

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
July 20, 2017

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, July 20, 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 4:02 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 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.

17-08A Director Naser, supported by Director Witherell, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the June 15, 2017 Board meeting
- Accept and file the June 2017 Financial Report and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$5,545,786.48 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$445,467.23 from the Renewal and Replacement Fund
- Confirm Purchase Requisition #14361 to Jackson-Merkey Contractors, Inc. in the amount of \$25,070 to repair a leak in the underground firewater line in February

The financial report includes preliminary end-of-year numbers. The BLP's Power Supply from 1/1/16 – 6/30/17 (18 months) includes 90.2% Local Generation, 8.3% Renewable Energy, and 0.5% Net Energy or Purchased Power. We purchased approximately 150,000 MWH's during shutdowns and sold a similar amount while Sims was operational for a net transaction dollar amount of \$40,991. Heat rate will be added to the Power Supply Dashboard.

The motion was unanimously approved.

17-08B Public Comment Period — Jan O'Connell from the Sierra Club commented she is interested in hearing tonight's discussion on the Next Era Huron Wind Project. Jeff Miller, Grand Haven resident, was impressed with the pleasant demeanor of BLP workers who were restoring power to the community following the July 7, 2017 storm. Mr. Miller added he is pleased to hear the BLP on the local WAWL radio station along with messages to conserve energy. No formal action taken.

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17-08C Director Witherell, supported by Director Naser, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #14369 to WGHN Radio Station in the amount of \$6,720 for our 2017-2018 Community Awareness Program
- Approve Purchase Requisition #14401 to Buist Electric in the amount of \$143,280 to replace the Electrostatic Precipitator Motor Control Center during the fall outage
- Approve Purchase Requisition #14388 to Power Line Supply in the amount of \$71,148 for a conductor for the 69kV Transmission Project Phase 2
- Approve Purchase Requisition #14389 to Power Line Supply in the amount of \$46,004 for insulators, suspension, deadend clamps for the 69kV Transmission Project Phase 2
- Approve Purchase Requisition #14390 to Power Line Supply in the amount of \$40,472 for OPGW material for the 69kV Transmission Project Phase 2
- Approve Purchase Requisition #14391 to Power Line Supply in the amount of \$2,383 for OPGW material for the 69kV Transmission Project Phase 2
- Approve Purchase Requisition #14392 to Power Line Supply in the amount of \$4,263 for insulators, suspension, deadend clamps for the 69kV Transmission Project Phase 2
- Approve Purchase Requisition #14393 to Bridgewell Resources, LLC in the amount of \$10,534 to purchase 44 Yellow Pine Treated Power Poles to replenish stock

A significant portion of the purchase requisitions are for materials for Phase 2 of the Transmission rebuild project. The smaller purchase requisitions are for spare parts. The Buist Electric requisition is to replace a 30-year-old motor control center for the precipitator and is included in the fall outage budget.

The motion was unanimously approved.

17-08D Approve FY 2017 Year-End Write-offs, Director Witherell, supported by Director Kieft, moved to approve the FY 2017 Year-End Write-offs. These are accounts that we determined to be uncollectible and are on property we cannot lien. Write-offs are below the last few years at 0.05% of total. We will continue our collection efforts on these accounts. The motion was unanimously approved.

17-08E CIS/FIS RFP Process and Selection Status Update — We are in the midst of a substantial technology purchase, which involves replacement of our CIS/FIS systems, with a commercial, off-the-shelf, hosted solution. We evaluated three vendors: NISC, Daffron & Associates and Cogsdale, including a detailed review of the solutions they provide. We have selected NISC, which is owned by cooperatives. Daffron does not offer all the solutions we need, which would require customizing their product. Cogsdale is not equipped for hosted solutions yet

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and are the highest priced product. We will provide the contract for Board review and consideration at the August meeting. No formal action taken.

17-08F Update on NextEra Huron Wind contract with MPPA — In 2008, legislation was written to encourage wind development in Michigan. The “Thumb” area was identified as the primary wind zone for Michigan. Subsequently, ITC received approval to build \$510 million in transmission system upgrades to accommodate 5,000 MW’s of wind in that area. Currently, to date approximately 1,300 MW’s of wind has been developed. Some local thumb communities now no longer desire wind development and have voted on a moratorium on building additional wind generation in Huron County. NextEra Energy’s proposed project in Tuscola is being offered as a replacement to MPPA for its Huron Wind project at the same price. There is more receptivity for wind generation in Tuscola County. MPPA is working with NextEra on a replacement contract for MPPA’s consideration. MPPA (and GHBLP) will evaluate the project and determine if it makes sense for Grand Haven as a replacement. No formal action taken.

17-08G Storm of 7/7/17 – Outage and Response Discussion — Most comments were positive throughout the community on the BLP’s response to the July 7th storm and our workers with only a couple complaints. The storm was an extraordinary wind event that caused a lot of downed trees and limbs. We brought in crews from Holland, Zeeland and Lowell as well as assistance from Kent Power on the first day of the storm. All customers, with the exception of those needing an electrician or those who had not reported their outage, were back on by early evening Sunday, July 9. No formal action taken.

17-08H FY 2017 4th Quarter Monitoring and Revised FY 2018 Goals — The General Manager updated the 4th quarter Monitoring Report and moved those goals forward to the current year. Dates were removed because these are multi-year goals. Goals will be assigned to the management team and we will continue to report to the Board quarterly on progress. No formal action taken.

17-08I – Discussion Regarding June’s Board Self-Evaluation — Chairperson Smart will recommend a couple dates for Board discussion on this topic. No formal action taken.

At 5:40 p.m. by motion of Director Witherell, supported by Director Naser, the July 20, 2017 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak