

Hillsdale Board of Public Utilities  
Regular Meeting

April 13, 2021

The regular Hillsdale Board of Public Utilities meeting was called to order at the BPU Offices, 45 Monroe Street, Hillsdale, Michigan at 7:02 p.m. by Mr. Bob Batt, President of the Board.

Board Members Present:                    Mr. Bob Batt – President  
   Ms. Lois Howard – Hillsdale County, Fayette Township  
   Mr. Pete Becker  
   Mr. Chris Sumnar, Vice President  
   Mr. Eric Hoffman

Board Members Absent:                    None

Others present: Chris McArthur, BPU Director; Bill Briggs, Water Distribution Superintendent/WWTP Supervisor; Joe Mangan, Finance Director; Kristin Bauer, City Engineer; and Kelley Newell, Secretary to the Board.

**APPROVAL OF AGENDA WITH ANY ADDITIONS**

Mr. Sumnar, supported by Mr. Becker approved the Agenda. Motion carried unanimously by roll call vote.

**PREVIOUS BOARD MINUTES**

Ms. Howard, supported by Mr. Sumnar, moved to approve the March 9, 2021 minutes as presented. Motion carried unanimously by roll call vote.

Mr. Becker, supported by Mr. Hoffman, moved to approve the March 31, 2021 minutes for the Electric Committee Meeting as presented. Motion carried unanimously by roll call vote.

**BILLS PAYABLE**

Mr. Hoffman, supported by Mr. Sumnar, moved to approve the March 2021 bills in the amount of \$584,919.27. Motion carried unanimously by roll call vote.

**MSCPA BILL**

Mr. Sumnar, supported by Mr. Hoffman, moved to approve the February 2021 MSCPA bill in the amount of \$744,946.84. Motion carried unanimously by roll call vote.

## **FEBRUARY 2021 FINANCIAL STATEMENTS**

Mr. Sumnar, supported by Mr. Hoffman, moved to approve the February 2021 Financial Report. Motion carried unanimously by roll call vote.

## **DIRECTOR'S REPORT**

### **Michigan South Central Power Update**

#### **AFEC:**

AFEC performance during the month of February 2021 was in line with original budget projections.

February 2021 capacity factor was 59.6% and utilization factor was 82.9%.

#### **Hydroelectric:**

Hydro generation combined electric production for February 2021 was above projections for the month. Except for Meldahl, production at all other facilities exceeded monthly projections due to favorable river conditions.

#### **Coldwater Peaking Project:**

MSCPA remains active in the MISO queue with a single unit approximate 49.5 MW net capacity project. MISO DPP 2019 Cycle 2 completion date has slid to May 7, 2021.

MSCPA continues to move forward with planning for this project. A decision will need to be made by November for participation in this project.

### **PubWorks Work Order Software Install**

Software implementation is ongoing. Training was completed with key staff on April 7<sup>th</sup> and 8<sup>th</sup>.

### **Industrial Water Tower Project**

This project is slated to start in early May.

## **ACTION ITEMS**

### **Industrial Substation Prefabricated Building with 15KV Switchgear and Voltage Regulators**

Sealed bids were received and opened by the City of Hillsdale (BPU) on February 25, 2021 for a Prefabricated Building with 15 KV Switchgear and Voltage Regulators with Structures Rebid. The base scope of work for this contract consists of fabrication and delivering one (1) lot Prefabricated Building. The Prefabricated Building will contain six (6) sections of indoor type non-arc resistant 15kV Metal Clad Switchgear, 125VDC battery system, SCADA system and Voltage Regulators with structures. The Prefabricated Building shall contain all required auxiliary equipment listed within the included specification sections.

The bidding documents included pricing for the general scope of work which includes the furnishing of all labor, materials, apparatus, expendable tools and equipment, and all other services required for the design, fabrication, delivery f.o.b. job site, and inspection of one (1) lot Prefabricated Building including all required components for a functionally complete control and protective system along with associated auxiliary equipment components. Alternates to the base

bid were provided. Sealed bids were received from the following vendors: CSI Electric Inc., Powell Equipment Company and Powerline Equipment.

**Recommendation:** Staff and the Electric Committee recommends awarding the one (1) lot Prefabricated Building consisting of six (6) sections of indoor type Arc resistant 15kV Metal Clad Switchgear, 125VDC battery system, new SCADA system and Voltage Regulators with structures, Contract No. 020-00414-00 to Powerline(Eaton) as the best evaluated bid for a total cost of \$1,282,317 broken down as follows:

Base Bid	\$1,336,817
Alternate 1 Factory acceptance test	\$ 3,000
Alternate 2 Arc Flash Switchgear Recommended	\$37,500
Voluntary Alternate 4 New SCADA Recommended	\$(95,000)
 Total Recommended Contract Price (w/o spares)	 \$1,282,317

Ms. Howard, supported by Mr. Becker moved to approve awarding the one (1) lot Prefabricated Building consisting of six (6) sections of indoor type Arc resistant 15kV Metal Clad Switchgear, 125VDC battery system, new SCADA system and Voltage Regulators with structures, Contract No. 020-00414-00 to Powerline(Eaton) as the best evaluated bid for a total cost of \$1,282,317. Motion carried unanimously by roll call vote.

**Vegetation Management Services Contract**

Requests for bid proposals were posted in March. Three companies responded with two of those submitting qualified bids. The third company notified us that they were unable to bid at this time as a result of being completely booked. We have utilized both companies in the past for similar contracts and have had success with both. We are looking for a 3 year (with 4<sup>th</sup> year option) trimming cycle. We anticipate the trimming of our entire system over this 3-4 years. Scheduling this management program for this time period will help in budgeting the needed funds for the short term trimming cycle.

	<u>3-man crew</u>	<u>2-man crew</u>
Asplundh	\$150.35	\$111.41
Wright	\$144.28	\$104.65

**Recommendation:** Staff recommends awarding the contract for vegetation management for three years with fourth year option to the low bidder Wright Tree Services.

Mr. Hoffman, supported by Mr. Sumnar moved to approve awarding the contract for vegetation management for three years with a fourth year option to the low bidder Wright Tree Services. Motion carried unanimously by roll call vote.

**Elm/Arbor Court Water and Sewer Main Replacement**

As part of the on-going efforts to upgrade water and sanitary sewer infrastructure throughout the city monies were budgeted in the FY21 budget for the replacement and upgrade of the

undersized 2” water mains on Arbor and Elm Courts. Additionally funds were budgeted for the replacement of sanitary sewer main on Elm Court as it was discovered that problems existed in the pipe due to several defects in the current sewer main.

Project drawings and specifications were developed and placed out for bid. Bids were received by the City on March 31, 2021. The city received 5 responses to our advertised bid requests, as noted below:

BIDDER	ARBOR COURT	ELM COURT	PROJECT TOTAL	ELM COURT RESTORATION (Possible addition)
RJT Construction Co.	\$51,169.00	\$86,279.00	\$137,448.00	\$36,430.00
Lukazcek Excavating	\$70,923.51	\$112,953.53	\$183,877.04	\$48,361.20*
Concord Excavating	\$66,600.00	\$122,125.00	\$188,725.00	\$44,767.50
Dubois Trucking	\$85,205.00	\$136,881.00*	\$222,086.00*	\$63,761.25
Bailey Excavating	\$136,855.50	\$184,617.60	\$376,784.10	\$55,311.00

\*Bid amount adjusted following discovery of a math error.

**Recommendation:** Staff recommends the BPU Board support award of this contract to the low bidder, RJT Construction Co. of Jackson, MI for the project amount of \$137,448.00 with a contingency amount of \$12,552.00, for a total project amount of \$150,000.00. City staff has experience working with RJT Construction and is confident in their ability to adequately perform the work as requested in the bid documents.

Staff also recommends, should City Council not proceed with the Elm Court Special Assessment District, to award the Elm Court Restoration work to RJT Construction for an additional amount of \$36,430.00 with an additional \$3,570.00 for an additional amount of \$40,000.00. The restoration of Arbor Court will be completed with the recently approved Special Assessment project in the Hillcrest Area.

Mr. Hoffman, supported by Mr. Becker, moved to award this contract to the low bidder, RJT Construction Co. of Jackson, MI for the project amount of \$137,448.00 with a contingency amount of \$12,552.00, for a total project amount of \$150,000.00. Also, should City Council not proceed with the Elm Court Special Assessment District, to award the Elm Court Restoration work to RJT Construction for an additional amount of \$36,430.00 with an additional \$3,570.00 for an additional amount of \$40,000.00. The restoration of Arbor Court will be completed with the recently approved Special Assessment project in the Hillcrest Area. Motion carried unanimously by roll call vote.

### **BPU Board Seat Recommendation to the Mayor and Council**

Attached is an application received for the open Board seat for a recommendation to the Mayor and Council.

Mr. Hoffman, supported by Mr. Becker moved to accept the application for the open Board seat for a recommendation to the Mayor and Council. Motion carried unanimously by roll call vote.

### **Drinking Water Asset Management (DWAM) Grant Acceptance**

In December 2020 the city applied for \$670,000 in DWAM grant funds through the Michigan Department of Environment, Great Lakes & Energy (EGLE). The State of Michigan allocated \$36.5 million in grant funds to assist water supplies comply with rules promulgated by the 2018 revisions to Michigan's Lead and Copper Rule (LCR). EGLE reported having received 304 DWAM applications requesting \$140 million in funds far exceeding the funds available.

The City's grant request was intended for use to complete verifications of water service lines per the LCR revisions and a Complete Distribution System Material Inventory (CDSMI) is due to EGLE by January 1, 2025. A component of this CDSMI is to determine the material type of every water service into homes and businesses within the City's water service area. Work includes evaluating existing records, physical field verification of lines and/or any other means necessary to gain confidence in the City's inventory and material types.

Recently we were notified that we were successful in obtaining the DWAM grant. Due to recent changes to EGLE's minimum requirements for water service line verifications EGLE asked city staff to revise the requested grant amount to align with these new requirements. A revised grant request was submitted to EGLE in the amount of \$241,000 to complete the random verifications required by the new guidance. There are no required matching funds required with this grant.

We are expecting acceptance of this revised grant request in the near future based on conversations with EGLE, as such we have attached a copy of the Sample Grant Agreement for your review.

#### **RECOMMENDATION:**

Staff recommends the BPU Board support acceptance of this grant and direct city staff to execute the Grant Agreement with EGLE for the grant funds upon acceptance of a revised grant amount.

Mr. Sumnar, supported by Mr. Hoffman moved to accept this grant and direct city staff to execute the Grant Agreement with EGLE for the grant funds upon acceptance of a revised grant amount. Motion carried unanimously by roll call vote.

### **DEPARTMENT PROJECT PROGRESS REPORTS**

Superintendent Bill Briggs, reported on the Water Distribution/Wastewater Collections/WWTP. Possible back up on West Street but ended up being customers' issue. Crews repaired a sewer lateral at 135 E. South Street. Crews also jet and camered Hillsdale Street. There was a significant water leak on Park Street. Also, when crews went to shut the water off at the old Jonesville

products building there was a frozen/broken pipe. They also replaced a leaking service line on W. St. Joe Street. Crews are starting to change out old residential meters to AMI meters.

Director Chris McArthur reported on work the electric crews have been working on. Crews finished all underground projects that had stalled due to the weather. They have also completed more of the make ready for the voltage upgrade on the south end of town. Crews have replaced several poles on feeder 11 NE of town. This section of line has been in service since 1970. Right of way clearing was conducted on feeders 11 and 12. March had a total of seven outages that affected a total of 28 customers. Of the 7 outages 3 were caused by squirrels, 3 were caused by broken porcelain cutouts and 1 outage was due to a tree falling over.

Director McArthur presented the Power Plant monthly report. Repairs were made to water leaks on engine #5 and filled with new lube oil. Crystal Clean removed all used oil for recycling and Safety Kleen removed all mercury switches and other contaminated items from the plant. Star Crane inspected all overhead cranes and made necessary repairs. The line crew assisted plant personnel in replacing main water valves and installing new manifold.

#### **BOARD MEMBER ROUNDTABLE**

Mr. Hoffman, Mr. Batt, Mr. Becker and Ms. Howard all thanked Mr. Sumnar for his dedicated and thoughtful service as a member of The Hillsdale Board of Public Utilities. Mr. Sumnar thanked everyone and expressed the incredible dedication to all of BPU's staff and crew.

#### **PUBLIC COMMENT**

#### **AJOURNMENT**

Mr. Becker, supported by Mr. Hoffman moved to adjourn the meeting.

The meeting adjourned at 8:13 p.m.

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Kelley Newell – Secretary to the Board