

GRAND HAVEN BOARD OF LIGHT AND POWER

BYLAWS

Effective March 21, 2024

Section 1. Name. The electric utility owned and operated by the City of Grand Haven (the "City") shall be referred to as the Grand Haven Board of Light and Power (the "BLP") and shall be under the control and direction of an elected board to also be named the Grand Haven Board of Light and Power (the "Board"). The BLP shall constitute a department of the City government.

Section 2. Administrative Office. The BLP shall maintain an administrative office in the City. The administrative office address is currently 1700 Eaton Drive, Grand Haven, MI 49417, and may be changed from time to time by the Board, subject to the approval of the Grand Haven City Council (the "Council").

Section 3. Composition of the Board. The Board shall be composed of five members. Members of the Board shall meet the same eligibility requirements as other elective officers of the City as specified in Sections 4.1, 4.2, and 4.3 of the City of Grand Haven Charter (the "Charter").

Section 4. Term of Board Members. Board members shall be elected for terms of six years each, with the terms of two Board members expiring in each odd-numbered year, except that, in the third odd-numbered year (counting from 2019), the term of only one Board member shall expire.

Section 5. Election of Board Members. Board members shall be elected during regular City elections and their term of office shall commence on the day of the first regular meeting of the Board next following the date of their election. Upon commencement of a Board member's term, such Board member shall take an oath as specified in Section 4.7 of the Charter.

Section 6. Declaring Vacancies on the Board. The Board Chairperson (the "Chairperson" as referenced below in Section 9.A) shall declare a Board vacancy in the event of a Board member's death, resignation, recall, or after ceasing to be an inhabitant of the City, or upon a determination by the Board of the member's default to the City, excessive absence from meetings as referenced in Section 13 of these Bylaws, failure to perform duties or other Board member conduct prohibited by Section 4.10 of the Charter, or other applicable laws. Notice of the declaration of vacancy shall be promptly provided by the Secretary of the Board (the "Secretary" as referenced below in Section 11) to the Council and the City clerk.

Section 7. Filling Vacancies on the Board. Upon receiving declaration of a Board vacancy prior to the end of the scheduled term, the Council shall, within thirty days thereafter, fill the vacancy by appointing a new Board member to serve until the next regular City election, at which time an additional Board Member shall be elected to fill the remaining portion of the vacant term. The term of office of any person who is appointed by the Council to fill a vacancy on the Board shall commence on the date of appointment. Upon commencement of that Board member's term, such Board member shall take an oath as specified in Section 4.7 of the Charter. If the Board vacancy and appointment also creates a need to elect a new Board Chairperson or Vice-Chairperson, a Board vote to elect a new Chairperson or a new Vice-Chairperson, or both, shall occur at the Board's next regular Board meeting.

Section 8. Organizational Board Meeting and Election of Board Officers. The Board shall organize at its first meeting following each regular City election and the newly elected Board shall vote to elect a Chairperson and Vice-Chairperson from among the current Board members. The Board shall also review these Bylaws during each such organizational meeting of the Board.

Section 9. Duties of Board Officers. The officers of the Board shall be the Chairperson and Vice-Chairperson.

A. The Chairperson shall:

1. Preside at all meetings of the Board;
2. Work with the Director of Light and Power ("the Director" as referenced below in Section 21) and the Secretary to prepare the agenda, notice, and meeting materials for each Board meeting;
3. Introduce and present each agenda item at each Board meeting, or introduce each item and then designate the Board member or BLP staff member who will present that agenda item;
4. Enforce Board rules and conduct Board meetings in a manner that preserves order and decorum;
5. Annually propose a budget for the Board to administer the Board's annual activities to be included in the annual BLP budget;
6. Act as the liaison between the Board and the Director and the Secretary, and as the public spokesperson for the Board except as this responsibility is specifically delegated to another Board member, the Director, or another BLP staff, agent, or representative, by the Board; and
7. Appoint Board members to serve on Board established committees, subject to Board approval.
8. Declare Board vacancies, upon Board determination as may be appropriate, under Section 6 above.

B. In the absence of the Chairperson, the Vice-Chairperson shall perform all the duties of the Chairperson.

C. In the absence of both the Chairperson and Vice-Chairperson, the Board members present shall elect a Chairperson pro-tempore who will serve only for that meeting or for that part of the meeting in which both the Chairperson and Vice-Chairperson are absent.

Section 10. Duties of Board Members. Board members shall participate in all regular and special Board meetings. Additionally, the following duties and restrictions shall apply to all Board members:

- A. Board Members shall conduct themselves at Board meetings in a professional manner that preserves order and decorum and shall appropriately yield to the direction of the Chairperson, or that of the Board if it so acts to provide such direction.
- B. Board members shall provide any input or requests for agenda items to the Chairperson, for the Chairperson's consideration, no less than one week prior to a Board meeting.
- C. Board Members shall vote on each question before the Board, unless a member has a direct personal or pecuniary interest in the question or unless otherwise legally or ethically required to abstain. If the Board member has such an interest or is otherwise legally or ethically required to abstain, the Board member shall disclose the interest or other reasons for abstention at the Board meeting prior to the vote. Each abstention, and its reason, shall be duly recorded in the minutes of the Board meeting.
- D. When a Board Member anticipates being absent from a Board meeting, that member shall contact the Secretary of the Board in advance of the meeting, specifying the absence and the reason for it. For planned absences, the Board shall not consider excusing the absence unless at least twenty-four hours advance notice was provided by the Board member to the Secretary.
- E. Board members shall defer to the Chairperson as the public spokesperson of the Board and the liaison between the Board and the Director. Accordingly, only the Chairperson, or the Vice-Chairperson acting in the absence of the Chairperson pursuant to Section 9 of these Bylaws, not individual Board members, shall speak on behalf of the Board unless this responsibility is specifically delegated to another person by the Board.
- F. Board members shall adhere to their oath of office and the Board's code of conduct, confidentiality obligations, and written conflict of interest and ethics declaration, as may be required by the Board from time to time.
- G. Board members shall only receive compensation as determined by the local officers compensation commission, pursuant to MCL 117.5c, and shall be reimbursed reasonable expenses when actually incurred as allowed under Board procedures, policy, and practices.

Section 11. Secretary of the Board. The Board shall appoint a BLP staff Secretary of the Board (the "Secretary") who shall be responsible to the Board to keep the minutes of its meetings. The Secretary shall perform such duties as required by law to notice and record the proceedings of the Board, including creating and maintaining documentation of Board notices, agendas, resolutions, actions, and decisions, and any additional comments or statements made by a Board member as requested by the Board member, and perform any other duties prescribed by the Board. The Secretary shall provide a copy of proposed minutes from the previous meeting to the Board at its next meeting for approval. Following approval by the Board of its meeting minutes, the Secretary shall file the Board meeting minutes with the City clerk to maintain as a public record and to

provide to the Council for informational purposes. The Secretary shall additionally maintain meeting minutes and other required records of the Board at the administrative office of the BLP. The Secretary shall be responsible to the Board for compliance with Open Meetings Act (Michigan Public Act 267 of 1976, as amended, as codified at MCL 15.251 *et seq.*) provisions applicable to preparing and maintaining these records.

Section 12. Quorum and Vote of the Board. Three members constitutes a quorum of the Board. A quorum of the Board is required to hold a meeting. The concurring vote of three Board members shall be necessary for action by the Board, as required in Section 2.5 of the Charter.

Section 13. Board Member Absence(s) from Meetings. At each meeting of the Board, following the roll call and calling the meeting to order, the Board shall vote whether or not to excuse absent Board Members. The Secretary shall record Board Member attendance at each meeting, the vote to excuse absent Board members, and the reason for any excuse requested, into the meeting minutes. Unexcused absences by any Board Member of four consecutive regular Board meetings, or 25% of the Board's regular meetings in any calendar year, shall terminate the term of that Board Member upon reaching that threshold as specified in Section 4.10 of the Charter.

Section 14. Schedule of Regular Board Meetings. The Board shall hold at least one regular meeting in each calendar month at a location designated by the Board, with such location approved by Council. An annual schedule shall be approved by the Board at or before its November meeting specifying the planned dates, times, and location(s) of each regular monthly Board meeting for the next calendar year. The approved regular meeting schedule may be modified, as deemed necessary, by the Chairperson, upon proper notice to the Board and the public, or by a vote of the Board.

Section 15. Special Meetings of the Board. Special Board meetings may be called by the Chairperson or by any two members of the Board. The call for a special meeting stating the date, time, location, and purpose of the meeting shall be made to the Secretary in adequate time to provide necessary notice to the members of the Board and the public. No business shall be transacted at any special meeting except that stated in the notice of the meeting.

Section 16. Meeting Notices. Each member of the Board shall receive written notice of all meetings specifying the date, time, and location of the meeting. The advance time required for notice shall comply with the Open Meetings Act. Additionally, notice of all regular and special meetings of the Board shall be posted for the public at the administrative office address of the BLP, on the BLP internet website, and as otherwise necessary to comply with the Open Meetings Act.

Section 17. Board Meeting Agenda. The Chairperson and the Director shall prepare, with the assistance of BLP staff, meeting agendas and meeting materials for distribution to the Board at least three calendar days prior to each regular Board meeting. Information and materials from staff on agenda items shall be distributed with the agenda to the Board by the Secretary. The Chairperson shall have the discretion to add proposed items to the agenda at any time prior to the meeting. The Board shall approve each meeting's agenda immediately after the meeting is called to order by the Chairperson and a vote to determine whether or not to excuse absent Board Members has been taken. A vote of the Board shall be required to add or remove items to or from the meeting's agenda at any time before the meeting is adjourned.

Section 18. Public Board Meetings and Public Participation.

- A. Public attendance at all Board meetings shall be allowed for as provided in the Open Meetings Act.
- B. Comments by persons in the audience shall be limited to the public participation times set aside on the agenda or during any public hearing. Discussion will otherwise be limited by the Chairperson to Board members, BLP staff, or persons in the audience to whom the Chairperson may direct questions, or other interaction allowed by the Chairperson with respect to an agenda item.
- C. The Chairperson shall have the discretion to curtail public comments that are repetitive and may limit public comments if they become so prolonged as to unduly interfere with the ability of the Board to address other items on the Board meeting's agenda or to conduct necessary Board business. However, members of the public shall not be precluded from addressing the Board for at least the time limit established for addressing the Board, subject to the Chairperson's right to curtail repetitive comments.
- D. Persons attending the meeting who wish to speak or enter into the record a written statement, either during a public participation period or during a public hearing, shall be invited to do so for up to three minutes (or as otherwise limited by the Chairperson) in accordance with the following:
 - 1. Persons in the audience wishing to speak will be asked to state their names, their addresses, and any affiliated organizations they may be representing through their comments.
 - 2. The Board shall accept written comments or statements and copies of any submitted materials; submitted materials shall be distributed to Board members and the Secretary (in advance if possible).
 - 3. If a presentation is accompanied by documents, a petition, or other written communications, these materials shall be provided to the Secretary as well as the Board to ensure they are appropriately addressed in the minutes.
 - 4. Members of the audience wishing to speak shall conduct themselves in a manner that preserves order and decorum and shall comply with the direction of the Chairperson.
 - 5. Public comment time or public hearings are to hear from the members of the audience. Therefore, responses from the Board are not normally allowed for during these periods. The Chairperson may decide after a comment is complete that a response is appropriate and may, in the Chairperson's discretion, respond on behalf of the Board, allow another Board member to respond, or direct BLP staff or others who are present to respond.

6. Public comments (i) are to be loud enough to be audible but not so loud as to be inappropriate for a public meeting, as may be determined appropriate by the Chairperson, (ii) must avoid coarse language or cursing, (iii) may not include personal attacks, (iv) may not be addressed to anyone other than the Board or the Chairperson, and (v) may involve only a single speaker (except when the speaker requires assistance). Public comments may not include demonstrations, or materials that, when used, could be hazardous or unduly disruptive to the meeting, as may be determined by the Chairperson. All determinations made by the Chairperson shall comply with applicable laws and the protected rights of audience members to participate.

E. The Board may elect to enter closed session as allowed under the Open Meetings Act; provided, however, that the Board shall conduct all votes in public session.

Section 19. Remote Board Member Participation in Board Meetings. A Board member may participate remotely in a Board meeting only as allowed according to the Open Meetings Act and other relevant laws and regulations. Additionally, a sound system shall be used that allows all Board members participating in the meeting to adequately communicate with each other and allows for the public physically present at the meeting's location to clearly hear the comments of Board members physically present and Board members attending remotely. The public shall not be provided an opportunity for remote participation via teleconference. Roll call votes shall be used when any Board member is participating remotely. Should the Chairperson participate remotely in a Board meeting, the Vice-Chairperson, if physically present at the meeting location, or an elected Chairperson pro-tempore if the Vice-Chairman is also not physically present, shall preside as Chairperson for that meeting.

Section 20. Meeting Rules of Order. Unless the Board determines otherwise, all meetings of the Board shall be governed by Robert's Rules of Order as may be modified by the Chairperson in the Chairperson's sole discretion, except to the extent that those rules conflict with these Bylaws, the Charter, or any applicable laws.

Section 21. Appointment of a Director of Light and Power. The Board shall appoint a Director of Light and Power (the "Director," who may also be referred to as the BLP "General Manager") who shall be responsible to the Board and serve at the Board's pleasure. The Director shall act as the chief executive officer and administrative agent of the BLP, shall have control and direction of all employees of the BLP, shall be responsible for the supervision and oversight of all BLP facilities and equipment, and shall be responsible for the economical and proper operation and maintenance of BLP equipment and facilities. The Director shall sign appropriately authorized contracts on behalf of the BLP, unless directed otherwise by the Board consistent with Board approved policies. The Director shall have the authority to enter into contracts on behalf of the BLP as allowed for in BLP policies as adopted or revised by the Board from time to time. The City Manager shall have no power or authority with respect to the BLP or any of its functions. The Director shall attend all meetings of the Board unless excused by the Chairperson. The Director shall act as the BLP's primary representative at the Michigan Public Power Agency, the Michigan Municipal Electric Association, the American Public Power Association, and other organizations as may be determined by the Board.

Section 22. Powers of the Board. Subject to the general direction of the Council, the Board shall have the charge of the City's electric services, and shall organize and conduct the affairs of the City's systems for the generation or purchase, distribution and sale of electric light and power in a manner consistent with the best practices therefore.

- A. The Board shall have full power and authority to fix all rates for the sale of lighting and electricity, which shall become effective thirty days after same have been filed with the City clerk as a public record.
 - 1. Such rates shall not be fixed any lower than will produce the revenue required to pay all operating, maintenance, depreciation, obsolescence, and debt service of the system, including required transfers to the City, together with sufficient amounts to provide for necessary plant capital improvements and expansions.
 - 2. The City shall be charged and shall pay for light and power used at the same rates as are charged to and paid by other customers using like amounts of electricity. No free service shall be furnished by the BLP to any person, public or private, or any public agency or instrumentality, including the City.
- B. The Board shall have the full power and authority to adopt an annual budget for the BLP and shall do so no less than thirty days prior to the start of the BLP's fiscal year.
- C. The Board shall establish the procedures for the purchase and sale of personal property by the BLP in accordance with Section 16.4 of the Charter.
- D. The Board, or the Board's designee, shall approve contracts concerning the BLP consistent with the Board's established policies and applicable provisions of the Charter, subject to the general direction and oversight of Council. However, the Board shall not enter into a contract which will not be fully executed within a period of ten years, unless such contract is with a public utility, one or more governmental units, or is necessary, as determined by resolution of the Council, for the proper operation of the City's electric utility in accordance with prudent utility practices.
- E. The Board shall have the power to acquire property, and interests in property, both real and personal, in the name of the City, for BLP purposes, and shall have the power to dispose of personal property by sale, exchange, or lease. The Board may dispose of real property or any interest therein by the sale, exchange, lease, or otherwise, upon the approval thereof by the affirmative vote of not less than four members of the Council, subject to the limitation on the sale of property by the City contained in Sections 14.3 and 16.5 of the Charter, and any other applicable provision of the Charter.
- F. The Board shall have and exercise full control over all BLP funds, subject to applicable provisions of the Charter and any ordinance adopted pursuant to the provisions of the Revenue Bond Act (Michigan Public Act 94 of 1933, as amended, codified at MCL 141.101 *et seq.*), or the provisions of any other legislative authority authorizing the issuance of bonds based upon the revenues of a public

utility. The general accounting procedures of the City shall be consistent with and meet any requirements of law. Such funds and revenues shall be held in accounts separate from other City funds.

- G. The Board shall have the power to loan or transfer to the City such sums of money as the Board may deem proper, which loans or transfers shall be for such purpose or to such fund of the City as the Board and Council shall mutually agree. Loans shall require substantially equal monthly or annual payments and be based upon the payment of reasonable interest by the City, to be determined jointly by the Board and Council. Use of funds for loans or transfers to the City shall additionally comply with BLP revenues and funds use restrictions and transfer provisions set forth in Sections 16.8 to 16.12 of the Charter as described in Sections 23 through 25 below.

Section 23. Use Restrictions, Disposition, and Distribution of BLP Revenues, Receipts, and Funds. All revenues, receipts, and funds derived from light and power sales and services shall be used only to defray the cost of operating the City's electric plant(s) and distribution system, including necessary overhead, plant and system extensions, debt service, and other incidental and pertinent expenses of operating, maintaining, improving, extending, and changing the plant and system, including allowance for depreciation and obsolescence, except as provided in Sections 16.9 to 16.12 of the Charter.

- A. The revenues of the electric utility of the City shall be devoted to the following purposes in the order listed:
 - 1. For the expense of administration, operation, and maintenance of the utility to preserve it and its facilities in good repair and working order;
 - 2. For the principal and interest on any indebtedness;
 - 3. For transfer to the City treasurer for deposit in the general fund the amount required below in Section 24, pursuant to Section 16.9 of the Charter;
 - 4. For placement in a public utility reserve fund (established under Charter Section 16.11) to be maintained for the purpose of accumulating and holding available funds for the protection, improvement, replacement, and extension of the City's electric public utility plants and facilities, subject to the provisions of Section 16.12 of the Charter.
- B. All checks or warrants drawn for the payment of money, under authority of the Board, shall be signed pursuant to Section 16.8 of the Charter.

Section 24. Transfers to the City. From the revenues of the electric utility of the City, there shall be paid within thirty days after the end of each month or such other period as may be required by law, to the City treasurer for deposit in the general fund of the City, an amount equal to 5% of the dollar amount of gross retail sales of the electric utility during such month or such other period to all electric customers located upon the electric utility's distribution system. This percentage may

be reduced by Council for such period as the Council, at its discretion, shall determine by resolution.

Section 25. Utility Reserve Fund. A reserve fund shall be established and maintained by the Board for the purpose of accumulating and holding available funds for the protection, improvement, replacement, and extension of the electric utility system. Monies placed in the reserve fund shall not be used for any purpose other than the purpose of the fund, unless the proposition to do so is approved by a majority of the electors of the City voting on such proposition at a regular or special election.

Section 26. City Utility Franchises. The City shall not grant any franchise for any utility service in competition with a utility service furnished by the City unless such franchise has first received the affirmative vote of at least three-fifths of the electors of the City voting thereon at a regular or special City election.

Section 27. Annual Audited Financial Report. The Board shall have prepared an annual financial report within sixty days after the completion of an annual audit. The annual audit shall be conducted by certified public accountants selected by the Council in accordance with Section 8.14 of the Charter. The annual financial report shall be filed with the City clerk and be made available to the public. The Chairman, as approved by the Board, may assign an audit committee to oversee the audit process and compilation of this report.

Section 28. Monthly Financial and Operating Reports. The Board shall require the preparation by the Director, and any BLP staff the Director may designate, of monthly financial and operating reports and such utility monitoring information as the Board deems appropriate to facilitate its oversight responsibility. Such reports shall additionally be made available upon request to the Council and the general public, unless these materials contain confidential information exempt from disclosure to the public under the Michigan Freedom of Information Act (MCL 15.231 *et seq.*).

Section 29. Legal Counsel to the Board and BLP. The City attorney shall act as general legal counsel to the Board and BLP. The Board, as approved by the Council, may additionally provide for an assistant to the City attorney or retain special legal counsel to handle any utility matter in which the BLP has an interest.

Section 30. Nepotism. Relatives by blood or marriage, as designated in Section 7.23 of the Charter, of the Board or its Director, shall not be qualified to hold any appointive office of the City or to be employed by the City during the term for which they were elected or appointed, unless specifically allowed for in Section 7.23 of the Charter.

Section 31. Indemnification of the Board. A Board member shall be indemnified by the BLP as of right to the fullest extent now or hereafter permitted by law in connection with any actual or threatened civil, criminal, administrative, or investigative action, suit, or proceeding, which is brought against the member because of the Board member's position on the Board, or in which the Board member is a witness to because of the Board member's position on the Board. This right to indemnification does not apply to those actions, suits, or proceedings brought by or on behalf of the BLP and/or the City against the Board member. Persons who are not Board members of the

BLP may be similarly indemnified with respect to their service for the BLP to the extent authorized at any time by the Board.

- A. The Board may purchase and maintain insurance to protect itself and each Board member against any liability described above, whether or not the BLP would have the power to indemnify the Board member against such liability by law or under the provisions of this Section, to the extent allowed by law.
- B. The provisions of this Section (1) shall be applicable to actions, suits, or proceedings, whether arising from acts or omissions, (2) shall apply to both current and former Board members, and (3) shall inure to the benefit of the heirs, personal representatives, executors, and administrators of the Board members covered by this Section.
- C. The right of indemnity provided pursuant to this Section shall not be exclusive, and the BLP may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board may approve that are not inconsistent with applicable law. Any amendment, alteration, modification, repeal, or adoption of any provision in these Bylaws inconsistent with this Section shall not adversely affect the indemnification right or protection of any Board member existing at the time of such amendment, alteration, modification, repeal, or adoption, except as otherwise provided by law.

Section 32. Amendment. These Bylaws may be amended at any time by an affirmative vote of the Board as referenced in Section 12, unless a larger vote is required pursuant to the Charter or other applicable law. Any amendments shall be forwarded to the City clerk and to the Council.

Section 33. Conflicting Provisions. In the event of any irreconcilable conflict between the provisions of these Bylaws and those of the City Charter or other applicable laws, the provisions of the City Charter or other applicable laws shall control.