

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
January 29, 2016

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Friday, January 29, 2016, at 9:00 a.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 9:00 a.m. by Chairperson Smart.

Present were Directors Kieft, Naser, VanderMolen, Witherell and Smart.

Also present were Dave Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Rob Shelley, Distribution & Transmission Engineer; and Tom Peterson, Guest.

Director Witherell, supported by Director Naser, moved to approve the consent agenda and the regular agenda. The motion was unanimously approved.

16-01A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the December 17, 2015 Board meeting
- Approve paying bills in the amount of \$2,365,196.81 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$66,064.10 from the Renewal and Replacement Fund
- Approve paying bills in the amount of \$145,075.15 from the Transfer Fund
- Confirm Purchase Requisition #13224 to the State of Michigan in the amount of \$8,700 for the Annual NPDES Permit for Sims III
- Confirm Purchase Requisition #13268 to K & G Tool Co. in the amount of \$8,348 for tooling on miscellaneous repair parts at Sims III
- Confirm Purchase Requisition #13271 to the State of Michigan in the amount of \$29,546 for the Sims annual Air Quality Program fee
- Confirm Purchase Requisition #13272 to MECA in the amount of \$14,450 for annual Distribution, Engineering and Technical Services safety training

The motion was unanimously approved.

16-01B Public Comment Period — No comments were received.

16-01C Director Naser, supported by Director Witherell, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #13218 to PCM Sales, Inc. in the amount of \$8,335 to purchase 10 annual planned desktop computer replacements
- Approve Purchase Requisition #13253 to Resco in the amount of \$38,670 for two ERMCO 1,000 KVA three-phase 13,200/2,400 Volt step down padmount transformers to be used at the Diesel Plant and in Ferrysburg

The motion was unanimously approved.

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16-01D Review 2015 Annual MPPA Purchases — The Board reviewed and discussed the 2015 annual MPPA purchases. No formal action taken.

16-01E Approve Calendar Year 2016 Safety Incentive Program — Director VanderMolen, supported by Director Naser, moved to extend our Safety Incentive Program for 2016 with a maximum potential payout of \$7,200 if employees meet all safety incentive goals for the year. The motion was unanimously approved.

16-01F Discuss Potential 2020-2030 Capacity Purchase — The General Manager presented an opportunity for the BLP to purchase five to ten megawatts of capacity through a MPPA Energy Services Project for the time period of 2020 through 2030. This opportunity provides the BLP the option to hedge five to ten megawatts of capacity for a ten year period at an attractive price. Discussion ensued regarding portfolio diversification. Director Kieft, supported by Director Witherell, moved to instruct MPPA to purchase up to ten megawatts of capacity for 2020 through 2030 at a price not to exceed \$4.00 per kilowatt-hour per month. In a roll call vote of the Board, those in favor: Directors Kieft, VanderMolen, Witherell and Smart; those opposed: Director Naser. The motion was approved.

16-01G Discuss Sims III Unit Performance (December and January) — The General Manager previously notified the Board via e-mail that Sims III went down around Christmas time. The tubes near the urea injectors were installed about ten years ago and are relatively new. These tubes were tested during the spring outage and it was determined they were okay. Since that inspection, we have been spraying urea, which appears to be causing erosion on these tubes. We have repaired this section and plan to replace it during the planned 2016 spring down time. We will also be modifying the design of the urea system to ensure it is not spraying the tubes. A discussion regarding snow melt was held. The Board recommends the General Manager have a discussion with the City Manager regarding a potential more efficient heat source for the system. No formal action taken.

At 10:38 a.m. by motion of Director Witherell, supported by Director Kieft, the January 29, 2016 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak