

REGULAR MEETING

The HBPW Board of Directors met
October 7, 2019
at 4:00 p.m.
in the Service Center Board Room
625 Hastings Ave.
Holland, Michigan

Chair Hemingway called the meeting to order at 4:03 p.m.

Members Present: Tim Hemingway, Phil Miller, Sue Franz, Paul Lilly, Council Liaison, Brian Lynn, Ex Officio Members Bob Shilander and Keith Van Beek

Members Absent: Diane Haworth

Staff Present: Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Chuck Warren, John Van Uffelen, Joel Davenport, Pieter Beyer, Mark Volkers, Tracy Jousma, Jane Monroe, Julie DeCook, Pete Hoffswell, Anne Saliers, Steve Bruinsma

20.038 **Board Minutes – Regular Meeting Minutes of September 9, 2019**

As part of the Consent Agenda, the Board of Directors approved the minutes as presented.

20.039 **Calendar Year 2020 Board Meeting Schedule**

Currently, the HBPW's Board of Directors is scheduled to meet twice a month, once for a "Regular Board Meeting," and once for a "Study Session." Regular Board Meetings are scheduled on the first Monday following the first Wednesday City Council Meeting of the month. Study Sessions are scheduled for the fourth Monday of the month, except for holidays or known conflicts.

After the calendar year meeting schedule is approved, it is posted publicly with the intent to give adequate notice of Board meetings.

As part of the Consent Agenda, the Board of Directors approved the calendar year 2020 Board meeting schedule.

20.040 **Declaration of Surplus Material/Fall 2019**

The HBPW has identified materials and equipment which are no longer pertinent for use. The attached lists show the items determined as excess, obsolete, or uneconomical to repair. Once declared surplus, the items will be disposed of in the following order:

1. Offered to other City departments
2. Sell to companies specializing in inventory disposal
3. Auction (utilizing GovDeals online portal)
4. Public auction (in limited cases)
5. Donation
6. Recycling or waste disposal

As part of the Consent Agenda, the Board of Directors approved, and forwarded to City Council for approval, the lists of items ready to be declared surplus.

* Red italics indicate information or discussion added during the meeting and/or action taken.

20.041 **Michigan Municipal Electric Association Appointments**

Currently, General Manager David Koster is the primary representative to MMEA. John Van Uffelen, Utility Services Director, is the alternate. Mr. Koster is currently the Chair of the Michigan Public Power Agency Board of Directors and also serves on the American Public Power Agency Board of Directors, where he also serves on its Nominating Committee and its Finance and Audit Review Committee.

An opportunity to get Holland BPW representation on the MMEA Board has again emerged. Since John Van Uffelen is nearing retirement and Dave Koster has a number of external board responsibilities, it is recommended that Ted Siler be named the primary representative, which will also allow him to take a position on the MMEA Board of Commissioners.

As part of the Consent Agenda, the Board of Directors appointed Ted Siler, Business Services Director as the primary representative to MMEA.

20.042 **Michigan Public Power Agency Appointments**

The recommendation keeps the current appointments in place for both the primary (David Koster) and 2nd alternate (Michael Radakovitz). Ted Siler is the current 1st alternate. Ted's appointment came at a time when he was the Operations Director, which has overall responsibility for electric production and energy markets for the Holland BPW. Now, with Joel Davenport in the Operations Director role and with Ted Siler assuming a responsibility on the Michigan Municipal Electric Association Board of Commissioners, it is recommended that Joel be appointed to the 1st alternate position at MPPA.

As part of the Consent Agenda, the Board of Directors approved the appointment of David Koster, General Manager, as Holland's representative to MPPA. Approve the appointment of Joel Davenport, Operations Director, as Holland's 1st alternate to MPPA. Approve the appointment of Michael Radakovitz, Electric Production Superintendent, as Holland's 2nd alternate to MPPA.

20.043 Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Lilly</i>
Second	<i>Miller</i>
Favor	<i>4</i>
Oppose	<i>0</i>

20.044 **Communications from the Audience**

GM brought to attention that this is Public Power Week; the HBPW is not-for-profit, every dollar goes back into the community and for the support and upkeep of the utility.

20.045 **Major Project Update**

For information only

20.046 **OMM Engineering, Inc. 19th Street Change Order**

On January 8, 2018, the BPW Board of Directors approved an Engineering Services Agreement with OMM Engineering Inc. for a variety of project design and engineering services over a two-year period. OMM was the low bid of seven responsive bidders. On November 12, 2018, the BPW Board of Directors approved a change order to significantly increase the scope of work planned for 2020.

This change order will provide funding to cover the costs of the extended construction season. The attached request from OMM describes the cost involved for additional construction inspection.

** Red italics indicate information or discussion added during the meeting and/or action taken.*

Recommendation: The Board of Directors approved a change order in the amount of \$51,266 for a total contract value of \$581,827.

<i>Motion to approve recommendation</i>	<i>Miller</i>
<i>Second</i>	<i>Franz</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

20.047 **Transfer From Contingency For Server Infrastructure**

Leading up to the FY20 budget process, the IT Infrastructure team was planning to redesign the server platform utilizing a new Open Source Linux platform. One reason for this was to reduce costs for the licensing of the HyperVisor function that we use to run our virtualized servers. Our initial research indicated this would be a relatively inexpensive option, and subsequently, we did not increase or plan for any additional expenditures in order to license this planned option. However, the circumstances changed. After IBM acquired the Linux vendor we planned to utilize, we found ourselves facing a drastic increase in pricing, thus negating the expected advantage for migrating to the new platform. Facing both the new technology and added expense led us to reanalyze our options and return to a Microsoft strategy that we are very familiar with.

In re-assessing our plans, we determined a new strategy that both provided a path forward for our primary virtual platform that also created an opportunity to greatly improve our server platform at our WRF plant and our WTP plant adding additional redundancy to both the network elements and also to the recovery or failover options. This is a significant upgrade to our current SCADA platform. One additional element also entered the equation. We currently are planning for our Server/Infrastructure Lead Technician, Jim Blomgren, to retire at the end of 2020. With that in mind, we are working to cross train current personnel with the opportunity to move into that position during the later months of 2020.

The requested monies from contingency are not incremental to what would have been normally requested in our next budget cycle, they simply reflect a need to fast-forward our schedule in order to take advantage of the above mentioned scenario. Our expenditures for DataCenter type licensing has increased exponentially over the years. This reflects how the market has changed significantly as virtualization has become an industry-wide standard. Whereas in past years the licensing model was a per server installation that reflected the physical hardware on an almost box by box basis, now the model concerns itself with how many processors and cores are present in the host nodes. The requested purchase covers roughly 350 available core processing units.

Upon receipt, work will commence and be completed in three stages: 1) initial setup and configuration of new WRF and WTP platforms, completion 4 weeks after receipt of equipment; 2) upgrade of current SC and HEP server components immediately following and accomplished in 4 weeks synchronous with the Microsoft update schedule; 3) upgrade of current storage platform following item #2 and finished in 3 weeks.

Four elements are required in order to carry out our list of improvements. All four items are sourced through single source vendors that have been established with past purchases and reflect a standardization in these particular types of elements, first three items to be purchased from CDW through MIDeal pricing agreements. Network switches to be purchased from Qubit Networks which supplies all of our backbone devices.

1. Procurement of Microsoft DataCenter 2019 licensing - \$99,360
2. Procurement of 2 new NetApp Storage Units – \$43,715
3. Procurement of 4 new Dell PowerEdge Servers – \$26,574
4. Procurement of new 10GB capable switches to configure redundant connections at WRF and WTP - \$58,000

Recommendation: The Board of Directors approved the transfer of \$205,966 from the contingency fund to FY Capital budget and purchase the items specified immediately.

** Red italics indicate information or discussion added during the meeting and/or action taken.*

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Miller</i>
<i>Favor</i>	<i>4</i>
<i>Oppose</i>	<i>0</i>

20.048 BOARD COMMENTS

Potential update to Community Energy Plan at Council

Living Sustainably Along the Lakeshore, October 22 at Herrick District Library

Our next meeting is a Special Meeting October 28, audit review from FY2019 approval as well as report. Audit Committee Meeting morning of October 25.

Waterfront Holland Update: City Manager and the BPW's GM working on the condensed version of the plan/recommendation.

ADJOURNMENT

A motion to adjourn the meeting of *October 7, 2019*, was made by *Lilly* supported by *Miller* and agreed upon by the Board of Directors present.

The Board Meeting of October 7, 2019, adjourned at *4:58 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board

** Red italics indicate information or discussion added during the meeting and/or action taken.*