

GRAND HAVEN BOARD OF LIGHT AND POWER

MINUTES

March 17, 2016

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, March 17, 2016, 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, and Smart.

Also present were Dave Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Jim Blekicki, Distribution Superintendent; Rob Shelley, Distribution & Transmission Engineer; Tim Blodgett, Hometown Connections; Mark Beauchamp and Dan Kasbohm, Utility Financial Solutions, LLC; and Jan O'Connell, Sierra Club.

Director Naser, supported by Director Kieft, moved to excuse Director Witherell from the Board meeting. The motion was unanimously approved.

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

16-03A Director Naser, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the February 18, 2016 Board meeting
- Accept and file the February 2016 Financial Report
- Approve paying bills in the amount of \$1,645,333.99 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$115,135.31 from the Renewal and Replacement Fund
- Approve paying bills in the amount of \$148,446.68 from the Transfer Fund
- Approve paying bills in the amount of \$215,659.32 from the Receiving Fund
- Confirm Purchase Requisition #13336 to Northern A-1 Services in the amount of \$8,558 for vacuum truck services

The motion was unanimously approved.

16-03B Public Comment Period — No comments were received.

16-03C Director VanderMolen, supported by Director Naser, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #13335 to Altec Industries, Inc. in the amount of \$237,062 to purchase a 2016 bucket truck through the MIDEAL program and to sell the 2001 52' Altec bucket truck
- Approve Purchase Requisition #13345 to Bridgewell Resources, LLC in the amount of \$11,070 to purchase thirty 30' poles and thirty 35' poles for stock
- Approve Purchase Requisition #13350 to Clarcor Industrial Air in the amount of \$13,982 to purchase replacement parts for the Fly Ash Silo Baghouse

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- Approve Purchase Requisition #13358 to Power Line Supply in the amount of \$11,803 for 60 LED street light fixtures for installation and stock
- Approve Purchase Requisition #13364 to Dig-It, Inc. in the amount of \$151,885 for Stickney Ridge underground work

The motion was unanimously approved.

16-03D Hometown Connections Strategic Planning Update and Approval — Tim Blodgett from Hometown Connections presented the proposed FY 2017 through 2021 Strategic Plan to the Board for consideration. He complimented staff on their work since the February meeting when he presented the last Strategic Plan update. The Board requested we leave the Board goal as to be determined. Director Kieft, supported by Director VanderMolen, moved to approve the draft FY 2017 through 2021 Strategic Plan as presented and directed staff to finalize the plan for its April meeting. The motion was unanimously approved.

16-03E UFS Cost of Service Study and Rate Structure Presentation — Mark Beauchamp and Dan Kasbohm presented the results of the Cost of Service Study. They are recommending simplifying the rate structure including 13 rate recommendations. Some of the features include removing seasonal rates, removing the inverted rate structure, removing the current senior citizen energy rate structure and moving to a flat \$3.50 per month discount on the service charge, and removal of aggregated multi-account billing. The summary of the results include an overall 2% reduction in base rates. Director Naser, supported by Director Kieft, moved to accept all rate recommendations as proposed and directed staff to finalize rates for approval at the April meeting. The motion was unanimously approved.

16-03F 2016 Sims III Operational Strategy Model Update — The General Manager provided an update on the 2016 Sims III operational strategy model and current analysis. The new Appalachian coal has a higher BTU and the cost of fuel has been reduced. Heat rate assumptions were also increased. The projected savings for 2016 has been revised to \$450,000. The new 2016 model represents a \$1.1 million dollar annual reduction in total variable energy costs from that initially presented in March 2015. No formal action taken.

16-03G Joint Board/City Council Meeting — We are looking to schedule a joint meeting this May. We will begin with the normal Board meeting first, then host the Joint Board/Council meeting. This meeting will be held at the Board of Light and Power's offices. No formal action taken.

16-03H Community Celebration — The Board suggested we host a mortgage burning celebration during the summer of 2016. No formal action taken.

At 7:20 p.m. by motion of Director Kieft, supported by Director VanderMolen, the March 17, 2016 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak