

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

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

**Public Comment**

No public comment given.

**Safety Minute**

The Safety Minute for this month was 12 tips for safe spring cleaning.

21.016 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: February 28, 2021

	<b>Electric</b>	<b>Water</b>
Receiving	\$2,796,067	\$323,834
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$26,653,243	\$12,884,298
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$29,449,310</u>	<u>\$ 13,208,132</u>

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

Recommended Transfers for the Month: March, 2021

	<b>Electric</b>	<b>Water</b>
Receiving	(60,598)	(37,800)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	18,400	37,800
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 informational items such as project closeouts.

The reconstruction of Cherry Avenue from Elm Street to Church Street project was included as part of the FY2020/2021 (\$10,000) and the FY2021/2022 budget (\$25,000). The scope of the project includes narrowing

of Cherry Avenue to accommodate a sidewalk on the northside of Cherry Avenue. The Water Department has minimal impact on this project with five (5) galvanized water service replacements, one (1) hydrant replacement, and eliminating the sprinkling meter pit located on the southside of the Howard Miller Library parking lot. On Tuesday, February 2, 2021 all bids were received for this reconstruction project, and we received very competitive bids. The low bid was from Nagel Construction in the amount of \$837,785.30 and the engineer's estimate for the project was \$700,064.00. The bid amount from Nagel Construction for ZBPW Water is \$23,030.00. Contingency amount of \$1,924.24 and Engineering & Administration cost of \$3,573.59. Total amount of \$28,527.83. Removal of the sprinkling meter pit is outside the scope of this project and will be completed by VanDerKolk Plumbing for an estimated cost of \$5,000.00.

21.017 Bid Recommendation Cherry Avenue Street Reconstruction Project

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to award the bid for the Cherry Avenue reconstruction project to Nagel Construction in the amount of \$28,527.83. City Council has approved this project pending ZBPW Board approval. 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 as part of our transmission and substation system improvements, the plan is to install the new transformer at Perry Substation that we moved from Fairview Substation. In order to install the new transformer at Perry Substation, various operational equipment items are needed to complete the installation for proper operation once energized. Staff is asking the Board to award all of the various equipment bids relating to this transformer which include the following:

15kV Motor Operated Interrupting Switch - This recommendation is for the one (1) 15kV Motor Operated Interrupting Switch. We have standardized our substation equipment across our four substations for ease of maintenance and operation for our crews. S&C has been our sole provider for motor operated interrupting switches in the past.

21.018 Perry Substation 15kV Motor Operated Interrupting Switch Purchase

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to award the purchase of the Perry Substation 15kV Motor Operated Interrupting Switch to S&C through Irby for a total price of \$44,015.00. Motion carried. All voting aye.

15kV Recloser Units - This recommendation is for two (2) 15kV Recloser units. We have standardized our substation equipment across our four substations for ease of maintenance and operation for our crews. Two (2) units are needed for the additional distribution circuits added to the new transformer at Perry Substation. This allows safer and smarter operation of our distribution circuits. These units allow for remote monitoring and control to operate the system more effectively.

21.019 Purchase Two 15kV Recloser Units for Perry Substation

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to award the purchase of two (2) 15kV Recloser Units to G&W Electric Company through Utility and Industrial Products for a total price of \$37,580.00. Motion carried. All voting aye.

69kV Circuit Switcher – This recommendation is for one (1) 69 kV Circuit Switcher which is needed for the new Perry Substation Transformer. The substation equipment has been standardized across four substations for ease of maintenance and operation for the crews. S&C has been our sole provider for circuit switchers in the past for us.

21.020 Purchase One (1) 69kV Circuit Switcher for Perry Substation Transformer

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to award the purchase of the Perry Substation 69kV Circuit Switcher to S&C through Irby for a total price of \$68,004.00. Motion carried. All voting aye.

7.2kV Potential Transformers – This recommendation is for four (4) new 7.2kV Potential Transformers that are needed for our substation work properly. We requested bids from two bidders but only one vendor responded to our RFP.

21.021 Purchase Four (4) 69kV Circuit Switcher for Perry Substation Transformer

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to award the purchase of four (4) new 7.2kV Potential Transformers to General Electric through Irby for a total price of \$3,900.00. Motion carried. All voting aye.

DeKraker reported as part of our transmission and five-year substation system maintenance schedule, we are planning for equipment testing and maintenance to be performed at Perry Substation. This maintenance and testing ensure compliance with all manufacturer and NETA guidelines for proper operation of equipment and utility best practice. Also, maintenance and testing identify equipment that may be nearing failure that can be replaced before it creates outages or hazards.

21.022 Perry Substation Preventative Maintenance and Equipment Testing

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to award the bid for Perry Substation Preventative Maintenance and Equipment Testing to Premier Power Maintenance for a total price of \$29,548.23. Motion carried. All voting aye.

DeKraker explained as part of our transmission and substation system improvements, we are planning for a new transformer at Perry Substation, Perry Substation T2 Addition. With the addition of a new transformer and distribution circuits, a capacitor bank is needed for VAR control on the additional circuits in addition to the Zeeland electrical distribution system.

21.023 Perry Substation Capacitor Bank Procurement Recommendation

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to award the bid for Perry Substation Capacitor Bank to Controllix Corporation for a total price of \$89,453.00. Motion carried. All voting aye.

DeKraker reported as part of our transmission and substation system, it is imperative to have a backup battery power supply to operate our substation equipment. Currently, the battery backups are undersized and outdated to adequately serve the Perry and Riley Substation Control houses after the FY2022 upgrades. Along with the battery replacement is putting in spill protection in case of battery failure to protect against environmental damage. Staff recommends the following for Perry and Riley Substations Battery Replacement:

- Perry Substation: (one) 150aH battery bank, (one) environmental spill guard, SCADA communication card and disposal of existing battery
- Riley Substation: (one) 200aH battery bank, (one) environmental spill guard, SCADA communication card and disposal of existing battery

21.024 Perry and Riley Substations Battery Replacement

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the bid for Perry and Riley Substations battery replacement to Alpine Power Systems for a total price of \$48,785.00. Motion carried. All voting aye.

\*Vice-Chairperson Cooney entered the meeting at 4:23 p.m.

### ***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 building construction.

Mulder explained like most facilities with sensitive computer and technology equipment, the BPW's Washington Ave. Generation Facility uses an uninterruptible power supply (UPS) to ensure that conditioned power is provided to critical equipment without interruption. The UPS supplies battery backup to the control room equipment (SCADA), security cameras and monitors, servers, and other computer equipment.

Due to the addition of new computer and technology equipment over the last several years and age of the current 5 kVA UPS, staff feels it is time to replace and upgrade the UPS with one that has greater capacity, along with upgrading the UPS power distribution for improved separation and circuiting of critical loads. The existing UPS is located in the basement of the facility, and supplies a small power distribution panel on the main level. The requested scope of work associated with Phase 1 of the project includes relocating the UPS to a different area of the plant, and installing two (2) new power distribution panels for improved circuiting.

The second phase of this project includes relocating the existing 5 kVA UPS from the plant to the BPW's Riley Generation facility to replace a small desktop type 120VAC UPS located there. This will provide improved protection, and increased capacity and emergency run-time for that facility.

Bids for this project were requested and received from three (3) local electrical contractors: Town & Country, Parkway Electric and Polarity Electric. Town & Country provided the low bid on the overall project, which was subsequently revised at staff's request to include an external battery for extended run time, which remains the low bid.

#### 21.025 Washington Ave. Generation Facility UPS Replacement Bid

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to award the bid for the replacement of a 10kVA UPS at the Washington Ave. Generation Facility in the amount of \$13,008.00 to Town and Country Group and a contingency of \$1,500 for potential scope changes, for a total project budget of \$14,508.00 with all expenses associated with this project be charged against the FY2021 Capital Improvement Plan Budget. Motion carried. All voting aye.

Mulder reported the existing muffler heat shields on Units 9 – 11 at the Washington Ave. Generation Facility are in need of replacement. The aluminum heat shields have oxidized significantly around the fasteners holding them in place, causing sections to become loose or displaced. This issue began some time ago, and is primarily a cosmetic issue. Based on the age of the mufflers, staff was uncertain as to their condition, and anticipated that muffler replacement might be necessary once the heat shields were removed and a more thorough inspection performed. Accordingly, staff included an allocation in the 6-year capital improvement plan budget, should that prove necessary. Because the bottoms of the mufflers are accessible and are the most likely to have degraded, ultrasonic testing was performed on those areas, which yielded acceptable results with no specific areas of concern. Therefore, it seems unlikely that replacement of the mufflers will be necessary, although further inspection is required once the heat shields have been removed.

During the summer of 2020, a fuel linkage adjustment problem on Unit #9 caused a backfire during startup, which resulted in an access panel being displaced from the muffler and some damage to the heat shield.

Upon inspection, it was apparent that the access panel's fasteners had degraded. The root cause of the problem was identified and resolved, and the unit returned to service after a thorough evaluation and testing. However, this event indicated that a more thorough evaluation of all three mufflers should be performed, requiring the removal and replacement of the heat shields.

Although a number of qualified local contractors can perform the service of replacing the muffler heat shields, staff recommends contracting the services of Wheeler World Inc. of Gambier, Ohio. Wheeler World Inc. has been the BPW's preferred vendor to support our three Cooper Bessemer units (Units 9-11), and staff believes they are best positioned to perform an assessment of the mufflers and address any issues that may arise during completion of this task. Competitive bids for this project were requested and received from three contractors when the need was initially identified, and Wheeler World Inc. was the low bidder at that time.

Staff has also included a small contingency in the recommended project cost, for additional ultrasonic thickness testing services and miscellaneous repairs that may arise during the project. Expenses for this project will be charged against the FY2021 Capital Improvement Plan Budget.

#### 21.026 Muffler Heat Shield Replacement Units 9-11 Bid

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the bid for professional services totaling \$35,000.00 to Wheeler World, Inc. for removal and replacement of the muffler heat shields on Units 9 – 11 at the Washington Ave. Generation Facility as outlined in their proposal and a contingency of \$5,000.00 for additional testing and /or repairs that may arise for a total of \$40,000.00. Motion carried. All voting aye.

Mulder explained BPW's depreciation and replacement schedule for light fleet vehicles is 5-year capital depreciation, and 7-year replacement. In late February, a request for bid was prepared and submitted to four (4) local dealerships in which only three (3) responded. The specifications requested that bids be submitted for a mid-size extended cab 4-wheel drive pickup truck with a 6-foot box, automatic transmission, gasoline engine, and powertrain suitable for towing small trailers. Bids were received from three of the dealerships. Upon review of the bids and vehicle specifications, Barber Ford was the low bidder for the vehicle requested. Elhart GMC provided a lower overall total bid including vehicle trade allowance, but quoted a full-size ½-ton pickup truck, whereas staff feels a mid-size truck is more appropriate for our current needs. Furthermore, the retirement of truck #544 will likely be deferred, and the vehicle trade valuation may change by that time. The vehicle will be offered to BPW employees for purchase prior to trade.

#### 21.027 Electric Department Pickup Truck Purchase

Motion was made by Commissioner Dykstra and seconded by Commissioner Cooney to award the bid for a 2021 Ford Ranger Super Cab Pickup from R.E. Barber Ford in the amount of \$26,664.00 with an additional \$2,500.00 be appropriated to equip the new truck with safety warning lights, a two-way radio and other items as necessary and furthermore, agree that truck #544 be offered for employee purchase or submitted to local dealer for maximum recovery value at the appropriate time.

Vice-Chairperson thought it may be worthwhile to contact R.E. Barber Ford to see if they would give us a bundled deal since we will be needing another new truck in the fall. The auto makers are behind so it would have to be ordered this spring to be ready in the fall.

Motion carried. All voting aye.

Mulder reported as part of a comprehensive preventative maintenance program, generators should periodically be cleaned to remove dust and debris that accumulate over time in the rotor and stator of the generator assembly. This improves cooling of the windings, which in turn yields improved reliability and extended operating life of the unit. In the past, this service was performed as part of regularly scheduled maintenance at periodic intervals, however it has been some time since this was performed on any of the units. This is primarily due to the limited annual operation of the units in recent years, and the loss of a local contractor's ability to perform this service. BPW

generator maintenance logs indicate that this service was most recently performed on Washington Ave. Unit 9 in 1989, and 9,700 operating hours have accrued since that time.

Based on new technologies and techniques, the use of dry ice to perform this task is now an available and proven method, the benefits of which include the following:

- Non-abrasive, non-flammable, and non-conductive process
- No solvents or grit media are used, which can result in residual containments
- Ability to control the intensity and level of aggressive cleaning, as/where necessary

The process of preparing, cleaning, testing, and returning the unit to service is outlined in the attached proposal. The process includes sliding the stator away from the rotor assembly to provide access, in addition to the general disassembly of covers and associated hardware. A temporary dust shelter will be constructed to contain debris removed during the cleaning process. Upon completion, a glyptal insulating coating is applied to the windings, followed by electrical testing, adjustment of the generator air gap, and additional verifications before returning the unit to service.

BPW Power Production Department staff have been considering the use of this process for some time, and allocated funding for one unit in the FY2021 Operations and Maintenance budget. Staff intends to allocate an additional unit in each subsequent annual O&M budget. Staff believes that Unit 9 is best suited for this initial trial, as it is one which the BPW uses more frequently, but not the most. Although discussions have taken place with multiple vendors in regards to this service, staff recommends sole-sourcing this project to Wheeler World Inc. of Gambier Ohio. For many years, Wheeler World Inc. has been the BPW's preferred vendor to support our three Cooper Bessemer units (Units 9-11). Accordingly, staff is confident in their ability to effectively complete this task.

#### 21.028 Washington Ave. Unit 9 Generator Dry Ice Cleaning

Motion was made by Commissioner Query and seconded by Commissioner Walters to award a professional services contract totaling \$21,100.00 be awarded to Wheeler World, Inc. for generator cleaning and testing of Unit 9 as presented. Motion carried. All voting aye.

Mulder explained the BPW owns and operates seven natural gas and diesel fired dual-fuel generating units at its Washington Ave. Generation Facility, ranging in size from 1,136 kW to 6,000 kW. Although regular preventative maintenance, testing, and inspections are routinely performed on all units, in-depth engine inspections are performed annually on the largest units that accrue the most operating hours, due to their size and efficiency. While developing the FY2021 Operations and Maintenance budget, Power Production Department staff allocated funding to perform in-depth inspections on Units 1 & 2, two of our smaller and older units. Although these units see less frequent operation, staff believes it is prudent to perform these inspections at this time to ensure our readiness to respond when dispatched, and to assess the condition and remaining useful life of the equipment. The sizes of these units are 1,360 kW, and 1,136 kW respectively.

For some time, the BPW has used Farabee Mechanical Inc. of Hickman NE, for specialized service of the Fairbanks Morse generating units, due to their experience with this specific equipment. A quotation was requested and subsequently received to perform detailed inspections of these two units.

#### 21.029 Washington Ave. Units 1 & 2 Engine Inspections

Motion was made by Commissioner Query and seconded by Commissioner Walters to award a professional services contract totaling \$17,880.00 be awarded to Farabee Mechanical, Inc. to perform detailed engine inspections of the Washington Ave. Generation Facility Units 1 & 2 as presented. Motion carried. All voting aye.

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

#### Customer Service Counter Hours:

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

#### Electric and Water Service Shut-Offs

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

#### Vaccine Distribution

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

#### Customer Service Utility Billing Metrics:

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

### ***Fiscal Year 2022 Budget Plan:***

Staff presented the preliminary BPW FY2022 budget plan during the February 16 Board of Commissioners meeting. At this meeting, staff is requesting formal approval of the BPW budget plan. There are minor changes in the 6-year CIP in T&D Substation Improvements, Electric Department Vehicle Additions/Improvements, and in Water Department Street Projects. These changes are highlighted in the corresponding budget pages that were in the packet. Boatright has included the entire draft budget document in the packet which, contingent on Board of Commissioner approval, will be transmitted to the City of Zeeland Finance Department for presentation to City Council in accordance with the following timeline:

- 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

It was suggested for next year, having a separate meeting just to discuss the budget. Everyone was in agreement of that idea.

#### 21.030 Approve FY2022 Budget

Motion was made by Commissioner Walters and seconded by Commissioner Query to approve recommending for City Council consideration, the Zeeland Board of Public Works Fiscal Year 2022 Budget. Motion carried. All voting aye.

### ***City of Zeeland IT Fund Establishment***

With the implementation of the City of Zeeland IT Department, the Finance Department desires to account for activities in this functional area with an Internal Service Fund. Staff is requesting approval of a budget amendment to establish this fund and as such are proposing an initial cash transfer of \$100,000 into the fund which will be split 50/50 by the City and BPW. The budget amendment, which is scheduled for City Council consideration on March 15, 2021, will establish a source of funding for future costs associated with labor and operations.

#### 21.031 Approve IT Fund Establishment

Motion was made by Commissioner Cooney and seconded by Commissioner Query to approve the budget amendment as presented for the establishment of an Information Technology Internal Service Fund. Motion carried. All voting aye.

### ***NANR Autumn Hills Billing Discrepancy Update***

Boatright provided a verbal update on Autumn Hills Billing Discrepancy.

### ***“Why Michigan did not suffer rolling blackouts”***

Pat Bowland, MPPA President/CEO, nicely summarizes how Michigan stacks-up in relation to the extreme weather-related issues that caused significant service disruptions in Texas during the week of February 15, 2021. Although

Michigan is better equipped to withstand extreme cold weather conditions, we should not rest on our laurels. We must instead learn from this and other similar experiences and implement prudent mitigation measures that serve to harden our operations in the event of extreme natural or man-made hazards.

#### ***Utility Accounting and Finance Manager Recruitment Update***

We received approximately 19 expressions of interest, interviewed five (5) candidates, and have selected three (3) for further consideration. Of these, one has recently informed us that they must decline further consideration. The remaining two candidates have been scheduled for a second interview and tour of facilities on March 22, 2021.

#### ***City of Zeeland Revenue Replacement Considerations***

Earlier this year, Boatright discussed the topic of developing a strategy that contemplates the loss of one or more major City of Zeeland General Fund revenue sources was discussed during the City Council Goal Setting Sessions held in January. Earlier this week, under separate email correspondence, Boatright sent the Board of Commissioners and the BPW Management Team the subject report written by Assistant City Manager/Finance Director Kevin Plockmeyer. Although there is currently no concern about a major loss of revenue source(s), this report outlines possible strategies for mitigating the loss of such revenue. The revenue loss scenarios, should they occur, are likely several years out. However, the time when such revenue loss appears imminent is past the time to strategize about replacement options. Mr. Plockmeyer will be discussing this report at City Council's Work Study with no formal action to be requested at this time. I welcome any questions or comments concerning this topic.

#### ***Board Member iPad Replacement***

Hopefully, BPW Commissioners have been contacted by EGLtech to coordinate the replacement of the iPads. The new units are to be equipped with all necessary applications which enable you to access business-related documents and email. With regard to email, staff asks that you utilize your Outlook email account for all business-related electronic correspondence. Each board member has been assigned a zeelandbpw.com email account. EGLtech will be administering all support for the new devices. Should you ever have a problem with your device, you may contact EGLtech support via phone at 616-395-0632 or via email at [support@egltech.net](mailto:support@egltech.net). Alternatively, you may contact Boatright or IT Manager Brad Carlton. EGLtech operates a very efficient Help Desk and are very responsive whenever a service request (help desk ticket) is initiated. Please take advantage of this resource whenever you experience problems with your device. Board members may purchase their old iPad devices at fair market pricing

Boatright reported he contacted both Holland and Zeeland Townships as the franchises are due to expire in 2022.

Boatright reported the Maple Street Traffic Study is complete. There will be a Public Hearing on March 31, 2021 to propose an option to close and provide for a cul-de-sac from the north and dead ending either at the BPW or Peerbolt's approach.

Boatright and Chairperson Boerman attended a virtual APPA Best Practices in Public Power Governance virtual workshop on March 11, 2021. Boatright was asked to distribute to the Board members via email the workshop slide presentation and the booklet entitled "Policymakers Handbook: A Nuts and Bolts guide to Governance in Public Power."

#### ***Upcoming Events***

- **Next Regular ZBPW Board Meeting, April 20, 2021, 3:30 p.m., BPW Water Warehouse**
- MPPA Virtual Stakeholder's Meeting, May 14, 2021, 9:00 a.m. – 12:00 p.m.

Motion was made and supported that the regular meeting be adjourned at 6:06 p.m. Motion carried. All voting aye.