

GRAND HAVEN BOARD OF LIGHT AND POWER

MINUTES

June 23, 2016

A rescheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, June 23, 2016, at 3:00 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 3:00 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; Rob Shelley, Distribution & Transmission Engineer; Dave Koster, General Manager of Holland BPW; and Jan O'Connell, Sierra Club.

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

Director Kieft, supported by Director Naser, moved to enter into closed session for the purposes of performing a periodic personnel evaluation of a public officer. In a roll call vote of the Board, those in favor: Directors Kieft, Naser, VanderMolen and Smart; those opposed: none; those absent: Director Witherell. The motion was unanimously approved.

Director Kieft, supported by Director VanderMolen, moved to adjourn the closed session and reenter the open session. In a roll call vote of the Board, those in favor: Directors Kieft, Naser, VanderMolen and Smart; those opposed: none; those absent: Director Witherell. The motion was unanimously approved.

16-06A Dave Koster, General Manager of Holland BPW, provided a presentation on the decision making process behind their Holland Energy Park and new gas plant. No formal action taken.

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

16-06B Director Kieft, supported by Director Naser, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the May 19, 2016 Board meeting and the May 19, 2016 Joint City Council/Board meeting
- Accept and file the May 2016 Financial Report
- Approve paying bills in the amount of \$2,724,164.24 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$221,929.70 from the Renewal and Replacement Fund

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- Approve paying bills in the amount of \$147,691.12 from the Transfer Fund
- Confirm Purchase Requisition #13448 to Power Line Supply in the amount of \$5,225 for a 2,500 ft. reel of Okonite underground cable
- Confirm Purchase Requisition #13494 to Northern Boiler Mechanical Contractor in the amount of \$340,480 for April shutdown work in the boiler, precipitator and scrubber
- Confirm Purchase Requisition #13495 to Strain Electric Co. in the amount of \$6,243 for boring on Harbor Drive
- Confirm Purchase Requisition #13510 to Renew Valve & Cleveland Valve in the amount of \$20,909 to purchase additional parts for April shutdown valve work
- Confirm Purchase Requisition #13536 to Northern A-1 Services, Inc. in the amount of \$8,274 for vacuum truck services while repairing the fly ash line
- Confirm Purchase Requisition #13542 to Renew Valve & Cleveland Valve in the amount of \$6,807 to rebuild the spare limitorque for the feedwater discharge valves
- Confirm Purchase Requisition #13549 to Northern Boiler Mechanical Contractors in the amount of \$17,590 to fabricate a new tail water ash pipe, waterblast 3A module and install new chlorine pump piping
- Confirm Purchase Requisition #13552 to Buist Electric in the amount of \$22,897 for electrical work performed during the April shutdown

The motion was unanimously approved.

16-06C Public Comment Period — Jan O’Connell introduced herself. She works with the Sierra Club and she has been attending our meetings because she wants to work with Grand Haven to ensure we get the best, cleanest, smartest energy resource possible. The Sierra Club did not support Holland’s Energy Park Natural Gas Project. They do not support building new fossil fuel plants. No formal action taken.

16-06D Director Kieft, supported by Director Naser, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #13487 to Clean Air Engineering Inc. in the amount of \$6,630 for Mercury testing, training and traps
- Approve Purchase Requisition #13491 to Corrosion Fluid Products Corp. in the amount of \$7,795 to replace the bottom ash and fly ash valve

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- Approve Purchase Requisition #13512 to Black & Veatch in the amount of \$100,000 for FY 2017 annual plant performance monitoring and diagnostic services and software
- Approve Purchase Requisition #13546 to Resco in the amount of \$7,405 to replace the Diesel Plant house power transformer

The motion was unanimously approved.

16-06E Director Naser, supported by Director VanderMolen, moved to approve Shape's power factor penalty deferral request through December 31, 2016. One of Utility Financial Solutions' rate recommendations was to eliminate aggregated billing because the practice was not cost justified. Through this process, we have identified four Shape facilities that were operating outside of the power factor parameters. They should have been penalized for operating below the power factor tolerance at same facilities. The General Manager and Rob Shelley, Distribution & Transmission Engineer, met with Shape to explain the impacts along with their power factor problem and the associated penalties that would be imposed effective July 1, 2016. Shape has requested the BLP provide them time to correct the problem. Staff agreed to bring a waiver request forward to the Board for consideration. Shape has a plan in place to complete the improvements by December 31, 2016 and their equipment is on order. The motion was unanimously approved.

16-06F Director Naser, supported by Director Kieft, moved to approve opting-out of the State low-income energy assistance program for FY 2017. The motion was unanimously approved.

16-06G Director VanderMolen, supported by Director Kieft, moved to approve changes to the residential shut-off, non-residential shut-off, and deposits for electric service policies as proposed. The Customer Service policies have not been reviewed in a very long time. We have been providing residential customers with three notices prior to shut-off (after the initial billing). One of Hometown Connections' recommendations was to consider costs associated with our current process. We have eliminated the pink slip notice and need the policy to align with that change. In addition to the elimination of the pink slips, we will add language on the second bill identifying they will be eligible for shut-off for non-payment if the unpaid balance continues unpaid. We will be reviewing the policies over the next six months and may bring additional changes for consideration at a future meeting. In addition, we require a deposit from all renters. The BLP provides interest on their deposit until we return it to them. Most utilities require a higher deposit and do not provide interest. Hometown Connections recommends we consider increasing the deposit amount. We are requesting approval for three changes at this time: 1) eliminate interest on deposits, 2) revise the shut-off collection fees for non-residential policy consistent with previous changes, 3) eliminate pink slip notices and add "eligible for shut-off" language to the second bill. The motion was unanimously approved.

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16-06H Rob Shelley, Distribution & Transmission Engineer, provided an update on the OMS and CRC implementation including the phase out of the emergency phone number. Customers are now being directed to call our main line (846-6250) to report outages. The emergency line (842-2241) will be reserved primarily for police and fire. No formal action taken.

16-06I The Board requested we host a mortgage burning celebration (in honor of the payoff of Sims Unit III bonds) including plant tours. This event will be held at Sims during Public Power Week this October. No formal action taken.

16-06J Director Smant thanked Director VanderMolen for his 15 years of service on the BLP Board of Directors. No formal action taken.

16-06K Director Kieft requested we do more to educate our customers on issues within the electric industry. No formal action taken.

At 6:25 p.m. by motion of Director VanderMolen, supported by Director Kieft, the June 23, 2016 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak