

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JANUARY 21, 2021

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, January 21, 2021 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 4:01 p.m. by Vice Chairperson Witherell.

Present were Directors Crum, Kieft, Naser, Witherell and Smant (Smant joined the meeting at 4:16 PM).

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; and Rob Shelley, Distribution and Engineering Manager.

21-01A Director Kieft, supported by Director Naser, moved to approve the meeting agenda. The motion was unanimously approved.

21-01B Director Naser, supported by Director Crum, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the December 17, 2020 Board Meeting
- Accept and file the December 2020 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$6,629,289.96 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$923,883.85 from the Renewal and Replacement Fund
- Confirm Purchase Order #20888-15 to Jaffe, Raitt, Heuer & Weiss in the amount of \$8,373 for legal fees associated with CCR compliance
- Confirm Purchase Order #21453-5 to Trace Analytical in the amount of \$20,000 for groundwater and surface water testing and laboratory services
- Confirm Purchase Order #21454-8 to Ottawa County Farms Landfill in the amount of \$44,092 for landfill disposal fees
- Confirm Purchase Order #21639 to State of Michigan in the amount of \$8,700 for annual NPDES discharge permit for the Sims site

The General Manager reported the impact on revenues due to COVID-19. Total sales are up 1.57% over the first six months of FY2020 as compared to FY2021. Industrial sales are down 6.93%; commercial sales are down 0.8%; municipal sales are up 4.37% and residential sales are up 15.29%. Cooling degree days are up year over year due to the hot summer season. AMI installations have caused one long billing month for some customers. At this point, BLP sales are above what we budgeted.

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

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21-01C Director Naser, supported by Director Kieft, moved to excuse Chairperson Smart from the Board meeting for technical issues. The motion was unanimously approved. (Smart joined meeting later at 4:16 PM).

21-01D Public Comment Period – Written comments submitted via email were read. In summary:

- Kimberly Hirai, 317 Grand Ave, requested Grand Haven tax money be used for renewable energy and feels there is a much bigger need for infrastructure improvements than there is for a gas powered plant.
- Jeff Bovid, 1527 Marion, expressed his support for consideration of the most environmentally conscious energy generation solutions available.
- Michael Moran, 1345 Columbus Ave, asked what the purpose is of new building on the old Sims site.
- Madelyn Gerhold, 33559 Ola Orchard, stated, ‘Profound’.
- Merrie DeWilde, address not provided, would like to see transparency in GHBLP energy planning and taking public comments and ideas into consideration.
- Martha Vermeulen, 4263 Indian Spring Dr. SW, feels GHBLP should act as a leader in renewable energy to reduce climate change and pollution from natural gas extraction.
- Jessica Moore, 16085 Gary, feels the (BLP) workers deserve a lunch and a sit down to hear their opinion of how we move forward, because they are out there working with it – for us – and understand it. She said to give credit where credit is due and thanked the BLP.

No formal action taken.

21-01E Director Naser, supported by Director Crum, moved to approve the following purchase orders:

- Approve Purchase Order #21631 to Power Line Supply in the amount of \$19,635 for distribution materials for the Glendale Circle project
- Approve Purchase Order #21659 to Irby Utilities in the amount of \$15,510 for eleven 50kVA polemount transformers
- Approve Purchase Order #21660 to Gorno Ford in the amount of \$35,195 for a 2021 Ford F-150 4x4

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.

21-01F Director Naser, supported by Director Kieft, moved to approve the Defined Benefit Plan Joint Transfer Agreement between the City of Grand Haven, Grand Haven Board of Light & Power and Municipal Employees’ Retirement System (MERS).

This is the third step in the process to formally separate GHBLP’s MERS benefit groups from the combined City Plan to the GHBLP’s own, separate plan.

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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.

21-01G Rob Shelley, Distribution & Engineering Manager, reported the results of the Osmose power pole inspection.

Osmose inspected the mechanical strength of 8,227 poles, which included a visual inspection and partial excavation at the base of the pole to inspect decay. 64% of GHBLP power poles have some decay but are serviceable, 28% have no decay, and 7.7% (630 poles) were rejected. BLP crews have already replaced 50 poles with priority rejects replaced first. Many of the poles are cedar and more resistant to disease and decay; however, Cedar is no longer available.

Total cost of the inspection project was \$103,000. This was the first pole inspection for GHBLP that we are aware of and will be spread out in smaller quantities going forward.

No formal action taken.

21-01H Erik Booth provided a demolition update. Bierlein is ahead of schedule and on budget. One change order was added in the amount of \$10,000 to remove asbestos. All is being expensed as non-operating costs. The demolition will not be capitalized or expensed over the life of the bond – it will be expensed in the single year in which the work is completed.

The CCR Impoundment for Sims Unit III is closed. We received a request from EGLE for some additional work to finalize the closure.

Completed to date:

- Asbestos Removal
- Units 1 & 2 (Boiler House and Turbine Bay)
- Coal Conveyors
- Thickener and CRW Tanks
- ESP
- Substation
- Administration Building
- Unit 3 Turbine Bay
- Auxiliary Boiler
- Fly Ash & Lime Silos
- South Side of Scrubber Building
- Unit 3 Coal Ash Impoundments
- Pulverizers

Remaining items:

- Scrubber Modules
- Unit 3 Boiler House
- Chimney
- Unit 3 Intake Structure
- Neutralization Basin

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Upcoming efforts include the demolition of the scrubber and stack sometime in February, the Unit 3 boiler house (and debris removal) in March, and site restoration within the demolition boundary in April.

Booth reported Bierlein has done a very good job.

In the exercise of critical safety precautions, the GHBLP will not publicize the dates for implosion of the J.B. Sims power plant and stack. It is Bierlein's responsibility to appropriately notify the public. However, the event will be captured on video to share with the community.

Directors Witherell and Crum thanked Booth and staff for their work on the project.

No formal action taken.

21-01I The Business Readiness Risk Assessment was finalized and distributed to the Board prior to this week's Strategic Planning sessions, which were facilitated by Tim Blodgett from Hometown Connections. Hometown Connections has worked with 900 municipal utilities across the country. Hometown pointed out within the Assessment all the changes that have been completed since our last evaluation in 2016.

"Prior to detailing the outcomes of the current Business Readiness Risk Assessment, it is important to note the accomplishments BLP has made since the completion of the Organization Checkup in 2016, as they are significant. Enough cannot be said about the leadership of BLP. Not only do they illustrate outstanding perseverance and commitment, but their teamwork is second to none. The accomplishments the team has made over the last five years far exceed what HCI typically sees in an organization of this size, let alone larger organizations with more resources.

It is clear BLP leadership took the recommendations of the Organization Check Up, developed a plan, and moved forward, leading the organization through many changes to include implementing new technology, decommissioning a generation plant, making office and warehouse improvements, and rewriting policies and restructuring."

Risks and areas of concern are identified within the report. For security reasons, some of the information is redacted within the public document at the recommendation of Hometown Connections.

No formal action taken.

21-01J The General Manager provided an update on communications efforts. The communication plan has been established and includes three areas of focus:

1. Microsite dedicated to GHBLP's Sustainable Energy Future @ GrandHavenPower.org
2. Direct Meetings between Executive Staff members, Director Witherell and leaders & influencers in GHBLP's service territory (meeting schedule will be provided to Board)
3. Educational Events to be held at 7 PM via Zoom Webinars:
 - January 26, 2021 – Understanding a Diversified Power Supply Portfolio
 - February 9, 2021 – Environmental Clean Up at Harbor Island
 - February 23, 2021 – Harbor Island System Design

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No formal action taken.

At 5:42 p.m. by motion of Director Naser, supported by Director Smant, the January 21, 2021 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM