

GRAND HAVEN BOARD OF LIGHT AND POWER

MINUTES

November 10, 2016

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, November 10, 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 Naser, VanderMolen, Witherell and Smart.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Controller; Rob Shelley, Distribution & Transmission Engineer; and Peter Haefner, Vredevelde Haefner LLC.

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

Director Witherell, supported by Director Naser, moved to accept the agenda and keep the Public Comment Period under agenda item 4 with the Chair's prerogative to reopen the Public Comment Period at the end of the meeting. The motion was unanimously approved.

16-11A Director Witherell, supported by Director VanderMolen, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the October 20, 2016 Board meeting
- Accept and file the October 2016 Financial Report. Sales were up 12.5% over the summer. Cooling degree days were up 33% above normal and 45% year over year. Rates were down 10.2%, usage was up 12.1%. Industrial sales are up approximately 6% year over year. Power/fuel expenses are down year over year and volumes are up; net reduction is approximately \$1,000,000 below last year.
- Approve paying bills in the amount of \$2,997,443.39 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$108,160.92 from the Renewal and Replacement Fund
- Confirm Purchase Requisition #13798 to Dubric Packing and Seals in the amount of \$33,880 for boiler feed pump barrel repairs
- Confirm Purchase Requisition #13828 to Northern A-1 Services, Inc. in the amount of \$6,391 for cleanup of the tank site at the Diesel Plant
- Confirm Purchase Requisition #13840 to Dubric Packing and Seals in the amount of \$8,700 to repair the water pump on the ARFF truck

GRAND HAVEN BOARD OF LIGHT AND POWER

MINUTES

November 10, 2016

- Confirm Purchase Requisition #13842 to Newkirk Electric Associates in the amount of \$28,554 for the installation of a new relay control panel at the Morford Substation

The motion was unanimously approved.

16-11B Public Comment Period — Jan O'Connell from the Sierra Club introduced herself and asked about our customer survey. Discussion ensued. No formal action taken.

16-11C Director VanderMolen, supported by Director Naser, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #13792 to Environmental Systems Corp. in the amount of \$5,400 for annual federal EDR services associated with CEM Data Acquisition System
- Approve Purchase Requisition #13793 to Environmental System Corp. in the amount of \$9,700 for annual software maintenance on the CEM Data Acquisition System
- Approve Purchase Requisition #13803 to Resco in the amount of \$7,344 for six 50 kVA single-phase polemount transformers

The motion was unanimously approved.

16-11D Auditor's Presentation for FY 2016 (Peter Haefner, Vredeveld Haefner LLC) — Peter Haefner thanked the Board for the opportunity to be here to present the audited financial statements. This is the first year his firm has prepared BLP financial statements that are comparative. Mr. Haefner presented the results of the audit to the Board. The year ended with a positive net position even with the changes in assumptions, primarily pension expense, which is a new pension standard. He is providing a clean opinion with no deficiencies. Overall, the audit went very well. They met prior to the audit to discuss the plan and request items. Information was prepared when he arrived. The BLP is implementing new procedures to handle internal controls, including hiring a new accountant. Director Witherell, supported by Director Naser, moved to accept the audited financial statements as presented. The motion was unanimously approved.

16-11E Approve Mechanical-Electrical-Plumbing (MEP) Subcontractors for Office Project — Rockford Construction solicited a broad request for proposals for the MEP. The selected vendors will be involved in the final aspects of the office design. Four vendors are recommended: Sommerdyke Plumbing, Quality Air, Total Fire and Windemuller. Director Witherell, supported by Director VanderMolen, moved to approve the four recommended subcontractors for the MEP. The motion was unanimously approved.

GRAND HAVEN BOARD OF LIGHT AND POWER

MINUTES

November 10, 2016

16-11F Summary of Calendar Year Coal Deliveries — The General Manager provided a summary of calendar year 2016 coal deliveries. No formal action taken.

16-11G Transmission System Project Community Open House 11/29/16 — The General Manager advised the Board we are hosting a community open house at Loutit District Library on November 29, 2016 to answer questions about the upcoming transmission system upgrade project. No formal action taken.

16-11H 2017 Proposed Board Meeting Schedule — The Board reviewed the proposed 2017 Board Meeting schedule. No formal action taken.

16-11I The General Manager provided the state of Michigan's average revenue per kWh rate comparisons for 2015. Grand Haven was the highest price utility in the lower peninsula. We are currently taking measures to drive costs down. No formal action taken.

16-11J The General Manager reviewed the MPPA portal with the Board for informational purposes only. No formal action taken.

At 5:42 p.m. by motion of Director VanderMolen, supported by Director Naser, the November 10, 2016 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux  
Secretary to the Board

RM/ak