

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
April 27, 2017

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, April 27, 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 & Customer Service Manager; Rob Shelley, Distribution & Engineering Manager; Gerri McCaleb, City of Grand Haven Mayor; Dennis Scott, City of Grand Haven Council Member; and Pat McGinnis, City of Grand Haven City Manager.

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

17-04A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the March 16, 2017 Board meeting
- Accept and file the March 2017 Financial Report and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,683,698.34 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$806,531.47 from the Renewal and Replacement Fund
- Confirm Purchase Requisition #14138 to United Conveyor Supply in the amount of \$10,795 for fly ash silo parts
- Confirm Purchase Requisition #14172 to Alexander Chemical Corporation in the amount of \$6,380 for caustic soda for the demineralizer
- Confirm Purchase Requisition #14169 to Anixter Power Solutions change order amount of \$5,192 for primary underground wire for the Diesel Plant Sub/Harbor Drive project
- Confirm Purchase Requisition #14170 to Bridgewell Resources, LLC change order amount of \$5,090 to change the transmission line steel poles from 12 sided to round

The motion was unanimously approved.

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17-04B Public Comment Period — No comments were received. No formal action taken.

17-04C Director Witherell, supported by Director Naser, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #14187 to Corrosion Fluid Products Corp. in the amount of \$25,778 for low pressure ash pump valves and an expansion joint for the condenser during spring shutdown
- Approve Purchase Requisition #14204 to Westshore Consulting in the amount of \$12,790 to survey the Island to North transmission line rebuild
- Approve Purchase Requisition #14207 to GRP Engineering, Inc. in the amount of \$7,900 for an electric system GIS multi-speak export tool
- Approve Purchase Requisition #14210 to Great Lakes Process Controls in the amount of \$5,400 for calibration equipment needed for new transmitters

The motion was unanimously approved.

17-04D Preliminary FY 2018 Budget Presentation — This is a status quo budget. There will be no increase in customer base rates. The PCA is going down through implementation of the 12-month rolling average. All variable fuel and purchase power cost savings are passed on to our customers. We are projecting about a 1% growth in sales volume. We are projecting an inflationary adjustment in non-fuel related items. Other changes are noted in budget narrative. Final budget presentation will be in May. No formal action taken.

17-04E Approve Changes to GHBLP Health Care Savings Program with MERS to Comply with IRS Regulations — Director Kieft, supported by Director Witherell, moved to approve the IRS required revisions to BLP Health Care Savings Plans. Our current Health Care Savings Program was established for new hires after October 1, 2013 who were not eligible for retiree medical. We set up the Health Care Savings Plan to provide savings options for retirement medical expenses. This Plan and all other HCSPs included voluntary contributions from employees. MERS has informed us we can no longer allow optional voluntary conversions per IRS regulations; therefore, we have revised all plans to comply with these regulations while leaving the current mandatory contributions in place. The motion was unanimously approved.

17-04F Approve Amendment and Restatement of ICMA-RC 401a Defined Contribution Plan and Loan Guidelines Pending Approval of Union — The 401a changes are prospective changes effective July 1, 2017 and are contingent on all Collective Bargaining Agreement pension changes being approved by the Union and the Board. This investment vehicle will be the new Defined Contribution Plan for new hires and to those who convert from the Defined Benefit Plan. We discussed this plan during negotiations and have a Tentative Agreement with them. This is an existing plan that we are modifying. We will hold this item in abeyance until

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everything is finalized and are requesting Board approval at tonight's meeting. Director Kieft, supported by Director Witherell, moved to approve an amendment and restatement of the BLP's Defined Contribution Plan and Loan Guidelines. The motion was unanimously approved.

17-04F Report on Board Recommendation to City Council Regarding Changes to MERS Defined Benefit Pension Plan — Director Witherell, supported by Director Naser, moved to approve a one year transition payment to the City of Grand Haven for transition costs incurred from splitting the MERS Defined Benefit BLP general employee group from the City's general employee group. The motion was unanimously approved.

17-04G Closed Session — Director Kieft, supported by Director Naser, moved to enter into closed session pursuant to Section 8(c) of the Open Meetings Act for the purpose of discussing strategy and negotiation of the collective bargaining agreement and to review legal matter. In a roll call vote of the Board, those in favor: Directors Kieft, Naser, VanderMolen, Witherell and Smant; those opposed: none. The motion was unanimously approved.

17-04H Return to Open Session — Director Naser exited closed session at 6:05 p.m. Director Witherell, supported by Director VanderMolen, moved to adjourn the closed session and reenter open session. In a roll call vote of the Board, those in favor: Directors Kieft, VanderMolen, Witherell and Smant; those absent: Director Naser; those opposed: none. The motion was unanimously approved.

At 6:20 p.m. by motion of Director VanderMolen, supported by Director Kieft, the April 27, 2017 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux  
Secretary to the Board

RM/ak