GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA
Thursday, December 15, 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. FY 2022 Annual BLP Financial Audit Presentation by Peter Haefner of Vredeveld Haefner

5. Consent Agenda
   A. Approve Minutes of the November 17, 2022, Regular Board Meeting
   B. Receive and File November 2022 Financial Statements and Power Supply and Retail Sales Dashboard
   C. November KPI Dashboard
      a. EIA November 14, 2022, Today in Energy article discussing SAIDI
      b. EIA March 1, 2022, Today in Energy article discussing historical average annual residential retail electricity prices
   D. Receive and File MPPA Energy Services Project Resource Position Report Dated November 30 30, 2022
   E. Receive and File Constellation Energy Market Update Graphs for Week Ending December 2, 2022
   F. Approve Payment of Bills ($2,627,484.74 in total)
      1. In the amount of $2,198,345.14 from the Operation & Maintenance Fund
      2. In the amount of $429,139.60 from the Renewal & Replacement Fund
   G. Confirm Purchase Orders ($77,845 in total)
      1. PO #22443, Dickinson Wright PLLC, **$18,918** (BLP direct legal fees through October 31, 2022)
      2. PO #22453, Western Tel-Com, Inc., **$58,927** (River Haven directional borings)

6. General Manager's Report
   A. Approve Purchase Orders ($32,914 in total)
      1. PO #22464, Irby, **$24,214** (Overhead capacitors, 2 x 150 kVar and 4 x 200 kVar, for BLP inventory)
      2. PO #22471, State of Michigan, **$8,700** (J.B. Sims Annual NPDES Permit Fee)
   B. Strategic Planning Quarterly Progress Report Presentation
   C. Approval of Snowmelt Advance/Loan Funding Proposal Resolutions

7. Other Business
   A. Propose February 21, 2023 6:30 PM, BLP Customer Technology Workshop (in-person and on-line)
   B. Announce Retirement Date for Renee Molyneux

8. Public Comment Period

9. Adjourn

4. Peter Haefner of Vredeveld Haefner, the BLP's and City's financial auditing firm, will be at our meeting to present our fiscal year 2022 audited financial statements and answer any questions the Board may have related to them.

5. B. The BLP Financial Statements and Dashboards for the month ending November 30, 2022, are provided for your information. These financial statements represent the BLP's financial position following the first five months of fiscal-year 2023, and as such, some trending fiscal year to date and year-over-year is now becoming evident.

Current Assets total $33,906,649, **showing a year-over-year decrease of $410,990**, or 1.2%.

Remaining 2021 electric revenue bond proceeds and accumulating bond redemption funds (**Non-Current Assets**) have increased to $12,423,615 ($0 in FY 2022), **$10,146,099** of which remains in the "2021A Bond Construction Fund" to pay costs associated with the defined "Project" described in Bond documents. The Bond redemption fund is used to accumulate monthly the required annual principal and interest debt service payments for the Bonds. An annual principal payment of $2,300,000, as well as interest, is due on January 1, 2023.

Non-Current Assets in both years include an "advance to City of Grand Haven" of over $1 million for the snowmelt heating equipment installed in 2020 using electric utility revenue Bond Anticipation Notes (BANs). Presentation of a proposed reimbursement arrangement of this amount for the Board's consideration, supported by the Council/Board subcommittee established for this purpose, is included on the Board's meeting agenda as item 6.C.

Cash (including non-current restricted amounts in the Bond Construction and Bond Redemption Funds) has increased 39.5% (or **$11,988,988)** year-over-year to **$42,305,854**. The BLP has, however, since November 30, 2021, issued **$11,708,300** in additional debt ($25,000,000 (Electric Revenue Bonds) - $13,291,700 (Bond Anticipation Notes or 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). **This cash balance year-over-year, net of additional borrowings, as of November 30, 2022, is then up $280,688 (+0.9%)**.

As will be addressed at our meeting during our discussion on KPIs and the strategic planning quarterly progress report, cash is being drawn upon at a rate **well below** that planned for the fiscal year. In other words, elements (capital investment and spending on environmental mitigation measures on the Sims site) have been delayed to a significant extent, and related cost estimates are escalating (we don't fully know the extent at this point). As we have discussed recently, these factors, in addition to facing significantly higher than projected power supply costs and lower than expected retail sales, represent real challenges to the BLP in achieving its strategic and financial objectives established in its Fiscal Years 2022-2026 Strategic Plan, and its current approved budget and capital plan.

Accumulated **Construction In-Progress** now stands at $1,893,542. The net result of capital additions, deletions, and amortized depreciation over the last twelve months reflects an increase of **$1,264,383**, or 3.6%, in the value of the BLP's **Capital Assets** (book value) year-over-year. That Capital Asset balance now stands at $35,151,735 (as compared to $33,887,352 on the November 30, 2021, balance sheet), representing 37.8% of current Total Assets. The booked value of these current Capital Assets is 46.2% depreciated.

The net combined unfunded Pension/OPEB liability now stands at a **negative** **$174,481**, however, there remains a "Pension/OPEB Related" deferred liability of $1,711,125 on the Balance Sheet (net Pension/OPEB liabilities, with consideration for deferred inflows, of $1,536,644). As we discussed previously, the fiscal year-end 2022 adjustments were based on the December 31, 2021, actuarial report and do not reflect any investment earnings (or loss) during calendar year-to-date 2022.

Additionally, after FY 2022 year-end adjustments, **additional liabilities for "Asset Retirement Obligations – (Environmental) Mitigation" now total $16,117,079, up $9,666,761 (+150%) year-over-year.**

Total Assets are now $92,974,345, an increase of 17.6% (**$13,928,501**) year-over-year. However, accumulated **Retained Earnings** are down 9.3% year-over-year (-4,783,797). The increase in total assets in the last twelve months has been mostly (84.1%) facilitated by additional borrowings associated with electric utility revenue bonds issued in December 2021. In other words, Total Assets increased $13,928,501 year-over-year, while the borrowings increased $11,708,300.

The November 2022 Statement of Revenues and Expenses shows **Total Charges for Services** for the fiscal year are 3.44% below the YTD prorated budget, and 0.04% above last fiscal year (annual retail sales volume is down 1.51% while **the annual average retail customer revenue per kWh – total retail charges divided by total retail sales – is up 1.57% as compared to FY 2022**) as reflected on the Sales Dashboard.

The Power Supply Cost Adjustment was reinstated in September 2022 after 26 months with zero adjustment in charges to recover changes in wholesale power supply costs. As a result, the system average revenue per kWh year-over-year is expected to increase each month remaining in FY 2023.

Total kWh sales volume (including street lighting) fiscal year-to-date was down 1.6% as compared to FYTD 2022, industrial sales are down by 0.05%, commercial sales are down 1.28%, municipal sales are down 0.53% – **net FYTD commercial/industrial/municipal kWh sales volume then decreased by 0.56%** (although the percentage of total sales went up from 67.1% of sales volume in FYTD 2022 to 67.9% in FYTD 2023) - as **residential sales volume was down 3.47%** (31.8% of sales FYTD 2023 compared to 32.5% FYTD 2022). Street lighting remained a small portion of the entire system load at approximately 0.3% of kWh sales in FYTD 2023, as compared to 0.4% in FYTD 2022 (because of a **24.5%** year-over-year reduction in consumption due to ongoing accelerated LED street lighting replacement program).

Total Operating Expenses (before depreciation and **legacy pension** related accrued expenses) for FYTD 2023 were $814,197, or 6.3% below budget, and $1,196,133, or 11.0% above FY 2022. **Total power supply expenses were up $1,550,082 FYTD 2023 over FY 2022 (+21.6%).** The total power supply expense increase was then 129.6% of the increased total expenses for the first five months of FY 2023 over FY 2022 (again, before depreciation and legacy pension related accrued expenses). **Total renewable purchase volume FYTD 2023 was up 25.6% over the same period in FY 2022 because of increased solar purchases.**

5. C. KPI Dashboard – Included for the Board's review is a presentation of the 5 KPI's we have been discussing over the last several Board meetings.

5. G. Confirm Purchase Orders – There are two (2) confirming Purchase Orders on the Consent Agenda this month totaling **$77,845** 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).

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).

6. A. 1. through 2. Approve Purchase Orders – There are two (2) additional Purchase Orders totaling **$32,914** 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).

6. B. Strategic Planning Quarterly Progress Report Presentation – I will be providing a presentation at the Board meeting to highlight the progress, and some of our ongoing challenges, toward achieving the goals and objectives established within the Board's approved Strategic Plan. It may be helpful for the Board to spend a bit of time in preparation reviewing our plan that can be viewed at:

https://indd.adobe.com/view/767cc548-b76a-41b2-b022-32d09836970d

6. C. Approval of Snowmelt Advance/Loan Funding Proposal Resolutions – Two resolutions are attached for the Board's consideration, consistent with staff's understanding of direction from the Council / Board subcommittee appointed for this purpose, to approve electric rate adjustments, electric operating expense allocations, and dedication of a portion of the 5% transfer to the City (those derived from reimplementation of the PSCA) toward repayment of the $1,037,151 advance/loan from the BLP to the City that funded the purchase and installation in 2020 of new snowmelt system heating equipment.

The Board will be asked to approve the subcommittee resolutions, if they are determined appropriate and consistent with past Board and subcommittee discussions. (Board action is requested).

DW/dm
Attachments
12/12/22

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November 28, 2022

Board of Director
Grand Haven Board of Light and Power
Grand Haven, Michigan

We have audited the financial statements of the Grand Haven Board of Light and Power, Grand Haven, Michigan ("the Board", an enterprise fund and an other post-employment benefit trust fund of the City of Grand Haven) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Results

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- Useful lives of capital assets utilized in deprecation and net book value calculations
- Other post-employment benefit obligations assumptions and calculations
- Pension plan obligations, assumptions and calculations
- Asset retirement obligations, assumptions and calculations
- Self-insurance risk retention obligations, assumptions and calculations

Management's estimates of the useful lives of capital assets are based on previous history and future usefulness of capital assets. Assumptions and calculations utilized for other post-employment benefit obligations and pension plan obligations are the result of actuarial valuations. Assumptions and calculations utilized for self-insurance risk retention are based on past and expected costs and assumptions and calculations utilized for asset retirement obligations are based on actual costs and engineering estimates. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Journal entries were proposed to and posted by Management to record the activity of the other post-employment benefit trust fund.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 28, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We also noted the following during the performance of our audit:

Procurement Activities

We noted the Board's system of internal control for procurement activities is dated and the travel policy is obsolete. Documents reviewed included the Board's purchasing policy, purchasing authorization and travel policies. We suggest that the Board should update its policies and procedures for procurement to include clearly written policies and procedures that are communicated for the Board, management and staff to follow.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as itemized in the table of contents that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board and management of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Uradewald Haefner LLC

GRAND HAVEN BOARD OF LIGHT AND POWER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Vredeveld Haefner LLC
CPAs and Consultants

GRAND HAVEN BOARD OF LIGHT AND POWER

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INDEPENDENT AUDITORS' REPORT

November 28, 2022

Board of Directors
Grand Haven Board of Light and Power
Grand Haven, Michigan

Opinions

We have audited the accompanying financial statements of the Grand Haven Board of Light and Power, Grand Haven, Michigan (an enterprise and OPEB trust fund of the City of Grand Haven, Michigan) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and the aggregate remaining fund information of the Grand Haven Board of Light and Power, as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We are required to be independent of the Grand Haven Board of Light and Power and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grand Haven Board of Light and Power's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Grand Haven Board of Light and Power's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grand Haven Board of Light and Power's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the benefit plan trend information on pages 29 through 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the Grand Haven Board of Light and Power's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grand Haven Board of Light and Power's internal control over financial reporting and compliance.

Vredeveld Haefner LLC

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Grand Haven Board of Light and Power (the Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- Retail rates remained unchanged in this fiscal year. During the transition from generating power locally (and including variable fuel costs in the Power Supply Cost Adjustment (PSCA) to only including Purchased Power costs in the PSCA, the PSCA was set to $0. A rate analysis was performed in 2022. The Power Supply Cost Adjustment will be reimplemented September of 2022 and base rates will be decreased an average of .9% effective July 1, 2022.
- Total operating revenues decreased slightly by .5% with a .3% decrease in retail sales revenue, basically no change. Kilowatt-hour's consumption increased .6% from the previous year. Total consumption and revenue were higher than FY2020, the BLP has not, however, returned to pre-COVID 19 Pandemic revenue. FY22 Kwh consumption remained below FY19 consumption with the primary driver being lower industrial sales.
- The BLP provides a transfer to the city of 5% of Sales. This transfer amounted was $1,789,553 in FY2022.
- Beginning March 2020, all power is being purchased from the Michigan Public Power Agency as the BLP's Market Participant in the Midcontinent Independent System Operator (or MISO) regional electric system and wholesale market. In FY2022, 19.9% of BLP energy was purchased from renewable resources.
- Fuel related expenses increased by 6.57% in FY2022. While total Kwh purchased increased only slightly, the price per Kwh increased 13.52% to $.05673 per Kilowatt-hour on average.
- Environmental remediation and mitigation are underway on the Sims's power plant property following its demolition to address coal ash deposited on-site and the property's previous uses that included use as a City Dump site. An additional $7 million has been added to the Asset Retirement Obligation liability to address these concerns. Currently the City of Grand Haven is in discussions with the State of Michigan's Environmental, Great Lakes & Energy division to determine next steps for environmental mitigation and remediation of the site.
- The unrestricted cash and investment balance increased this year by $2.46 million.
- In December of 2021, a $25 million dollar Bond was issued using a Direct Purchase Bond instrument with Huntington Bank. The Bond Anticipation Note was paid off and the remainder of the Bond is being used for Environmental Mitigation/Mitigation and various Distribution Projects. The Direct Purchase was obtained with a 1.58% interest rate and 10-year maturity. The Bond can be retired at year 8 with no penalty.
- The cash and investment balances held at the Michigan Public Insurance Authority (MPIA) decreased by $43 thousand. A deposit was made to the plan in FY22 of $1.2 million, however insurance expenses and negative investment returns reduced the balance.
- An additional $.5 million was transferred to the Michigan Public Power Agency (MPPA) in FY22. The agencies held deposit requirements will be increasing as the cost of purchased power increases.
- Pension and Other Post-Employment Benefits liabilities resulted in a $147 thousand expenditure to the BLP this fiscal year. BLP is now 95% funded in their Defined Benefit plan administered by MERS.
- In December of 2020, the BLP self-funded health care fund was separated from that of the City of Grand Haven. The BLP is continuing its own self-funded plan with BCBSM as the administrator.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's financial statements. The Board's basic financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements.

Fund financial statements. *A fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: proprietary funds, and fiduciary funds.

Proprietary funds. The Board maintains one enterprise fund (considered to be a major fund) that is utilized to account for the operations of the Grand Have Board of Light and Power.

> The S*tatements of Net Position* presents information on all of the Board's assets, deferred outflows, liabilities and deferred inflows with the difference between reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.
>
> The S*tatement of Revenues, Expenses and Changes in Net Position* presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash* flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences, accrued interest, etc.).

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Board's OPEB trust fund accounts for resources accumulated and disbursed to provide other post-employment benefits to eligible past employees. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Board's financial position. In the case of the Board, assets exceeded liabilities by $44,505,089 at the close of the most recent fiscal year.

A portion of the Board's net position reflects unrestricted net position which is available for future operation while a more significant portion of net position is invested in capital assets (e.g., land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to customers; consequently, these assets are *not* available for future spending. Although the Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

	2022	2021
Current and other assets	$58,621,981	$43,716,167
Capital assets	34,506,293	33,531,181
Total assets	93,128,274	77,247,348
Deferred outflows of resources	1,669,944	1,580,541
Other liabilities	5,954,865	7,384,277
Long-term liabilities	40,957,195	22,585,192
	46,912,060	29,969,469
Deferred inflows of resources	3,381,069	553,596
Net position		
Net Investment in capital assets	28,730,966	28,956,240
Restricted for revenue bond retirement	1,365,468	-
Unrestricted	14,408,655	19,348,584
	$44,505,089	$48,304,824

The total net position of the Board at June 30, 2022 is $44,505,089 however, $28,730,966 and $1,365,468 represent net investment in capital assets and net position restricted for revenue bond retirement respectively.

Changes in Net Position

	2022	2021
Operating revenue	$36,202,055	$36,117,595
Operating expenses	26,799,890	25,648,342
Operating income (loss)	9,402,165	10,469,253
Nonoperating revenues (expense)	(11,412,347)	(9,437,164)
Change in net position before transfers	(2,010,182)	1,032,089
Transfers to the City of Grand Haven	1,789,553	1,798,150
Change in net position	(3,799,735)	(766,061)
Net position-beginning of year	48,304,824	49,070,885
Net position-end of year	$44,505,089	$48,304,824

Capital Asset and Debt Administration

Capital assets. The Board's investment in capital assets as of June 30, 2022, amounted to $34,506,293 (net of accumulated depreciation).

Significant capital purchases during the year consisted primarily of equipment upgrades, replacements and construction projects.

The Board's capital assets net of accumulated depreciation are summarized as follows:

Land	$ 78,849
Construction in progress	412,889
Depreciable capital assets, net	34,014,555
Total	**$34,506,293**

Additional information on the Board's capital assets can be found in Note 3 of these financial statements.

Debt. At the end of the current fiscal year, the Board had total debt outstanding (issued in fiscal year 2022) as follows:

Bond payable	**$25,000,000**

Additional information on the Board's long-term debt can be found in Note 4 of these financial statements.

Requests for Information

This financial report is designed to provide interested individuals including citizens, property owners, customers, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions or need additional financial information, please contact the Board's Accounting and Finance Manager, 616-846-6250

BASIC FINANCIAL STATEMENTS

GRAND HAVEN BOARD OF LIGHT AND POWER

STATEMENT OF NET POSITION

JUNE 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 16,881,935	$ 29,240,731
Investments	14,843,000	-
Accounts receivable	3,980,145	4,042,752
Due from City of Grand Haven	-	733,055
Prepaid items	9,917	13,598
Total current assets	35,714,997	34,030,136
Non-current assets		
Restricted cash and cash equivalents	12,645,703	-
Deposit with MPIA and MPPA	9,224,130	8,680,917
Advance to City of Grand Haven	1,037,151	1,005,114
Capital assets		
Land	78,849	194,823
Construction in progress	412,889	1,162,063
Depreciable capital assets, net	34,014,555	32,174,295
Total non-current assets	57,413,277	43,217,212
Total assets	93,128,274	77,247,348
Deferred outflows of resources		
Pension related	1,502,593	1,427,556
OPEB related	167,351	152,985
Total deferred outflows of resources	1,669,944	1,580,541
Liabilities		
Current liabilities		
Accounts payable	1,898,824	2,504,336
Accrued liabilities	749,196	590,485
Customer deposits	855,697	815,042
Due to City of Grand Haven	151,148	151,489
Current portion of long-term debt	2,300,000	3,322,925
Total current liabilities	5,954,865	7,384,277
Long-term liabilities		
Accrued compensated absences	299,475	362,586
Asset retirement obligation	16,132,201	6,748,031
Net pension liability	1,186,594	4,450,113
Net OPEB liability	638,925	1,055,687
Bonds payable, net of current portion	22,700,000	9,968,775
Total long-term liabilities	40,957,195	22,585,192
Total liabilities	46,912,060	29,969,469
Deferred inflows of resources		
Pension related	3,285,074	477,678
OPEB related	95,995	75,918
Total deferred inflows of resources	3,381,069	553,596
Net position		
Net investment in capital assets	28,730,966	28,956,240
Restricted for revenue bond retirement	1,365,468	-
Unrestricted	14,408,655	19,348,584
Total net position	$ 44,505,089	$ 48,304,824

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN BOARD OF LIGHT AND POWER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2022 and 2021

	2022	2021
Operating revenue		
Residential sales	$ 12,599,200	$ 12,669,845
Commercial sales	9,997,640	9,809,380
Industrial sales	11,778,174	11,984,652
Municipal sales	939,070	941,343
Public street and highway lighting	376,312	414,173
Thermal energy	14,015	15,966
Penalties	112,550	91,203
Rental income	51,853	48,278
Other	333,241	142,755
Total operating revenue	36,202,055	36,117,595
Operating expense		
Wholesale power net	16,841,880	14,740,982
Distribution	6,185,039	5,289,201
Customer accounts	824,027	1,094,755
Administrative	1,999,561	2,043,223
Change in pension and benefit costs	(942,211)	931,934
Depreciation	1,891,594	1,548,247
Total operating expense	26,799,890	25,648,342
Operating income (loss)	9,402,165	10,469,253
Non-operating revenue (expense)		
Interest income	5,418	8,869
Interest income including MPIA insurance reserve	(855,531)	861,658
Interest and issuance expense	(482,068)	(247,466)
Asset retirement expense	(7,540,000)	(5,030,430)
Loss on disposal/demolition	(2,606,565)	(4,989,457)
Payment to City component units	-	(150,622)
Other	66,399	110,284
Total non-operating revenue (expense)	(11,412,347)	(9,437,164)
Changes before transfers	(2,010,182)	1,032,089
Transfers to City of Grand Haven	(1,789,553)	(1,798,150)
Changes in net position	(3,799,735)	(766,061)
Net position, beginning of year	48,304,824	49,070,885
Net position, end of year	$ 44,505,089	$ 48,304,824

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN BOARD OF LIGHT AND POWER

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Receipts from customers and users	$ 36,371,716	$ 36,544,167
Payments to employees	(8,471,165)	(10,548,450)
Payments to suppliers	(17,910,787)	(18,870,288)
Net cash provided by (used in) operating activities	9,989,764	7,125,429
Cash flows from non-capital financing activities		
Purchase of other assets	(32,037)	(1,005,114)
Transfers to City of Grand Haven	(1,789,894)	(1,787,669)
Transfers to City component units	-	(150,622)
Net cash provided by (used in) non-capital financing activities	(1,821,931)	(2,943,405)
Cash flows from capital and related financing activities		
Interest and issuance expense paid on long-term debt	(267,013)	(118,628)
Issuance of bonds	25,000,000	13,291,700
Principal paid	(13,291,700)	-
Asset retirement	(651,744)	(6,721,120)
Acquisitions of capital assets	(2,977,356)	(4,574,941)
Net cash provided by (used in) capital and related financing activities	7,812,187	1,877,011
Cash flows from investing activities		
Purchases of investments	(14,843,000)	-
Interest received	(850,113)	870,527
Net cash provided by (used in) investing activities	(15,693,113)	870,527
Net increase (decrease) in cash and cash equivalents	286,907	6,929,562
Cash and cash equivalents, beginning of year	29,240,731	22,311,169
Cash and cash equivalents, end of year	$ 29,527,638	$ 29,240,731

(continued)

GRAND HAVEN BOARD OF LIGHT AND POWER

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Operating income (loss)	$ 9,402,165	$ 10,469,253
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,891,594	1,548,247
Other revenue	66,399	110,284
Net pension liability	(3,263,519)	(3,070,643)
Deferred outflows for pensions	(75,037)	238,680
Deferred inflows for pensions	2,807,396	306,012
Net OPEB liability	(416,762)	(36,108)
Deferred outflows for OPEB	(14,366)	129,452
Deferred inflows for OPEB	20,077	75,918
Due from city of Grand Haven	733,055	(733,055)
Change in operating assets and liabilities which provided (used) cash		
Receivables	62,607	108,262
Prepaid and other assets	3,681	1,254
Deposits with others	(543,213)	(1,813,459)
Accounts payable	(605,512)	(502,803)
Accrued liabilities	(56,345)	144,932
Customer deposits	40,655	208,026
Compensated absences	(63,111)	(58,823)
Net cash provided by (used in) operating activities	$ 9,989,764	$ 7,125,429

(concluded)

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN BOARD OF LIGHT AND POWER

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022

	OPEB Trust Fund
Assets	
Investments	
MERS - Total Market Portfolio	$ 591,958
Total assets	591,958
Liabilities	
Accounts payable	-
Total liabilities	-
Net Position	
Restricted for pension and other post-employment benefits	$ 591,958

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN BOARD OF LIGHT AND POWER

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2022

	OPEB Trust Fund
Additions	
Contributions	
Employer	$ 335,192
City plan	663,815
Total contributions	999,007
Investment income:	
Net appreciation (depreciation) in fair value of investments	(71,170)
Investment expense	(687)
Net investment income	(71,857)
Total additions	927,150
Deductions	
Health insurance premiums	(335,192)
Changes in net position	591,958
Net position, beginning of year	-
Net position, end of year	$ 591,958

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Grand Haven Board of Light and Power (the Board) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

The Board is made up of an Enterprise fund and an other post-employment benefit trust fund of the City of Grand Haven, Michigan (the City). It operates under the direction of the City Charter and City Council resolution. The Board provides electric services to users in the City of Grand Haven and portions of the surrounding area.

As provided by generally accepted accounting principles, the financial statements of the Grand Haven Board of Light and Power exclude the funds of the City of Grand Haven and applicable component units of the City of Grand Haven. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the Board.

Measurement Focus and Basis of Accounting

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Board distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Board's principal ongoing operations. The principal operating revenues of the Board are charges for services. Operating expenses of the Board include the cost of electricity purchases, transmission and distribution, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Board considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value.

City policy and state statutes authorize the Board to invest in:

a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

d. Banker's acceptances of United States banks.

e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.

f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

g. External investment pools as authorized by Public Act 20 as amended.

h. The other post-employment benefit plan fund may also invest in corporate debt and equity securities.

Receivables

All receivables are reported at their net value. Allowance for uncollectible receivables was immaterial at year end.

Prepaid Items

The Board made payment prior to year-end for services that will be performed in the next fiscal year. In these situations, the Board records an asset to reflect the investment in future services.

Deposits with MPIA and MPPA

These deposits consist primarily of balances on account which will be returned or utilized for future purchases.

Advance to City of Grand Haven

The balance presented as advance to City of Grand Haven includes $1,037,151 expended by the Board on equipment and system components to produce and provide heat to the City of Grand Haven's downtown snow melt system. The terms for the repayment of this balance are currently being formalized.

Capital Assets

Capital assets are stated at cost and include items defined by the Board as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at fair value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	Years
General plant	5-30
Transmission and distribution	5-33

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Board has items that qualify for reporting in this category related to the net pension and net OPEB liabilities which is discussed in notes 5 and 6.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has items that qualify for reporting in this category related to the net pension and net OPEB liabilities which is discussed in notes 5 and 6.

Compensated absences

Eligible employees are permitted to accumulate paid time off benefits in varying amounts based on length of service and other established criteria. Paid time off is accrued when incurred in the Board's financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents and investments consist of the following at June 30, 2022:

	Enterprise Fund	OPEB Fund	Total
Cash and cash equivalents	$16,881,935	$ -	$16,881,935
Restricted cash and cash equivalents	12,645,703	-	12,645,703
Investments	14,843,000	591,958	15,434,958
Total	**$44,370,638**	**$591,958**	**$44,962,596**

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Board's investing options to financial institutions located in Michigan. All accounts are in the name of the City of Grand Haven. They are recorded in the Board's records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned. State law does not require, and the Board does not have, a policy for deposit custodial credit risk. Insurance coverage pertains to all deposits of the City of Grand Haven; hence, the specific coverage pertaining to the Board's deposits, if any, is not readily determinable. As of year-end the Board had total bank balances of $29,282,888 that may be exposed to custodial credit risk.

Investments

As of year-end, the Board had the following deposits and investments:

	Maturity	Fair Value	Rating	Source
U.S. Treasury bills	3/23/23	$ 4,914,100	Not applicable	N/A
U.S. Treasury bills	9/22/22	4,981,350	Not applicable	N/A
U.S. Treasury bills	12/15/22	4,947,550	Not applicable	N/A
MERS - Total Market	N/A	591,958	Unrated	N/A
		$15,434,958		

The Board categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Board has the following recurring fair value measurements as of year-end.

- The Board's U.S. Treasury bills are valued using quoted market prices (Level 1 inputs).
- MERS total market portfolio is valued using a pricing model utilizing observable fair value measures and other observable inputs (Level 2 inputs).
- The Board does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Board's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each type of investment is identified above for investments held at year-end.

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Board does not have, a policy for investment custodial credit risk. Of the above $15,434,958 of investments, the Board has a custodial credit risk of $14,843,000 because the related securities are uninsured, unregistered and held by the government's brokerage firm which is also the counterparty for these particular securities. Custodial credit risk for the MERS total market portfolio cannot be determined as it does not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Board's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

3. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated				
Land	$ 194,823	$ -	$ 115,974	$ 78,849
Construction in progress	1,162,064	3,093,330	3,842,505	412,889
Total capital assets, not being depreciated	1,356,887	3,093,330	3,958,479	491,738
Capital assets, being depreciated				
Transmission and distribution	58,276,636	3,842,505	1,309,791	60,809,350
General plant	2,732,757	-	162,353	2,570,404
Total capital assets, being depreciated	61,009,393	3,842,505	1,472,144	63,379,754
Less accumulated depreciation for:				
Transmission and distribution	27,614,884	1,755,440	1,199,140	28,171,184
General plant	1,220,214	136,154	162,353	1,194,015
Total accumulated depreciation	28,835,098	1,891,594	1,361,493	29,365,199
Net capital assets, being depreciated	32,174,295	1,950,911	110,651	34,014,555
Capital assets, net	**$33,531,182**	**$5,044,241**	**$4,069,130**	**$34,506,293**

4. LONG-TERM DEBT

The following is a summary of the debt transactions of the Board for the year:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
*Series 2020A bond anticipation notes up to $20,000,000. Payments due in semiannual installments of ¼ of outstanding balance beginning January 31, 2022 through July 31, 2023; interest at LIBO, floor of 1% plus 2.8% times .79.	$13,291,700	$ -	$13,291,700	$ -	$ -
*Series 2021A Revenue Bonds (direct purchase) $25,000,000. Payments due in semiannual installments ranging from $2,300,000 to $2,700,000 beginning July 1, 2022 through January 1, 2032; interest at 1.58%	-	25,000,000	-	25,000,000	2,300,000
Compensated absences	362,586	-	63,111	299,475	-
Total``	$13,654,286	$25,000,000	$13,354,811	$25,299,475	$2,300,000

The Board has pledged the following for repayment of the revenue bonds: proceeds of bonds to be issued, income derived from rates charged for services, facilities, and commodities furnished by the Board and earnings on investments and Board assets.

Future minimum payments on the bond anticipation note as of June 30, 2022 are as follows:

	Business-type Activities	
Year Ending June 30	**Principal**	**Interest**
2023	$ 2,300,000	$ 412,556
2024	2,400,000	358,660
2025	2,400,000	320,740
2026	2,400,000	282,820
2027	2,500,000	244,900
2028-2032	13,000,000	622,520
Total	**$25,000,000**	**$2,242,196**

5. RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description

The Board participates with the City of Grand Haven in the Municipal Employees Retirement System (MERS) of Michigan a defined benefit and hybrid plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided

Pension benefits approved by the Board are provided to all full-time participating employees hired before 7/1/17 based on division/bargaining unit. The plan is closed to new Board employees. Benefits provided include a multiplier of 2.25 times final average compensation. Vesting period of 6 years. Normal retirement age is 60 with early retirement at 50 to 55 with from 15 to 25 years of service. Final average compensation is calculated based on a 3 year average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2021):

Active plan members	23
Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled but not yet receiving benefits	20
Total	113

Contributions

The Board is required to contribute at an actuarially determined rate, which for the current year was $69,399 per month depending on position and classification. Participating employees are required to contribute from 10% of covered payroll to the Plan based on position and classification. The contribution requirements of the Utility are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net Pension Liability

The Board's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% annually

Investment rate of return: 7.00%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on PubG-2010 tables with future mortality improvements using RP-2019 scale applied fully generationally from the Pub-2010 base year of 2010. Mortality rates used for disabled plan member were based on PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the most recent (2018) actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money Weighted Rate of Return*
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
Inflation			2.50%
Administrative fee			0.25%
Investment rate of return			7.25%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2020	$43,136,110	$40,085,898	$3,050,212
Changes for the Year:			
Service cost	346,845	-	346,845
Interest	3,205,780	-	3,205,780
Change in benefits	-	-	-
Differences between expected and actual experience	(826,286)	-	(826,286)
Change in assumptions	1,680,863	-	1,680,863
Contributions: employer	-	1,062,160	(1,062,160)
Contributions: employee	-	233,792	(233,792)
Net investment income	-	5,038,183	(5,038,183)
Benefit payments, including refunds	(2,256,423)	(2,256,423)	-
Administrative expense	-	(63,315)	63,315
Other changes	-	-	-
Net changes	2,150,779	4,014,397	(1,863,618)
Balance at December 31, 2021	$45,286,889	$44,100,295	$1,186,594

2022 is the first year in which the Board's MERS defined benefit pension plan was segregated from the City-wide plan.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.
The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total pension liability	$50,763,650	$45,286,889	$40,752,823
Fiduciary net position	44,100,295	44,100,295	44,100,295
Net pension liability	$ 6,663,355	$ 1,186,594	$(3,347,472)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions
For the year ended June 30, 2022 the Board recognized pension expense of $921,495. The Board reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	$ -	$ 339,326
Differences in assumptions	840,433	
(Excess) deficit investment returns	-	2,945,748
Contributions subsequent to the measurement date*	662,160	-
Total	$1,502,593	$3,285,074

* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2022.

Amounts reported as deferred outflows and inflows of resources related to City pensions (excluding contributions subsequent to the measurement date) will be recognized in pension expense as follows:

2021	$ (266,154)
2022	(1,056,357)
2023	(716,018)
2024	(406,112)
2025	-
Thereafter	-
Total	$(2,444,641)

Defined Contribution Plan (401a Plan)

The Board provides a defined contribution pension plan (the Plan) that provides pension benefits to all participating full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to contribute 4% and the Board contributes 8% of each participant's compensation to the Plan. The Board's contributions are fully vested after four years of service. During the year employees contributed $76,498 and the Board contributed $152,996 to the plan.

6. POST-EMPLOYMENT BENEFITS

Plan Description
The Board participates in a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees and their beneficiaries, which are advance-funded on a discretionary basis. Benefit provisions are established through the pension ordinance and negotiations between the Board and bargaining units and employee groups. The plan was closed to employees hired subsequent to September 30, 2013. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has been established for the plan. The method used to determine the actuarial valuation of assets is market. There are no long-term contracts for contributions to the Plan. The plan has no legally required reserves.

Benefits provided

In accordance with the collective bargaining agreements, retirees receive an employer-paid benefit toward health and life insurance premiums for the retiree and spouse. For employees hired before October 1, 2013 the Plan pay from 75% to 80% of the premium payment until age 65 and 0-10% thereafter.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	20
Covered spouses	0
Active plan members	24
Total	44

Net OPEB Liability

The net OPEB liability was based on an actuarial valuation as of June 30, 2022. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5 %
Salary Increases: 3.0%
Investment rate of return: 7.0% including inflation
Healthcare cost trend rates: 7.25% graded down 0.25% to an ultimate rate of 4.5%, post Medicare, 5.5% graded down by .25% to an ultimate rate of 4.5%
Mortality: 2010 Employee and Healthy Retiree; headcount weighted, 2021 Improvement

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on OPEB plan investments was determined using a building-block model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.00%
Private Equity	20.0%	7.00%
Cash	0.0%	0.00%

The Board, as plan sponsor and investment fiduciary, has chosen for the Plan an asset mix intended to meet or exceed a long-term rate of return of 7.00%.

Concentrations. 100% of the Plan's investments are invested in the MERS total market portfolio.

Rate of return. For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -4.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer will pay the annual insurance benefit costs from operating funds until the plan is fully funded.

Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (a)-(b)**
Balance at June 30, 2021	$1,702,702	$647,015	$1,055,687
Changes for the Year:			
Service cost	15,611	-	15,611
Interest	113,978	-	113,978
Change in benefits	(334,645)	-	(334,645)
Differences between expected and actual experience	(42,424)	-	(42,424)
Change in assumptions	110,853	-	110,853
Contributions to OPEB trust	-	-	-
Benefits paid from general operating funds	-	335,192	(335,192)
Net investment income	-	(54,370)	54,370
Benefit payments, including refunds	(335,192)	(335,192)	-
Administrative expense	-	(687)	687
Other changes	-	-	-
Net changes	(471,819)	(55,057)	(416,762)
Balance at June 30, 2022	$1,230,883	$591,958	$638,925

2022 is the first year in which the Board's OPEB plan was segregated from the City-wide plan.

Sensitivity of the Net OPEB Liability to changes in the discount rate.
The following presents the net OPEB liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (6.00%) or higher (8.00%) than the current rate.

	1% Decrease	**Current Discount rate**	**1% increase**
Total OPEB liability	$1,289,792	$1,230,883	$1,177,134
Fiduciary net position	591,958	591,958	591,958
Net OPEB liability	$697,834	$638,925	$585,176

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.
The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	$1,169,230	$1,230,883	$1,300,226
Fiduciary net position	591,958	591,958	591,958
Net OBEB liability	$ 577,272	$ 638,925	$ 708,268

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022 the employer recognized OPEB expense of $(132,995). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	$ 29,416	$95,995
Differences in assumptions	104,119	-
Excess(deficit) investment returns	33,816	-
Total	$167,351	$95,995

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2023	$41,849
2024	9,758
2025	(632)
2026	20,381
2027	-
Thereafter	-
Total	$71,356

Defined Contribution Plan (MERS Healthcare Savings Program)

The Board provides a defined contribution post-employment benefit plan (the Plan) that provides a health care saving account to eligible employees hired after September 30, 2008. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate immediately upon employment. Employees are required to contribute 1% and the Board contributes 2% of each participant's compensation to the Plan. The Board's contributions are fully vested after five years of service. During the year employees contributed $29,379 and the Board contributed $50,548 to the plan.

7. RISK MANAGEMENT

The Board is self-insured for employees' health benefits. The claims liability of $40,813 reported at June 30, 2022 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated.

An excess coverage insurance policy covers claims in excess of $70,000 per covered individual with a 125% aggregate. 2021 was the first year of self-insurance of employees' health benefits by the Board. The liability at the end of the year included claims already incurred and reported as well as an estimate for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liability for the years ended June 30, 2022 was as follows:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2022	$21,678	$1,123,671	$1,104,536	$40,813
2021	-	594,201	572,523	21,678

The Board is exposed to various risks related to liability, damage or loss for which it participated in the creation of a self-insurance program known as the Michigan Professional Insurance Authority (MPIA). The MPIA was established pursuant to the State of Michigan Act 35 of 1951; Intergovernmental Contracts between Municipal Corporations.

MPIA administers an actuarially based risk management fund and utilizes such funds deposited by the Board to defend and protect the Board. MPIA has purchased commercial insurance for coverage in excess of the Board's self-insured reserve limits. MPIA assumes all risk of loss within the scope of the memorandum of coverage to the extent of the coverage limits offered by the memorandum.

Following is insurance coverage and related deductibles in effect at year end:

	Deductible/Retention	
	2021	2022
Property and equipment	$50,000 - 500,000	$50,000 - 500,000
General liability	50,000	50,000
Public officials liability	25,000	25,000
Employee benefits liability	50,000	50,000
Crime	25,000	25,000

The Board makes annual payment to the MPIA for administrative charges, insurance purchases and an estimated risk retention reserves. At year end the risk retention reserve balance held by the MPIA for the Board was $6,724,130 which excluded assets set aside for estimated claims of $69,500. The estimated claims at the end of the year included claims already incurred and reported as well as an estimate for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims have not exceeded insurance coverage in any of the past three years, and changes in insurance coverage are reflected above

The claims liability for the Board as reported by the MPIA for the year's ended June 30, 2022 and 2021 was $69,500 and $69,500, respectively. Claims adjustment expense cannot be specifically identified to each participant in the MPIA. Total claims expense reported by the MPIA for the years ended June 30, 2022 and 2021 was $0 and $0, respectively.

8. JOINT VENTURE

The Board is a member of a joint venture, the Michigan Public Power Agency (MPPA), with 16 other municipal electric systems. The MPPA was formed to undertake the planning, financing, development, acquisition, construction, improvement, operation and maintenance of projects to supply electric power and energy for present or future needs of its members. Each MPPA member is a municipal corporation organized under the laws of the State of Michigan and owns and operates a municipal electric system. Complete financial statements for the Michigan Public Power Agency can be obtained from the administrative offices at 809 Centennial Way, Lansing, Michigan 48917.

The MPPA operates various projects. The Board participates in multiple MPPA projects for generation, purchase and transmission of electricity. The dollar amount of Board's commitments for participation in the various MPPA projects of $130,500,000 declines from a commitment maximum of approximately $13,000,000 in 2022 to $215,000 in 2047.

The Transmission Project was financed with initial capital contributions of 13 MPPA participants which were utilized to purchase an undivided interest in the transmission grid by the MPPA.

The Board participate in multiple MPPA renewable energy projects to meet Michigan requirements.

The Energy Services Project provides 21 MPPA participants with capacity and energy provided by third parties through the MPPA.

During the current year the Board had the following transactions with the MPPA:

Electricity purchase from/through MPPA	$9,099,844
Payments to MPPA for electricity transmission	1,493,235
Payments to MPPA for renewable energy	3,709,533
Payments to MPPA for capacity	2,293,862
Payments to MPPA for other	427,276

9. RELATED PARTY TRANSACTIONS

City-owned facilities are users of Board electric services. The Board includes the sale of such services in its charges for services revenue and reflects balances receivable for these services as accounts receivable. The Board is required to pay five percent of gross retail sales to the City under provisions of the City Charter. The payment of the five percent of gross sales to the City is reported as transfers out to the City of Grand Haven.

10. LITIGATION

In the normal course of its activities, the Board is a party to various legal actions and subject to certain asserted and unasserted claims and assessments. Although some actions have been brought, the Board has not experienced significant losses or costs. The Board is of the opinion that the outcome of any pending actions will not have a material effect on the Board's financial position or results of operations.

11. ASSET RETIREMENT

The Board closed the Sims III 70 megawatt coal fired power plant in fiscal year 2020. The Board's operation of electricity generating facilities required use of fuel and ash management facilities that will require environmental remediation and mitigation under various state and federal laws. The Board has estimated the remaining cost of remediating fuel and ash management facilities at $16,132,201 based on known costs of similar plant closures and engineering estimates.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND HAVEN BOARD OF LIGHT AND POWER

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2015 through 2022

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability								
Service cost	$ 1,714,380	$ 1,784,375	$ 1,938,292	$ 1,896,453	$ 1,876,313	$ 1,787,913	$ 1,719,873	$ 346,845
Interest	6,872,845	6,970,006	7,719,273	7,931,391	8,390,678	8,623,429	8,876,309	3,205,780
Changes in benefit terms	-	(8,167)	(27,927)	(54,797)	2,423	(25,121)	(883,918)	-
Difference between expected and actual experience	-	1,069,871	(1,279,520)	2,035,707	(948,030)	1,579,667	1,505,496	(826,286)
Changes in assumptions	-	4,451,385	-	-	-	4,122,188	3,919,533	1,680,863
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)
Other	-	217,812	(1)	-	(4)	(2)	1	-
Net change in total pension liability	4,064,873	9,398,920	3,043,663	5,759,789	3,255,091	9,418,795	7,699,848	2,150,779
Total pension liability, beginning of year	84,711,200	88,776,073	98,174,993	101,218,656	106,978,445	110,233,536	119,652,331	43,136,110
Total pension liability, end of year	$ 88,776,073	$ 98,174,993	$ 101,218,656	$ 106,978,445	$ 110,233,536	$ 119,652,331	$ 127,352,179	$ 45,286,889
Plan Fiduciary Net Position								
Contributions-employer	$ 1,230,140	$ 1,351,197	$ 1,528,835	$ 6,969,429	$ 2,803,011	$ 2,096,764	$ 6,530,362	$ 1,062,160
Contributions-employee	1,017,387	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	233,792
Net investment income	4,384,730	(1,056,807)	7,662,061	9,637,326	(3,336,775)	10,759,791	10,939,329	5,038,183
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)
Administrative expense	(160,769)	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(63,315)
Net change in plan fiduciary net position	1,949,136	(3,759,667)	5,132,696	12,055,170	(5,180,787)	7,621,851	11,376,970	4,014,397
Plan fiduciary net position, beginning of year	69,855,871	71,805,007	68,045,340	73,178,036	85,233,206	80,052,419	87,674,270	40,085,898
Plan fiduciary net position, end of year	$ 71,805,007	$ 68,045,340	$ 73,178,036	$ 85,233,206	$ 80,052,419	$ 87,674,270	$ 99,051,240	$ 44,100,295
Employer net pension liability	$ 16,971,066	$ 30,129,653	$ 28,040,620	$ 21,745,239	$ 30,181,117	$ 31,978,061	$ 28,300,939	$ 1,186,594
Employer net pension liability reported by Grand Haven Board of Light and Power **	$ 6,141,039	$ 12,039,809	$ 11,524,695	$ 4,196,831	$ 4,941,117	$ 7,520,756	$ 4,450,113	N/A
Plan fiduciary net position as a percentage of the total pension liability	81%	69%	72%	80%	73%	73%	78%	97%
Covered employee payroll	$ 11,071,127	$ 11,535,426	$ 12,103,488	$ 11,544,999	$ 11,230,904	$ 10,471,556	$ 9,766,065	$ 2,164,742
Employer's net pension liability as a percentage of covered employee payroll	153%	261%	232%	188%	269%	305%	290%	55%

Notes to schedule:
**The above schedule provides information for the City of Grand Haven plan as a whole through 2020 with the exception of this item.
The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan for 2021.
Above data is based on a measurement date of December 31.

GRAND HAVEN BOARD OF LIGHT AND POWER

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2015 through 2022

Fiscal Year end	Actuarially determined contributions **	Contributions in relation to the actuarially determined contribution **	Contribution deficiency (excess) **	Covered employee payroll **	Contributions as a percentage of covered employee payroll **
6/30/2015	$ 542,904	$ 542,904	$ -	$ 4,672,250	12%
6/30/2016	582,225	582,225	-	4,689,604	12%
6/30/2017	688,049	688,049	-	5,733,742	12%
6/30/2018	657,368	5,657,368	(5,000,000)	4,265,218	133%
6/30/2019	525,540	1,525,540	(1,000,000)	3,771,656	40%
6/30/2020	525,804	753,552	(227,748)	3,188,749	24%
6/30/2021	960,000	4,960,000	(4,000,000)	3,692,923	134%
6/30/2022	832,788	1,324,320	(491,532)	2,351,628	56%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	17 years
Asset valuation method	5 year smoothed (10 year smothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	7.0% (7.35 through 2020, 7.75% for 2015 through 2019)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

Notes to schedule:
**The above schedule provides information for the City of Grand Haven plan as a whole through 2020 with the exception of this item.
The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan for 2021.

GRAND HAVEN BOARD OF LIGHT AND POWER

DEFINED BENEFIT OPEB PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2017 through 2022

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	$ 52,122	$ 49,554	$ 42,889	$ 46,820	$ 43,640	$ 15,611
Interest	456,376	456,247	556,550	623,499	593,625	113,978
Changes in benefit terms	-	-	-	(34,994)	-	-
Difference between expected and actual experience	79,952	1,015,790	141,760	(101,970)	(75,976)	(42,424)
Change on plan terms	-	-	-	-	-	(334,645)
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	110,853
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)
Other	-	-	-	-	-	-
Net change in total OPEB liability	52,855	1,174,403	826,899	27,870	(165,416)	(471,819)
Total OPEB liability, beginning of year	6,300,692	6,353,547	7,527,950	8,354,849	8,382,719	1,702,702
Total OPEB liability, end of year	$ 6,353,547	$ 7,527,950	$ 8,354,849	$ 8,382,719	$ 8,217,303	$ 1,230,883
Plan Fiduciary Net Position						
Contributions-employer	$ 500,000	$ -	$ 779,102	$ 713,057	$ 699,661	$ -
Contributions/benefit payments made from general operating funds	535,595	639,638	-	-	-	335,192
Net Investment income	198,865	151,458	62,008	50,205	618,036	(54,370)
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)
Administrative expense	(4,014)	(4,917)	(4,396)	(3,939)	(4,546)	(687)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	694,851	146,541	57,612	46,266	613,490	(55,057)
Plan fiduciary net position, beginning of year	1,253,420	1,948,271	2,094,812	2,152,424	2,198,690	647,015
Plan fiduciary net position, end of year	$ 1,948,271	$ 2,094,812	$ 2,152,424	$ 2,198,690	$ 2,812,180	$ 591,958
Employer net OPEB liability	$ 4,405,276	$ 5,433,138	$ 6,202,425	$ 6,184,029	$ 5,405,123	$ 638,925
Employer net OPEB liability reported by Grand Haven Board of Light and Power **	$ 1,013,548	$ 1,319,831	$ 1,146,013	$ 1,091,795	$ 1,055,687	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	31%	28%	26%	26%	34%	48%
Covered employee payroll	$ 11,180,895	$ 5,433,138	$ 5,833,306	$ 4,286,167	$ 4,228,786	$ 1,187,543
Employer's net OPEB liability as a percentage of covered employee payroll	39%	100%	106%	144%	128%	54%

Notes to schedule:

**The above schedule provides information for the City of Grand Haven plan as a whole through 2021 with the exception of this item.
The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan for 2022.
Above data is based on a June 30 measurement date.

GRAND HAVEN BOARD OF LIGHT AND POWER

DEFINED BENEFIT OPEB PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2017 through 2022

Fiscal Year end	**Actuarially determined contributions ****	**Contributions in relation to the actuarially determined contribution ****	**Contribution deficiency (excess) ****	**Covered employee payroll ****	**Contributions as a percentage of covered employee payroll ****
6/30/2017	$ 202,700	$ 208,736	$ (6,036)	$ 4,398,937	5%
6/30/2018	215,813	215,813	-	3,280,409	7%
6/30/2019	212,789	212,789	-	3,041,327	7%
6/30/2020	273,794	280,815	(7,021)	1,738,293	16%
6/30/2021	251,488	212,119	39,369	1,720,867	12%
6/30/2022	240,636	335,192	(94,556)	1,187,543	28%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percent, closed
Remaining amortization period	6 years
Asset valuation method	Market value
Inflation	2.25%
Healthcare cost trend rates	7.25% graded down .25% per year until reaching 4.5%
Salary increases	3.00%
Investment rate of return	7% (7.35% through 2021, 7.75% 2017-2019)
Retirement age	Varies depending on plan adoption
Mortality	2010 Employee and Healthy Retiree; headcount weighted, 2021 Improvement

SCHEDULE OF INVESTMENT RETURNS

FOR THE YEARS ENDED JUNE 30, 2017 through 2022

Fiscal Year end	Annual money-weighted rate of return net of investment expense
6/30/2017	12.2%
6/30/2018	7.7%
6/30/2019	2.9%
6/30/2020	7.2%
6/30/2021	28.1%
6/30/2022	-4.4%

Notes to schedule:

Above returns are based on a measurement date of June 30.

**The above schedule provides information for the City of Grand Haven plan as a whole through 2021 with the exception of this item.

The Grand Haven Board of Light and Power defined benefit pension plan was split from and is presented separately from the City plan for 2022.

INTERNAL CONTROL AND COMPLIANCE

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 28, 2022

Board of Directors
Grand Haven Board of Light and Power
Grand Haven, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Grand Haven Board of Light and Power, Grand Haven, Michigan (the Board) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vredeveld Haefner LLC

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
NOVEMBER 17, 2022

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, November 17, 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 Westbrook.

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

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

22-16A Director Witherell, supported by Director Crum, moved to add a Draft Resolution to item 7.A.,relocate item 5.J. to 7.C. and approve the amended meeting agenda.

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

Public Comment Period – No comments were provided.

No formal action taken.

22-16B Ashley Latsch introduced Lara Zawaiden and Molly Reeves of HDR, who provided an update on Sims site environmental activities to the Board. Latsch said she is committed to present to the Board more regularly going forward. Latsch also invited the Board and staff to attend a Town Hall presentation on December 6.

Zawaiden reviewed activities to date, which includes preparation of the city's communication's plan, obligation register, data gap memo, 2022 CCR Work Plan and Non-CCR Work Plan, community analysis report and engagement plan. The website was launched, and a timeline was created. They held three meetings with EGLE on the Administrative Consent Order, which included multiple iterations of comments.

Upcoming tasks for groundwater sampling include installation of two additional background monitoring wells in the soccer fields. When that is complete, they will begin groundwater sampling and analytics of the 24 monitoring wells every 5 weeks. HDR will prepare and submit a Hydrogeological Monitoring Plan after completion of background sampling.

North Channel matting was installed on 11/16 and the sediment curtain was planned to be installed by MATECO on 11/17 and 11/18.

The next phase for CCR includes ACO negotiations and approval, detection monitoring, assessment monitoring, reporting ACM, closure planning and cleanout of 3A/B.

HDR has advised the city to only post vetted data or required information on the city website. Tasks on hold need to be discussed with the BLP and the city. Dewatering and PFAS are a big component for this discussion. HDR offered to help facilitate a meeting between the BLP and the city to help move this discussion forward. The Board has requested legal representation of its own in such discussions.

Latsch reported they are looking for grants and funding sources to financially assist with this project.

The General Manager asked if HDR was aware of a report that was released a week ago listing all the worst CCR sites and classified the BLP/Sims site as the 23rd worst site in the country. He feels HDR and the City should be prepared to respond to the public to address any concerns they may have regarding this report.

Zawaiden advised holding on a response until after they have more data. HDR suggested they are no longer responsible for communications efforts on behalf of the city.

No formal action taken.

22-16C Director Hendrick, supported by Director Knoth, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the October 20, 2022 Regular Board Meeting
- Accept and file the October 2022 Financial Statements and Power Supply & Sales Dashboard
- Accept and file the KPI Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated October 31, 2022
- Accept and file the October Constellation Energy Market Update Graphs from November 7, 2022
- Accept and file the DTE Electric Integrated Resource Plan Summary
- Accept and file the GHBLP FY 2022 Retirement Pension Report
- Accept and file an article regarding Report on Environmental Groups on Power Industry Coal Ash Clean Up
- Accept and file the Habor Island Timeline developed by HDR for City Council and Harbor Island Community Action Group
- Approve paying bills in the amount of $2,207,324.94 from the Operation and Maintenance Fund
- Approve paying bills in the amount of $451,825.57 from the Renewal and Replacement Fund
- Confirm Purchase Order #22230-1 to Schweitzer Engineering Laboratories, Inc. in the amount of $11,450 for North Substation relay panel repairs
- Confirm Purchase Order #22411 to Power Line Supply Company in the amount of $6,380 for the annual line crew uniform order

- Confirm Purchase Order #22425 to Dickinson Wright PLLC in the amount of $10,872 for legal fees through September 30, 2022
- Confirm Purchase Order #22431 to Insight Public Sector, Inc. in the amount of $26,159 for Cisco SmartNet and ASA Fire Power firewall software subscription renewals

The General Manager reported after FY 2022 final audit adjustments, the net unfunded pension liability now stands at negative $813,406 and approximately $10 million was added to Asset Retirement Obligations.

DTE's Integrated Resource Plan was discussed. The General Manager reported municipal utilities are well ahead of CE and DTE with renewables. The BLP currently has 22% of renewables in our power supply portfolio while CE and DTE are at approximately 15%.

Chairperson Westbrook stated the KPI's look good and are a nice dashboard for the BLP.

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

22-16D A discussion regarding repayment of the snowmelt heat source replacement equipment invoice was held.

The General Manager reported the auditors have a concern regarding the 10-month-old invoice to the city that is still on our books. The snowmelt assets were purchased and installed using BANs with the plan to roll them into the Bonds for the power plant. When the plant was canceled, we were no longer able to bond this equipment because it is for non-electric utility purposes. The city booked the assets as a contribution, or a gift. This action looks like the BLP transferred an additional $1 million above the 5% allowed in the Charter. Therefore, Staff recommends converting the invoice to a loan and establish a written repayment plan.

Director Knoth asked if discussions were held with the city regarding who will pay for this equipment. The General Manager said the city had a study conducted in 2017 to determine what the cost would be to replace the snowmelt equipment. Everyone knew if the BLP did not build a power plant, the cost of the new snowmelt equipment would need to be paid by the city. The BLP never agreed to pay for snowmelt because they are non-electric utility assets.

Director Hendrick stated city council added this item to their agenda. She wants feedback on conversations that were held with Kieft, Westbrook and council. Hendrick feels this is a flaw in governance and asked for an explanation.

Chairperson Westbrook stated former Chairperson Kieft delivered the invoice to the mayor with the authority to do so because he was the Chairperson at that time. Westbrook added the Board has a difficult situation before them and the solution proposed tonight is a positive option for consideration. The city does not have money, so having the payment offset by the additional transfer amount (due to the reimplemented PSCA) is a viable solution. The terms and conditions of the loan are open for negotiation. Westbrook encouraged the Board to approve and move forward.

The General Manager stated interest on the BANs was billed to, and paid by the city during the construction period.

Director Hendrick stated the objective of having joint Board/Council meetings was to handle the snowmelt issue, then the meetings were stopped. Hendrick proposed tabling this item until the council and the Board hold further discussions.

Director Witherell said there has been a precedence with this, starting with the Diesel Plant. The city asked the Board to take the Diesel Plant off our agenda until they could talk with their constituents and that is still outstanding. The snowmelt item needs to be solved.

Director Hendrick, supported by Director Knoth, moved to table approval of converting the snowmelt replacement equipment invoice to a loan to the City of Grand Haven.

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

A legal opinion provided by City Attorney Ronald Bultje regarding permissible snowmelt expenses was discussed. Bultje suggested the BLP spends money on many non-electric items. The General Manager stated the BLP does not spend electric revenues or reserves on non-electric capital assets.

Mayor McNally stated it is important to understand the audits are for Year Ending June 30, 2022. The auditors said, ‘time is of the essence’ for settling the outstanding snowmelt equipment invoice. Audits must be finalized by the end of this calendar year. McNally stated everyone on City Council is aware of the outstanding invoice and it needs to be brought to council on Monday. Former Chairperson Kieft, Mike Westbrook, Ryan Cummins and Mayor McNally met several times with no solutions.

Lynn Diffell, Accounting & Finance Manager stated the city was invoiced every month over the entire time period we had the BANs. The current invoice was provided to the mayor by former Chairperson Kieft when the BANs were paid off. The snowmelt invoice will remain on our books as an accounts receivable. If it is not rectified, the auditors will make a qualified opinion. Diffell believes this will affect the city in a more damaging way than the BLP.

The General Manager informed the Board if the Board wants to pay for snowmelt equipment, we will need to include it in our rates, inform our customers and begin collecting the money. We have not included this expense in our rates or expenses to date.

Director Witherell, supported by Director Crum, moved to approve converting the invoice to a loan to the City of Grand Haven in the amount of $1,037,151 for repayment of snowmelt heat source replacement equipment.

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

22-16E A discussion regarding proposed terms and provisions for the snowmelt loan to the city was held.

