

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MAY 15, 2025

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, May 15, 2025, 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 6:14 PM by Chairperson Westbrook.

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

Absent: None.

Others Present: General Manager Rob Shelley, Secretary to the Board Danielle Martin, Finance Manager Lynn Diffell, Operations and Power Supply Manager Erik Booth, Distribution and Engineering Manager Austin Gagnon, Information Technology Specialist Dan Deller, Ron Bultje of Dickinson Wright, and Dan Kasbohm of Utility Financial Solutions.

25-06A Director Welling, supported by Director Knoth, moved to approve the meeting agenda.

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.

Motion carried.

Pledge of Allegiance

Public Comment Period: None.

25-06B Director Welling, supported by Director Polyak, moved to approve the consent agenda.

The consent agenda includes:

- Approve the minutes of the April 28, 2025 Regular Board Meeting
- Receive and File the April Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File the April Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 04/30/2025
- Approve payment of bills in the amount of \$2,175,179.98 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$713,828.64 from the Renewal & Replacement Fund

Roll Call Vote:

In favor: Directors Crum, Knoth, Polyak, Welling and Westbrook; Opposed: None.

Motion carried.

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25-06C Director Welling, supported by Director Crum, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order #23391 to Altec in the amount of \$358,642 for a TA60 bucket truck
- Purchase Order #23403 to the City of Grand Haven in the amount of \$414,608 for fiscal year 2026 ground water monitoring
- Purchase Order #23404 to the City of Grand Haven in the amount of \$6,796 for the fiscal year 2026 impoundment inspection
- Purchase Order #23406 to Rehmann in the amount of \$38,910 for backup network servers and labor
- Purchase Order #23409 to Midwest Construction in the amount of \$993,000 for the Eaton Drive building remodel
- Purchase Order #23410 to Materials Testing Consultants in the amount of \$6,000 for soil bearings for the Eaton Drive building remodel

Roll Call Vote:

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

25-06D Director Welling, supported by Director Polyak, moved to approve the Board Resolution Regarding David Walters Litigation (Attachment A).

Roll Call Vote:

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

25-06E Director Welling, supported by Director Crum, moved to approve the Resolution to Approve the Fiscal Year 2026 Budget (Attachment B).

Finance Manager Lynn Diffell reviewed the budget and capital plan. There were no significant changes from last month's presentation. Any potential rate changes discussed in the Cost-of-Service Study would have a net zero effect on income and therefore would not impact the budget. The Environmental Remediation Surcharge will collect \$1 million for Harbor Island obligations. The Low-Income Energy Assistance Fund surcharge could be up to \$1.25 per meter per month as determined by the State. The State mandated Energy Waste Reduction surcharge is not yet known. Payments to the City of Grand Haven are expected to be \$1.8 million. The biggest expense within the budget is \$20 million for purchased power. The MERS pension program was 95% funded as of December 2023 and the 2024 report will be available in July. The five-year capital plan is \$26.5 million. At the fiscal year end, working cash is expected to be \$27.6 million.

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Roll Call Vote:

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

25-06F Director Welling, supported by Director Knoth, moved to approve the Resolution to Approve the Fiscal Year 2026 Capital Plan (Attachment C).

Roll Call Vote:

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

25-06G Dan Kasbohm from Utility Financial Solutions (UFS) presented the Cost-of-Service Study.

UFS utilizes key financial targets to measure the health of a utility. BLP has a good debt coverage ratio and cash balance; however, with no adjustments, operating income will drop below the optimal level in the next five years. This can be remedied with some small rate adjustments.

The study examined how much the BLP is spending to serve each customer class and how much the BLP is then collecting from each customer class. UFS looks for a window of plus or minus ten percent of the cost of service. The study found two classes fall outside of the ten percent window; we are collecting more from General Service Secondary customers than the actual cost to serve them and are collecting less from General Service Large Secondary compared to the actual cost to serve them. UFS suggests making small rate adjustments to these two groups to bring them closer to the actual cost of service. The proposed adjustments would have a net zero effect on BLP income.

The study found the monthly service charge for all classes is currently below the actual cost of service. UFS recommends increasing the monthly service charges and decreasing the energy charges for a net zero impact. UFS also recommends resetting the PSCA from \$0.059/Kwh to \$0.069/Kwh. This would increase energy rate charges by one penny but drop the PSCA by one penny, having a net zero impact.

The General Manager explained no Board action is being requested today. Staff hopes to bring any proposed rate changes, along with information on the State mandated surcharges, for Board approval in July.

No formal action taken.

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25-06H Catherine Vollmer and Sofia Vigeant from Great Blue Research presented the Customer Satisfaction Study.

The survey was conducted in digital and phone format from late February to early April. Responses were divided into two categories: residential and commercial. 518 residential surveys were completed, and 58 commercial surveys were completed. Data highlights for each group are:

Residential

- Average positive rating across all organizational characteristics was 85.9% (the national average was 63.6%).
- 90.8% of respondents were satisfied with their interaction with office personnel and 88.1% were satisfied with their interaction with field personnel (both higher than the national average).
- 90.4% of respondents were satisfied with the BLP's online management system and 93.8% were "very" or "somewhat" confident in the BLP's ability to restore power after a major storm or weather event.
- The top two priorities ranked by importance for residential respondents were having reliable power to their home and the cost of electricity. Reduction of carbon in the energy portfolio was ranked as the least important factor for residential respondents.
- 79% of respondents would "strongly" or "somewhat" support the BLP owning small local gas fired generation.

Commercial

- Average positive rating across all organizational characteristics was 85.8% (the national average was 69.5%).
- 95.7% of respondents were satisfied with their interaction with office personnel and 100% were satisfied with their interaction with field personnel (both higher than the national average).
- 100% of respondents were satisfied with the BLP's online management system and 98.2% were "very" or "somewhat" confident in the BLP's ability to restore power after a major storm or weather event.
- The top two priorities ranked by importance for residential respondents were having reliable power to their home and the cost of electricity. Reduction of carbon in the energy portfolio was ranked as the least important factor for commercial respondents.
- 89.7% of respondents would "strongly" or "somewhat" support the BLP owning small local gas fired generation.

No formal action taken.

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25-06I The Board's self-evaluation process was discussed. By consensus, the results will be reviewed at a special meeting held at 4:00PM on July 17, 2025. The meeting will be held off site prior to the regular meeting scheduled for 6:00PM.

No formal action taken.

25-06J The General Manager's annual performance evaluation was discussed. By consensus, the evaluation will be conducted at 4:30PM on June 19, 2025 prior to the regular meeting scheduled for 6:00PM. The evaluation will be conducted in closed session as requested by the General Manager and as permitted by Section 8(1)(a) of the Open Meetings Act.

No formal action taken.

Other Business

- The General Manager reported proposals were received today for the administration of the State mandated Energy Waste Reduction program. The Board will need to choose between using the State's or MPPA's contractor. The total estimated cost is \$1 million. The deadline to join the State's program is July 1st so Board action will be required at its meeting in June.

Public Comment Period: None.

Adjournment

At 8:11PM by motion of Director Welling, supported by Director Knoth, the May 15, 2025 Board meeting was unanimously adjourned.

Respectfully submitted,



Danielle Martin
Secretary to the Board

DM

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Attachment A

GRAND HAVEN BOARD OF LIGHT & POWER

RESOLUTION REGARDING DAVID WALTERS LITIGATION

WHEREAS, the Grand Haven Board of Light and Power ("BLP") is a Defendant in a lawsuit initiated by David Walters ("Walters"), David Walters v. Grand Haven Board of Light & Power, Case No. 24-7759-CD, in the 20th Circuit Court for the County of Ottawa (the "Lawsuit"); and

WHEREAS, in the Lawsuit, Walters alleges that BLP terminated him in breach of his employment agreement, as well as in retaliation for reporting suspected violations of the law, in violation of Michigan's Whistleblower Protection Act. Walters also alleges that the BLP has violated Michigan's Open Meetings Act; and

WHEREAS, BLP denies Walter's allegations, and asserts that BLP properly terminated Walters pursuant to Paragraph 10.C of his July 1, 2022 Employment Agreement; and

WHEREAS, BLP attended a mediation with Walters on April 18, 2025. The Parties did not reach a resolution at mediation; and

WHEREAS, BLP desires to try and resolve this Lawsuit without additional legal fees and costs.

THEREFORE, BE IT RESOLVED, BLP instructs its attorney, Kaufman Dolowich, to serve upon Walters an Offer of Judgment consistent with the presentation by Kaufman Dolowich in closed session on this date. This Offer of Judgment would resolve all claims set forth in the Complaint filed by Plaintiff, dated April 19, 2024, and be inclusive of all interest, costs, fees, and expense incurred through the date of the entry of said Judgment.

RESOLUTION DECLARED ADOPTED

Dated: May 15, 2025



Danielle Martin, Board Secretary
Grand Haven Board of Light & Power

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Grand Haven Board of Light & Power, at a meeting held on May 15, 2025, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: May 15, 2025



Robert Shelley, General Manager
Grand Haven Board of Light & Power

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Attachment B

GRAND HAVEN BOARD OF LIGHT & POWER

RESOLUTION TO APPROVE THE FISCAL YEAR 2026 BUDGET

WHEREAS, the Board of Light and Power has established a budget which includes operating and nonoperating revenue and expenses for the fiscal year 2026; and

WHEREAS, the Board of Light and Power has included projections for retail sales along with purchased power, employee and other expenses.

THEREFORE, BE IT RESOLVED, the Board of Light and Power believes that these projections are reasonable and based on the best practices; and

BE IT FURTHER RESOLVED, the Board of Light and Power hereby approves the budget plan as presented for fiscal year 2026.

RESOLUTION DECLARED ADOPTED

Dated: May 15, 2025



Danielle Martin, Board Secretary
Grand Haven Board of Light & Power

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Attachment C

GRAND HAVEN BOARD OF LIGHT & POWER

RESOLUTION TO APPROVE THE FISCAL YEAR 2026 CAPITAL PLAN

WHEREAS, the Board of Light and Power has established a five-year capital plan for the fiscal years 2026-2030; and

WHEREAS, the Board of Light and Power has included estimated costs for projects anticipated to begin in the fiscal year 2026 and purchases for capitalized inventory.

THEREFORE, BE IT RESOLVED, the Board of Light and Power believes that these projections are reasonable and based on the best practices and recent engineering studies; and

BE IT FURTHER RESOLVED, the Board of Light and Power hereby approves the five-year capital plan as presented for fiscal year 2026.

RESOLUTION DECLARED ADOPTED

Dated: May 15, 2025



Danielle Martin, Board Secretary
Grand Haven Board of Light & Power

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Robert Shelley, General Manager
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