

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
DECEMBER 19, 2019

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, December 19, 2019, 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 Vice Chairperson Witherell.

Present were Directors Kieft, Naser, and Witherell.

Present via telephone: Director Crum.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Accounting & Finance Manager; Rob Shelley, Distribution & Engineering Manager; and Erik Booth, Power Supply Manager.

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

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

19-14A Director Kieft, supported by Director Naser, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the November 13, 2019 Board Meeting
- Accept and file the November 2019 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$1,748,631.28 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$437,299.83 from the Renewal and Replacement Fund
- Confirm Purchase Order #21054 to Kent Power, Inc. in the amount of \$35,134 for contract lineman services
- Confirm Purchase Order #21046 to CDW Computer Government in the amount of \$5,907 for 3-year Cisco firewall support
- Confirm Purchase Order #21062 to Kent Power, Inc. in the amount of \$21,122 for contract lineman services
- Confirm Purchase Order #21089 to State of Michigan in the amount of \$8,700 for 2020 NPDES permit fee

The motion was unanimously approved.

19-14B Public Comment Period – Walter Davis, Resident, urged the Board to go beyond the State's requirement for renewables. Mr. Davis doesn't want the BLP to build a local gas-fired plant. He wants all wind and solar.

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No formal action taken.

19-14C Director Naser, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #21047 to Windemuller Electric, Inc. in the amount of \$28,825 for Sims site security cameras
- Approve Purchase Order #21061 to DataVoice International, Inc. in the amount of \$13,700 for AMI/OMS software integration services
- Approve Purchase Order #21065 to Asplundh Tree Expert, Inc. in the amount of \$92,595 for annual tree trimming contract
- Approve Purchase Order #21071 to NISC in the amount of \$16,500 for AMI/CIS integration and meter data management system
- Approve Purchase Order #21076 to Gorno Ford in the amount of \$67,840 for two Ford F150 pickup trucks for FY2020 vehicle replacement program purchase under the State MiDEAL program
- Approve Purchase Order #21081 to Bridgewell Resources, LLC. in the amount of \$12,151 for treated wood power poles to replenish stock

Purchase Order #21065 is for contracted tree trimming services to help get caught back up. This project was bid out and low bid was accepted.

The motion was unanimously approved.

19-14D A discussion regarding security deposits was held. Deposits for property that we cannot place a lien upon are set at \$400. This amount was based on six month's average billing because we are not allowed by Public Act 95 to do shutoffs from November 1 – April 15. If the Board prefers a lower deposit amount, then Staff recommends we do not opt out of PA 95 next July 2020.

Director Naser requested a reduction to the deposit amount be placed on the January 2020 Agenda for Board consideration.

The General Manager encouraged the Board to have a working group or to have Board members meet with staff individually to gain a better understanding of our policies and their rationale before any changes are proposed. More discussion should also be held regarding Public Act 95 before opting out next year.

No formal action taken.

19-14E Director Kieft, supported by Director Witherell, moved to award the Sims Demolition Contract to low bid Bierlein Companies, Inc. in the amount of \$5,053,333 contingent upon finalizing contract documents with questions from tonight's meeting.

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Staff is asking the Board to move forward on demolition to ensure we stay on schedule. The Board and City Council will be asked to evaluate the size of a gas-fired replacement plant on the Sims site at a future meeting. Following presentation of the Project Definition Report, the Board paused on evaluating a power plant on this site and redirected the focus to operating Sims and moving forward with items that must be completed first. All bidders were required to bid the salvage value and subtract that amount from their proposal. The Demolition Agreement was reviewed and approved by the Board's attorney, Dale Reitberg. Financial considerations were also evaluated. Liquidation damages may not be used as punitive. Liability Insurance requirements were reviewed and approved by our insurance consultant and attorney.

In a roll call vote of the Board, those in favor: Crum, Kieft and Witherell; those absent, Smart; those opposed, Naser. The motion was passed.

19-14F Director Kieft, supported by Director Naser, moved to award the AMI Equipment Contract to Landis & Gyre Technology, Inc. in the amount of \$1,916,229. Our attorney is currently reviewing the contract and all provisions.

The motion was unanimously approved.

Customer optout has been evaluated and Staff recommends a \$70 one time fee to reprogram the meter and a \$10 monthly fee for manual reads. Other utilities are charging \$62 to \$100 for their one-time fee and \$10 - \$20 per month for manual reads.

19-14G Director Kieft, supported by Director Crum, moved to approve the Resolution Authorizing Notice of Intent to Issue Bonds.

This Notice of Intent Resolution is required prior to issuing any debt. We will be spending \$20 to \$60 million over the next three years. When we go to the Bond market to issue the debt, we will then need a bond ordinance. We are starting to incur costs that can be reimbursed through the Bonds. For that reason, the Resolution includes a list of costs that we may, or may not, incur. Tonight's request is to pass a Resolution of Intent that we will issue debt in the next year or two. The Notice of Intent also lists bond council and a financial manager and has been reviewed by Dickenson Wright who recommends approval.

The General Manager requested it be noted his recommendation is to approve the Notice of Intent at tonight's meeting as recommended by legal counsel and our financial advisors.

In a roll call vote of the Board, those in favor: Crum and Witherell; those absent, Smart; those opposed: Kieft and Naser.

Motion failed.

19-14H Director Kieft, supported by Director Naser, moved to approve the Financial Advisor Agreement with PFM.

The motion was unanimously approved.

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19-14I – The General Manager reviewed MPPA’s 4th Quarter 2019 Power Supply Plan Quarterly Report for GHBLP with the Board. No formal action taken.

19-14J – Director Naser requested a discussion of the BLP’s billing and payment policy be placed on the January agenda. No formal action taken.

At 6:06 p.m. by motion of Director Kieft, supported by Director Naser, the December 19, 2019 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM