

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 19, 2023

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, October 19, 2023, at 6:00 PM 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 6:00 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Witherell and Westbrook.

Absent: None.

Others Present: General Manager David Walters, Secretary to the Board Danielle Martin, Operations & Power Supply Manager Erik Booth, Finance Manager Lynn Diffell, Distribution & Engineering Manager Rob Shelley, and City Attorney Ron Bultje.

Motion: Director Witherell, supported by Director Crum moved to approve the meeting agenda.

23-15A Director Witherell, supported by Director Crum, moved to add item 5F "General Manager Announcement" to the agenda.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

23-15B Director Witherell, supported by Director Crum, moved to approve the meeting agenda as amended.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

Public Comment Period:

Bob Monetza, 945 Washington Avenue, recognized Director Witherell's service as a public servant. Monetza encouraged the City Council and BLP to work towards common goals and establish a professional and mutually respectful relationship.

Jim Hagen, 400 Lake Avenue, stated the Energy Information Administration reports renewable generation in 2022 for the state of Michigan was twelve percent. In the same year the BLP was at twenty two percent. Hagen feels the BLP makes wise investments and hopes people will vote no on the proposed charter amendment.

Jeffrey R. Miller, 1120 South Harbor Drive, hopes the Board is listening and will consider making changes even if the charter amendment does not pass. Miller suggested the Board review meeting location and time, meeting with community groups, and engaging with Harbor Island efforts.

Geri McCaleb, West Olive, thanked Director Witherell for his service. McCaleb stated the City and BLP have not always been at odds and were able to work through differences in the past.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 19, 2023

23-15C Director Witherell, supported by Director Crum, moved to approve the consent agenda. The consent agenda includes:

- Approve Minutes of the September 28, 2023, Board Meeting
- Receive and File: September Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File: September Key Performance Indicator (KPI) Dashboard
- Receive and File: MPPA Energy Services Project Resource Position Report (dated 09/29/2023)
- Receive and File: Constellation Energy Market Update Graphs (dated 10/03/2023)
- Approve Calendar Year 2024 Board Meeting Schedule
- Approve payment of bills in the amount of \$2,539,632.45 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$342,388.08 from the Renewal & Replacement Fund

Roll Call Vote:

In favor: Directors Crum, Knoth, Witherell and Westbrook; Opposed: Director Hendrick.
Motion carried.

23-15D Director Witherell, supported by Director Hendrick, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order 22824 to Power Line Supply Company in the amount of \$6,820 for Hendrix wire for BLP stock
- Purchase Order 22826 to Schweitzer Engineering Laboratories in the amount of \$64,969 for Sternberg substation project relay control panels
- Purchase Order 22827 to Brown Wood Preserving Company in the amount of \$21,236 for 33 wood distribution poles for BLP stock
- Purchase Order 22829 to Insight Public Sector in the amount of \$10,320 for an Office 365 annual software subscription fiscal year 2024
- Purchase Order 22832 to Get-R-Cut in the amount of \$247,175 for contract tree trimming fiscal year 2024
- Purchase Order 22834 to GRP Engineering in the amount of \$50,400 for a 5-year distribution system engineering study update

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 19, 2023

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

23-15E Director Witherell, supported by Director Crum, moved to approve the Resolution for Act 152 Exemption (Attachment A).

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

23-15F The General Manager provided an update on current Michigan legislative activity. Goals established in the My Healthy Climate Plan may become long term mandates. The goal being discussed is 100 percent carbon free electricity by 2040. There is also a siting bill that would give the state authority to site larger solar and wind installations. These mandates are very aggressive and will replace any goal we may make locally.

No formal action taken.

23-15G The General Manager provided a first quarter budget and power supply update. Sales are the worst the BLP has experienced since 2015. We lost our third largest customer in September. This puts the BLP in recession territory. Rate revisions may be required next year to address how fixed costs are accounted for. Expenses are down, largely attributed to a reduction in power supply costs. We have also put off hiring two positions that were budgeted to be filled. Because of the reduction in expenses, we will still make the net income budgeted for this quarter.

The majority of our power supply is purchased through bilateral contracts. Overall, the market has gone down and is experiencing less volatility. The current renewable portfolio of landfill gas, solar, and wind provides stability. However, if only solar is added to our portfolio for the future, power supply in the winter months will be problematic. Wind installations are at a standstill and the Board will need to address the drop off of the landfill gas contracts beginning in 2026.

No formal action taken.

23-14H The General Manager provided a strategic planning update. He recommended the Board review the Strategic Plan due to a lack of support to execute it as written. The following items will need to be addressed:

- The five-year financial plan will need adjustment.
- The SWOT analysis needs to provide a clear understanding of why the BLP does what it does.
- Customer engagement will require a restorative communications program.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 19, 2023

- Power supply concerns related to the discussed legislation will need to be addressed through MPPA.
- The hiring plan needs to be reviewed to determine how technology risks identified in the Business Readiness Risk Assessment will be addressed.
- Management succession planning needs to be conducted.
- Governance development and planning need to be completed.

No formal action taken.

23-15I The General Manager read a prepared statement announcing his 90-day notification of retirement to become effective January 18, 2024. The General Manager informed the Board he considers this retirement to be constructive discharge and would like to work with the Board to reach a fair and equitable retirement settlement.

No formal action taken.

Public Comment Period

Jeffrey R. Miller, 1120 South Harbor Drive, read Jon Jellema's Letter to the Editor published in the Grand Haven Tribune. Miller added 579 voters signed the petition for the proposed charter amendment.

Bob Monetza, 945 Washington Avenue, stated that David Walters has his utmost respect.

Jim Hagen, 400 Lake Avenue, stated a five percent loss in sales is not good news. Hagen feels utilities should work with state legislators on regulations to allow offshore wind turbines.

Chris Morse, 16247 Robbins Road, thanked Director Witherell for his service. Morse shared a story of Director Witherell personally thanking employees who participated in the United Way Day of Caring several years ago.

Other Business

Chairperson Westbrook reported on representation provided through our insurance regarding the alleged whistleblower allegations. An attorney from Varnum law firm has been assigned, has requested a copy of the whistleblower complaint, and has made initial contact with the independent investigator approved by City Council this week.

Director Witherell shared the story of working for the Board as a summer intern. He then worked with the utility regularly while in the insurance business. He joined the Board as a Director almost nineteen years ago. Director Witherell is heartbroken by what is happening in the community. He feels the voters should not allow the insanity to go on any longer.

23-15J At 7:27PM, Director Witherell, supported by Director Crum, moved to enter closed session pursuant to Section 8(h) of the Open Meetings Act to discuss information subject to

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 19, 2023

attorney-client privilege pertaining to an employment matter with the General Manager exempt from disclosure under Section 13(1)(g) of the Freedom of Information Act.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

23-15J At 9:03PM, Director Hendrick, supported by Director Knoth, exit closed session and reenter open session.

Roll Call Vote:

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.
Motion carried.

Adjournment

At 9:03PM by motion of Director Hendrick, supported by Director Knoth, the October 19, 2023 Board meeting was unanimously adjourned.

Respectfully submitted,



Danielle Martin
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 19, 2023

Attachment A

**PREAMBLE AND RESOLUTION
FOR ACT 152 EXEMPTION FOR THE
JANUARY 1 – DECEMBER 31, 2024 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, 2024 – December 31, 2024 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, 2024 and ending December 31, 2024.

YES: Crum, Knoth, Hendrick, Witherell, Westbrook

NO: None

RESOLUTION DECLARED ADOPTED: October 19, 2023

BOARD OF LIGHT AND POWER

By: *Danielle Mauri*
Its: Board Secretary