

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
AUGUST 18, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, August 18, 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 Vice Chairperson Westbrook.

Present were Directors Crum, Hendrick, Westbrook, and Witherell.

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.

22-13A Director Witherell, supported by Director Crum, moved to excuse Chairperson Kieft for medical reasons.

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

22-13B Director Witherell, supported by Director Crum, moved to approve the meeting agenda.

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

Public Comment Period –

Paul Peppin, 212 Sherman Ave., had submitted an emailed statement prior to the August 3rd meeting but was unable to attend. He extended his appreciation to BLP employees for providing excellent, reliable service to our community. He expressed concern regarding the Resolution the Board passed at its August 3rd meeting and urged the Board to hold a meeting with city council. He stated he was shocked and appalled at the Board's meeting process on August 3rd and how Director Hendrick was treated.

Jeffrey Miller, 1120 S. Harbor Drive, said he appreciates the work of the frontline workers. He is not pleased with the Board stifling discussion, and he feels meetings should be held later in the evening at 7:00 or 7:30 PM so more members of the community may attend. Miller feels the Resolution passed at the August 3rd meeting should have been kept as a whitepaper until discussions with council could be held.

John Naser, 1450 Ferry Street, asked the Board to correct his statement in the August 3rd meeting minutes. He stated he did not say, "all" BLP actions need to be approved by council; he said, "major" actions need to be approved. Naser urged the Board to work with council.

Jim Hagen, 400 Lake, referred to recent speculation regarding where PFAS originated from on Harbor Island and a recent Townhall Meeting regarding Newago Farms where Eagle Ottawa sent composted sludge from its Grand Haven plant. PFAS has been found in the groundwater on these farms. Hagan suggested this is a good example for Harbor Island, proving Eagle Ottawa used PFAS during the tannery processing. He stated it is ridiculous to assume the BLP used PFAS on their coal.

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Director Westbrook, Board Vice Chairperson, read the following testimonials received from BLP customers:

August 8, 2022, Andy Hatch, "I'm happy to be writing you about my experience with Doug Bowers and the crew that worked near our 66 Poplar Ridge cottage. Doug was reluctant to give me your email, but I demanded it. Doug was prompt, personable and overall was great to work with on our pole project. The crew was equally helpful and friendly and more than one neighbor commented on how nice everyone was. In this world of constant complaints and let downs I wanted to share some good news from a happy and satisfied customer. Thank you!"

August 9, 2022, Buddy Rowles, "I wanted to express my appreciation for the fast service provided early this morning during a power outage at my home. My neighbor's tree had rubbed on the line causing the outage. The guys that showed up were fast and professional having to replace the line from the pole to the house in the middle of the night, phone support was also fast and friendly. Great work team."

August 19, 2022, Dick Goers, phone call to Renee Molyneux, Administrative Services Manager. Goers wanted to provide a few comments regarding our Plugged In newsletter and the August article on solar. He said he felt what was reported for solar efficiency gains was somewhat exaggerated, but also that he was surprised the changes reported in solar efficiency are as low as they are. He said having the text justified (right and left) provided too much white space in some of the copy, but overall, he appreciates receiving the information and thanked us (the BLP) for providing it. Molyneux let him know the Board's goal is to help educate our customers in a non-biased manner, which he said he appreciated.

David Walters, General Manager, added there is just as much time spent by management and staff who directs the work of BLP crewmembers. This is a team effort made by all.

No formal action taken.

22-13C Director Witherell, supported by Director Crum, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the July 21, 2022 Regular Board Meeting and August 3, 2022 Special Board Meeting
- Accept and file the July 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated July 28, 2022
- Accept and file the August 8, 2022 General Manager Memorandum to City Attorney
- Accept and file e-mail communications between the Board Secretary and Interim City Manager RE: Placing item 14. A and 14. B on City Council's 8/15/2022 meeting agenda

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- Approve paying bills in the amount of \$3,933,871.08 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$353,739.30 from the Renewal and Replacement Fund
- Confirm Purchase Order #21961-1 to Kent Power Inc. in the amount of \$8,600 for the Ferrysburg 2,400V conversion project change order
- Confirm Purchase Order #22312 to Western Tel-Com Inc. in the amount of \$12,719 for directional boring on W. Spring Lake Road
- Confirm Purchase Order #22323 to Zervas Facility Maintenance in the amount of \$24,000 for FY2023 facility cleaning services
- Confirm Purchase Order #22332 to Great Blue Research in the amount of \$22,000 for FY2023 customer satisfaction survey
- Confirm Purchase Order #22334 to Dickenson Wright PLLC. in the amount of \$6,210 for legal services through June 30, 2022

Discussion opened regarding Consent Agenda Items 4.D. and E.

The General Manager advised the Board that when the Board Secretary submitted the Board's agenda item request to the Interim City Manager for approval of Varnum at city council's August 15 meeting, she also provided supporting information for council's review and consideration. None of this was included in their meeting packet and the agenda item was not written as requested. We were told the meeting agenda was drafted on Monday, August 8, which was before our submittal, but no attempt was made to change the material or alter the information for discussion after its receipt. We were told it would take a super-majority of council in order to change the agenda, but were assured the information would be provided, which included the draft July 18 Board Minutes. What actually occurred between the Board's July 18 meeting and the Board's August 3rd meeting is that the mayor called a joint meeting (for August 10). The mayor is the person then who should cancel that meeting. Further, the city asked the city attorney to draft an opinion following the Board's July 18 meeting, which was released to the Board on August 1. Because of this, the Board Chair and Vice Chair felt it necessary to take the action on August 3.

Director Hendrick expressed confusion regarding the General Manager's comments.

The General Manager explained that all 15 points discussed by the Board on July 18 were forwarded by the city to the city attorney, and the city attorney opined on them before the August 3rd meeting.

The August 3rd Resolution was written by the General Manager. The proposal to reinstate Varnum was discussed with Varnum between the July meeting and subsequent meeting on August 3rd to ensure they were still interested in representing the Board, which they were. Varnum reviewed the draft Resolution, and stated it looks good as written, and assured the General Manager they are willing to represent the Board. Varnum was not used in an illegal manner.

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Vice Chairperson Westbrook stated he is glad the information regarding what has transpired is included in tonight's packet.

The General Manager stated the emails referenced in item 4.D. between the city attorney, Ron Bultje, and the General Manager expressing the Board's concerns were sent to Bultje to ask him to correct his statements that were shared publicly in the Tribune. Bultje then shared these interactions with the full council and the Board without the General Manager's approval. His concern is not whether this was ethical or legal, but that it served only to escalate the tension between the bodies. The General Manager's desire was for the attorney to act to reduce such tension, but Bultje decided not to.

Director Crum stated he feels the lack of professionalism of the city attorney is concerning. We are his client. The General Manager has the right to ask the city attorney any questions he needs to ask.

Director Hendrick said she gets shut down when she asks questions. She asked the Board if anyone else was concerned with the rapid-fire questions the General Manager was sending to the city attorney.

Vice Chairperson Westbrook stated Ron Bultje works for us. Bultje was trying to discredit the General Manager, which is inappropriate.

The General Manager stated the BLP did not agree with some of the city attorney's opinions. The city attorney works as an advisor to the BLP and council. The BLP and council decides whether they agree with the city attorney's opinions or not. It is neither wrong or illegal to not agree with him.

The General Manager added there has also been a lot of rephrasing of his statements. If you read the Tribune's article and the city attorney's comments referencing what the General Manager said, none of this was confirmed by the Tribune with the General Manager and it was not repeated accurately. The General Manager has asked the Tribune to only print his actual quotes, not hearsay shared with them by others.

Director Witherell asked why city council is afraid of having the BLP seek another legal opinion. What possible problem could it be for them? Why should the BLP not seek other legal opinions, similar to other businesses?

Vice Chairperson Westbrook stated he supports Director Witherell's comment.

Director Crum added he does not understand how statements from personal emails between the city attorney and the General Manager ended up at the Tribune. Every email with Bultje states at the bottom, "Privileged and Confidential." These emails are between the client and their attorney. How did they get shared with the press and why doesn't the General Manager and the Board receive the same treatment as other city officials?

The Board agreed to revise John Naser's comment in the August 3, 2022 minutes as requested.

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

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22-13D Director Witherell, supported by Director Crum, moved to approve the following purchase orders:

- Approve Purchase Order #22313 to Premier Line Services, LLC in the amount of \$45,016 for switchgear cleaning
- Approve Purchase Order #22314 to Premier Power Maintenance Corporation in the amount of \$19,377 for maintenance on the North Substation
- Approve Purchase Order #22326 to Newkirk Electric Associates in the amount of \$622,581 for Osipoff control house construction
- Approve Purchase Order #22328 to Treeworks Inc. in the amount of \$162,000 for FY2023 contracted tree trimming services
- Approve Purchase Order #22330 to GRP Engineering, Inc. in the amount of \$140,000 for Osipoff engineering services

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

22-13E Director Hendrick, supported by Director Witherell, moved to accept the 2022-2026 Strategic Plan and Status Update presentation for information and to move forward with a Board self-evaluation and one-day workshop with Steve VanderMeer.

The General Manager provide a presentation on the status of FYs 2022-2026 Strategic Plan goals.

We (staff and Board) are not doing very well in our Core Values to operate as a team. We believe as management we manage with these core values in mind.

GHBLP has changed from being a generator (of electricity) to being a buyer / distributor of electricity and we are a transmission dependent utility.

Financial Management and Planning: In 2016 and in 2021, UFS conducted cost-of-service studies to establish our 5-year rate plans for each of the 5-year strategic plans. GHBLP rates are set in accordance with the regulatory processes that all other utilities follow. In 2022, an updated cost-of-service study was performed for the reimplementation of our power supply cost adjustment (PSCA). We currently have \$41 million in cash, which will be reduced to our minimum cash reserve over the next four years. The financial plan was adjusted when the project was cancelled; however, we did not adjust the plan when PFAS was found on the former Sims site and no additional costs are being planned for at this time.

Power Supply: The BLP has improved reliability when we upgraded our transmission system and became a network participant. All current and utility scale power supply planning and market participation is completed jointly through MPPA. The Energy Services Agreement and Risk Management Plan are the most important documents for the Board to understand. The Energy Services Agreement was last renewed in August 2011 with contract terms extending through the date of expiration of our Purchase Power Commitments, which are 20-years out on several.

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Transmission and Distribution: All established T&D goals for fiscal year 2022 were effectively and efficiently completed on-time and under budget. We have increased our level of investment in distribution, which had been neglected in previous years.

Customer and Community Engagement: Staff believes substantial and adequate progress has been made toward meeting the plan's goals in the last fiscal year. It is important as we move forward that we receive the Board's cooperation, and more importantly, its unanimous support.

Business Practices and Technologies: Staff believes substantial and adequate progress has been made toward meeting the plan's goals in the last fiscal year. A business continuity plan and KPI dashboard are nearing completion but are still a work-in-progress.

Human Resources: Staff believes substantial and adequate progress has been made toward meeting the plan's goals in the last fiscal year. The Board also has goals in this area, including implementation of Board governance training, Board succession planning and conducting an annual Board self-evaluation and implementation of a Board development plan.

Vice Chairperson Westbrook thanked Dave for the overview, which spotlights all the work staff has been doing and accomplishing. He would like to see a visual scorecard highlighting the progress on strategic plan goals on a quarterly basis.

The General Manager would like to provide a monthly dashboard for this purpose. He asked the Board what information they would like to review. Vice Chairperson Westbrook and Director Hendrick stated they would like to receive a one-page quarterly update on strategic plan goals. Director Crum would like to see reliability indices on a quarterly basis. The Board agreed to email their monthly dashboard interests to the General Manager.

Vice Chairperson Westbrook stated as a timeline, he would like to have this in place by the next quarter.

The Board discussed succession planning and the Board's self-evaluation goals. Westbrook stated he likes the idea of conducting a Board self-evaluation. The Administrative Services Manager proposed they work with Steve VanderMeer for this process. She discussed the Board's goal with VanderMeer, and he proposed an outline, which includes conducting individual phone surveys with each board member for their self-evaluation, then assembling the data for discussion in a Board Workshop where they would establish development plans in accordance with survey results.

Director Hendrick asked when a 360 would be conducted on the General Manager. The General Manager stated this has already been done; however, we could conduct a 360 evaluation of the Board as part of its self-evaluation process.

Vice Chairperson Westbrook recommended the Board move forward with the self-evaluation and workshop with Steve VanderMeer along with a 360 evaluation.

The Board agreed to scheduling a one-day workshop on Wednesday, September 14, 2022.

Director Hendrick asked what the next steps are regarding development of an agreement with city council for Harbor Island remediation costs. The General Manager stated the Board needs legal representation for this discussion. Hendrick suggested we ask the city attorney to

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propose alternate legal counsel for this purpose. Vice Chairperson Westbrook said the next step is for city council to propose something to the Board.

The General Manager will contact Patrick Bowland, CEO and General Manager of Michigan Public Power Agency, to schedule a presentation to the Board.

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

22-13F Other Business – Vice Chairperson Westbrook shared a pelt that was found on the former Sims site a couple weeks ago. Westbrook informed the Board these have been floating up to the surface all over the island for years and seeing is telling.

Vice Chairperson Westbrook asked Jeffrey Miller if he received the response letter from Chairperson Kieft. Miller confirmed receipt. The Administrative Services Manager will forward a copy of the letter to the rest of the Board.

No formal action taken.

Public Comment Period – Jeffrey Miller, 1120 S. Harbor, stated a news release regarding the reimplemention of the PSCA is important. He urged the directors to participate in HDR/Harbor Island issues when asked. Regarding the question of why city council is concerned about the BLP having an attorney, Miller stated the issue is that the resolution was not read publicly, and the joint meeting cancellation should have been announced by the BLP.

John Naser, 1450 Ferry Street, thanked staff for providing copies of the Strategic Plan. He stated there is no back up generation in the Plan and asked what will happen if the grid goes down. He asked the Board to add back up generation to the Plan.

Jan O'Connell, Sierra Club, 201 Ivanhoe, Grand Rapids, MI, stated she is enthused to see the Board will be moving forward on a self-assessment.

No formal action taken.

At 7:50 PM by motion of Director Hendrick, supported by Director Crum, the August 18, 2022 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

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