

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
JULY 18, 2019

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, July 18, 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 4:00 p.m. by Chairperson Smant.

Present were Directors Kieft, 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 & Finance Manager; Rob Shelley, Distribution and Engineering Manager; and Erik Booth, Power Supply Manager.

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

19-09A Director Witherell, supported by Director Kieft, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the June 27, 2019 Board Meeting and Special Board Meeting
- Accept and file the June 2019 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$1,759,813.28 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$71,458.36 from the Renewal and Replacement Fund
- Confirm Purchase Order #20224-1 to C.C. Power, LLC in the amount of \$33,030 for a North to Sternberg 69kV project change order
- Confirm Purchase Order #20393-1 to Burns & McDonnell in the amount of \$46,000 for Phase 1 Project Definition Report engineering services change order #1
- Confirm Purchase Order #20511-1 to C.C. Power, LLC in the amount of \$13,121 for a West Spring Lake Road change order
- Confirm Purchase Order #20808 to Babcock & Wilcox Company in the amount of \$58,640 for C mill rebuild parts

General Manager Walters discussed the preliminary Year-End Financial Statements. We have trued up our coal inventory to show substantial growth this year. This is due to a miscalibration of the coal feeder meters going into the plant. Expenses were decreased due to higher than expected fine coal inventory. Currently, expenses are under budget, revenues are consistent, and investment earnings are higher than expected. Net increase in assets are \$2.2 million above budget at year-end. There will be several additional adjustments through the audit process. Unfunded liability is under reported at this time and will also be adjusted based on the annual actuarial report.

The motion was unanimously approved.

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19-09B Public Comment Period – Nick Pietrangelo, BLP customer, raised several concerns, statements and questions to the Board, primarily focused on solar energy use and discussed the low cost of solar power in Abu Dhabi.

General Manager Walters responded to the misconceptions we are hearing throughout the community regarding the BLP. The BLP has two functions. One is to acquire power (either through generating it or purchasing it from others) and the other is to distribute the power. The majority of the savings achieved from having a local, municipal electric utility is provided through the distribution side of our business. The BLP provides substantial value to the community through its operation of the distribution system. This cannot be overlooked. Additionally, BLP reliability is maintained primarily through the operations of the distribution system.

Mary Jane Montgomery, BLP customer, appreciates the work the BLP does. She attends City Council meetings and feels they do a disservice to the BLP. She would like to see the BLP more separated from City government and believes the problems the BLP is experiencing are due to City Council.

Chairperson Smart informed the audience that separation from the City would require a vote of the City and a charter change.

No formal action taken.

19-09C Director Witherell, supported by Director Naser, moved to approve the following purchase orders:

- Approve Purchase Order #20792 to Z Services, LLC. in the amount of \$9,600 for cleaning services at Sims
- Approve Purchase Order #20805 to Hometown Connections, Inc. in the amount of \$9,500 for our annual GreatBlue Research customer satisfaction survey
- Approve Purchase Order #20815 to Trace Analytical in the amount of \$34,000 for sampling and analytical testing for compliance with the NPDES permit until plant retirement

The motion was unanimously approved.

19-09D Director Witherell, supported by Director Kieft, moved to approve the Consent Agreement and Final Order (CAFO) between Grand Haven Board of Light & Power and the U.S. Environmental Protection Agency

Changes occurred in the air toxic monitoring requirements in 2016. BLP failed to make these administrative changes in a timely fashion. We received a violation and corrected the deficiency. BLP staff worked with the EPA on a settlement offer, which involved the U.S. Attorney General. We have negotiated a monetary penalty in line with the actual administrative cost we would have had plus a supplemental project to benefit the environment, which includes installation of LED street lighting along the US-31 corridor. The EPA did not see this as a substantial oversight; therefore, we received a smaller penalty assessment than what is allowed,

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and we feel it's a fair settlement and penalty. Staff takes this responsibility very seriously and has taken corrective action to ensure it does not occur again.

The motion was unanimously approved.

19-09E Director Witherell, supported by Director Naser, moved to approve proceeding with Task No's 1 and 2, Abatement/Demolition Bid Documents and Bid Assistance, at the quoted pricing within the Sims Abatement/Demolition Engineering Services proposal from Burns & McDonnell.

Staff recommends approval of Task No's 1 & 2 and postponing the other two identified tasks. Burns & McDonnell agrees with approving these tasks at the quoted pricing.

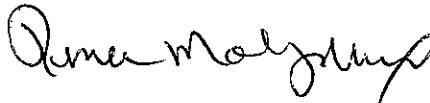
We are retaining the option to keep snowmelt equipment in Units 1 & 2 intake building as a possible interim solution for snowmelt operations rather than demolishing this intake structure. A final recommendation will be brought to the Board for consideration at a future meeting.

We will use a local firm for the joint permit application. This is not Burns & McDonnell's area of expertise and they have not provided this service in Michigan.

The motion was unanimously approved.

At 4:43 p.m. by motion of Director Witherell, supported by Director Kieft, the July 18, 2019 Board meeting was adjourned.

Respectfully submitted,



Renee Molyneux  
Secretary to the Board

RM