

Regular Meeting
 Board of Public Works
 Water Warehouse
 November 8, 2022

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, November 8, 2022. Chairperson Boerman called the meeting to order at 3:34 p.m.

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

ABSENT: Commissioners – None

Staff Present: General Manager Boatright, Electric Power Supply & Market Operations Manager Mulder, Water Manager Levandoski, Utility Accounting & Finance Manager Chrisman and Interim T & D Manager Coots

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the minutes of the October 11, 2022 Regular Meeting. Motion carried. All voting aye.

Public Comment

No public comment given.

Safety Minute

The Safety Minute this month was regarding “Deer Safety Driving Tips”.

Financial Reports

Chrisman gave an update on the Electric Department and Water Department’s revenues, expenditures, assets and electric rates and fees.

22.081 Approve Cash Disbursements and Regular Monthly Transfers

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the September, 2022, cash disbursements and the regular monthly transfers for the month of September, 2022 as follows:

Cash and Investments as of: September 30, 2022	Electric	Water
Receiving	\$(576,305)	\$344,823
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$19,841,997	\$13,563,065
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$19,265,692</u>	<u>\$13,907,889</u>

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: September, 2022

	Electric	Water
Receiving	(44,214)	-
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	-
General Fund (per charter provision)	44,214	-

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.

Transmission and Distribution Operations

Interim Electrical Transmission and Distribution Manager Coots updated the Board on activities including the T & D Department Report.

Coots explained purchasing underground 500 copper cable is for stock replenishment and upcoming project usage. Typically, primary cable is kept in stock for various miscellaneous projects, but lead times and increased usage has reduced the amount currently in stock. An additional 3,000ft of cable allows us to keep moving forward with current projects, and ensuring outages can be resolved promptly. Two bids were received from IRBY and Power Line Supply.

22.082 500MCM Copper Primary Underground Cable

Motion was made by Commissioner Walters and seconded by Commissioner Query to award the purchase of three (3) 1,000 ft. spools of 500 Copper Primary Cable to IRBY for a price of \$60,390.00 and one (1) 2,316 ft. spool of 500 Copper Primary Cable to Power Line Supply for a price of \$28,663.74 and a grand total award price of \$89,053.74. Motion carried. All voting aye.

Electric Power Supply & Market Operations

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

Mulder explained at the May 18, 2021 meeting of the BPW Board, construction of the BPW's North Warehouse facility was recommended and subsequently approved, along with a \$2,000,000 project budget. Construction of the facility achieved substantial completion on July 28, 2022, when a Certificate of Use and Occupancy was issued by the City of Zeeland, followed by a ribbon cutting ceremony in mid-September. Since that time, contractors and BPW staff have completed final punch-list items and other activities necessary to outfit the building for service. These include the installation of racking, telecommunications and IT equipment, furnishing the office / meeting space, landscaping and irrigation, and related tasks.

With the project all but complete, staff felt the time was appropriate to present the Board with an update on the project budget; this information is summarized in the table below.

Description	Budget	Actual/Projected
Architecture & Engineering Services, Design/Budgeting	\$51,530	\$55,477
General Construction: Materials & Labor	\$1,758,845	\$1,825,206
Landscaping & Irrigation	\$30,000	\$39,424
Racking: Material and Installation - purchased by BPW	\$30,000	\$26,538
Telecommunications & IT Equipment	\$10,000	\$9,937
Misc. Expenses & Contingency: BPW Staff Labor, Office Furniture, etc.	\$119,625	\$44,475
Total:	\$2,000,000	\$2,001,057

As evident from the table above, the project is currently at budget, only exceeding the approved amount by \$1,057 (0.05%). Looking forward, the outstanding items of significance are building signage, and the completion of two new cross-walks on E. Washington Ave.; one at the intersection of Maple and E. Washington, and the other across from the Water Warehouse. These outstanding items are collectively estimated to cost \$15,000 - \$20,000. With the project contingency exhausted, staff requests that a budget amendment of \$25,000 be added to the project to

cover these and any small outstanding expenses that may remain. With winter fast approaching and the current availability of material and labor, the crosswalks are not expected to be completed until the Spring of 2023.

22.083 North Warehouse Construction Amendment Request

Motion was made by Commissioner Walters and seconded by Commissioner Dykstra to approve a budget amendment of \$25,000.00 be added to the North Warehouse project, bringing the total project budget to \$2,025,000.00. The requested amendment will fund the completion of two (2) planned crosswalks on E. Washington Avenue, the installation of building signage and any remaining expenses associated with the project. Motion carried. All voting aye.

Accounting, Finance & Customer Service Update

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

Chrisman reported the Ottawa County Community Action Agency – not to be confused with Community Action House – exists to reduce the effects of financial hardships by promoting self-sufficiency and empowering individuals and families to achieve economic independence. Community Action Agency helps the Zeeland community by working with utility providers to find ways to assist with energy bills while seeking to become self-sufficient.

Ottawa County Community Action Agency relies on federal grants and local funding from area utilities. Community Action Agency does not receive any county funds. Due to federal grant limitations, local funding pots are helpful to support those struggling in our community.

The Ottawa County 2021 Community Assessment introduces ALICE – an acronym for Asset Limited, Income Constrained, Employed – households that earn more than the Federal Poverty Level, but less than the basic cost of living in the county.

Public assistance programs are based on the Federal Poverty Level, but the FPL is not enough for a household to cover even its most minimal costs. This means that assistance programs serve far fewer households than actually need assistance, even in a strong economy (Alice Report, 2021).

According to the Alice Report, 2021 “even a small drop in wages or hours worked, or an unexpected medical emergency could destabilize a large number of households” Low-income workers face smaller wage increases and less job security than the highest-income earners.

The Ottawa County 2021 Community Assessment identified housing and utility assistance as the #1 search via ReferWEB, replacing employment as seen in 2017. Bill payment assistance also rose from #4 to #3 with an increase of 250 searches.

In Ottawa County alone, 40,000 people “occasionally, at least once a month, or all the time” worry about running out of money for housing.

At 44%, the City of Zeeland ties with Allendale Charter Township for the highest percentage of ALICE Population in Ottawa County. Therefore, the ALICE Report estimates that 1,065 City of Zeeland households do not earn enough income to cover their most minimal costs.

Local nonprofits, government, and faith-based organizations have worked to help individuals in need. Nevertheless, work in Ottawa County is never done, as there are many people who continue to struggle to make ends meet. Continued support of this improvement work can ensure that ALL individuals may truly enjoy a high quality of life in Zeeland.

Because the previous contract between Community Action Agency and the ZBPW expired on July 1, 2022, Program Director, Jennifer Brozowski reached out to discuss a new contract. Staff met with Jennifer and Kerri Mammoser, Assessment and Eligibility Specialist, to examine the contract, current practices, and how the BPW can strengthen the residential assistance program.

The meeting with Community Action Agency was informative and productive. Jennifer identified the agency's goal as becoming "barrier busters" to diminish the red tape for assistance. Staff is confident that there is abundant opportunity to create robust low-income programs to help Zeeland Board of Public Work customers. Staff is excited about these opportunities and looks forward to actions that will help move all households toward a more equitable economy, and ensure that no one is left behind.

For the last seven years, the Board has budgeted \$20,000 to fund residential assistance through Community Action Agency. Unfortunately, this program has not been utilized by our residents to the fullest extent and Utility Assistance needs in Ottawa County are remaining unmet.

New programs and ideas will take time to brainstorm, develop and execute. In the meantime, staff recommends revising the previous contract language to create more opportunities for assistance.

After a review of the contract, staff recommends removing energy-specific nomenclature and calendar limitations to ensure assistance can be accessible for both water and electric services, at all times during the year. Staff suggests aligning assistance criteria to match Ottawa County Community Action Agency's internal process by increasing aid from once every 12 months to twice every 12 months and increasing the \$850 cap to \$2,000. Staff proposes defining low-income as those at or below 250% of the Federal Poverty Level. This threshold is consistent with other area utility assistance programs and offers more opportunities for residents to qualify.

22.084 Ottawa County Community Action Agency Utility Assistance Grant Agreement

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the Zeeland Board of Public Works Utility Assistance Grant Agreement in conjunction with Community Action Agency for the period of July 1, 2022 through June 30, 2023 as presented. Motion carried. All voting aye.

Other Business

Electric Rates and Fees Discussion:

Mark Beauchamp from Utility Financial Solutions attended remotely to educate and make recommendations regarding the following non-traditional electric rate structures:

- Commercial EV Charging Rate
- Economic Development Rate
- Street Lighting Contribution
- Standby Rate
- Time of Use Rates

Mark shared recommendations for determining the appropriate level of electric utility investment in instances where we are asked to extend or modify distribution facilities to serve additional load. Staff requested the Commissioner's feedback which will determine course of action for consideration of ordinance language at the December Board of Commissioner meeting.

Zeeland BPW MPPA 2023-2025 Clean Energy Program:

The Michigan Public Power Agency is administering Clean Energy incentive programming for participating members consistent with past practice. Recall that the State of Michigan no longer mandates that electric utilities provide energy

efficiency incentive programming to meet certain Energy Waste Reduction requirements. Since the sunseting of the State's mandate in 2021, Zeeland BPW along with approximately 14 other MPPA members, has elected to voluntarily continue such programming which remains in strong demand by our electric customers.

In 2021, MPPA solicited responses from energy efficiency incentive program providers for implementation services for calendar year 2022. The selected provider was Franklin Energy who has satisfactorily provided such services for each of the last several previous years. In October 2022, the MPPA Board of Commissioners approved an extension of the Franklin Energy contract for calendar years 2023 through 2025. Staff requests Board of Commissioner approval to participate in the MPPA Clean Energy program at a level no less than \$517,350 per year. This level of commitment is consistent with previous years' commitment levels.

22.085 Approve Zeeland Board of Public Works Participation in MPPA's 2023-2025 Clean Energy Program

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the Zeeland Board of Public Works, through its Member Authorized Representative, participation in MPPA's 2023-2025 Clean Energy Program (CEP) at a commitment level no less than \$517,350.00 per calendar year. Motion carried. All voting aye.

2022 – 2027 Strategic Plan Document:

Boatright included in the Board Packet, the draft Zeeland BPW Strategic Plan Document. Many hours of meetings on the part of the Commissioners and the BPW leadership team, with facilitation by Hometown Connections consultant Steve VanderMeer, were devoted to the development of this plan. Boatright is very pleased to present this document knowing that all of us have provided input which is evident throughout the document.

Staff requests Commissioner review of the draft Strategic Plan. We welcome any commentary the Board would wish to share. Review comments received will be incorporated into the final report. At the December Board meeting, staff will ask Commissioners to approve the plan document. The Strategic Plan document will inform and guide the organization's action plan which is provided in general terms toward the end of the document. Going forward, staff will develop specific goals and objectives with outcome indicators for each fiscal year and will report progress toward meeting such goals and objectives periodically throughout the year. Boatright thanked the Commissioners, leadership team, and staff for their dedication, commitment, and support in the development of this plan.

MPIA 2022 Fall Meeting Update:

The MPIA Board of Directors met on Tuesday, October 25, 2022 in Grand Haven. Staff provided a brief verbal report on actions taken.

MMEA Currents Magazine 2022 Public Power Week Special Edition:

The Zeeland Board of Public Works received excellent coverage in this Public Power Week special edition of the MMEA Currents magazine. Zeeland's 1st grade coloring contest winner, TJ Kuennen, made the cover of the magazine. A photo of our customer lobby adorned with coloring contest entries was the background photo for the magazine's table of contents. In addition, see photos of Bob Mulder on pages 28 and 29 in the coverage for the MMEA Fall Conference. Bob participated in a panel discussion on the topic of Distributed Energy Resource readiness. The electronic version of the magazine (sent in a separate email to Commissioners and staff) also contained a link to our Public Power Week television spot on WZZM 13 On Your Side.

2023 Holiday Calendar:

The 2023 City of Zeeland holiday calendar (draft) was included in the Board Packet for the Commissioners use and reference.

2023 Board Meeting Calendar:

The 2023 Board of Commissioner meeting calendar was included in the packet.

Thank You Notes:

Boatright included a few Thank You notes in the Board Packet: a thank you from the Zeeland 175th Anniversary Celebration for our sponsorship; Holland BPW to Mike Levandoski for support; and for Boatright's participation in the Diversity Equity and Inclusion Forum panel discussion on the Learning Communities of Practice.

Upcoming Events

- **Next Regular ZBPW Board Meeting, Tuesday, December 13, 2022, 3:30 p.m., Water Warehouse Meeting Space.**
- Ottawa County 17th Annual Water Quality Forum, November 7, 2022, Fillmore Street Complex, West Olive, MI
- APPA Customer Connections Conference, November 13-16, 2022, Minneapolis, MN
- Thanksgiving Day and Friday after Thanksgiving, Thursday, November 24 and Friday, November 25, 2022 – All City Offices Closed
- **2022 Holiday Power Dollars Claiming Dates, November 25 – December 11, 2022 with an early release on Thanksgiving**

Motion was made and supported that the regular meeting be adjourned at 6:26 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk