

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 5, 2020

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, November 5, 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, 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 Peter Haefner, Vredeveld Haefner.

20-13A Director Witherell, supported by Director Kieft, moved to approve the meeting agenda. The motion was unanimously approved.

20-13B Director Witherell, supported by Director Naser, moved to receive and file the FY2020 Audited Financial statement as presented.

Peter Haefner presented the FY2020 Audit to the Board. There are no disagreements with management. Staff was very professional. The financial statements were presented fairly and the BLP received the highest opinion that can be received.

Fuel inventory went down to zero in 2020, which had the effect of increasing cash and cash equivalents. Capital assets increased over 2019 by approximately \$5 million. Long term liability increased from \$4.9 to \$7.5 million because of changes in the MERS Defined Benefit assumptions. Industrial sales are down approximately \$3 million due to COVID.

The Asset Retirement Expense is related to approximately \$3.4 million in environmental liability at Sims.

Cash payment reductions to Suppliers is the result of not making coal purchases. Asset retirement is the outflow for demolition and remediation activities at Sims. Acquisition of capital assets is approximately \$6.9 million.

Highlights include a reduction of inventory, increase in capital assets and the demolition and remediation activities at Sims.

MERS implemented changes in Defined Benefit assumptions in 2015 and 2019.

There were no issues with internal controls. Management was well prepared. No issues were identified, and Vredeveld Haefner is reporting a clean opinion on the financial statements. Overall, this is a good opinion.

The General Manager added Lynn Diffell and her team have done an excellent job again this year.

The motion was unanimously approved.

20-13C Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the October 15, 2020 Board Meeting

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 5, 2020

- Confirm Purchase Order #20888-13 to Jaffe, Raitt, Heuer & Weiss in the amount of \$7,290 for CCR compliance legal services
- Confirm Purchase Order #21184-1 to Newkirk Electric Associates in the amount of \$16,253 for change orders for the Taylor Street Voltage Conversion Project
- Confirm Purchase Order #21454-2 to Ottawa County Farms Landfill in the amount of \$44,116 for Sims site environmental remediation
- Confirm Purchase Order #21454-3 to Ottawa County Farms Landfill in the amount of \$69,632 for Sims site environmental remediation
- Confirm Purchase Order #21547 to Morrison Industrial Equipment in the amount of \$5,097 for forklift repair

Director Naser requested page 7, paragraph 2 of the October 15, 2020 meeting minutes be amended to, ‘City Council, who must also approve of the sale by 4 of 5 council members’ and paragraph 8 be amended to, ‘Director Naser disagreed, stating that only discussion or deliberation of Board members on BLP business matters applies.’

The motion was unanimously approved.

20-13D Public Comment Period. A letter was submitted by UWUA Local 582 Officers to Grand Haven Board of Light & Power Directors and City of Grand Haven Council members. In summary, the UWUA Local 582 expressed its support of GHBLP management in the plans for redevelopment of the former Sims site and the BLP’s Energy Plan.

No formal action taken.

20-13E Director Naser, supported by Director Witherell, moved to approve the following purchase orders:

- Approve Purchase Order #21533 to Altec Industries, Inc. in the amount of \$8,007 for annual testing and inspection of bucket and digger trucks
- Approve Purchase Order #21541 to Get-R-Cut in the amount of \$158,000 for annual tree trimming

The motion was unanimously approved.

20-13F Director Naser, supported by Director Witherell, moved to approve the Resolution to Exempt BLP Employees from the Requirements of the Publicly Funded Health Insurance Contribution Act (Act 152 of the Michigan Public Acts of 2011) for the January 1, 2021 – December 31, 2021 Medical Benefit Plan Year.

PREAMBLE AND RESOLUTION

**FOR ACT 152 EXEMPTION FOR THE
JANUARY 1 – DECEMBER 31, 2021 MEDICAL BENEFIT PLAN YEAR
(Under the Publicly Funded Health Insurance Contribution Act)**

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 5, 2020

PREAMBLE:

WHEREAS, the Board, in the interest of maintaining a competitive benefit package, desires to exempt all of its employees (i.e. whether or not they are in the UWUA bargaining unit) from the requirements of the Publicly Funded Health Insurance Contribution Act (Act 152 of the Michigan Public Acts of 2011 as amended – the “Act”) for the January 1, 2021 – December 31, 2021 medical benefit plan year; and

WHEREAS, such exemption is authorized by Section 8 of the Act upon a 2/3 vote of the Board’s governing body inasmuch as the Board qualifies as a “local unit of government” as a municipal electric utility system (pursuant to Section 2(d) of the Act);

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Board of Light and Power, as follows:

1. That, pursuant to Sections 8(1) and 8(2) of the Act, the Board hereby determines, upon a 2/3 vote of its governing body, to exempt itself from the requirements of Sections 3 and 4 of the Act with respect to all Board employees (i.e. whether or not they are subject to or covered by a collective bargaining agreement); and
2. That the Board’s exemption of itself from the requirements of the Act, as provided in Paragraph 1 (above) of this Resolution, shall be effective for the medical benefit plan year commencing January 1, 2021 and ending December 31, 2021.

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

20-13G Director Witherell, supported by Director Crum, moved to approve the following proposals for the next phase of engineering and architectural design work for the BLP’s Harbor Island site:

- \$350,000 to Progressive AE Design Services for Total Facility Conceptual Design
- \$75,000 to Power Engineers Collaborative, LLC for Generating Facility Conceptual Design
- \$26,500 to NTH Consultants for Air Permitting

These proposals are for engineering services as requested by the Board at its October 15, 2020 meeting.

Erik Booth, Operations and Power Supply Manager, commended his staff, Adam McConnell, Duane ‘Doc’ Zuidema, and Mike Kellogg, for their work on the snowmelt system, which is now operational. Northern Boiler and Buist Electric did an excellent job.

Booth stated Management is following the Strategic Plan and is leading the utility in the right direction. When the first plan was proposed at \$100 million, we hit the pause button and

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 5, 2020

sought a better fit for this community. The smaller combined heat and power facility is right-sized and an energy efficient solution for this community. There should be a lot of comfort knowing that the Board is moving in the right direction. Air permitting will take some time; therefore, we are recommending we start that process now. Architectural and engineering designs will take less time, giving the Board time to evaluate the proposed project before a final decision is made in the spring.

In consideration of the public, some have expressed desire for a local controlled asset; some are neutral, trying to figure it out; and others feel if it is not wind, solar or battery, they will not support the Board with the plan. We have and will continue to listen, meet with, and answer the questions of the community. We have also retained space on the Island for future battery storage and a small solar garden.

Director Naser stated he remains opposed to proceeding further.

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.

20-13H The General Manager provided a financial review of shifting costs in the FY2021 Budget to the Board. No formal action taken.

20-13I Other Business –

- The General Manager stated the snowmelt system is operational. We will bill the City for operational costs only this year. We are not recovering any capital at this point.
- Rob Shelley, Distribution and Engineering Manager provided an update on the AMI project. Over 13,000 AMI meters are installed and being used for billing. All installations were done in-house due to COVID. The Vendor, Landis and Gyr expressed interest in using the GHBLP for a testimonial. Shelley also reported we received an alarm from one of the AMI meters and dispatched a crew to evaluate the problem. The crew discovered there was customer side wiring issue in the home, so the crew immediately cut the power and saved the home from an electrical fire.

The new Harbor Island substation is now fully online, converting from 1960's equipment to the newest technology. They faced many challenges with the project due to high water levels, but it is now complete and on budget.

- The General Manager reminded the Board its next meeting will be held at 4 PM on Thursday, November 12. We are also kicking off our Business Risk Assessment with Hometown Connections December 2nd and 3rd and Strategic Planning in January.

The General Manager would like to use the December 3rd meeting as an opportunity to bring in Pat Bowland from MPPA for a power purchasing educational session.

We will send a follow up memo to the Board with upcoming dates and meeting times.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 5, 2020

- Director Witherell met with Mayor Monetza and Pat McGinnis last week regarding the sale of the Diesel Plant. He also participated in a Brownfield meeting and the City Council meeting. City Council has requested a tour of the Harbor Island site to view demolition and remediation progress. Board members may also attend.
- Director Naser reminded the Board the Grand Haven Energy Organization will host its third meeting at 7 PM on Tuesday, November 10 at the Community Center.

No formal action taken.

At 8:47 p.m. by motion of Director Witherell, supported by Director Naser, the November 5, 2020 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM