

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
AUGUST 19, 2021

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, August 19, 2021, at 4:00 p.m. at the Grand Haven Community Center, 421 Columbus in Grand Haven, Michigan and electronically via live Zoom Meeting.

The meeting was called to order at 4:01 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; and Rob Shelley, Distribution & Engineering Manager.

21-09A Director Witherell, supported by Director Kieft, moved to approve the meeting agenda.

The motion was unanimously approved.

21-09B Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of July 15, 2021 Board Work Session, Board Meeting, and Special Joint Board/City Council Work Session (including closed session minutes for July 15 Board Work Session and Special Joint Work Session)
- Accept and file the July 2021 Financial Statements and Power Supply & Sales Dashboard
- Approve paying bills in the amount of \$2,850,831.02 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$197,659.42 from the Renewal and Replacement Fund
- Confirm Purchase Order #20888-22 and 23 to Jaffe Raitt Heuer & Weiss in the amount of \$35,716 for Sims site environmental legal fees
- Confirm Purchase Order #21454-13 to Ottawa County Farms Landfill in the amount of \$43,546 for Sims site landfill disposal fees
- Confirm Purchase Order #21477-11 to Cordes, Inc. in the amount of \$19,250 for trucking expenses associated with landfill disposal
- Confirm Purchase Order #21831 to HIS Workplace Compliance Solutions in the amount of \$5,400 for FY2021 safety training
- Confirm Purchase Order #21895 to Utility Locating, LLC in the amount of \$5,750 for onsite underground utility locating training
- Confirm Purchase Order #21924 to Landis & Gyr Technology, Inc. in the amount of \$25,200 for annual subscription fee associated with metering software and support for AMI

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- Confirm Purchase Order #21927 to Precision Trenching, LLC in the amount of \$7,765 for directional boring on West Spring Lake Road

The motion was unanimously approved.

21-09C Public Comment Period –

Brendon Thomas, 10 Clinton Ave., claimed the actions of the Board and Staff broke the community's trust.

Jeffrey Miller, 1120 S. Harbor Drive, thanked the Board for holding tonight's meeting at the Community Center. He thanked Chairperson Smart and Director Naser for their years of service on the Board. His count of attendance at the town hall meetings were 142 people on August 9 and 88 people on August 11. He reported GHEO delivered petitions from 1,100 city residents, and 300 BLP customers living outside of the City, and ~~195 petitions from Grand Haven High School students requesting a sustainability plan.~~ **The petitions requested (1) a pause in approving the bonds to finance the BLP project, (2) the undertaking of an independent study by new consultants, and (3) a public reporting of findings and recommendations by the new consultant. 195 petitions requesting a sustainability plan were also submitted from Grand Haven High School students.**

Walter Davis, 209 S. Third Street, congratulated the Board for changing their minds. He is writing a book on climate change and has learned a lot about energy from his discussions with David Walters. He wants to make Grand Haven the most environmentally responsible community there is and hopes the community and Board can now proceed toward reconciliation.

Andy Cawthon, 50 Howard and BLP Board candidate, offered his congratulations and thanked the Board and Staff for their patience, knowledge, accessibility and for reconsidering the project.

Peter Walter, 1100 Taylor, stated solar in Arizona is being subsidized by the federal government in Arizona and the Salt River Project. He stated wind may work in Michigan, but who wants it in the Lake. He would like to know if there is a markup to customers for buying off the grid. He feels the community was lied to when they were told we would replace Sims with local generation.

No formal action taken.

21-09D Director Witherell, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #21987 to CDW Computer Government in the amount of \$12,043 for 5 laptop computers and docking stations
- Approve Purchase Order #21915 to Irby Utilities in the amount of \$25,065 for 5 x 25 kVA and 5 x 50 kVA padmount transformers
- Approve Purchase Order #21926 to Power Line Supply Company in the amount of \$32,100 for 6 x 25 kVA, 6 x 50 kVA and 6 x 75 kVA polemount transformers
- Approve Purchase Order #21917 to Power Line Supply Company in the amount of \$23,377 for 72 wood power poles

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- Approve Purchase Order #21918 to Landis & Gyr Technology, Inc. in the amount of \$64,989 for deployment and annual subscription fee associated with grid analytic software and support for AMI
- Approve Purchase Order #21928 to Irby Utilities in the amount of \$11,160 for 2 x 3 phase 200 Amp primary fused sectionalizing pedestals
- Approve Purchase Order #21935 to Power Line Supply Company in the amount of \$15,639 for Ferrysburg voltage upgrade project materials

The General Manager reported we are starting to see a change in our business model. There are no purchase orders on tonight's agenda related to power supply. The Board will continue to see more of this as we move forward.

PO #21918 to Landis & Gyr is for deployment of data analytics software for our AMI system. With this software, we will be able to pull data in many other categories than we are able to pull from our billing software. We are now receiving more data than we ever had prior to the installation of AMI. Our meters tell us immediately when a customer's power is out or if a customer is experiencing substantial changes in their load – all in real time. This software is a valuable add-on to the investment we made with AMI meters and will help us analyze the data we are now receiving.

The motion was unanimously approved.

21-09E Director Witherell, supported by Director Kieft, moved to approve proceeding with redefinition of the Bond project, removal of the CHP generation component, and seeking evaluation of alternate locations for other necessary utility facilities.

As follow up to the August 9 and 11, 2021 townhall meetings, and the August 16 City Council meeting, the Board has before them the option to choose between two paths; Path 1 is to proceed with the redevelopment project on the Sims site as proposed, and Path 2 cancels the generation component and begins to redefine the project. Staff feels Path 1 provides benefits we will not gain from Path 2; however, there are positives to Path 2 as well. Given the community's vocal lack of support, and waning support on Council and the Board, we are now recommending Path 2. We are two and a half years in on the proposed redevelopment project and no longer have time to study and re-evaluate. If Path 2 is approved, we will still be going to the bond market. There are no other local generation projects to consider.

Next on this evening's agenda, the Board will be asked to authorize a 5-Year capacity purchase. This is the only other capacity alternative to Path 1. If approved, we will remove the local generation component from the Notice of Intent (NOI) and redefine the Bond Project definition. The NOI will either be amended or rewritten. Either way – it will need to be re-noticed and we will issue debt at a lower amount.

The BANs were due on July 31, 2021, which were intended to be a one-year construction loan to be paid off with the Bonds. The BANs include a higher interest rate provision with an aggressive payoff schedule if we do not issue debt.

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The General Manager recommended the Board proceed with a siting study to evaluate location options for construction of the other facilities that were included in the Bond Project.

Director Naser disagrees with the two paths. He believes there are other alternatives and feels we need to work with the community and that they still want an independent study of the project in Path 1. ~~He does agree that we don't have other alternatives to build local generation and suggested a group be created to select an organization to conduct an independent, objective study.~~ He suggested a work committee made up of BLP, City Council, local industry, and other community representatives be formed to secure a new consulting firm tasked with providing the pros and cons for local generation and, if desired, the pros and cons for each applicable type.

The General Manager stated Path 2 does not preclude another independent study. GHEO has been very clear in its desire to not include the BLP in their proposed process. They can continue in this "independent" process if they desire. He is seeking direction from the Board on redefining the Bond project. If we incorporate some of the known planned capital improvement projects in the Bond, we do not have to include the unknown elements. The General Manager proposed continuing to work with ProgressiveAE to assess where other BLP facilities may be located.

Director Kieft requested having a number of sites to evaluate and has no issue with using ProgressiveAE.

Director Crum said it would be prudent to look at the capital improvement plan and incorporate other items. He would like to move forward and continue to use ProgressiveAE.

Director Naser stated he is not comfortable ignoring what the public has told us, he wants to find another consultant and to work with a committee. He is voting no because this plan does not follow what he believes the community wants.

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

21-09F Director Kieft, supported by Director Witherell, moved to authorize Michigan Public Power Agency (MPPA) to execute a 5-Year approximate 15 MW Capacity Purchase for Planning Years 2024-2028.

MPPA is directed within the Letter of Authorization to purchase the BLP remaining capacity needs through planning year 2028 in accordance with our Energy Risk Management Policy. When we enter this capacity purchase, our intent is to use it, not to speculate and sell it later. Our Energy Risk Management Policy prevents us from speculating in this way.

MPPA and Staff recommends authorization of the 5-year capacity purchase.

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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Other Business – The BLP will be celebrating its 125 Year Anniversary on Wednesday, September 29, 2021. The General Manager encouraged the Board and the community to join us in celebration of GHBLP’s successes, particularly those that have been achieved over the last five years highlighted in our recently completed five-year plan.

The Clean Air Permit process began in February with expected final approval by November 2021. It is administratively complete, and all air emission standards were met in the design and operating conditions. That project was noticed today and is out for comment. At some point in time, it may be rescinded because GHBLP is no longer planning to construct the CHP.

No formal action taken.

At 6:35 PM. by motion of Director Kieft, supported by Director Crum, the August 19, 2021 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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