

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, August 18, 2022

Meeting to be held at 1700 Eaton Drive

5:00 PM

1. Call to Order / Roll Call / Excuse Absent Members
2. Approve Meeting Agenda
3. Public Comment Period
4. Consent Agenda
 - A. Approve Minutes of the July 21, 2022 Regular Board Meeting and August 3, 2022 Special Board Meeting
 - B. Receive and File July 2022 Financial Statements and Power Supply and Sales Dashboard
 - C. Receive and File MPPA Energy Services Project Resource Position Report Dated 7/28/2022
 - D. Receive and File August 8, 2022 General Manager Memorandum to City Attorney
 - E. Receive and File e-mail communications between the Board Secretary and Interim City Manager RE: Placing item 14. A and B on City Council's 8/15/2022 meeting agenda
 - F. Approve Payment of Bills (\$4,287,610.38 in total)
 1. In the amount of \$3,933,871.08 from the Operation & Maintenance Fund
 2. In the amount of \$353,739.30 from the Renewal & Replacement Fund
 - G. Confirm Purchase Orders (\$73,529 in total)
 1. PO #21961-1, Kent Power Inc., \$8,600 (Ferrysburg 2,400V conversion project change order)
 2. PO #22312, Western Tel-Com Inc., \$12,719 (Directional boring W. Spring Lake Road)
 3. PO #22323, Zervas Facility Maintenance, \$24,000 (FY 2023 facility cleaning services)
 4. PO #22332, Great Blue Research Inc., \$22,000 (FY 2023 customer satisfaction survey)
 5. PO #22334, Dickenson Wright PLLC, \$6,210 (Legal services through 6/30/2022)
5. General Manager's Report
 - A. Approve Purchase Orders (\$988,974 in total)
 1. PO #22313, Premier Line Services, LLC, \$45,016 (Switchgear cleaning)
 2. PO #22314, Premier Power Maintenance Corporation, \$19,377 (North Substation maintenance)
 3. PO #22326, Newkirk Electric Associates, \$622,581 (Osipoff control house construction)
 4. PO #22328, Treeworks Inc., \$162,000 (FY 2023 contract tree trimming services)
 5. PO #22330, GRP Engineering Inc., \$140,000 (Osipoff engineering services)
 - B. Review Fiscal Years 2022-2026 Strategic Plan and Status Update Presentation
6. Other Business
7. Public Comment Period
8. Adjourn

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
JULY 21, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, July 21, 2022, at 5:00 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 5:00 p.m. by Chairperson Kieft.

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

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.

22-11A Director Witherell, supported by Director Crum, moved to approve the meeting agenda.

The motion was unanimously approved.

Public Comment Period –

Jeffrey Miller, 1120 S. Harbor Drive, thanked Board Secretary Renee Molyneux for responding to his letter last month. He also thanked Rob Shelley, Distribution & Engineering Manager, for correcting two misconceptions and General Manager David Walters for spending an hour with him following last month's Board meeting.

No formal action taken.

22-11B Director Witherell, supported by Director Crum, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the June 23, 2022 Regular Board Meeting
- Accept and file the June 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated June 30, 2022
- Accept and file the June 2022 Day-Ahead LMP Comparison Chart
- Accept and file Calendar Year 2021 Annual and CYTD 2022 MPPA Power Supply Billing Summaries
- Accept and file Constellation eMarket Update Graphs for the Michigan Hub
- Accept and file the Sims Site Remediation and Redevelopment update presentation to City Council
- Approve paying bills in the amount of \$2,809,249.96 from the Operation and Maintenance Fund

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- Approve paying bills in the amount of \$148,550.31 from the Renewal and Replacement Fund
- Confirm Purchase Order #22269 to Holland Litho in the amount of \$15,105 for annual customer newsletter printing
- Confirm Purchase Order #22271 to Dickenson Wright PLLC in the amount of \$7,200 for legal services
- Confirm Purchase Order #22273 to WGHN Radio Station in the amount of \$7,320 for FY2023 community outreach program
- Confirm Purchase Order #22276 to Chamber of Commerce in the amount of \$5,000 for FY2023 economic development contribution
- Confirm Purchase Order #22277 to St. John Truck and Trailer Service, Inc. in the amount of \$5,895 for tree crew chipper repair
- Confirm Purchase Order #22280 to Midwest Dial Tone in the amount of \$11,000 for FY2023 cloud phone service

The General Manager reviewed the Year End Income Statement with the Board. FY2022 residential sales were lower than expected and commercial were higher than expected. We are approximately \$1 million over on expenses due to power supply costs. Overall, we are very close to budget with the exception of power supply costs. Year-end adjustments have not been made yet. The audited statement will be provided in a few months.

The General Manager reported the power supply marketplace continues to get worse each month. Loads are close to projected. Bilats and renewables are consistent with expectations. Short-term Day Ahead and Real Time costs are increasing and getting worse every month.

In the renewable market, producers are unable to meet their obligations. We are most concerned about our contract with Invenergy, which is scheduled to go online the end of this calendar year. They are not going to be able to meet their commercial operations date and their prices are increasing.

Rob Shelley updated the Board on the substation drainage project at the Sims site. The contract is approved, and the city has presented the plan to EGLE for approval. We are waiting for their response.

The motion was unanimously approved.

22-11C Director Witherell, supported by Director Crum, moved to approve Purchase Order #22285 to Brown Wood Preserving Company, Inc. in the amount of \$83,817 for 142 wood power poles for the DeSpelder Project and to replenish BLP inventory.

The motion was unanimously approved.

22-11D Director Witherell, supported by Director Crum, moved to approve a \$2 million cash transfer to the MERS Defined Benefit Plan.

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The General Manager discussed the December 31, 2021 MERS Actuarial Report. This is the first report we have received since we separated the BLP's Defined Benefit Plans (DB) from the city. As of December 31st, BLP Plans were 95% funded, but the market has been down since that time, so we believe we are below 90% funded today.

The Board is on an aggressive path to get our DB plans to 100% funded. The 5-year cash flow plan was reviewed, which includes investing an extra \$1 million each year over the next 5 years in the DB plans. We are asking the Board to accelerate payment into this year with a \$2 million cash transfer now because markets are down and it is a good time to buy. If we invest today, we expect we will benefit further when the markets return.

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

22-11E The Board discussed a recent claim made by former City Manager Pat McGinnis and City Attorney Ron Bultje that there has been a long-term electric utility subsidization by city taxpayers. This item was discussed at the city's July 5 meeting and was tabled for further discussion between the council and the Board.

The General Manager informed the Board we are investigating what occurred in 1959 and after to ensure we have factual data prior to the joint meeting, which is yet to be scheduled. The General Manager said there has been no subsidy to the BLP to his knowledge. He feels city council did the right thing by tabling the discussion so they may discuss it with the Board.

Director Witherell said the intent in 1959 was to make the Board autonomous. Until the last 5 years, that has been the case.

Staff will continue to investigate on the Board's behalf.

No formal action taken.

22-11F Director Witherell, supported by Director Westbrook, moved to authorize the General Manager to begin to format the proposed talking points into a draft Intragovernmental Agreement as a starting point for discussions between the Board and City Council.

The purpose of the proposed Agreement is to bring the two parties together to reach agreement on process and payment matters so we may move the community forward with environmental cleanup of the retired Sims Power Plant property. These proposed talking points were established as a starting point for these discussions.

The Board discussed the need to have special legal counsel for electric utility matters reinstated before we begin more in-depth discussions on the agreement.

Chairperson Kieft asked the executive team if they supported the proposed items. Booth, Diffell, Molyneux, and Shelley all concurred.

Chairperson Kieft directed staff to place the talking points into proposal format to provide to the city.

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Director Crum said this is a good starting point. He asked if future liability at the Diesel Plant could be incorporated into the Agreement to protect the BLP. Director Hendrick feels that would be contrary to a proposed agreement regarding Sims environmental issues. The General Manager said he believes the BLP may already be protected in the Buy-Sell Agreement.

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

22-11G Other Business – The General Manager informed the Board that staff is making progress toward an updated purchasing policy. His goal is to present a draft to the Board at the August meeting.

No formal action taken.

Public Comment Period – Jeffrey Miller, 1120 S. Harbor, referenced a letter written to the Board Chair on June 28 regarding five topics of concern. He is asking the Board to continue its community outreach efforts to other stakeholders beyond commercial/industrial customers. He also suggested the BLP notify the city of rolling load shed plans and suggested the Board provide a formal response to the high school Green Team.

The General Manager explained that load shedding is not a plan that is negotiated with customers. It is a plan the utility has in place so we are prepared to respond if MISO requires all utilities in the state to shed load to save the grid from complete failure. Load shedding will begin with a voluntary request. If voluntary load shedding is not enough, all utilities in the state will be required to begin shedding a percentage of load. The BLP will manage load shedding in a planned, rotated, controlled, and fair process for our customers.

The General Manager followed up on the Green Team's letter with an offer to the GHAPS Superintendent and to Mac Davis to have BLP staff work with the Green Team and the school district. The offer has not yet been accepted. He also talked with Spring Lake Township and offered staff assistance with the sustainability committee and their discussion with the township.

No formal action taken.

At 7:56 PM by motion of Director Westbrook, supported by Director Hendrick, the July 21, 2022 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM

GRAND HAVEN BOARD OF LIGHT AND POWER
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AUGUST 3, 2022

A special meeting of the Grand Haven Board of Light and Power was held on Wednesday, August 3, 2022 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 4:00 p.m. by Chairperson Kieft.

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

Also present were David Walters, General Manager, Renee Molyneux, Administrative Services Manager and Secretary to the Board, and Rob Shelley, Distribution & Engineering Manager.

Director Witherell, supported by Director Crum, moved to approve the meeting agenda. The motion was unanimously approved.

Public Comment Period – Jeffrey Miller, 1120 S. Harbor Drive, read in a prepared statement that he is opposed to the Resolution the Board is considering at tonight's meeting. He doesn't feel the meeting is being held in an open and transparent manner due to having a 24-hour advance notice during the week of the Coast Guard Festival. He asked the Board to vote no on the proposed Resolution.

John Naser, 1450 S. Ferry, said the BLP is a department of the city, and the City Council has the final say on all BLP actions. He disapproves of the Board moving forward with tonight's Resolution and does not agree that the BLP would need to raise rates (if it paid for the city's portion of environmental remediation on Harbor Island).

Mac Davis, 209 S Third, stated he is concerned about a movement opposed to a democratic process, and he feels the BLP is not following a democratic process with the proposed Resolution. He asked the Board to reconsider moving forward with the Resolution.

Field Reichardt, 1053 Ohio Avenue, asked to have the camera focus on public speakers. He feels the city should draft an amendment to the Charter to dissolve the Board.

Ryan Cummins, 551 Gidley, stated that on March 7, 2022, the city rejected the BLP's recommendation to Council to enhance its approved legal services of Varnum to include employment and labor practices and further, the Council amended their agenda at the beginning of that meeting to allow Council to take action to remove its former approval of Varnum's legal services to the Board completely and require the Board to use the city attorney for all legal matters.

Ron Bultje, 113 Lafayette Avenue, current city attorney, cited Section 7.6(e) of the Charter, which he interprets to mean the city attorney is the Board's attorney, and Section 7.6(g), which states, upon request, an assistant attorney may be appointed. Council's action at their March 7, 2022 meeting required the Board to use Bultje for all legal matters. He stated what is being considered tonight is an action reserved by City Council and proceeding with approval will be a violation of the Charter. According to Section 2.7, violations of the Charter may be punishable with a fine of \$500 or imprisonment and/or possible removal from office. Bultje asked the Board to not take this action and stated, if they did, it would not turn out well for the Board.

Paul Peppin, 212 Sherman Ave., submitted an emailed written statement prior to the meeting. He extended his appreciation to BLP employees, who provide excellent, reliable service

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to our community and rapid restoration efforts whenever infrequent power outages occur. He said he had the opportunity to read the prepared comments from Jeffrey Miller and John Naser before this meeting and he shares their concerns regarding the Resolution the Board is considering at tonight's meeting. He feels a discussion should be held with City Council prior to acting and urged tabling action.

No formal action taken.

22-12A Director Witherell, supported by Director Westbrook, moved to approve the Resolution of the Grand Haven Board of Light & Power's Commitment to the Continued Environmental Remediation and Redevelopment of the Former Sims Power Plant Site on Harbor and Appointment of Varnum as Special Legal Counsel for Utility Matters:

**RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT AND POWER'S
COMMITMENT TO THE CONTINUED ENVIRONMENTAL REMEDIATION AND
REDEVELOPEMENT OF THE FORMER SIMS POWER PLANT SITE ON HARBOR
ISLAND AND APPOINTMENT OF VARNUM AS SPECIAL LEGAL COUNSEL
FOR UTILITY MATTERS**

WHEREAS the members of the Board of Light and Power, like those on the City Council, are City Officers, similarly committed to the betterment of the community and the representation of the citizens who elected them both (City Charter Section 4.1 (a)); and

WHEREAS the Board of Light and Power also performs a local electric utility regulatory function answerable to all approximately 14,700 residential, commercial, and industrial customers within the City of Grand Haven, Ferrysburg, and three surrounding townships; and

WHEREAS, unlike members of any boards and commissions of the City and administrative officers appointed by, under the authority of, and accountable to City Council (City Charter Section 4.1 (b), Section 7.14 and Section 7.20), the members of the Board of Light and Power have broader powers and authority of their own, and are assigned a unique charge, distinctive roles, responsibilities, and obligations to conduct the affairs of the city owned electric utility, subject only to the "general direction of the Council," which is not as clearly defined in the Charter as some have recently suggested (City Charter Chapter 14); and

WHEREAS, while the electric utility facilities and services constitute a department of the city government, this department, unlike others within the City's Administrative Service, is under the control and direction of the Board of Light and Power, City Officers themselves, and its administrative agent (City Charter Chapter 14), as opposed to the administrative structure of the City, except the city electric utility, under the more direct control of City Council, its administrative agent, and the boards and commissions of the city (City Charter Chapter 7); and

WHEREAS, the Board of Light and Power appoints its own administrative agent, exercises full control over its funds, makes contracts concerning the electric utility, has its own purchasing policies, can acquire and dispose of property in the name of the City for its purposes, is not subject to the same budget procedures as other departments, boards, and commissions, of the City, and possesses the full power and authority to set electric rates (City Charter Chapter 14); and

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WHEREAS, electric utility funds, including electric utility operating revenues, bond proceeds, and electric utility reserve funds, are additionally restricted by Charter and ordinance, and may only (1) defray the cost of operating the utility, (2) be used for the defined Project for which the bonds were issued, or (3) be utilized for the purpose for which the reserve funds were established (City Charter Chapter 14); and

WHEREAS, the Board of Light and Power desires, before moving forward further on the former Sims site environmental remediation, to establish a clear and mutual written agreement and understanding of the Board's governing roles, responsibilities, and funding obligations, and those of City Council and the Administrative Service of the City, with respect to the joint environmental remediation and redevelopment project of the former Sims Power Plant site between the Board of Light and Power, City Council, and other departments and administrative officers of the City. The project is no longer exclusively an electric utility project, as determined appropriate by City Council, although some elements and components of it continue to serve an electric utility purpose, and the project is now being directed by other appointed City administrative officers, under the direction of Council.

WHEREAS, the City Attorney has recently opined that the City Council and the Board of Light and Power may enter into an intragovernmental agreement for this purpose; and

THEREFORE, IT IS RESOVED that the Board of Light and Power shall not approve further funding of the Sims site environmental remediation activities which are not directly under contract with the Board, or approve the use of electric operating revenues, electric utility revenue bond proceeds, or electric utility reserve funds for such purpose until a written agreement is drafted and approved by both the Board and the City Council to better define and clarify the roles, responsibilities, and funding obligations for the jointly governed project now led and controlled directly by the City Council and other appointed administrative officers of the City, and limited, if any, review and approval by the Board or involvement by BLP staff; and

BE IT FURTHER RESOLVED that the Board of Light and Power approves and appoints of Varnum as its special legal counsel for utility matters, as it has served in this fashion for over 25 years until February 2022. Varnum will then serve as an agent of the Board and will work with the City Attorney to negotiate and mediate such written agreement between the Board and City Council. The Board will not proceed in development of the written intragovernmental agreement with City Council without legal representation, and until Varnum's reinstatement by the Board is approved by City Council, which approval has historically been granted as a routine matter with due consideration of the Board's approval and recommendation.

BE IT FURTHER RESOLVED that the primary purpose and intent of these resolutions is to promote and facilitate productive dialog and discussion between the Board and City Council and legal representation of both governing bodies, with the goal of reaching a mutual understanding and agreement on a fair, equitable and reasonable allocation of the costs and other responsibilities associated with the environmental remediation of the Sims Power Plant site on Harbor Island, consistent with the requirements and parameters of the City Charter, bond finance covenants, applicable law and regulatory requirements.

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Grand Haven City Charter:

https://library.municode.com/mi/grand_haven/codes/code_of_ordinances?nodeId=PTICH

Chairperson Kieft provided the Board ten-minutes to review the Resolution so they may prepare their questions and comments.

Director Hendrick asked who prepared the Resolution and if an attorney assisted in that process.

The General Manager stated he drafted the Resolution, which was reviewed by Varnum as the Resolution considers their reinstatement. After then being asked, Walters stated no payment was made to Varnum for this review and no invoice for such services is expected.

Directors Crum and Witherell stated they had no further questions or concerns regarding the Resolution.

Director Westbrook said the key points should not be considered controversial, which include moving forward on dialogue with City Council and reappointing Varnum as BLP's special council to work with the city attorney on drafting the intragovernmental agreement. Westbrook stated he does not know what the fear is for the BLP to have its own representation.

The General Manager said the Board, through this Resolution, is approving Varnum as the BLP's attorney for utility matters, which has been done historically, and if approved tonight, this decision will again be brought to City Council at their August 15, 2022 meeting for their consideration, as has been done historically. This is the process the Board and Council have used for at least the last 25-30 years.

Ron Bultje said he does not see where the Board is asking for or recommending City Council approval of the Board's approval and appointment of Varnum within the Resolution.

The General Manager explained his understanding is the Board approves and appoints, then brings that decision to City Council for their approval. If Council does not approve, then Varnum is not approved by City Council, and the BLP will then not proceed without the representation it believes appropriate with the proposed discussions with Council toward reaching a written agreement, as it is stating in its Resolution. The General Manager sees no crime or Charter violation in the Board approving the proposed Resolution. The Board is simply asking City Council to reconsider Council's earlier action in February, where they denied the Board's request for special counsel it determined most appropriate and necessary to conduct the affairs of the utility. The Board continues in this determination, particularly in light of the need to develop and negotiate the proposed written intragovernmental agreement.

Director Witherell stated he does not agree with City Attorney Ron Bultje. We need outside legal help to walk us through this process of developing a written agreement. Witherell stated he is in total support of doing so. He does not believe the BLP should rely solely on the city attorney in the development of the written agreement or for all other utility matters. This has not been the Board's historical practice. Many recent utility concerns brought to the city have been ignored. The meeting the Board would have liked to have with Council will end up the same. He does not agree with the new interpretations of the Charter, nor did Scott Smith, former city attorney, agree with some of Bultje's current interpretations.

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While Director Hendrick desired additional discussion of the Resolution, there was no support to do so from the Board. Chairman Kieft then closed discussion and called for the vote.

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

22-12B Other Business – Director Westbrook, supported by Director Crum, moved to direct staff to bring the Board’s action to approve and appoint Varnum as special legal counsel, as contained in the approved Resolution, to City Council for their consideration at their August 15, 2022 meeting.

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

At 4:43 p.m. by motion of Director Witherell, supported by Director Westbrook, the August 3, 2022 Special Board Meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM

**GRAND HAVEN BOARD OF LIGHT AND POWER
BALANCE SHEET
FOR THE MONTH ENDING JULY 2022**

	<u>JULY 2022</u>	<u>JULY 2021</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$30,762,620	\$29,374,016
ACCOUNTS RECEIVABLE	4,338,659	4,191,564
OTHER ACCOUNTS RECEIVABLE	1,037,151	1,005,114
PREPAID	9,432	11,886
	36,147,862	34,582,580
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	6,693,217	6,650,683
DEPOSITS HELD BY MPPA	2,500,000	2,000,000
HEALTH BENEFIT FUND	104,625	65,838
2021A BOND CONSTRUCTION FUND	11,118,065	0
2021A BOND REDEMPTION FUND	1,375,315	0
OTHER ASSETS	0	0
	21,791,222	8,716,521
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	560,728	1,265,482
PROPERTY, PLANT AND EQUIPMENT	63,458,603	61,204,218
LESS ACCUMULATED DEPRECIATION	(29,532,241)	(28,994,971)
	34,487,090	33,474,729
TOTAL ASSETS	\$92,426,174	\$76,773,830
DEFERRED OUTFLOWS/INFLOWS		
PENSION RELATED	1,026,945	1,026,945
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$1,619,685	\$2,189,692
BOND ANTICIPATION NOTE PAYABLE	-	13,291,700
SERIES 2021A BOND CURRENT	2,332,917	-
ACCRUED PAYROLL LIABILITIES	422,280	530,244
CUSTOMER DEPOSITS	858,825	821,384
ACCRUED TRANSFER FUND	165,089	(570,517)
	5,398,796	16,262,503
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	8,597,176	6,728,289
ACCRUED SICK AND PTO	310,394	361,818
SERIES 2021A BOND	22,700,000	-
NET PENSION LIABILITIES	4,450,113	4,450,113
NET OTHER POST EMPLOYMENT BENEFIT	1,055,687	1,055,687
	37,113,370	12,595,907
TOTAL LIABILITIES	42,512,166	28,858,410
RETAINED EARNINGS		
BEGINNING OF THE YEAR	51,074,731	48,304,825
YTD NET INCOME	(133,778)	637,540
RETAINED EARNINGS	50,940,953	48,942,365
TOTAL LIABILITIES AND EQUITY	\$93,453,119	\$77,800,775

**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF JULY 2022**

	Current Period Actual	YTD Actual	YTD Budget	Variance Over (Under)	Percent Variance Actual vs Budget	Previous Year Current Period	Previous Year YTD	Variance Over (Under)	Percent Variance Actual vs Last Year
Operating Revenue									
Residential Sales	\$ 1,246,305	\$ 1,246,305	\$ 1,327,487	\$ (81,182)	-6.12%	\$ 1,210,827	\$ 1,210,827	\$ 35,478	2.93%
Commercial Sales	921,918	921,918	1,074,244	(152,326)	-14.18%	907,871	907,871	14,047	1.55%
Industrial Sales	1,003,560	1,003,560	1,316,449	(312,889)	-23.77%	1,003,480	1,003,480	80	0.01%
Municipal Sales	101,752	101,752	101,091	661	0.65%	95,953	95,953	5,799	6.04%
Total Charges for Services	3,273,535	3,273,535	3,819,271	(545,736)	-14.29%	3,218,131	3,218,131	55,404	1.72%
Street Lighting	28,238	28,238	28,167	71	0.25%	32,546	32,546	(4,308)	-13.24%
Other Revenue	19,429	19,429	16,500	2,929	17.75%	19,638	19,638	(209)	-1.06%
Total Operating Revenue	3,321,202	3,321,202	3,863,938	(542,736)	-14.05%	3,270,315	3,270,315	50,887	1.56%
Operating Expenses									
Net Purchased Power	2,589,754	2,589,754	2,358,668	231,086	9.80%	1,576,357	1,576,357	1,013,397	64.29%
Distribution Operations	171,542	171,542	209,640	(38,098)	-18.17%	218,411	218,411	(46,869)	-21.46%
Distribution Maintenance	255,386	255,386	241,271	14,115	5.85%	235,488	235,488	19,898	8.45%
Energy Optimization	12,150	12,150	16,667	(4,517)	-27.10%	21,298	21,298	(9,148)	-42.95%
Administration	200,621	200,621	245,101	(44,480)	-18.15%	242,542	242,542	(41,921)	-17.28%
Legacy Pension Expense	53,551	53,551	92,218	(38,667)	-41.93%	-	-	53,551	-
Operating Expenses Before Depreciation	3,283,004	3,283,004	3,163,565	119,439	3.78%	2,294,096	2,294,096	988,908	43.11%
Operating Net Income Before Depreciation	38,198	38,198	700,373	(662,175)	-94.55%	976,219	976,219	(938,021)	-96.09%
Depreciation	167,043	167,043	154,166	12,877	8.35%	159,872	159,872	7,171	4.49%
Operating Net Income	(128,845)	(128,845)	546,207	(675,052)	-123.59%	816,347	816,347	(945,192)	-115.78%
Nonoperating Revenue/(Expenses)	160,156	160,156	11,847	148,309	1251.87%	(11,486)	(11,486)	171,642	-1494.36%
Asset Retirement Expense	-	-	-	-	#DIV/0!	(4,783)	(4,783)	4,783	-100.00%
Non-Operating Revenue/(Expenses)	160,156	160,156	11,847	148,309	1251.87%	(16,269)	(16,269)	176,425	-1084.42%
Transfers to City of Grand Haven	(165,089)	(165,089)	(192,372)	27,283	-14.18%	(162,538)	(162,538)	(2,551)	1.57%
Increase in Net Assets	\$ (133,778)	\$ (133,778)	\$ 365,682	\$ (499,460)	-136.58%	\$ 637,540	\$ 637,540	\$ (771,318)	-120.98%

**GRAND HAVEN BOARD OF LIGHT AND POWER
POWER SUPPLY DASHBOARD
FOR THE MONTH OF JULY 2022**

Power Supply for Month (kWh)	<u>FY2023</u>		<u>FY2022</u>	
Net Purchased (Sold) Power	24,305,024	81.65%	25,252,687	86.32%
Renewable Energy Purchases	5,463,581	18.35%	4,000,871	13.68%
Monthly Power Supply Total	29,768,605		29,253,558	
Days in Month	31		31	
Average Daily kWh Supply for Month	960,278		943,663	
% Change	1.76%			

Power Supply FYTD	<u>FY2023</u>		<u>FY2022</u>	
Net Purchased (Sold) Power	24,305,024	81.65%	25,252,687	86.32%
Renewable Energy Purchases	5,463,581	18.35%	4,000,871	13.68%
FYTD Power Supply Total	29,768,605		29,253,558	
FYTD Days (from 7/1)	31		31	
Average Daily kWh Supply FYTD	960,278		943,663	
% Change	1.76%			

	<u>FY2023</u>		<u>FY2022</u>
Net Purchased Power Expenses	\$2,589,754		\$1,576,357
% Change	64.29%		
Net Energy Expenses per kWh Supplied to System FYTD	\$0.08700		\$0.05389
% Change	61.44%		

**GRAND HAVEN BOARD OF LIGHT AND POWER
SALES DASHBOARD
FOR THE MONTH OF JULY 2022**

<u>Monthly Retail Customers</u>	<u>FY2023</u>		<u>FY2022</u>	
Residential	13,037	87.53%	13,031	87.52%
Commercial	1,613	10.83%	1,613	10.83%
Industrial	128	0.86%	129	0.87%
Municipal	117	0.79%	117	0.79%
Total	14,895		14,890	
<u>Monthly Energy Sold (kWh)</u>				
Residential	9,281,234	34.48%	8,970,827	33.65%
Commercial	7,317,439	27.19%	7,262,237	27.24%
Industrial	9,273,695	34.46%	9,428,776	35.37%
Municipal	956,702	3.55%	879,641	3.30%
Retail Monthly Total	26,829,070	99.68%	26,541,481	99.57%
Street Lighting	85,119	0.32%	114,543	0.43%
Total Monthly Energy Sold	26,914,189		26,656,024	
Days in Primary Meter Cycle	30		31	
kWh Sold per Day	897,140		859,872	
% Change	4.33%			

<u>Energy Sold (kWh) FYTD</u>	<u>FY2023</u>		<u>FY2022</u>	
Residential	9,281,234	34.48%	8,970,827	33.65%
Commercial	7,317,439	27.19%	7,262,237	27.24%
Industrial	9,273,695	34.46%	9,428,776	35.37%
Municipal	956,702	3.55%	879,641	3.30%
Retail Energy Sold Total FYTD	26,829,070	99.68%	26,541,481	99.57%
Street Lighting	85,119	0.32%	114,543	0.43%
Energy Sold FYTD	26,914,189		26,656,024	
Weighted Days in Meter Cycles FYTD	30		31	
kWh Sold per Day	897,140		859,872	
% Change	4.33%			

<u>Sales Revenue FYTD</u>	<u>FY2023</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2022</u>	<u>Average Rate (\$/kWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$1,246,306	\$0.1343	\$1,210,827	\$0.1350	-0.51%
Commercial	\$921,918	\$0.1260	\$907,871	\$0.1250	0.78%
Industrial	\$1,003,560	\$0.1082	\$1,003,480	\$0.1064	1.68%
Municipal	\$101,751	\$0.1064	\$96,036	\$0.1092	-2.58%
Retail Sales Revenue FYTD	\$3,273,535	\$0.1220	\$3,218,215	\$0.1213	0.63%
Street Lighting	\$28,238		\$32,546		
Total Sales Revenue FYTD (Excl. Wholesale)	\$3,301,773	\$0.1227	\$3,250,761	\$0.1220	

	<u>FY2023</u>	<u>FY2022</u>
Approx. Distribution Losses FYTD	6.57%	8.88%
Net Energy Expenses/kWh Sold FYTD	\$0.09272	\$0.05867
% Change	58.03%	

GRAN is forecasted to have an average of 83% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 24% towards load. Total Resources are forecasted to cost an average of \$44.97 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$93.41 per MWh. This results in a Total Forecasted Power Supply weighted average cost of \$53.95 over the upcoming 12 months.

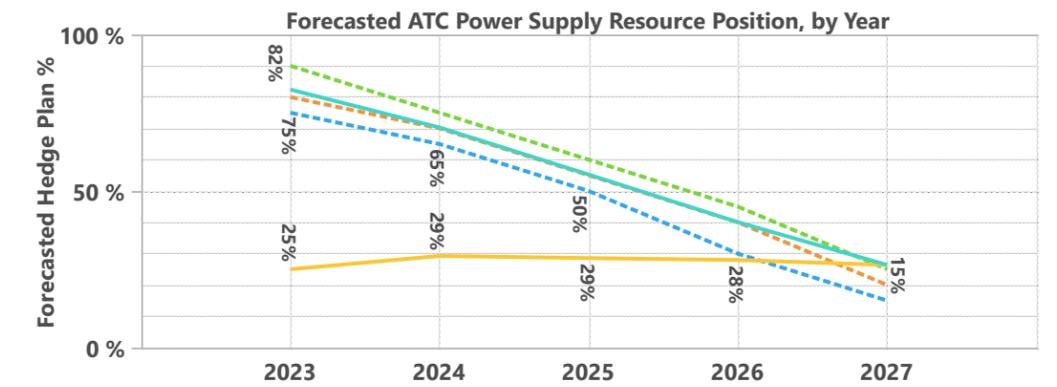
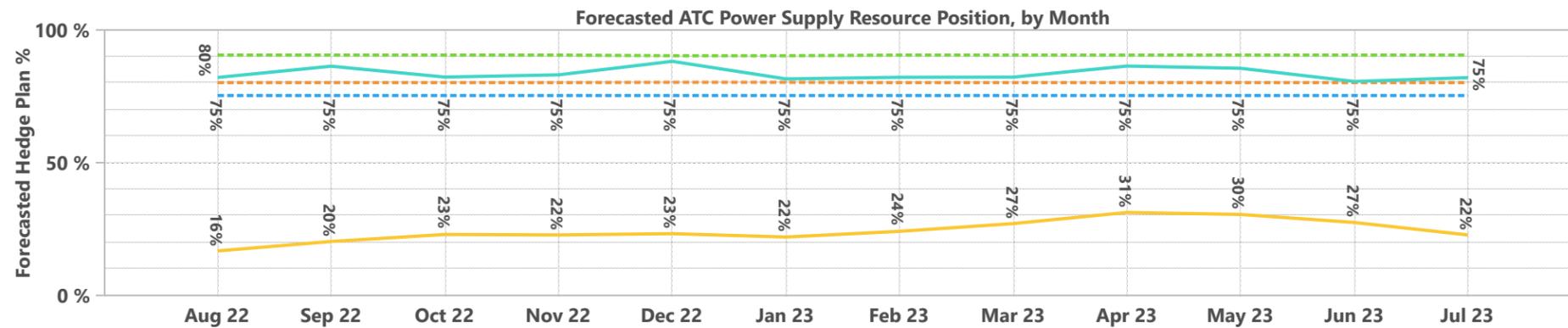
Forecasted Power Supply Resource Position for GRAN

Power Supply, MWh	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Total Resources, MWh	24,921	22,021	19,724	18,945	20,642	20,902	19,053	20,432	19,555	20,617	20,998	25,755
Project Assets	1,996	1,931	1,996	1,931	1,996	1,996	1,803	1,996	1,931	1,996	1,931	1,996
Landfill Project	1,996	1,931	1,996	1,931	1,996	1,996	1,803	1,996	1,931	1,996	1,931	1,996
Contracted Power Supply	22,925	20,090	17,729	17,013	18,646	18,906	17,250	18,436	17,624	18,621	19,067	23,759
Contracted ESP Renewable PPAs	3,015	3,189	3,456	3,209	3,394	3,580	3,743	4,672	5,096	5,304	5,171	5,085
Contracted Bilateral Energy Transactions	19,910	16,901	14,273	13,805	15,252	15,326	13,507	13,764	12,528	13,318	13,896	18,674

Power Supply, MWh	2023	2024	2025	2026	2027
Total Resources, MWh	251,892	215,981	171,251	125,151	83,042
Project Assets	23,498	23,562	22,453	21,424	17,230
Landfill Project	23,498	23,562	22,453	21,424	17,230
Contracted Power Supply	228,394	192,418	148,798	103,727	65,812
Contracted ESP Renewable PPAs	52,952	66,344	66,109	65,942	65,812
Contracted Bilateral Energy Transactions	175,442	126,074	82,690	37,786	

	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Forecasted Hedge Plan % (w/o Peaking)	82%	86%	82%	83%	88%	81%	82%	82%	86%	85%	80%	82%
Minimum Hedge Plan %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Target Hedge %	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Maximum Hedge Plan Range %	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Renewables Portfolio %	16%	20%	23%	22%	23%	22%	24%	27%	31%	30%	27%	22%
Forecasted Load	(30,463)	(25,591)	(24,067)	(22,881)	(23,487)	(25,720)	(23,270)	(24,936)	(22,710)	(24,180)	(26,147)	(31,506)
Forecasted Market Balancing, MWh	(5,542)	(3,569)	(4,342)	(3,936)	(2,845)	(4,818)	(4,218)	(4,504)	(3,155)	(3,562)	(5,149)	(5,751)
Forecasted Hedge % (w/ Peaking)	82%	86%	82%	83%	88%	81%	82%	82%	86%	85%	80%	82%

	2023	2024	2025	2026	2027
Forecasted Hedge Plan % (w/o Peaking)	82%	70%	55%	40%	26%
Minimum Hedge Plan %	75%	65%	50%	30%	15%
Target Hedge %	80%	70%	55%	40%	20%
Maximum Hedge Plan Range %	90%	75%	60%	45%	25%
Renewables Portfolio %	25%	29%	29%	28%	26%
Forecasted Load	(305,705)	(307,258)	(310,009)	(312,487)	(314,672)
Forecasted Market Balancing, MWh	(53,813)	(91,277)	(138,758)	(187,336)	(231,630)
Forecasted Hedge % (w/ Peaking)	82%	70%	55%	40%	26%



--- Minimum Hedge Plan % - - - Target Hedge % - - - Maximum Hedge Plan Range % — Renewables Portfolio % — Forecasted Hedge Plan % (w/o Peaking)

Power Supply \$'s	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Total Resources, \$'s	(\$1,275,891)	(\$933,942)	(\$904,238)	(\$869,915)	(\$835,874)	(\$1,136,034)	(\$989,075)	(\$707,742)	(\$805,665)	(\$853,310)	(\$881,685)	(\$1,209,547)
Project Assets	(\$206,710)	(\$200,099)	(\$206,710)	(\$201,603)	(\$208,026)	(\$213,495)	(\$193,009)	(\$25,741)	(\$206,666)	(\$213,502)	(\$206,666)	(\$214,853)
Landfill Project	(\$206,710)	(\$200,099)	(\$206,710)	(\$201,603)	(\$208,026)	(\$213,495)	(\$193,009)	(\$25,741)	(\$206,666)	(\$213,502)	(\$206,666)	(\$214,853)
Contracted Power Supply	(\$1,069,181)	(\$733,843)	(\$697,528)	(\$668,312)	(\$627,848)	(\$922,539)	(\$796,065)	(\$682,000)	(\$598,999)	(\$639,808)	(\$675,018)	(\$994,693)
Contracted ESP Renewable PPAs	(\$128,187)	(\$137,142)	(\$151,149)	(\$141,639)	(\$148,968)	(\$159,798)	(\$165,602)	(\$203,271)	(\$219,171)	(\$227,045)	(\$220,130)	(\$214,097)
Contracted Bilateral Energy Transactions	(\$940,994)	(\$596,700)	(\$546,379)	(\$526,673)	(\$478,881)	(\$762,741)	(\$630,463)	(\$478,729)	(\$379,828)	(\$412,763)	(\$454,888)	(\$780,597)

Locational Basis, \$'s	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Locational Basis (Projects)	(\$3,319)	(\$2,759)	(\$1,669)	(\$3,400)	(\$4,573)	(\$1,344)	(\$7,606)	(\$2,910)	(\$1,007)	(\$1,432)	(\$61)	\$1,784
Locational Basis (Contracted Power Supply)	(\$60,182)	(\$18,779)	(\$21,633)	\$2,549	(\$19,044)	(\$46,204)	(\$2,350)	(\$20,824)	(\$16,897)	(\$1,815)	(\$7,396)	(\$7,400)

Power Supply \$/MWh	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Power Supply \$/MWh												
Project Assets												
Landfill Project	\$103.58	\$103.61	\$103.58	\$104.39	\$104.24	\$106.98	\$107.07	\$12.90	\$107.01	\$106.98	\$107.01	\$107.66
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$42.52	\$43.00	\$43.74	\$44.14	\$43.89	\$44.64	\$44.25	\$43.51	\$43.01	\$42.81	\$42.57	\$42.11
Contracted Bilateral Energy Transactions	\$47.26	\$35.31	\$38.28	\$38.15	\$31.40	\$49.77	\$46.68	\$34.78	\$30.32	\$30.99	\$32.74	\$41.80

Locational Basis, \$/MWh	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Locational Basis (Projects)	\$1.66	\$1.43	\$0.84	\$1.76	\$2.29	\$0.67	\$4.22	\$1.46	\$0.52	\$0.72	\$0.03	(\$0.89)
Locational Basis (Contracted Power Supply)	\$2.63	\$0.93	\$1.22	(\$0.15)	\$1.02	\$2.44	\$0.14	\$1.13	\$0.96	\$0.10	\$0.39	\$0.31

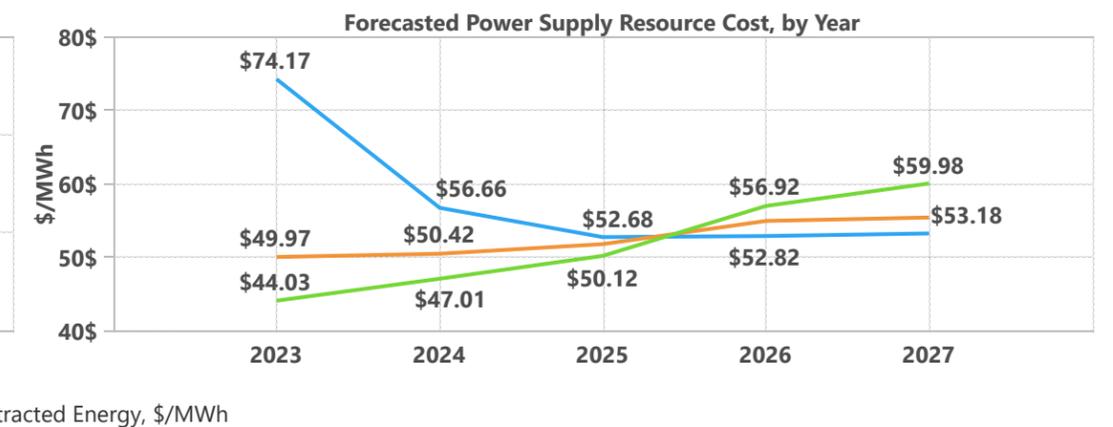
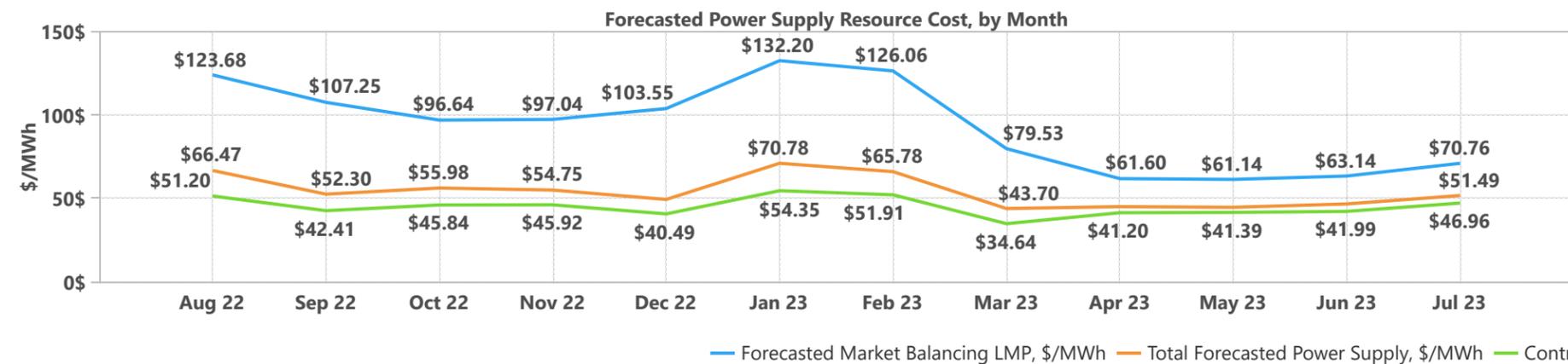
	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Forecasted Market Balancing LMP, \$/MWh	\$123.68	\$107.25	\$96.64	\$97.04	\$103.55	\$132.20	\$126.06	\$79.53	\$61.60	\$61.14	\$63.14	\$70.76
Forecasted Market Balancing LMP, \$'s	(\$685,425)	(\$382,844)	(\$419,643)	(\$381,974)	(\$294,602)	(\$636,935)	(\$531,657)	(\$358,232)	(\$194,354)	(\$217,791)	(\$325,119)	(\$406,953)
Total Forecasted Power Supply, \$/MWh	\$66.47	\$52.30	\$55.98	\$54.75	\$49.14	\$70.78	\$65.78	\$43.70	\$44.82	\$44.43	\$46.44	\$51.49
Total Forecasted Power Supply Costs, \$'s	(\$2,024,817)	(\$1,338,323)	(\$1,347,184)	(\$1,252,740)	(\$1,154,093)	(\$1,820,516)	(\$1,530,688)	(\$1,089,708)	(\$1,017,924)	(\$1,074,348)	(\$1,214,262)	(\$1,622,116)

Power Supply \$'s	2023	2024	2025	2026	2027
Total Resources, \$'s	(\$11,089,857)	(\$10,153,926)	(\$8,583,763)	(\$7,123,317)	(\$4,980,494)
Project Assets	(\$2,330,663)	(\$2,399,291)	(\$2,345,059)	(\$2,402,069)	(\$1,969,261)
Landfill Project	(\$2,330,663)	(\$2,399,291)	(\$2,345,059)	(\$2,402,069)	(\$1,969,261)
Contracted Power Supply	(\$8,759,194)	(\$7,754,636)	(\$6,238,705)	(\$4,721,248)	(\$3,011,233)
Contracted ESP Renewable PPAs	(\$2,288,713)	(\$2,899,036)	(\$2,933,081)	(\$2,971,019)	(\$3,011,233)
Contracted Bilateral Energy Transactions	(\$6,470,481)	(\$4,855,599)	(\$3,305,623)	(\$1,750,229)	

Locational Basis, \$'s	2023	2024	2025	2026	2027
Locational Basis (Projects)	(\$20,879)	(\$15,569)	(\$13,712)	(\$13,999)	(\$12,474)
Locational Basis (Contracted Power Supply)	(\$174,661)	(\$149,519)	(\$127,132)	(\$115,212)	(\$104,572)

Power Supply \$/MWh	2023	2024	2025	2026	2027
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$99.19	\$101.83	\$104.45	\$112.12	\$114.29
Contracted Power Supply					
Contracted ESP Renewable PPAs	\$43.22	\$43.70	\$44.37	\$45.06	\$45.75
Contracted Bilateral Energy Transactions	\$36.88	\$38.51	\$39.98	\$46.32	

Locational Basis, \$/MWh	2023	2024	2025	2026	2027
Locational Basis (Projects)	\$0.89	\$0.66	\$0.61	\$0.65	\$0.72
Locational Basis (Contracted Power Supply)	\$0.76	\$0.78	\$0.85	\$1.11	\$1.59

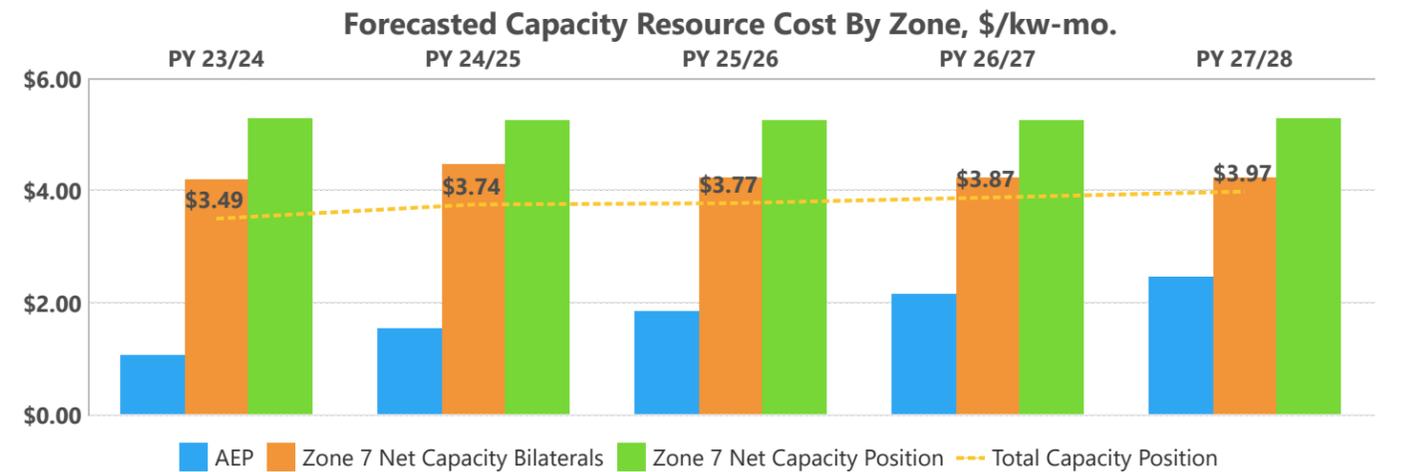
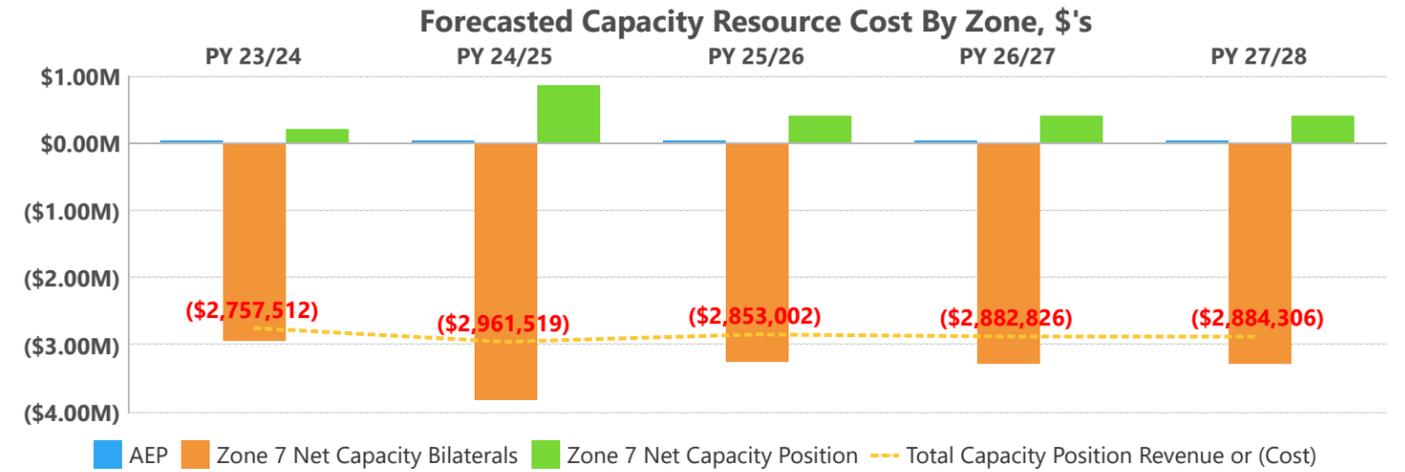
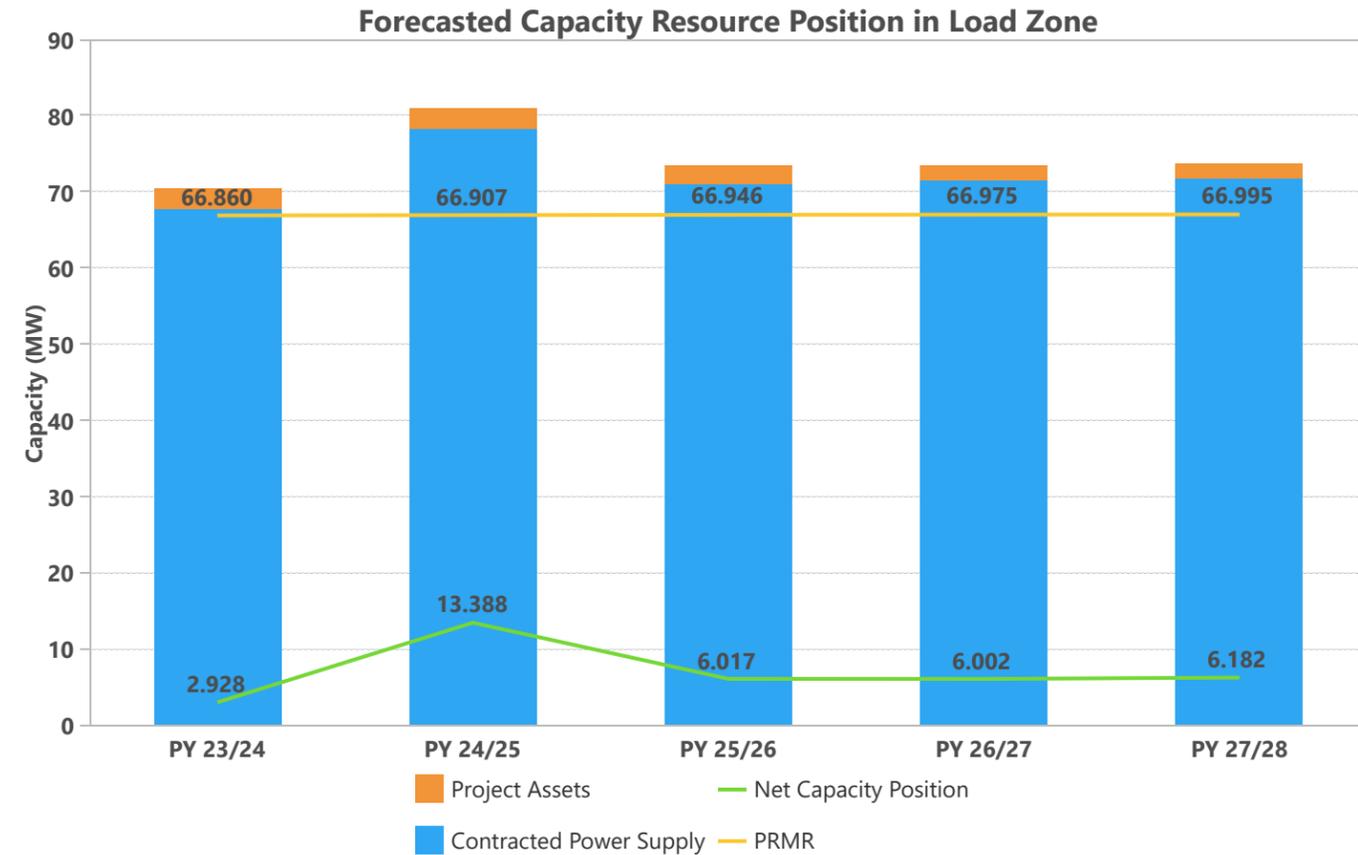


Capacity Resources, MW	PY 23/24	PY 24/25	PY 25/26	PY 26/27	PY 27/28
Zone 7	2.928	13.388	6.017	6.002	6.182
Contracted Power Supply	67.723	78.263	70.963	71.563	71.763
Contracted ESP Renewable PPAs	8.723	6.963	6.963	6.963	6.963
Contracted Bilateral Capacity Transactions	59.000	71.300	64.000	64.600	64.800
Planning Reserve Margin Requirement	(66.860)	(66.907)	(66.946)	(66.975)	(66.995)
PRMR	(66.860)	(66.907)	(66.946)	(66.975)	(66.995)
Project Assets	2.065	2.033	2.000	1.415	1.415
Landfill Project	2.065	2.033	2.000	1.415	1.415
AEP	0.472	0.472	0.472	0.472	0.286
Project Assets	0.472	0.472	0.472	0.472	0.286
Landfill Project	0.472	0.472	0.472	0.472	0.286

Capacity Resources, \$'s	PY 23/24	PY 24/25	PY 25/26	PY 26/27	PY 27/28
Zone 7					
Net Capacity Position					
\$	\$184,969.40	\$843,444.00	\$379,071.00	\$378,126.00	\$390,533.06
\$/kw-mo.	\$5.26	\$5.25	\$5.25	\$5.25	\$5.26
Net Capacity Bilaterals					
\$	(\$2,948,400.00)	(\$3,813,564.00)	(\$3,242,400.00)	(\$3,273,000.00)	(\$3,283,200.00)
\$/kw-mo.	\$4.16	\$4.46	\$4.22	\$4.22	\$4.22
AEP					
Net Capacity Position					
\$	\$5,918.33	\$8,601.42	\$10,327.36	\$12,047.65	\$8,360.91
\$/kw-mo.	\$1.05	\$1.52	\$1.83	\$2.13	\$2.44

Total Capacity Position Revenue or (Cost)	PY 23/24	PY 24/25	PY 25/26	PY 26/27	PY 27/28
\$	(\$2,757,512)	(\$2,961,519)	(\$2,853,002)	(\$2,882,826)	(\$2,884,306)

Total Capacity Position	PY 23/24	PY 24/25	PY 25/26	PY 26/27	PY 27/28
\$/kw-mo.	\$3.49	\$3.74	\$3.77	\$3.87	\$3.98

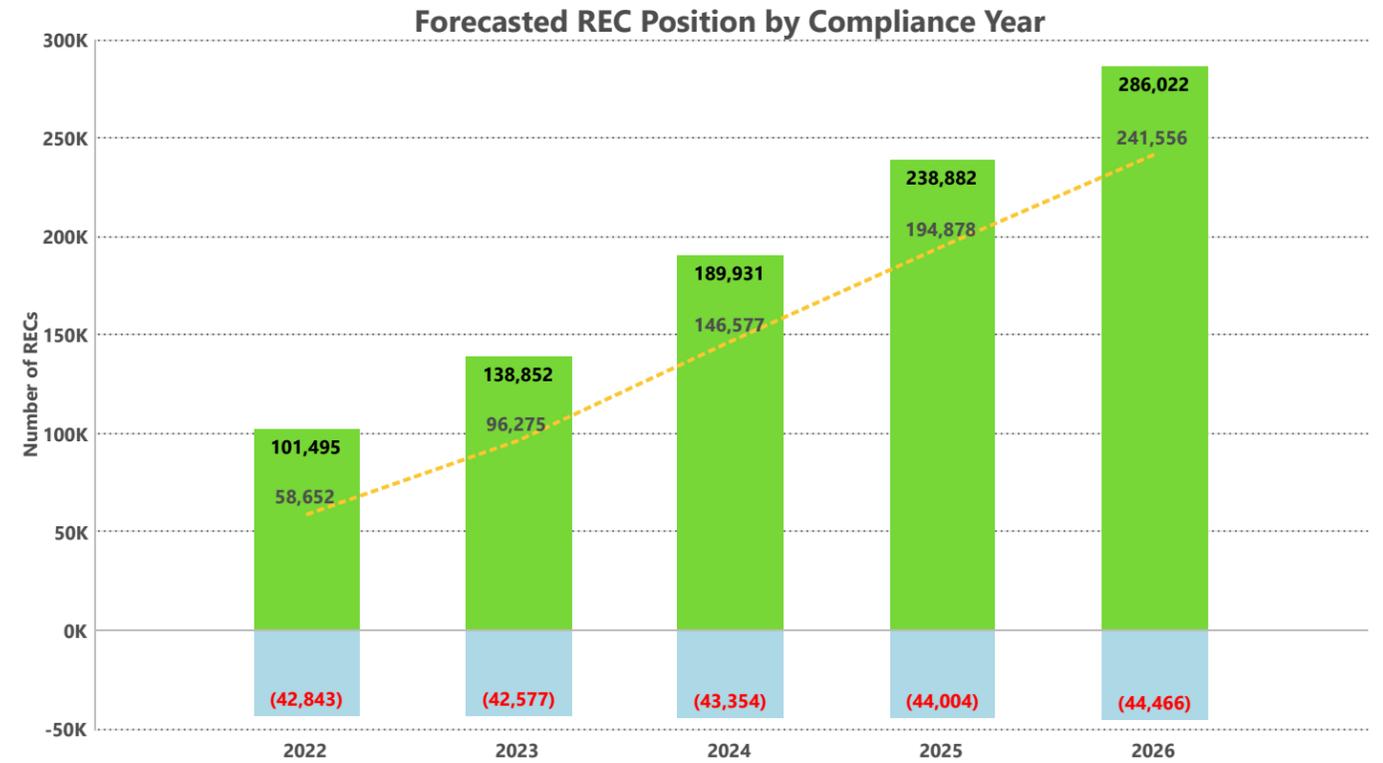


Forecasted Renewable Energy Credit (REC) Position for GRAN

Forecasted REC volumes are based on actual meter data when available and use the latest modeled generation for future timeframes.
Available Banked RECs in a compliance year reflect the forecasted Net REC Position at the end of the previous year.

Compliance Year	2022	2023	2024	2025	2026
Net REC Position	58,652	96,275	146,577	194,878	241,556
Available Banked RECs	35,307	58,652	96,275	146,577	194,878
Hedge Policy REC Requirement	(42,843)	(42,577)	(43,354)	(44,004)	(44,466)
Assembly Solar	9,758	9,905	9,860	9,816	9,771
Assembly Solar Phase II	8,225	8,424	8,389	8,342	8,314
Beebe	6,252	6,478	6,493	6,478	6,479
Hart Solar			8,686	8,660	8,634
Invenergy Calhoun Solar	478	13,791	13,755	13,712	13,686
Landfill Project (EDL)	17,461	17,652	17,699	16,615	15,602
Landfill Project (NANR)	4,857	5,812	5,828	5,812	5,812
Pegasus	19,157	18,138	18,190	18,138	18,137
Savion Calhoun Solar			4,757	4,733	4,709

Compliance Year	2022	2023	2024	2025	2026
3 Year Avg Retail Sales	(285,618)	(283,848)	(289,026)	(293,363)	(296,443)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%
Hedge Policy REC Requirement	(42,843)	(42,577)	(43,354)	(44,004)	(44,466)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0



■ REC Requirement
 ■ REC Supply
 - - - Net REC Position



Memorandum

To: Ron Bultje
 From: David Walters, General Manager
 Date: August 8, 2022
 Subject: Restatement of concerns from e-mails of August 4 and 5

In response to your e-mail to this distribution list, which was your intended audience not mine, suggesting:

"I will indeed be sending my response to all who are copied on this email. They will see your seven emails to me over 23 hours, and my two emails to you, asking you to stop so I can catch up. I would love to talk to anyone who thinks my behavior is over the top."

I would like to say to you, sharing selected personal e-mails between the two of us, portions of them, or restating my parts of **the discussion in your words, when I was acting as administrative agent of the Board, without either my or the Board's approval, remains troublesome to me and members of the Board, and the practice has not served to mediate or resolve the differences of opinion and disagreements between the Board and the City Council.** It has only served to add to the controversy. Whether it is **"ethical" or not, is not an issue for me.**

It would seem, this conversation you suggest above should then be accompanied equitably by a similar presentation from me to allow that same distribution list to be provided additional personal e-mails and conversations, or portions of them, of my selection to place in context these same conversations, particularly when you are using your words and suggest them as my own, as has occurred on numerous occasions recently, including in what has been referred to as legal opinions. I would additionally ask you, should the Board and City Council similarly be provided private conversations you have had with **City Council's administrative agent, the past City Manager, when the two of you were discussing privately your potential or past opinions on Board of Light and Power matters?** My personal thoughts, actions, and direction to you, on behalf of the Board, seem to be influencing your professional legal opinions regarding the charter much more than they should.

In my (non-legal) opinion, individual Board members or staff questions, comments, input, information, or future potential proposals or items of discussion, or portions of them that we mention to you, or you receive from us personally, through whatever means and fashion we provide them, are exactly that, our 'non-opinions,' and have no place in your 'professional legal opinions' on the Charter.

By the way, the reason for the "seven e-mails to you over 23 hours," was not that I wanted to inundate or inconvenience you during this busy time in Grand Haven. As I explained in them, I kept receiving additional comments from board members and city/BLP employees, past and present, and the general public in response to the Board's resolution and their reaction to it, so I reviewed the charter a bit more myself to follow-up and pass these concerns on to you. What I heard is "tell them" this or that and "they are wrong," in reaction to what was being disseminated publicly about the board, not by the board. Posting your opinion in the Tribune did not act to quell and clarify positions of the Board, it acted to focus the controversy on the differences in "opinion," in the broader sense, in the community, that the Board addressed in its resolution. There is no doubt others in the community do not agree with what was said, not by the Board, but by members of the community, yourself, and the Mayor Pro-Tem during and following the Board meeting on Wednesday. Others were then incited by more comments made in the press and on social media. Blame that on me if you wish, but my thoughts and expressions in these e-mails, as I said in them, were not solely my rants and ramblings, as you suggest. I too want this political rhetoric to stop, as I and the Board have been

dealing with it for quite some time, and I was asking for your assistance as our legal representative in doing so, to more clearly define the debate and public discourse, not take my side in them. And to bring a bit more civility into the treatment of the Board, as you no doubt piled on to last week by taking their actions from a legitimate city governance disagreement to a crime.

Regardless, whether you share these recent e-mails or not, the above is not the reason for this follow-up. I am below summarizing these extensive, tiresome “seven emails to (you) over 23 hours,” and add a bit more context, so that the Board and City Council can “catch up” a little more quickly, and in a more organized fashion, as you have stated you will share these e-mails with them. As you know, these e-mails expressed my concerns to you following your recent opinion (now released and published in the Tribune), and comments made by you, the Mayor Pro-tem, a former member of the Board, and members of the public at our meeting, and thereafter in the press and on social media, in reaction to the Board’s resolution approved at its meeting last Wednesday.

I would suggest we focus our continuing discussion this week on the following 6 positions of the Board, primarily referred to in the “whereas” statements of the Board’s resolution:

(1) The “Board of Light and Power” is not a “department of the city.”

- The members of the Board of Light and Power are “elected officers” of the City, exactly what the Board approved resolution suggested (Section 4.1 (a) of the Charter).
- While many, including myself, often use the name “Board of Light and Power” (or the initials BLP) synonymously with “the city electric utility” or the “the city electric utility department,” the Charter does not. There is clear distinction between the two in this document.

(2) The “city’s electric utility facilities and services” is a “department of city government.” (Section 14.1 of the Charter)

- The “city’s electric utility facilities and services” department of city government is clearly not, however, a “department of the city” or a “city department” established and defined as part of “The Administrative Service” of the City in Chapter 7 of the Charter or of the City “Administration” discussed in Chapter 2 of the Code of Ordinances of the City.
- “All department directors and city departments (as defined herein) *shall be under the supervision of the city manager.*” (Section 2-24 of the Code of Ordinances).
- Certain appointed officers “of the city” within the Administration of the city (as defined in Chapter 7 of the Charter) “hold office by virtue of appointment by the council,” and others “shall be appointed by the City Manager.” “All persons employed by the city (apparently within the definitions used in this Chapter 7) *who are not elective or administrative officers, or members of a board created by this charter, or declared to be administrative officers by or under authority of this section shall be deemed to be employees of the city.*”
- Contrarily, the “director of light and power” (the department head of the city’s electric utility facilities and services department of city government) is appointed by the Board of Light and Power and serves at its pleasure (this position is not then appointed by City Council or the City Manager, and thus is not included as a “city department head” by the definition in Chapter 7 of the Charter). The director of light and power “shall have the control and direction of the employees of the board.” (Section 14.2 of the Charter).

- Additionally, unlike “all departments of the city” established and defined in Chapter 7 of the Charter, “*the electric utility (department) of the city shall be under the control and direction of an elected board, to be known as the board of light and power.*”
- To suggest “all city departments,” particularly when reviewing provisions of Chapter 7 of the Charter, “*would include the Board of Light and Power (elected officers of the city, not a department at all), which according to Section 14.1 is a department of the City government, just like the Department of Public Works, the Department of Public Safety,” as was done in your recent opinion (direct quote) that was then released to the Tribune, would seem to require some clarification to maintain consistency of that opinion with the actual words improperly referenced in the Charter. It would seem there is, at a minimum, substantial departmental differences that must be addressed in such an opinion, and not be set aside so dismissively, as I was pointing out in my personal e-mails. The public now needs to be made aware of these corrections before others further accuse Board members of violating their oath of office in these regards.*

(3) The Board of Light and Power is established and defined differently than the city “boards” (Section 7.13) and “commissions” (Section 7.20) established in Chapter 7 of the Charter.

- Each Section in Chapter 7 discussing “city boards and commissions” refers to the necessary “appointment by council.”
- Section 2-76 of the Code of Ordinances state, “All members of city boards and commissions shall be appointed by the mayor, subject to confirmation by the City Council.” Are you suggesting this is also a definition describing Board of Light and Power elected officers?
- Members of the Board of Light and Power are clearly designated in Section 4.1 (a) of the Charter as “elective officers” of the city as opposed to the “appointive officers” of “any boards and commissions” created by or under the authority of this Charter (Section 4.1 (b)).
- Contrary to the plain words of Section 7.6 (e), it would seem there is, at a minimum, a valid argument that this provision does not apply to the Board of Light and Power. Should this too now be addressed to the public given both council members’ and the city attorney’s certainty of the application (in February and again at our meeting last Wednesday). If the “automatic” appointment of the City Attorney to the Board of Light and Power doesn’t occur in the same fashion as “Boards and Commissions of the city,” why would appointments of “special legal counsel” for the Board happen in the same manner? Past practice suggests the Board does have a role and authority here that is different than city Boards and Commissions defined in this Chapter. Is it not worth at least more specifically answering this concern or reviewing how the Board has been involved historically in the process of appointment and the assignment of legal work to its “special legal counsel for electric utility matters” before suggesting what has been done for years by the Board is “unauthorized” by the Charter?

(4) The “control and direction” by the Board of Light and Power of the “city’s electric utility facilities and services department” and the charge and powers of the Board to “conduct the affairs” of this department of city government, subject only to the “general direction” of City Council in Chapter 14 of the Charter is quite different, to say the least, than the direction from and accountability to City Council, the city manager, appointed city administrative officers, departments heads, and the boards and commissions of the city (and the other departments of the City Administration).

- Most noteworthy here, in relation to the resolution the Board passed last Wednesday, is the provision of the Board to “exercise full control of its funds,”..... maintain these funds in bank accounts “separate from other

city funds” provide no free public electric utility services to the city, and when such services cannot be metered, the cost of the services “shall be estimated and the annual cost thereof shall be paid by the city.”

- (5) Quite frankly, I am surprised that items (1) – (4) are in dispute, as they appear to be. As I told you, I have recently talked with a number of “old timers,” that would prefer to stay out of this debate at this point in time, but they all verified this is how the Board, and the electric utility department, have functioned for more than 60 years. As I have suggested to you on many occasions, should we at least try to confirm our historical practices before we determine every Board and City Council for some 60 years has acted improperly? Before we form an opinion on what the electric utility transfer language in the Charter meant in 1959, shouldn't we review what the applicable Charter language actually said at that time (before it was amended two times to get to what we have today)? Before we determine that property rights of the electric utility department facilities at that time, including the real property, was reserved by the City, and not provided to the Board of Light and Power upon its creation in exchange for the electric utility transfer, should we not do some sort of investigation, and confirmation of what some are suggesting without any direct knowledge or supporting documentation? The accusations against the Board seem to fly before any due diligence occurs. Improper subsidies for 60 years? An assumption that there was no transfer of real property in 1959 from the control of the City Council to that of the Board, or **acquisition of property by the Board, when the Board was created to direct and control the city's electric utility and its facilities?** What was this assumption based on? The simple fact that a title to the city from the city was not recorded? Is this even necessary? How did control of these facilities then get transferred? Has the Board not sold other property and equipment so transferred in 1959?

I know we disagree here, but the Board and I believe past interpretations of the Charter by past Boards, Councils, and City Attorneys, as reflected in actual practices matter. It would seem that interpretations of the Charter are now changing faster than the Board's practices.

- Items (1) – (4) above are not as ambiguous, however, as the Charter provision in Section 14.3 “subject to general direction of the Council.” **Is this not the provision most of our differences center upon? Should we not focus on what this means more specifically when not clearly defined, particularly in an interdepartmental project?**
- The Charter undoubtedly provides the Board certain powers, responsibilities, and authority to make certain decisions and take certain actions to conduct the **affairs of the utility without Council's ratification. The Board also undoubtedly needs to gain City Council's ratification and approval for other actions and decisions of the Board as specifically required in applicable law. Then there is some “grey area” where the Board and City Council over the years have agreed on how certain other electric utility decision making should be made consistent with the principles highlighted in (1) – (4) above,** as we did when an opinion required City Council approval of Sims retirement, and action not specifically mentioned in the Charter. This is where I believe understanding the historical practices by the Board and City Council on how the Board has selected, utilized, **and gained City Council approval for “special legal counsel” over the last 25 years is entirely appropriate.** I do not believe the Charter is as clear here as some suggest.
- I have no problem further discussing your question, “what if” the City Council again doesn't approve the Board's request for special legal counsel that the Board deems appropriate, in line with the discussion above and your reaction to it. **But it appears from the Board's perspective, this is not as “cut and dried” as you have told them, particularly before both the current City Council and the Board agree on the proper applicability and interpretation of Section 7.6. I would ask you as well, what happens if the elected officers of the city don't all agree with certain provisions of a City Attorney opinion? Is this now a crime warranting removal from office?**

- Isn't this question, however, a bit broader? What happens when the City Council directs the Board to do something, and the Board doesn't agree that the direction is consistent with their charge or specific duties and responsibilities in the Charter? Is this a crime? Can the City Council act on behalf of the Board, contrary to the Board's specific action, or in its absence? Can Council change a Board action and direct their own action in its place? Is this "general direction?" As John Naser put it in his comments at the Board meeting on Wednesday, does the City Council "have the last say" in all Board actions?

(6) An intragovernmental written agreement, from my perspective, is necessary because the environmental remediation and redevelopment of the former Sims Power Plant site has become an "interdepartmental" project, that requires both the City Administration departments, under the direction and control of City Council, and the electric utility department, under the control and direction of the Board of Light and Power to share responsibilities and funding in that "grey area" that the Charter does not specifically address. I would liken it to our previous Snowmelt System heat provision agreement. This project no doubt has an electric utility "purpose" and other purposes tied to other departments in the city Administration, that are not those of the electric utility.

I, and the majority of the Board agree, as evidenced by their approval of the resolution, that the positions taken by the Board therein this past Wednesday are lawful and completely consistent with long standing practices of the Board. My personal requests of you on Thursday and Friday were not to further address and opine on them or on my e-mails or behavior since. My requests centered on a response to those policy makers, and the political rhetoric accompanying their comments to the **Board, and in the press and on social media, completely inconsistent, more so than the Board's resolution, with provisions of the Charter and historical practices of the Board**. Before the Board and City Council can come to an understanding and mutual agreement going forward, we need to reach agreement on what the Charter actually states and does not state, what the historical record actually documents, and what has been the past practice of these two governing bodies in approving Board actions.

Ironically, some are now suggesting the Charter needs to be amended because the Board isn't properly following it (as it is now written). Why does it then need to change? Just enforce its clearly evident provisions. Is this reaction not an admittance of these individuals that the Charter doesn't now say what they want it to say?

Ron, as I suggested to you personally in my e-mails, I feel you need to **work as "joint" legal counsel to the Board and Council**, as long as you are assigned to do so, to ratchet down this political rhetoric expressed in the Tribune and on social media that disrespects and villainizes elected and appointed officers and staff in the city for performing their duties and responsibilities as they believe appropriate and consistent with their interpretations of the charter, and the known past practices of city government, even when such thoughts and actions may contrast with your own. From my perspective, there is a right way and a wrong way to resolve such disagreements. The Board of Light and Power has suggested a mechanism to do so jointly through mediation and negotiation of a mutual agreement, with both parties utilizing their own legal representation. Why are you so opposed to allowing this process to proceed in this fashion? What really is the danger in proceeding down the path **highlighted in the Board's resolution? These are the real questions I was asking you to consider** in my e-mails of last week, and again I would prefer you consider them carefully, as you suggested you would, before responding.

Danielle Martin

From: Renee Molyneux
Sent: Friday, August 12, 2022 4:51 PM
To: Ashley Latsch
Subject: RE: City Council Consideration of Board of Light and Power Action - August 15, 2022 City Council Agenda Item

Hi Ashley,

I reread your email again and need to confirm when agenda topics are due to you for placement on council agendas. My understanding is they are due by noon on the Thursday prior to the meeting, but you stated in your email below that you created the agenda on Monday, August 8. Please advise.

Also....the letter you used for agenda development is not reflective of the Board's actual action taken on the 3rd pursuant to Bultje's recommendation, so I am very concerned with how it is being proposed on the Agenda. I am counting on you to help with this as you have stated, "We will clarify your request on Monday during the meeting, and revise it if needed at that point. Council is aware of what is being asked."

Much appreciated....I hope you have a nice weekend.

Renee



From: Ashley Latsch <alatsch@grandhaven.org>
Sent: Friday, August 12, 2022 11:10 AM
To: Renee Molyneux <RMolyneux@ghblp.org>
Cc: Dave Walters <DWalters@ghblp.org>; Larry Kieft <LKieft@ghblp.org>; Michael J. Westbrook <MWestbrook@ghblp.org>; Cathy McNally <cmcnally@grandhaven.org>; Ryan Cummins <rcummins@grandhaven.org>
Subject: RE: City Council Consideration of Board of Light and Power Action - August 15, 2022 City Council Agenda Item

Hi All,

When we drafted the agenda for Council on Monday the 8th, we based the wording on the letter sent to the Mayor stating the following:

“The Board approved the enclosed Resolution at tonight’s meeting. We would like to provide City Council time to review, discuss and act *on the Resolution* at your August 15 meeting before we hold a joint meeting; therefore, we as leadership of the Board of Light & Power are canceling our participation in the meeting scheduled for August 10.”

I do apologize Renee, as I didn’t process the distinction you requested in your email on Wednesday. I’ve communicated with Mayor McNally and Mayor Pro Tem Cummins, and because the agenda has been published, it would take a super majority to revise. We will clarify your request on Monday during the meeting, and revise it if needed at that point. Council is aware of what is being asked.

Thank you,

Ashley Latsch
Interim City Manager

519 Washington Ave.
Grand Haven, MI 49417
(Office) 616-847-4888
(Cell) 231-719-5675



From: Renee Molyneux [<mailto:RMolyneux@ghblp.org>]

Sent: Friday, August 12, 2022 9:07 AM

To: Ashley Latsch <alatsch@grandhaven.org>

Cc: Dave Walters <DWalters@ghblp.org>; Larry Kieft <LKieft@ghblp.org>; Michael J. Westbrook <MWestbrook@ghblp.org>; Cathy McNally <cmcnally@grandhaven.org>

Subject: RE: City Council Consideration of Board of Light and Power Action - August 15, 2022 City Council Agenda Item

Good morning, Ashley,

There appears to be confusion regarding the Board's requested agenda item, which is asking for council's approval to appoint Varnum as special legal counsel for utility matters, (underlined, bolded and now highlighted below), to the Board of Light & Power:

14. NEW BUSINESS

ATTACHMENT C

- A. Consideration by City Council to approve a resolution, approved by the Grand Haven Board of Light and Power Directors at a special meeting held on August 3, to support their commitment to the continued environmental remediation and redevelopment of the former Sims Power Plant site on Harbor Island and to appoint Varnum as special legal counsel for utility matters.

- B. Consideration by Council of a resolution to affirm its decision of March 7, 2022, when it appointed Dickinson Wright as the City Attorney to provide legal services to the City, including utility and labor services for the BLP, and when the Council refused to take action on the request by the BLP to hire Varnum as special legal counsel.

Administration recommends approval.

To clarify, Council does not need to approve the Board's resolution. The Board's only request to council is to appoint Varnum as special legal counsel to the Board. I apologize if this was confusing in my email below. With this, will you be amending the Agenda for Monday's meeting or will that occur during the meeting when council approves the Agenda? Please advise.

Thank you,
Renee



From: Dave Walters <DWalters@ghblp.org>
Sent: Thursday, August 11, 2022 8:15 PM
To: Renee Molyneux <RMolyneux@ghblp.org>
Cc: Ashley Latsch <alatsch@grandhaven.org>; Larry Kieft <LKieft@ghblp.org>; Michael J. Westbrook <MWestbrook@ghblp.org>; Catherine McNally <cmcnally@grandhaven.org>
Subject: Re: City Council Consideration of Board of Light and Power Action - August 15, 2022 City Council Agenda Item

It looks like the City attorney created a new resolution for council to consider the request from the Board to appoint legal counsel. They can simply take off the agenda consideration and approval of the Board's resolution as this item remains the Board's resolution whether City Council approve it or not.

Dave

Sent from my iPad

On Aug 11, 2022, at 8:05 PM, Dave Walters <DWalters@ghblp.org> wrote:

Renee,

The information you submitted from the Board below, is not that included on the Council's agenda or that contained in the council packet. The Board did not submit their resolution for City Council consideration as the agenda suggests. It is a resolution of the Board and needs no action by the Board (only a portion of it needs City Council approval). The Board only asked for Council's approval of the appointment of special legal counsel that was in the resolution of the Board.

I believe our request below is quite clear, we are asking for the City Council to approve Board action 22-12B, not the entire resolution 22-12A. The second resolution was at the urging of the City Attorney. We did not add this action to the resolution, we created a separate action, because, as the City attorney, the resolution contains the Board's action but not the request to City Council. This is clearly reflected in the minutes we submitted with our request. It appears now City Council is taking up the entire resolution for approval. This is not appropriate and needs to be corrected. Please work with the City Manager to correct our request tomorrow.

Dave

Sent from my iPad

On Aug 10, 2022, at 8:40 AM, Renee Molyneux <RMolyneux@ghblp.org> wrote:

Good morning, Ashley,

As you know, the Board of Light and Power at its July 21, 2022 regular meeting (draft minutes attached) voted 5-0 in favor of motion 22-11F "to authorize the General Manager to begin to format proposed talking points into a draft Intragovernmental Agreement as a starting point for discussions between the Board and City Council" relating to our joint efforts toward the environmental remediation and redevelopment of the former Sims site. Additionally, as the minutes of this meeting reflect, the Board also discussed at that time "the need to have special legal counsel for electric utility matters reinstated before we begin more in-depth discussions on the agreement." This was also included in item 22-11F, and discussed on page 8 of the General Manager's July 6, 2022 memorandum to the Board, on the subject, "Proposed City of Grand Haven Intragovernmental Environmental Liability Allocation and Assignment Agreement for the Retired Sims Power Plant Property." This memorandum was included in the Board packet for this meeting (the entire packet provided to the Board and City Council on July 18, 2022).

The City Attorney sent an email to City Council on July 31, 2022, and that email was forwarded to the Board on August 1, 2022, then released and published in the Tribune on August 5, 2022, addressing the "Proposed Intragovernmental Agreement between the Council and the BLP Board." In it, the City Attorney states, "in my opinion, the Council and the Board may enter into an intragovernmental agreement." The City Attorney also therein specifically addresses the Board's expressed need and desire

above “to have special legal counsel for electric utility matters reinstated,” as “an apparent objection” of the BLP General Manager.

The Board of Light and Power then held a special meeting on August 3, 2022 to approve moving forward in the process the Board had approved unanimously at its July 21, 2022 meeting. The draft minutes of this meeting are also attached. The minutes contain an approved Board resolution (22-12A) entitled, “**Resolution of the Grand Haven Board of Light and Power’s Commitment to the Continued Environmental Remediation and Redevelopment of the Former Sims Power Plant Site on Harbor Island and Appointment of Varnum as Special Legal Counsel for Utility Matters,**” entirely consistent with its discussion on July 21, 2022, stating:

WHEREAS the members of the Board of Light and Power, like those on the City Council, are City Officers, similarly committed to the betterment of the community and the representation of the citizens who elected them both (City Charter Section 4.1 (a)); and

WHEREAS the Board of Light and Power also performs a local electric utility regulatory function answerable to all approximately 14,700 residential, commercial, and industrial customers within the City of Grand Haven, Ferrysburg, and three surrounding townships; and

WHEREAS, unlike members of any boards and commissions of the City and administrative officers appointed by, under the authority of, and accountable to City Council (City Charter Section 4.1 (b), Section 7.14 and Section 7.20), the members of the Board of Light and Power have broader powers and authority of their own, and are assigned a unique charge, distinctive roles, responsibilities, and obligations to conduct the affairs of the city owned electric utility, subject only to the “general direction of the Council,” which is not as clearly defined in the Charter as some have recently suggested (City Charter Chapter 14); and

WHEREAS, while the electric utility facilities and services constitute a department of the city government, this department, unlike others within the City’s Administrative Service, is under the control and direction of the Board of Light and Power, City Officers themselves, and its administrative agent (City Charter Chapter 14), as opposed to the administrative structure of the City, except the city electric utility, under the more direct control of City Council, its administrative agent, and the boards and commissions of the city (City Charter Chapter 7); and

WHEREAS, the Board of Light and Power appoints its own administrative agent, exercises full control over its funds, makes contracts concerning the electric utility, has its own purchasing policies, can acquire and dispose of property in the name of the City for its purposes, is not subject to the same budget procedures as other departments, boards, and commissions, of the City, and possesses the full power and authority to set electric rates (City Charter Chapter 14); and

WHEREAS, electric utility funds, including electric utility operating revenues, bond proceeds, and electric utility reserve funds, are additionally restricted by Charter and ordinance, and may only (1) defray the cost of operating the utility, (2) be used for the defined Project for which the bonds were issued, or (3) be utilized for the purpose for which the reserve funds were established (City Charter Chapter 14); and

WHEREAS, the Board of Light and Power desires, before moving forward further on the former Sims site environmental remediation, to establish a clear and mutual written agreement and understanding of the Board's governing roles, responsibilities, and funding obligations, and those of City Council and the Administrative Service of the City, with respect to the joint environmental remediation and redevelopment project of the former Sims Power Plant site between the Board of Light and Power, City Council, and other departments and administrative officers of the City. The project is no longer exclusively an electric utility project, as determined appropriate by City Council, although some elements and components of it continue to serve an electric utility purpose, and the project is now being directed by other appointed City administrative officers, under the direction of Council.

WHEREAS, the City Attorney has recently opined that the City Council and the Board of Light and Power may enter into an intragovernmental agreement for this purpose; and

THEREFORE, IT IS RESOVED that the Board of Light and Power shall not approve further funding of the Sims site environmental remediation activities which are not directly under contract with the Board, or approve the use of electric operating revenues, electric utility revenue bond proceeds, or electric utility reserve funds for such purpose until a written agreement is drafted and approved by both the Board and the City Council to better define and clarify the roles, responsibilities, and funding obligations for the jointly governed project now led and controlled directly by the City Council and other appointed administrative officers of the City, and limited, if any, review and approval by the Board or involvement by BLP staff; and

BE IT FURTHER RESOLVED that **the Board of Light and Power approves and appoints of Varnum as its special legal counsel for utility matters, as it has served in this fashion for over 25 years until February 2022. Varnum will then serve as an agent of the Board and will work with the City Attorney to negotiate and mediate such written agreement between the Board and City Council.** The Board will not proceed in development of the written intragovernmental agreement with City Council without legal representation, and until Varnum's reinstatement by the Board is approved by City Council, which approval has historically been granted as a routine matter with due consideration of the Board's approval and recommendation.

BE IT FURTHER RESOLVED that the primary purpose and intent of these resolutions is to promote and facilitate productive dialog and discussion between the Board and City Council and legal representation of both governing bodies, with the goal of reaching a mutual understanding and agreement on a fair, equitable and reasonable allocation of the costs and other responsibilities associated with the environmental remediation of the Sims Power Plant site on Harbor Island, consistent with the requirements and parameters of the City Charter, bond finance covenants, applicable law and regulatory requirements.

This Resolution 22-12A of the Board passed 4-1, with Director Hendrick opposed to the Resolution.

Upon the urging of the City Attorney, the Board then voted in item 22-12B, to "direct staff" to forward the Board's "approval and appointment of Varnum as its special legal counsel for utility matters," as contained in previous resolution to the City Council for its consideration and approval at its next meeting on August 15, 2022.

Please facilitate placing this item on this Agenda for Council's consideration, consistent with this direction from the Board of Light and Power. Also, please let me know of any questions or if you require anything further for this agenda item.

Thank you,

Renee Molyneux
Administrative Services Manager and Secretary to the Board

Total Control Panel

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To: rmolyneux@ghblp.org [Remove](#) this sender from my allow list
From: alatsch@grandhaven.org

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GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF AUGUST 18, 2022

4. B. The BLP Financial Statements and Dashboards for the month ending July 31, 2022, are provided for your information. These financial statements represent the BLP's financial position following the first month of our new Fiscal year 2023, and as such, very little can be drawn from these statements as to budgetary trending year-over-year or fiscal year-to-date.

Current Assets total \$36,147,862, showing a year-over-year increase of \$1,565,282, or 4.5%. Current Assets in both years include and amount for "other accounts receivable" for the snowmelt equipment invoice that has yet to be paid by the City. **In August, the BLP transferred \$2,000,000 cash to its MERS Defined Benefit Plan to reduce its unfunded liability, as approved at your meeting last month, and additionally made our annual \$1,200,000 cash transfer to MPIA, to fund annual insurance expenses and maintain/build the MPIA GHBLP fund balance.** Remaining 2021 electric revenue bond proceeds and accumulating bond redemption funds (Non-Current Assets) have increased \$12,493,380 (\$0 in FY 2022), **\$11,118,065** of which remains in the "2021A Bond Construction Fund."

Net unfunded pension liability now stands at \$4,450,113, the same as fiscal year-end 2021, as no FY 2022 year-end adjustments have been made in these regards, and the \$2,000,000 transfer discussed above has yet to be reflected in this total. As we discussed last month, the fiscal year-end adjustments will be based on the December 31, 2021 actuarial report. **Additional liabilities for "Asset Retirement Obligations – Mitigation" now total \$8,597,176, up \$1,868,887 (+27.8%) year-over-year (expected to be adjusted upward further through our FY 2022 year-end adjustments).** As you also know, \$5,000,000 in additional Asset Retirement Expense was included as a Non-operating Expense in the Fiscal Year 2023 Budget.

Cash (including non-current restricted bond proceeds in the Construction Fund) has increased 42.6% (or **\$12,506,669**) year-over-year to \$41,880,685. The BLP has, however, since June 30, 2021, issued \$11,708,300 in additional debt (\$25,000,000 (Electric Revenue Bonds) - \$13,291,700 (BANs) = **\$11,708,300**). \$25,000,000 in Electric Revenue Bond Debt, issued in December, is now shown as a Current and Long-Term Liability on the Balance Sheet (and the BANs are paid off). **The additional cash year-over-year, net of additional borrowings, as of July 31, 2022, is then +\$798,369 (+2.7%),** before the \$3,200,000 cash transfers noted above were made.

Accumulated Construction In-Progress now stands at \$560,728. The net result of capital additions, deletions, and depreciation over the last twelve months reflects an increase of **\$1,012,361**, or 3.0%, in the value of the BLP's Capital Assets (book value) year-over-year. That Capital Asset balance now stands at \$34,487,090 (as compared to

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF AUGUST 18, 2022

\$33,474,729 on the July 31, 2021 balance sheet), representing 37.3% of current Total Assets.

Total Assets are now \$92,426,174, an increase of 20.4% (**\$15,652,344**) year-over-year. Accumulated **Retained Earnings** are up 4.1% year-over-year (+1,998,588). The increase in total assets in the last twelve months has then been mostly (74.8%) facilitated by additional borrowings associated with electric revenue bonds issued in December 2021. In other words, **Total Assets increased \$15,652,344 year-over-year, while the borrowings increased \$11,708,300.**

The July 2022 Statement of Revenues and Expenses shows **Total Charges for Services** for the fiscal year are 14.29% below prorated budget, and 1.72% above last fiscal year (**annual retail sales volume is up 1.08% while the annual average retail customer revenue per kWh – total retail charges divided by total retail sales – is up 0.63% as compared to FY 2021**) as reflected on the Sales Dashboard.

This increase in system average revenue per kWh year-over-year would have been zero, since we had no rate modifications since July 1, 2021, had we not experienced changes in the percentage distribution of retail sales (see changes in average rate and monthly sales volume for each classification of sales on the Sales Dashboard). In July, the BLP then had a slightly higher percentage of sales to relatively higher rate customers (including a higher proportion of sales to industrial and commercial customers that experience lower capacity utilization). As you know, with the reimplementation of our PSCA on September 2022 billings, higher wholesale power supply costs experienced in the last 12 months will begin to be passed on in our retail electric rates, raising the average retail customer revenue per kWh further.

Total kWh sales volume (including street lighting) fiscal year-to-date was up 0.97% as compared to FYTD 2022, industrial sales were down by 1.64%, commercial sales were up 0.76%, municipal sales were up 8.76% – **net FYTD commercial/industrial/municipal kWh sales volume then decreased by 0.13%** (the percentage of total sales went down from 65.9% of sales volume in FYTD 2022 to 65.2% in FYTD 2023) - and **residential sales volume was up 3.46%** (34.5% of sales FYTD 2023 compared to 33.7% FYTD 2022). Street lighting remained a small portion of the entire system load at approximately 0.3% of kWh sales in July 2022, as compared to 0.4% in July 2021 (as a result of ongoing LED street lighting replacement program).

Total Operating Expenses (before depreciation and legacy pension related accrued expenses) for FYTD 2023 were \$158,106, or 5.15% above budget, and \$935,357, or 40.8% above FY 2022. **Total power supply expenses were up \$1,013,397 July over July (+64.3%).** Total power supply expenses were then 108.3% of the increased total

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expenses July over July (again, before depreciation and legacy pension related accrued expenses).

4. G. Confirm Purchase Orders – There are five (5) confirming Purchase Orders on the Consent Agenda this month totaling **\$73,529** for your confirmation.

Confirming Purchase Orders on the Consent Agenda are either routine expenses within approved budgeted parameters, with prequalified and approved contractors or vendors, services or supplies that may have required immediate attention, again using prequalified and approved contractors or vendors when possible or change orders under a previously approved PO (and we are seeking after the fact concurrence/confirmation of the expenditure by the Board).

I believe the POs listed on the consent agenda are self-explanatory given the description on the agenda and past discussions of the Board. Staff can answer any further questions you may have in these regards at our meeting.

All applicable purchasing policy provisions associated with these Purchase Orders were followed. Budgeted funds are available. Staff is recommending approval. (Board action is requested through the approval of the Consent Agenda).

5. A. 1. Approve Purchase Order – There is five (5) additional Purchase Orders totaling **\$988,974** on this portion of the regular agenda.

The PO number, contractor name, associated dollar value, and short description of item is listed on the agenda.

I, or an appropriate staff member, can answer any further questions you may have in these regards at our meeting.

All applicable purchasing policy provisions associated with these Purchase Orders were followed. Capital planning or budgeted funds are available. Staff is recommending approval of these items in total as listed. (Board action is requested).

5. B. Review Fiscal Years 2022-2026 Strategic Plan and Status Update Presentation – I will have a presentation to share with you in these regards at our meeting. No Board action is expected.

Other business: A **Revised Purchasing Policy Review** was previously discussed to be scheduled for our July meeting. As was discussed with the Chair and Vice-Chair in preparation for this meeting, Lynn and I are continuing to work on a draft of such a policy that we had hoped would be ready for last month's meeting. Given our desire to be

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further along in this process before presenting it to the Board, and the fact that other items placed on the agenda seem to have more immediate priority, the Chairs and I have postponed this discussion again until, most likely, our September meeting.

DW/dm 
Attachments
08/15/22