

Regular Meeting
 Board of Public Works
 Water Warehouse
 May 9, 2023

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, May 9, 2023. Chairperson Boerman called the meeting to order at 3:30 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, T & D Manager Coots, Kevin Plockmeyer and City Clerk Holmes

Motion was made by Commissioner Cooney and seconded by Commissioner Query to approve the minutes of the April 11, 2023 Regular Meeting, the PPC Meeting of April 18, 2023 and the PPC Meeting of April 21, 2023. Motion carried. All voting aye.

Public Comment

No public comment given.

Safety Minute

The Safety Minute this month was 9 tips for driving safely in Michigan construction work zones.

City of Zeeland Auditing Services

ACM of Infrastructure/City Services and Finance, Kevin Plockmeyer, reported that after 50 years of service, Kiekover, Scholma, and Shumaker (KSS) decided to exit the governmental accounting sector of their business. Their partnership and the services they have provided for the past number of years will be missed. To fill this hole in our accounting team, staff solicited Requests for Proposals for audit services in March. Staff chose to pursue a five-year term due to the nature of the relationship and the fact that typical audit engagements are between three and five years as recommended by the Government Financial Officers Association. In the unlikely event that we find ourselves in a relationship that we are unsatisfied with, we will make sure that we have contractual language that allows us to exit the relationship for just cause. We are happy to report that we received six proposals for this service with the total cost for their services over the five-year period outlined below:

Audit Services Proposals	Andrews, Hooper, Pavlik	Maner Costerisan	Siegfried Crandall	Brickley DeLong	Gabridge & Co.	Rehmann
Maximum Audit Fees						
Year 1 (FY End 6/30/2023)	60,000	44,800	45,500	45,850	52,250	85,000
Year 2 (FY End 6/30/2024)	64,380	47,500	46,000	48,140	54,800	88,000
Year 3 (FY End 6/30/2025)	69,030	50,400	46,500	50,070	56,400	91,100
Year 4 (FY End 6/30/2026)	73,950	53,400		52,070	57,500	94,300
Year 5 (FY End 6/30/2027)	79,300	56,600		54,150	58,500	97,600
Cumulative Total	\$346,660	\$252,700	\$138,000	\$250,280	\$279,450	\$456,000

Based on these bid results, three firms which had the lowest cost over the life of the audit were chosen. We held interviews with Maner Costerisan, Siegfried Crandall, and Brickley DeLong on May 1st and May 2nd, and we were quite happy with how the interviews went. After the interviews, the team of Andy Boatright, Kate Chrisman, Detra

Telgenhof, Nancy Wolters, and myself came to a unanimous decision that Brickley DeLong was the firm that seemed to fit us the best. We liked their size, their approach to the audit, and also their approach to succession planning, and feel like they would be a great asset to the City of Zeeland/BPW team. Brickley DeLong also has experience with a number of municipal clients similar to that of the City Zeeland and have experience working with utilities (electric, water, and sewer), public safety, and libraries. Reference checks also confirmed that the Brickley DeLong team is great to work with and provide a high-quality finished product.

From a budgetary perspective, Brickley Delong’s audit fee proposal is less than what we are currently paying with KSS (base fee of \$46,500 vs. \$45,850) with the BPW being responsible for 44% or \$20,174 of the total fee. Based on the recommendation of the Auditor Selection Team, we are requesting that the BPW Board award the FY22 – FY27 audit contract to Brickley DeLong subject to City Council approval. For the Board’s reference, a copy of our RFP for Auditing Services and a copy of Brickley DeLong’s proposal was included in the packet.

23.032 Bid Recommendation – City of Zeeland Auditing Services

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to award the FY 2023 through FY 2027 audit services contract to Brickley DeLong in the amount of \$250,280.00 subject to City Council approval. Motion carried. All voting aye.

Financial Reports

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

23.033 Approve Cash Disbursements and Regular Monthly Transfers

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve the March, 2023, cash disbursements and the regular monthly transfers for the month of March, 2023 as follows:

Cash and Investments as of: March 31, 2023	Electric	Water
Receiving	(\$396,369)	\$422,671
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$18,504,850	\$13,193,674
Bond and Interest Payment Reserve*	<u>-</u>	<u>-</u>
Totals	\$18,108,481	\$13,616,345

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: March 31, 2023

	Electric	Water	
Receiving	(44,214)	(15,200)	-
Accumulated Debt Service	-	-	
Plant Improvements and Contingency	-	15,200	
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.

Levandoski explained the 6-inch water main situated on N. Maple Street was originally installed in 1974. Due to the recent renovation of the Sligh Building and the reconfiguration of Maple Street, the water main is no longer deemed necessary for ZBPW's Water Distribution System. Consequently, the decision to cut and cap the 6" watermain has been made, instead of replacing it, on the grounds of cost-effectiveness. The FY2023 CIP Budget (\$200,000) was initially established based on Moore & Bruggink's Engineer's Estimate, with the intention of replacing the water main.

The project has been sole-sourced to GDK, with the subcontractor being DeSal Excavating. The use of GDK's subcontractor to carry out the work was agreed upon at the inception of the Sligh Building Project. GDK has submitted a proposal amounting to \$57,128, with ZBPW being assigned only 41% of the total project cost, equivalent to \$23,422. A contingency of 10% has been added resulting in a total project budget of \$25,765.

23.034 Bid Recommendation – N. Maple Street Watermain Abandonment

Motion was made by Commissioner Walters and seconded by Commissioner Query to approve the N. Maple watermain abandonment project to GDK Construction in the amount of \$25,765.00 that includes 10% contingency. Motion carried. All voting aye.

Transmission and Distribution Operations

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

Electric Power Supply & Market Operations

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

Mulder explained the generating units operated by the BPW at the Washington Ave. Generation Facility (Power Plant) are manually operated, along with most of the instrumentation. This contrasts with the BPW's Caterpillar units at Riley and West Washington, which are controlled and monitored remotely through SCADA with extensive automated controls and instrumentation.

In response to the Maximum Generation Event that occurred on December 23, 2022, Power Plant staff manually started, synchronized, and loaded all seven (7) generators installed at the facility. Although this is routine practice, the combination of limited advanced notice and extreme low-ambient temperature conditions made this particularly challenging; the two-hour mandatory response time notwithstanding. It was during this event that Unit #10 experienced a malfunction, requiring immediate shutdown and subsequent repairs.

Although each engine has several important readings to monitor, lube oil temperature and jacket water temperature are two of the most critical. This is particularly true while loading the units, incrementally increasing load as the jacket water temperature increases and maintaining a limited differential between it and the lube-oil temperature. While readings are manually taken for each unit, EOP events such as the one on December 23, 2023, make this challenging as multiple units are started and loaded concurrently.

After discussing events with Operations and Maintenance, it was decided that installing new temperature transmitters and remote displays at the operator console for these temperatures would be beneficial, providing the operator with this information at the point where load is controlled. Due to their more frequent use, Units #9-11 will be installed first with other units to potentially follow. These six (6) temperature readings will also be integrated into SCADA, where they can be monitored, alarmed, and historically logged.

A summary of the estimated project cost is provided below:

Description	Vendor	Proposal Amount
Temperature Transmitters & Thermowells (Qty: 6)	Galloup	\$5,460
Process Meter Dual-Input Displays (Qty: 3)	Galloup	\$1,878
Conduit & Cable Installation	Parkway	\$6,657
Engineering / Design, CAD, SCADA Config, and Start-Up	PKM Consultants, LLC	\$3,500
	Sub-Total:	\$17,495
	Contingency:	\$505
	Total:	\$18,000

23.035 Bid Recommendation – Power Plant Units #9-11 Jacket Water & Lube Oil Temperature Transmitters

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to approve a project budget of \$18,000.00 to install a total of six (6) temperature transmitters and remote displays on the jacket water and lube oil process lines of Units #9, #10, and #11 along with SCADA integration and to issue contracts be issued to several firms to provide the services and materials as outlined in the table presented. Costs associated will be allocated against the FY2023 Capital Improvement Plan budget under the allocation of Generation Improvements. Motion carried. All voting aye.

Accounting, Finance & Customer Service Update

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

Chrisman explained the Zeeland Board of Public Works is looking to strengthen our current marketing practices to promote customer inspiration, outreach, education and awareness of electric and water utility programs and initiatives.

ZBPW staff feel that partnering with a marketing services provider is the cost-effective strategy to improve brand awareness, strengthen relationships between staff and stakeholders, and expand awareness and education of public utility, electricity, and potable water. Staff recognize the benefits of partnering with a marketing and creative services firm, therefore a Request for Proposals for Marketing Services was issued on April 14, 2023.

Staff received eight bids –Yellow Lime Creative, Oranje Boven, Setsail Marketing, Marketing Resource Group (MRG), Boileau & Co., Martin Waymire, 2 Fish Company and Idea39.

These bids were analyzed by Andy Boatright and Chrisman. After analysis, it was determined that staff would like to interview the four local firms – 2 Fish Company, Oranje Boven, Boileau & Co., and Yellow Lime Creative. All four organizations were interviewed May 2 – May 3, 2023. After interviews were conducted, staff feels that Yellow Lime Creative will best fit as the Marketing & Creative Services partner for the Zeeland Board of Public Works. Staff believes that Yellow Lime Creative will be able to hold the legacy of Zeeland while simultaneously building trust with new residents and businesses.

