

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
SEPTEMBER 17, 2020

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, September 17, 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 Consultants David Shull and John Eberly.

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

20-10A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the August 20, 2020 Board Meeting and September 10, 2020 Board Work Session
- Accept and file the August 2020 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$3,567,854.37 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$867,251.01 from the Renewal and Replacement Fund
- Confirm Purchase Order #21453-1 to Trace Analytical in the amount of \$20,000 for CCR lab work and testing services associated with Sims site environmental remediation
- Confirm Purchase Order #21468 to Northern Boiler Mechanical Contractors in the amount of \$8,115 for pipe pressure cleaning associated with snow melt installation
- Confirm Purchase Order #21472 to Precision Trenching, Inc. in the amount of \$5,421 for underground work at 14439 Mercury Drive
- Confirm Purchase Order #21485 to Northern A-1 Services, Inc. in the amount of \$9,641 for hydro excavation for City water
- Confirm Purchase Order #21487 to Northern A-1 Services, Inc. in the amount of \$15,091 for coal yard pond water removal

The General Manager reported revenue is 1.37% above last year and 2.74% above budget. Residential use is up, Commercial/Industrial is down. The revenue increase is attributed to higher cost residential customers using more electricity due to COVID, longer bills due to AMI changeouts and this year's hot summer weather.

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The motion was unanimously approved.

20-10B Public Comment Period — No public comments heard.

20-10C Director Witherell, supported by Director Naser, moved to approve a Consent to Assignment Agreement between Grand Haven Board of Light & Power, Michigan Public Power Agency, Consumers Energy Company (CECO) and Michigan Electric Transmission Company, LLC (METC).

Consumers Energy is transferring assets to METC. The Assignment Agreement, which has been reviewed and approved by Attorney Dale Rietberg, is an agreement between the parties who are responsible for maintaining their equipment at the Sternberg substation (CECO and METC).

The motion was unanimously approved.

20-10D Director Witherell, supported by Director Kieft, moved to approve the Cost of Service Study proposal from Utility Financial Solutions, LLC in the amount of \$29,200.

The motion was unanimously approved.

20-10E Director Witherell, supported by Director Crum, moved to accept the final Sims Site Redevelopment Master Plan and Program Statement for information.

David Shull and John Eberly from Progressive AE presented the Sims Site Redevelopment Master Plan and Program Statement to the Board.

The Board has eight years of independent analyses from multiple, nationally known and highly qualified engineering experts in the industry including Black & Veatch, Sargent & Lundy, Burns & McDonnell, Progressive AE, and others all reviewing and providing recommendations to the Board on the future direction for the utility. This Master Plan report is a continuation of what the Board has been evaluating since 2012. The key question for the Board is, how do we configure the site for today, and in the future, while serving all interests? Progressive AE's recommendations are as follows:

- GHBLP re-develop approximately half of the existing Sims site;
- The new site arrangement shall include the existing Substation with upgrades, reserved space for future Substation improvements, land area for local renewable energy generation and battery storage, and a new Systems Operation and Technology Center serving as the center of distribution operations;
- The site is also the proposed location of a new, 12.5 MW gas fired combined heat and power (CHP) facility as recommended under a separate study by Power Engineering Collaborative, PLC.
- The balance of the current site may be ceded back to the public for natural parklands or other use.

Coupled with the already expended amounts for demolition, remediation, and substation upgrades, this program results in a capital project cost estimated at \$46.6 million.

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The history of the site plays a key role in determining the highest and best use of the site. Current water levels are not yet at the existing 100-year flood plain. This will be a consideration as the Board moves forward on this project.

The proposed development uses approximately half of the land that was required for Sims. The proposed configuration offers opportunity for emerging technology in the future, including storage and a community solar project. There is room for approximately 0.25 MW's of solar with room for expansion in the future.

It is not economical to relocate the Island Substation from this site and \$4.0 million is being spent now to reconstruct that facility.

The GHBLP is an essential service provider. The Board needs to consider what will happen should one of its sites get knocked offline from a natural disaster or if another pandemic occurs.

Erik Booth, Operations and Power Supply Manager, stated community input is important. The community has been asking for an unbiased opinion. This Report from Progressive AE is exactly that, an unbiased opinion and recommendation. The Board cares about local control, the community, its rates, its employees, and snowmelt. This is a good plan that balances the interests of all stakeholders and the utility. Booth recommended the Board move forward.

The General Manager stated these concepts provide a positive, economic value to the City. He encouraged Board members and the community to submit any questions to BLP staff in the next week or two after they have had an opportunity to fully review.

The motion was unanimously approved.

20-10F Director Witherell, supported by Director Crum, moved to accept the communications proposal from Boileau Communications.

The General Manager stated information regarding the Harbor Island Redevelopment Project is not getting out in the community accurately. The Board had asked Staff to seek a firm to help the Board develop and implement a communications strategy and disseminate information in a coordinated and planned effort.

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

20-10G Director Witherell, supported by Director Crum, moved to revise the Board Meeting Schedule to hold two meetings per month until the end of Calendar Year 2020.

Board meetings will be held at 7:00 PM on the first Thursday of each month and at 4:00 PM on the 3rd Thursday of each month beginning October 1, 2020. November's second meeting will be held on the second Thursday of the month as originally scheduled.

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

20-10H Other Business – Director Naser stated he feels there are a number of issues to address with the public that were not requested to be placed on the approved Agenda.

Director Naser, supported by Director Kieft, moved to approve having the BLP Board schedule and hold a series of information-gathering meetings with the public that include the BLP Trustees and all interested members of the public for the purposes of obtaining public input and public suggestions with respect to development of facilities and other functions needed to provide power in the future for our community. Further, said meetings are to be face-to-face, not via Zoom, moderated by an unbiased consultant with appropriate technical power generation knowledge and experience, conducted in the evening to enable our working public to attend, and held in a venue capable of accommodating moderately large gatherings with an excellent sound system and video recording capabilities.

Chairperson Smant stated he has never refused a meeting with the public. He has been meeting, talking with, and responding to public comments and questions as they arise.

The General Manager reminded the Board we are not allowed to meet as moved. He suggested the Board figure out an allowable alternative public process to accomplish these goals that works under the Governor's Executive Orders.

Director Crum stated he does not appreciate being blindsided with items that were not placed on the approved Agenda. He feels this motion is backing Board members into a corner by suggesting they are not listening to the public. He feels the Board and staff have been and is doing an excellent job listening to the public.

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

At 6:38 p.m. by motion of Director Witherell, supported by Director Crum, the September 17, 2020 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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