

STUDY SESSION

The HBPW Board of Directors met
January 24, 2022
at 3:00 p.m.
625 Hastings Ave.
Holland, Michigan

Chair Hemingway called the meeting to order at 3:04 p.m.

Members Present: Tim Hemingway, Paul Lilly (arrived late), PJ Thompson, Carolyn Maalouf, Sue Franz, City Council Liaison Nathan Bocks, and Ex Officio Member Keith Van Beek

Members Absent: Bob Shilander

Staff Present: Dave Koster, Janet Lemson, Ted Siler, Joel Davenport, Becky Lehman, Theo Van Aken, Pieter Beyer

22.126 **Communications from the Audience**

None

QUARTERLY MONITORING REPORTS

22.127 **FY 2022 Financial Statements, YTD Second Quarter Preliminary**

The financial statements, along with supplemental information, for the second quarter of FY2022 were presented.

22.128 **Energy Risk Management (ERM) Performance Summary - FY 2022 Second Quarter**

As detailed in the attached report under the ERM program, HBPW has natural gas purchase agreements in place for a total of 9,194,400 decatherms, at weighted average costs (sans basis) per decatherm ranging from \$2.50 to \$2.70 for fiscal years 2022-2025. The total cost of the agreements, when exercised, will be \$23,058,311 over the four-year period. The total cost of these agreements is approximately \$7,662,075 less than current market prices (at close of business December 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:

- FY2022 91.0% (policy minimum 80.0%)
- FY2023 77.4% (policy minimum 70.0%)
- FY2024 76.0% (policy minimum 30.0%)
- FY2025 55.5% (policy minimum 10.0%)
- FY2026 37.3% (policy minimum 0.0%)

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

- FY2022 84.2%
- FY2023 62.8%
- FY2024 61.6%
- FY2025 25.5%
- FY2026 0.0%

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

22.129 **FY2022 Insurance Claims through 12/31/2021**

For the six-month period July 1, 2021 - December 31, 2021, HBPW received five claims for damages, totaling \$13,402.31. Two of those claims, totaling \$12,402.31, have been paid. One claim, for \$1,000, is still under investigation. Two claims were denied.

22.130 **FY 2022 Second Quarter Key Performance Indicators (KPIs)**

The Board of Directors approved modifications to Governance Policy G002 Agenda Planning. As part of the policy update, Key Performance Indicators (KPI) Reporting was added as a quarterly agenda item. This item serves as the regularly scheduled reporting of these KPI's.

KPI Reporting further supports the Results Policies that came out of the Strategic Planning process.

STUDY ITEM

22.131 **Wastewater Utility Issues Discussion**

Staff continues a four-month series of presentations on the HBPW's electric, water, wastewater, and broadband utility operations. Staff will highlight major issues that affect the current operations and future planning.

Plans to address short and long term treatment and conveyance of wastewater will be addressed, along with high-level summaries of the capital plans.

22.132 **General Manager Comments**

- Reminder, tonight's LG Energy Solution expansion plans discussion at City Hall at 6:00; our General Manager will present on behalf of the HBPW, peak demand for their need would be 75 MW (megawatts)
- February 7 we'll be receiving detailed information and pricing on the transformers for our new substation
- Property acquisition is underway for the location of the new substation; an offer of just compensation has been delivered
- Our next regular Board meeting is February 7 at 4:00

Board Comments

none

ADJOURNMENT

The Board Meeting of January 24, 2022, adjourned at *5:32 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board