

STUDY SESSION

The HBPW Board of Directors met
April 26, 2021
at 4:00 p.m.
Via Zoom Teleconference

Vice-Chair Haworth called the meeting to order at 4:06 p.m.

Members Present: Tim Hemingway (Arrived late), Diane Haworth, Sue Franz, Paul Lilly, PJ Thompson, City Council Liaison Nathan Bocks, and Ex Officio Members Bob Shilander and Keith Van Beek

Members Absent: None

Staff Present: Dave Koster, Janet Lemson, Becky Lehman, Chuck Warren, Ted Siler, Joel Davenport, Amy Yost, Trista Gregorski, Chris Van Dokkumburg, Angel Kleinbrel, Julie DeCook, Tamara Black, Tracy York

21.210 **Communications from the Audience**

None

21.211 **Quarterly Financial Update**

For information only

STUDY TOPICS **Energy Risk Management (ERM) Performance Summary**

21.212 As detailed in the attached report, under the ERM program, HBPW has natural gas purchase agreements in place for a total of 10,010,360 decatherms, at weighted average costs (sans basis) per decatherm ranging from \$2.38 to \$2.48 for fiscal years 2021-2025. The total cost of the agreements, when exercised, will be \$24,256,821 over the five year period. The total cost of these agreements is approximately \$2,167,250 less than current market prices (at March 31, 2021) for the same quantities and periods.

Including energy resources under contract through MPPA, and the natural gas purchase agreements described above, HBPW has hedges in place as a percentage of planned MWh dispatch as follows:

- FY2021 87.0%
- FY2022 91.0%
- FY2023 77.4%
- FY2024 57.3%
- FY2025 46.4%

The natural gas hedges (purchase agreements) in place, as a percentage of planned natural gas burn, are:

- FY2021 79.0%
- FY2022 84.2%
- FY2023 62.8%
- FY2024 31.6%
- FY2025 10.9%

** Red italics indicate information or discussion added during the meeting and/or action taken.*

No new natural gas purchase agreements have been entered into this quarter. A structured objective approach for entering into natural gas hedges is required by the ERM Policy. No value or time-based triggers were met during the quarter ended March 31, 2021.

Study Session topic. No Board action required.

21.213 FY 2021 Third Quarter Key Performance Indicators (KPIs)

As part of the policy update, Key Performance Indicators (KPI's) reporting was added as a quarterly agenda item. Further, KPI reporting supports the Results Policies that came out of the Strategic Planning process that concluded in 2020.

This item serves as the regularly scheduled quarterly reporting of KPI's.

Study Session topic. No Board action required.

21.214 Customer Satisfaction Survey Results FY 2021

Frost Research Center at Hope College was contracted by HBPW in January 2021 to conduct a survey of business and residential customers regarding satisfaction with various aspects of their utility service and relationship with HBPW. The survey this year includes an additional dashboard which provides aggregated and disaggregated customer responses to each question in an interactive format. The survey resulted in overall satisfaction ratings achieved of 91.1% better than neutral for residential customers and 94.9% better than neutral for business customers. The presentation was given by Julie Ornee from the Frost Research Center.

Study Session topic. No Board action required.

21.215 Regulatory Update

As part of the annual calendar of topics, the HBPW Board of Directors has identified the 4th quarter of the calendar year as a time to receive a regulatory report from staff. The report, delivered via Power Point, highlights some of the key regulations in each part of our operation and the potential impacts.

Study Session topic. No Board action required.

21.216 General Manager Comments

- Our next Board meeting is scheduled for May 10
- Both our Board meetings in May will still take place via Zoom. May 25 is when the Ottawa County Virtual Meeting and MDHHS order is set to expire. Our June 7 meeting may be at the Service Center Boardroom. All Board members and public will be kept apprised whether there is a continuance on the virtual meeting order.
- Also at our May 10 meeting will be a discussion of prepaid gas and the value it might present to the HBPW

21.217 Board Comments

- Board Member Lilly mentioned the next meeting of Living Sustainably Along the Lakeshore is taking place on May 18 (virtually) and will focus on Transportation. More information is available at the Hope College website or Herrick Library.

ADJOURNMENT

The Board Study Session of April 26, 2021, adjourned at *6:27 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board