

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2020

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, January 16, 2020, 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 were Directors Smart and Crum.

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

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

20-01A Director Kieft, supported by Director Naser, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the December 19, 2019 Board Meeting with one revision to item 19-14F, relocate "The motion was unanimously approved" to before the discussion regarding opting out of AMI
- Accept and file the December 2019 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$1,459,940.17 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$109,322.45 from the Renewal and Replacement Fund
- Confirm Purchase Order #21099 to Power Delivery Program, Inc. in the amount of \$11,322 for the system operator certification program
- Confirm Purchase Order #21107 to Black & Veatch in the amount of \$14,530 for final plant performance monitoring
- Confirm Purchase Order #21111 to Itron, Inc. in the amount of \$8,908 for an MV90 annual metering software license
- Confirm Purchase Order #21112 to DataVoice International, Inc. in the amount of \$17,417 for an annual hosted OMS software license
- Confirm Purchase Order #21116 to Northern Boiler Mechanical Contractor in the amount of \$5,767 for three leak repairs
- Confirm Purchase Order #21118 to Kent Power, Inc. in the amount of \$22,517 for contract lineman services
- Confirm Purchase Order #21129 to Kent Power, Inc. in the amount of \$8,948 for contract lineman services

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2020

The Financial Report reflects half of the current fiscal year. We are doing what our Strategic Plan requires. The first requirement is to build cash. We have added approximately \$10 million in cash over the last year. Fuel inventory in December was at approximately \$800,000 and should last to mid-February. We are also building cash at MPPA and in our property/liability self-insurance fund. Capital assets are at \$26 million, primarily in distribution. We will be removing approximately \$100 million with Sims closure, which is fully depreciated. Our pension plan liability has been reduced from \$12 million down to less than \$5 million. Net income is on budget and ahead of where we were last year.

The Board reviewed the 2019 Sources of GHBLP System Energy. Renewable energy will increase from 9% to approximately 20% over the next 2 years.

A reduction in residential sales is due to a cooler summer in 2019 compared to 2018. Recent outage numbers were not incorporated in the sales report.

The motion was unanimously approved.

20-01B Public Comment Period – Ryan Cotton, BLP residential customer, thanked the Board for its 120 years of service. He pays extra in Holland to charge his electric vehicle and would like the same option in Grand Haven. He also wants the Board to invest more in renewable energy.

Shannon Donley, BLP residential customer, thanked the Board for lowering customer rates. She wants more renewables in the BLP's portfolio. She also wants more transparency as she didn't know we hold Board meetings. She doesn't want natural gas as a substitute for coal and asked the Board to slow the process.

David Walters, General Manager, explained the lengthy process the Board and Staff has taken to evaluate and set direction. All the information the Board used for decision making purposes is posted on our website along with the Board meeting schedule and minutes.

Kent Blohm, BLP residential customer, agrees with Mayor Monetza's 'Monetza for Mayor' Facebook page post from October 12, 2019.

Nancy O'Neill, BLP residential customer, commends the BLP Board and Staff for considering the security of, and retraining efforts for, its employees. She encourages the Board to consider clean energy and generation. She understands the need for local back-up generation and hopes the Board won't overbuild.

Tom Peterson, non-resident, has been following the snowmelt system issue. He wants the Board to look at options for the most economical use of energy.

Geri McCaleb, former Mayor and BLP residential customer, echoes statements by staff. This has been a long process over the last couple of years. The Board needs to figure out a way to make snowmelt work as part of the process. It was a \$3 million dollar investment that the City

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2020

doesn't want to just let go. She reiterated the importance for customers to attend meetings and to educate themselves because this is a very complicated process. The BLP has good employees and it's important to keep them employed. She appreciates everyone's patience.

Director Witherell informed the audience one issue the BLP is facing is the massive amount of misinformation that floats through our City. It comes from opinions, not facts. The Board has spent many, many hours evaluating the necessary information provided by multiple engineers for its decision making process.

No formal action taken.

20-01C Director Naser, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #21095 to GRP Engineering, Inc. in the amount of \$12,000 for contract and construction engineering and administration services for the West Spring Lake Road Phase 2 project
- Approve Purchase Order #21119 to Interphase Office Interiors in the amount of \$14,429 for control room furniture for 1700 Eaton Drive
- Approve Purchase Order #21121 to Power Line Supply in the amount of \$33,315 for pole-mount transformers for the voltage conversion project along Taylor Street
- Approve Purchase Order #21124 to Resco in the amount of \$150,689 for structural steel for the Island Substation rebuild
- Approve Purchase Order #21127 to Northern Star in the amount of \$270,349 for the control house building and relay and control panels for the Island Substation rebuild

The motion was unanimously approved.

20-01D Director Crum moved to approve the modified Resolution Authorizing Notice of Intent to Issued Bonds, no support was gained.

The Notice of Intent is not for the purpose of approving the construction of a gas plant or to issue bonds. When we are planning to issue bonds, the first requirement in the process is to issue a Notice of Intent to our customers at the maximum amount we would potentially issue bonds for in the next few years. The Notice identifies everything we are potentially planning to include in the future bond issuance at a not to exceed amount. These items must be identified in order to be eligible for reimbursement. We are beginning to incur expenses that we plan to be reimbursed for when we issue the bonds. Bond Council strongly recommends dismissing the idea of two separate Notices of Intent. The only generation project Staff has been directed to evaluate at this point is gas fired generation on Harbor Island. There has been no direction from the Board to evaluate any other generation projects.

20-01E The Board discussed the results of the 2019 Customer Satisfaction Study Report conducted by GreatBlue. This was a random phone survey and included 211 residential customers and 53 commercial & industrial customers. Key findings include a 93.3% positive residential

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 16, 2020

customer ranking and a 94.3% positive commercial & industrial customer ranking for overall satisfaction with the BLP. Nationally, this ranking is 73.5%. The vast majority (92.1%) of residential respondents and 100% of commercial respondents who had contact with customer service were either “very satisfied” or “somewhat satisfied” with the service they received from the customer service employee. Most customers have no concerns with advanced meter reading infrastructure. SmartHub satisfaction numbers went down this year. This may be due to not having AMI and data. Customers who have used the BLP’s Outage Management System reported they are satisfied with the program. Over 70% of those surveyed are aware we are closing Sims. The survey indicates a local gas plant is desired; however, most do not want to pay more. When asked if more renewable energy is desired, most customer respondents supported more renewables; however, they do not want to pay more for it.

These reports will be posted on the BLP’s website at ghblp.org.

No formal action taken.

20-01F By consensus, the Board desired a Board Work Session prior to our next Board meeting, and the joint Board/City Council Work Session on Thursday, February 20, at 6:00 PM.

At 6:08 p.m. by motion of Director Naser, supported by Director Kieft, the January 16, 2020 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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