

GRAND HAVEN BOARD OF LIGHT AND POWER

MINUTES

October 15, 2015

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, October 15, 2015, at 4:00 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 4:00 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; Rob Shelley, Distribution & Transmission Engineer; and Peter Haefner, CPA, Vredeveld Haefner LLC.

Director Witherell, supported by Director Kieft, moved to approve the consent agenda and to amend the regular agenda with the addition of items 5.A.2. Engineer Pickup Truck at \$29,897.79 from Preferred Ford and 5.B.4. Board Appointment of Authorized Representative regarding Revenue Bonds. The motion was unanimously approved.

15-10A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the September 17, 2015 Board meeting
- Approve paying bills in the amount of \$3,613,156.21 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$136,394.62 from the Renewal and Replacement Fund
- Approve paying bills in the amount of \$361,480.85 from the Transfer Fund
- Approve paying bills in the amount of \$1,325,506.02 from the Receiving Fund
- Approve Purchase Requisition #13036 to Itron Inc. in the amount of \$7,616 for the MV90 Maintenance Renewal Contract
- Approve Purchase Requisition #13043 to St. John Truck & Trailer Service in the amount of \$6,137 to refurbish the back hoe trailer
- Approve Purchase Requisition #13060 to Northern Boiler Mechanical Contractors in the amount of \$25,081 for the remaining April 2015 scheduled outage items
- Approve Purchase Requisition #13073 to Wilson Industrial Sales Company in the amount of \$5,214 to purchase caustic soda for the demineralizer
- Approve Purchase Requisition #13086 to Rebuilt-It Services Group in the amount of \$6,400 for Worm Gear for the thickener

The motion was unanimously approved.

15-10B Public Comment Period — No comments were received.

15-10C Director Naser, supported by Director VanderMolen, moved to approve the following purchase requisitions:

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- Approve Purchase Requisition #13068 and accept the bid from DP Brown in the amount of \$57,887 to replace the 3A and 3B coal belts during our October shutdown. This is a single source purchase.
- Approve Purchase Requisition #13110 and accept the bid from Preferred Ford in the amount of \$29,897.79 to purchase a Ford F-150 4X4 pickup truck for our Engineer.

The motion was unanimously approved.

15-10D 2015 Fiscal Year End Auditor's Presentation — Peter Haefner from Vredeveld Haefner LLC presented the 2015 fiscal year-end audit report to the Board. They have reduced our net position by \$5.6 million due to GASB 68 and 71's new requirement that unfunded liability for pension accounting be included in the financial statement. They identified two material weaknesses. The first statement indicates the Board does not have the ability to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The second condition stated the Board has not implemented a system of controls to assure the timely accounting for and reconciliation of general ledger account balances with supporting documentation. They noted specifically that reconciliation of bank account balance was not performed in a timely manner and that several year-end liability account balances were not in agreement with supporting detail. Haefner identified one additional item for improvement. There are specific requirements in the State of Michigan that any gifts provided to staff must be negotiated upfront. To accommodate this requirement, the BLP needs to establish a personnel policy stating employee compensation includes additional de minimis benefits at the discretion of the General Manager. Director Witherell, supported by Director Kieft, moved to accept the audited financial statements as presented. The motion was unanimously approved.

15-10E Appoint Rob Shelley as MPPA First Alternate Commissioner — Director Witherell, supported by Director Kieft, moved to designate Rob Shelley as First Alternate Commissioner from the Board of Light and Power to the Michigan Public Power Agency effective October 15, 2015. The motion was unanimously approved.

15-10F 2016 and 2017 Coal Supply Update — The General Manager provided an update on the status of C. Reiss Coal contract negotiations. No formal action taken.

15-10G Authorized Representative Appointment — Director Witherell, supported by Director VanderMolen, moved to appoint David Walters as Authorized Representative in matters relating to the Electric System Revenue Bonds of the City of Grand Haven. The motion was unanimously approved.

At 5:33 p.m. by motion of Director Naser, supported by Director VanderMolen, the October 15, 2015 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak