

Regular Meeting
 Board of Public Works
 Electronic (Virtual) Meeting
 February 16, 2021

The regular meeting of the Board of Public Works Commission was held at the Howard Miller Library/Community Center, 14 S. Church Street, Tuesday, February 16, 2021. Chairperson Boerman called the meeting to order at 3:30 p.m.

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

Staff Present: General Manager Boatright, Accountant Collins, Electric T&D Manager DeKraker, IT Manager Carlton, Electric Power Supply & Market Operations Manager Mulder, Electric T&D Engineer Coots, Water Manager Levandoski (electronically) and City Clerk Holmes

Motion was made by Commissioner Cooney and seconded by Commissioner Walters to approve the minutes of the January 19, 2021 regular meeting. Motion carried. All voting aye.

Public Comment

No public comment given.

Safety Minute

The Safety Minute for this month was about shoveling and snow blowing safely.

New Staff Member

Boatright introduced Brian Coots, T&D Electrical Engineer. Brian graduated from Western Michigan University, Kalamazoo, with a BS in Electrical Engineering (Power Distribution pathway). His most recent employment was with the Lansing Board of Water and Light (T&D System Planner). Prior to that, Brian worked for ThermalTech Engineering and prior to that Consumers Energy. Brian's first day was Monday February 1.

21.008 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: January 31, 2021

	Electric	Water
Receiving	\$3,011,293	\$475,102
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$26,556,862	\$12,784,182
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$29,568,155</u>	<u>\$ 13,259,284</u>

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: February, 2021

	Electric	Water
Receiving	(275,798)	(189,000)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	233,600	189,000
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 RB Invoice Overview, LRAA Calculation, Cross Connection Report, EGLE reports and Disinfection by Product Test Reports.

Levandoski explained the reconstruction of Alice (from 104th to 100th) and 100th (from Alice to Huizenga) were included as part of the Fiscal Year 2020/2021 budget and will be included as part of the Fiscal Year 2021/2022 budget. The scope of the project includes a full street reconstruction including sidewalks, full utility upgrades including water and storm sewer, and coordinated work with the Ottawa County Water Resources Commission (OCWRC) to complete work for the Alice Avenue Drainage District. On Tuesday, February 9, 2021 seven bids were received for this reconstruction project, and we did receive very competitive bids. The low bid was from Montgomery Excavating, LLC in the amount of \$1,885,898 and the engineer's estimate for the project was \$2,066,780. The bid amount from Montgomery Excavating for ZBPW Water is \$483,900.00. Additional added cost to the project is \$35,140.00 for 28% of total cost for mobilization fee and Traffic Control. Contingency amount of \$50,664.87 and Engineering & Administration cost of \$77,056.00. Total amount of \$646,760.87.

21.009 Bid Recommendation Alice Avenue & 100th Street Reconstruction Project

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to award the bid for Alice Avenue and 100th Street Reconstruction to Montgomery Excavating, LLC in the amount of \$646,760.87. City Council will have considered this action item at the February 15, 2021 regular meeting and if approved, would be contingent on approval by the Board of Commissioners. Motion carried. All voting aye.

Levandoski explained that in October, 2019, Dixon Engineering completed an ROV (Remotely Operated Vehicle) Inspection on the North 1.25 Water Reservoir located at Washington PS. The wet interior coating was applied in 1986 and it is still in good to fair condition. The cathodic protection system has been limiting the growth and severity of corrosion cells occurring on the surfaces of the floor and sidewalls but it does not protect the roof surfaces that are not submerged. The interior coating is 34 years old and has served the tank well but the number of spot coating failures are increasing and exposing the substrate to moisture and deterioration.

The exterior overcoat system was applied in 2003 and is nearing 17 years of service. The typical overcoat system has a 12–15-year service life. There isn't a cathodic protection system for the exterior that would slow the rate of corrosion and deterioration so the application of additional coating becomes the best way to protect the steel from the environment.

The safety and operation upgrades are included as considerations from a regulatory agency and worker safety standpoint. We understand that the amount of time workers are in or on the tank are minimal over its lifetime but the upgrades provide a safe work environment for those that do have to perform operational or rehabilitation work on the tank.

21.010 1.25 MG South Reservoir Interior/Exterior Painting

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the Dixon Engineering Project Service Agreement quote of \$46,300.00 as presented. Motion carried. All voting aye.

Electric Transmission & Distribution

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

DeKraker explained there is a need for the 22 single phase and 5 three phase pad mounted transformers for upcoming street projects, other construction coming in the spring/summer and inventory replacement. Staff has done loss evaluation comparisons on the transformers at no load and full load ratings. Four bids were received for both the single phase and three phase transformers. Although a transformer may be least expensive on the bid, it may not be when adding in the losses. DeKraker is recommending awarding the bid to Resco for the 22 single phase transformers and the 5 three phase to Irby.

21.011 Distribution Transformer Purchase Bid Recommendation

Motion was made by Commissioner Cooney and seconded by Commissioner Walters to award the purchase of 22 single phase transformers to Resco using Ermco transformers for \$56,119.00 and 5 three phase GE transformers to Irby for \$47,289.00. Motion carried. All voting aye.

DeKraker submitted an engineering proposal recommendation to the Board for their approval for the Perry Substation T2 Addition. This project is included in the FY2022 Capital Improvement Plan and was recommended by GRP Engineering in their System Study. PKM is the preferred Engineering Firm for all substation projects due to their familiarity with our system and its operation.

21.012 Perry Substation T2 Addition Engineering Proposal

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the engineering proposal to PKM Consulting for \$92,118.00 for the Perry Substation Transformer 2 addition. Motion carried. All voting aye.

Information Technology

Information Technology Manager Carlton updated the Board on current activities, the on-going IT Projects list and the Cyber Security Managed Services RFP.

Carlton reported the BPW-VMHOST1 currently resides at the BPW main office and hosts six virtual servers running critical business systems including our customer billing program (Harris/Northstar), our Waterworks Database, our network management system (PRTG), and an Active Directory Domain Controller. These systems are vital components of our day-to-day operations. It is imperative that they be up and running 24 hours a day, 7 days a week. The server that is currently hosting these virtual servers has recently experienced a number of instances where it has run out of available disk space. When this happens, Harris/Northstar stops working. We are not able to add any more disk space to the current server. The refresh cycle for key infrastructure servers is typically 3 to 5 years. BPW-VMHOST1 is 6 years old and is running Microsoft Windows Server OS 2012 R2 Standard which is no longer in mainstream support.

Staff feels replacing the BPW-VMHOST1 server with a new Dell PowerEdge R740 server running Microsoft Windows Server OS 2019 – Standard Edition is the solution. Because of the complex nature of this work, it is imperative that we select a consulting company that has a thorough understanding of our server environment as well as the depth of experience and expertise necessary to complete this project. EGL Tech installed the original server and is responsible for the day-to-day support of this system. Based on this, it is my recommendation that we use our current managed services provider, EGL Tech, for this project

21.013 BPW-VMHOST1 Server Replacement

Motion was made by Commissioner Query and seconded by Commissioner Cooney to accept the bid from EGL Tech and begin the proposed work in the first quarter of 2021 with an estimated cost of \$16,025.00. Motion carried. All voting aye.

Carlton explained in March of 2020 while performing a routine review of network traffic, potentially malicious activity within our firewalls was identified on the business network for the BPW and the City of Zeeland. After engaging support staff from IP Consulting, we were unable to determine the source or the nature of the suspicious activity. Given the potential negative impact on our business processes, we had to move very quickly to mitigate or eliminate these potential threats.

Prior to this incident we had been in discussions with BitLyft Cybersecurity and were evaluating the services they offered. A decision was made to engage them on a month-to-month basis to assist us in protecting our business

network. They immediately sent personnel to the BPW and City of Zeeland to deploy an Intrusion Detection System (IDS) and install endpoint protection software. Since that time, they have been actively monitoring our business network and working with BPW IT staff to enhance our overall security posture.

While we have been very happy with the services provided by BitLyft, we felt it was important to take the time to go through a formal RFP process to ensure that we have the best cybersecurity solution for our given environment. It should also be noted that given the limited IT resources currently in place for the BPW and the City of Zeeland, it was determined that we needed to bring in outside resources to address this critical business function.

The cybersecurity environment and related threats are constantly evolving so the protective measures put in place to mitigate these threats are also constantly changing. The core components of a cybersecurity deployment include IDS appliances to monitor network traffic, endpoint protection software, and a Security Incident Event Management (SIEM) platform to aggregate this information and allow cybersecurity professionals to make informed decisions and responses. All firms submitting a bid were asked to provide detailed information regarding these components including:

- Security Incident Event Management (SIEM)
- Security Operations Center (SOC)
- 24/7 Threat Monitoring & Detection
- Maintenance, monitoring, and analysis of audit logs
- Identifying critical assets and determining security risk levels
- Analysis of network ports, protocols, and services
- Establishing information systems baselines and providing formal configuration management

Ten (10) Cybersecurity firms were invited to submit bids for the RFP. Of these 10, staff was able to narrow down the list to 4 including:

BitLyft Cybersecurity (Owosso, MI)
Rehmann (Grand Rapids, MI)
Access Interactive (Novi, MI)
Sentinel (Grand Rapids, MI)

Interviews were held with the four finalists and each were given 60 minutes to present their proposals and answer any questions from the evaluation committee which was comprised of Andy Boatright (General Manager – Zeeland BPW), Kevin Plockmeyer (Assistant City Manager / Finance Director – City of Zeeland), Heather Wood-Gramza (Director - Howard Miller Library and Community Center), and Brad Carlton (IT Manager – Zeeland BPW). Based on these interviews it was determined that BitLyft Cybersecurity provided the best level of service and the most competitive pricing of the four finalists.

21.014 Cybersecurity Managed Services Recommendation

Motion was made by Commissioner Walters and seconded by Commissioner Cooney to approve the selection of Bitlyft Cybersecurity to provide managed cybersecurity services to the Zeeland BPW and the City of Zeeland for a contract term up to 36 months subject to City Attorney approval. Motion carried. All voting aye.

Electric Power Supply & Market Operations

Mulder updated the Board on current operations status, activities and projects including updates on the BPW building construction.

At the July 21, 2020 meeting of the BPW Board, a budget of \$400,000 was requested and subsequently approved for the proposed interim renovations in the BPW Office and Water Warehouse. Although \$500,000 was allocated for this in the FY2021 capital improvement plan budget, staff requested less than that amount based on a preliminary budget provided by the owner's architect, and an estimated allocation by staff for additional scope items. A request for proposal was subsequently developed and submitted to contractors,

which included the additional items anticipated by staff. Because the awarded bid aligned with the approved project, staff was hesitant to increase the project budget at that time.

During the final design, planning, and start of construction, a number of additions were added to the project scope which staff forecasts will exceed the approved budget of \$400,000. These include the final review and selection of office furniture and finish materials, enlarged lockers for the T&D Department line crew, the addition of no-touch fixtures in the restrooms, additional electrical and network data drops, and numerous others.

Based on change orders received and additional expenditures authorized since construction began in earnest, staff forecasts that the project will exceed the approved budget by an estimated \$50,000. Due to additional project costs anticipated but not specifically known at this time, staff requests that the project budget be increased to the \$500,000 budgeted in the FY2021 capital improvement plan budget.

21.015 Budget Amendment BPW Office Interim Renovations

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve a budget amendment of \$100,000.00 be added to the project, bringing the project to \$500,000 approved in the FY2021 capital improvement plan budget. Motion carried. All voting aye.

Customer Service Lobby Closure

The Customer Lobby will be closed due to tile installation Monday, February 22 through Friday, February 26, 2021. Customer Service Representatives will be available during normal hours via phone or email. Utility bill payments can be made by credit card using our online customer portal or by phone or text. The utility bill payment dropboxes remain available at any time. Announcements will be posted on the front door, on our website, and on social media.

COVID-19 Business Operations Update:

Vaccine Distribution Update:

Thanks to facilitation by Tracey DeKraker, we have established a reliable vaccination resource at Spectrum Health Zeeland Hospital – Joseph Klesney, the interim CEO. He has offered us the opportunity to submit a list of names of front-line essential employees who are willing to be on a wait list for the vaccination. This list, that includes names from both the BPW and COZ, has been submitted to Mr. Klesney and we now await further instruction.

Customer Service Utility Billing Metrics Update:

Staff provided a verbal update on utility billing metrics.

BPW Fiscal Year 2022 Preliminary Plan:

Staff presented the preliminary Fiscal Year 2022 budget with a Power Point Slide presentation along with documentation that provides additional line-item details along with a timetable, assumptions and changes for the year. As indicated in the budget timeline provided, the Board of Commissioners is being asked to formally approve the BPW budget plan at the next Board meeting in March.

- February 16, 2021 BPW Board Present FY22 Preliminary Budget
- March 16, 2021 BPW Board Approve FY22 Budget
- March 29-31, 2021 City Council Work-Study Sessions
- April 20, 2021 BPW Board Consider Budget Changes from City Council
- May 3, 2021 Hold Public Hearing and Adopt Budget

The budget plan as presented herein is substantially complete. However, staff anticipates that some minor adjustments may be necessary over the course of the next month. In addition, this period of time offers the Board of Commissioners the opportunity to review the plan and provide commentary and/or ask questions.

NANR Autumn Hill Billing Discrepancy

Boatright provided a verbal update on Autumn Hills Billing Discrepancy.

MPPA Zeeland BPW Credit Report Card

Boatright included in the Board Packet, the annual MPPA Credit Score Card. The BPW scored in the category of “Excellent Performance” with a scoring percentage of 111 out of 100. Congratulations to Accountant Steve Collins and all the BPW Staff and the Board of Commissioners for their excellent stewardship.

Upcoming Events

- **Next Regular ZBPW Board Meeting, March 16, 2021, 3:30 p.m., Howard Miller Public Library, West Activity Room**
- APPA Virtual Legislative Rally, March 1-2, 2021
- APPA Best Practices in Public Power Governance, Virtual Course, March 11, 2021, 12:00 p.m. – 3:30 p.m.
- MPPA Virtual Stakeholder’s Meeting, May 14, 2021, 9:00 a.m. – 12:00 p.m.
- Staff is working on the plans for a retirement party for Accountant Collins in the near future.

Motion was made and supported that the regular meeting be adjourned at 6:33 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk