

Regular Meeting
Board of Public Works
Water Warehouse
June 15, 2021

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, June 15, 2021. Chairperson Boerman called the meeting to order at 3:30 p.m.

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

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

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the minutes of the May 18, 2021 regular meeting. Motion carried. All voting aye.

Public Comment

No public comment given.

Safety Minute

The Safety Minute this month was regarding safety leadership.

21.061 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: May 31, 2021

	Electric	Water
Receiving	\$2,997,818	\$443,439
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$26,840,683	\$12,866,987
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$29,838,502</u>	<u>\$ 13,310,987</u>

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: May, 2021

	Electric	Water
Receiving	(262,398)	(157,400)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	220,200	157,400
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.

Electric Transmission & Distribution

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

DeKraker explained the 2 three-phase pad mounted transformers and the PMH-12 switchgear are for inventory replacement after we will be doing one transformer enclosure change out for Woodward FST and are wanting to do the second transformer enclosure changeout with the new 1500 KVA Transformer. This project also allows us to update the distribution system feeding them allowing us to fuse each transformer separately to reduce outages when problems arise. We have done loss evaluation comparison on the transformers at no load and full load ratings, so although a transformer may be least expensive on the bid it may not be when adding in the losses.

Three bids were received for the three-phase transformers. Power Line out of Reed City Michigan was the low bidder, however their lead time is a big concern being doubled from the others. It is recommended to go with Irby out of Mount Pleasant as they are the closest in price but with half the lead time.

The S&C Switchgear is needed for an emergency project for Woodward FST. In the past, S&C has proven to be the least cost provider of our switchgear and therefore in this one instance staff is recommending we move forward with this purchase without other quotes. They were also the only provider who could provide a quote at the last minute and have the required lead time that we need.

21.062 Distribution Inventory Purchase Recommendation

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the purchase of 2 three-phase GE Transformers to Irby for \$45,187.00 and the PMH-12 S&C Switchgear to Irby for \$20,943.00. Motion carried. All voting aye.

Information Technology

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

**BPW Vice-Chairperson Cooney entered the meeting.*

Electric Power Supply & Market Operations

Mulder updated the Board on current operations status, activities, projects and details of the Power Plant fire on June 10, 2021.

Mulder reported the BPW's 'Water Warehouse' was recently renovated to include offices for the Water Department, and a multi-purpose area used as a meeting space and break room. Previously, the building was used only as a storage facility for material, vehicles, and various equipment. Accordingly, when the BPW office emergency standby generator project was planned and installed in 2019, the need to supply the Water Warehouse with emergency standby power was not deemed necessary, as provisions to manually open the overhead doors exist.

With the Water Department now operating out of the building, the need for emergency standby power was identified by BPW staff. After reviewing the size and loading of the existing BPW office generator with the supplier, it was determined that sufficient capacity was available to supply both the BPW office and Water Warehouse based on the peak demand observed in both buildings during the past two years, yielding an estimated maximum combined load of 83%. Accordingly, reconfiguring the Water Warehouse to be fed from the BPW Office Main Distribution Panel (MDP) and automatic transfer switch seems to be the most prudent and cost-effective approach.

After confirming generator capacity and the combined peak demand of both buildings, a scope of work was prepared and bids requested from three (3) local electrical contractors for the project, excluding the installation of underground conduit which the BPW intends to contract directly. Town & Country provided the low bid on the project, which met all bid specification's with the exception of an electrical permit which the estimator stated would add \$200.00 to the amount bid. With the permit fee included, Town & Country is still the low bidder on the project.

The BPW intends to directly contract the installation of underground conduit to Western Tel-Com, due to the volume of work of this type that they perform for the BPW. Based on the scope of work, Western Tel-Com provided a bid of \$1,650 for underground directional boring and conduit installation.

All costs associated with this project will be divided between the electric and water departments on a 75% /25% basis, as is typical for expenses associated with shared assets. If sufficient funds are available on the FY2021 BPW Office Remodel project once all punch list items are complete, expenses from this project will be allocated accordingly. However, it is most likely that these expenses will be allocated against the FY2022 General Building Improvements for both the Electric and Water Department budgets.

21.063 Bid Recommendation – Water Warehouse Emergency Standby Power Project

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the contract totaling \$8,614.00 be awarded to Town and Country Group to complete the electrical installation as outlined in the project scope of work and a contract totaling \$1,650.00 be awarded to Western Tel-Com, Inc. for installation of the underground conduit and a contingency amount of \$1,736.00 for potential changes in scope for a total project budget of \$12,000.00

Mulder explained the Zeeland Board of Public Works (BPW) has adopted an Energy Risk Management Policy Statement which ratifies the MPPA Power Supply Risk Management Policy (May 2020) as that which governs its power supply risk management and hedging strategies. This policy statement appoints the General Manager as the organization's Member Authorized Representative, and establishes internal authority limitations for transactions involving electric energy, transmission, capacity, and similar products based on the transaction term.

Although MPPA has not revised its Power Supply Risk Management Policy (PSRM) since it was last ratified by the BPW Board and City Council, staff recently noted that our internal policy statement restricts transactions to purchases, as opposed to both the purchase and sale of authorized products. In contrast, the MPPA PSRM transaction approval requirements apply equally to both transaction types. Accordingly, the BPW's Energy Risk Management Policy Statement has been updated to align with MPPA's PSRM, to facilitate these transactions. A red-lined draft of the revised document was distributed in the Board Packet with changes indicated. Additional edits to the policy document have been made, but are non-substantive.

MPPA staff is presently working on proposed changes to the PSRM, which staff anticipates receiving for review and comment in the coming months. Based on the time required for members to review and accept the proposed changes, staff believes the proposed changes to the BPW's internal policy should be considered at this time, without further delay.

21.064 Energy Risk Management Policy

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to approve the revised BPW Energy Risk Management Policy Statement which ratifies and aligns with the MPPA Power Supply Risk Management Policy and applies the transaction approval requirements to both purchases and sales. Motion carried. All voting aye.

Consideration of Community Grant Applications:

Grant applications were accepted beginning on April 1, 2021. We have received two applications: OCSN Mental Health Support for At-Risk Kids and City on a Hill Boiler Replacement. These applications have been included in the packet for the Board's consideration. After discussing eligibility, it was determined the OCSN was not eligible as the impact is limited and only effects individual students.

21.065 Community Grant Applications

Motion was made by Commissioner Query and seconded by Commissioner Cooney to direct staff to award the Community Grant Program funding of \$25,000.00 City on a Hill for their boiler replacement. Motion carried. All voting aye.

101 North Centennial Property Transfer:

The proposed North Warehouse building plan calls for the building footprint to encroach upon the parcel that houses the People Product Progress monument sign located on the northeast corner of N. Centennial and E. Washington Avenue (101 N. Centennial). A site plan has been included in the packet for reference. This parcel was purchased by the City of Zeeland in 1980 at a price of \$25,000. Considering the parcel ownership by the City and the fact that the footprint of proposed warehouse will occupy a portion of this parcel, staff feels that the BPW should acquire the parcel and ultimately combine the parcel with that occupied by the Washington Ave. Generating Station. Staff recently met with CM Klunder, ACM Plockmeyer, and Community Development Director Maday to discuss transfer of the property in question. There is agreement to transfer the property based on the following terms and conditions:

- The land is to be transferred at no cost to the BPW. This would be in acknowledgement of many years of the BPW absorbing costs to maintain the property including signage, landscaping, lawn mowing, irrigation, and utilities at no charge to the City of Zeeland for many years.
- The People Product Progress sign and maintenance thereof is to remain the responsibility of the BPW
- The electric and water utilities are to remain the responsibility of the BPW
- The landscape maintenance and mowing are to remain the responsibility of the BPW
- That there will be a sign located within the property boundaries, and
- That removal of the sign would require City Council approval.

Staff has requested the services of City Attorney Donkersloot to develop legal documents to perform the property transfer. It is anticipated that a Council Resolution and Deed will be drafted and ready for Board consideration at the July 2021 Board of Commissioners meeting.

MPIA Spring 2021 Board Meeting Follow-up:

The MPIA Board of Directors held their Spring meeting on May 24, 2021 at the offices of the Zeeland Board of Public Works. Highlights of the meeting are as follows:

- Kate Chrisman was designated as the Freedom of Information Act Privacy Officer replacing recently retired Steve Collins.
- The investment portfolio performance was reviewed by David Franklin, Diamond Capital Management. Investments performed favorably for the reporting period.
- The MPIA FY2022 budget was approved and is included in the packet for reference.
- The insurance renewals for FY2022 were reviewed and approved. Premium costs have increased due to changes in the property profile for Grand Haven (they no longer have a generating plant) and a very tight insurance market likely brought on by COVID-19.
- Zeeland BPW reviewed action taken as an outcome of a recent West Chester Loss Control Audit recommendation to ensure all contract services and consultants working for ZBPW include ZBPW as an additional insured on all Certificates of Insurance. This will be done for all future contractor/consultant engagements.
- There were no claims for the most recent reporting period.

Emergency Pay Expiration

The following announcement from CM Klunder was distributed to all City staff members on June 10, 2021:

As the restrictions (gathering sizes, face mask, etc.) around Covid19 continue to lessen due to reductions in Covid19 positive cases, the city has been evaluating our need to continue with the special Federal Emergency Paid Sick Leave Act (EPSLA) hours and the City's Emergency Covid19 Paid Leave Policy. While the federal program technically ended on December 31, 2020, the city did extend the program past that date as we continued to monitor the Covid19 pandemic. With the State of Michigan eliminating limits on gathering sizes and the use of face coverings (in most situations) after July 1, 2021, we feel it is appropriate to terminate the special Covid19 leave policies and hours (EPSLA and City's Emergency Covid19 Paid Leave) after June 30, 2021.

This has been a long 16 months and we appreciate both the Zeeland City Council's and Zeeland Board of Public Works implementation and extension of these special leave bank programs as a means of assisting employees deal with the various implications of Covid19. We also want to thank all of you for your patience, diligence and cooperation though this time. We understand that Covid19 will not magically disappear come July 1, 2021, but we have come a long way toward recovery!

CM Klunder polled all City departments, including the BPW, prior to sending out this announcement to ensure there were no significant concerns with terminating the Emergency Pay program. There were none. As Mr. Klunder stated, we very much appreciate the Board's and City Council's approval to implement the Emergency Pay program which proved to be of great assistance to staff throughout the course of the pandemic.

Customer Service Utility Billing Metrics

Boatright included the utility payment statistics in the packet for the Board's review. It was suggested to have an incentive for customers to sign up for the ACH program.

Upcoming Events

- **Next Regular ZBPW Board Meeting, July 20, 2021, 3:30 p.m., Water Warehouse Meeting Space**
- **Employee Celebration for Russ Oldebekking and Glen Veldheer who are officially retiring for the second time and for Craig Bricker for obtaining his Operator 2 status on Wednesday, June 30, 2021, 12:00 p.m. to 1:00 p.m.**

Motion was made and supported that the regular meeting be adjourned at 5:18 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk