

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
APRIL 21, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, April 21, 2022, at 5:00 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 5:00 p.m. by Chairperson Kieft.

Present were Directors Crum, Hendrick, Westbrook and Kieft.

Attending remotely from Spring Lake, Ottawa County, Michigan was Director Witherell under an approved ADA request for accommodation.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Accounting & Finance Manager; Rob Shelley, Distribution & Engineering Manager; and Erik Booth, Operations & Power Supply Manager.

22-08A Director Crum, supported by Director Westbrook, moved to approve the meeting agenda.

The motion was unanimously approved.

Public Comment Period – Kent Blohm, 1820 Pine Court, was pleased to hear the BLP's commercial for the Green Energy Program including the tag line, "Grand Haven Board of Light & Power is your reliable, affordable, and sustainable electric utility." He also stated GHBLP's website looks great including the page devoted to sustainability. Blohm said everyone needs to be involved in sustainability efforts, not just the BLP. He asked the BLP to support a community energy plan.

Patty Nelsen, 1820 Pine Court, stated she appreciated Director Witherell's recent Your Views letter in the Grand Haven Tribune regarding the BLP's commitment to sustainability and the Green Energy Program. She registered for the program in October 2020 and is happy to see it being advertised. She most appreciated the first and last sentences of the letter, which encouraged us to continue working together to find solutions that move our community forward more reliably, affordably, and sustainably.

Nancy O'Neill, 216 S. Second St., heartily supports the creation of a regional sustainability and energy plan for the GHBLP service territory that will benefit present and future residents and provide a model for other communities. She encouraged the Board to read the Union of Concerned Scientists' report titled, "On the Road to 100 Percent Renewables."

Ryan Cotton, 515 Park Avenue, thanked the Board for the Green Energy Program. He is now a participant in both Grand Haven and Holland's programs. He is working with others in the community to establish a Grand Haven sustainability committee and they would be happy to work with whoever is assigned from the BLP. They are starting fundraising efforts and are asking the BLP to contribute \$50,000 toward their community sustainability efforts.

No formal action taken.

22-08B Director Crum, supported by Director Westbrook, moved to approve the consent agenda items. The consent agenda includes:

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- Approve the Minutes of the March 17, Regular Board Meeting, and the March 31, 2022 Special Board Meeting (including the March 31, 2022 closed session minutes)
- Accept and file the March 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated March 31, 2022
- Accept and file monthly EGLE/EPA Sims Site Environmental Compliance letters and reports
- Approve paying bills in the amount of \$2,183,571.73 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$109,849.08 from the Renewal and Replacement Fund

The General Manager informed the Board of the Enforcement Notice he received from EGLE that he immediately sent to Pat McGinnis to address as the new project manager of the Sims site. Our understanding is the City and HDR are now posting all materials. The location is unknown at this time. We are posting the Enforcement Notice on our website, as required. This is the last month we will include Item 4.D., Monthly EGLE/EPA Sims Site Environmental Compliance Letters and Reports on the Board's agenda as we no longer have this responsibility.

The General Manager reviewed current market volatility with the Board. Pricing in natural gas and renewable energy is increasing rapidly. The 2023 round-the-clock price is approximately \$75/MWh. The forward price at the Michigan Hub is trading at \$64.91, which is a 140% increase above where it was two years ago. Energy pricing is tracking natural gas, and renewables are already up as a result of supply chain issues. Natural gas is at an all-time high for this time of year partially due to suppliers exporting as much as possible to Europe. This is a long-term problem with no near-term solutions. These costs will be passed on to our customers through the power supply cost adjustment (PSCA), which we be reimplemented on July 1, 2022 for Fiscal Year 2023.

Director Westbrook heard about a tentative joint meeting with City Council. No agenda has been brought forward. Director Crum recommended managers be present as well.

The motion was unanimously approved.

22-08C Director Witherell, supported by Director Crum, moved to approve the following Purchase Orders:

- Purchase Order #22147 to T & R Electric Supply Company in the amount of \$61,158 for 4 x 150 kVA and 2 x 300 kVA padmount transformers for inventory
- Purchase Order #22166 to RESCO in the amount of \$58,114 for 108 wood distribution power poles for inventory and rotten pole replacements
- Purchase Order #22175 to Schweitzer Engineering Laboratories, Inc. in the amount of \$5,329 for reclosure control for the North Substation project

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- Purchase Order #22184 to Irby Utilities in the amount of \$14,000 7 25 kVA polemount transformers for inventory
- Purchase Order #22188 to Rohn in the amount of \$26,500 for steel structures for the North Substation project
- Purchase Order #22190 to Power Line Supply Company in the amount of \$48,708 for 200 x LED street light fixtures and photocell controls for accelerated LED conversion project

We ran a pilot project through our Energy Waste Reduction (EWR) program to upgrade street lighting with LEDs over the past few years. We are expanding these efforts through our more flexible EWR program to replace all street lighting on our system. PO #22190 is the first set of lights for this accelerated project. We service approximately 1,500 streetlights and have approximately 500 remaining to upgrade. We are using BLP employees for this project.

The motion was unanimously approved.

22-08D Director Hendrick asked to return to the consent agenda and moved to amend the March 17, 2022 meeting minutes. The motion was not supported. No formal action taken.

22-08E Lynn Diffell, Accounting & Finance Manager, explained the budget process and how sales are estimated. The FY2023 initial Budget and Capital Improvement Plan was reviewed and discussed. Distribution losses account for approximately 2.55% of our purchases. These losses are lost through our system.

There is very little growth, estimated at 2% for FY 2023.

We zeroed out the PSCA two years ago. The PSCA is being reimplemented on July 1, 2022 and is applied to all kWh's sold. Base rates, which were adjusted down an average 1.0% overall on July 1, 2021, are staying the same. We estimate \$0.038 per kWh will be collected via the PSCA. UFS is also evaluating water pumping and thermal energy rates.

Wages are estimated at 3% across the board with 1% for equity. Fringe benefits are included at actual costs.

If the Board agrees the BLP will pay more for environmental cleanup on Harbor Island above what is budgeted, the Board will need to add a new line item on all customer bills to recover those costs on a per kWh basis. The current budgeted number is for CCR cleanup only based on estimated expenses during last year's budgeting process. We anticipate the city will bring a presentation to the Board next month.

Capital expenses are spread out over the life of the asset. New vehicle orders are two to three years out which extends our current replacement schedule.

We continue to include \$4 million in the budget for the administration facility.

Further questions may be answered over the next month. The budget needs to be approved at the May Board meeting.

No formal action taken.

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22-08F The General Manager discussed BLP contracting for environmental activities on the Sims site. When the BLP is being considered as a major funding source for the Harbor Island environmental cleanup project by other departments, the Board needs to approve of the contract and costs. This is a requirement of the Charter. The General Manager has asked the City Attorney for a legal opinion as to what funds can be used for what purposes; however, he has not yet received one.

No formal action taken.

22-08G The General Manager provided an update on Key Account meetings, which have been going well. We have been receiving high marks on reliability from our largest customers. We need to improve reporting our sustainability efforts to our customers.

No formal action taken.

22-08H Other Business – Director Westbrook expressed appreciation of the positive feedback during tonight’ public comment period. Director Westbrook extended an invitation to the community energy plan / sustainability committee to meet with David Walters and Renee Molyneux.

The Board will review several policies and procedures in July 2022 including our purchasing policy and our reserve policy.

The General Manager reviewed GHBLP’s renewable energy purchases with the Board.

No formal action taken.

Public Comment Period – Ryan Cotton, 515 Park Avenue stated the City of Holland achieved goals through a community sustainability plan, and that takes money. He is asking the BLP to contribute \$50,000 to the community energy plan / sustainability committee. He appreciates what he heard tonight and offered to facilitate meetings with the BLP.

No formal action taken.

At 8:52 PM by motion of Director Westbrook, supported by Director Hendrick, the April 21, 2022 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM