

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
MAY 16, 2019

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, May 16, 2019, at 4:00 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 4:01 p.m. by Chairperson Smant.

Present were Directors Naser, VanderMolen, Witherell and Smant.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Accounting and Finance Manager; Rob Shelley, Distribution and Engineering Manager; and Erik Booth, Power Supply Manager.

Director Naser, supported by Director Witherell, moved to excuse Director Kieft from the meeting. The motion was unanimously approved.

Director Witherell, supported by Director VanderMolen, moved to approve the meeting agenda. The motion was unanimously approved.

19-06A Director Witherell, supported by Director VanderMolen, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the April 25, 2019 Board meeting
- Accept and file the April 2019 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$2,337,560.59 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$288,121.47 from the Renewal and Replacement Fund
- Confirm Purchase Order #20690 to Schindler Elevator Corp. in the amount of \$16,289 for Sims elevator repairs
- Confirm Purchase Order #20702 to Wylie Electric Motor Service in the amount of \$6,903 for an I.D. fan bearing
- Confirm Purchase Order #20706 to Northern Boiler Mechanical Contractor in the amount of \$213,428 for Spring outage repairs

The motion was unanimously approved.

19-06B Public Comment Period – Field Reichardt, BLP customer, shared his concerns regarding rebuilding a power plant on Harbor Island. He feels this is a valuable piece of property that should be released for other development.

Jeff Miller, BLP customer, asked the Board to seek a second opinion on the City's 100 Year Floodplain report to ensure the BLP's location on Harbor Island is not within the floodplain. Mr. Miller expressed his concerns regarding the City Council's oversight of BLP matters. He feels the BLP needs independence to approve its contracts. He also discussed a new company in Muskegon who is installing solar. He asked the Board to more fully consider rates to consumers when making its decisions.

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No formal action taken.

19-06C Director Witherell, supported by Director Naser, moved to approve the following purchase orders:

- Approve Purchase Order #20707 to Power Line Supply Company in the amount of \$23,451 for 14 pole-mount single phase transformers for inventory
- Approve Purchase Order #20708 to Bridgewell Resources, LLC. in the amount of \$11,600 for 16 treated yellow pine power poles for inventory

The motion was unanimously approved.

19-06D Director Witherell, supported by Director Naser, moved to approve the FY2020 Budget and Capital Improvement Plan as proposed. The General Manager provided an extensive preliminary FY2020 Budget and Capital Improvement Plan (CIP) presentation to the Board at last month's meeting. No changes have been made and no questions have been asked by the Board since that meeting.

The motion was unanimously approved.

19-06E Director Witherell, supported by Director Naser, moved to approve the proposed revision to the Power Cost Adjustment (PCA) base effective July 1, 2019. There are no base rate changes in the FY2020 Budget. Part of that budget includes an adjustment in the PCA base from \$44.00 to \$48.50, which reduces power cost collections.

The motion was unanimously approved.

19-06F Director VanderMolen, supported by Director Witherell, moved to create two new wage levels for qualified journeyman lineworkers and to move Electrical Lineworkers from Wage Level 8 to Wage Level 9 for Fiscal Years 2020 and 2021. Management recommends adjusting these wages to attract and retain qualified lineworkers. This adjustment brings lineworker wages consistent with surrounding utilities.

The motion was unanimously approved.

19-06G Director Naser, supported by Director Witherell, moved to authorize the General Manager to execute the MPPA Energy Services Project Transaction Authorization and Purchase Power Commitment for additional solar to replace a portion of the Pegasus Wind Project.

NextEra's Pegasus project was a substitute for the Huron wind project, which is not being developed. Pegasus had all land use permits in place. The last item was for an FAA permit. Opposition by the community led to approximately 1/3<sup>rd</sup> of the development not being built. MPPA recommends the members purchase more solar to replace the kWh's from the project we had already purchased. The cost is approximately \$4 less per kWh than both the wind project and previous solar we purchased 6 months ago. We should receive approximately 6.5 MWs plus additional capacity. The estimated capacity factor is 20%.

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We will present this Purchase Power Commitment to City Council for ratification at its next meeting.

The motion was unanimously approved.

19-06H The General Manager advised the Board we have run into some delays on the Burns & McDonnell Project Definition Report. Staff recommends holding off until our June meeting so Burns & McDonnell can answer more questions.

No formal action taken.

19-06I Chairperson Smart recognized and thanked BLP employees for their efforts in earning APPA's RP3 Platinum Award.

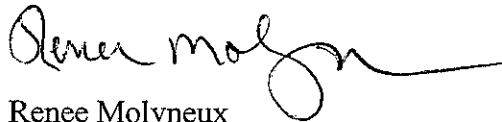
No formal action taken.

19-06J Director VanderMolen reminded members of the audience Harbor Island was once a City dump before the BLP began using the site.

No formal action taken.

At 4:30 p.m. by motion of Director Witherell, supported by Director Naser, the May 16, 2019 Board meeting was adjourned.

Respectfully submitted,



Renee Molyneux  
Secretary to the Board

RM