

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 15, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, September 15, 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 Vice Chairperson Westbrook.

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

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

22-14A Maria Boersma, City Clerk, announced she received a letter of resignation from Larry Kieft and declared his seat as vacant effective September 13, 2022.

22-14B Director Witherell, supported by Director Hendrick, moved to accept Chairperson Kieft's resignation.

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

Vice Chairperson Westbrook stated the Board received the letter of resignation which contains personal medical information, and he asked the Board and staff to respect Kieft's private medical information.

Westbrook stated he joined the Board last November and has had the pleasure of working with Kieft as Vice Chair for the past several months. He had not met Larry prior to running for the Board in the November 2022 election. Chairperson Kieft assisted him with his campaign, is a good Christian man and husband and Westbrook wanted to thank him for his years of service.

22-14C Director Witherell, supported by Director Crum, moved to nominate Michael Westbrook to serve as Chairperson of the Board.

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

22-14D Director Witherell, supported by Director Crum, moved to close nominations and elect Michael Westbrook to serve as Board Chair.

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

Chairperson Westbrook stated he was new to the Board, and government in general when he joined the Board, and he appreciates and is honored by the nomination and election. He is committed to working with the Board and City Council and hopes to bring some peace to this group and between the Board and Council. He feels this is a time to start fresh and he is committing to doing that. Westbrook thanked the Board for this opportunity.

22-14E Director Witherell, supported by Director Crum, moved to approve the meeting agenda.

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

Public Comment Period –

Field Reichardt, 1053 Ohio, stated he recently learned of Kieft's resignation. He feels Kieft is a very good person and wishes him well. Reichardt distributed a letter to the Board and requested written responses to his questions.

No formal action taken.

22-14F Director Witherell, supported by Director Crum, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the August 18, 2022 Regular Board Meeting
- Accept and file the August 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated August 25, 2022
- Accept and file the September 6, 2022 Letter from Board Chair and Vice-Chair to the City Attorney
- Approve paying bills in the amount of \$6,342,439.95 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$153,806.67 from the Renewal and Replacement Fund
- Confirm Purchase Order #22345 to Insight Public Sector, Inc. in the amount of \$10,320 for Office 365 with Exchange On-line Software Subscription for 2022-2023
- Confirm Purchase Order #22346 to Dickenson Wright PLLC. in the amount of \$7,314 for legal services through July 31, 2022
- Confirm Purchase Order #22346 to Landis & Gyr Technology, Inc. in the amount of \$30,000 for Endpoint Annual Software Subscription fees

The General Manager encouraged the Board to review the financial statements. The average rate increase year over year in the industry is 15%. BLP rates have not changed over the last several years. We are now beginning to pass on higher costs through our Power Supply Cost Adjustment to cover escalating power supply costs due to significant changes occurring in the energy markets.

Director Hendrick asked what the Purchase Order to Dickinson Wright includes. The General Manager reported this is for work requested by and for the BLP.

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

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22-14G The Board reviewed its Bylaws and processes.

Westbrook asked to review Section 17 of the Bylaws. The Chair and the General Manager develop the Board's meeting agenda the Thursday before the meeting. His goal is to establish an annual calendar of agenda items that occur each year. For other items, he asked the Board to provide any agenda item requests to him by the Tuesday prior to the monthly agenda development.

The General Manager asked to have Board members discuss potential future agenda items at their meetings so they may determine as a body whether to add an item, or not add it, to the next month's meeting agenda.

Westbrook also asked to discuss information sharing stating FOIA requests from Board members look dysfunctional to the public. He is asking tonight that everyone work together better. If information is needed, Board members can bring the request to the Chair. We have five board members. If all five members are asking Staff for information, it can get overwhelming. The current FOIA request will be honored but he will be working to avoid them in the future, and needs everyone on the Board to work toward that goal as well. Future forward, in the interest of a better function, requests should be coordinated through the Chair, and then from the Chair to staff. In the end the Board as a whole should determine what information the Board is to receive.

The General Manager added information requested and approved will be provided to all members.

The Board agreed to follow this process.

No formal action taken.

22-14H The Board discussed Invoice #2200017063 submitted to the BLP by the City of Grand Haven.

The General Manager stated the BLP has asked for a written agreement to be negotiated between the BLP and Council to facilitate the environmental project that is occurring on Harbor Island. The General Manager reviewed the city's organizational structure and how it relates to the need for an intragovernmental agreement. The BLP is not the same as other city departments. Those departments all report to the city manager. Other Boards and Commissions are all appointed by, and report more directly to city council. BLP Board directors are elected, and appoint its director of light & power who is responsible to the Board and who controls and directs the BLP employees, facilities, processes and procedures that are approved by the Board. The BLP operates under Chapter 14, while other city departments operate under Chapter 7 of the city charter.

Now we have before the Board a request for payment to the city; however, the city has not followed the BLP's Purchasing Policy. This is why we need an Intragovernmental Agreement. This invoice was not reviewed by BLP staff. It was sent directly to the Board from a city department. The General Manager doesn't know how the Board is to approve an invoice from another city department and is asking the Board for direction. All that was received from the city was the invoice. The Accounting & Finance Manager asked for the detail, which was received later with the Dickinson Wright information redacted. These Dickinson Wright tasks and/or projects were neither requested by nor provided to the BLP. We do not have any more

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information than this. BLP Staff is not making any recommendations to the Board. It is up to the Board to determine what to do with this invoice.

HDR Items 002 and 003 were task items that fall under the purchase order approved by the Board for the coal yard project, most of which was canceled. These are for the project's engineering services.

Chairperson Westbrook stated the transition to HDR is the result of council removing the BLP from the project and transferring those responsibilities to the city. Director Crum recalled McLaughlin stating he had 'zero confidence in BLP management.'

Chairperson Westbrook said this invoice spotlights why we need an intragovernmental agreement. He struggles with a payment request when the city attorney is responding to others.

The General Manager feels it may be appropriate for the Board to talk with the city attorney, however this invoice is from the city. The appropriate people to talk with the Board are those who approved and billed the BLP. Next month, the BLP will be invoiced for work done on behalf of the Board by other city departments.

Ashley Latsch, interim city manager, said the only Dickinson Wright bills forwarded to the BLP were for the Administrative Consent Order (ACO) negotiations.

Director Witherell stated this is not about the money, it is the inference. Virtually everything the BLP has done over the last four years has been called into question. The information that is sometimes shared by those who are opposed to the BLP is not necessarily accurate. We provide power to 15,000 families in the community, and we do it well. He struggles with our inability to work together and feels the people who are faulting us know nothing about the utility business. The community is very fortunate to have this utility.

Director Crum said the BLP did not direct this work and we do not know what work was performed. He agrees we need to work better and closer on this, but he feels the Board needs to be part of the approval process.

The General Manager said it is not the BLP refusing to do work. The direction from council was clear.

Chairperson Westbrook stated we have before the Board the problem we anticipated would occur. He proposed the Board approve the two HDR invoices because they are on an approved purchase order. Westbrook wants to table the invoice for Dickinson Wright until the Board has further discussion and gains more evidence on whether the line items apply to the BLP.

Director Hendrick moved to pay the full invoice. No support was received. Motion failed.

Director Westbrook stated again that the Board should approve the two HDR invoices and table the Dickinson Wright invoice until further discussion is held and more information is gained.

Director Hendrick moved to approve the two HDR invoices and move forward with discussions with city staff on the Dickinson Wright portion of the invoice and requested they have the city attorney present for the discussion. No support was received. Motion failed.

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Director Hendrick moved to approve the two HDR invoices and move forward with discussions with city staff on the Dickinson Wright portion of the invoice to include the BLP Chair, Director Hendrick, the General Manager, the Mayor, and Mayor Pro-tem. No support was received. Motion failed.

Director Witherell, supported by Director Crum, moved to approve payment of HDR Invoices 002 and 003 and to have the Board Chair, General Manager, and Erik Booth work with the Mayor, Interim City Manager, and Derek Gadjos on the Dickinson Wright legal bills and a process going forward.

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

22-14I Director Crum, supported by Director Witherell, moved to transfer the NPDES Permit to the City and to assign Paul Cederquist, Utility Compliance Specialist, to continue executing monthly reports in the interim under the condition he receives written notification from the city that no discharges have occurred.

Erik Booth reviewed what has occurred regarding the NPDES permit since January 11, 2022 when city staff and HDR were assigned as single point of contact for EGLE for the Sims site.

Consistent with city staff taking control of the site, the Board voted unanimously to remove BLP Staff as the authorized designated representatives of the site at their March 17, 2022 meeting.

On April 21, 2022, Derek Gajdos emailed the BLP indicating they were going to allow the permit to expire and reapply if there is a future need.

On May 16, 2022, EGLE informed the BLP they would not terminate the permit until conditions for Outfall 002 are met or another enforceable document is in place.

On June 27, 2022, Derek Gajdos sent an email to the BLP stating they were advised by the city attorney to not transfer the permit from the BLP to the City.

Booth shared the Grand Haven Tribune's coverage of City Council's transfer of site responsibility in their January 22-23, 2022 weekend edition.

Booth said transfer of the NPDES permit only designates who the responsible party is for ensuring the requirements are met. It does not transfer any liability – the BLP liability for contamination it caused will remain with the GHBLP forever.

Conditions still needing to be met include closure of Outfall 002 for inactive Unit 1/2 Impoundment; annual permit fee of \$8,700; annual stormwater pollution prevention plan review and updates (including updating names to new responsible parties); and quarterly stormwater inspections.



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Booth proposed the following options:

Option 1 - Transfer NPDES permit from the BLP to those in control and responsible for the site at the city.

Option 2 – Keep the permit in the Board’s name but designate the responsible party (at the city) to maintain compliance with the conditions of the permit.

Option 3 – Negotiate some other enforceable document.

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

22-14J Erik Booth provided an update on three long-term solar Purchase Power Commitments (PPCs) with Michigan Public Power Agency (MPPA) that will require reauthorization due to significant project delays. These include Calhoun solar projects with Invenergy (delayed to summer 2023) and Savion (delayed to early 2023) and the Hart solar project with CMS (delayed to summer 2025). These projects are delayed due to supply chain issues. In addition, cost estimates are now higher than expected due to inflation. MPPA is renegotiating the terms of these Solar contracts. If the negotiated terms are acceptable, Staff will present the new PPCs to the Board for consideration at a future meeting.

No formal action taken.

22-14K Director Hendrick, supported by Director Crum, moved to approve a Resolution of Recognition for Board Service to Larry Kieft.

**RECOGNITION OF  
EXEMPLARY PUBLIC SERVICE  
LARRY KIEFT**

WHEREAS, Larry Kieft, has faithfully and capably served the Grand Haven Community as a Board Director of the Grand Haven Board of Light & Power since November 2005; and,

WHEREAS, during this time he has provided valuable guidance and leadership to the Grand Haven Board of Light & Power and,

WHEREAS, his activities in Public Power exemplify his dedication to serve his community and protect the benefits of community-ownership, local control, and not-for-profit service, provided by the Grand Haven Board of Light & Power to the greater Grand Haven area;

NOW, THEREFORE, BE IT RESOLVED, that the Grand Haven Board of Light & Power hereby recognizes Larry Kieft for sixteen years and nine months of outstanding service to the Grand Haven Board of Light & Power and its customer-owners; and,

BE IT FURTHER RESOLVED, that the Board of Directors of the Grand Haven Board of Light & Power extends its heartfelt thanks to Larry Kieft for faithfully and capably discharging the duties of Board Director for the past sixteen years and nine months.

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Director Witherell stated Chairperson Kieft brought a business sense to the Board that was appreciated. He has a great respect for Larry, and he will be missed.

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

22-14L Other Business –

The General Manager stated the one-day Board Governance Workshop was canceled but we will bring it forward at a future meeting for consideration.

Contract negotiations resumed into FY2023. We recently completed that round and hope to have the Union's response by the next Board meeting.

Staff is preparing a draft purchasing policy and KPI dashboard and is planning to bring those forward at the Board's next meeting.

Adam McConnell, Maintenance Supervisor and long-term employee, is retiring. The General Manager feels McConnell deserves a lot of thanks for his efforts in keeping the plant operational for its final two-years and for his work during COVID to build and put into operation the replacement snowmelt system..

The General Manager will be out of the office for a couple weeks, returning October 10, 2022.

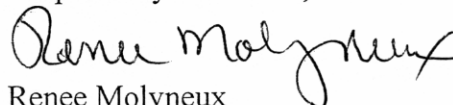
No formal action taken.

Public Comment Period – Chris Morse, 16247 Robbins Road, stated he is a 15-year BLP employee, most of which included working with Adam McConnell. Morse recognized McConnell's progression from being a maintenance employee to a supervisory role. Morse stated he will be missed.

No formal action taken.

At 7:52 PM by motion of Director Hendrick, supported by Director Witherell, the September 15, 2022 Board meeting was adjourned.

Respectfully submitted,



Renee Molyneux  
Secretary to the Board

RM