

Regular Meeting  
Board of Public Works  
Water Warehouse  
December 13, 2022

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, December 13, 2022. Chairperson Boerman called the meeting to order at 3:34 p.m.

PRESENT: Commissioners – Chairperson Boerman, Query, Dykstra and Walters

ABSENT: Commissioners – Vice Chair Cooney

Staff Present: 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 Dykstra and seconded by Commissioner Query to approve the minutes of the November 8, 2022 Regular Meeting. Motion carried. All voting aye.

**Public Comment**

No public comment given.

**Safety Minute**

The Safety Minute this month was regarding “Being Safe on Ice”.

**Financial Reports**

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

22.086 Approve Cash Disbursements and Regular Monthly Transfers

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

Cash and Investments as of: October 31, 2022	<b>Electric</b>	<b>Water</b>
Receiving	\$108,008	\$788,892
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	\$19,564,837	\$13,330,524
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$19,672,845</u>	<u>\$14,119,416</u>

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

Recommended Transfers for the Month: October, 2022

	<b>Electric</b>	<b>Water</b>
Receiving	(44,214)	(381,400)
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	-
General Fund (per charter provision)	44,214	381,400

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 met with the Department of Environment, Great Lakes, and Energy (EGLE) on May 12, 2022, to conduct a survey of the BPW's water system and to present the final findings, discuss areas for improvement and identify timelines for corrective action where appropriate. The purpose of the survey is to evaluate the water supply system with respect to the requirements of the Michigan Safe Drinking Water Act, 1976 PA 399, as amended (Act 399). It is also an opportunity to update EGLE's records, provide technical assistance, and identify potential risks that may adversely affect drinking water quality.

The Sanitary Survey Report findings came back with no deficiencies and two recommendations. The first recommendation was in the System Management and Operations category. The recommendation addressed the completion of the Water System Reliability Study (WSRS) by the end of 2023. The WSRS is currently in progress with Prein & Newhof Engineering and will be completed within the next few months.

The second recommendation was in the Water Source category. The recommendation states: *Since the last Survey, the BPW has gone ahead with decommissioning an old section of 20-inch transmission main that had reached the end of its lifespan and was seen as more of a liability than an asset. Following this project, the BPW now only has one 30-inch transmission main from which to purchase water. If something was to happen to this main, the BPW would have no other options than to rely on their interconnects with Holland Charter Township. As the water system continues to grow, and the BPW looks towards the future, an additional feed point/transmission main should be explored to provide redundancy.*

Levandoski included the Prein and Newhof Proposal/Scope of Work for \$25,000.00 in the Board packet.

### 22.087 Professional Services Recommendation: Prein & Newhof Engineering Services

Motion was made by Commissioner Walters and seconded by Commissioner Query to award Prein & Newhof Professional Engineering Services for a Water System Interconnect Study in the amount of \$25,000.00. Motion carried. All voting aye.

Levandoski explained the Water Distribution System utilizes a Jockey Pump that is located in the Zeeland Generating Station (ZGS) Raw Water Building. This jockey pump is powered by Consumers Energy power and very beneficial for ZBPW to utilize. The jockey pump was installed to keep water turned over when ZGS is not running their cooling towers. The Jockey Pump is also utilized to supply sufficient pressure and water demand to ZBPW's high pressure district.

Installation of an 8" in-line pump control valve is needed because it controls when, how much and what PSI is released to the distribution system. The Water SCADA system has a direct connection to the valve located on the pump and motor. The 8" Singer double chamber valve will add protection for a soft close application in case power is lost to the station and the check valve would slowly close to avoid water hammer. This option also includes advantages for monitoring on the SCADA system and pump protection.

Staff requested a sole source recommendation for this procurement as Kennedy Industries has done all pump-station improvement projects for ZBPW Water Department the past 10 years and also provide specific internal expertise with installing, maintaining, trouble shooting and programming for projects like this and staff is recommending using them for the Singer check valve purchase and installation.

Motion was made by Commissioner Dykstra and seconded by Commissioner Walters to approve the sole source purchase and installation for an 8” Singer in-line pump control valve project from Kennedy Industries in the total amount of \$40,942.00 as follows:

- 8” Singer In-Line Pump Control Valves: \$12,891.00
- Singer Insertion Flow Meter: \$10,091.00
- 12” Isolation Butterfly Valve: \$3,060.00
- Total Field Service cost not to exceed: \$7,900
- Windemuller programming SCADA Services (based off of historical pricing): \$3,000
- Contingences/Internal labor (Approx. 10%): \$4,000

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 explained as part of our transmission and substation system improvements, construction of Northside Substation is necessary to continue accepting new customer load without sacrificing overall system reliability. Various operational equipment items are needed to complete Northside Substation. Zeeland Board of Public Works will furnish select equipment for construction and are listed below. Specifications for owner furnished equipment were provided by PKM Consulting, who recommends certain pieces of equipment be sole sourced for compatibility with other substations in the ZBPW system.

A formal bid process was conducted for the procurement of these owner furnished items, and equipment bids were sent out to vendors who met our current substation standardized specifications. This equipment is included in the FY2023 and FY2024 Budget Plan, \$3,000,000.00 is allocated for Northside Substation project. Transformer #1 has already been purchased for \$1,037,589.00 and with this additional equipment recommendations totaling \$867,497.16, the project is on track to stay within budget outlines.

The Northside Substation equipment items and bid awards recommended for approval are:

<u>ITEM</u>	<u>VENDOR</u>	<u>QTY</u>	<u>BIDDER</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
#1) Alduti-Rupter MOIS 10’	S&C Electric Company	1	IRBY	\$ 54,362.00	\$ 54,362.00
#2) Alduti-Rupter MOIS 12’	S&C Electric Company	1	IRBY	\$ 56,672.00	\$ 56,672.00
#3) 15kV Recloser	G&W Electric	5	U&I Products	\$ 21,691.00	\$108,455.00
#4) 2400kVAR Cap Bank	Controllix Corporation	1	Controllix	\$ 126,273.00	\$ 126,273.00
#5) 600A Hook Switches	S&C Electric Company	36	IRBY	\$ 789.69	\$ 28,428.84
#6) 69kV Circuit Breaker	Siemens Energy	2	CSI Utility	\$ 61,990.00	\$ 123,980.00
#7) 69kV Circuit Switcher	S&C Electric Company	1	IRBY	\$ 82,280.00	\$ 82,280.00
#8) 69kV Disconnect Switch	Hubbell	6	PLS	\$ 9,122.22	\$ 54,733.32
#9) 69kV P.T	GE Grid Solutions	8	KW-Assoc	\$ 8,188.00	\$ 65,504.00
#10) 7.2kV P.T	GE Grid Solutions	4	IRBY	\$ 1,214.00	\$ 4,856.00
#11) Relay Control Panels	Electrical Power Products	5	EP2	\$ 32,390.60	\$ 161,953.00

**GRAND TOTAL: \$ 867,497.16**

Motion was made by Commissioner Query and seconded by Commissioner Dykstra to award the equipment purchases and bids for the Northside Substation as presented in the amount of \$867,497.16. Motion carried. All voting aye.

### ***Electric Power Supply & Market Operations***

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

Mulder reported in the fall of 2018, a recommendation to participate in two (2), twenty-five (25) year power purchase agreements (PPA's) for renewable solar energy through the Michigan Public Power Agency (MPPA) was presented and subsequently approved by the BPW Board and Zeeland City Council. The BPW's allocation is 16% of the combined projects, resulting in an installed capacity of approximately 14.4 MW, and an estimated 27,000 MWh of energy annually. These two projects are administered by different developers and were in different stages of progress when the agreements were executed; one was scheduled to achieve commercial operation (COD) in January 2021, and the other in December of that same year. Participation in multiple projects was sought to reduce risk exposure associated with any single developer or project in long-term agreements such as these.

Due to its more advanced status, the first of these projects achieved COD in December 2020, just ahead of schedule. Unfortunately, the second project has experienced numerous delays as a result of the COVID-19 pandemic, supply chain disruptions, and various trade disputes and import tariffs associated with solar panel production. Accordingly, the scheduled project COD of December 2021 was not able to be met, and the developer, Invenegy, has declared an event of Force Majeure due to circumstances outside their control.

Because the members of MPPA and Invenegy are mutually desirous of completing the project and receiving the projected energy, a Third Amendment to the PPA was negotiated. This amendment resolves potential disputes associated with the delayed COD and develops a new Contract Rate driven by the increased cost of solar modules resulting from international trade disputes, material cost increases, and supply chain issues. The general terms of this amendment and revisions to the PPA are listed below:

#### Invenegy Calhoun Solar PPA –Third Amendment Summary

- Product: Energy, Capacity, and Environmental Attributes per the original Agreement - No Change
- Contract Term: 25-Years from COD - No Change
- Commercial Operating Date (COD): No later than May 31, 2023 (Extended from December 2021)
- Contract Rate: Increase annual rates by 7.6%
- Projected Total Increase in BPW's Contract Cost over the 25-Year Term
  - o Increased Gross Contract Cost: \$1,541,000.00 (avg. \$3.93 / MWh)
  - o Increased Net Present Value Cost: \$968,022.00 (avg. \$2.41 / MWh, 4% discount rate)

Based on current market opportunities for similar projects, the economics of this project remain desirous and it is also in an advanced stage of construction. The BPW and other MPPA members have developed their power supply portfolios in anticipation of this energy, and replacement would likely neither reduce cost nor portfolio risk.

At the November 9, 2022 meeting of the MPPA Board of Commissioner's (BOC), the BOC passed a resolution approving the Third Amendment to the PPA as outlined above, contingent upon member approval. When staff requested approval in late 2018, the terms of these two solar project PPA's were presented to the BPW Board and City Council as a composite PPA, with the maximum composite energy price not exceeding \$70.37 / MWh during the 25-year contract term. Since the proposed amendment to the Invenegy Calhoun Solar PPA does not exceed

the cost or terms identified in the Resolution ratified October 1, 2018, action by neither the Board nor City Council is necessary.

Because this is a 25-year commitment, staff requests that the Board reaffirm their commitment to this project, and acceptance of the abovementioned Amendment terms. It is staff's recommendation that this Amendment be accepted as presented. Accordingly, staff requests approval for the BPW General Manager as the "Authorized Representative" under the MPPA Energy Services Project Agreement to commit to the terms of the abovementioned Amendment, subject to sufficient MPPA member participation to proceed.

#### 22.090 MPPA Invenergy Calhoun Solar Power Purchase Agreement Amendment Recommendation

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to accept the amendment terms to the MPPA Invenergy Calhoun Solar Power Purchase Agreement as presented and approve the BPW General Manager as the "Authorized Representative" under the MPPA Energy Services Project Agreement to commit to the terms of the amendment subject to sufficient MPPA member participation to proceed. Motion carried. All voting aye.

Mulder explained the Zeeland Board of Public Works (BPW) utilizes an IP based video security system and DVR server to monitor and record activities at its facilities. Monitoring is performed in real-time by BPW staff, and the footage is archived and retained for future use as necessary. As part of the BPW's annual capital improvement plan budget, camera upgrades and additions are routinely included to improve and expand those capabilities; the amount allocated for FY2023 was \$15,000.

BPW staff have developed an internal list of camera additions / upgrades, and prioritized them accordingly. Town & Country Technologies (TCTC) has historically installed and supported the BPW's security camera system, and quotes were requested for four (4) specific installations.

After reviewing these proposals, staff believe that all four (4) should be accepted based on their respective priorities. Because the Perry Substation camera is exclusively T&D related, staff feels that cost should be allocated against the T&D capital improvement plan budget for general substation improvements, for which \$60,000 was budgeted in FY2023. With lead-times on cameras and related equipment approaching 6-months or more, staff feels ordering this hardware in a timely manner is the appropriate course of action.

#### 22.091 Security Camera Additions Bid Recommendation

Motion was made by Commissioner Query and seconded by Commissioner Walters to award the four (4) security camera installation project estimates totaling \$20,574.00 be awarded to Town & Country Technologies (TCTC) due to their history of supporting the BPW's security camera system and their status as the sole local supplier of the software being licensing required by the cameras with the project costs being allocated against the BPW's capital improvement plan as follows:

Electric Dept.: Facilities, Physical Security – Camera/DVR Updates: \$16,056.00

Electric Dept.: T&D, Substation Improvements/Additions – General: \$4,518.00

and to include a budget amendment of \$1,056.00 to increase the \$15,000.00 budgeted for Physical Security – Camera/DVR Updates, aligning it with the proposal amounts. Motion carried. All voting aye.

#### New Water Service Worker, Scott Freers:

Scott Freers recently joined the Zeeland BPW Water Department as a Water Service Worker. Scott was born and raised in Holland and is a graduate of West Ottawa High School. He and his wife Chelsea have 2 children, Teagan and Talon. When not working, they love to spend most of their time out on their boat, camping and just making memories with family and friends. Scott has a passion for all things with an engine—cars, trucks, motorcycles and boats.

Mulder reported at the April 2022 meeting of the BPW Board, a recommendation was presented and subsequently approved to award the R.W. Mercer Company a contract for general contracting services associated with the replacement of two 10,000-gallon aboveground storage tanks and related services, as outlined in the bid specification and contract documents prepared by Barr Engineering Co. These services were competitively bid by (3) general contractors ranging from \$397,209 - \$467,469, with R.W. Mercer submitting the low bid. Including engineering labor, SCADA integration, misc. expenses, and contingency, a total budget of \$550,000 was requested and approved for the project.

Construction began in late September as planned, with project completion scheduled for early November. In addition to weather delays, two primary issues have arisen during the course of the project to impede progress:

- Installation issues with the containment area liner, and the inability to satisfy the State's (LARA) hydrostatic testing requirements
- Outsourced fabrication and additional structural members for fuel tank supports, requiring the application of a fire-resistant coating at an additional expense

After multiple attempts by R.W. Mercer to install and seal the rubber liner material to the existing containment area walls, a meeting was held with all stakeholders to discuss alternative solutions. Upon identifying the issues and evaluating various alternative solutions, the team decided that installing concrete in place of the rubber liner as the floor and properly sealing the joints was the best alternative with respect to both project schedule and longevity. With winter fast approaching, the need to expeditiously resolve this issue and get the project back on schedule was paramount, as is a lasting solution. Barr Engineering was tasked with identifying fatal flaws to the proposed design change, and developing a specification for installation materials and practices. With no fatal flaws identified, the team proceeded with the transition to concrete, procuring materials and making the necessary arrangements. The total estimated cost for this change is \$43,995.00.

The support structures provided by the tank supplier required supplemental bracing based on the location of the existing support structures being reused. The tank supplier was unwilling to modify their standard support structure, requiring supplemental supports be added to evenly distribute the load. Due to the resulting increased distance between the supports and tank assembly, application of a fire-resistant coating to the structural members is consequently required under NFPA30. The total estimated cost of this change is \$9,190.00. Further discussion regarding the assessment of this cost is necessary, prior to acceptance.

Barr Engineering Co. estimates that an additional \$8,000.00 in engineering and project management expenses have been incurred as the result of these changes in project scope. The details of those charges have not yet been received; however, staff is aware that additional costs have been incurred.

#### 22.092 Power Plant Fuel Tank Replacement Contractor Services Change Order

Motion was made by Commissioner Walters and seconded by Commissioner Dykstra to amend the project budget by \$65,000.00, totaling \$615,000.00 and to accept the proposed change orders contingent upon further review and revisions by staff:

R.W. Mercer – Change Order No. 003 (12/5/2022) \$43,995.00  
R. W. Mercer – Change Order No. 004 (12/5/2022) \$9,190.00  
Barr Engineering Co – Change Order Estimate (12/7/2022) \$8,000.00

Motion carried. All voting aye.

## ***Accounting, Finance & Customer Service Update***

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

## ***Other Business***

### 2022 Compensation Study:

Boatright presented the Compensation Study findings and recommendations to the Board. He explained this study was reviewed with the Personnel Committee on December 1 and was recommended for City Council and BPW Board of Commissioners consideration. A review of this study was provided to City Council during their work study session on December 5 and will take this item up for formal consideration of recommendations at their December 19 regular meeting.

### 22.093 Approve 2022 Compensation Study Implementation Plan

Motion was made by Commissioner Dykstra and seconded by Commissioner Query to approve the implementation plan as recommended in conjunction with the 2022 Compensation Study. Motion carried. All voting aye.

### Martin Luther King, Jr. Day:

Boatright explained there has been increasing public awareness around the issue of diversity, equity, and inclusion which was underscored by the civil unrest that occurred in the Spring of 2020. Since this time, organizations, including the City of Zeeland, have become engaged in work toward establishment of a more equitable existence for staff and community members. To this end, the City of Zeeland's 2021 and 2022 Strategic Action Plan included an Organizational Culture commitment to spreading Zeel. Organizational Culture is further defined as follows: "To fulfill the commitments to spread Zeel, support an organizational structure that consistently holds to the city's core values, seeks to build leaders, and celebrates our historic attributes, while also providing an organizational culture that is equitable and inclusive."

To achieve this commitment, one of the action steps under Organizational Culture in the 2022 Strategic Action Plan is entitled Government Alliance for Race & Equity. The Outcome Indicator for this Action Step is: The City and BPW will participate in the Ottawa County Government Alliance for Race & Equity (GARE) Learning Communities of Practice (LCoP) and share outcomes with the City's DEI Workgroup. By December 31, 2022, the City will establish DEI Vision and Mission statements and an action plan that endeavors to improve fairness in local government and workplace practices, provide a forum for the exchange of ideas and information, and develop findings on equity trends and results.

Staff has completed the eighteen-month GARE LCoP process. The DEI Workgroup, which was created as an outcome of the LCoP, has established the following Vision Statement: The City of Zeeland chooses to continually advance equity, and incorporate it as a core value. We will be a vibrant, safe, and healthy place where all people can thrive. We will proactively engage and understand backgrounds and perspectives across all human differences. With this Vision Statement in mind, the DEI Workgroup has suggested, as one of several possible initiatives, recognition of Martin Luther King, Jr. Day as a City-paid holiday for all employees.

Martin Luther King Jr. Day is a federal holiday that is observed annually on or near January 15th - Dr. King's birthday. According to an annual survey by Bloomberg Law, 45 percent of private employers closed their doors for Martin Luther King Jr. Day in 2019. This is an increase over years prior—a decade before, this number was less than 30 percent. (Source: <https://www.worth.com/does-observing-martin-luther-king-jr-day-align-with-your-company-values/>). Observing Martin Luther King, Jr. Day is a way for the City of Zeeland to publicly demonstrate our organization's commitment to continuing the conversation around diversity, equity, and inclusion. It should be noted that, with the approval of the 2022-2025 Utility Workers Union of America Local

556 collective bargaining agreement earlier this year, Martin Luther King, Jr. Day was included as a City-paid holiday.

The Personnel Committee reviewed this matter and recommended approval at their December 1, 2022 meeting. City Council approved this action item at their December 5, 2022 regular meeting.

22.094 Recognize Martin Luther King, Jr. Day as a City-Paid Holiday

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve federal holiday Martin Luther King, Jr. Day as a City of Zeeland paid holiday effective with the calendar year beginning January 1, 2023. If approved, Martin Luther King, Jr. Day will be observed with the closure of City of Zeeland / Zeeland Board of Public Works offices annually on the third Monday of January. Motion carried. Three voting aye, one voting nay.

2022 – 2027 Strategic Plan Document:

Boatright included in the Board of Commissioner packet the finalized Zeeland BPW Strategic Plan document. This finalized document version includes only minor non-substantive revisions which are intended to improve readability. 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 throughout the course of this year. I am very pleased to present this document knowing that all of us have provided input and this is evident throughout the 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. Please accept a huge thank you from me to the Commissioners, leadership team, and staff for your dedication, commitment, and support in the development of this plan.

22.095 Approve the 2022-2027 Strategic Plan Document

Motion was made by Commissioner Query and seconded by Commissioner Dykstra to approve the 2022-2027 Zeeland Board of Public Works Strategic Plan. Motion carried. All voting aye.

Leading by DESIGN Executive Coaching:

In each of the last three years the Board has graciously supported allowing the BPW leadership team to partake of executive coaching services and training provided by either Disher or Leading By DESIGN. The objective in providing this resource is to ultimately facilitate a culture of leadership throughout our organization. Monthly 120-minute one-on-one coaching sessions allow our leaders to break-out of the day-to-day routine to focus on how to become a leader worth following. These sessions can be used to work on areas in need of improvement as well as to receive guidance on how to handle challenging situations in the workplace that may arise from time-to-time. The basic tenant of the Leading by DESIGN executive coaching process is that behavior change takes time, practical application, and on-going support.

Boatright recently completed a Leading By DESIGN leadership development cohort and Accounting and Finance Manager Kate Chrisman is participating in an on-going cohort which concludes in August 2023. Executive coaching is included with Kate's leadership development cohort. The executive coaching sessions associated with my leadership development cohort have concluded as of November. Power Supply Manager Bob Mulder and Water Operations Manager Mike Levandoski have been receiving executive coaching from the Disher team for over two years and would like to change coaches to gain fresh perspectives. I would like to bring T&D Manager Brian Coots into this process with his recent entry into BPW leadership. Boatright has asked Leading By DESIGN



principal Rodger Price to provide a proposal for twelve (12) months of executive coaching services for himself, Bob, Mike, and Brian.

Boatright does not take lightly the fact that providing this resource is costly. It is difficult to put a price tag on good leadership. He believes our organizational culture has been demonstrative of excellent leadership over the decades. This doesn't occur by happenstance – there is intentionality that is carried forward through the behaviors of the preceding leadership. We want to ensure that we uphold this legacy of leadership excellence for the succeeding decades. Our 2022-2027 Strategic Plan contains “leadership language” within the Core Values and Key Priorities with words and phrases such as “trust in one another”, “holding ourselves accountable”, “embracing a diversity of viewpoints”, “barrier-free communication”, “commitment”, “a culture that values and empowers our employees”. These words and phrases look great on paper. We desire to model these behaviors which requires continuous learning and practice. The leadership executive coaching process involves tremendous commitment on the part of the participant over time. Each session will focus on needed areas of improvement. There will be homework assignments upon which the participant will be held accountable for demonstrating progress in follow-on sessions. The Leading by DESIGN executive coaching proposal was included in the packet.

22.096            Leading by DESIGN Executive Coaching

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve twelve months of one-on-one executive coaching services provided by Leading by DESIGN in accordance with their proposal dated December 8, 2022. Motion carried. All voting aye.

Purchase of Property at 314 E. Washington Avenue:

The owners of this property, Thaddeus and Miska Rynsburger, have committed to selling to the BPW contingent on Board of Commissioner and City Council approval.

22.097            Purchase of Property at 314 E. Washington Avenue

Motion was made by Commissioner Query and seconded by Commissioner Walters to approve recommending that Zeeland City Council consider the purchase of property at 314 E. Washington Avenue in accordance with the Purchase Agreement dated November 11, 2022 and the Addendum to the Purchase Agreement dated November 18, 2022. Motion carried. All voting aye.

Proposed Non-Traditional Electric Rates and Line Extension Policy:

At the November Board of Commissioner meeting, Boatright stated that we would present ordinances for the below listed proposed non-traditional electric rate schedules and the line extension policy. Staff wishes to postpone approval of said ordinances until the January 2023 meeting.

- Commercial EV Charging Rate
- Economic Development Rate
- Standby Rate
- Large Industrial Time of Use Rate

Reimbursement of Training Costs Discussion:

The City of Zeeland / Zeeland Board of Public Works endeavors to provide professional development opportunities for staff to facilitate learning and growth. Yet, the investment in learning can be significant. And, this doesn't factor in the hidden costs of training – the time taken away from the performance of job duties resulting in lost productivity. Can the City of Zeeland / Zeeland Board of Public Works require employees to pay back training costs if they leave before a pre-determined amount of time after having received said training? This

question arose recently when seeking approval for an employee to participate in expensive leadership professional development training.

The short answer is yes. The City can seek reimbursement and there exists a written policy detailing the rules required of employees who accept reimbursement of “tuition expenses incurred while taking additional training.” The policy stipulates, “Selected courses or training programs must relate to the employee's present position or foreseeable future position, as determined by the Review Committee. The Review Committee consists of the employee's Department Head, the City Manager/Board of Public Works General Manager, and the Mayor/Board of Public Works Board Chair. Types of training included under this program are: courses not required by the employer, yet directly beneficial to the employee's work capabilities, and training approved by the Review Committee to prepare the employee for new or higher levels of responsibility. The policy further states, “Training taken by the employee at the employer's request, such as (but not limited to) police and fire training, will not qualify for this program. Employer requested training includes such activities as conferences, workshops, and meetings of professional organizations in which participation is authorized through the budgetary process. Employees who take advantage of this program and subsequently terminate employment with the City before three years from the date of the training completion, must return a proportionate amount of their reimbursement, as follows: full reimbursement to the City for less than one year, 2/3 reimbursement for less than two years, and 1/3 reimbursement for less than three years.” (pp.11-12 COZ Employee Handbook)

There are pros and cons to requiring employees to repay training costs:

Pros:

- Could be a deterrent for employees who are considering leaving after having completed costly training
- Protects the employer’s significant training investment in employees

Cons:

- Could discourage employees from pursuing continuing professional development and education
- Could negatively impact employee morale

The key distinction for recouping training costs is whether the training is job-related (or as stated above, “required by the employer”) or voluntary. The City’s HR Consultant Kurt Wassink, HR Solutions, states that it is uncommon in West Michigan for employers to recoup job-related training expenditures.

MPPA 2022 Business Model Risk Assessment (BMRA):

Consistent with past performance, ZBPW electric rates compare very favorably against that of Consumers Energy. As anticipated, Load Concentration Risk is high due to a few large industrial customers comprising a high percentage of the ZBPW total electric load. This year, Distributed Energy Resource (DER) Readiness was added to the BMRA and the ZBPW scored a risk level of LOW which is good. MPPA has assembled a report of BMRA findings and recommendations for mitigating these risks and Boatright included a copy of this report in the Board packet.

*Upcoming Events*

- **Next Regular ZBPW Board Meeting, Tuesday, January 10, 2023, 3:30 p.m., Water Warehouse Meeting Space.**
- Christmas Eve and Christmas Day Observances, Friday, December 23 and Monday, December 26, 2022 - All City Offices Closed
- New Year's Day Observance, Monday, January 2, 2023 – All City Offices Closed
- 2022 Holiday Power Dollars Expiration Date – January 31, 2023

Motion was made and supported that the regular meeting be adjourned at 6:15 p.m. Motion carried. All voting aye.

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Pamela Holmes, City Clerk