

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
FEBRUARY 20, 2020

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, February 20, 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 Chairperson Smart.

Present were Directors Crum, 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 & Finance Manager; Rob Shelley, Distribution & Engineering Manager; and Erik Booth, Power Supply Manager.

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

20-02A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the January 16, 2020 Board Meeting and Revised minutes of the February 11, 2020 Board Work Session
- Accept and file the January 2020 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$1,810,582.56 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$397,377.59 from the Renewal and Replacement Fund
- Confirm Purchase Order #21125 to McCormick Sand, Inc. in the amount of \$16,915 for cleaning of Unit 3 East retention pond
- Confirm Purchase Order #21126 to Nalco Company in the amount of \$5,760 for boiler chemistry technical services in December
- Confirm Purchase Order #21131 to Alpine Power Systems in the amount of \$5,040 for 2019 substation battery testing
- Confirm Purchase Order #21134 to State of Michigan in the amount of \$34,883 for annual Air Quality Program fee
- Confirm Purchase Order #21164 to McCormick Sand, Inc. in the amount of \$7,152 for bottom ash trucking and disposal
- Confirm Purchase Order #21168 to Network Environmental Inc. in the amount of \$6,268 for 1st quarter stack testing for MATS compliance
- Confirm Purchase Order #21180 to Joint Michigan Apprentice Program in the amount of \$12,000 for JMAP tuition

The motion was unanimously approved.

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20-02B Public Comment Period – Walter Davis, BLP customer, quoted his version of Karl Marx, “Future generations weigh like a nightmare on those of the living.” He discussed solar and fracking and doesn’t agree with fossil fuel energy.

Sophie Stoepker, BLP customer, asked for more community involvement regarding future generation development in Grand Haven.

Shannon Donely, BLP customer, referenced the BLP’s core value of being environmentally responsible, its Strategic Plan and back up capacity. She urged the Board to review climateconnections.org and asked the Board to not approve tonight’s Other Board Action and Discussion Agenda items.

George VerDuin, BLP customer, asked what the current reliability rate is for the grid. General Manger Walters informed him the grid network is designed at a 99.99% reliability rate, or 1 day in 10 years. Sims was a synchronous generator and did not operate without being interconnected to the grid; therefore, it did not add reliability to our system supply. The “availability” rate of Sims, or the percentage of time it was online, over the last 5 years has been approximately 60%.

Beau Ryther, UWUA Local 582 President, stated his number one goal is his concern for BLP union employees. They worked very hard, under a reduced workforce, to keep the plant operational over the last two years so the Board could meet the goal to burn through all its coal inventory. He stated the Board and Council have already set direction and they need to stop dancing around. We have had public discussions and have arrived at a direction; we need to continue moving forward as you have committed to do. BLP employees need stability and are very frustrated with what they have been hearing.

No formal action taken.

20-02C Director Witherell, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #21108 to Ram Services, Inc. in the amount of \$8,125 to remove and dispose of radioactive gauges
- Approve Purchase Order #21151-1 to Tridonn Construction Company in the amount of \$43,794 for the control room at Eaton Drive
- Approve Purchase Order #21152 to PCM Sales, Inc. in the amount of \$5,516 for computer hardware for the control room at Eaton Drive
- Approve Purchase Order #21158 to Bridgewell Resources, LLC in the amount of \$36,698 for power poles for the 2,400V to 13,200V voltage conversion project on Taylor Street

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- Approve Purchase Order #21166 to Power Line Supply Company in the amount of \$181,063 for Island Substation rebuild line hardware
- Approve Purchase Order #21184 to Newkirk Electric Associates in the amount of \$468,303 for the Taylor Street voltage conversion project
- Approve Purchase Order #21185 to Kent Power Inc. in the amount of \$2,505,900 for Island Substation rebuild construction
- Approve Purchase Order #21186 to Power Line Supply in the amount of \$50,225 for Taylor Street project materials
- Approve Purchase Order #21188 to Resco in the amount of \$15,275 to purchase padmount transformers for BLP stock

The motion was unanimously approved.

20-02D Director Witherell, supported by Director Kieft moved to approve the Resolution Authorizing Notice of Intent to Issue Bonds.

The new units we are evaluating are better able to operate in island mode ~~should the grid go down~~ but would only be able to satisfy system load equal to their installed capacity. There was a plan in place to operate Sims in sync with the Diesel Plant had we ever lost the grid; however, the plan was never implemented, and operators were not trained on how to operate without the grid.

In a roll call vote of the Board, those in favor: Crum, Kieft, Naser, Witherell and Smart; those absent, none; those opposed, none.

The motion was unanimously approved.

20-02E Director Witherell, supported by Director Kieft moved to approve the Interim Snowmelt design, budget and work schedule as presented.

Bids came in between \$950,000 to \$1.3 million. The requested budgetary amount of \$750,000 is based on engineering estimates to purchase equipment and outside services and utilize BLP staff when possible to reduce capital costs. Equipment and contracts will be brought to the Board for approval. We expect to have the equipment installed by September with testing to occur in October.

The motion was unanimously approved.

20-02F Director Witherell, supported by Director Kieft moved to approve contracting with ProgressiveAE to assist with Project Definition (Phase II) of the Harbor Island Redevelopment Project.

The Burns & McDonnell Project Definition Report identified five to eight separate projects within its evaluation and we are now referring to the overall project as the Harbor Island Redevelopment Project.

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The BLP has worked with ProgressiveAE on the interim snowmelt design and feel they are very capable in assisting us with gaining a better idea on costs for other components of the project. Staff recommends contracting with ProgressiveAE on a Time and Materials basis for work over the next one to two months and thereafter will bring a proposal to the Board for further efforts.

John Eberly, Senior Project Manager for ProgressiveAE, stated they are more than invested. They are a local firm. They want to see the BLP be successful and to be part of the project.

The motion was unanimously approved.

20-02G The General Manager informed the Board we reached a major milestone last week with the shutdown of Sims. Plant employees did an incredible job burning the coal inventory down while working short staffed. He thanked the employees who helped accomplish this goal.

He reminded the Board when Burns & McDonnell presented the IRP evaluation, it was never suggested the only thing we should do is build a local gas plant. Burns & McDonnell said more renewables should be incorporated into our portfolio, but we should do so in conjunction with other municipalities in MPPA. The only "local" generation project discussed in the IRP is a local RICE plant. The lowest cost option is to purchase all power supply through MPPA.

At 5:09 p.m. by motion of Director Kieft, supported by Director Naser, the February 20, 2020 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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