

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 1, 2020

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, October 1, 2020 at 7:00 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 7:00 p.m. by Chairperson Smart.

Present were Directors Crum, 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 Ron Bultje, City Attorney.

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

20-11A Director Witherell, supported by Director Naser, moved to adjourn the open session and enter into closed session pursuant to section 8(h) of the Open Meetings Act to consider written communications protected by the attorney-client privilege and exempt from disclosure under Section 13(1)(g) of the Freedom of Information Act. In a roll call vote of the Board, those in favor: Directors Crum, Naser, Witherell and Smart; those absent: Director Kieft; those opposed: none. The motion was unanimously approved.

20-11B Return to Open Session — Director Witherell, supported by Director Crum, moved to adjourn the closed session and reenter open session. In a roll call vote of the Board, those in favor: Directors Crum, Naser, Witherell and Smart; those absent: Director Kieft; those opposed: none. The motion was unanimously approved.

20-11C Director Witherell, supported by Director Crum, moved to relocate discussion of item 7.B.2. Board Bylaws and Conflict of Interest and Ethics Declaration to item 4.A. and approve the amended meeting agenda. The motion was unanimously approved.

20-11D Director Witherell, supported by Director Crum, moved to approve the Board Bylaws and Conflict of Interest and Ethics Declaration as provided.

The General Manager reminded the Board the proposed Bylaws were drafted with the guidance of Attorney Dale Rietberg and review of City Attorney Ron Bultje over a year ago. Approximately half of the document includes City Charter provisions. The document also includes existing Board policies and Board rules on how to conduct operations and Board business. Staff and Chairman Smart met last year with individual Board members to answer questions and review proposed edits. There was not enough Board support at that time and the item was not pursued further. Chairperson Smart has requested this item be considered by the Board at tonight's meeting.

Director Naser's concerns regarding Sections 10, 17, 20, 21, and 22 of the proposed Bylaws were discussed with City Attorney Ron Bultje. Reference to a Board Code of Conduct only applies to that which is in place. It is appropriate for the Chair to set the Agenda with input from the Board consistent with Section 10.B. If other Board members wish to add items to the Agenda at the meeting, Section 17 describes that process. The Chair's authority to modify Roberts Rules of Order was incorporated into the Bylaws because the Chair is more than likely not a parliamentarian or an expert on all aspects of parliamentary procedure. Reference to City

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Charter provisions regarding the relationship between the City Manager, the Board of Directors and the General Manager is included in the Bylaws to keep the Board and its General Manager mindful of the fact that this relationship is clearly established in the Charter.

Chairperson Smart wishes to include Charter provisions in the Bylaws to ensure all authorities are covered in one document. This document is a 'nuts and bolts' outline of how the Board is to conduct business.

Director Naser questioned the City Attorney on Section ~~4.106~~ of the ~~Charter~~Bylaws, which ~~provides~~includes details for declaring Board vacancies as contained in Section ~~6-4.10~~ of the ~~bylaws~~Charter.

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

20-11E Director Witherell, supported by Director Naser, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the September 17, 2020 Board Meeting
- Confirm Purchase Order #20888-12 to Jaffe, Raitt, Heuer & Weiss in the amount of \$8,008 for legal services regarding CCR compliance
- Confirm Purchase Order #21477 (1-3) to Cordes, Inc. in the amount of \$11,163 for the hauling of materials to landfill from the Unit 3 CCR impoundments
- Confirm Purchase Order #21502 to the City of Grand Haven in the amount of \$6,610 for a building permit for snowmelt

In a roll call vote of the Board, those in favor: Directors Crum, Naser, Witherell and Smart; those absent: Director Kieft; those opposed: none. The motion was unanimously approved.

20-11F Public Comment Period — Andrea Hendrick, 1514 Pennoyer, Grand Haven, is concerned about how the Board is receiving public comments and distributing Board materials. She expressed concerns about the Board spending \$8 million to build an office facility on Harbor Island before having a robust discussion with the public. She asked the Board to consider changing administrative policy on when all Board packet materials are made available to the public.

Ryan Cummins, 551 Gidley, Grand Haven, stated the BLP and City Council did a good job in 2018 with public forums. He encouraged the Board to resume holding public forums in the Community Center after the Governor enacts changes to her Executive Order in October. He reviewed the customer satisfaction survey results and feels the community is split on local generation.

Cummins referred to PEC's Harbor Island Technology Study report that points to the risks associated with a long-term dependance on purchased capacity in an uncertain capacity market and how this makes comparing the known cost of an owned facility with the uncertain price of future market purchases during the asset's life quite difficult. This is why PEC used a range of

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potential capacity prices in their analysis. He asked, if the Board builds generation at all, what are the reasons to put it on the Sims site as opposed to somewhere else?

The General Manager said the Board and staff does listen to the public. We will appreciate the opportunity to meet in person when the Governor's order is updated. There is a lot of misinformation being shared throughout the community that we, as much as anyone, would like to correct. The quote from PEC (shared by Ryan Cummins) relates to uncertainty associated with projections of forward pricing curves for purchased power and capacity in the marketplace. These questions are legitimate and the BLP is asking the public to submit their questions to us, particularly during COVID limitations in public meetings, so we may respond. The Chamber of Commerce may also be interested in hosting educational seminars where the public may get their questions answered. We will work with the Chamber to facilitate discussions and will bring in other experts to answer questions when needed.

No formal action taken.

20-11G Director Witherell, supported by Director Crum, moved to approve the following purchase orders:

- Approve Purchase Order #21501 to SPX Transformer Solutions, Inc. in the amount of \$17,800 for a thermal upgrade study on a Sternberg transformer
- Approve Purchase Order #21513 to Audio Visual Innovations, Inc. in the amount of \$7,718 for video cameras for the Board room

The Sternberg transformer is nearing full load capacity at certain peak times, but it looks to be fixable using fans at this time. This study is part of the process needed to determine what is required to correct the issue.

The cameras will be installed in the Board room above each screen for a full view of the room and will be used to broadcast meetings. Meetings can be recorded via Zoom, which may be posted online following the meeting. If it is determined later that the Board wants to record meetings with our own equipment, approximately \$4,000 additional will be required.

In a roll call vote of the Board, those in favor: Directors Crum, Naser, Witherell and Smart; those absent: Director Kieft; those opposed: none. The motion was unanimously approved.

20-11H Erik Booth, Operations and Power Supply Manager, presented our third update on organizational and workforce structure changes. This presentation was provided in response to questions raised at our last meeting regarding why GHBLP needs to construct office facilities on the Sims site.

In 2017, the BLP employed 72 people; 38 of which worked in the Production department. In 2018, the Board committed to transition the organization without any terminations or layoffs and we are successfully meeting that commitment. Today, we have reduced our workforce to 55 employees through attrition and estimate through succession planning we will have fewer than 50 employees by 2025.

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As of October 2020, 17 employees remain in the newly restructured Operations department. These employees are being trained to perform the more technical functions of their new roles and are nearing the end of their System Operator Certification Program training. This retraining; however, is not only occurring in Operations. Investments in Advanced Metering Infrastructure has required the retraining of Technical Service employees as well. Meter readers will no longer be necessary and are being trained in the Meter Technician Certification Program. The relationship between operators and Technical Service employees is evolving as they become more interdependent on each other. They will be better trained and equipped together to meet the demands of our customers while providing safe, reliable, and affordable energy into the foreseeable future.

The proposed Operations & Technical Support Facility on the Sims site will house the operations and technical services employees after construction. From that center, they will be able to meet the many demands of a current day high-tech electric distribution system and potentially operate the system's new combined heat and power plant.

No formal action taken.

20-11I The General Manager provided an update to the Board on benefits changes that are occurring. Benefits administration has been shared with the City for many years to gain economies of scope and scale; however, we have reached a crossroad. In 2017, the BLP carved out its general employees from the combined City/BLP general employee group in the MERS Defined Benefit (DB) Plan to allow us the ability to close BLP's general employee and union DB groups and pay down the BLP's unfunded liability; however, we did not create a new MERS Plan.

Recently, we learned Harbor Transit carved out its group from the City and filed documents to create an independent MERS plan. They will no longer be a part of the City's MERS Plan. Harbor Transit also separated its health benefits from the City and now administers its own health benefits plan.

Additionally, the City elected to split the combined BLP/City self-funded health insurance plan. We received a letter from the City Manager notifying us we are to gain our own health insurance benefits plan effective January 1, 2021, which we are in the process of completing with our Third Party Administrator.

Reaching this unexpected crossroad and split of our health benefits in addition to hearing Harbor Transit made a complete split, we contacted MERS to explore if BLP could also separate from the city DB plan so we could fully administer BLP benefits for our employees. MERS informed us in order to do so, the MERS legal department would need to determine if the BLP would qualify as a "municipality" (for purposes of participating in MERS) and whether fund sources would be adequate for a DB plan type. They suggested they have done so for many similar organizations.

By separating our plan from the City, the BLP gains control of its Plan and is in a better position to individually address its own unfunded liability issues in its own fashion, that may be quite different from other City Departments.

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Chairperson Smart directed Staff to continue moving forward with gaining additional cost and information on the creation of the BLP's own DB Plan.

No formal action was taken until further information is known.

20-11J The General Manager provided a summary of selected findings from our 2019 Customer Satisfaction Survey in the Board's packet for review and information. This data has been verified over the last three years.

No formal action taken.

20-11K The General Manager provided an update on AMI installation and customer complaints. We have installed over 10,000 meters and for the most part, it has gone very well. Most customers are happy; however, we are also getting some complaints over high bills in the transition. There have been a few internal 'human' errors causing some of these issues, but for the most part, higher bills are related to one longer billing period after installation of the new AMI meter and a very hot summer. We are asking the Board if they are contacted to have the customer with bill concerns contact our Customer Account Representatives so they may evaluate their bills and consumption history and verify correct outgoing meter reads. Customers will be able to access more data through their SmartHub account as that information continues to become live in our system. We will create and market education materials on how customers may access their data as it rolls out.

No formal action taken.

At 9:38 p.m. by motion of Director Witherell, supported by Director Naser, the October 1, 2020 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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