

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
SEPTEMBER 21, 2017

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, September 21, 2017, at 4:00 p.m. at the Grand Haven Community Center located at 421 Columbus Avenue 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 David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Accounting and Finance Manager; Rob Shelley, Distribution and Engineering Manager; and Erik Booth, Power Supply Manager.

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

17-10A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the August 17, 2017 Board meeting
- Accept and file the August 2017 Financial Report and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,873,825.94 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$353,353.61 from the Renewal and Replacement Fund
- Confirm Purchase Requisition #14500 to Northern Boiler Mechanical Contractors in the amount of \$5,913 for welding repairs in the A module duct, water-blasting oxidation tank and A module
- Confirm Purchase Requisition #14501 to Northern Boiler Mechanical Contractors in the amount of \$17,776 to repair the 10 foot boiler door on the 6th floor during spring outage
- Confirm Purchase Requisition #14502 to Northern Boiler Mechanical Contractors in the amount of \$13,072 for high pressure piping replacement and repair
- Confirm Purchase Requisition #14509 to Wheeler World in the amount of \$10,320 for diesel engine inspection, repairs and parts
- Confirm Purchase Requisition #14512 to Gardner Denver Nash, LLC in the amount of \$10,905 for engineering field services to troubleshoot the condenser exhauster
- Confirm Purchase Requisition #14515 to Michigan CAT in the amount of \$5,886 for a service call to replace the lift cylinder on 824G dozer
- Confirm Purchase Requisition #14520 to Golder Associates in the amount of \$28,046 for groundwater analysis for CCR compliance

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- Confirm Purchase Requisition #14554 to Corrosion Fluid Products Corp. in the amount of \$7,699 for replacement strainer baskets for the low pressure ash system and make-up water systems
- Confirm Purchase Requisition #14557 to VanDam & Krusinga, Inc. in the amount of \$7,917 for Sandpiper Condo cleaning following 7/25/17 Diesel Plant malfunction

We are down approximately 14% in year over year revenues due to last year's very warm summer and our reduction in Power Cost Adjustment. Distribution expenses are up. Deposits held by MPIA are up year over year because it includes our annual contribution of \$1.2 million plus insurance premiums. Sims recently experienced three short outages in August (24 hours in total). Due to these short outages, we are seeing higher costs at the plant. The optimal heat rate at Sims depends on higher loading and constant and consistent operations (excluding start-ups and shutdowns). The General Manager will provide the Board with the Heat Rate Curve.

The motion was unanimously approved.

17-10B Public Comment Period — Jan O'Connell, Sierra Club, said she was pleased with the GHBLP's quotes in the Grand Haven Tribune and she is looking forward to future conversations about coal. No formal action taken.

17-10C Director Witherell, supported by Director Kieft, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #14478 to Grace Consulting in the amount of \$6,360 for 4th quarter stack testing for HCI and PM for MATS compliance
- Approve Purchase Requisition #14511 to Elzinga Volkers Construction in the amount of \$28,209 to replace seven doors at Sims for safety and security purposes
- Approve Purchase Requisition #14513 to Corrosion Fluid Products Corp. in the amount of \$16,228 for replacement of an obsolete low pressure ash pump
- Approve Purchase Requisition #14519 to Environmental System Corporation in the amount of \$16,270 for our CEMS server hardware and software upgrade
- Approve Purchase Requisition #14521 to Star Crane & Hoist Service Inc. in the amount of \$10,209 for replacement hoists for the scrubber
- Approve Purchase Requisition #14525 to Power Line Supply in the amount of \$7,035 for two reels of primary underground cable
- Approve Purchase Requisition #14537 to RESCO in the amount of \$8,420 for a three phase padmount transformer to be used at the Coast Guard Administration Building
- Approve Purchase Requisition #14548 to Halt Fire Inc. in the amount of \$6,096 to repair the ARFF truck

The motion was unanimously approved.

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17-10D Approve Development of GHBLP By-Laws by City Attorney — Director Witherell, supported by Director Kieft, moved to approve having Scott Smith, Dickinson Wright PLLC, draft proposed By-Laws for Board consideration. The motion was unanimously approved.

17-10E Direct Staff to Update Board Orientation Packet — Director Witherell, supported by Director Kieft, moved to approve having Staff update the Board Orientation package. The motion was unanimously approved.

17-10F Fall Outage Update (Erik Booth) — Erik Booth, Power Supply Manager, provided an update on the fall outage schedule. The plant began shut down procedures the evening of September 19th. Major outage items include a header replacement, motor control for the Electrostatic Precipitator, boiler inspection and repairs, and valves on the pulverizers. We need to continue maintaining the plant through the run period. All maintenance items are being expensed to keep our options open for the future. We are on pace with planned MWh's for the year. We are unhedged through the end of September. Power prices are high due to the unexpected hot weather. We plan to bring the plant back on mid-November. No formal action taken.

17-10G Vegetation Management Practices (Rob Shelley) — Rob Shelley, Distribution and Engineering Manager, provided an update on the BLP's vegetation management practices. There are three different types of lines with clearance sections adjusting accordingly.

- Transmission Lines require 25' of clearance each side of the center line and danger trees within 50' each side of center with a 5 to 10 year mow cycle.
- Distribution Primary requires 10' of clearance to the line with a 10 year trim cycle (increased from 5 years).
- Distribution Secondary requires 5' of clearance to the line with a 10 year trim cycle (increased from 5 years).

We are balancing customer expectations with the needs of the utility. Regulations prevent us from trimming Oak trees during the growing season due to Oak wilt. R.O.W. requires City approval prior to tree removal.

Staffing levels continue to be challenging due to employee injuries and being an entry level position. We may evaluate the need for assistance from an external contractor to get caught up. No formal action taken.

17-10H Communications Plan (Renee Molyneux) — Renee Molyneux, Administrative Services Manager, provided an overview of our Fiscal Year 2018 Communications Plan. Our 'Marketing and Communications Strategy' is to create and distribute valuable, relevant, and consistent content to BLP customers across all media platforms to ensure common messaging throughout the year. We also share developing news via Press Releases and Social Media as needed. News and educational information is distributed to customers through print materials, radio spots, social media messaging, email blasts, our website and during community events. Our proposed 'meatier BLP specific topics' for FY 2018 include our Transmission System Upgrade Project, the Service Center Remodel Project, the future direction of Sims and the Diesel Plant, and our upcoming CIS/FIS system. In addition, we plan to educate our customers on how Grand

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Haven gets energy when the plant is down, how energy travels to and from Grand Haven, discuss ‘capacity vs energy’ and possibly the current future of natural gas. Public meetings are planned and advertised as needed, such as our Transmission System Upgrade Project meeting held last November. No formal action taken.

17-10I MPPA 2nd Quarter Power Supply Plan (July 2017) — The General Manager informed the Board we are on track with the planned 2017 Model. No formal action taken.

17-10J Coal Purchasing – We have received proposals; however, the chlorine and mercury content raised concerns. We went to the #2 bidder, but the hurricane caused pricing for coal to spike. We believe this is a short-term issue and will hold until the market settles down. No formal action taken.

17-10K Mobile Devices – The General Manager requested Board direction on what they would prefer for mobile devices. No formal action taken.

17-10L City Council requested the General Manager schedule a joint meeting with the Board and Council to discuss the future of Sims. Chairperson Smart will contact Mayor McCaleb to discuss the City’s request and will report back to the Board. No formal action taken.

At 5:40 p.m. by motion of Director Kieft, supported by Director VanderMolen, the September 21, 2017 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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