

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JULY 15, 2021

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, July 15, 2021, at 4:00 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via Zoom.

The meeting was called to order at 4:00 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; and Rob Shelley, Distribution and Engineering Manager.

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

21-08A Director Witherell, supported by Director Naser, moved to approve the meeting agenda.

The motion was unanimously approved.

21-08B Director Naser, supported by Director Crum, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the June 17, 2021 Board Meeting
- Accept and file the June 2021 Financial Statements and Power Supply & Sales Dashboard
- Approve paying bills in the amount of \$2,392,179.18 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$1,203,625.11 from the Renewal and Replacement Fund
- Confirm Purchase Order #20888-21 to Jaffe Raitt Heuer & Weiss in the amount of \$9,691 for Sims site environmental legal fees
- Confirm Purchase Order #21454-12 to Ottawa County Farms Landfill in the amount of \$50,674 for Sims site landfill disposal fees
- Confirm Purchase Order #21477-10 to Cordes, Inc. in the amount of \$25,773 for trucking expenses associated with landfill disposal
- Confirm Purchase Order #21829 to Northern Boiler Mechanical Contractors in the amount of \$5,626 for surface water discharge piping installation
- Confirm Purchase Order #21847 to Underwater Construction Corporation in the amount of \$6,570 for seawall inspection
- Confirm Purchase Order #21849 to Michigan CAT, Inc in the amount of \$9,406 for loader repairs and service

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- Confirm Purchase Order #21857 to Northern A-1 Services, Inc. in the amount of \$9,449 for liquid waste removal and disposal
- Confirm Purchase Order #21862 to Futura Systems, Inc. in the amount of \$17,325 for GIS software field staking upgrade, setup, and annual subscription
- Confirm Purchase Order #21864 to Hometown Connections in the amount of \$22,500 for customer survey fees

The General Manager reviewed the Income Statement. Total Year-To-Date operating revenues came in at 0.08% above budget. There were a lot of questions and concerns from the Board regarding projected revenues when the budget was discussed in 2020. The General Manager stated this is the closest he has ever gotten to a projected operating revenues budget in his 30 plus years as General Manager.

GHBLP's average retail revenue per kWh was discussed. The cost per kWh is what is reported to the federal government via an annual EIA form. FY 2021 was at 12.3 cents/kWh and is 2.3% below FY 2020, which was 12.59 cents/kWh.

Base rates have remained unchanged for the past 5 years. The average retail revenue per kWh over the 5-year period is 12.44 cents per kWh. There was a slight increase in the average retail revenue per kWh in 2019-2020 due to higher costs to operate Sims at a lower, less-efficient heat rate in its last years of operation.

We adjusted the PCA to zero on July 1, 2020 and are absorbing power supply cost fluctuations in the base rates. We experienced a slight growth in residential customers between 2015-2021. There were higher residential sales and lower industrial sales in fiscal years 2020 and 2021 due to COVID and customers staying and/or working from home.

The cost/kWh will continue to decrease. We are projecting FY 2022 will be 12.0 cents/kWh.

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

21-08C Public Comment Period – No comments were provided.

No formal action taken.

21-08D Director Witherell, supported by Director Naser, moved to approve the following purchase orders:

- Approve Purchase Order #21854 to Morrison Industrial Equipment in the amount of \$41,600 for the purchase of a new forklift
- Approve Purchase Order #21869 to Kent Power Inc. in the amount of \$129,633 for the 178th Hendrix conversion project construction
- Approve Purchase Order #21876 to Golder Associates, Inc. in the amount of \$52,735 to develop a work plan for groundwater study
- Approve Purchase Order #21877 to Golder Associates in the amount of \$30,100 for North Channel ash investigation

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- Approve Purchase Order #21880 to MATECO Company in the amount of \$11,498 for well drilling North Channel investigation
- Approve Purchase Order #21881 to MATECO Company in the amount of \$65,687 for well drilling and installation of piezometers

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

21-08E Director Witherell, supported by Director Naser, moved to approve 2021 Fiscal Year End Write-offs in the amount of \$16,996.54. These are accounts that were determined to be uncollectible. The percentage of retail sales at 0.041% is below the previous year's amount of 0.085%. The General Manager conjectured the reduced uncollectible amount in FY 2021 may be due to fewer customers leaving our system in the past year due to COVID. We will continue our collection efforts on these accounts.

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

21-08G Other Business – The General Manager informed the Board our intention was to bring the Bond Resolution to City Council next Monday, July 19; however, the City desires to hold additional townhall meetings to answer the Community's questions; therefore, the Bond issue will not be considered until their August 16, 2021 meeting. The Bond Resolution documents were forwarded to the City following last month's meeting. Kester So will attend the July 19, 2021 Council Meeting to address any questions they have regarding the Bonds.

The City mailed postcards to 6,780 voters and property owners to collect questions or concerns in advance of the August townhall meetings, which will be held at 6 PM on Monday, August 9 at the Grand Haven Community Center and Wednesday, August 11 at St. Patrick's Family Center.

No formal action taken.

At 4:48 PM. by motion of Director Witherell, supported by Director Crum, the July 15, 2021 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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