The regular meeting of the Board of Public Works Commission was held at the BPW Administrative Office, 350 E. Washington Avenue, on Monday, November 18, 2014. Chairperson Boerman called the meeting to order at 3:30 p.m.

PRESENT: Commissioners - Boerman, Hamstra, Query, Dykstra and Cooney
ABSENT: Commissioners - None

Staff present: General Manager Cook, BPW Accountant Collins, Electric Operations Manager Muller, Water Supervisor Vander Kolk, Electrical Engineer DeKraker and City Clerk Jipping

Motion was made by Commissioner Query and seconded by Commissioner Cooney to approve minutes of the October 21, 2014 regular meeting. Motion carried.

The Board reviewed the financial statements and the cash disbursements for the month of October, 2014.

14.48 Approve cash disbursements and regular monthly transfers

Motion was made by Commissioner Query and seconded by Commissioner Hamstra to approve the October cash disbursements and the regular monthly transfers for the month of November, 2014 as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Electric</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving</td>
<td>(712,102)</td>
<td>(204,006)</td>
</tr>
<tr>
<td>Accumulated Debt Service</td>
<td>-</td>
<td>77,006</td>
</tr>
<tr>
<td>Plant Improvements and Contingency</td>
<td>676,200</td>
<td>127,000</td>
</tr>
<tr>
<td>General Fund (per charter provision)</td>
<td>35,902</td>
<td>-</td>
</tr>
</tbody>
</table>

Motion carried. All voting aye.

Electric Operations Manager Muller reviewed the Electric Department report and updated the Board on Electric projects.

Water Supervisor Vander Kolk reviewed the Water Department report and updated the Board on Water projects.

Electric Operations Manager Muller reported that three bids were received for snowplowing the BPW properties for the next three years including 3 substations, 2 water facilities, the office and power plant. Prices were also requested for salt and hauling away piles if necessary. It was noted that the price submitted by Wabeke Lawn Service is the same for three years. Integrity Landscaping’s price increases 2% for year 2 & 3 but is still below Wabeke. Evergreen did not quote year 2 & 3.

14.49 Award Snowplowing Contract

Motion was made by Commissioner Hamstra and seconded by Commissioner Query to award the 3-year snowplowing contract to the low bidder Integrity Landscape Management for their quoted rates of October 28, 2014 ($19,883 + Loader $1212) with a 2% increase for years 2 and 3. Motion carried with Commissioner Boerman abstaining.

Electric Operations Manager Muller reviewed the letter from GRP Engineering dated 11/1/2014 in reference to the award for installation of owner furnished Fairview Substation Relay Panels. The award is
for the installation of 4 relay panels for Fairview Substation. The panels were previously purchased from Harlo and this will complete the upgrade of the substation to the new SEL relaying and removal of the older SCADA equipment. All the substations and the plant are being converted to SEL relaying.

14.50 Award Installation of the Fairview Relay Panels to Windemuller Electric

Motion was made by Commissioner Hamstra and seconded by Commissioner Query to award the installation of 4 relay panels for Fairview Substation to Windemuller Electric for the cost of $26,000. Motion carried.

Electric Operations Manager Muller informed the Commission that the BPW would be purchasing a used rear-lot line machine for $5,000 including a trailer. This purchase does not require bids. The Commission agreed that he should proceed with the purchase.

2014 Power Dollars – Manager Cook reported that the Howard Miller Library has declined the Board’s request to distribute Power Dollars for 2014 due to having approximately 50% new employees that are still learning the processes of their regular routine. The BPW has decided to distribute Power Dollars from the BPW office during their normal business hours of 7:00 a.m. – 5:00 p.m. December 1 through December 12.

Quarterly Hedge Plan Update – Manager Cook reported that the MPPA has provided the quarterly hedge plan update for the BPW. The plan calls for the purchase of small quantities of monthly firm energy for the summer of 2015. In accordance with the BPW Energy Risk Policy the purchases have been approved by the BPW Purchase Power Committee and authorization for purchase was sent to MPPA. The maximum value of the associated commitment is $311,057.

Watkins Ross Defined Benefit Actuarial Analysis - Manager Cook reported that Watkins Ross has completed their actuarial valuation report for the DB pension plan for the year beginning July 1, 2014. He noted that Federal guidelines require this report be prepared on an annual basis. For the BPW this report only includes the nine retired BPW employees currently receiving benefits under the DB Plan. He reviewed the BPW portions. He said that in FY 2015 the BPW will transfer $30,000 for 2014 and $30,000 for FY 2015 to bring the unfunded liability to the level of the other city departments.

BPW Cash Reserves – Manager Cook explained that the BPW has cash reserves and a related minimum reserve policy to help ensure: financial stability, timely completion of capital improvements and enable the utilities to meet the requirements for large unexpected expenditures. Reserves are needed to mitigate: Operations and Maintenance Risk, Power Supply Risk, Historical Investment Risk, Debt Service Risk and CIP Risks. The Electric and Water Utility reserve levels were discussed.

Future Events –
- Residential Customer Shut-Off Prohibition began - November 1, 2014
- Next BPW Meeting – December 16, 2014
- MPPA Meeting – Lansing – December 10, 2014
- MMEA Meeting – Lansing – December 11, 2014
- Power Dollar Distribution dates - December 1-12

Motion was made and supported to adjourn the meeting. The meeting adjourned at 4:27 p.m.

Karen Jipping, City Clerk