

Regular Meeting
 Board of Public Works
 Water Warehouse
 February 10, 2026

The regular meeting of the Board of Public Works Commission was held at the BPW Water Warehouse, 330 E. Washington, Tuesday, February 10, 2026. Chairperson Boerman called the meeting to order at 3:35 p.m.

PRESENT: Commissioners – Chairperson Boerman, Vice Chair Cooney, VanAst, Walters

ABSENT: Commissioners – Query

Staff Present: BPW General Manager Boatright; Electric Power Supply & Market Operations Manager Mulder; Water Operations Manager Postma, City of Zeeland ACM/Finance Director Plockmeyer, City of Zeeland City Clerk DeVerney

Motion was made by Commissioner Cooney and seconded by Commissioner Walters to approve the minutes of January 13, 2026, Regular Meeting. Motion carried. All voting aye.

Public Comment

None.

Safety Minute

Easy tips to avoid Phishing Scams.

26.009 Approve Cash Disbursements and No Regular Monthly Transfers

Motion was made by Commissioner Walters and seconded by Commissioner VanAst to approve the December 2025 cash disbursements and the regular monthly transfers for the month of December 2025 as follows:

Cash and Investments as of: December 31, 2025

	<u>Electric</u>	<u>Water</u>
Receiving	\$ 3,737,275	\$ 305,901
Accumulated Debt Service (in Receiving Fund)	-	-
Plant Improvements and Contingencies	13,287,928	13,823,112
Bond and Interest Payment Reserve*	-	-
Totals	<u>\$ 17,025,203</u>	<u>\$ 14,129,013</u>

* Reserve required per electric and water revenue bond ordinances.

Recommended Transfers for the Month:

December-25

	<u>Electric</u>	<u>Water</u>
Receiving	(\$57,645)	-
Accumulated Debt Service	-	-
Plant Improvements and Contingency	-	65,000
General Fund (per charter provision)	\$57,645	-

Notes on Recommended Transfers:

- 1 The annual operating transfer for FY 25-26 from the Electric Fund to the General Fund is a combination of 1% of net fixed assets as of June 30, 2024, and 1% of gross sales, less sales tax, for the year ended June 30, 2024, less any franchise payments. The annual operating transfer is divided into twelve monthly payments.
- 2 Assumed carrying amounts (minimum) in Receiving accounts are established at approximately 10% of budgeted operating expenses, before depreciation.

Electric = 10% of \$ 37,423,451 or approximately \$ 3,742,345

Water = 10% of \$ 4,721,757 or approximately \$ 472,176

- 3 No transfers are recommended for December 2025.

Motion carried. All voting aye.

Accounting, Finance & Customer Service Report

ACM/Finance Director Plockmeyer updated the Board on current operations status, activities and projects which include:

December 2025 Customer Metrics

- Overdue/Disconnect Notices = 239
- Active Accounts = 8,004
- Total Bills Sent = 8,269
- Paperless Bills = 1,566
- NorthStar Pre-Authorized Payment Customers = 2,229
- Invoice Cloud = 2,992
 - Credit Card = 2,224
 - EFT = 768

November 2025 Customer Metrics

- Overdue/Disconnect Notices = 243
- Active Accounts = 8,024
- Total Bills Sent = 8,015
- Paperless Bills = 2,565
- NorthStar Pre-Authorized Payment Customers = 2,216
- Invoice Cloud = 2,718
 - Credit Card = 2,029
 - EFT = 689

26.010 Authorize Investment of PFAS Settlement Funds through the Michigan Professional Insurance Authority (MPIA) Investment Portfolio

At its May 10, 2024, meeting, the BPW Board approved an allocation agreement between the Zeeland Board of Public Works and the Holland Board of Public Works related to a class action settlement resolving claims associated with PFAS contamination in drinking water systems. As previously reported, the Board took formal action to commit the PFAS settlement proceeds for potential future PFAS treatment needs.

Since that time, the City and BPW have continued to receive additional settlement proceeds. Based on current estimates, the total PFAS settlement funds expected to be received now equals \$2,356,231. These funds remain restricted by the terms of the settlement and are intended to address potential future PFAS related costs should treatment or mitigation become necessary.

While the Board has already committed these funds for PFAS related purposes, they are currently held within BPW reserve accounts. Staff is recommending an additional step to further protect and segregate these funds by transferring the committed PFAS settlement proceeds from BPW reserves to the Michigan Professional Insurance Authority (MPIA).

Moving the committed funds to the MPIA will provide greater separation from BPW operating funds and reduce the risk of the funds being inadvertently used for non PFAS related purposes. In addition, the MPIA allows these funds to earn market rate interest, which will help preserve and potentially grow the settlement proceeds over time to offset future PFAS related expenses.

This approach strengthens the original intent of the Board’s commitment action and demonstrates continued prudent financial management by clearly isolating the funds while maintaining their availability for their intended purpose.

Motion was made by Commissioner Cooney and seconded by Commissioner Walters to approve the transfer of the PFAS settlement funds, estimated to total \$2,356,231, to the Michigan Professional Insurance Authority (MPIA). The funds would remain committed to potential future PFAS treatment or mitigation needs unless a future Board takes formal action to reallocate them.

2025 Holiday Power Dollars

The 2025 Holiday Power Dollars Program was a continued success, with 1,612 customers claiming a total of \$24,180 in Power Dollar Certifications. As of February 1st, a total of \$19,195 Power Dollars has been redeemed, resulting in a redemption rate of approximately 79.38%.

Merchant	Redemption
MAIN STREET AUTO REPAIR	\$ -
MAIN STREET BICYCLE CO.	\$ -
CRITTER BARN	\$ 15.00
ZEELAND PRINT	\$ 15.00
DEKKER'S JEWELRY STORE	\$ 45.00
CAPTAIN SUNDAE	\$ 85.00
ADORNED HOME	\$ 90.00
LORNA LOU	\$ 105.00
WESTSIDE SERVICE CENTER	\$ 120.00
BEECHWOOD DRY CLEANERS	\$ 170.00
PARADISE BOUND	\$ 230.00
TRIPELROOT	\$ 240.00
BUNTE'S PHARMACY & GIFTS	\$ 275.00
LA CREME	\$ 315.00
ZEELAND BAKERY	\$ 480.00
DRIP COFFEE	\$ 565.00
STREATS TACO KITCHEN	\$ 630.00
DON'S FLOWERS & GIFTS	\$ 660.00
DE BRUYN SEED CO., INC	\$ 835.00
VEE'S GRILL & CONEY ISLAND	\$ 890.00
OUT OF THE BOX	\$ 1,555.00
FRANK'S	\$ 1,565.00
ZEELAND ACE HARDWARE	\$ 1,670.00
COMMUNITY RESTAURANT	\$ 1,810.00
THE FARMHOUSE RESTAURANT	\$ 2,225.00
VITALES PIZZA	\$ 4,605.00

Water Department Report

Water Operations Manager Postma updated the Board on activities, current operations status, and projects which include:

- Meter replacement program

- Galvanized Service Line Replacement Program
- Other work projects
- Water Administration Projects

Manager Postma noted the three pick-up trucks (2 Water & 1 T&D) that the Board had approved, at their January 13th meeting, had a purchase price of \$147,235.00, however, the final purchase price was \$127,721.00, a difference of \$19,514.00.

Transmission & Distribution Department Projects Update

Electrical Transmission & Distribution Manager Coots memo updated the Board on current activities including:

- New Residential Developments
- Fairview Circuit Breaker Replacement
- Outage Statistics

26.011 Bid Recommendation Distribution Transformer Purchase

The following bid award recommendation is submitted for Board approval. All items listed are included in the FY2027 Capital Improvement Plan. These transformers are for stock replenishment and upcoming projects in FY2027.

Ten (10) single-phase and six (6) three-phase pad mounted transformers are for upcoming street projects, other construction coming the spring/summer and inventory replacement. Lead times were taken into consideration for this bid evaluation along with overall evaluated pricing.

Motion was made by Commissioner Cooney and seconded by Commissioner VanAst to award purchase of ten (10) single-phase pad mounted transformers to RESCO using ERMCO transformers for a total of \$34,904 and to award purchase of six (6) three-phase pad mounted transformers to IRBY using GE transformers for a total of \$81,784.

26.012 Fairview Riley 69k V Breaker Price Increases Due to Tariffs

At your January 14, 2025, regular Board of Commissioner meeting, the Commissioners approved the purchase of six (6) - 69kV circuit breakers for the Fairview and Riley Substations as part of the FY2026 Capital Improvement Plan (See attached 6. B. 2. Fairview & Riley 69kV Breaker Purchase). The approved action authorized procurement of three breakers for the Fairview Substation and three breakers for the Riley Substation at a unit price of \$84,672, within the established \$500,000 project budget for each substation. The three (3) circuit breakers associated with the Fairview 69kV breaker replacement project are now approaching shipment in early February, prompting a mandatory vendor pricing review prior to delivery in accordance with the terms and conditions for this purchase.

Per the manufacturer’s quoted terms, circuit breaker pricing is subject to adjustment approximately 120 days prior to the originally acknowledged delivery date, based on changes in the Bureau of Labor Statistics (BLS) Producer Price Index. Pricing is tied specifically to BLS index PCU335313335313 (switchgear and switchboard apparatus manufacturing). If the index fluctuates by more than ±3% from the time of order, the equipment cost must be adjusted accordingly.

It is also important to note that all bidders responding to the original purchase solicitation included some form of cost escalation language in their proposals, citing market volatility in materials pricing and the potential for tariff related impacts prior to shipment. Therefore, this adjustment is consistent with broader industry practice and the bid conditions received at the time of award.

To date, the following costs have been committed for the FY2026 Fairview Substation project:

- 3 Engineering services (PKM): \$17,500
- 4 Original breaker purchase (3 units): \$254,016

This left an estimated remaining balance of \$228,484 available for construction contractor costs and contingency. However, the circuit breaker manufacturer (MEPPI) has notified ZBPW staff that the order is subject to both:

1. BLS cost escalation, based on a +10.2% index increase since the quote date.
2. Additional tariff charges, which have become applicable since the original quotation.

As a result, the updated pricing per breaker is as follows:

- 5 Original Price (each): \$84,672
- 6 New Price with BLS Adjustment (each): \$93,309
- 7 Tariff Adder (each): \$6,889.29
- 8 Revised Total Cost (each): \$100,189.29

The revised total cost for all three (3) circuit breakers is therefore \$300,567.87, reflecting the required escalation and tariff adjustments prior to shipment.

Motion was made by Commissioner Walters and seconded by Commissioner VanAst to approve the updated recommendation that does not change the previously approved scope or quantity, but addresses required pricing adjustments associated with the Fairview breaker order as it approaches shipment, consistent with manufacturer escalation provisions and tariff impacts disclosed at the time of bid. Board approval is requested to authorize the updated purchase order amount of \$300,567.87 so the breakers may ship as scheduled and the Fairview Substation project may remain on track for FY2026 implementation.

Power Production and Buildings & Grounds Department Report

Power Supply & Market Operations Manager Mulder updated the Board on current operations status, Renewable Energy Credits, projects & department updates, and building & grounds which include:

- Operations & Power supply – December 2025
- Renewable Energy Credits (RECS) – December 2025
- Integrated Resource Plan (IRP) Update & Stakeholder Engagement
- Washington Avenue Generation facility – Title V ROP renewal
- LMR Deployment
- Employee Retirements
- BPW Office Remodel & Expansion Project
- General Facilities Work

26.013 MPPA 2028-2031 Power Purchase Commitment Recommendation

The Zeeland Board of Public Works (BPW) participates in the wholesale power market through the Michigan Public Power Agency (MPPA). That participation is guided by a Power Supply Risk Management Policy approved by the BPW Board, and Zeeland City Council. In accordance with these policies, the BPW must have committed energy resources in place to supply specific levels of its anticipated energy requirements extending into the future as specified under MPPA's 'Stability Plan' which the BPW has selected.

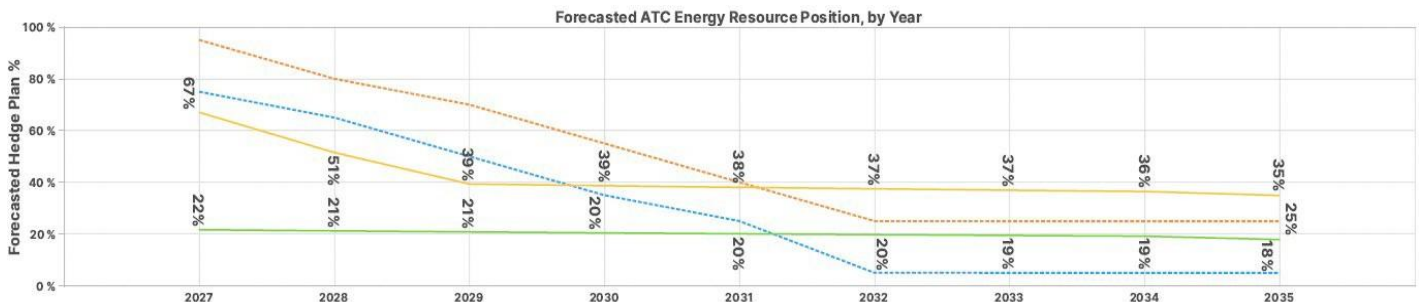
To ensure compliance with this policy, the BPW, with the support of MPPA, regularly reviews its portfolio and solicits purchase proposals to strategically address open positions in its energy portfolio.

In recent weeks, MPPA Power Supply staff have recommended that monthly energy purchase transactions be executed for the period of calendar years 2028 – 2031, to address open positions and mitigate risk by aligning the BPW's hedged position with its risk management policy. These include a combination of On-Peak (5x16), Off-Peak (5x8, 2x24), and Around-The-Clock (7x24) transactions. The resulting recommendations are summarized in the table below:

Calendar Year	Delivery Period	Transaction Details				BPW Hedge Position	
		Max Mo. Qty (MW)	Total Energy (MWh)	Average Price (\$/MWh)	Total Cost (NTE)	Transaction % of Forecasted Load	Forecasted % Hedged After Transaction
2028							
	On-Peak (5x16)	23.1	80,672.0	\$81.57	\$6,580,694.40	30.1%	80.1%
	Off-Peak (5x8, 2x24)	16.8	68,596.6	\$57.55	\$3,947,703.00	29.5%	80.1%
2029							
	On-Peak (5x16)	25.9	85,688.0	\$84.11	\$7,206,977.60	31.4%	70.1%
	Off-Peak (5x8, 2x24)	22.1	76,421.2	\$59.50	\$4,547,148.20	32.3%	70.1%
2030							
	ATC (7x24)	14.3	94,084.8	\$71.96	\$6,770,772.00	18.2%	55.2%
2031							
	ATC (7x24)	5.8	21,374.4	\$73.71	\$1,575,547.20	4.0%	40.5%
Total		-	426,837.0	\$71.76	\$30,628,842.40		

The total, not-to-exceed cost associated with the recommended volumes and products at the maximum stated strike prices yields a maximum commitment of \$30,628,842.40, averaging \$71.76 / MWh over the term. These transactions will be for Financially Firm Energy with physical delivery to the MISO Michigan Hub in the Day Ahead Market, at or below the annual not to exceed limits.

The chart below indicates the BPW's current hedged resource position forecast *prior to* the recommended transaction (MPPA - Zeeland Resource Position Report: 1/31/2026).



Motion was made by Commissioner Cooney and seconded by Commissioner Walters to approve the aforementioned

energy purchase commitments, permitting the BPW Member Authorized Representative (MAR), or alternate MAR, to commit to the purchase of the following short-term energy products totaling a maximum not-to-exceed cost of \$30,628,842.40:

1. Calendar Year 2028:
 - a. On-Peak (5x16) firm energy up to \$6,580,694.40 for 80,672.0 MWh (\$81.57 / MWh avg.)
 - b. Off-Peak (5x8, 2x24) firm energy up to \$3,947,703.00 for 68,596.6 MWh (\$57.55 / MWh avg.)
2. Calendar Year 2029:
 - a. On-Peak (5x16) firm energy up to \$7,206,977.60 for 85,688.0 MWh (\$84.11 / MWh avg.)
 - b. Off-Peak (5x8, 2x24) firm energy up to \$4,547,148.20 for 76,421.2 MWh (\$59.50 / MWh avg.)
3. Calendar Year 2030:
 - a. ATC (7x24) firm energy up to \$6,770,772.00 for 94,084.8 MWh (\$71.96 / MWh avg.)
4. Calendar Year 2031:
 - a. ATC (7x24) firm energy up to \$1,575,547.20 for 21,374.4 MWh (\$73.71 / MWh avg.)

The BPW’s Energy Risk Management Policy Statement states that transaction terms greater than the prompt year, but not more than five years, shall be approved by a majority vote of the BPW Purchase Power Committee (PPC). The PPC consists of the BPW Chairperson, the General Manager (or alternate MAR), and any one of the remaining BPW Commissioners. If approved, staff will place this action item on the February 16 City Council Agenda for consideration, Upon City Council approval, staff will authorize MPPA to execute the recommended transactions once sufficient member authorizations have been received. Motion carried. All voting aye.

26.014 Bid Recommendation – Power Plant Natural Gas Replacement Project

In early 2025, BPW staff were approached by SEMCO Energy regarding their intentions to replace and retire the natural gas pipeline that supplies the BPW’s Washington Ave. Generation Facility due to the age of that infrastructure. SEMCO has proposed building a gas distribution stand on the east side of the facility and running new underground lines to each of the (3) existing points of connection with BPW’s piping where it enters the building. As part of this process, SEMCO will be consolidating the three (3) existing meters into a single meter. SEMCO will be responsible for the cost of their infrastructure upgrades, up to the point of connection to the BPW’s existing piping with their current equipment. The BPW will be responsible for modifications needed to connect our existing piping to SEMCO’s new piping, and any other changes on our side.

Since the age of the BPW’s piping aligns with that which SEMCO is replacing, staff decided the prudent course of action is to replace the small portion of exterior piping that extends through the wall inside the plant, to either the closest flange or point at which it can be easily connected. The majority of the plant’s natural gas piping is interior to the plant, has not been exposed to weather, and is in good condition. The scope of the proposed piping replacement are the portions that penetrate the concrete foundation and have been exposed to soil and weather on the plant’s exterior for decades and has likely degraded over time.

In preparation for the project, staff have been working with key account and engineering personnel from SEMCO to finalize details and establish a project schedule. Design drawings were received in December, and a scope of work for the BPW’s portion of the project prepared and submitted for bid by mechanical contractors. In addition to replacing the exterior portion of the BPW’s gas piping (Scope Item #1), staff also requested a cost to modify portions of the internal piping to accommodate the replacement of several internal gas meters that are used for individual unit operational metering and cost evaluation (Scope Item #2). With the consolidation of SEMCO’s meters from three (3) to one (1), staff identified a need for improved accuracy of our internal meters. A summary of those bids is provided in the table below.

Vendor	Location	Scope Item #1	Scope Item #2	Total	Notes
--------	----------	---------------	---------------	-------	-------

Northern Boiler Mechanical, Inc.	Muskegon, MI	\$31,450.00	\$10,985.00	\$42,435.00	
Rite-Way Plumbing & Heating, Inc.	Grand Rapids, MI	\$43,349.00	\$14,710.00	\$58,059.00	<i>Scope #1 bid reflects removal of (3) strainer costs for equivalency.</i>

Scope Item #1: Replace Piping for SEMCO Project

Scope Item #2: Modify Internal Piping for Replacement of (6) Gas Meters

As is apparent, Northern Boiler Mechanical submitted the low bid for both Scope Items 1 & 2.

In addition to the internal piping modifications associated with Scope Item #2, a proposal to replace the internal gas meters was also requested from a local vendor. Based on the usage and anticipated cost, the scope of work was limited to replacement of four (4) internal meters that carry the most volume; the plant boiler and Units #9 - #11. This proposal was sole-sourced, based on the vendor's experience and ability to specify and provide the instruments best suited for this application. Staff would note that pricing aligns with the gas meters that were recently replaced at Riley Generation, although those utilized a different technology.

A summary of the anticipated project budget is provided below.

Service	Vendor	Quote	Budget
Scope Item #1: Replace Piping for SEMCO Project			
Natural Gas Piping - Mechanical	Northern Boiler Mechanical	\$31,450.00	\$31,450.00
Electrical, Other Trades, Misc. Materials	TBD		\$2,500.00
Engineering Support - As Required	TBD		\$5,000.00
		Sub-Total:	\$38,950.00
		Contingency:	\$4,050.00
		Total:	\$43,000.00
Scope Item #2: Replace (4) Internal Gas Meters & Modify Internal Piping			
Natural Gas Piping - Mechanical	Northern Boiler Mechanical	\$10,985.00	\$10,985.00
Natural Gas Meters - Qty (4)	Forberg Smith Process Solutions	\$21,657.88	\$21,657.88
Electrical, Other Trades, Misc. Materials	TBD		\$2,500.00
		Sub-Total:	\$35,142.88
		Contingency:	\$1,857.12
		Total:	\$37,000.00
Grand Total:			\$80,000.00

Motion was made by Commissioner Cooney and seconded by Commissioner Walters to approve a contract, totaling up to \$42,435.00, be awarded to Northern Boiler Mechanical Inc. for the mechanical installation portions of Scope Items #1 & #2. Furthermore, staff recommend that a contract totaling \$21,657.88 be awarded to Forberg Smith Process Solutions for the purchase of four (4) natural gas meters to be installed on Units #9, #10, and #11, and the boiler as part of Scope Item #2.

Finally, staff requests that a budget of \$80,000.00 be approved for the project along with a \$10,000.00 budget amendment, as the FY2026 Capital Improvement Plan included an allocation of \$70,000.00 for this project. The requested total budget includes the services outlined above, and some contingency. If approved, all expenses associated with this expenditure will be allocated accordingly. Motion carried. All voting aye.

26.015 Approve Yellow Lim Creative LLC 2026-2027 Marketing Proposal

General Manager requests approval to continue professional marketing and communications services with Yellow Lime Creative, LLC (YLC). The proposed 2026-2027 agreement (included under this tab) maintains the core ongoing services that have supported BPW's customer communications, branding, and digital engagement efforts.

The proposal reflects a year-over-year cost increase driven by two primary factors. First, YLC has implemented an increase to its nonprofit hourly rate, resulting in a monthly retainer increase from \$5,000 (based on \$135/hour) to \$5,500 (based on \$150/hour). Second, the proposal formally includes website hosting services at \$80 per month through YLC's strategic partner, WP Harbor. Together, these changes bring the total annual contract cost to \$66,960.

A key enhancement in the 2026-2027 proposal is the inclusion of a clearly defined allowance of up to \$15,000 for additional out-of-scope marketing services. These funds may be utilized only with prior approval from BPW staff and are intended to address unplanned or emerging needs such as new program launches, major campaigns, landing page development, or other unique communications initiatives. Based on experience during the 2025-2026 contract term, when similar needs required a separate Board-approved amendment, this structure provides greater flexibility while maintaining appropriate oversight and fiscal accountability.

Motion was made by Commissioner VanAst and seconded by Commissioner Cooney to approve the proposal 2026-2027 professional marketing and communications services provided by Yellow Lime Creative LLC. Motion carried. All voting aye.

Other BPW Business

General Manager Andy Boatright updated the Board on current activities including:

- Informational – Employee Handbook Updates
- Informational – Employee Appreciation Policy Updates:
- Informational – MMEA Spring Membership and MPPA Stakeholders Meeting Announcements:
- Informational – 2026 Zeeland Citizen's Academy:

Upcoming Events

- **ZBPW Special Board Meeting – FY2027 Budget Review, Tuesday, February 17, 2026, Water Warehouse Meeting Space, 330 E. Washington Ave, Zeeland**
- **Next Regular ZBPW Board Meeting, Tuesday, March 10, 2026, 3:30 p.m., Water Warehouse Meeting Space, 330 E. Washington Ave, Zeeland**
- Zeeland Citizen's Academy, Wednesdays, April 15 - May 20, 2026, Graduation – June 1, 2026
- ZBPW Business & Industry Breakfast, Thursday, April 23, 7:30 – 9:00 a.m., Howard Miller Community Center Banquet Room
- MPPA Stakeholders Meeting, Thursday, May 14, 12:00 noon to 6:30 p.m., Frederik Meijer Gardens

Motion was made and supported that the regular meeting adjourned at 5:09 p.m. Motion carried. All voting aye.

Kristi DeVerney, City Clerk