Commissioner Dykstra stated he has a hard time with spending money on this type of thing. He feels the priority of the BPW is to supply power, keep costs low and be reliable. He doesn't feel it is necessary to spend time and money just to make things look "pretty".

Chrisman explained it's about the community and how we are involving the community.

Boerman stated she likes presentations that look good and have a professional appearance.

Cooney likes the marketing idea but only if it makes things easier. He likes graphics but only if it helps him get information faster.

Chrisman stated it needs to look professional and be professionally done in order to capture attention.

Boatright wants to do what the Board wants to do. He stated part of the BPW strategy is to be partner in the community and we need to rely on our customers to help us out at some point in time with resources. We need to be engaging the community. When the BPW sends out a mailing it needs to be checked out by someone other than staff. It has to look right, it has to have our branding and it has to be consistent.

Query feels having materials to be presented to people who are thinking about becoming residents is important and it highlights the perception of a community that works together. A reason why it's important to have an organization put out professionally done material is people don't always read them, but if they see something that is consistent and styled, it sends a message.

23.036 Bid Recommendation – Marketing Services

Motion was made by Commissioner Query and seconded by Commissioner Cooney to designate Yellow Lime Creative as Zeeland Board of Public Works Marketing and Creative Services provider. Motion carried. 4 voting aye, 1 voting nay.

Other Business

Amended and Restated Interconnection Facilities Agreement Between Michigan Electric Transmission Company LLC and City of Zeeland Board of Public Works:

A number of recent physical changes to the 138kV transmission interconnection facilities that connect Fairview Substation to the METC Blendon Substation has given rise to the need to revise the Interconnection Facilities Agreement (IFA) associated with this interconnection. In July 2019, a new IFA was executed corresponding to Wolverine Power Supply Cooperative's (Wolverine) significant upgrades at their Blendon Substation and conversion of 69kV transmission facilities to 138kV serving the Zeeland BPW Fairview Substation. The Wolverine upgrades also required coordinated revisions to Zeeland BPW's interconnection facilities at Fairview Substation. Staff are seeking Commissioner approval of yet another interconnection-related agreement. This Amended and Restated agreement revises the name of the party to the agreement, Wolverine, to the current owner's name, Michigan Electric Transmission Company, LLC (METC), and favorably changes the language associated with the control of reactive power. The new agreement removes more stringent requirements around System Operating Limit exceedances (SOL Exceedance - ref: Article 5.9 of the original agreement [attached]) and potential punitive action that could be taken in the event of an SOL Exceedance. The new language is indicative of both parties working in cooperation to resolve reactive power flow deficiencies as they occur using prudent utility practices, which is consistent with the operating practices that have been and continue to be utilized. In short, the Amended and Restated Agreement is a favorable change and staff recommends approval. The agreement document has undergone a significant review process by ZBPW and MPPA staff, as well as by City Attorney Jim Donkersloot. Included under this tab are the redline and clean versions of the Amended and Restated Agreement, the original Interconnection Facilities Agreement referenced in the Amended and Restated Agreement, and review comments from BPW and MPPA staff and Attorney Donkersloot.

23.037 Amended and Restated Interconnection Facilities Agreement

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the Amended and Restated Interconnection Facilities Agreement between the Michigan Electric Transmission Company, LLC and the City of Zeeland Board of Public Works as presented. Motion carried. All voting aye.

Community Grant Applications:

Boatright reviewed applications received for the Community Grant Award.

Vriesland Church is proposing an outdoor Community Center, Zeeland Recreation is looking to upgrade fitness equipment for community members with mobility issues and Drenthe Community Grove is applying for pickle ball lighting and seating.

Boatright asked the Commissioners to review the applications over the next month and at the June meeting they will be discussed and awarded.

APPA Excellence in Reliability Designation:

The Zeeland Board of Public Works received the American Public Power Association the Excellence in electric reliability in 2022. A picture of Brian Coots and Bob Mulder accepting the award was included in the Board Packet.

Zeeland BPW Fiscal Year 2024 Budget Update:

Boatright reported the BPW Fiscal Year 2024 budget was approved by City Council at their May 1, 2023 meeting.

Upcoming Events

- **Next Regular ZBPW Board Meeting, Tuesday, June 13, 2023, 3:30 p.m., Water Warehouse Meeting Space.**
- **MPPA Stakeholders Meeting, Thursday, May 18, 2023, Frederik Meijer Gardens, Grand Rapids.**
- **Employee Appreciation Outing, Tuesday, May 23, 6:00 p.m., LMCU Ballpark**
- **CFHZ Annual Luncheon, Thursday, May 25, 2023, 11:00 a.m. – 1:00 p.m., Holland Civic Center Place, 150 W. 8th Street, Holland.**

Motion was made and supported that the regular meeting be adjourned at 5:30 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk