

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

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, October 21, 2021, at 4:00 p.m. at the Board's office located at 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 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, Operations & Power Supply Manager, and Rob Shelley, Distribution & Engineering Manager, and Peter Haefner, Vredeveld Haefner, LLC.

21-11A Director Kieft, supported by Director Naser, moved to approve the meeting agenda.

The motion was unanimously approved.

21-11B Director Kieft, supported by Director Witherell, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the September 16, 2021 Board Meeting and September 21, 2021 Board Work Session
- Accept and file the September 2021 Financial Statements and Power Supply & Sales Dashboard
- Accept and file MPPA Energy Services Project Resource Position Report dated 9/30/2021
- Accept and file the CYTD2021 through September Power Supply Summary
- Approve paying bills in the amount of \$2,561,825.55 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$1,041,028.82 from the Renewal and Replacement Fund
- Confirm Purchase Order #20888-24 to Jaffe Raitt Heuer & Weiss in the amount of \$7,549 for environmental legal services
- Confirm Purchase Order #21975 to Affordable Door & Gate in the amount of \$6,126 for repair and replacement of the north Sims site access gate

The motion was unanimously approved.

21-11C Public Comment Period –

Bob Monetza, Mayor, 945 Washington, expressed appreciation to Chairperson Smart and Director Naser for their lifetime of service to the community. He looks forward to discussions with the designated BLP committee members regarding the transfer of snowmelt capital assets and repayment process.

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

Mike Fritz, 225 Clinton, thanked Chairperson Smant and Director Naser for their years of service and dedication to the community.

Jeffrey Miller, 1120 S. Harbor Drive, thanked Chairperson Smant and Director Naser for their years of service. Miller asked the Board to consider not approving the revised capital improvement budget and appointment of Board members to the snowmelt committee until after the November election. Miller hopes ProgressiveAE is evaluating potential use of the Community Center for needed GHBLP facilities. A forum was held on October 20, 2021, to discuss a community sustainability plan. Miller would like to see BLP staff participate in the future. In addition, an event to meet and greet candidates will be held at the Armory on Thursday, October 28. Miller thanked BLP crews for their power restoration efforts in his neighborhood a couple weeks ago.

Mike Dora, 501 Friant, thanked Chairperson Smant and Director Naser for their years of service, and thanked the Board for the opportunity to discuss snowmelt.

The General Manager informed the Board we were unaware of the sustainability meeting held this week and that the GHBLP will be pleased to allocate staff to participate in these meetings when we are informed.

No formal action taken.

21-11D Director Naser, supported by Director Kieft, moved to approve the following purchase orders:

- Approve Purchase Order #21981 to GRP Engineering, Inc. in the amount of \$132,000 for the North Substation transformer design and contract administration engineering services

The motion was unanimously approved.

21-11E Director Witherell, supported by Director Crum, moved to accept the Fiscal Year 2021 Auditors' Report and Financial Statements for information.

Peter Haefner presented the audited financial statements to the Board. He stated staff does a nice job pulling all materials together for the audit. In their opinion, the financial statements presented fairly in all material respects. They did not identify any non-compliance issues.

On the Statement of Net Position, the increase in cash and cash equivalents showing for FY2021 is due entirely to taking out the \$13.3 million BAN. The reported asset retirement obligation is associated with demolition of the plant and needs to be liquidated with cash going forward. Unrestricted net income is consistent year to year. Changes in net position show a loss over the last two years and are associated with costs to demolish and remediate the Sims site. Funding of the BLP's Defined Benefit Plan is moving closer to being fully funded. Haefner did not find any necessary changes in accounting practices and processes.

The motion was unanimously approved.

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

21-11F The General Manager shared the MPPA Energy Services Project Report with the Board. Because it is difficult to understand, staff created three graphs to help make it more understandable.

1. 2021 GHBLP System Energy Supply (MWh). 100% of GHBLP's power supply costs are billed from MPPA. This graph is purely energy supply. Hedges included renewable energy purchase power commitments, which are long-term contracts. We do not have any long-term contracts for non-renewable resources. We have approximately 25 bilateral contracts, which are the majority of our purchases. The short-term market, or LMP, is the unhedged portion of our power supply. These are typically purchased in the day ahead market and balanced in real time.
2. The 2021 GHBLP System Power Supply (\$) chart includes energy supply plus fixed charges.
3. The 2021 GHBLP System Power Supply (\$/MWh) shows the average cost per MWh.

The General Manager shared the current MISO Michigan Hub annual RTC Forward graph, which tracks pricing in the market in 1 MW blocks. Calendar Year 2022 is the Prompt Year. We are in an escalating market. Our long-term hedges saved thousands of dollars this year. The out years price has increased by approximately 40%. This only affects the unhedged portion of our power supply. The Prompt Year is 86% above its historical low.

We are in a volatile market right now. The natural gas forward curve shows it returning closer to historical in 2023. Coal generation increased 22% this year due to current higher natural gas pricing.

No formal action taken.

21-11G Director Witherell, supported by Director Kieft, moved to approve the Resolution Establishing Authorized Signatories for separation of the combined City/BLP MERS Retiree Health Funding Vehicle (RHFV).

This is money the City invested with MERS on our behalf for Other Post Employee Benefits (OPEB) funding. We no longer provide after-retirement health benefits to employees who were hired on or after October 1, 2013. City Council has already approved the plan split.

The motion was unanimously approved.

21-11H Director Witherell, supported by Director Kieft, moved to approve the Resolution to Establish the BLP MERS RHFV.

The motion was unanimously approved.

21-11I Director Witherell, supported by Director Kieft, moved to approve the Joint Transfer Agreement to Transfer Funds from the City to the BLP MERS RHFV.

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

The motion was unanimously approved.

21-11J Director Witherell, supported by Director Kieft, moved 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, 2022 – December 31, 2022 Medical Benefit Plan Year.

**PREAMBLE AND RESOLUTION  
FOR ACT 152 EXEMPTION FOR THE  
JANUARY 1 – DECEMBER 31, 2022 MEDICAL BENEFIT PLAN YEAR  
(Under the Publicly Funded Health Insurance Contribution Act)**

**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, 2022 – December 31, 2022 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, 2022 and ending December 31, 2022.

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.

21-11K Director Witherell, supported by Director Crum, moved to approve the revised Capital Improvement Plan, which includes removal of the Operations & Technology Center and CHP project on the Sims site and designating funding for other necessary buildings and facilities.

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

This action adjusts the capital plan consistent with Board action at its September 2021 meeting to remove the Ops Center/CHP project on the island and to relocate buildings and facilities to another location.

The motion was unanimously approved.

21-11L Director Witherell, supported by Director Crum, moved to appoint Directors Witherell and Crum to the Snowmelt Committee.

Operation of the snowmelt system has been transferred to the City's Department of Public Works. We will be available to help this year while we still have employees on board to assist with any other needed training. The Snowmelt Committee is being established to discuss and determine how the new system equipment will be paid for.

Director Naser stated he feels a committee should not be appointed until after the November election.

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.

21-11M The General Manager provided an update on Progressive AE's building and facilities review. They were contracted to evaluate the 1700 Eaton Drive facility, new construction, and local existing buildings to determine the appropriate location for other needed BLP facilities and will provide their full report at the November meeting. What has become obvious is modifications to our Eaton Drive facility for the Operations & Technology Center and relocation of administrative functions to another site makes the most economic sense. This will be the least costly way to meet all our needs. We believe that purchasing an existing building that may be available on the market makes the most sense. We will share ProgressiveAE's report as soon as it is available and encourage Board members to contact Staff over the next month to get any questions answered prior to the November meeting.

No formal action taken.

Other Business – Chairperson Smart stated he considers it an honor and a privilege to serve on the Board for the past 22 years. He believes the BLP Staff is the very best and feels all of them have done a very good job. He thanked the voters and City Council and wished them all the best in the future.

Renee Molyneux, Administrative Services Manager, reported GHBLP is a 'Souper Supporter' of Soup for All this year, which was originally formed in 2004 in conjunction with the Housing Coalition. Soup for All became its own 501c3 on January 1, 2020 to expand its help to the homeless with utility or rent assistance and other needs, and to fill food pantries. We used a portion of our Hometown Helping Hand fund for this sponsorship, which is used to assist BLP customers in need who are unable to pay their past due electric bills. This fund has grown significantly over the past few years. Soup For All will be held at the St. Patrick – St. Anthony Parish on Thursday, November 18 from 9:30 am – 1 PM. We are sending a team of four BLP employees to help with the event and hope to see Board members there as well.

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

The General Manager invited the Board to attend a luncheon which will be held on Friday, November 12 to recognize and celebrate the outstanding achievements many of our employees accomplished over the past 3 years:

**Meter Technician Certification:** Matt McKee, Dave Lumm, Ryan LaFrance

**Certified Journeyman Lineworker:** Connor Chmelik

**System Operator Certification:** Brad Bakale, Erik Booth, Paul Cederquist, John DeWolfe, Chris Green, Steve Green, Brett Hendrick, Mike Kellogg, Shawn Kuck, Ryan LaFrance, Adam McConnell, Beau Ryther, Kevin Simpson, Tim VanAndel, Dan Vaclavik

**Other Degrees and Certifications:**

Danielle Martin – Master’s Degree in Business Administration from GVSU

Scott Ellis – Electronics Technology Certificate from MCC

Matt Sterling – Network Associate Certificate from Cisco

Director Naser stated he originally ran for the GHBLP Board because he wanted to retire Sims III. He feels the retirement is a major accomplishment. He realizes the last three years have been hard and he apologized for being difficult with Staff. He feels it is important the Board continue to include the public as decisions are being made. He thanked the voters and wished the Board and Staff the best in the future.

No formal action taken.

At 6:21 PM. Chairperson Smart adjourned the October 21, 2021 Board meeting.

Respectfully submitted,

Renee Molyneux  
Secretary to the Board

RM