

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 29, 2021

A rescheduled meeting of the Grand Haven Board of Light and Power was held on Monday, November 29, 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.

Incoming Director Hendrick was signed into office by Linda Browand, Grand Haven City Clerk. No formal action taken.

21-12A Director Westbrook, supported by Director Hendrick, moved to nominate Director Kieft to serve as Chairperson of the Board.

Director Crum asked for the Board's consideration on having Vice Chairperson Witherell serve as Chairperson. He feels Vice Chairperson Witherell has done a good job, participating in most of the recent community outreach efforts as well as participating in APPA, MMEA and MPPA meetings and conferences, and that he would like him to be nominated.

Director Kieft stated a nomination is already on the floor, closed nominations and called for a vote to elect Director Kieft to serve as Chairperson.

In a roll call vote of the Board, those in favor: Directors Hendrick, Kieft, and Westbrook; those absent: Director Witherell; those opposed: Director Crum. Motion passed.

21-12B Director Hendrick, supported by Director Crum, moved to nominate Director Westbrook to serve as Vice Chairperson of the Board, close nominations, and to cast a ballot for Director Westbrook.

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

The meeting was called to order at 4:24 p.m. by Chairperson Kieft.

Present were Directors Crum, Hendrick, Westbrook and Kieft.

Also present were Renee Molyneux, Administrative Services Manager and Secretary to the Board; Erik Booth, Operations & Power Supply Manager; Lynn Diffell, Accounting & Finance Manager; Rob Shelley, Distribution & Engineering Manager; David Shull and John Eberly, ProgressiveAE; and Kester So, Dickenson Wright (electronically).

21-12C Director Westbrook, supported by Director Crum, moved to excuse Director Witherell from the meeting for medical reasons.

The motion was unanimously approved.

21-12D Director Hendrick, supported by Director Crum, moved to amend the meeting agenda by moving Other Business 9.1. PFAS Test Results to 8.C.3 and to move item 8.C.3. ProgressiveAE Path 2 report to 8.C.4 and approve the amended agenda.

The motion was unanimously approved.

21-12E Updated Board Binders were distributed to the Board. No formal action taken.

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21-12F Director Hendrick, supported by Director Crum, moved to approve the 2022 Board Schedule with the start time amended to 5PM and to revisit the time change in 4 to 6 months to determine if any further change is needed.

The motion was unanimously approved.

21-12G Communication procedures were discussed. Director Crum prefers all members to communicate electronically. Hendrick and Westbrook prefer receiving information electronically. Chairperson Kieft does not use e-mail and will not going forward. Booth informed the Board cyber security training is required to ensure network security.

No formal action taken.

21-12H Chairperson Kieft, supported by Director Hendrick, moved to nominate and elect Director Westbrook to serve on the MPIA Board.

The motion was unanimously approved.

21-12I Director Westbrook, supported by Director Crum, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the October 21, 2021 Board Meeting
- Accept and file the October 2021 Financial Statements and Power Supply & Sales Dashboard
- Accept and file MPPA Energy Services Project Resource Position Report dated 10/28/2021
- Accept and file the CYTD2021 through October Power Supply Summary
- Accept and file the 2021 GHBLP Strategic Progress Report
- Accept and file the Michigan Average Revenue Per kWh 2020 Table from APPA
- Approve paying bills in the amount of \$2,425,942.85 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$246,631.60 from the Renewal and Replacement Fund
- Confirm Purchase Order #20888-25 to Jaffe Raitt Heuer & Weiss in the amount of \$4,045 for environmental legal services
- Confirm Purchase Order #20888-26 to Jaffe Raitt Heuer & Weiss in the amount of \$5,497 for environmental legal services
- Confirm Purchase Order #21438-1 to ProgressiveAE in the amount of \$29,479 for post design support for Sims site redevelopment
- Confirm Purchase Order #21947-3 to Trace Analytical in the amount of \$30,849 for non-CCR sampling and analytical services

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- Confirm Purchase Order #22010 to ProgressiveAE in the amount of \$6,111 for Path 2 facilities study and schematics
- Confirm Purchase Order #22010-1 to ProgressiveAE in the amount of \$15,293 for Path 2 facilities study
- Confirm Purchase Order #22014 to Power Line Supply Company in the amount of \$10,491 for Hendrix materials for customer requested line upgrade

Director Hendrick requested the Board be provided invoices for confirming purchase orders before meetings; however, no motion was presented and the Board did not take action approving this request.

The motion was unanimously approved.

21-12J Public Comment Period –

Field Reichardt, 427 Sand, stated he hopes the Board will respect and pay attention to the public comment period into the future. He feels the community is interested and is watching the BLP very closely. He asked the Board to move their meetings to later in the day, which allows the public to participate, and feels 7 PM is reasonable. He suggested the Board publish the Board Agenda with an executive summary. He also asked the Board to have a public comment period at the beginning and another one at the end of each meeting. He thanked Director Crum for mentioning Director Witherell and expressed concerns for Director Witherell's health.

Ryan Cummins, 551 Gidley, congratulated Chairperson Kieft and new members of the Board. City Council would like to hold a joint meeting with the Board to find ways to work better together.

No formal action taken.

Erik Booth reviewed the Power Supply and Sales Dashboard and the APPA Average Revenue Per kWh in 2020 for Michigan. In 2015, GHBLP had one of the highest average per kWh rates in the State. We are pleased to report all BLP rate classes have decreased since 2015.

Day ahead markets were discussed. October was much higher than it has been in the last five years. Booth reported the BLP purchases unhedged in the day ahead market and avoids the real-time market, which is much more volatile. Energy costs are predicted to increase in the future, but not as much as they did this year.

The MPPA Quarterly Forecast was reviewed. Our goal is to stabilize rates. The hedge range is 80-90%.

Booth asked the Board to provide feedback on the reports and dashboard; what works, what more is needed?

No formal action taken.

21-12K Rob Shelley, Distribution & Engineering Manager, informed the Board we are starting to feel the impacts of market supply and demand on two fronts; cost increases and longer lead times. One example provided is for distribution padmount transformers. We recently bid out

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150 kVA transformers. The current lead time is 50 weeks at a cost of \$14,695. In 2020, the lead time for the same unit was 10 weeks at a cost of \$8,525. All utilities are dealing with this issue.

No formal action taken.

21-12L Director Crum, supported by Director Westbrook, moved approve the following purchase orders:

- Approve Purchase Order #22016 to Windemuller Electric, Inc. in the amount of \$20,810 to install substation cameras at Osipoff, North and Sternberg
- Approve Purchase Order #22018 to Power Line Supply Company in the amount of \$15,750 to purchase #2 15 kV underground wire for stock
- Approve Purchase Order #22020 to Irby Utilities in the amount of \$15,750 for 6 x 25 kVA single-phase 120/240 padmount transformers for stock
- Approve Purchase Order #22021 to Irby Utilities in the amount of \$33,830 for 2 x 300 kVA three-phase 120/208 padmount transformers for stock
- Approve Purchase Order #22028 to Power Line Supply Company in the amount of \$13,329 to purchase meter sockets for stock
- Approve Purchase Order #22029 to Power Line Supply Company in the amount of \$27,312 for materials to upgrade the distribution system in River Haven
- Approve Purchase Order #22031 to Power Line Supply Company in the amount of \$5,337 for box pads for 300 kVA padmount transformers
- Approve Purchase Order #22037 to Irby Utilities in the amount of \$48,165 for 3 x 300 kVA three-phase 277/480 padmount transformers for stock
- Approve Purchase Order #22038 to Irby Utilities in the amount of \$41,010 for 3 x 150 kVA three-phase 120/208 padmount transformers for stock
- Approve Purchase Order #22039 to Get-R-Cut in the amount of \$232,500 for 2021 supplemental tree trimming contract

We are seeing increased pricing with these purchase orders. The process is to solicit bids from at least three vendors, evaluate the bids and lead times, and make a recommendation to the Board for approval. We are recommending the lowest bids for these purchase orders.

The motion was unanimously approved.

21-12M Director Hendrick, supported by Director Crum, moved to adopt the following Resolutions in Honor of Board Service for former Directors Smant and Naser:

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**RECOGNITION OF
EXEMPLARY PUBLIC SERVICE**

JACK SMANT

WHEREAS, Jack Smant, has faithfully and capably served the Grand Haven Community as a Board Director of the Grand Haven Board of Light & Power since May 1999; and,

WHEREAS, during this time he has provided valuable guidance and leadership to the Grand Haven Board of Light & Power and,

WHEREAS, his activities in Public Power exemplify his dedication to serve his community and protect the benefits of community-ownership, local control, and not-for-profit service, provided by the Grand Haven Board of Light & Power to the greater Grand Haven area;

NOW, THEREFORE, BE IT RESOLVED, that the Grand Haven Board of Light & Power hereby recognizes Jack Smant for twenty-two and a half years of outstanding service to the Grand Haven Board of Light & Power and its customer-owners; and,

BE IT FURTHER RESOLVED, that the Board of Directors of the Grand Haven Board of Light & Power extends its heartfelt thanks to Jack Smant for faithfully and capably discharging the duties of Board Director for the past twenty-two and a half years.

**RECOGNITION OF
EXEMPLARY PUBLIC SERVICE
JOHN NASER**

WHEREAS, John Naser, has faithfully and capably served the Grand Haven Community as a Board Director of the Grand Haven Board of Light & Power since November 2009; and,

WHEREAS, during this time he has provided valuable guidance and leadership to the Grand Haven Board of Light & Power and,

WHEREAS, his activities in Public Power exemplify his dedication to serve his community and protect the benefits of community-ownership, local control, and not-for-profit service, provided by the Grand Haven Board of Light & Power to the greater Grand Haven area;

NOW, THEREFORE, BE IT RESOLVED, that the Grand Haven Board of Light & Power hereby recognizes John Naser for twelve years of outstanding service to the Grand Haven Board of Light & Power and its customer-owners; and,

BE IT FURTHER RESOLVED, that the Board of Directors of the Grand Haven Board of Light & Power extends its heartfelt thanks to John Naser for faithfully and capably discharging the duties of Board Director for the past twelve years.

The motion was unanimously approved.

21-12N Discussion was held regarding the Bond Resolution as prepared by Bond Counsel. At tonight's meeting, we are recommending the Board approve the Second Supplemental Bond Resolution and a recommendation for City Council approval.

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Director Hendrick stated City Council asked for a joint meeting with the Board and she feels that it's important to meet. She asked for clarification on Section 1.(f)(v) in the Second Supplemental Revenue Bond Resolution as it refers to the definition of 'System' and if this is for generation. Kester So, Dickinson Wright, confirmed the Bond is for \$25 million and the definition of System in Section 1.(f)(v) refers to a utility system. For Grand Haven, the 'System' is only distribution related. Grand Haven does not have any generation. The items referenced in the Bond are for the items listed in the BLP's Capital Improvement Plan (CIP). The Bond may not be used for generation as there is no generation listed in the CIP. Mr. So stated he feels it is appropriate to include remediation as it relates to the plant in the Bond. Regarding Section 3. Costs: Useful Life for legal and engineering expenses is for work that was performed for the Bond.

Director Crum, supported by Director Westbrook, moved to approve the Second Supplemental Bond Resolution and Recommending Approval by the City Council as prepared by Bond Counsel.

**A RESOLUTION TO APPROVE THE
SECOND SUPPLEMENTAL REVENUE BOND RESOLUTION AND
RECOMMENDING APPROVAL BY THE CITY COUNCIL
OF THE CITY OF GRAND HAVEN, MICHIGAN**

WHEREAS, The City of Grand Haven, Michigan (the "City"), through the Board, operates a municipal electric system (the "System") to serve users both within and without its City limits and has provided, by resolution, for rates and charges to the users of the System; and

WHEREAS, from time to time, the City has issued revenue bonds pursuant to the Revenue Bond Act, Act No. 94, Public Acts of Michigan, 1933, as amended ("Act 94") to finance the acquisition, construction, improvement, installation and equipping of the System; and

WHEREAS, the Board previously proposed a project, which included: (i) the disassembly and demolition of the City's existing Sims plant and conducting environmental and general remediation and mitigation of the existing site; constructing or renovating a System substation; constructing, renovating and equipping electric utility office and control facilities; acquiring and installing hot water heaters or other heat sources for use by the City's snow melt system; acquiring and installing automated meters; acquiring, constructing and installing natural gas-fired reciprocating internal combustion engines to produce electricity, including all equipment and any appurtenances and attachments thereto; and to make other improvements to the System (collectively, the "2020 Project") and (ii) paying the costs of issuing notes and bonds; and

WHEREAS, on July 6, 2020, a bond authorizing resolution (the "Bond Resolution") providing for the issuance of bonds and notes under and in accordance with Act 94 and the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, and a First Supplemental Revenue Bond Resolution authorizing the issuance of bond anticipation notes were adopted by the City Council; and

WHEREAS, on July 31, 2020, a not to exceed \$20,000,000 City of Grand Haven Utility System Revenue Bond Anticipation Note, Series 2020A (the "Bond Anticipation Note") was

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issued by the City in part to finance part of the costs of the 2020 Project and the costs of issuance of the Bond Anticipation Note; and

WHEREAS, the Board, after public comment in 2021, has proposed a revised project which includes the following: (i) disassembly and demolition of the City's existing Sims plant and conducting environmental and general remediation and mitigation of the existing site; acquisition and installation of automated meters; construction or renovation of a System substation on Harbor Island; making additional substation improvements to the Board's Osipoff, North, and Sternberg substations and certain distribution circuit upgrades, and making other improvements to the System included in the Board's Capital Plan (collectively, as revised, the "Revised Project"), (ii) the payoff of the Bond Anticipation Note and (iii) paying the costs of issuing bonds; and

WHEREAS, the Board and City now desire to adopt a second supplemental revenue bond resolution, authorizing issuance of bonds (the "2021A Bonds") pursuant to the Bond Resolution to finance the costs of the Revised Project, the payoff of the Bond Anticipation Note, and the costs of issuance related thereto; and

WHEREAS, a form of second supplemental revenue bond resolution (the "Second Supplemental Revenue Bond Resolution") authorizing the issuance of the 2021A Bonds for consideration by the City Council, has been placed on file with the Board prior to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF LIGHT AND POWER OF THE CITY OF GRAND HAVEN, MICHIGAN, as follows:

1. The Board hereby requests that the City Council authorize the issuance of the 2021A Bonds for the purpose of financing the costs of the Revised Project, the payoff of the Bond Anticipation Note, and the costs of issuance related thereto.
2. The Board hereby approves the Second Supplemental Revenue Bond Resolution, requests that it be submitted to the City Council for its consideration, and recommends approval of the resolution by the City Council.
3. All prior resolutions or orders, or parts thereof, insofar as they may be in conflict with the provisions of this Resolution, are hereby repealed or rescinded, as applicable.
4. This Resolution shall be effective immediately upon its adoption.

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

21-120 Notification of PFAS Test Results – Erik Booth reported that all official documents related to CCR are posted on our website. We are also sharing all information we have received on non-CCR testing, which includes PFAS.

Booth reported the most recent findings with the Board. Piezometers were recently installed in various locations on the Sims site for ground water flow studies, which meet well

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specifications and are EPA approved for well locations. We drew samples from these wells to test for non-ash constituents and have received the first set of data. The BLP and the City will need to navigate the cleanup process together and evaluate the site holistically. Golder recommends we complete the piezometer plan approval process and continue quarterly testing. Staff will work with the Board and the City to establish direction.

The full report is posted on our website at <https://ghblp.org/about-us/reports/ccr-rule-compliance-data-and-information/> under PFAS and other Non-CCR Test Data.

Director Hendrick suggested renaming links to make them easier to find.

No formal action taken.

21-12P ProgressiveAE Path 2 Facilities Report and Recommendations were presented to the Board by David Shull, ProgressiveAE. They determined having all facilities at one location leaves the BLP vulnerable. They evaluated a series of possibilities and scenarios including: Build new, purchase existing or lease.

- The Community Center is too ~~big~~ **small** and leasing is not good fit for the utility.
- Building a System Operations Center is ruled out. If we were to build, we would want to attach it to a generation plant for a 60 year facility. If not attached to a plant, the building would not be attractive to future buyers of the facility.
- Moving the Administrative facility (office space) makes the most sense and would be easier to sell in the future.

At 6:35 PM, Director Hendrick, supported by Director Westbrook, moved to adjourn the open session and enter into closed session pursuant to Section 8(d) of the Open Meetings Act to review potential purchase of real property and discuss potential negotiations and terms of option or buy-sell agreement.

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

21-12Q At 7:18 PM, Director Hendrick, Supported by Director Westbrook, moved to adjourn closed session and reenter open session.

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

Other Business – Erik Booth reported we have a draft discharge permit for the Diesel Plant requesting mercury be added to the measurements and EGLE issued the Permit to Install a CHP on the Sims site to GHBLP.

Director Crum reported it is with great sadness we inform the public that we lost a member of the BLP family last week. Dan Vaclavik, one of our System Operators, passed away unexpectedly last week Sunday. Dan began his BLP career as a Maintenance Custodian 29 years ago and advanced his way up the ladder to System Operator today. He was a leader and a mentor

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in the Operations department throughout the power supply transition and will be missed. Our thoughts and prayers go out to his son Brody and daughter Erin as they go through this difficult time.

By consensus, the Board agreed they will be available from 9 AM to noon on Thursday, December 2, 2021 for a joint Board/City Council meeting.

In response to requests from the community for more transparency and public participation, Chairperson Kieft asked Staff to research and provide utility best practices for public comment period and to provide a recommendation at the December meeting.

No formal action taken.

At 7:44 PM by motion of Director Hendrick, supported by Director Crum, the November 29, 2021 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM