

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

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, August 20, 2020 at 4:00 p.m. at the Board's office located 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Meeting.

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; Erik Booth, Power Supply Manager; Rob Shelley, Distribution and Engineering Manager; and Progressive AE Consultant John Eberly.

Director Witherell, supported by Director Kieft, moved to remove item 5.B.3 and approve the amended meeting agenda. The motion was unanimously approved.

20-09A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the July 16, 2020 Special Board Meeting and July 16, 2020 Board Meeting
- Accept and file the July 2020 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,828,279.37 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$2,142,289.60 from the Renewal and Replacement Fund
- Confirm Purchase Order #21429 to Northern A-1 Services, Inc. in the amount of \$6,657 for Diesel Plant cleaning and disposal
- Confirm Purchase Order #21439 to Insight Public Sector, Inc. in the amount of \$10,320 for Microsoft 365 with Exchange Online 2020-2021 software charges
- Confirm Purchase Order #21440 to Survalent Technology, Inc. in the amount of \$26,758 for 3-year SCADA system software subscription and support (2020-2023)
- Confirm Purchase Order #21453 to Trace Analytical in the amount of \$20,000 for environmental testing associated with coal combustion residuals impoundment closure
- Confirm Purchase Order #21454 to Ottawa County Farms Landfill in the amount of \$21,460 for July landfill disposal of coal combustion residuals associated with impoundment closure
- Confirm Purchase Order #21455 to Cordes, Inc. in the amount of \$8,400 for hauling of coal combustion residuals to landfill
- Confirm Purchase Order #21457 to Futura Systems, Inc. in the amount of \$17,400 for annual software support and licensing charges for GIS mapping software

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- Confirm Purchase Order #21466 to Burns & McDonnell Michigan Inc. in the amount of \$103,000 for engineering assistance and reviews during Sims Power Plant Demolition

Purchase Order #'s 21453, 21454, and 21455 coincide with the environmental budget and are part of the Sims remediation work. The Board approved a \$3 million budget for the remediation plan. We are doing some of that work, (hauling, analysis, and disposal), which will be below the \$3 million budgeted amount.

Unit III impoundments may be closed within the rules. Units I and II impoundments are below current water levels; therefore, we are unable to remove them at this time. Sampling has been conducted and will be presented to the EPA and EGLE on August 24. We believe we will have to enter a consent order and are working with the EPA, EGLE, Golder Associates, and Arthur Siegal, Jaffee, Raitt, Heuer & Weiss, P.C., to develop a plan on what needs to occur. CCR sampling results are public and will be posted on our website. Water samples are already posted. Clay liner samples will be taken.

Purchase Order #21466 to Burns & McDonnell is for structural engineering review of demolition plans on an as needed time and expense basis.

The motion was unanimously approved.

20-09B Public Comment Period — Andrew Boatright, General Manager of Zeeland Board of Public Works, presented a Resolution of Appreciation to the Board and its employees for their exemplary and efficient efforts in restoring power to Zeeland BPW's customers during its storm related outages. Zeeland's Board wanted to provide the resolution to recognize the BLP employees who assisted in restoration efforts; Jeff Arkema, Derek Kean, Kip Martin, and Alex Moore.

Josh Brugger, BLP Customer, expressed his concerns regarding PEC's analysis. He feels the costs of the facility, CONE cost projections, capacity and storage were not taken into consideration. He feels PEC cannot conclude it is more economical to build capacity vs purchasing capacity.

Field Reichardt thanked the Board for the time they have spent with him over the past several weeks. He reminded the Board there is a group of people wanting to meet with them. He stated the long-term expectations of the utility are not clear and the Board should take its time in the decision making process.

Jack Smant read an email from Jon Jellema, BLP customer, expressing appreciation of the Board's service and leadership along with David Walters' technical background. Jellema expressed concerns regarding Agenda requests being presented at tonight's meeting when the island is flooded and the need for a 12 MW plant has not been shown. He asked the Board to slow down the process and take a slower approach.

No formal action taken.

20-09C Director Witherell, supported by Director Kieft, moved to approve the following purchase orders:

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- Approve Purchase Order #21446 to Power Line Supply in the amount of \$11,167 for electrical cabinets to replenish inventory
- Approve Purchase Order #21450 to Altec Industries, Inc. in the amount of \$263,543 for a 2022 digger derrick truck consistent with our vehicle replacement program
- Approve Purchase Order #21452 to Osmose Utility Services, Inc. in the amount of \$133,545 for wood power pole inspections for the entire distribution system
- Approve Purchase Order #21462 to RESCO in the amount of \$12,637 for wood power poles to replenish inventory
- Approve Purchase Order #21463 to Irby Utilities in the amount of \$10,230 for six 50 kVA padmount transformers for inventory
- Approve Purchase Order #21464 to Audio Visual Innovations in the amount of \$39,660 for audio/visual equipment for the Board room

The Digger Derrick is used to dig holes for pole placements and is budgeted. We will not receive the vehicle until Fall 2021 and the Purchase Order will not be acted upon until FY22. We used MiDeal for this truck order.

Purchase Order #21452 to Osmose Utility Services is for system wide structural testing of wood power poles and is not budgeted. One of our Strategic Goals is to complete a Distribution analysis.

Purchase Order #21464 is for an audio system in the Board room and is not budgeted. We received two proposals and are recommending Audio Visual Innovations because their proposal includes headend equipment for future video expansion, if desired, in addition to audio. Staff will request a quote for cameras for Board consideration as they requested.

The motion was unanimously approved.

20-09D John Eberly from ProgressiveAE presented their second preliminary update on Sims site redevelopment planning. ProgressiveAE was contracted to masterplan the Sims site, propose suggestions on what the BLP should retain and what should be used for BLP facilities and for future generation, if any. The final report will be presented in September.

ProgressiveAE is taking comments from the community into consideration as they work to develop the masterplan. They also evaluated GHBLP needs and determined utility redevelopment is the highest and best use of the site that will also provide the greatest benefits to the community. City Charter secures this site for GHBLP's use until the GHBLP determines it is no longer needed for utility purpose. Additionally, building needed facilities on the Sims site allows the GHBLP to finance remediation efforts. If we do not build facilities on the Sims site, remediation will need to be funded with cash.

ProgressiveAE determined the Sims site is needed due to changing utility operations, combined purchased and installed technology, and potential future energy projects and potentially storage. We cannot build a significant solar array or energy storage on the Eaton site.

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Other options for the site were also considered. This site has many challenges. GHBLP is responsible to EGLE and the EPA. Older environmental issues may be the City's responsibility. Most developers do not have success with brownfield development sites of this nature. GHBLP has the opportunity to use the island in a beneficial way that will also take care of many problems for the community.

The Board is tasked with determining whether it needs this site or not. If it is decided it is not needed, the site may be sold after a vote of the people. All Board members stated the GHBLP should retain the site; however, they would like to see more justification on why we need facilities built on the island now, why some of the proposed functions, (technical services and IT) need to be relocated to the island, and a comparison of building facilities on the Sims site vs adding on to the Eaton site.

ProgressiveAE will present the final report at next month's meeting and provide their findings on these more specific questions.

No formal action taken.

20-09E Director Witherell, supported by Director Naser, moved to approve Hometown Connection's proposal for FY2020's Organizational Check-up in the amount of \$23,250 and Strategic Planning in the amount of \$20,000, plus expenses.

The motion was unanimously approved.

Director Naser requested Hometown Connections not be allowed to use GHBLP for marketing purposes without the BLP's specific approval.

20-09F Director Witherell, supported by Director Kieft, moved to approve the proposed Mobile Home Community Utility Deposit Agreement between Grand Haven Board of Light & Power and The Village Green Mobile Home Community and directed Staff to forward the Agreement format to Sun Communities and North Shore MHC & RV for consideration.

The motion was unanimously approved.

20-09G Erik Booth provided a Sims demolition and site progress report to the Board. Asbestos removal is complete. The turbine and Electrostatic Precipitator have been removed. All coal conveyors were dropped and removed. Unit III impoundments are being removed. The east pond removal is in process. We are scraping the last of the coal inventory, which will be trucked offsite. The office building and Units I and II will be demolished in September. Boilers I and II will be removed in October/November; and the Scrubber building will be demolished in November/December. The Stack and the Unit III boiler will be imploded in January/February.

The General Manger reported financing closed on the \$20 million Line of Credit (or Bond Anticipation Notes). We received approximately \$5 million from this line in July. This is a one-year loan, which gives the Board one year to determine the scope of the project.

No formal action taken.

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20-09H Rob Shelley provided a progress report on AMI installations to the Board. Approximately 9,000 AMI meters are installed and being used for customer billings. All disconnects/reconnects are going through AMI. The Commercial and Industrial phase will begin soon. We will do inspections and testing before proceeding. We are truing up read dates closer to billing dates as meters are switched out; therefore, some customers are receiving longer bills (more billing days) in their initial AMI billing. We are receiving good feedback. Only 5 customers have asked to opt out. The project is on target and on budget with minimal issues.

No formal action taken.

20-09I The Board is invited to attend the MPPA, MMEA and Ranger Power Assembly Solar site tour on September 2, 2020. Closed toe shoes, hard hats and high visibility vests are required. Directors Smart and Witherell are registered for the event.

The Board will schedule a work session in September to discuss the Board's communications strategy and a process for more cohesive messaging.

No formal action taken.

At 6:53 p.m. by motion of Director Witherell, supported by Director Naser, the August 20, 2020 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM