

GRAND HAVEN BOARD OF LIGHT AND POWER
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OCTOBER 20, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, October 20, 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 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; Rob Shelley, Distribution & Engineering Manager; and Erik Booth, Operations & Power Supply Manager.

22-15A Incoming Director, Kurt Knoth was administered the oath and signed into office by Maria Boersma, Grand Haven City Clerk.

No formal action taken.

22-15B Director Witherell, supported by Director Crum, moved to relocate item 6.H.2 to 7.B.9 and approve the amended meeting agenda.

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

25-15C Director Crum, supported by Chairperson Westbrook, moved to nominate Director Witherell to serve as Vice Chairperson of the Board.

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

25-15D Director Crum, supported by Director Hendrick, moved to elect Director Witherell to serve as Vice Chairperson of the Board.

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

Public Comment Period –

John Naser, 1450 S. Ferry St., stated the BLP is responsible for providing power to the community, and it is provided by a single source, the grid. He is concerned, if the grid goes down, that people will die. Naser feels the grid is very vulnerable and it is vital the BLP has backup generation. Naser encouraged the Board to hire a consultant to evaluate the pros and cons of local generation.

Jeffrey Miller, 1120 Harbor Drive, asked the Board to get out of the silo and enhance engagement in the community. He appreciated seeing the BLP at the WAWL Home Show and at local fire prevention events but asked the BLP to provide more information at these events, such as newsletters and pamphlets in addition to giveaways. Miller advocated that BLP meetings be held later in the evening so more people can attend.

Chairperson Westbrook read the following customer testimonials:

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August 24, 2022 – After BLP crews quickly responded to a BLP customer’s electrical concerns, Jennifer Christensen said, “Thanks! Your company always does a great job! We were sad/nervous when the plant shut down. You are so reliable when there is a storm outage, so fast to repair. We are glad to have your services. Thank you again!”

August 31, 2022 – “The mutual aid assistance on Monday was much appreciated, and I can’t Thank You Enough! The quick response and efforts you and your team put in were extremely helpful and efficient. Most importantly, the team members that responded here were very pleasant and eager to work. The conversations and work was so great to see and hear. Mutual Aid has been proven to be very effective again, and West Michigan is what it is because of you and your team. I want to especially thank Connor, Justin, and Alex. Please pass my appreciation along to these gentlemen for the hard work they did! Many thanks again.” Steve Bruinsma, Electric Distribution Supervisor from Holland Board of Public Works.

September 6, 2022 – In response to BLP crews relocating power lines on Third Street, Carol Talsma called Doug, our Line Supervisor to say, “You know I just want to thank you. I cannot believe how fast you got those things moved. I have been telling everybody how wonderful you are. You helped us out so much, and we just really appreciate it. Thank you, Doug, and have a good weekend.”

October 5, 2022 – “I just wanted to take a moment to thank you for your help during Ian. You were right, your guys are really good with great attitudes. It made it easy on us having a team help us that wanted to work. I am having some hats made that I plan on sending your way as a small token of our appreciation. I just wanted to drop you a note beforehand as I don’t know how long it will take for the hats to be delivered and I didn’t want you to think we didn’t appreciate your help. Great bunch of guys!” Daniel D’Alessandro, Director of Electric Utilities, City of Winter Park, FL.

No formal action taken.

22-15E Director Witherell, supported by Director Crum, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the September 15, 2022 Regular Board Meeting
- Accept and file the September 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated September 30, 2022
- Accept and file the October Constellation Energy Market Update Graphs and NextEra ENERGYinsight report
- Accept and file the October 5, 2022 Mutual Aid Thank-you e-mail for assistance during Hurricane Ian in Winter Park, FL
- Accept and file a statement from Chairperson Westbrook dated September 27, 2022 submitted to the City’s Human Relations Commission

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- Approve paying bills in the amount of \$2,846,798.79 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$97,872.42 from the Renewal and Replacement Fund
- Confirm Purchase Order #22395 to Dickenson Wright PLLC. in the amount of \$8,322 for legal services through August 31, 2022

The General Manager reviewed board packet consent agenda items with the Board.

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

22-15F The General Manager reviewed a breakdown of the use of BLP revenues with the Board. Power supply consumes approximately 53.6% of the budget. Long-term power supply purchases will be brought to the Board for review and approval. Utilization of utility reserves is expected to be drawn down by -\$10,103,901 in FY2023.

No formal action taken.

22-15G Director Witherell, supported by Director Hendrick, moved to approve the following Purchase Orders:

- Purchase Order #22389 to All Phase Electric Supply Company in the amount of \$123,516 for conduit for OF34 and OF42 associated with Osipoff upgrades
- Purchase Order #22390 to Power Line Supply Company in the amount of \$722,687 for wire for the Osipoff circuit upgrades
- Purchase Order #22393 to Irby Utilities in the amount of \$42,937 for equipment and materials for OF34 and OF42 circuit upgrades
- Purchase Order #22394 to Power Line Supply Company in the amount of \$28,449 for electric cabinets and associated materials for Osipoff circuit upgrades
- Purchase Order #22396 to Power Line Supply Company in the amount of \$24,354 for LED streetlights for accelerated conversion project and energy waste reduction
- Purchase Order #22398 to T & R Electric Supply Company in the amount of \$13,544 for 1 x 300 kVA three-phase pad mount transformer to replenish inventory
- Purchase Order #22400 to Irby Utilities in the amount of \$120,739 for 8 x 50 kVA, 7 x 75 kVA, 5 x 100 kVA pole mount transformers to replenish inventory
- Purchase Order #22401 to Power Line Supply Company in the amount of \$17,186 for miscellaneous material for OF34 and OF42 circuit upgrades

These eight purchase orders are all distribution related equipment.

Rob Shelley, Distribution & Engineering Manager reported the LED energy waste reduction project is expected to continue through FY2024. We installed approximately one

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hundred lights to date and are planning on three hundred more in FY2023 and two hundred more in FY2024.

Shelley reported we are seeing increases in equipment costs along with longer lead times. Transformers are higher than budgeted. Osipoff circuit upgrades are to improve reliability and backup. This project is on budget but is expensive. We also have ongoing pole replacements. The cost difference between installing underground vs overhead is five to ten times higher. Shelley informed the Board we work with the DPW to coordinate work every time we evaluate projects.

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

22-15H Director Witherell, supported by Director Knoth, moved to approve Purchase Order #22241-1 to City of Grand Haven in the amount of \$40,277 for the North Channel Investigation Change Order contingent on transfer of the Corps of Engineers Permit from Paul Cederquist to Derek Gajdos.

Derek Gajdos stated this purchase order is for the North Channel Investigation. A wetland permit is needed for nine wells and is a continuation of Golder's plan, which did not include the additional requirements added by EGLE. New Task Order #7 includes the addition of matting and nine wells. The original purchase order included \$127,000 for the North Channel Investigation. The additional work added \$40,277 to that amount. Golder started the project, HDR reviewed the plan and submitted it to EGLE, but EGLE required additional protection. Drilling is expected to begin the end of November and continue to January 2023.

Erik Booth, Operations & Power Supply Manager added this work is critical to Sims 1&2 delineation. There are two permits, one for EGLE and the other for the Corps of Engineers. The permit with the Corps is in Paul Cederquist's name. Booth suggested if the Board approve the work, that the approval be contingent on transferring this permit to Derek Gajdos who is overseeing the project.

Gajdos stated he feels the work is fair. He did not believe it was necessary, but EGLE is requiring it. The Purchase Order will be presented to City Council's next meeting for their consideration.

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

22-15I Director Witherell, supported by Director Hendrick, moved to approve the FY 2023-2026 Collective Bargaining Agreement between the Grand Haven Board of Light & Power and Utility Workers Union of America, AFL-CIO Local 582.

This is a 4-year Agreement, which was ratified by the Union and reviewed and approved by the City Attorney.

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Renee Molyneux, Administrative Services Manager reported there is a predominate theme throughout the contract, which is reflective of necessary organizational and wage restructuring required in response to the retirement of Sims and the Diesel Plant. These retirements necessitated the retraining of a substantial portion of our workforce along with restructuring job ladders and job responsibilities for both union and nonunion positions.

The Agreement includes adjustments to insurance premium copays, wage schedules and annual wage increases. The first year includes a 4.5% wage adjustment retroactive to August 7, 2022, followed by 4%, 3.5% and 3% wage adjustments in the following three years, respectively. The Agreement also includes a limited wage re-opener to potentially increase wages further for the 3rd and 4th years of the contract.

The full contract will be provided to the Board after all signatures are gathered.

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

22-15J The General Manager reported the BLP's three long-term Solar Purchase Power Commitment projects are delayed. There is a provision within the Agreements that allows an opportunity to renegotiate the contracts. The penalties on the developers (for not delivering on time) will be incorporated into the new agreements to offset a portion of the higher cost of development we are now experiencing. We hope to bring authorization to the Board for approval in December.

No formal action taken.

22-15K Erik Booth provided proposed KPI dashboards as a starting point and for Board input.

Director Hendrick likes the simplicity and feels staff is on the right track. Suggested the dashboard reflect Strategic Plan areas of focus. She also wants to use AMI data to help customers manage their energy use.

Director Crum agrees there are opportunities to use AMI and grid analytics data, but we are just getting started.

Director Knoth feels the proposed KPI number of 3-5 is good. He agrees Strategic Plan areas of focus should be tracked. Knoth expressed interest in time of use. He feels there are some things left on the table with our technology.

Director Witherell stated people are happy until the power goes out, but times are changing, and he recognizes that. He feels what is proposed is fine.

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Chairperson Westbrook appreciates the work that has been done. Selecting the top three to five indicators for the Board is difficult. Westbrook suggested seeing PSCA changes over time would be helpful.

No formal action taken.

22-15L Lynn Diffell reported the audit is in process and no material weaknesses have been found. Our audit firm also audits the city. We are meeting to discuss liabilities. The audit will be presented in November.

Diffell reported the purchasing policy is drafted; however, a board member has asked some additional questions of the auditors. They have not found any issues, and the purchasing policy will be completed following the audit.

No formal action taken.

22-15M The General Manager reported a meeting was held with the city regarding Harbor Island cost recovery invoices. They reached consensus that it is appropriate for HDR/Dickinson Wright/Derek Gajdos to provide a presentation to the Board about what has occurred over the last eight months. Gajdos is hoping to provide an update in November. Chairperson Westbrook thanked Ashley and Derek. He feels they had a good, congenial discussion.

No formal action taken.

22-15N The Board reviewed the proposed 2023 Annual Board Meeting Schedule. Quarterly strategic planning updates will be incorporated. The January meeting will be moved to the last Thursday, January 27, and meetings are to begin at 6PM starting in January 2023.

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

22-15O The bi-annual Michigan Professional Insurance Authority meeting will be held on Tuesday, October 25, 2022. Mike Westbrook is replacing Jack Smant on the Board.

No formal action taken.

22-15P Ryan Cotton provided an update to the Board on the Community Energy Plan Task Force, which is a subgroup of the city's Sustainability Committee. Their first meeting will be held on Tuesday, October 25, 2022. David Walters and Erik Booth are the BLP's representatives with Booth attending the first meeting. The City of Ferrysburg and Spring Lake Township also have representatives on the task force.

The focus of the subcommittee is energy efficiencies and demand side management. The General Manager reported this is behind-the-meter programming, meaning implementation is on the side of the customer. He appreciates the committee's efforts.

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No formal action taken.

22-15Q Director Hendrick reported she attended the Across the Bridge immersion program that was facilitated by the Momentum Center and Muskegon Community College. The program involved staying in a local hotel in Muskegon and having discussions with the local police department, small business, the African American Museum, etc. A Muskegon group was also sent to Grand Haven for a cultural immersion. Following their experience, both groups met to share their experiences. Hendrick reported this is a pilot program and she believes this effort will continue.

No formal action taken.

Public Comment Period – Jeffrey Miller, 1120 Harbor Drive, stated he attended fire prevention week events. He feels others are sharing more information than the BLP and that the BLP should have provided flyers and fire prevention tips vs promotional handouts. He feels the BLP should reach out to faith-based groups or not-for-profits for its next stakeholder meeting. He feels it is important that senior staff work with Derek Gajdos and HDR. He also encouraged the Board to make a financial contribution to the Community Energy Plan.

No formal action taken.

At 7:40 PM by motion of Director Hendrick, supported by Director Witherell, the October 20, 2022 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM