

PRESENT: Commissioners – Chairperson Boerman, Query, Dykstra and Walters
ABSENT: Commissioners – Vice-Chair Cooney

Staff Present: General Manager Boatright, Electric T&D Manager DeKraker, 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 Dykstra to approve the minutes of the July 20, 2021 regular meeting and the Closed Session minutes of August 3, 2021. Motion carried. All voting aye.

Public Comment

No public comment given.

Safety Minute

The Safety Minute this month was regarding motor vehicle safety.

21.072 Endorse Safety Manual

Motion was made by Commissioner Query and seconded by Commissioner Walters to endorse the use of the Zeeland Board of Public Works Safety Manual. Motion carried. All voting aye.

IT Services On-going Projects Update:

Tim Maloney, the new IT Director, was present to introduce himself and give an update on the IT Projects List.

21.073 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: July 31, 2021

	Electric	Water
Receiving	\$786,546	\$249,157
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$26,561,806	\$12,885,324
Bond and Interest Payment Reserve*	-	-
Totals	\$27,348,351	\$ 13,134,481

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: August, 2021

	Electric	Water
Receiving	(42,309)	-
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	-
General Fund (per charter provision)	42,309	-

Motion carried. All voting aye.

Water Operations

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

Boatright explained The Water Department has been evaluating Advanced Metering Infrastructure (AMI) solutions over the last 12-18 months. Included in their evaluation was testing of various metering prototypes using the existing Electric Department Yukon/Eaton AMI solution which is slated for full implementation in FY 2022. After numerous unsuccessful attempts to utilize the Eaton/Yukon AMI solution to obtain reliable and meaningful water usage data, the Water Department has decided to seek other solution providers. In the last year, the Water Department has contacted multiple solution providers and invited vendors to provide either virtual or in-person demonstrations. This effort has culminated into the development of a comprehensive Request for Proposal document whereby the Water AMI vendor solution could be evaluated using an open and fair process to identify not only pricing details, but also, the solution requirements that are the best fit for the ZBPW Water Department and its customers.

A Request for Proposal (RFP) for the ZBPW Water Advanced Metering Solution was issued on or about April 23, 2021. Six (6) vendors were invited to submit proposals – Kamstrup (Hydro Corp.), Sensus (Etna Supply), Neptune (Ferguson Waterworks), Yukon/Eaton (Eaton), Itron (United Systems), and Master Meter (Master Meter). Vendors were given until May 17, 2021 to submit proposals. Three (3) vendors - Kamstrup, Sensus, and Itron - responded to the RFP. Of these, two (2) vendors - Sensus and Itron - were selected for further consideration and asked to provide in-person presentations of their solution.

Vendors were asked to provide a fixed network AMI solution to be implemented in a pilot of approximately 200 residential and commercial/industrial water meters. Also, it was stipulated that the Water AMI solution must be capable of interrogating the BPW's existing radio frequency meters (referred to as ERTs) for an indefinite period as we gradually transition away from this method of remote read to the proposed new solution. Of the approximately 2,200 total water meters, 860 are radio read ERTs.

The RFP listed a total of 214 Water AMI solution requirements encompassing Communications Methodology, Data Collection, Endpoint Communication Capabilities, Head-End System and Software, System Analytics, Metering, and Support for ERT-equipped water meters. Vendors were asked to indicate their ability to comply with each of the 214 solution requirements and were given the ability to offer written explanation where they were unable to comply with any given requirement. Vendors were also asked to provide detailed pricing for their respective solutions. The bid tabulation for the three (3) vendor proposals received was included in the Board packet.

Staff recommends procurement of the Sensus (Etna Supply) Water AMI solution based on theirs being the lowest and best solution. This solution complied with 211 of the 214 ZBPW system requirements and was the second lowest initial proposal price at \$259,220. A ten (10) percent contingency of \$26,000 is requested to cover potential revisions in scope of work during the pilot implementation for a total budget of \$285,220. The Water Department capital budget plan included \$182,000 per year for four (4) consecutive years beginning in FY 2021 (FY21, 22, 24, & 24) for a Water AMI solution that was yet to be determined at the time the CIP budget was cast. There were no capital expenditures attributable to Water AMI in FY 2021. Nevertheless, the current fiscal year Water AMI line-item budget is insufficient to cover the initial cost of the recommended solution. Staff, therefore, is requesting a capital budget increase of \$103,220 to cover the FY 2022 budget shortfall. Next year's CIP budget will be adjusted accordingly to reflect the anticipated ongoing project costs after the initial pilot phase. Should the Board of Commissioners approve this procurement, it is anticipated that implementation would begin approximately sixteen (16) weeks after issuance of an order (December 2021 – January 2022). City Attorney Jim Donkersloot is currently reviewing the Sensus Software as a Service and Spectrum License Agreement.

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to approve to procure the Sensus Water AMI Solution from Etna Supply at a cost of \$259,220.00 plus a ten percent contingency for a total budget amount of \$285,220.00 subject to approval of of agreement documents by City Attorney Donkersloot and to amend the Water CIP budget for an additional \$103,220 to cover the FY 2022 CIP budget shortfall in the Water AMI line-item budget. Motion carried. All voting aye.

Electric Transmission & Distribution

Manager DeKraker reviewed the Electric Department report and updated the Board on the Electric projects and reviewed the FY 2021 Electric Reliability Report.

Electric Power Supply & Market Operations

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

Mulder explained the replacement of two 10,000 gallon above ground storage diesel fuel tanks at the Washington Ave. Generation Facility has been identified by staff as a priority, and funding appropriated in the capital improvement plan budget. This initiative began in earnest in FY2020, but was paused when unanticipated factors were identified and subsequently addressed. During that process, staff determined that the project scope was larger than originally anticipated.

In early 2020, a condition assessment including non-destructive thickness testing was performed on both tanks as part of staff's routine preventative maintenance and inspection schedule. The results of those inspections confirmed staff's assessment that both tanks are approaching end of life, and should be proactively retired from service. After receiving that report, staff reached out to suppliers and equipment providers regarding their ability to provide suitable replacements and the associated design services (engineering, permitting, construction management, etc.). After reviewing the project with qualified equipment providers, it was evident that although fuel storage tanks are commonplace at fuel dispensaries, the application is unique enough that it requires a firm with broader experience, particularly in the power generation and fuel/oil storage and distribution sectors.

Although progress was incumbered by the COVID-19 pandemic and reprioritized strategic objectives, a list of qualified engineering firms was developed, and a request for proposal (RFP) drafted and submitted for consideration. The RFP requested a comprehensive list of engineering services and construction support. Rather than a turn-key Engineer, Procure, Construct (EPC) project, staff intends to complete this project in a hybrid fashion, directly contracting the construction firm and providing general site-management and support in an effort to reduce cost. The engineering firm will be responsible for overseeing construction and verifying that it is performed according to specifications, and that all design and regulatory requirements are satisfied.

The request for proposal was provided to four (4) reputable engineering firms, and proposals received from each of them. A list of relevant projects completed in the last 5-7 years, and references were also requested. Upon receipt of the proposals, each was reviewed against the requested scope of work to confirm alignment, along with the proposed schedule, T&M rates, and contract terms. Follow-up virtual meetings were conducted with the two lowest bidders to review project scope, related experiences, schedule, and develop a comfort level with their abilities to effectively complete the project.

Barr Engineering Co. provided the low bid on the project, while satisfying the requirements outlined in the RFP and addendum. Furthermore, Barr provided a tentative project schedule that aligns with staff's target completion date of 5/1/2022, assuming timely approval of submittals by regulatory agencies and no significant material delivery issues. All bidders agreed to meet schedule in general terms, however Barr provided the most detail as to how that would be achieved.

During development of the FY2022 capital improvement plan budget, staff included a \$150,000 allocation for the entire project (engineering, material, and construction), which was carried forward from the original budget plan year of FY2020. Based on the engineering proposals received, staff anticipates that this budget will likely require an amendment once estimates for the construction and materials are received.

21.075 Engineering Services for Replacement of Fuel Tanks

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve a professional services contract totaling \$87,930.00 be awarded to Barr Engineering for engineering services associated with the replacement of two above ground fuel storage tanks with a contingency of \$9,070.00 for potential changes in scope, for a total budget of \$97,000.00. Motion carried. All voting aye.

Mulder explained as is typical of most modern office environments, the BPW's Office utilizes an uninterruptible power supply (UPS) to ensure that conditioned power is provided to essential computer and technology equipment without interruption. This includes the telephone system, servers, network equipment, and the like. Due to the addition of new computer and technology equipment over the past few years and the age of the existing UPS, staff believes that it is time to replace and upgrade the unit with one that has greater capacity, along with upgrading the UPS power distribution for improved separation and circuiting of critical loads.

The requested scope of work includes replacing the existing 2.2kVA UPS with a 10kVA UPS for increased capacity. As this project mirrors the recent UPS upgrade project at the Power Plant, a Liebert model GXT5-10 UPS was specified for consistency. Although this is a significant increase in size, the current UPS is nearly loaded to capacity, and potential changes to the City-wide server architecture and placement are anticipated which could result in additional load. The UPS will be relocated to the designated server room where it can be better secured, and provisions for climate control more easily added in the future. A new dedicated power circuit and service disconnect will be installed, in addition to a dedicated 24-space power distribution panel for improved circuiting and load management. Finally, a number of existing receptacles will be reconfigured, and one additional duplex receptacle installed.

Because the bid specification provided UPS run-time requirements very close to what the UPS can achieve alone, both bidders provided a voluntary alternate to exclude the external battery. Although the building is equipped with an emergency stand-by generator and automatic transfer switch, staff believes that adding an external battery for extended run-time is prudent to ensure power to critical equipment is maintained, and proactively account for diminished battery capacity that will occur over time.

A bid option was requested to up-size the raceways, conductors, service disconnect, and UPS distribution panel to accommodate future expansion to a 15kVA UPS configured comparably. However, staff does not believe the additional expense is justified, based on the anticipated likelihood of this need. Bids for this project were requested and received from local electrical contractors and Parkway Electric provided the low bid.

21.076 BPW Office UPS Replacement

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to approve a contract totaling \$13,811.00 be awarded to Parkway Electric & Communications for a replacement 10kVA UPS at the BPW Office Building with a contingency of \$1,000.00 for potential scope changes, for a total budget of \$14,811.00.

Motion was made and supported to enter in to a Closed Session at 5:35 p.m. to discuss a potential opportunity to acquire a nearby parcel. Motion carried. All voting aye.

The Board reconvened at 5:55 p.m. from the Closed Session.

21.077 Offer on Property at 320 E. Washington

Motion was made by Commissioner Query and seconded by Commission Dykstra to make an offer up to \$215,000.00, contingent on an appraisal for the property at 320 E. Washington with the option of the owner to rent for a period not to exceed one year. Motion carried. All voting aye.

*Board Member Dykstra left the meeting.

Boatright explained an AFEC Bond Refunding Opportunity to the Board.

Professional Services Recommendation – Marc Creative Social Media Management Services

Marc Creative has been assisting the ZBPW since July 2020 by creating a social media style guide, a social media content calendar, and launching of the ZBPW Facebook page. For the last 11 months, Marc Creative has also created and scheduled all social media posts on the ZBPW Facebook page. We have nearly 500 Facebook “followers” as of this memo. Marc Creative also provided a substantial number of extra social media posts to aid in the promotion of the EA Power Dollars, Holiday Power Dollars, Public Power Week, Drinking Water Awareness, and so on. In addition, Marc Creative provided graphic design services for various marketing pieces and ads upon request, which were not included in the base scope of services and were billed separately. For the 2020-2021 Marc Creative engagement, we were billed \$5,395 for services rendered.

Staff has asked Marc Creative to provide a proposal for services again for the coming year. The 2021-2022 proposal contemplates the continuation of social media management services, but with an expanded scope of services. This year, we would like to expand the engagement to include “communications management” services which adds the creation and transmittal to media outlets of various promotional items (e.g., print ads, magazines, newspapers, online publications, etc.) as needed. The engagement would also include monitoring of the ZBPW website content and working in coordination with revel (our website management service) to create a friendlier user experience, ensure consistency in style and branding, as well as to coordinate social media updates with the website. The proposal price offered for these services is \$950 per month or \$11,400 for the year. Staff recommends approval of this engagement.

21.078 Marc Creative Social Media Management

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the purchase of social media and website management services from Marc Creative in the amount of \$950.00 per month (\$11,400.00 annually). Motion carried. All voting aye.

Boatright explained during his annual performance review last fall, Commissioners Boerman and Cooney asked him to revisit the 2018-2022 BPW Strategic Plan. It is likely that we will need to do more than just update the existing 2018 -2022 SP because the utility landscape has changed dramatically over the last 5 years. The 2018-2020 Strategic Plan included the following thematic outcomes:

- Educate customers how and when they can save money
- Retaining and attracting staff should remain a priority
- Communicate more effectively, when important
- Keep updated with technology
- System reliability and resiliency are valuable
- Focus on rate impacts, but do the right thing

While these themes are important and Boatright expects that they will carry through to the next plan, we are hearing more and more from certain large customers desiring to commit in some way/shape/form to sustainability. This, coupled with the ever-changing landscape in electric generation where renewable resources are being proliferated to replace retiring base load fossil fuel resources, the BPW’s future will involve facilitating customers’ sustainability needs and wants. There are other critical issues in which preparation is needed including, but not limited to, electrification (EV proliferation and greater use of electricity for technology), customer programs with the advent of AMI (for both electric and water), and planning for renewals and replacements of our on-system and off-system electric generation resources as well as our water distribution facilities.

Boatright has obtained a proposal for Strategic Plan facilitation and documentation from Hometown Connections, Inc. Hometown is the group who conducts many training sessions, presentations, etc. at APPA and other public power utility conferences, and staff has had recent exposure to one of their principals, Steve VanderMeer, who presented the APPA Board Governance webinar that BPW Commissioners and Boatright recently attended. This group has performed Strategic Planning of various forms for public utilities nationally, but also for MPPA, Grand Haven BLP, and Holland BPW. Boatright has had exposure to their process via a recent re-calibration of the MPPA strategic plan. They do good work. Either Steve VanderMeer or Tim Blodgett will be facilitating our efforts.

21.079 Hometown Connections Strategic Planning Consulting Services

Motion was made by Commissioner Walters and seconded by Commissioner Query to approve the purchase of Strategic Planning Consulting including stakeholder engagement efforts, workshops and document creation for a total price of \$36,700.00 plus travel and expenses from Hometown Connections, Inc. Motion carried. All voting aye.

GARE Memorandum of Understanding

Ottawa County has contracted with a third-party consultant to lead the facilitation of the Government Alliance on Race and Equity (GARE) framework to achieve racial equity and advance opportunities for all. The purpose of this engagement is, with the assistance of a contracted DEI Facilitator, participating Learning Communities of Practice (LCoP), of which the City of Zeeland/Zeeland Board of Public Works is one, will develop DEI best practices, tools, and resources based on the GARE framework. Participating local units will be billed based on organization size and number of participants. The attempt is to more fairly split costs, where small units have less burden. The total cost of the consultant is estimated to be \$52,500. Ottawa County has requested \$30,000 from two local community foundations. The remainder has been split based on number of participants and organization size. The total cost for the City of Zeeland/Zeeland Board of Public Works is \$3,150 which will be split on a 50/50 basis. The costs are set as of June 30, 2021 and shall not change if a jurisdiction changes number of participants or in size of the organization.

21.080 GARE Memorandum of Understanding

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the contract for a third-party consultant to lead the facilitation of the Government Alliance on Race and Equity (GARE) framework in the total amount of \$3,150.00 to be cost-shared on a 50/50 basis between the City of Zeeland and the Zeeland Board of Public Works. Motion carried. All voting aye.

Water Budget Amendment

Levandoski gave an update on the budget amendment which was tabled from the last meeting. Levandoski and Utility Accounting & Finance Manager Chrisman recently spent time comparing FY 2021 O&M activity to the FY 2022 budget. After comparing recent activity, identifying changes in personnel hours, sales and future spending, twelve accounts have been located that require a budget amendment.

21.081 Water Budget Amendment

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the Water budget amendment which decreases FY22 income by \$319,408.00 and increases FY22 expenses by \$74,974.00. Motion carried. All voting aye.

MPPA Business Risk Assessment Findings:

Joint Action agency MPPA, of which we are a member, has undertaken an initiative to measure each member's Customer Concentration Risk and Retail Rate Competitiveness. In order to perform this study, MPPA submitted a data request to the BPW (and all MPPA members) for 12 consecutive months of usage and retail sales data from each of our three largest customers. In addition, they requested 12 months of usage and retail sales data from a cross-section of customers in each of our four rate classes (Rates A, B, C, and D) to compare our electric rates to the equivalent rate classes of Consumers Energy. Customer Service Representative Kerri Vlietstra worked diligently to provide the requested data to MPPA. In summary, the findings revealed what we already knew – that there is significant load concentration risk and that our retail electric rates compare favorably to that of Consumers Energy. The findings were provided to the Board in their meeting package.

Customer Service Utility Building Metrics:

Boatright included the Utility Payment Statistics in the Board Packet for their review.

Upcoming Events

- **Next Regular ZBPW Board Meeting, September 21, 2021, 3:30 p.m., Water Warehouse Meeting Space**

Motion was made and supported that the regular meeting be adjourned at 6:38 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk