

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
OCTOBER 16, 2018

A rescheduled meeting of the Grand Haven Board of Light and Power was held on Tuesday, October 16, 2018, 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 Kieft, Naser, VanderMolen, Witherell and Smart.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; 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.

18-10A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the September 20, 2018 Board meeting
- Accept and file the September 2018 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,422,055.29 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$283,456.10 from the Renewal and Replacement Fund
- Confirm Purchase Order #20215 to Trane U.S Inc. in the amount of \$5,076 to repair control room air conditioner
- Confirm Purchase Order #20245 to Power Line Supply in the amount of \$88,542 for hardware for the North-Morford 69-kV Transmission Project
- Confirm Purchase Order #20258 to Northern A-1 Services, Inc. in the amount of \$23,489 to hydro excavate failed 8-inch line by scrubber building
- Confirm Purchase Order #20268 to Kent Companies in the amount of \$10,870 to repair south spillways of ash ponds
- Confirm Purchase Order #20270 to Corrosion Fluid Products Corporation in the amount of \$5,767 for pipe replacement for boiler water demineralization system
- Confirm Purchase Order #20272 to Erickson's Inc. in the amount of \$5,408 for crane service for removal of rotor/casing and scrubber roof repairs
- Confirm Purchase Order #20276 to Great Lakes Compressed Air, Inc. in the amount of \$12,564 for preventative maintenance on scrubber oxidation air blowers
- Confirm Purchase Order #20279 to Galloup Company in the amount of \$11,769 for 4" replacement valve for intake structure, chlorine room

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- Confirm Purchase Order #20282 to Northern Boiler Mechanical Contractors in the amount of \$20,112 for labor and materials to replace failed steam condensate lines

The balance sheet now reflects September's \$1 million transfer to the MERS defined benefit plan and adjustments from the auditor. GHBLP's pension plan unfunded liability is substantially reduced from \$11.5 million in 2017 to \$3.2 million in 2018. The auditor will present their report to the Board in November.

The motion was unanimously approved.

18-10B Public Comment Period — Chairperson Smart opened the floor for public comments.

Jeff Miller, local resident, stated good public policy is conducted through educational opportunities. An example of bad public policy is the City's town hall meetings where the City gathered non-scientific data from those in attendance to use for their decision making process. Mr. Miller encouraged the Board to conduct unbiased, scientific surveys (of BLP customers) for its decision making process.

The General Manager advised that the BLP began conducting random, scientific customer satisfaction surveys two years ago and is on track to conduct its third survey this December. This format allows us the opportunity to compare results with other utilities and the results of previous years within our own utility. We also receive random, nationwide survey results for informational and comparison purposes.

Chris Larson, local resident, asked the Board to consider a biomass system for electric and snowmelt purposes. His organization, Energy Optimization Services, conducted a study several years ago using wood chips as the fuel source. Mr. Larson will provide the study to the General Manager to forward to Burns & McDonnell for their review and consideration.

No formal action taken.

18-10C Director Witherell, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #20234 to Resco in the amount of \$38,775 for 3 reclosers
- Approve Purchase Order #20237 to SEL Fault Indicator and Sensor in the amount of \$12,210 for 3 recloser controls
- Approve Purchase Order #20238 to GRP Engineering, Inc. in the amount of \$68,000 for contract administration, construction and engineering services relating to North-Morford 69-kV Transmission Project
- Approve Purchase Order #20259 to Resco in the amount of \$14,273 for seven distribution line capacitor controllers
- Approve Purchase Order #20281 to Fishbeck Thompson Carr & Huber in the amount of \$9,000 for professional services associated with MATS air quality compliance
- Approve Purchase Order #20286 to GRP Engineering, Inc. in the amount of \$16,000 for engineering services for the West Spring Lake Road rebuild project

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- Approve Purchase Order #20294 to Treeworks, Inc. in the amount of \$70,000 for budgeted FY 2019 contract tree trimming

We have been falling behind in tree trimming work with our crews. We budgeted \$70,000 in FY 2019 for contracted work to help get caught back up.

The West Spring Lake Road area is identified as the area experiencing the most outages on our system. The engineering services work on PO #20286 is to reengineer the West Spring Lake Road power lines to Hendrix construction to alleviate outages. We have \$350,000 budgeted for this project.

The motion was unanimously approved.

18-10D The General Manager reviewed the process and schedule for Burns & McDonnell to conduct five public forums the week of November 5. These meetings will be advertised in the Grand Haven Tribune and formal invitations are being mailed to our 50 largest customers, City Council, and the managers or supervisors of the City of Ferrysburg, Grand Haven Township, Robinson Township and Spring Lake Township. Schedule:

**Community Forums:**

**Monday, November 5:**

6-8 PM – Grand Haven Community Center  
421 Columbus Ave, Grand Haven

**Tuesday, November 6:**

6-8 PM – Trillium Banquet Center  
17246 Van Wagoner Rd, Spring Lake

**Wednesday, November 7:**

6-8 PM – Council Chambers  
Grand Haven City Hall,  
519 Washington Ave, Grand Haven

**Business Forums:**

**Tuesday, November 6:**

7:30-9 AM – Board of Light & Power  
1700 Eaton Drive, Grand Haven

**Wednesday, November 7:**

1-2:30 PM – Board of Light & Power  
1700 Eaton Drive, Grand Haven

Burns & McDonnell will present their initial findings to the community and gather input at these forums. They will share the feedback received at the Board's November meeting, which immediately follows the public forums on Thursday, November 8. This will be the Board's opportunity to direct Burns & McDonnell with any additional requests. Burns & McDonnell is then expected to finalize their report and recommendations in December.

Director Naser asked why we scheduled the first meeting on November 5<sup>th</sup> during City Council's regular meeting. General Manager Walters informed the Board this was the only evening the Community Center was available that week. We recognized the conflict with the City Council meeting which resulted in us adding another public forum (Monday and Wednesday) within the City of Grand Haven – one at the Community Center when it was available and another at City Hall to ensure more opportunities for City Council to participate (although it was also noted they could attend the Tuesday night forum or either business forum).

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Director Naser asked if we could schedule a joint Board/City Council presentation before the evening of November 7<sup>th</sup>. General Manager Walters informed the Board we are already exceeding what was contracted with Burns & McDonnell. Director Naser then asked if the presentation would be available for review. General Manager Walters informed the Board that Burns & McDonnell is working on it now. Director Naser asked if we could distribute the presentation to City Council and the Board before it's presented to the community. General Manager Walters recommended the Board and City Council attend one of the meetings because the presentations would be best understood and received if Burns & McDonnell is able to explain as the slides are reviewed. Staff was not planning to send out information out in advance – these are not Board and City Council meetings and this presentation is not “Board meeting materials” that they will be asked to consider. These forums were set up to provide everyone an opportunity to see the direction (not the final plan) that Burns & McDonnell is heading and to ensure the community has an opportunity to provide public input before the final report is developed and finalized. The final report will be distributed in advance of the meeting in which it is to be considered for Board approval. This is the process the staff was working under and is planning to implement (i.e. hold the meetings at the times above and not send out information in advance).

Discussion was closed and the following motion was made:

Director Kieft, supported by Director Witherell, moved to continue with the Burns & McDonnell process as outlined.

Director Naser requested it be on record that he feels this process is not fair to City Council.

In a 4-1 vote of the Board, those in favor: Directors Kieft, Smant, VanderMolen and Witherell; those opposed: Director Naser. The motion was approved.

18-10E The proposed Calendar Year 2019 schedule of meetings was presented for Board consideration. Chairperson Smant asked to have approval of the schedule added to the November Board meeting agenda.

No formal action taken.

18-10F The General Manager advised the Board an article is forthcoming in the Grand Haven Tribune regarding Michigan Environmental Council's report on combustion coal residual management (coal ash). We reviewed the report and have provided our comments to the Tribune. The BLP has not met all requirements in previous years and have had violations. We are now in compliance with the rules.

No formal action taken.

18-10G Director VanderMolen provided a statement to the Board. He voted no on the Sims closure and is against tearing down the plant. He outlined GHBLP achievements during his tenure including the addition of three substations, the purchase of the BLP's transmission line, the payoff of Sims III, and the service center remodel. He doesn't believe the regional transmission

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grid is reliable and would like to see the \$35 million dollars of investment placed in Sims, or whatever else is necessary to keep it running.

No formal action taken.

At 4:55 p.m. by motion of Director Witherell, supported by Director Kieft, the October 16, 2018 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux  
Secretary to the Board

RM