

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
JUNE 23, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, June 23, 2022, at 5:00 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Meeting.

The meeting was called to order at 5:00 p.m. by Chairperson Kieft.

Present were Directors Crum, Hendrick, Westbrook, Witherell, and Kieft.

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

22-10A Director Witherell, supported by Director Westbrook, moved to approve the meeting agenda.

The motion was unanimously approved.

Public Comment Period – Jeffrey Miller, 1120 S. Harbor, would like Board minutes to include roll call votes so the public knows how each member voted. He also would like the Chair to ask Board members to recuse themselves, if desired. Miller proposed using MPPA general manager salaries to set Grand Haven's General Manager salary.

Mike Brookstra, 309 Friant, expressed concern regarding potential power supply issues this summer. Brookstra said, if the BLP has no goal to produce power locally, the BLP should be abolished.

No formal action taken.

22-10B Director Crum, supported by Director Witherell, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the May 26, 2022 Regular Board Meeting
- Accept and file the May 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated May 31, 2022
- Approve paying bills in the amount of \$2,160,852.36 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$306,014.28 from the Renewal and Replacement Fund
- Confirm Purchase Order #22251 to Dickenson Wright PLLC in the amount of \$6,120 for legal services through April 30, 2022
- Confirm Purchase Order #22256 to Boileau Communications in the amount of \$42,000 for annual marketing, communications, and education services

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- Confirm Purchase Order #22258 to Landis+Gyr Technology, Inc. in the amount of \$9,408 to purchase 48 retail meters for BLP inventory
- Confirm Purchase Order #22260 to HIS Workplace Compliance Solutions in the amount of \$6,000 for FY2023 online safety training

The General Manager reviewed the MPPA Energy Services Project Resource Position Report and load shedding processes with the Board. The probability of load shedding occurring this summer is very low.

The motion was unanimously approved.

22-10C Director Witherell, supported by Director Hendrick, moved to approve the following Purchase Orders:

- Purchase Order #22253 to Irby Utilities in the amount of \$17,052 for padmount electrical switchgear for inventory
- Purchase Order #22259 to Panelmatic Inc. in the amount of \$523,100 for Osipoff Substation control hours and relay panels
- Purchase Order #22262 to Double L Enterprises in the amount of \$51,936 for Island Substation grading for surface drainage

Flooding is occurring in the substation due to construction grading and stormwater runoff; therefore, Purchase Order #22262 is to contract with Double L Enterprises to build a swale for stormwater runoff. The work will be completed in the next month and will be paid for with capital improvement funding designated for the substation improvement project.

The motion was unanimously approved.

22-10D Catherine Veschi, Project Manager for GreatBlue Research, Inc. presented the results of our focused customer survey on the BLP's Energy Efficiency and Energy Waste Reduction (EWR) program.

GreatBlue conducted a focused survey with approximately seventeen questions using telephone methodology. They received 301 residential completes and fifty-one commercial and industrial completes. The commercial and industrial (C&I) survey was shorter in length because demographics were not needed.

Key findings include a need to increase communication efforts to all customers and provide more educational materials to C&I customers regarding the benefits of energy efficiency and the cost savings their businesses would see.

Veschi reported the overall awareness of EO programs was fairly low. Most customers would prefer a locally controlled program vs a state-controlled program.

There was fairly low participation in EO programs. Those who did participate used rebate and recycling programs.

With those who participate, overall satisfaction with the programs is very high.

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Customers expressed interest in participating in these programs in the future.

The percentage of customer rates collected and allocated to the EO program seems reasonable to most customers.

Considerations for GHBLP – provide more education to C&I customers identifying potential cost savings.

Veschi does not see anything uncommon when comparing BLP data to other utilities. Most customers are unaware of these utility programs. Barriers are often related to money and investment in energy efficient products.

The data indicates the most popular program is lighting, but we have eliminated lighting from our residential program. C&I customers may still be eligible to receive rebates for lighting projects.

The General Manager stated our future focus will be to reduce system load vs individual load. All customers will benefit if we are able to reduce system load. We are continuing the appliance recycling program.

Veschi reported the trend is to conduct surveys digitally; however, digital surveys get more negative feedback. Telephone surveys tend to have an older population response because it is more difficult to get younger people to answer the phone.

The General Manager feels these scientific surveys are an important method for gaining valuable information for the Board. Also, using GreatBlue provides us the ability to compare Grand Haven data with other utilities nationally.

No formal action taken.

22-10E Director Witherell, supported by Director Crum, moved to approve the General Manager's Employment Agreement.

The General Manager's performance evaluation was conducted in March. Chairperson Kieft and Vice Chairperson Westbrook were assigned the task of revising and updating the General Manager's employment agreement, which was also reviewed by the city's attorney. The agreement was not finalized until the end of last week. Termination provisions were altered to recognize vesting for retirement. The General Manager is still an 'at-will' employee.

In a roll call vote of the Board, those in favor: Directors Crum, Westbrook, Witherell and Kieft; those absent: none; those opposed: Hendrick. Motion passed.

22-10F Director Westbrook, supported by Director Hendrick, moved to approve FY 2022 Year End write-offs in the amount of \$33,729.11.

This year's write-off percentage is 0.078% of retail sales, up slightly over FY2021. Write-offs are increasing in amount per customer at \$294.54 per customer vs \$194.64 per customer in FY2021; but the volume of customers is decreasing. We will continue our collections efforts on these accounts.

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The motion was unanimously approved.

22-10G Director Hendrick, supported by Director Witherell, moved to opt out of Public Act 95 for FY 2023.

Because we are a municipal utility, the Board has the option to opt out of collecting the LIEAF tax from our customers. Last year's per meter charge was \$0.87 cents per meter.

In a roll call vote of the Board, those in favor: Directors Crum, Hendrick, Westbrook, Witherell and Kieft; those absent: none; those opposed: none. Motion passed.

22-10H Director Hendrick, supported by Director Witherell, moved to assign Director Hendrick to collaborate with staff to evaluate the Hometown Helping Hand program and provide any suggested changes to the Board for consideration.

The motion was unanimously approved.

22-10I The General Manager reported to the Board an Energy Services Project cash transfer was made to MPPA in the amount of \$500,000. MPPA sent an emergency request, and we transferred the funds. MPPA needs 'one fat month' of working capital in reserves so they may pay power supply costs on our behalf. As power supply costs increase, they will require more for working capital. The General Manager believes this will be a recurring request. This is a draw on our cash reserves. MPPA holds \$2.5 million for GHBLP, which includes this \$500,000 transfer.

No formal action taken.

22-10J Director Westbrook, supported by Director Witherell, moved to approve postponement of the PSCA implementation to September 1, 2022.

The General Manager reported if we were to begin collecting the PSCA in July, it would be negative; therefore, he recommends holding until September 1<sup>st</sup>.

The motion was unanimously approved.

22-10K Chairperson Kieft requested a discussion regarding City Council's recent approval of the sale of the Diesel Plant.

Director Crum stated his opinion is that the Charter should be followed. When the Board first mentioned selling the Diesel Plant, the Board hired a firm to assist. Through that process, proposals were sought and narrowed down to four for further evaluation. A final recommendation to award the sale to Capstone Realty in the amount of \$1.5 million was approved by the Board. City Council rejected that proposal, and a committee was established of council members and Board members; however, only one virtual meeting was held with the members. The city took over the sale of the Diesel Plant, contracting with the same firm the Board worked with to seek new proposals, and have not come back to solicit the Board for an approval. The city pushed the BLP out of the way and is selling a building the BLP rate payors paid for. He wants to know who

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gets the revenue from the sale and why the city is not following the charter. Section 16.5 (now section 14.5) discusses the sale of BLP property.

The General Manager requested a clear, written opinion from the city attorney on whether the Board has to approve of the sale, or not. We are awaiting a response and will provide all written opinions to the Board upon receipt.

Director Crum believes the Board should have a discussion on what is fair for BLP rate payers.

Director Witherell stated it became clear to him that any proposal the BLP presented to council would not be accepted.

No formal action taken.

22-11L The General Manager informed the Board we had a tentative agreement on the labor agreement and productive discussions with union leadership, but the vote failed. We made a slight modification to move it forward, but that vote also failed. We will move forward in July with the current contract and go back to the table to continue discussions.

Beau Ryther, Union President, stated their membership has specific ideas on what they want, which they will bring forward when discussions resume.

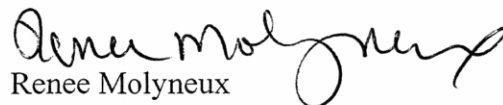
No formal action taken.

Public Comment Period – Jeffrey Miller, 1120 S. Harbor, suggested the Board develop a press release regarding the General Manager's Employment Agreement. He stated he heard the BLP held a Stakeholders Luncheon with commercial and industrial customers and suggested several other groups for future luncheons. He also suggested the BLP notify the city of rolling load shed plans. Miller wants the BLP to be involved in the City Sustainability Committee.

No formal action taken.

At 8:05 PM by motion of Director Westbrook, supported by Director Hendrick, the June 23, 2022 Board meeting was adjourned.

Respectfully submitted,

  
Renee Molyneux  
Secretary to the Board

RM