

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
JANUARY 26, 2023

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, January 26, 2023, at 6:00 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 6:00 p.m. by Chairperson Westbrook.

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

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 & Engineering Manager, and Erik Booth, Operations & Power Supply Manager.

23-01A Director Witherell, supported by Director Crum, moved to approve the meeting agenda.

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

Public Comment Period –

Dan Borchers, 728 Washington Ave., discussed the city's snowmelt investment and its importance to the community, and the significance of the Board being transparent to its customers about the cost to electric utility customers.

Jim Hagen, 400 Lake, feels the proposed BLP use of the former firehouse annex building is a great idea. He encouraged the Board to evaluate installing solar on the firehouse rooftop. He also encouraged the Board to install community solar on Harbor Island.

Chairperson Westbrook thanked Ruth Graham, 15353 David Street, for her comments, which were received and will be shared with the Board following tonight's meeting.

No formal action taken.

23-01B The results of the FY2023 Customer Satisfaction Survey were presented to the Board by Catherine Veschi, GreatBlue Research, Inc. GreatBlue randomly surveyed 400 residential customers and over 100 commercial customers using both phone and digital survey tools.

Grand Haven's reported ratings are well above the national average in nearly every category.

Characteristic / Question	GHBLP Residential 2023	Public Power Data Source 2022
Satisfaction with customer service	89.1%	81.9%
Communicating with customers	80.6%	67.9%
Helping customers use less electricity	69.4%	58.2%
Being open and honest about company operations and policies	74.5%	63.1%
Maintaining modern and reliable infrastructure	81.6%	66.3%
Providing good service and value for the cost of electricity	81.2%	63.6%
Overall satisfaction	83.2%	68.3%
Satisfaction with field service representative	87.2%	88.2%

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Customers feel having a local customer service office is important.

Nearly two-thirds of respondents recall receiving GHBLP's Plugged In newsletter with the vast majority of residential (86%) and commercial customers (81.8%) rating the newsletter as very good or good in terms of being informative.

Over two-fifths of respondents indicated they would prefer to make their bill payments through a self-service digital platform vs speaking with a live representative.

The website remains the preferred method for receiving information with utility bill inserts and newsletters following.

Customers are quite satisfied with the BLP's online outage management system.

Many respondents report being unaware of opportunities to participate in board meetings, with the majority indicating they have not attended board meetings.

The BLP saw a significant increase in awareness of the Green Energy Program; however, while nearly 50% of residents are aware of the program, only 8% say they are enrolled (higher than actual enrollments). Veschi recommended a shift in messaging around the Green Energy Program to be more educational in nature to encourage greater participation.

Veschi reported slight a decrease in overall service satisfaction for both office and field staff. Veschi suspects the results were skewed by the Covid-19 pandemic because there is also a very high frequency of 'don't know' responses. Since the pandemic began, customers have been making transactions digitally, so their last office experience may have been four or more years ago, making it difficult for customers to fully recall the experience. When you remove the 'don't know' responses, the satisfaction rates go up significantly for both residential and commercial customers (93.6% and 92.6% respectively, consistent with past years).

Along with increasing education about the Green Energy program, GreatBlue recommends the BLP work to increase awareness of opportunities to be involved in Board decision making and increase education on the strategic plan.

No formal action taken.

23-01C Director Hendrick, supported by Director Witherell, moved to approve further study of the city's firehouse facility at a not to exceed amount of \$25,000.

Ashley Latsch, City Manager asked the Board to consider further investigation of the former firehouse as a potential BLP facility. It has approximately 12,000 square feet. She feels both entities will benefit from this partnership. The City would like to preserve the property. They are unable financially to continue to appropriately maintain the facility. Parking is limited on-site.

Director Witherell supports further evaluation. He said he suggested to the Board to consider this location several years ago and he feels it could become a wonderful space.

Director Knoth agreed it is a wonderful building. He expressed concern for the budget amount in past meetings, but feels this may be a compromise and a convenient location for rate payers. Knoth supports further evaluation.

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The General Manager said Progressive AE conducted a quick walk-through of the firehouse to determine if there were any significant issues up front that may prevent the project. Nothing of this nature was found. We feel at this point we need to hire a consultant to perform further evaluation. Progressive AE does a lot of work around the city, has conducted former studies on what the BLP needs for space and is a good firm.

Director Hendrick said she likes the space and location. She would like to see more evaluation on parking. She also suggested a mural be painted on the side of the building.

Director Crum feels this is a great idea to pursue.

Director Westbrook did a walk-through. He said the building needs work, but it's a good partnership in an historical space in a good location, adding it may be a good investment. Westbrook asked what the cost would be for further study.

The General Manager also suggested the building needs work. There are four different levels, and an elevator must be added. Progressive AE has already performed a review of this nature for the BLP. The General Manager said he did not yet get an estimate for initial work.

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

23-01D Director Witherell, supported by Director Crum, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the December 15, 2022 Regular Board Meeting
- Accept and file the December 2022 Financial Statements and Power Supply & Retail Sales Dashboard
- Accept and file the December KPI Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated December 29, 2022
- Accept and file the Constellation Energy Market Update Graphs from January 6, 2023
- Accept and file the MCR 2022 Annual Miso Transmission Investment and Rate Analysis dated November 2022
- Accept and file the CECO Environmental Characteristics of Power Supply report dated October 1, 2021 – September 30, 2022
- Accept and file the CECO Recent Residential Billing Comparison and PSCR Adjustment report
- Accept and file a grant letter of support to the Community Impact Fund from David Walters, General Manager dated December 22, 2022
- Approve paying bills in the amount of \$2,799,110.96 from the Operation and Maintenance Fund

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- Approve paying bills in the amount of \$394,654.45 from the Renewal and Replacement Fund

The General Manager encouraged the Board to review the MCR 2022 Annual MISO Transmission Investment and Rate Analysis.

The General Manager reported the Cash on Hand KPI is in the red because cash is not being spent consistent with the Plan. We have gone a year without spending significant dollars on Harbor Island. Other projects are being delayed as well.

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

23-01E Director Crum, supported by Director Knoth, moved to approve the following Purchase Orders:

- Purchase Order #22328-1 to Tree Works in the amount of \$42,500 for additional tree trimming under the annual contract
- Purchase Order #22482 to Irby Utilities in the amount of \$16,360 for two 3-phase overhead switches
- Purchase Order #22504 to Brown Wood Preserving Company, Inc. for 56 wood distribution power poles

The General Manager reported Purchase Order #22328-1 is a change order. Tree trimming is the most important work we do to maintain the reliability of our system. This work is being added because the original work came in under budget.

The lead time for wood poles is out to a year, it used to be two to four weeks. Prices are 25-30% higher. We are committing to the purchase now but will not pay until the poles are received.

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

23-01F Erik Booth, Operations & Power Supply Manager reported abnormally high power supply prices occurred during Winter Storm Elliott, December 22-24, 2022.

The storm impacted many regions of the United States, which significantly affected electric systems. MISO responded with instructions to MPPA for full resource deployment from 6:00-10:00PM on December 23, 2022. MISO did not experience any customer interruptions in the MISO region and was able to export power to neighboring ISOs. Other regions experienced rolling blackouts and some generation assets were not available due to the extreme weather conditions.

For BLP customers, the impact of Winter Storm Elliott was only financial. Booth reported real time market purchases averaged 4MWs each hour for hours 29-47 at a cost of \$50,364. The

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BLP smooths the effects of these increased power supply costs over 12 months to help our customers stabilize their electric bills.

No formal action taken.

23-01G At last month's meeting, the Board asked Staff to evaluate potential cost savings and expense reductions to offset the BLP's contribution to the city's snowmelt replacement equipment. The General Manager reported the BLP is under budget by approximately \$500,000 on non-power supply related items; however, we are spending \$2 million more on power supply. Further non-power supply cost savings will not be adequate to offset these increases. The BLP is raising rates accordingly through the PSCA and cannot lower rates at this point.

Discussion among the Board was held. Chairperson Westbrook said he appreciates that we are keeping an eye on budget and cost savings, but he is not in favor of reducing rates or changing the budget. He feels this is a good exercise and would like to see it conducted more often.

Director Knoth stated he feels the Board should cut \$260,000 from the budget. Knoth added what was presented tonight is not what he asked for.

Director Hendrick feels the surplus should be used for the snowmelt costs and suggested we work with the community to set ordinances for tree planting.

Chairperson Westbrook would like to use this for information during the budget review process. This is the appropriate time to adjust rates if determined necessary.

No formal action taken.

23-01H Director Hendrick, supported by Director Knoth, moved to table the proposed purchasing policy until the February meeting.

Lynn Diffell, Accounting & Finance Manager reviewed the proposed purchasing policy with the Board. Diffell stated we are requesting revisions to the purchasing authority for Department Heads, the General Manager, and adding an amount for the Board Chair. The Board then will prepare and approve the Board's portion of the budget consistent with its bylaws. All dollar limits in the policy will go to city council for approval. The policy outlines the approval process for purchasing.

Director Hendrick suggested tabling the resolution to allow her time to ask questions of staff before the policy is further considered.

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

23-01I Director Witherell, supported by Director Knoth, moved to authorize the General Manager to execute the Amended and Restated Power Purchase Commitment with Michigan Public Power Agency for the Hart Solar project.

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Erik Booth, Operations & Power Supply Manager stated he feels this is still a good project at a good price. New deals are in the low \$60 range. This project is at \$48.50/MWh. Booth reported the PPC was brought to city council at their last meeting and was approved with their consent agenda items.

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

23-01J Director Witherell, supported by Director Knoth, moved to approve Implicit Bias Training for the full Board as recommended by the Human Relations Commission. All employees of the BLP will attend as well.

Renee Molyneux, Administrative Services Manager reported, pending Board approval, this training will be facilitated by Kenneth James, Chief Diversity Officer at Muskegon Community College. Two sessions will be held on Thursday, February 16 from 1-3PM and 3:30-5:30PM. We are asking employees and the Board to split attendance to 50/50 per session as class size is limited. Both sessions will be noticed for potential quorum. The cost of this training is \$1,000 per session.

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

23-01K Director Witherell, supported by Director Knoth, moved to approve Open Meeting Act and Parliamentary Procedures Board training as recommended by the Human Relations Commission.

Molyneux reported, pending Board approval, this training will be facilitated by the Michigan Municipal League on Thursday, March 16, 2023 from 3-6PM for all Board members and the executive staff team. The cost for this training is \$1,500.

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

23-01L Director Witherell, supported by Director Crum, moved to invite the Grand Haven City Council to engage in nonbinding mediation to resolve issues related to the environmental cleanup and remediation of the Harbor Island site; and that the BLP Chair be authorized and directed, on behalf of the Board, to discuss and negotiate with representatives of the City Council the process, timing, and terms and conditions of such mediation, subject to final approval by the Board.

Chairperson Westbrook stated, as we are moving forward with recommendations to implement implicit bias training for the board and BLP employees, and Open Meetings Act and parliamentary procedure training for the board, the Board and City Council now need to discuss mediation.

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Westbrook reviewed mediation services to gain an understanding and background of how mediation might work. The following is a summary of his findings:

- Mediation is a process where the parties meet with a mutually selected impartial and neutral person who assists them in the negotiation of their differences.
- Mediation leaves the decision power totally and strictly with the parties. The mediator does not decide what is "fair" or "right," does not assess blame nor render an opinion on the merits or chances of success if the case were litigated. Rather, the mediator acts as a facilitator between opposing interests attempting to bring them together by defining issues and eliminating obstacles to communication, while moderating and guiding the process to avoid confrontation and ill will. The mediator will, however, seek concessions from each side during the mediation process.
- Westbrook's understanding is that, generally speaking, mediation begins with a joint session to set an agenda, define issues and create an understanding of the positions of each party. This allows an opportunity for each party to work toward a resolution process issue by issue.
- Once an agenda is set, and the mediation is ready to begin, the parties are assigned to separate conference rooms to meet one-on-one with the mediator. This gives each side a chance to explain their position and mediation goals in confidence, while giving the mediator a chance to question each party.
- The mediator may suggest possible solutions to gage interest and determine viability.
- He/she will work with each party in an attempt to craft compromise proposals that the mediator will then present to the other side, acting as sort of a shuttle diplomat between the two camps.
- The goal of the process is to try to find some areas of common ground on the issues where the parties can "meet in the middle."
- If agreement on the disputed issues can be reached, the mediator will usually document that in a short written "agreement" which would be signed by authorized representatives of both parties.

Westbrook stated, what we seek to do here this evening is to adopt a resolution that would initiate discussions between the BLP and the City Council on how we structure a mediation process in which both sides would agree to participate.

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

23-01M Chairperson Westbrook reported, as spokesperson of the Board, he has been meeting with other municipalities as an introductory meet and greet, which has been well received.

No formal action taken.

23-01N Rob Shelley, Distribution & Engineering Manager reported he has been working with John Weiss, Dickinson Wright, on a pole attachment agreement with Comcast.

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We have pole attachment agreements with multiple entities. This one has been difficult. We have been negotiating for almost two years and we are now finalizing the agreement. We had an old agreement with Comcast for Ferrysburg. They are currently expanding into Grand Haven. The former agreement was old and in need of updates before renewing.

No formal action taken.

23-01O The General Manager reported changes in officers at MPPA has occurred. The CFO was the designated Board Treasurer and is no longer with MPPA. The Board is now revising its Bylaws and he has been assigned to be Treasurer in the interim; therefore, he will need to spend a bit more time working with MPPA until the Bylaws are finalized and a new CFO is hired.

No formal action taken.

23-01P The General Manager encouraged the Board to review the 2022 MISO Regional Resource Assessment Report, which is an evaluation of all resources and long-term plans in the region. This is an assessment of resource adequacy. It is a lengthy report for information only.

Director Hendrick asked to add American Rescue Plan (ARP) discussion to next month's agenda.

No formal action taken.

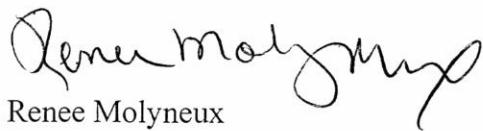
23-01Q The BLP is hosting a BLP Customer Technology Workshop both in-person and online on Tuesday, February 21, 2023 at 6:30 PM. Rob Shelley will be providing the training.

No formal action taken.

Public Comment Period – No comments were provided. No formal action taken.

At 8:50 PM by motion of Director Witherell, supported by Director Knoth, the January 26, 2023 Board meeting was adjourned.

Respectfully submitted,

  
Renee Molyneux  
Secretary to the Board

RM