

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
NOVEMBER 9, 2017

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, November 9, 2017, at 4:00 p.m. at the Grand Haven Board of Light & Power located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 4:02 p.m. by Chairperson Smart.

Present were Directors Kieft, Naser, Witherell and Smart.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Accounting and Finance Manager; Rob Shelley, Distribution and Engineering Manager; and Linda Browand, Grand Haven City Clerk.

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

Directors Kieft and Witherell were signed into office by Linda Browand, Grand Haven City Clerk. No formal action taken.

17-12A Director Witherell, supported by Director Kieft, moved to nominate Director Smart to serve as Chairperson of the Board. The motion was unanimously approved.

17-12B Director Kieft, supported by Director Naser, moved to nominate Director Witherell to serve as Vice Chairperson of the Board. The motion was unanimously approved.

17-12C Director Witherell, supported by Director Kieft, moved to approve the proposed 2018 Calendar Year Schedule of Meetings. The motion was unanimously approved.

17-12D Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the October 19, 2017 Board meeting
- Accept and file the October 2017 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$1,527,933.45 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$436,812.58 from the Renewal and Replacement Fund
- Confirm Purchase Requisition #14625 to Golder Associates, Inc. in the amount of \$16,328 for combustion coal residual regulatory compliance services
- Confirm Purchase Requisition #14638 to Black and Veatch in the amount of \$39,000 for Asset 360 annual remote monitoring services

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- Confirm Purchase Requisition #14647 to Komline-Sanderson Engineering Corporation in the amount of \$6,605 for vacuum filter parts
- Confirm Purchase Requisition #14651 to Northern A-1 Services, Inc. in the amount of \$10,694 for vacuum truck services during the fall shutdown

Annual year-to-date Charges for Services is down 7.5% and 11.8% below last fiscal year. Expenses are over budget approximately \$95,000 primarily due to running the plant longer in September 2016 vs September 2017 and power purchase accrual differences between the two fall outages.

The motion was unanimously approved.

17-12E Public Comment Period — Kent Blohm indicated GHBLP crews did a fantastic job with their July storm response. In addition, he inquired how potential runoff from Sims is managed. The General Manager stated this process is regulated by federal and state government agencies and, to his knowledge and understanding, the BLP is in compliance with these regulations.

Missy Newman, Spring Lake resident, stated she had solar panels installed on her home and will receive net metering through Consumers Energy. She asked if net metering is available in Grand Haven as well. The GHBLP has a program in place with a process for interconnection.

Jeff Miller, 1120 S. Harbor, asked if the GHBLP is working with the City of Grand Haven on their flood plan. The General Manager was unable to provide an immediate answer to this question and reminded guests with these types of questions that it would be best to ask such questions by calling the GHBLP so we are able to research and provide the information directly without consuming limited Board meeting time.

The Chair also reminded those in attendance that this time is allotted for the public to provide “comments” to the Board. Should a particular topic require further discussion or action by the Board, it should be placed on the agenda for this or a later meeting.

No formal action taken.

17-12F Director Witherell, supported by Director Naser, moved to approve the following purchase requisitions:

- Approve Purchase Requisition #14631 to Morbark Industries, Inc. in the amount of \$36,116 for a wood chipper for the tree crew
- Approve Purchase Requisition #14642 to Bridgewell Resources, LLC in the amount of \$8,884 to purchase 21 wood poles for Phase 2 of the Transmission Rebuild Project (Island Substation to North Substation)

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- Approve Purchase Requisition #14644 to Power Line Supply in the amount of \$6,195 for the Distribution Department's annual fire retardant uniform order
- Approve Purchase Requisition #14657 to Power Line Supply in the amount of \$24,453 for 15 kV 500 MCM underground wire for Phase 2 of the Transmission Rebuild Project (Island Substation to North Substation)
- Approve Purchase Requisition #14659 to McCormick Sand, Inc. in the amount of \$13,825 for clay and maintenance work on storm water control berms
- Approve Purchase Requisition #14660 to Bridgewell Resources, LLC in the amount of \$210,729 for 24 steel transmission poles for Phase 2 of the Transmission Rebuild Project (Island Substation to North Substation)
- Approve Purchase Requisition #14661 to Power Line Supply in the amount of \$121,427 for Hendrix wire and hardware for Phase 2 of the Transmission Rebuild Project (Island Substation to North Substation)

The motion was unanimously approved.

17-12G Approve Cash Transfer to MERS to Reduce Net Pension Liability — Director Witherell, supported by Director Kieft, moved to approve a cash transfer in the amount of \$5,000,000 to MERS in December 2017 to further reduce the GHBLP's net pension liability. Our goal was to reduce the BLP's net pension liability through four phases: 1) split the general employee group from the City of Grand Haven's general employee group to become a separate GHBLP group, 2) close both GHBLP MERS Defined Benefit (DB) plans to all new hires beginning 7/1/2017, 3) enroll new hires in an ICMA 401a Money Purchase Plan, and 4) provide all active employees hired prior to 7/1/2017 the option to either remain in the MERS DB Plan or convert their accrued MERS DB plan benefits to the ICMA 401a Plan.

On 7/1/2017, we had 72 employees enrolled in the MERS DB Plan. Of those, six employees either resigned or retired, four were replaced and enrolled in the ICMA DC Plan and sixteen converted to the ICMA 401a Plan for a 30% reduction to the DB plan. We had a successful conversion resulting in reductions to our net pension liability.

We will not know the exact dollar amount of the impact until the next actuarial evaluation is completed. The General Manager recommends transferring \$5,000,000 in December 2017 from cash reserves to MERS to lower GHBLP's long-term liability. We will begin rebuilding cash by approximately \$2,000,000 over the next few months.

The motion was unanimously approved.

17-12H Review Annually Prepared GHBLP System 50/50 Load (Energy and Demand) Forecast — The General Manager presented GHBLP's Annual System Energy and Demand

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Forecast to the Board. Annually, MPPA, acting on our behalf, is required to report 20-Year Energy and Demand Projections to MISO. In the spring, MPPA needs to tell MISO what resources are going to be allocated to meet those obligations. MPPA calculates a 50/50 forecast. MPPA projects approximately a 0.67% growth over the next 15 years. These projections are well below our historical growth patterns. Off system sales are also well below historical volumes. No formal action taken.

17-12I The General Manager provided MISO's Regional Energy Mix Scenarios to the Board, which is used to set requirements going forward. No formal action taken.

17-12J Chairperson Smant met with Mayor McCaleb regarding a joint meeting with City Council and the GHBLP Board. They agreed the meeting will be scheduled following our generation portfolio presentation planned for February 2018 and will include discussion with Scott Smith on the roles and responsibilities of each body regarding various BLP activities. No formal action taken.

At 5:23 p.m. by motion of Director Kieft, supported by Director Witherell, the November 9, 2017 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux  
Secretary to the Board

RM