

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
FEBRUARY 18, 2021

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, February 18, 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 4:00 p.m. by Vice Chairperson Witherell.

Present were Directors Crum, Kieft, Naser, Witherell and Smant.

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; Tim Blodgett, Hometown Connections; and Greg Holcomb, Urban Innovations.

21-02A Director Kieft, supported by Director Naser, moved to approve the meeting agenda.

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.

21-02B Director Naser, supported by Director Crum, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the January 20, 2021 Board Work Session and January 21, 2021 Board Meeting
- Accept and file the January 2021 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,206,517.03 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$1,194,117.34 from the Renewal and Replacement Fund
- Confirm Purchase Order #20888-16 to Jaffe, Raitt, Heuer & Weiss in the amount of \$16,201 for legal fees associated with CCR and environmental compliance
- Confirm Purchase Order #21454-9 to Ottawa County Farms Landfill in the amount of \$14,329 for landfill disposal fees
- Confirm Purchase Order #21541-1 to Get-R-Cut in the amount of \$15,750 for additional work within the annual tree trimming and removal contract
- Confirm Purchase Order #21673 to the State of Michigan in the amount of \$39,547 for Sims air quality fee as required by 2020 operations
- Confirm Purchase Order #21683 to Data Voice International in the amount of \$15,792 for annual 2021 OMS hosting and support fees
- Confirm Purchase Order #21691 to Buist Electric in the amount of \$6,605 for snowmelt meter installation

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- Confirm Purchase Order #21692 to IPKeys Power Partners, Inc. in the amount of \$7,650 for annual network cyber security monitoring subscription

The General Manager reported GHBLP's cash balance has recently been scrutinized. The current cash on hand is \$26,756,296; however, we borrowed \$11 million in Bond Anticipation Notes. The Board's 2016 Cost of Service Study recommended an appropriate cash balance amount of \$26.7 million at the end of FY2020. The Board did not approve that recommendation in 2016 because we were significantly below that amount. We are now above the 2016 recommended FY2020 amount by \$56,000.

The General Manager reviewed financially healthier years for GHBLP. In 2002-2003, average cash reserves were at \$34 million. As costs have increased since, cash reserves have dwindled because the Board did not approve adequate rates to maintain these reserves.

The new cost of service study (currently in progress) will include recommendations for the next 5-year cash reserve balances.

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.

21-02C Public Comment Period – The Board received several emails via an online WIX form regarding the Harbor Island redevelopment project. These emails have been provided to the individual Board members and are already a part of “the record”. The General Manager stated the Board has asked for some time whether the BLP is required to read letters and emails provided prior to a meeting during the Public Comment Period. We sought legal counsel's opinion and have confirmed it is not a requirement of the Open Meetings Act to read them aloud. The Public Comment period is intended for people to verbally provide their comments. The Board deliberated whether the emails should also be read aloud. Chairperson Smart, supported by Director Naser, moved to have these emails read at the end of the meeting.

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.

Andrea Hendrick, 1514 Pennoyer, complained that the public is only allowed three minutes to talk when the Board used 16 minutes to deliberate. She thanked Chairperson Smart. Ms. Hendrick asked several times if the Board was tired. She then stated she wants to work with the Board and to have a conversation with the Board. Ms. Hendrick added she received her Freedom of Information Act estimate for the amount of time it will take Board of Light & Power staff (to research, assemble and provide its response to her request of any and all communications in any form between the Board of Light & Power Staff or elected official, or hired consultants of the BLP, with state or federal regulating bodies regarding environmental remediation on Harbor Island). Ms. Hendrick stated she feels the estimate is too high.

The General Manager stated that the Board does not normally limit comment to three minutes.

Director Witherell stated there is a group of people who feel they are qualified to discuss the power industry. He added the idea that GHBLP is not willing to sit down and talk is simply not true. At some point, this group of people needs to consider the vast amount of time they are taking of our staff to discuss and respond to all their inquiries. This time is not being limited in any fashion.

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Kent Blaum, 1820 Pine Court, contacted Director Witherell following the last Board meeting to discuss the reasons the BLP is rebuilding on the island.

Director Witherell discussed recent outages in California and Texas and informed the public we are a long way from having adequate reliable storage or capacity.

No formal action taken.

21-02D Director Naser, supported by Director Crum, moved to approve the following purchase orders:

- Approve Purchase Order #21668 to Michigan CAT, Inc. in the amount of \$62,678 for a skid steer replacement
- Approve Purchase Order #21699 to Precision Trenching, Inc. in the amount of \$9,730 for directional boring on Columbus Street

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.

21-02E Tim Blodgett, President and CEO of Hometown Connections, provided an update on Strategic Planning efforts since the Board's meeting in January. There were no proposed changes to the Board's Mission Statement. Board Core Values were consolidated from six (in 2016) to four (for 2021) and behavior statements were added to each. Strategic Objectives have been updated and were reviewed with the Board. Objectives tend to be broad. The goals developed for each objective address specific areas of focus.

The Board was encouraged to review the slide deck and to share any comments with Staff.

No formal action taken.

21-02F Chairperson Smart, supported by Director Crum, moved to approve Arthur Siegal as Special Legal Counsel for environmental cleanup efforts on Harbor Island. If approved, the recommendation will be brought to City Council for their consideration and approval as required by the Charter.

Staff recommends the Board have legal counsel in place to negotiate CCR impoundment closure requirements with EPA and EGLE. Siegal has been consulting with the BLP for many months. He now needs to meet with the Board and City Council and must be appointed as special legal counsel for that purpose.

Erik Booth, Operations & Power Supply Manager, advised the BLP received a letter from EGLE dated January 27, 2021 regarding ash found below the Unit 3 clay liner identified during its closure as was reported to the Board in September/October. Booth stated there are certain complexities on the site where normal clean up processes will not apply. We feel we will get into a consent order and the Board needs to have legal counsel in place for this purpose.

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.

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21-02G The General Manager reviewed the 2020 Customer Satisfaction Survey results with the Board. GreatBlue has conducted our surveys for the past 5 years, which includes three long surveys and two shorter surveys.

Generally, there was some degradation in performance over the past year and GreatBlue confirmed they have seen degradation across the nation over the last year due to COVID. GHBLP is still rated well above other utilities, even with the degradation.

Decreased ratings were reported in whether the utility is open and honest. This is one of our Core Values and we have worked hard to be open, honest, and transparent, especially over the past 3 years. Having people out in our community stating we are not open, honest, or transparent is obviously impacting how our customers view the utility and its Board of Directors.

We also saw decreased satisfaction in our office personnel and lower ratings on first contact resolution. We are evaluating why that may be occurring. Field personnel were rated very high.

We experienced improved ratings in our Plugged In newsletter and our website, which is the most popular format for customers to gain information about GHBLP.

When surveyed about the AMI installation, most customers did not experience any problems with the change.

SmartHub, our online bill pay system, received positive ratings.

There is increased awareness about GHBLP being a community-owned electric utility.

We received very positive support and comments for moving to a diversified power supply portfolio.

Local generation is reported as being important to the community with 80% supporting it if it does not increase costs to the community. When asked why local generation is important, customers responded with local jobs, local control and lower costs.

The community's interest in renewable energy is below the national average, and GHBLP experienced low participation / knowledge in its Energy Smart programs.

No formal action taken.

21-02H Director Crum, supported by Chairperson Smant, moved to award the sale and redevelopment of the Diesel Plant to Capstone Realty in the amount of \$1.525 million.

Greg Holcomb, Principal of Urban Innovations, presented the subcommittee's recommendation to the Board, which is the Capstone proposal. If approved by the Board, the proposal will be submitted to City Council for their consideration.

The City's feedback from a community survey was received and reviewed. There were nearly 800 responses, which is approximately 10% of the City's residents. High level takeaways: There was strong interest in saving the building and a lack of interest in condominiums. City Council requested that the Board not act until the survey results were received.

Discussions were held with Director's Crum and Witherell on February 12, 2021. They heard the conversations and sentiments of the community and sympathized. The recommendation

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from Capstone stands at \$1.525 million as is. It is the lowest risk proposal in terms of success. It is not a restaurant that has to be operated and maintained and is not competing with other enterprises in the City. The other three proposals have a variety of external negative effects on the surrounding community. In terms of the building, Capstone's design honors the design and legacy of the BLP.

Use of the proceeds has been discussed with various officials and we feel it would be logical to use the proceeds to pay for the snowmelt system and undergrounding of wires along Harbor Drive.

All four proposals were presented to the Board in September 2020. None of the proposals included a timeline. An environmental assessment was provided to all proposers. Negotiations with the approved party will need to occur following the Board and City Council's approval.

The Subcommittee recommends Capstone's proposal as the outstanding offer.

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.

21-02J The Board discussed recent email communications from an alternate, insecure web site and encouraged members of the community to contact members of the Board or the organization through GHBLP's secure contact form on our website at www.gtblp.org rather than through an alternative method.

Over the past year, a local organization directed members of the community to use their alternate site suggesting this as the easy way to communicate with our Board. It is, however, easier and more secure to e-mail Board members directly.

GHBLP's Business Readiness Risk Assessment identified cyber security as a high priority risk for our organization. Our marketing communications firm also informed us the software this alternate organization is using may provide opportunities for more phishing attempts that could allow access to our network. This software is not recommended, and we are encouraging customers to contact Board members directly via the GHBLP's website. GHBLP employees (and Board members will now be added to the program) are tested on cyber security risks and phishing attempts.

Chairperson Smart and Vice Chair Witherell sent a letter to the Grand Haven Energy Organization informing them of the risks associated with WIX forms and that GHBLP will begin blocking emails forwarded to us using this format. The Board asked GHEO to encourage contacting Board members via GHBLP's secure site directly. There is no value to GHBLP for members of our community to use an alternate, insecure site to contact Staff and/or members of the Board. Emails from the WIX form will be blocked and will receive an auto-reply message directing them to appropriate, secure avenues for contacting utility personnel and the Board.

No formal action taken.

21-02K The General Manager provided an update on community outreach efforts over the last 2 months, which include our new microsite development and deployment, three community events, email blasts to key stakeholders, employees, and Board members, and 43 individual key stakeholder meetings held with Staff and Director Witherell. We learned through that process that GHEO is sending letters to our largest customers requesting follow up meetings to dispute the

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factual information BLP Staff is sharing with inaccurate information regarding BLP matters, including inaccurate rate information. Their letter includes a 'rate' chart that is comparing revenues, not rates, between BLP and other electric providers in the State in an effort to cause customer confusion and mistrust between GHBLP and our customers.

The General Manager reviewed an actual rate comparison of GHBLP and Consumers Energy (CE). Holistically, GHBLP customers are saving an estimated \$550,000 per month in 2021, or \$6.6 million per year, by being on GHBLP's system.

No formal action taken.

21-02L Other Business - Letters received from the GHEO Wix form were read.

No formal action taken.

At 7:47 p.m. by motion of Director Naser, supported by Director Kieft, the February 18, 2021 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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