

Regular Meeting
Board of Public Works
Water Warehouse
October 10, 2023

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, October 10, 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: BPW General Manager Boatright, Electric Power Supply & Market Operations Manager Mulder, Water Manager Levandoski, Utility Accounting & Finance Manager Chrisman, T & D Manager Coots and City Clerk Holmes

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve the minutes of the September 12, 2023 Regular Meeting. Motion carried. All voting aye.

Public Comment

No public comment given.

Safety Minute

The Safety Minute this month was regarding Fire Safety.

Board Packet Distribution Discussion:

IT Director Tim Maloney was present to discuss Board Packet Distribution and answer any questions the Board may have. Maloney explained one change would be the Agenda and Packet would be posted on the website and the Commissioners would receive by email a link to connect. He also explained that the new iPads would eliminate the Authenticator process and frequent password changes. The Commissioners agreed to try the link process for the November Board packet.

Maloney also reported on the phone system replacement within the next couple of months.

Internet Outages Review

The City of Zeeland / Zeeland Board of Public Works recently experienced internet service disruptions that resulted in the loss of phones and network access for the BPW and other City Departments. In each situation, the IT Department responded promptly and took necessary steps to fully restore internet service. In addition, they conducted after action reviews to identify what went well and needed areas for improvement. An outcome of the reviews is potential re-prioritization of certain projects and affirmation of the need to continue planned infrastructure improvements. Reviews such as this help us to further evaluate our systems for potential capital improvements so we can do as much as possible to avoid these types of events in the future. Maloney reported one outage was due to a modem going bad and the other was caused by a garbage truck hitting a pole that caused a break in the fiber connection.

Financial Reports

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

23.066 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: August 31, 2023	Electric	Water
Receiving	\$632,127	\$426,577
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$17,546,553	\$11,877,670
Bond and Interest Payment Reserve*	-	-
Totals	\$18,178,680	\$12,304,247

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month: August, 2023

	Electric	Water
Receiving	(49,610)	-
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	-
General Fund (per charter provision)	49,610	-

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 for FY2024, the Water Department Capital Improvement Plan budget includes an allocation of \$40,000 for vehicle acquisitions. In FY2023, \$30,000 was budgeted for this expenditure but went unused due to vehicle availability and significant price increases combined with decreased fleet and municipal price incentives. Over the past year, BPW staff have twice requested bids for pickup trucks, which were either declined by dealers based on availability or exceeded the allotted budget. Accordingly, budget adjustments were made for FY2024.

In September of 2023, bids were requested from dealers for a Utility Service pickup truck, consisting of a 3/4-Ton regular cab pickup with a service body supplied and installed by an independent party. Three bids were received and were considerably higher than anticipated, as the service body added nearly \$20,000 to the cost in addition to the upgrade cost of a 3/4-Ton chassis. Accordingly, staff requested that bidders submit bids on the BPW's standard 1/2-Ton regular cab vehicle specification, both with a V8 engine as specified and an alternate engine capable of towing at least 8,000lbs. and two bids were received. The latter caveat was offered as some dealers are struggling to offer work-truck trimmed vehicles with V8 engines in a regular cab and 8-foot box configuration. Staff felt this option would adequately meet the needs of staff and can be used to evaluate whether a V8 engine upgrade is warranted.

The savings with ordering a 1/2-Ton conventional pickup rather than the 3/4-Ton service body truck is \$18,813.50, based on the respective low-bids. Although their preference leans towards the latter, staff does not believe the additional cost is warranted at this time. Based on the V8 engine upgrade cost for the 1/2-Ton pickup, staff believes that is warranted based on the additional capabilities, future needs/repurposing of the vehicle within the fleet, reliability of GM's 5.3L engine and improved resale value long-term.

If approved, Water Department staff intend to replace BPW #546 (2016 Ford F-150) and #540 (2011 Ford F-150) which will be retired from service in accordance with BPW and City policies. Online blue-book estimates put the trade-in value of #546 at \$15,000 - \$18,000, and #540 at \$6,000 - \$7,000, yielding a combined recovery value of \$21,000 - \$25,000. Vehicle delivery and market pricing are too uncertain to request a firm trade-in allowance at this time, but cash-purchase values will be requested when the new vehicles arrive.

The need to purchase and professionally install accessories such as vehicle safety warning lights and storage boxes will be required to outfit the vehicles for service. Vehicle accessories will be transferred from the vehicles being retired to the extent practical.

23.067 Water Department Pickup Truck Replacements

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve a vehicle purchase contract totaling \$92,442.00 be awarded to Robert DeNooyer Chevrolet for the purchase of two 2024 Chevrolet Silverado 1500 as

quoted with the 5.3L V8 engine, less vehicle backup alarms and a multi-vehicle purchase discount as noted below and to approve a budget amendment of \$39,642.00:

One (1) 1/2-Ton, Regular Cab, 8ft Bed, 4x4, Gasoline V8 Engine:	\$46,609.00
Deduct Vehicle Backup Alarm:	(\$138.00)
Multi-Vehicle Purchase Discount:	(\$250.00)
Vehicle Warning Light Package & Mounting Bracket- Estimate:	\$1,000.00
<u>Bed-Mounted Storage Boxes & Installation – Estimate:</u>	<u>\$3,100.00</u>
Total Estimated Vehicle Cost (Each):	\$50,321.00
Total Estimated Cost for 2 Vehicles:	\$100,642.00

Note: Excludes recovery value of vehicles being retired, estimated at \$21,000 - \$25,000

Included in this bid award request is a budget amendment: \$30,000 was budgeted and not spent in FY2023, and only \$40,000 was budgeted in the FY2024 budget. In addition, staff estimates a minimum recovery value of \$21,000 from the retirement of the two vehicles resulting in a budget amendment request of \$39,642.00 for this expenditure.

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.

Coots 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 the Fairview Substation. This maintenance and testing ensures compliance with all manufacturer and NETA guidelines for proper operation of equipment and utility best practice. Also, maintenance and testing identifies equipment that may be nearing failure that can be replaced before it creates outages or hazards. Two bids were received with Premier Power Maintenance being the low bid.

23.068 Fairview Substation Preventative Maintenance and Equipment Testing

Motion was made by Commissioner Query and seconded by Commissioner Cooney to award the bid for Fairview Substation preventive maintenance and equipment testing to Premier Power Maintenance for a total price of \$45,588.55. Motion carried. All voting aye.

Coots explained switchgear cabinets will be used for undergrounding existing and future distribution circuits along with replacing broken cabinets found during dry ice cleaning. After the dry ice cleaning, we found three switchgear cabinets in need of replacement due to broken switch mechanisms and degraded insulation. Two bids were received for the switchgear cabinets with IRBY being the low bidder.

23.069 Switchgear for FY2024 Projects and Replacement

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to award the purchase of five (5) PMH-9 and three (3) PMH-11 switchgear cabinets to IRBY for a total price of \$114,260.00. Motion carried. All voting aye.

Electric Power Supply & Market Operations

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

Mulder explained the Zeeland Board of Works (BPW) owns and operates 36MW of natural gas and dual-fuel diesel/ natural gas fired generating units, located at three (3) facilities. Some time ago, staff identified the installation of flame and gas monitoring equipment at its generation facilities as a strategic improvement, including it in the 6-year capital improvement plan budget, with monitoring of our remote facilities identified as a priority. Based on recent property loss assessment reviews with our insurance underwriter and tightening insurance markets, increased emphasis has been placed on fire detection and suppression systems, re-affirming the merit of these projects. The justification for this project is not only improved safety for BPW staff from the hazards associated with an engine fire or natural gas leak, but also improved

detection and response to reduce the potential for damage. Furthermore, the significant equipment replacement cost, lead-times, and the impact to BPW operations further justifies this expenditure.

In May of 2022, a contract for the engineering services associated with the project was issued to Theka Engineering Solutions, with installation and detection equipment to follow as a separate project. The design for both the Riley Generation and West Washington facilities was completed and reviewed by staff, along with a bid specification for the installation labor and material. Theka is responsible for the programming and commissioning services, along with overseeing the installation as part of their contract. The detection system sensors and equipment will also be provided by Theka, but under a separate proposal presented in this recommendation. Because Theka specified the equipment for this application and is responsible for commissioning and servicing it, this seems to be the most prudent approach.

The electrical installation bid package was distributed to five (5) local electrical contractors, (3) of which provided bids. The bid spread was narrow indicating a well written specification and that all bidders were capable firms well suited for the project. Based on an evaluation of the bids received, staff recommends that the project be awarded to the low bidder, Parkway Electric & Communications, LLC.

The total estimated cost for the project is provided below, which includes the existing contract to Theka for engineering services (\$24,940.00):

Item	Description	Vendor	Estimate
1	Engineering Services: Design, Programming, Bidding, & Commissioning	Theka Engineering Solutions	\$24,940.00
2	Panel Fabrication Services: Labor & Material	Theka Engineering Solutions	\$4,008.60
3	System Detection Sensors & Equipment (Material Cost)	Theka Engineering Solutions	\$87,409.42
4	Electrical Installation Labor & Material	Parkway Electric & Communications	\$34,985.00
Sub-Total:			\$151,343.02
Contingency:			\$5,656.98
Total:			\$157,000.00

The allocated budget for the project is \$75,000.00 and was included in the FY2023 capital improvement plan. Staff requests that the project budget be amended to \$157,000.00, and that the funds be carried forward to the FY2024 budget year. The project is expected to be complete by March 1, 2024.

23.070 Bid Recommendation – Remote Generation Facilities Flame, Natural Gas & Smoke Detection System Installation

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to carry forward in FY 2023, \$75,000.00 that was allocated in FY 2023 along with a budget amendment of \$82,000.00 bringing the total project budget to \$157,000.00 and that an additional contract totaling \$91,418.02 be awarded to Theka Engineering Solutions for panel fabrication services and material (\$4,008.60) and the system detection sensors and equipment (\$87,409.42) and a contract totaling \$34,985.00 be awarded to Parkway Electric & Communications, LLC for the installation labor and material per the bid specification prepared by Theka. Motion carried. All voting aye.

