

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
May 19, 2016

A rescheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, May 19, 2016, at 3:30 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 3:30 p.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; Lynn Diffell, Controller; Rob Shelley, Distribution & Transmission Engineer; and Jan O'Connell, Sierra Club.

Director Witherell, supported by Director Kieft, moved to approve the meeting agenda. The motion was unanimously approved.

16-05A Director Kieft, supported by Director Witherell, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the April 28, 2016 Board meeting
- Accept and file the April 2016 Financial Report
- Approve paying bills in the amount of \$2,630,763.05 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$16,533.94 from the Renewal and Replacement Fund
- Approve paying bills in the amount of \$148,308.47 from the Transfer Fund
- Approve paying bills in the amount of \$215,659.32 from the Receiving Fund
- Confirm Purchase Requisition #13437 to Power Line Supply in the amount of \$5,026 for fault indicators
- Confirm Purchase Requisition #13439 to Gardner Denver Nash, LLC in the amount of \$12,209 to rebuild the vacuum pump
- Confirm Purchase Requisition #13440 to Northern A-1 Services, Inc. in the amount of \$22,110 to provide vacuum truck services
- Confirm Purchase Requisition #13441 to Grace Consulting, Inc. in the amount of \$6,990 for quarterly MATS compliance stack testing
- Confirm Purchase Requisition #13451 to Great Lakes Energy in the amount of \$5,120 for three apprentice line workers to attend the April 2016 – March 2017 Apprentice Program

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- Confirm Purchase Requisition #13472 to Babcock & Wilcox Company in the amount of \$14,240 to rebuild the spring bolt towers

The motion was unanimously approved.

16-05B Public Comment Period — Jan O’Connell from the Sierra Club introduced herself to the Board. No formal action taken.

16-05C Director Witherell, supported by Director Kieft, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #13444 to Babcock & Wilcox Company in the amount of \$11,232 for replacement pulverizer balls
- Approve Purchase Requisition #13454 to Altec Industries, Inc. in the amount of \$146,370 for a scheduled FY 2017 bucket truck replacement
- Approve Purchase Requisition #13461 to Berger Chevrolet Inc. in the amount of \$30,599 to purchase a 2016 Silverado 3500 4WD pickup truck for a production vehicle replacement
- Approve Purchase Requisition #13467 to Resco in the amount of \$12,515 to purchase two three-phase padmount transformers for stock
- Approve Purchase Requisition #13471 to Stock Equipment Company in the amount of \$22,433 for a replacement gearbox for the stock feeder
- Approve Purchase Requisition #13474 to Resco in the amount of \$26,526 to purchase 14 single-phase padmount transformers for stock
- Approve Purchase Requisition #13475 to Power Line Supply in the amount of \$9,859 for tap boxes with basements for stock

All applicable Purchasing Policy provisions associated with these purchase requisitions were followed. The two vehicles were both priced through the MiDEAL system and all are well below retail. There is a 300 day delivery time for the bucket truck, which is a scheduled FY 2017 vehicle replacement. The production truck is off the lot and below the budgeted amount. The motion was unanimously approved.

16-05D Approve resolution to exempt BLP employees from the requirements of the Publicly Funded Health Insurance Contribution Act (Act 152 of the Michigan Public Acts of 2011) — Director Witherell, supported by Director Kieft, moved to approve the Preamble and Resolution for Act 152 Exemption under the Publicly Funded Health Insurance Contribution Act.

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**PREAMBLE AND RESOLUTION
FOR ACT 152 EXEMPTION FOR THE
JULY 1, 2016 – JUNE 30, 2017 MEDICAL BENEFIT PLAN YEAR***
(Under the Publicly Funded Health Insurance Contribution Act)

PREAMBLE:

WHEREAS, the Board, in the interest of maintaining a competitive benefit package, desires to exempt all of its employees (i.e. whether or not they are in the UWUA bargaining unit) from the requirements of the Publicly Funded Health Insurance Contribution Act (Act 152 of the Michigan Public Acts of 2011 as amended – the “Act”) for the July 1, 2016 – June 30, 2017 medical benefit plan year; and

WHEREAS, such exemption is authorized by Section 8 of the Act upon a 2/3 vote of the Board’s governing body inasmuch as the Board qualifies as a “local unit of government” as a municipal electric utility system (pursuant to Section 2(d) of the Act);

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Board of Light and Power, as follows:

1. That, pursuant to Sections 8(1) and 8(2) of the Act, the Board hereby determines, upon a 2/3 vote of its governing body, to exempt itself from the requirements of Sections 3 and 4 of the Act with respect to all Board employees (i.e. whether or not they are subject to or covered by a collective bargaining agreement); and
2. That the Board’s exemption of itself from the requirements of the Act, as provided in Paragraph 1 (above) of this Resolution, shall be effective for the medical benefit plan year commencing July 1, 2016 and ending June 30, 2017.

In a roll call vote of the Board, those in favor: Directors Kieft, Naser, VanderMolen, Witherell, and Smant; those opposed: none; those absent: none. The motion was unanimously approved.

16-05E Approve FY 2017 Business Plan — Director Witherell, supported by Director Kieft, moved to approve the FY 2017 Business Plan and rate reductions as presented. The Board was provided a presentation and held significant discussion on the initially proposed budget and CIP at last month’s meeting. We will see a slight reduction in health care premium since that discussion; however, it won’t make a significant difference. The General Manager reviewed the assumptions. Two new FTEs have been incorporated into the proposed budget. The Engineering Technician starts next week and the apprentice line worker started in March. Both

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were hired for succession planning purposes in advance of Jim Blekicki's March 2017 retirement. At that point, we plan to combine Distribution and Technical Services and will need to redistribute the Distribution Superintendent's responsibilities among our existing employees. Interest expense will end with the payoff of the debt. We will shorten the depreciation life on any new capital purchases at Sims. This was the recommendation from our auditor. The General Manager reviewed the Service Center remodel project with the Board. Ward Transformer is still in the budget for a proposed settlement. The motion was unanimously approved.

16-05F Approve 20-year Huron Wind Power Purchase Commitment under existing MPPA Energy Services Agreement — Director Witherell, supported by Director Kieft, moved to approve the General Manager (the BLP's Designated Member Authorized Representative) to sign a "Letter of Authorization" enabling MPPA to enter into a power purchase commitment (PPC) with Huron Wind, LLC under the terms and conditions of the Energy Services Agreement currently in effect on behalf of the BLP and 13 other member participants in the Energy Services Project. Additionally, the BLP acknowledges that it is obligated and entitled to purchase 9.67% of all energy, capacity, and environmental attributes over the 20-year term, at the annual rate specified, under the terms and conditions of the Power of Purchase Agreement between MPPA and Huron Wind, LLC to be attached to the "Letter of Authorization". The motion was unanimously approved.

16-05G Receive and File MPPA Quarterly Power Supply Plan dated April 2016 — The Board reviewed the MPPA Quarterly Power Supply Plan dated April 2016 with the General Manager. No formal action taken.

At 5:13 p.m. by motion of Director Kieft, supported by Director Witherell, the May 19, 2016 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak