

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
July 17, 2008

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, July 17, 2008, at 5:30 p.m. at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 5:30 p.m. by Chairperson Biros.

Present were Directors Kieft, Smant, VanderMolen, Witherell, and Biros.

Also present were Annette Allen, General Manager; Renee Molyneux, Administrative Services Coordinator and Secretary to the Board; and Phil Trumpfheller, former General Manager.

Director Kieft, supported by Director Smant, moved to accept the consent agenda and the regular agenda. The motion was unanimously approved.

Director Witherell, supported by Director Smant, moved for approval of the Minutes of the June 17, 2008 Board meeting. The motion was unanimously approved.

ACCOUNTS AND FINANCE

08-07A Director Witherell, supported by Director Smant, moved for approval of the bills in the amount of \$4,727,637.19 from the Operations and Maintenance Fund; bills in the amount of \$197,059.69 from the Renewal and Replacement Fund; bills in the amount of \$105,827.75 from the Transfer Fund; bills in the amount of \$646,316.53 from the Receiving Fund; bills in the amount of \$168,461.03 from the Surplus Fund; and that \$31,976,000 be invested. The motion was unanimously approved.

MOTIONS AND RESOLUTIONS

08-07B Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8289 to Tiremaxx in the amount of \$5,615 for replacement tires on the 1984 Caterpillar dozer. The motion was unanimously approved.

08-07C Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8303 to QEI, Inc. in the amount of \$11,728 to renew our annual SCADA service contract. The motion was unanimously approved.

08-07D Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8307 to ALS USA MI, Corp. in the amount of \$12,245 for our monthly outfall water sampling as required by our NPDES operating permit. The motion was unanimously approved.

08-07E Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8309 to Webb Chemical Service Corp. in the amount of \$5,050 to purchase chlorine for our river water disinfection. The motion was unanimously approved.

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08-07F Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8311 to Trace Analytical Labs Inc., in the amount of \$8,016 for mercury sampling. The motion was unanimously approved.

08-07G Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8317 to Thermo Environmental Inst. Inc. in the amount of \$43,596.88 to replace obsolete continuous emission analyzers. The motion was unanimously approved.

08-07H Director Witherell, supported by Director Smant, moved for approval Purchase Requisition #8320 to Alstom Power in the amount of \$6,655 for an emergency rebuild of spring towers for a pulverizer rebuild. The motion was unanimously approved.

08-07I Director Witherell, supported by Director Smant, moved to approve Purchase Requisition #8318 to Haviland in the amount of \$10,565 to purchase demineralizer chemicals. The motion was unanimously approved.

08-07J Director Witherell, supported by Director Smant, moved to approve Purchase Requisition #8331 to SPX Valves & Controls in the amount of \$45,401 to purchase trim sets for major control valve rebuilds during the upcoming outage. The motion was unanimously approved.

08-07K Director Witherell, supported by Director Smant, moved to approve Purchase Requisition #8333 to Power Systems in the amount of \$9,530.80 to purchase trim sets for the reheat valves for the upcoming outage. The motion was unanimously approved.

08-07L Director Witherell, supported by Director Smant, moved to approve renewal of the annual contribution to the local Chamber of Commerce for their economic development efforts. The motion was unanimously approved.

08-07M Director Smant, supported by Director VanderMolen, moved to approve the City of Grand Haven's amended change to the agreement with MPPA to join the Granger renewable energy project for the purchase of up to 4,000 kilowatts of renewable power by authorizing the BLP Board Chair and the General Manager to sign the following Granger Renewable Energy Agreement.

RESOLUTION APPROVING
GRANGER RENEWABLE ENERGY AGREEMENT AND
PARTICIPATION IN THE MPPA GRANGER RENEWABLE ENERGY PROJECT

WHEREAS, the City of Grand Haven acting by and through its Board of Light & Power (the "BLP") is a member municipality of the Michigan Public Power Agency ("MPPA"), a joint agency organized and existent pursuant to Act No. 448 of the Michigan Public Acts of 1976, as amended; and

WHEREAS, MPPA has negotiated and entered into an agreement with Granger III and Associates ("Granger") for Granger to develop facilities to generate electricity from Renewable

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Energy sources and for MPPA to purchase such Renewable Energy and associated Renewable Energy Credits for resale to MPPA's members; and

WHEREAS, MPPA and Granger also plan to jointly develop any electrical interconnection facilities required to deliver the renewable electric energy from the Granger facilities to the electric power grid, so that MPPA can have that energy delivered to its participating members; and

WHEREAS, MPPA has created the Granger Renewable Energy Project to allow the BLP and other participating MPPA members to purchase Renewable Energy to meet their customer's needs and to offset part or all of any Renewable Portfolio Standards that apply; and

WHEREAS, the BLP believes it is in the best interest of the BLP and its customers for the BLP to purchase Renewable Energy from MPPA's Granger Renewable Energy Project so that the BLP can supply Renewable Energy to its customers in an economical and socially-responsible manner; and

WHEREAS, the BLP and other member municipalities of MPPA desire to join the Granger Renewable Energy Project; and

WHEREAS, the BLP and other member municipalities of MPPA desire to enter into contracts with MPPA to provide for MPPA to resell to the BLP power and Renewable Energy purchased by MPPA from Granger; and

WHEREAS, in order to meet its obligations under the agreement with Granger, it is necessary that MPPA have substantially similar binding contracts with this municipality and each other municipality electing to participate in Granger Renewable Energy Project; and

WHEREAS, at the July 7, 2008 meeting of the Grand Haven City Council, the City Council Resolved that "The Granger Project Agreement is necessary "for the proper operation of the City's electric utility in accordance with prudent utility practices" and the term of that agreement as stated therein is hereby approved so that the Board of Light & Power may determine whether or not to enter into that agreement in accordance with Chapter 16 of the City Charter.

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Light & Power as follows:

1. The form of the Granger Renewable Energy Purchase Agreement (the "Granger Project Agreement") presented to the BLP on this date as hereby approved and the BLP Chairperson and General Manager are hereby authorized and directed to execute such contract on behalf of the BLP in substantially the form as presented on this date with such insertions, deletions and minor modifications as the Chairperson and General Manger deem necessary.

2. The BLP agrees to join the Granger Renewable Energy Project and to take an amount of capacity of up to 4,000 kilowatts from that project, along with the associated Renewable Energy and Renewable Energy Credits.

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3. The BLP hereby agrees to make such payments as are required under the Granger Project Agreement.

4. All ordinances and resolutions or parts thereof in conflict with this resolution are, to the extent of such conflict, hereby repealed.

5. This resolution shall take effect immediately upon adoption.

In a roll call vote of the Board, those in favor: Directors Kieft, Smant, Witherell, and Biros; those opposed: Director VanderMolen; absent: none; abstentions: none. The motion was unanimously approved.

08-07N The General Manager presented a resolution proposed by the Northwest Ottawa Sustainability Coalition. Discussion ensued regarding the sustainability efforts which include best efforts for a better quality of life. The General Manager will bring more specific goals back to the Board for consideration. The item was tabled until further information can be provided.

08-07O Director Witherell, supported by Director Kieft, moved for approval of changes to existing and new general employee retiree health care benefits as recommended. The motion was unanimously approved.

At 7:55 p.m. by motion of Director Witherell, supported by Director Smant, the July 17, 2008 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM/ak