Accounting, Finance & Customer Service Update

Manager Chrisman updated the Board on current operations status & activities. electronic payment fees and the 2023 Power Dollars.

Chrisman and Boatright updated the Board on the Website and Strategy Project. The Zeeland Board of Public Works has a great website that needs a strategic review. There is a lot of information, but it needs to be restructured to serve the needs of customers. Yellow Lime will partner with us to build a strategy and outline based on keyword research, analytics and user experience.

Chrisman and Boatright also explained electronic payment fees to the Board. The Zeeland Board of Public Works began accepting electronic payments in 2009. A flat rate “convenience charge” was assessed for electronic payment transactions

based on a graduated fee schedule. Today, electronic utility bill payments made to ZBPW are processed using Invoice Cloud, a billing, invoicing, and payment processing software platform. Invoice Cloud charges certain fees for various types of transactions that are processed through their platform. ZBPW also accepts payments through Automated Clearing House (ACH) where no fees are assessed for processing transactions. Customers conduct electronic utility bill payment transactions online and through ZBPW's secure website, <https://zeelandbpw.com/>.

Upon implementation of the ZBPW Invoice Cloud online electronic payment portal in November 2018, convenience fees were assessed on each customer transaction. The fee assessed for electronic payment using credit or debit was \$3.95 per transaction with a limit on each transaction amount of \$325.00. The global pandemic which began in March 2020 prompted staff to begin absorbing transaction fees as a way of providing a touch-free means for customers to maintain timely payment of utility bills. At that time, it was believed that this condition would be fairly short in duration and staff sought approval by the Board of Commissioners and City Council to temporarily waive transaction fees, initially for a period of three (3) months. As we all know, the pandemic lasted more than three months which prompted an extension of the fee waiver.

Later in 2020, Invoice Cloud reached out to inform us of a more favorable transaction fee structure available to utilities electing to absorb electronic payment fees. When it became apparent that the pandemic would extend for several more months, staff pursued implementation of the more favorable fee structure resulting in cost savings to the utility. With the adoption of the reduced fee structure, the ZBPW could also increase the limit on the amount of a credit / debit card transaction from \$325.00 to \$5,000. The new fee structure was implemented in approximately December 2020 and remains in effect today.

A recent survey conducted by the Michigan Municipal Electric Association (MMEA) illustrates that of twenty-three (23) member respondents, twelve (12) members are absorbing electronic payments fees. Furthermore, the Holland Board of Public Works is currently finalizing the transition to absorbing electronic payment fees up to a payment limit of \$750.

Chrisman and Boatright reviewed the pros and cons for the utility to absorb payment fees.

Staff requests that we be given direction on whether to maintain the current model of absorbing fees, or to transition back to a "convenience fee" assessed on each payment transaction. A suggestion would be for Commissioners to take additional time to consider this matter and return with formal action at the November 2023 Board meeting.

Other Business

Board Pay Increase Update:

A question was recently asked when the Board of Commissioners would receive the pay increase that was approved in the FY2024 budget. I spoke with City of Zeeland Finance Director Kevin Plockmeyer to first, verify that in fact a Commissioner pay increase was being implemented and, if so, when said pay adjustment would be implemented. According to Finance Director Plockmeyer, Commissioners are paid one-time annually in arrears, which means that the budget pay adjustment will be provided upon payment of the annual stipend near the close of this fiscal year on or around June 30, 2024.

Lakeshore Advantage 2023 Industry Trends Report

Boatright included in the Board packet the Lakeshore Advantage 2023 Industry Trends Report for the Board to review.

Establish Date for Board/Leadership Team Holiday Dinner

Staff would like to coordinate calendars in December, if possible, for our annual Holiday Dinner. All Leadership Team members are available on either Tuesday, December 5 or Wednesday, December 6, 2023. After discussion, Wednesday, December 6, 2023, was decided to be the best date for all.

Thank-Yous:

Thank you notes were received from Lynette Lam, Zeeland Festivals Event Coordinator, for our support of Pumpkinfest 2023. A thank you note was received from Becky Visser and Brook Dooger for our donation in support of the Zeeland East & West High School Senior All-Night Party. A thank you note was also received from Allison Wadkins from the Village of Newberry, Michigan for the donation of my MMEA Fall Conference registration fee allowing her to attend the conference. I had registered and planned to attend, then found it necessary to cancel my attendance after the registration refund window had closed.

Upcoming Events

- **Next Regular ZBPW Board Meeting, Tuesday, November 14, 2023, 3:30 p.m., Water Warehouse Meeting Space.**
- MPIA Fall Board meeting, Monday, October 24, 2023, 1:00 p.m. – 3:00 p.m. Grand Haven Board of Light and Power.
- Forward Together: A Forum on Inclusivity, Tuesday, October 24, 2023, 1:00 p.m. – 5:00 p.m., Holland Civic Center Place.
- Downtown Trick-or-Treat on Main Street, Tuesday, October 31, 2023, 3:00 p.m. – 5:00 p.m.

Motion was made and supported that the regular meeting be adjourned at 6:04 p.m. Motion carried. All voting aye.

Pamela Holmes, City Clerk