

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, March 21, 2024, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Webinar.

The meeting was called to order at 6:00 PM by Chairperson Westbrook.

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

Absent: None.

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

24-03A Director Welling, supported by Director Crum, moved to approve the meeting agenda.

Roll Call Vote:

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

Pledge of Allegiance

Public Comment Period:

Mayor Bob Monetza, 945 Washington, reported City Council discussed the Board's Snowmelt Resolution and there was a consensus desire to hold a joint meeting. Monetza suggested the Interim General Manager and City Manager work together to schedule a date and compile an agenda with input from Board and Council members.

24-03B Director Welling, supported by Director Hendrick, moved to approve the consent agenda. The consent agenda includes:

- Approve the minutes of the February 29, 2024 Board meeting
- Receive and file the February Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File the February Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 02/29/2024
- Approve payment of bills in the amount of \$2,471,928.53 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$159,055.07 from the Renewal & Replacement Fund

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

Roll Call Vote:

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

24-03C Director Welling, supported by Director Knoth, moved to approve the Purchase Orders.
The Purchase Orders include:

- Purchase Order 22976 to Premier Power Maintenance in the amount of \$33,345 for Osipoff sub maintenance
- Purchase Order 22984 to SD Meyers in the amount of \$33,552 for north sub T2 hot oil cleaning
- Purchase Order 22986 to Exit 16 Fleet Repair in the amount of \$8,150 for a transmission replacement in truck 3

Roll Call Vote:

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

24-03D Director Hendrick, supported by Director Welling, moved to authorize the MPPA 2026-2029 Power Purchase Commitment.

This authorization will allow MPPA to fill the BLP's established hedge plan through market purchases with annual total dollar not to exceed limits. None of the transactions will require confirmation by the City Council. The sum of all purchases represents a maximum commitment of \$17.2 million through 2029.

Roll Call Vote:

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

24-03E Erik Booth provided a presentation of the initial fiscal year 2025 power supply budget.

Power supply represents the largest portion of the BLP's annual expenditure. Conservative projections were used in the draft budget for expected capacity sales revenue. A more accurate number will be available after the annual auction is held in April. Renewable energy has grown to represent 23% of the BLP's power supply.

Section 28, Renewable Energy Portfolio, and Section 51, Clean Energy Standard, of Public Act 235 were discussed. Rob Shelley reported there are concerns at MPPA that the expectations of the new legislation may not be physically possible. If the solar projects the BLP participates in are delayed, we could be forced to use our banked Renewable Energy Credits or be subject to purchasing in the short-term market.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

The budgeted annual volume of energy to be purchased is decreasing from previous years. In addition to the BLP's third largest customer closing in September 2023, the new Energy Waste Reduction Act will require electric providers to achieve incremental energy savings. Total costs are expected to increase to \$20.17 million for FY2025. The cost per MWh is projected to be \$70.18. This is 8.2% higher than was budgeted for FY24.

No formal action taken.

24-03F Rob Shelley provided the annual reliability report.

In 2023, the average BLP customer experienced 1.5 outages per year, each lasting 1.8 hours on average. In 2022, the average Consumers Energy customer experienced 1.29 outages per year, each lasting an average of 6.04 hours. The typical customer across the state of Michigan experienced 1.34 outages per year, lasting on average 6.38 hours, in 2022. Comparison data for 2023 is not yet available. Of the 593 total outages experienced by the BLP in 2023, 330 were planned. The top unplanned outage causes were bad underground, trees, animals, and weather.

No formal action taken.

24-03G Rob Shelley provided a Strategic Plan update.

The strategic plan for fiscal years 2022 to 2026 identifies six areas of strategic priority including financial management, customer and community engagement, transmission and distribution, power supply, business practices and technology, and human resources. Overall, we are making good progress on the established goals. Many items are complete or being continuously improved. A few goals have been determined undesirable after further consideration and data examination. The Board had set the goal to conduct an annual self-evaluation and use the results to implement a Board development plan. The Board agreed to add this to a future agenda for further discussion.

No formal action taken.

24-03H Rob Shelley reported staff is planning to conduct one-on-one meetings with large customers and key stakeholders. These meetings typically include a short "state of the utility" presentation followed by open dialog. Chairperson Westbrook requested a summary report for the Board after the process is complete. Shelley asked the Board if there was interest in doing more for community engagement and suggested an open house event. By consensus, the Board supported the idea of an open house and asked staff to propose a format and associated cost for approval in the budget.

No formal action taken.

24-03I Erik Booth and his team have kicked off a social media campaign featuring electric vehicle chargers. There are fourteen chargers open to the public in Grand Haven and the surrounding area. The owners of these chargers report they are being under-utilized. In addition to

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

the social media campaign, a new “Going Green” page has been added to the BLP website. This page contains information on rebate programs, the green energy rider, and electric vehicles.

No formal action taken.

24-3J Director Welling, supported by Director Hendrick, moved to reschedule the May Board meeting to May 23, 2024 at 6:00pm.

Roll Call Vote:

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

24-3K Chairperson Westbrook, supported by Director Welling, moved to approve the revised bylaws except for the changes to section 31, which will stay as previously written until further consideration.

Chairperson Westbrook is concerned about the exclusions to indemnification and approval process. Attorney Bultje stated the Bylaws represent the minimum of what the Board will do but the Board would not be precluded from doing more. Attorney Bultje made note of the comments provided tonight and will provide a recommendation of wording for section 31 to be considered at a future meeting.

Roll Call Vote:

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

24-03L Chairperson Westbrook reported the subcommittee tasked with recommending a firm for executive search services met on March 6, 2024 and narrowed the options to Mycoff Fry Partners and Preng and Associates. Zoom interviews were held on March 19th with both firms. Westbrook anticipates the subcommittee will meet one more time to discuss the interviews then make a recommendation at the Board’s April meeting.

No formal action taken.

24-03M Director Welling, supported by Director Crum, moved to approve the Resolution Regarding Whistleblower Investigation (Attachment A).

Chairperson Westbrook reminded everyone the resolution under consideration is to determine if there was evidence to terminate David Walters for cause. Westbrook stated the investigation report provides no reason to deny Mr. Walters any of the benefits provided by his employment agreement. He commends Mr. Walters’ personal integrity and ethics.

Roll Call Vote:

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

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

24-03N Director Welling, supported by Director Hendrick, moved to approve the Resolution Regarding FOIA Fulfillment (Attachment B).

Chairperson Westbrook asked Attorney Bultje if the FOIA documents prove discrimination, harassment, or retaliation against David Walters by the BLP. Attorney Bultje's response was "no". Chairperson Westbrook stated while the FOIA documents did not show illegal activity, they were, in his opinion, unethical. Directors Crum and Welling shared his sentiment.

Roll Call Vote:

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

24-03O Board and staff members have received the login credentials for the APPA Public Power Governance Essentials on-demand training. Chairperson Westbrook asked everyone to watch lesson one for discussion at the Board's April meeting.

No formal action taken.

24-03P No Board members reported availability to attend this year's APPA national conference. Two staff members will attend to represent the BLP.

No formal action taken.

24-03Q The MPPA stakeholder's meeting will be held on May 2nd. If any Board members would like to attend, they may scan the QR code provided in the meeting packet to register.

No formal action taken.

Public Comment Period:

Oliver Shampine, 540 D Avenue, questioned if the Board and Council really want to work together. Shampine feels it would be more genuine for the parties to sit down and talk than to exchange insults at public meetings.

Adjournment

At 7:46PM by motion of Director Hendrick, supported by Director Welling, the March 21, 2024 Board meeting was unanimously adjourned.

Respectfully submitted,



Danielle Martin
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

Attachment A

Board of Light and Power
Resolution Regarding Whistleblower Investigation

WHEREAS, on January 25, 2024, the Grand Haven Board of Light and Power (the "BLP") passed the Resolution Regarding General Manager; and

WHEREAS, the fifth item in the Resolution Regarding General Manager states

"If the City's investigation into the whistleblower accusations against the General Manager provides evidence that the BLP had cause to terminate the General Manager according to Paragraph 10.B of the July 1, 2022 Employment Agreement, the BLP reserves the right to terminate the General Manager accordingly and to not pay the General Manager the benefits provided to him by Paragraph 10.C, all subject to a vote of the BLP Board."; and

WHEREAS, on March 12, 2024, the Whistleblower Investigation Report was released by the City of Grand Haven; and

WHEREAS, the Executive Summary of the Whistleblower Investigation Report concludes "the whistleblower's allegations are not substantiated by the evidence."

THEREFORE, BE IT RESOLVED, the Board affirms that the Whistleblower Investigation Report did not provide evidence of cause to terminate the General Manager according to Paragraph 10.B of the July 1, 2022 employment agreement; and

BE IT FURTHER RESOLVED, the General Manager will be properly provided with all benefits permitted by Paragraph 10.C of the employment agreement as stated in item two of the Resolution Regarding General Manager for his retirement effective April 24, 2024.

RESOLUTION DECLARED ADOPTED

March 21, 2024

BOARD OF LIGHT AND POWER

By: *Danielle Mauri*
Its: Board Secretary

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 21, 2024

Attachment B

**Board of Light and Power
Resolution Regarding FOIA Fulfillment**

WHEREAS, on January 25, 2024, the Grand Haven Board of Light and Power (the "BLP") passed the Resolution Regarding General Manager; and

WHEREAS, the fourth item in the Resolution Regarding General Manager states:

"If the final disposition of the FOIA request made by the General Manager against Director Hendrick provides evidence that the General Manager's allegations of discrimination, harassment, and retaliation by the BLP against the General Manager are warranted, the BLP will seek to negotiate more generous terms of separation for the General Manager, along with a release of any claims he may have against the BLP, all subject to a vote of the BLP Board"; and

WHEREAS, on March 1, 2024, the General Manager's August 16, 2023, FOIA request was fulfilled; and

WHEREAS, the BLP's legal counsel has reviewed all responsive documents associated with the August 16, 2023 FOIA request; and

WHEREAS, the BLP's legal counsel has provided an opinion, dated March 17, 2024, concluding "none of the documents provide evidence that the General Manager's allegations of discrimination, harassment, and retaliation by the BLP against the General Manager are warranted."

THEREFORE, BE IT RESOLVED, the BLP affirms the opinion of its legal counsel and will not seek to negotiate more generous terms of separation for the General Manager; and

BE IT FURTHER RESOLVED, the General Manager will be properly provided with all benefits permitted by Paragraph 10.C of the employment agreement as stated in item two of the Resolution Regarding General Manager for his retirement effective April 24, 2024.

RESOLUTION DECLARED ADOPTED

March 21, 2024

BOARD OF LIGHT AND POWER

By: Danielle Mauti

Its: Board Secretary