The General Manager stated the proposal should include a fair repayment installment schedule and a reasonable interest rate as allowed for in the Charter. Terms and conditions should be negotiated between the council and Board. The interest rate now proposed is the current Ten-Year Treasury Rate. We would like to have the loan repaid in ten years or less.

Director's Crum, Witherell, Knoth and Chairperson Westbrook all agreed this is a good faith opportunity to work with the city. Director Hendrick wants it tabled to allow the city to propose something. Chairperson Westbrook proposed the Board assign a subcommittee to work with the city to establish palatable terms and conditions for the loan. The Board agreed the subcommittee for the BLP will include the General Manager, Director Knoth and Director Witherell.

Director Hendrick, supported by Director Knoth, moved to authorize GHBLP's subcommittee members to move forward with negotiating the proposed terms and provisions of the snowmelt loan as a starting point for discussions with city council.

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

22-16F Director Witherell, supported by Director Crum, moved to approve the following Purchase Orders:

- Purchase Order #22367 to Gorno Ford in the amount of $48,965 for a 2022 Ford F150 4 x 4 cab pickup truck
- Purchase Order #22420 to Landis + Gyr Technology, Inc. in the amount of $31,056 for 192 electrical meters for BLP stock
- Purchase Order #22434 to CDW Computer Government in the amount of $14,604 for six replacement laptop computers and docking stations

BLP replacement vehicles are typically purchased through MiDEAL, however, there is a shortage of new trucks at this time. Gorno Ford has agreed to honor MiDEAL's pricing.

MiDEAL is the State of Michigan's extended purchasing program that allows Michigan cities, townships, villages, counties, school districts, universities, colleges, and nonprofit hospitals to buy goods and services from state contracts. Members benefit directly from the reduced cost of goods and services and indirectly by eliminating the time needed to process bids.

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

22-16G Director Hendrick, supported by Director Witherell, moved to approve Authorization of MPPA's Energy Services Project Amended and Restated Power Purchase Commitment (PPC) for MPPA's Invenergy Calhoun Solar Power Purchase Agreement (PPA).

This PPC is consistent with past discussions regarding solar contract amendments. Of the three PPA's, Invenergy's was the easiest for MPPA to renegotiate. MPPA negotiates and approves the contract, then presents it to its members for PPC's. The BLP's solar commitment is the same as our previous commitment at 5.85 MW's with a higher rate and delayed COD.

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

22-16H Director Hendrick, supported by Director Knoth, moved to table consulting with Steve VanderMeer to conduct a Board self-evaluation and follow up Board Development Plan.

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

22-16I The General Manager reviewed MPPA's 2022 Business Model Risk Assessment with the Board. MPPA is verifying the creditworthiness of its members. Contracts include step-up provisions in the event other members default on their commitments. The BLP received an 86% credit rating. MPPA is beginning to look at other elements in their risk assessment including customer rates, customer concentration, and DER readiness.

Chairperson Westbrook suggested distributing a press release with this information.

No formal action taken.

22-16J Director Hendrick, supported by Director Witherell, moved to update the BLP's Board meeting video recording posting requirements to the following:

1. Post meeting recordings on YouTube for one-year
2. Retain video recordings on the network for one-year unless directed to retain longer by the Board or by Staff
3. Post the past 12-months on YouTube

Chairperson Westbrook informed the Board that staff was following the Board's policy on video posting requirements when they removed the August 3rd, 2022 meeting. Our employee was only doing her job as directed by the Board in February 2022. Nothing was destroyed and all recordings have been saved on the network since we started recording meetings. The Board's meeting minutes are the formal record of meetings and are required to be retained forever.

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

22-16K The General Manager updated the Board on the October 2022 MPIA meeting, which is the first meeting Chairperson Westbrook has attended. MPIA is an insurance authority formed by GHBLP & Zeeland BPW in March 2004. Grand Haven and Zeeland are the only members. The BLP's investment policy was discussed with MPIA's financial advisors and will be reviewed over the next year.

Chairperson Westbrook informed the Board we have filed a claim with MPIA in response to Director Hendrick's allegations of gender discrimination at the advice of our risk manager.

MPIA has a duty to indemnify and defend the individuals accused of discrimination. No other information is available to report at this time.

No formal action taken.

22-16L A letter submitted to the Human Relations Commission (HRC) by Chairperson Westbrook on behalf of the Board of Light & Power was discussed.

Director Hendrick asked the Chair why he submitted the letter. Chairperson Westbrook stated he submitted the letter on behalf of the Board of Light & Power because he is the Board Chair and is the spokesperson for the Board. Director Knoth stated he did not agree with the letter. The General Manager reminded the Board the HRC Chair invited everyone to submit letters directly to her (if they would like) for consideration at the HRC's next meeting. Director Hendrick stated she submitted a whole package of information to the HRC.

Chairperson Westbrook said the HRC matter is ongoing, and we are awaiting their report. Director Crum concurred.

No formal action taken.

Public Comment Period – David Barnosky, 14477 Shady Hollow, West Olive stated he is attending because of the complaints raised regarding the August 3rd meeting. He had originally thought the General Manager should be fired; however, he has now changed his mind. He said Director Hendrick asks good questions and should be allowed to ask them. He stated he will no longer advocate to have the General Manager fired, but feels the BLP has a dysfunctional Board.

Chairperson Westbrook asked the Board to RSVP to Kim Dutmers their attendance at the upcoming BLP Christmas Party.

No formal action taken.

At 9:20 PM by motion of Director Hendrick, supported by Director Knoth, the November 17, 2022 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 NOVEMBER 2022

	NOVEMBER 2022	NOVEMBER 2021
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$29,882,239	$30,316,866
ACCOUNTS RECEIVABLE	4,008,367	3,979,822
PREPAID	16,043	20,951
	33,906,649	34,317,639
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	7,769,565	7,729,748
DEPOSITS HELD BY MPPA	2,500,000	2,000,000
HEALTH BENEFIT FUND	185,630	105,991
ADVANCE TO CITY OF GRAND HAVEN	1,037,151	1,005,114
2021A BOND CONSTRUCTION FUND	10,146,099	0
2021A BOND REDEMPTION FUND	2,277,516	0
OTHER ASSETS	0	0
	23,915,961	10,840,853
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	1,893,542	2,422,748
PROPERTY, PLANT AND EQUIPMENT	63,458,603	60,444,896
LESS ACCUMULATED DEPRECIATION	(30,200,410)	(28,980,292)
	35,151,735	33,887,352
TOTAL ASSETS	$92,974,345	$79,045,844
DEFERRED OUTFLOWS/(INFLOWS)		
PENSION/OPEB RELATED	(1,711,125)	1,026,945
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$1,323,537	$1,111,725
BOND ANTICIPATION NOTE PAYABLE	-	13,291,700
SERIES 2021A BOND CURRENT	2,464,583	-
ACCRUED PAYROLL LIABILITIES	670,004	759,385
CUSTOMER DEPOSITS	878,879	853,636
ACCRUED TRANSFER FUND	139,910	136,701
	5,476,913	16,153,147
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	16,117,079	6,450,318
ACCRUED SICK AND PTO	247,050	283,068
SERIES 2021A BOND	22,700,000	-
NET PENSION LIABILITIES	(813,406)	4,450,113
NET OTHER POST EMPLOYMENT BENEFIT	638,925	1,055,687
	38,889,648	12,239,186
TOTAL LIABILITIES	44,366,561	28,392,333
RETAINED EARNINGS		
BEGINNING OF THE YEAR	44,505,093	48,304,825
YTD NET INCOME	2,391,566	3,375,631
RETAINED EARNINGS	46,896,659	51,680,456
TOTAL LIABILITIES AND EQUITY	$91,263,220	$80,072,789

GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF NOVEMBER 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	$ 896,829	$ 5,672,956	$ 5,680,779	$ (7,823)	-0.14%	$ 901,533	$ 5,782,986	$ (110,030)	-1.90%
Commercial Sales	790,034	4,473,536	4,597,065	(123,529)	-2.69%	764,880	4,454,715	18,821	0.42%
Industrial Sales	1,016,379	5,184,377	5,633,546	(449,169)	-7.97%	973,325	5,091,704	92,673	1.82%
Municipal Sales	66,679	451,036	432,602	18,434	4.26%	61,753	446,897	4,139	0.93%
Total Charges for Services	2,769,921	15,781,905	16,343,992	(562,087)	-3.44%	2,701,491	15,776,302	5,603	0.04%
Street Lighting	28,288	141,263	140,833	430	0.31%	32,524	162,379	(21,116)	-13.00%
Other Revenue	49,855	123,947	82,500	41,447	50.24%	12,381	76,949	46,998	61.08%
Total Operating Revenue	2,848,064	16,047,115	16,567,325	(520,210)	-3.14%	2,746,396	16,015,630	31,485	0.20%
Operating Expenses									
Net Purchased Power	1,222,635	8,714,944	9,345,722	(630,778)	-6.75%	1,352,261	7,164,862	1,550,082	21.63%
Distribution Operations	145,375	759,865	1,048,201	(288,336)	-27.51%	215,275	1,113,404	(353,539)	-31.75%
Distribution Maintenance	264,171	1,439,797	1,206,354	233,443	19.35%	258,363	1,277,270	162,527	12.72%
Energy Optimization	7,273	68,520	83,333	(14,813)	-17.78%	18,164	156,791	(88,271)	-56.30%
Administration	260,105	1,111,796	1,225,509	(113,713)	-9.28%	218,534	1,186,462	(74,666)	-6.29%
Legacy Pension Expense	61,213	300,270	461,089	(160,819)	-34.88%	-	-	300,270	-
Operating Expenses Before Depreciation	1,960,772	12,395,192	13,370,208	(975,016)	-7.29%	2,062,597	10,898,789	1,496,403	13.73%
Operating Net Income Before Depreciation	887,292	3,651,923	3,197,117	454,806	14.23%	683,799	5,116,841	(1,464,918)	-28.63%
Depreciation	167,043	835,211	770,830	64,381	8.35%	158,498	793,864	41,347	5.21%
Operating Net Income	720,249	2,816,712	2,426,287	390,425	16.09%	525,301	4,322,977	(1,506,265)	-34.84%
Nonoperating Revenue/(Expenses)	12,806	371,012	59,237	311,775	526.32%	(28,624)	(95,366)	466,378	-489.04%
Asset Retirement Expense	-	-	-	-	#DIV/0!	(12,055)	(55,048)	55,048	-100.00%
Non-Operating Revenue/(Expenses)	12,806	371,012	59,237	311,775	526.32%	(40,679)	(150,414)	521,426	-346.66%
Transfers to City of Grand Haven	(139,910)	(796,158)	(824,241)	28,083	-3.41%	(136,701)	(796,934)	776	-0.10%
Increase in Net Assets	$ 593,145	$ 2,391,566	$ 1,661,283	$ 730,283	43.96%	$ 347,921	$ 3,375,629	$ (984,063)	-29.15%

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

Power Supply for Month (kWh)	FY2023		FY2022	
Net Purchased (Sold) Power	16,311,806	75.37%	16,885,430	78.11%
Renewable Energy Purchases	5,329,976	24.63%	4,731,377	21.89%
Monthly Power Supply Total	**21,641,782**		**21,616,807**	
Days in Month	30		30	
Average Daily kWh Supply for Month	**721,393**		**720,560**	
% Change	0.12%			

Power Supply FYTD	FY2023		FY2022	
Net Purchased (Sold) Power	102,214,104	79.48%	109,673,816	83.92%
Renewable Energy Purchases	26,397,319	20.52%	21,015,189	16.08%
FYTD Power Supply Total	**128,611,423**		**130,689,005**	
FYTD Days (from 7/1)	153		153	
Average Daily kWh Supply FYTD	**840,598**		**854,177**	
% Change	-1.59%			

	FY2023	FY2022
Net Purchased Power Expenses	$8,714,944	$7,164,862
% Change	21.63%	
Net Energy Expenses per kWh Supplied to System FYTD	**$0.06776**	**$0.05482**
% Change	23.60%	

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

Monthly Retail Customers	FY2023		FY2022	
Residential	13,057	87.54%	12,951	87.77%
Commercial	1,613	10.81%	1,564	10.60%
Industrial	128	0.86%	126	0.85%
Municipal	117	0.78%	115	0.78%
Total	**14,915**		**14,756**	

Monthly Energy Sold (kWh)				
Residential	5,982,166	27.28%	6,257,819	28.17%
Commercial	5,873,282	26.78%	5,850,135	26.33%
Industrial	9,422,677	42.96%	9,466,027	42.61%
Municipal	567,884	2.59%	531,199	2.39%
Retail Monthly Total	21,846,009	99.61%	22,105,180	99.49%
Street Lighting	85,469	0.39%	112,894	0.51%
Total Monthly Energy Sold	**21,931,478**		**22,218,074**	
Days in Primary Meter Cycle	31		31	
kWh Sold per Day	**707,467**		**716,712**	
% Change	-1.29%			

Energy Sold (kWh) FYTD	FY2023		FY2022	
Residential	40,993,705	31.84%	42,467,437	32.45%
Commercial	34,800,225	27.03%	35,252,129	26.94%
Industrial	48,533,810	37.69%	48,557,500	37.10%
Municipal	4,011,327	3.12%	4,032,874	3.08%
Retail Energy Sold Total FYTD	128,339,067	99.67%	130,309,940	99.57%
Street Lighting	426,129	0.33%	564,762	0.43%
Energy Sold FYTD	**128,765,196**		**130,874,702**	
Weighted Days in Meter Cycles FYTD	154		154	
kWh Sold per Day	**836,138**		**849,836**	
% Change	-1.61%			

Sales Revenue FYTD	FY2023	Average Rate ($/kWh)	FY2022	Average Rate ($/KWh)	Percent Change $/kWh
Residential	$5,673,292	$0.1384	$5,782,986	$0.1362	1.63%
Commercial	$4,473,199	$0.1285	$4,454,715	$0.1264	1.72%
Industrial	$5,184,377	$0.1068	$5,091,704	$0.1049	1.87%
Municipal	$451,036	$0.1124	$446,897	$0.1108	1.47%
Retail Sales Revenue FYTD	**$15,781,905**	**$0.1230**	**$15,776,303**	**$0.1211**	1.57%
Street Lighting	$141,263		$162,379		
Total Sales Revenue FYTD (Excl. Wholesale)	$15,923,168	**$0.1237**	$15,938,682	**$0.1218**	

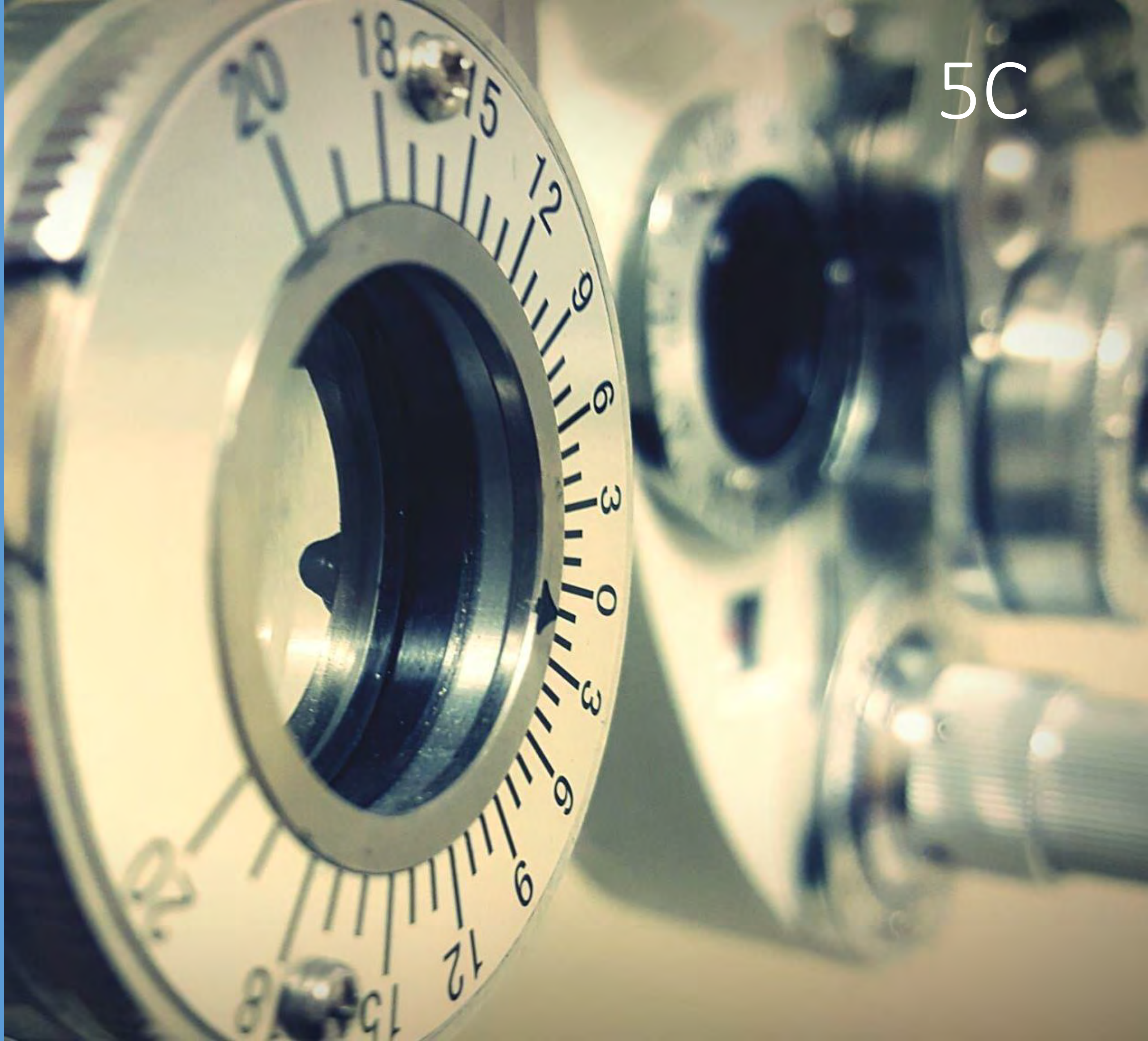
	FY2023	FY2022
Approx. Distribution Losses FYTD	0.53%	0.51%
Net Energy Expenses/kWh Sold FYTD	**$0.06812**	**$0.05510**
% Change	23.63%	

5C

Key Performance Indicators

Reported to Board of Directors:

12/15/2022



KPI's

Reliability – System Average Interruption Duration Index (SAIDI)

Power Supply – Monthly System Input (Actual vs Forecast)

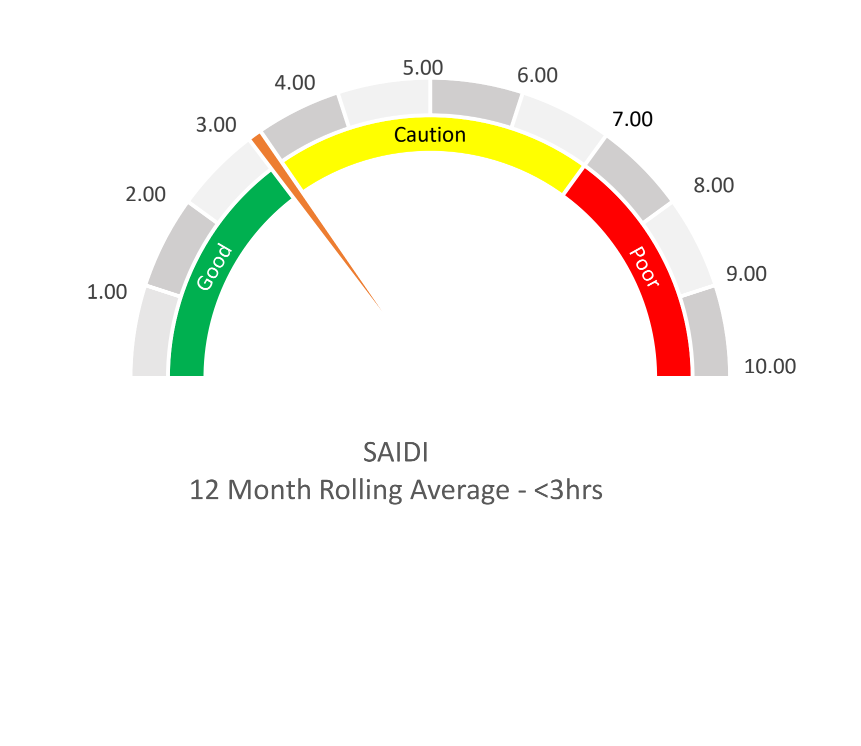
Rates – Average Retail Rate (Actual vs Budget)

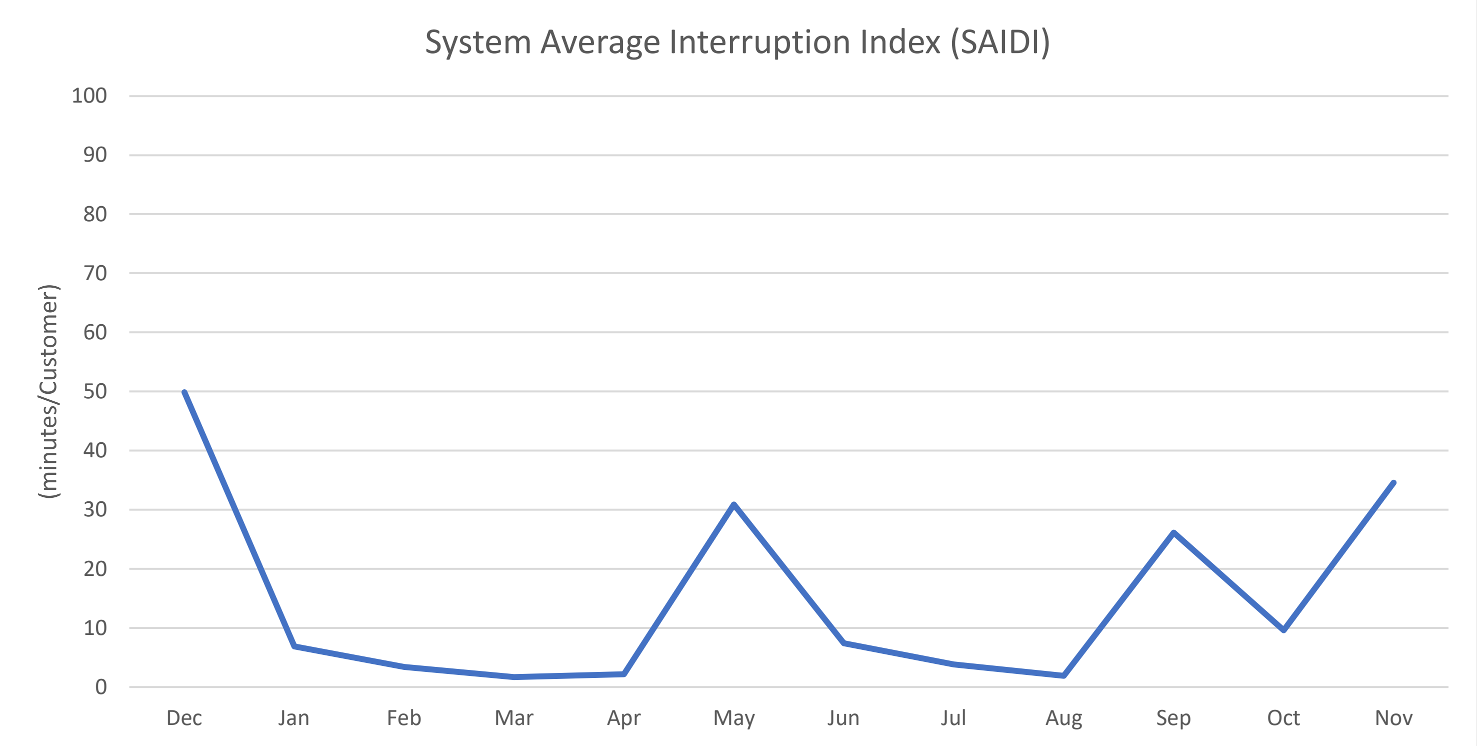
Rates – Power Supply Costs Adjustment Factor (Actual vs Forecast)

Financial – Days Cash (Actual vs Budget)

KPI #1: Reliability

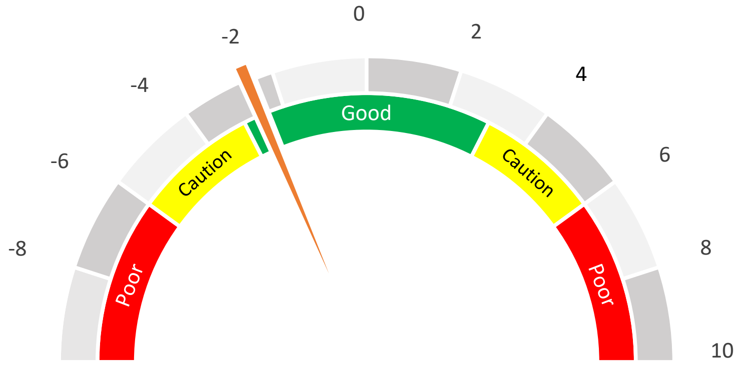
- ***System Average Interruption Duration Index*** – the average outage duration for each customer served on the system.
- This is a good measure of how long, on average, each customer was without power.
- 2021 SAIDI average for the state of Michigan was 7.45 hours/year.
- Strong windstorm caused an outage on November 5th that impacted slightly over 2,200 customers.



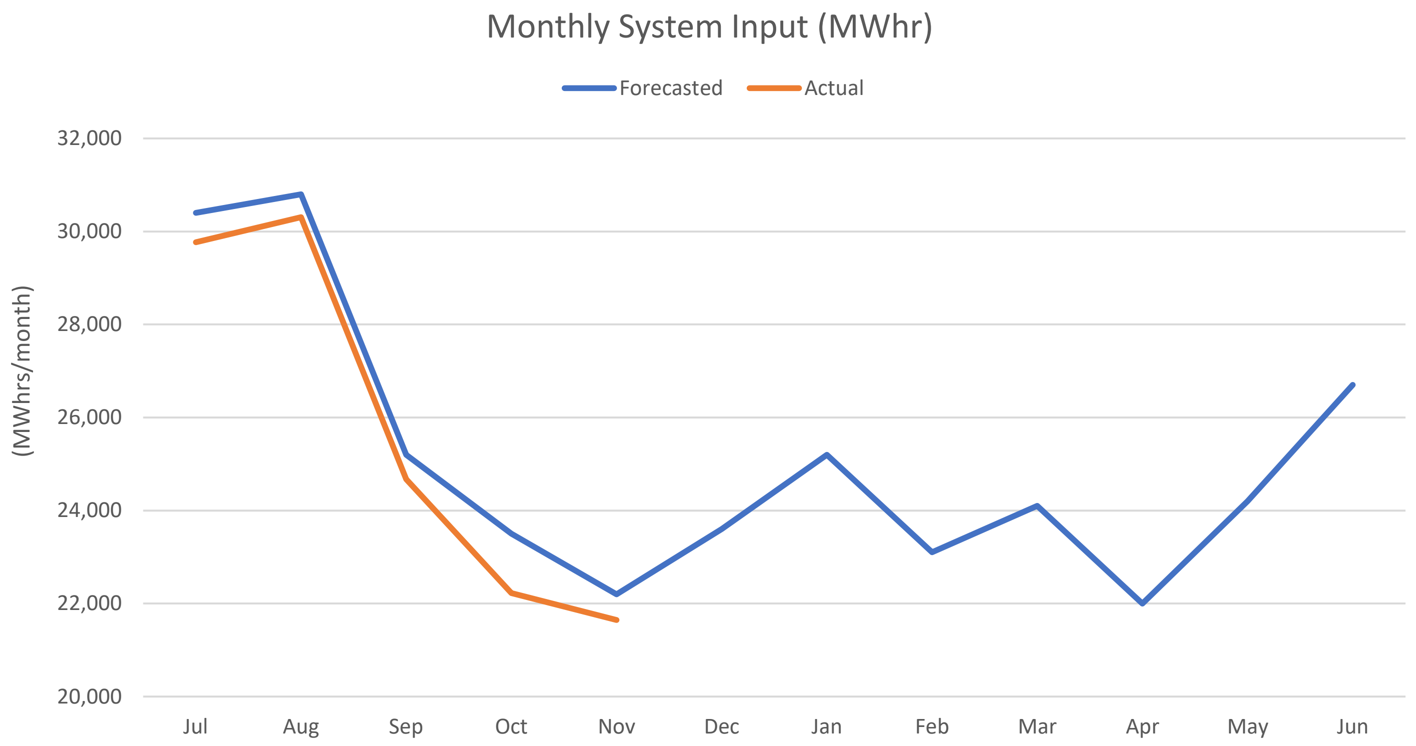


KPI #2:Power Supply

- ***Monthly System Input (Actual vs Forecast)*** – Indicates how much power was forecasted by modeling vs the actual amount of power purchased.
- Power Supply Costs are over 50% of the annual budget. Significant over or under forecasting can have large impact to expenses.
- Current month is data from MPPA portal and will be corrected once monthly invoice is received (usually around the 18th of the following month).

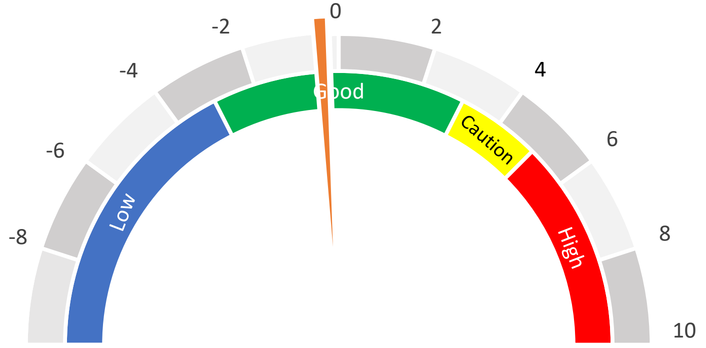


FYTD Monthly System Input: (Actual vs Estimated)
Goal FY23 +/- 3%

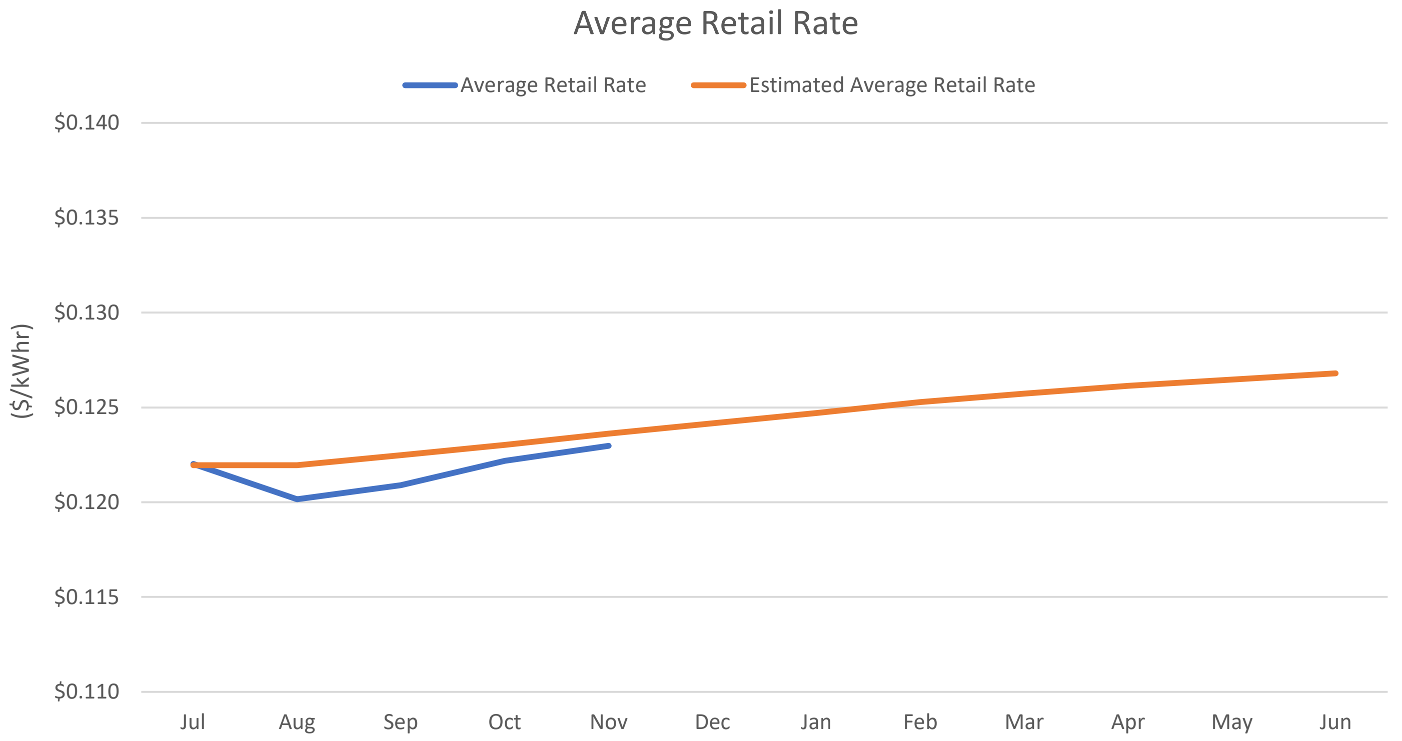


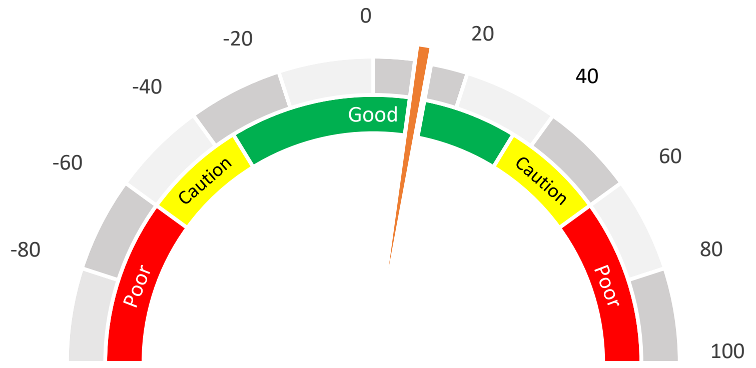
KPI #3: Rates

- ***Average Retail Rate (Actual vs Budgeted)*** – Indicates electric revenues from all customer classes divided by total energy supplied.

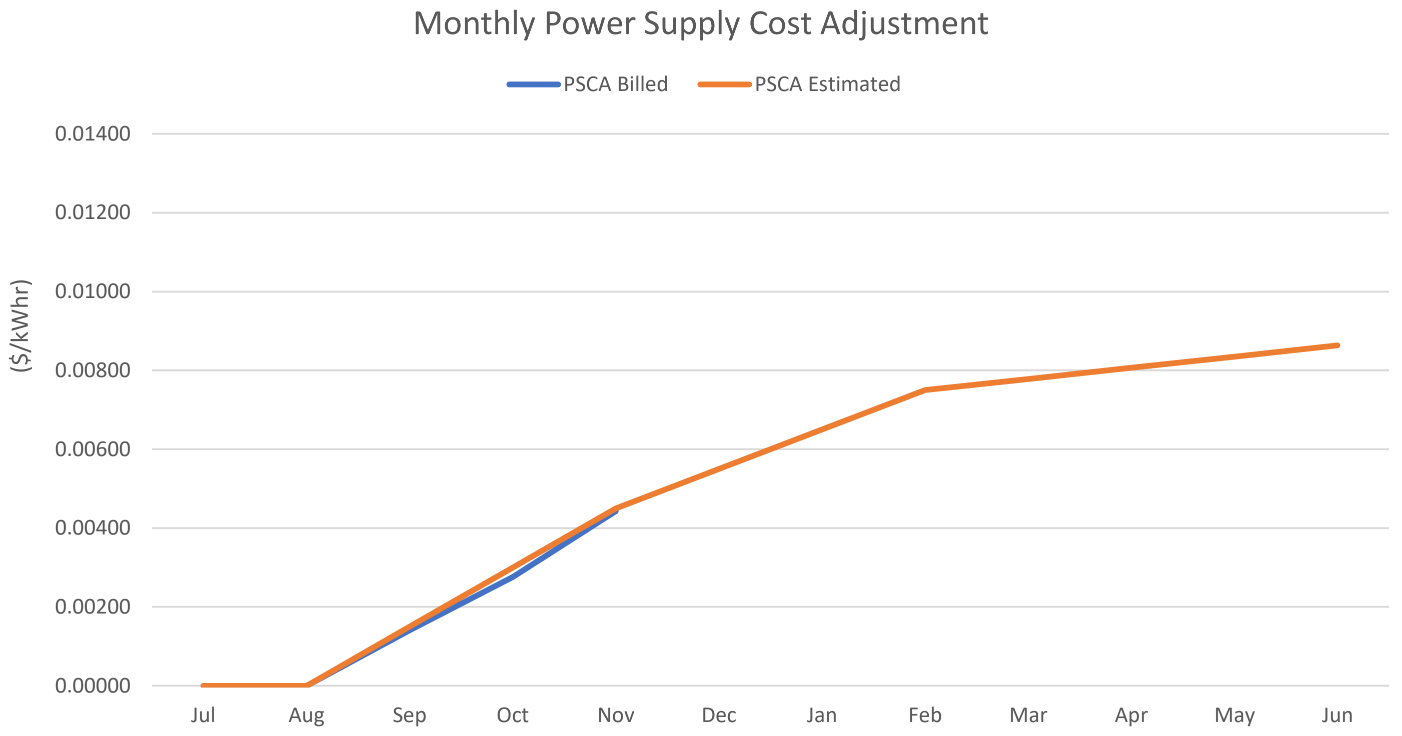


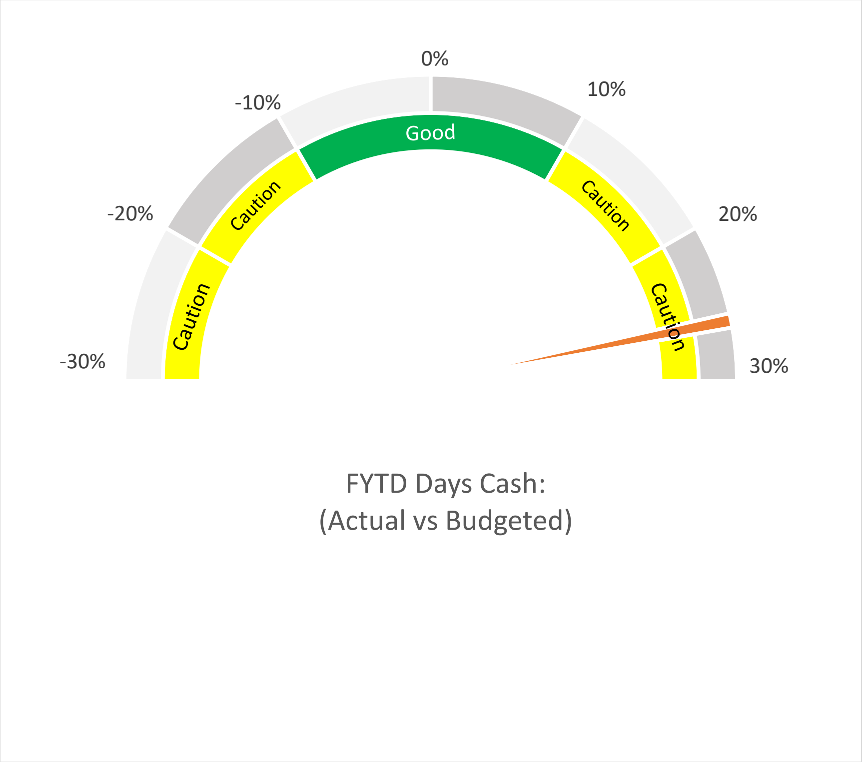
FYTD Average Retail Rate:
(Actual vs Estimated)
Goal FY23 +/- 3.0%



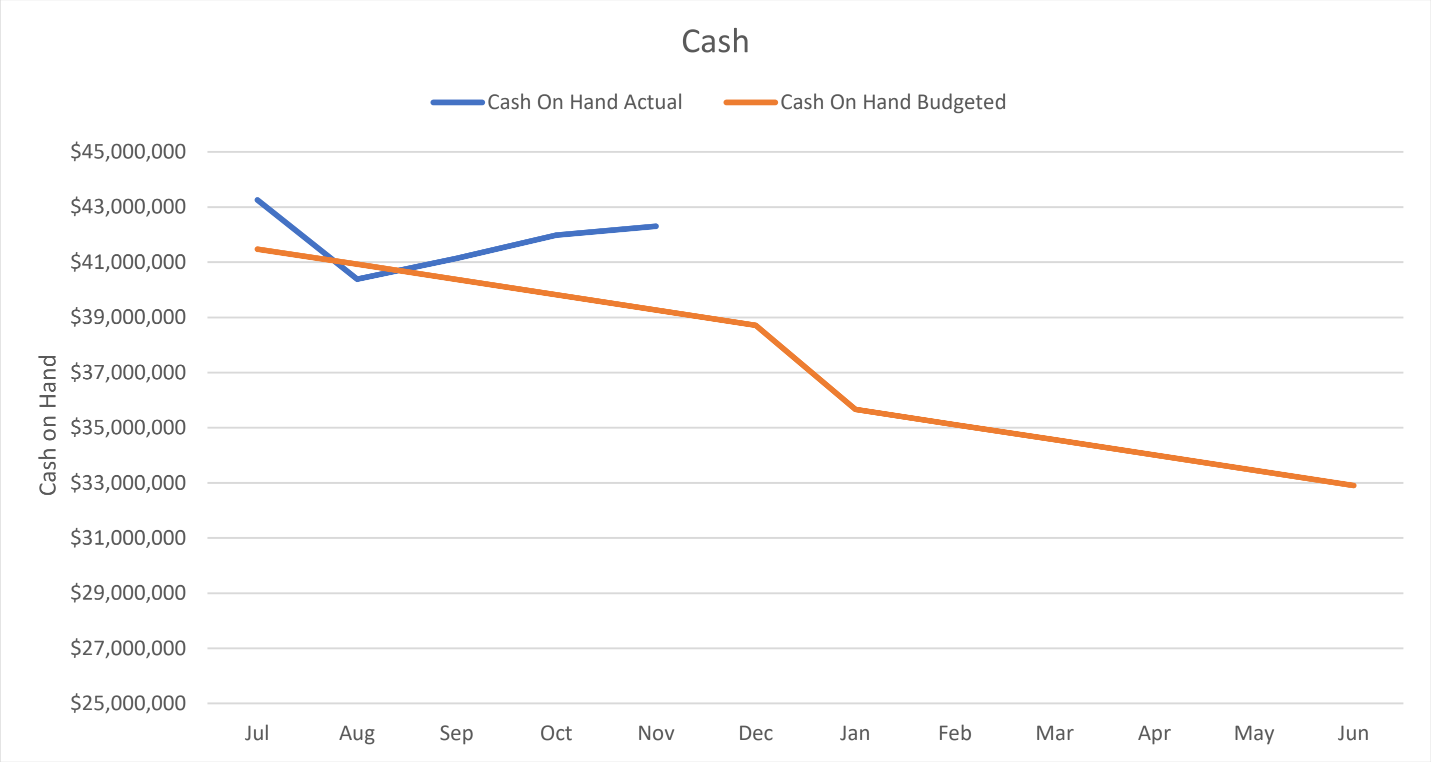


FYTD Power Supply Cost Adjustment:
(Actual vs Estimated)





0%
10%
-10%
20%
-20%
30%
-30%
Good
Caution
Caution
Caution
Caution
FYTD Days Cash:
(Actual vs Budgeted)



Cash
Cash On Hand Actual
Cash On Hand Budgeted
Cash on Hand
$45,000,000
$43,000,000
$41,000,000
$39,000,000
$37,000,000
$35,000,000
$33,000,000
$31,000,000
$29,000,000
$27,000,000
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U.S. Energy Information Administration

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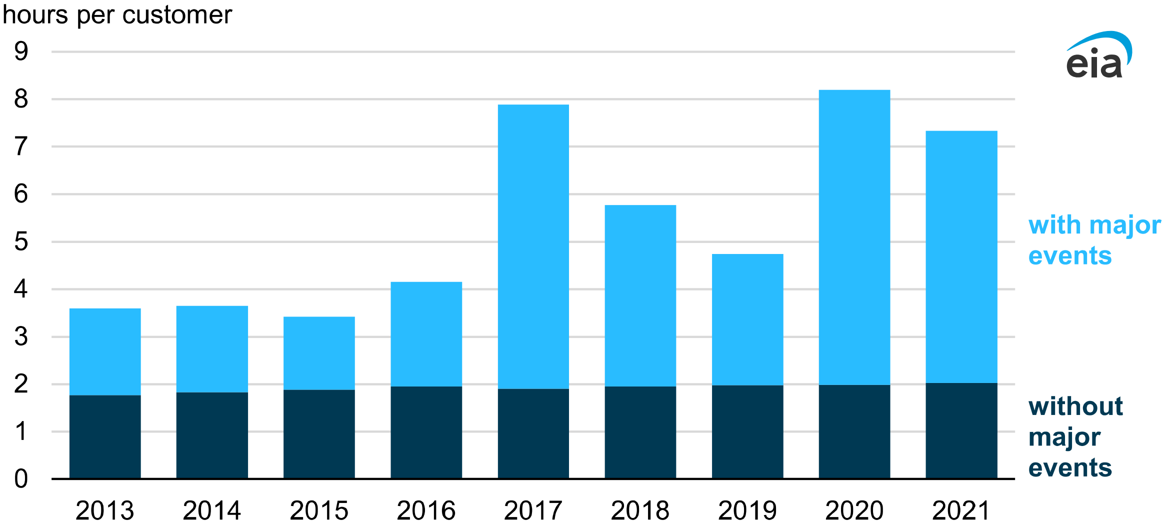
Today in Energy

November 14, 2022

U.S. electricity customers averaged seven hours of power interruptions in 2021

Average duration of total annual electric power interruptions, United States (2013–2021)
hours per customer



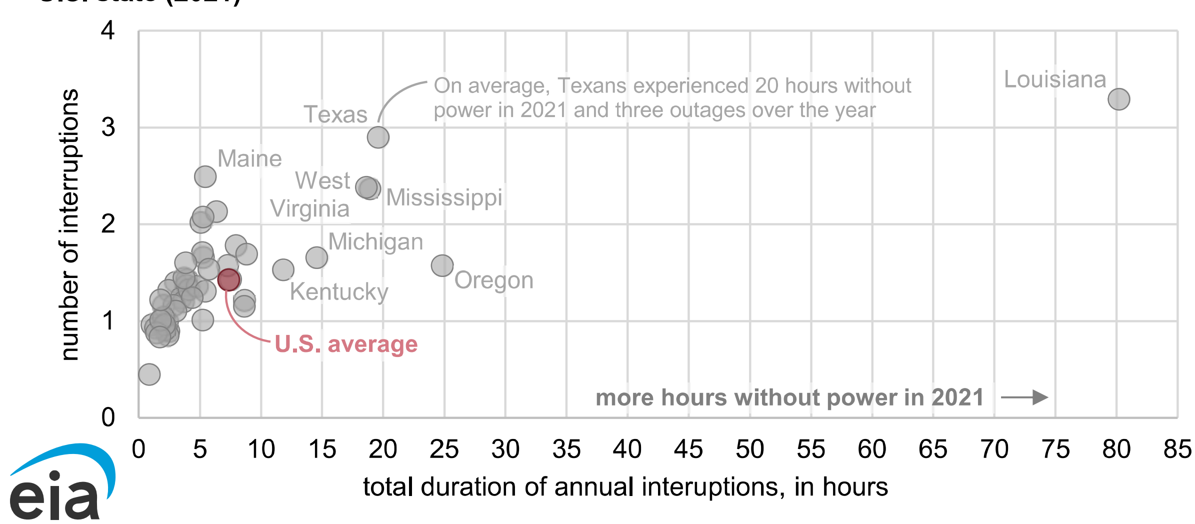
Data source: U.S. Energy Information Administration, *Annual Electric Power Industry Report*

On average, U.S. electricity customers experienced just over seven hours of electric power interruptions in 2021, almost an hour less than in 2020. When major events—including snowstorms, hurricanes, and wildfires—are excluded, the average duration of interruptions annually remained consistently at around two hours per year from 2013 to 2021.

A number of factors cause power interruptions, including weather, interference from vegetation near power lines, and utility practices.

One metric used to measure the reliability of U.S. electric utilities is the System Average Interruption Duration Index (SAIDI), which measures the total time, on average, that a customer experiences non-momentary power interruptions in a one-year period. SAIDI is often paired with the System Average Interruption Frequency Index (SAIFI), which measures the frequency of interruptions.

Average total annual electric power interruption duration and frequency per customer, by U.S. state (2021)



Data source: U.S. Energy Information Administration, *Annual Electric Power Industry Report*

Electricity customers in the District of Columbia, Delaware, Florida, North Dakota, and Nevada had the shortest total time of electricity interruptions in 2021, ranging from 52 minutes in the District of Columbia to 102 minutes in Nevada.

Customers in Louisiana, Oregon, Texas, Mississippi, and West Virginia experienced the most time with interrupted power in 2021, ranging from almost 19 hours in West Virginia to over 80 hours in Louisiana. Louisiana also had the highest number of power interruptions, followed by Texas. Long interruptions were largely because of extreme weather events. The United States experienced 21 named storms in 2021, the third-most active Atlantic weather season on record. In addition to four major hurricanes in 2021, a winter storm affected the central United States with Arctic air as far south as Texas.

In February 2021, winter storm Uri hit Texas, where about 4.5 million customers lost power, along with almost half a million customers in Louisiana and Oklahoma. The storm moved into the mid-Atlantic region, knocking out power in West Virginia and Kentucky. Both West Virginia and Kentucky are heavily forested, so power interruptions resulting from falling tree branches are common, especially as a result of winter ice and snowstorms that weigh down tree limbs and power lines. Oregon had both extreme heat and cold weather events in 2021, including a historic ice storm in February and the Bootleg wildfire in August.

In late August 2021, Hurricane Ida left 1.2 million customers in Louisiana without power, some for over two weeks, and it left almost 150,000 customers without power in Mississippi. Hurricane Nicholas followed about two weeks later, leaving half a million customers without power in Texas as well as parts of Mississippi and Louisiana.

Electricity reliability metrics are explained further in our video guide on SAIDI and SAIFI and are available in our *Annual Electric Power Industry Report*.

Principal contributor: Rosalyn Berry

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U.S. Energy Information Administration

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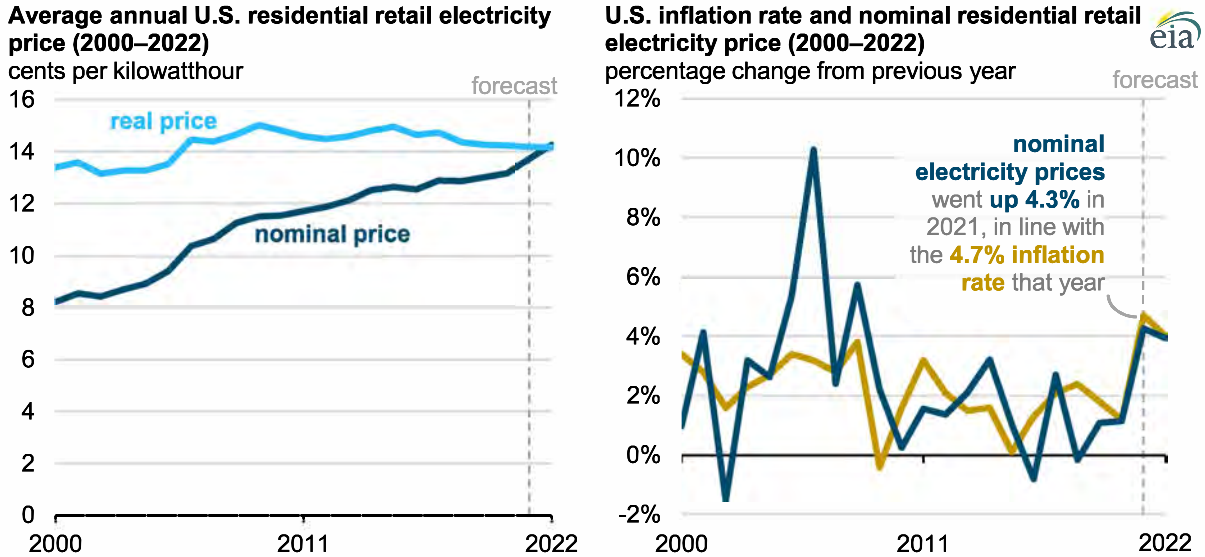
Today in Energy

March 1, 2022

During 2021, U.S. retail electricity prices rose at fastest rate since 2008



Source: U.S. Energy Information Administration, *Short-Term Energy Outlook*

In 2021, the average nominal retail electricity price paid by U.S. residential electric customers rose at the fastest rate since 2008, increasing 4.3% from 2020 to 13.72 cents per kilowatthour (kWh), according to data from our latest *Electric Power Monthly*. This increase is similar to the change in the U.S. Consumer Price Index, which was 4.7% in 2021.

Prices for most types of energy commodities rose significantly in 2021, including the cost of power generation fuels, especially natural gas, which helped push electricity prices higher in 2021. The cost of natural gas delivered to U.S. power plants in 2021 averaged $4.98 per million British thermal units (MMBtu), more than double the $2.32/MMBtu average recorded in 2020.

Severe weather events in 2021, including a major winter storm in Texas that led to significant energy disruptions, also contributed to higher average electricity prices. The extreme cold weather in Texas and other parts of the Central United States restricted the flow of natural gas for power generation, and many wind turbines froze, constraining energy supply. The constraints on electricity supply created price spikes in the wholesale electricity market in Texas and throughout the United States, raising electricity retail prices for some customers.

Although the nominal average price of 13.72 cents/kWh that residential electric customers paid in 2021 was the highest on record, retail electricity prices adjusted for inflation have been slowly declining over the long run. The real price of electricity last year was at the lowest level since just before 2006, when the real U.S. electricity price, measured in 2021 dollars, averaged 13.99 cents/kWh.

In our latest *Short-Term Energy Outlook*, we forecast that residential retail electricity prices will continue to rise in 2022, although at a slightly slower rate. In 2022, we expect the average nominal price will increase by 3.9% to 14.26 cents/kWh. This expected increase in nominal electricity prices would be at a similar growth rate to our assumption for inflation next year (4.0%), which is based on macroeconomic data from IHS Markit.

Principal contributors: Tyler Hodge, Elesia Fasching

GRAN is forecasted to have an average of 87% 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 $48.01 Per MWh, and Market Balancing Energy is forecasted to come in at an average of $77.77 per MWh. This results in a Total Forecasted Power Supply weighted average cost of $52.66 over the upcoming 12 months.

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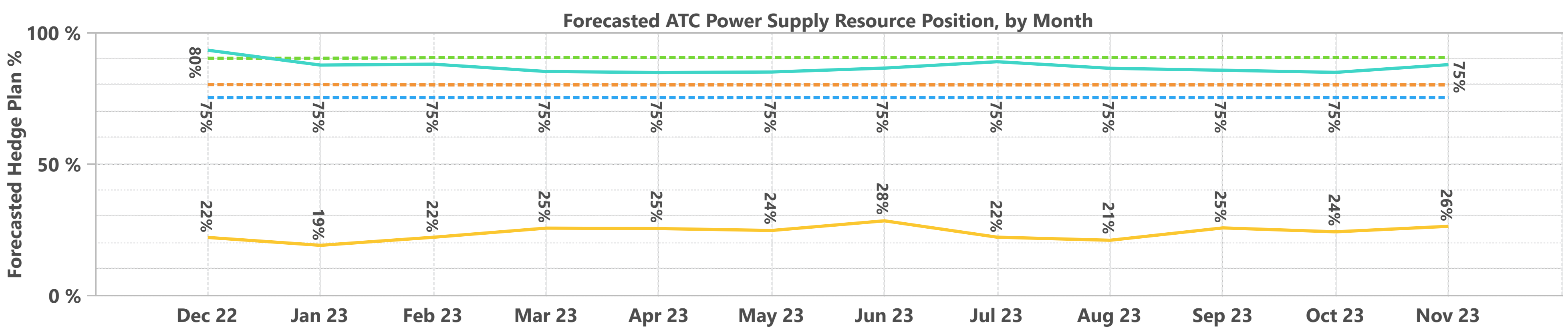
Forecasted Power Supply Resource Position for GRAN

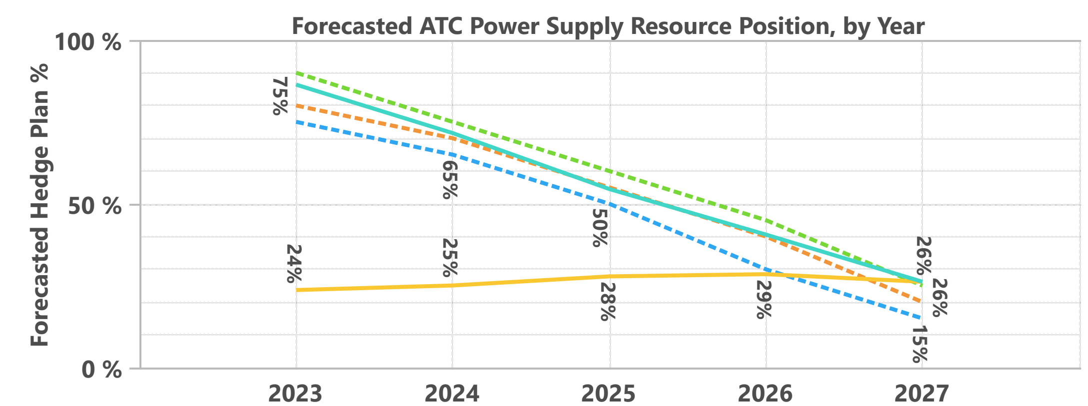
Power Supply, MWh	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
Total Resources, MWh	**21,545**	**22,485**	**20,424**	**21,192**	**19,210**	**20,502**	**22,557**	**27,945**	**26,476**	**21,975**	**20,475**	**20,141**
Project Assets	**1,996**	**1,996**	**1,803**	**1,996**	**1,931**	**1,996**	**1,931**	**1,996**	**1,996**	**1,931**	**1,996**	**1,931**
Landfill Project	1,996	1,996	1,803	1,996	1,931	1,996	1,931	1,996	1,996	1,931	1,996	1,931
Contracted Power Supply	**19,549**	**20,489**	**18,621**	**19,196**	**17,278**	**18,506**	**20,626**	**25,950**	**24,480**	**20,044**	**18,479**	**18,210**
Contracted ESP Renewable PPAs	3,054	2,844	3,290	4,328	3,790	3,921	5,427	4,907	4,376	4,612	3,800	4,059
Contracted Bilateral Energy Transactions	16,495	17,645	15,331	14,868	13,488	14,585	15,198	21,042	20,104	15,432	14,679	14,150

Power Supply, MWh	2023	2024	2025	2026	2027
Total Resources, MWh	**264,010**	**219,894**	**168,945**	**126,842**	**82,397**
Project Assets	**23,498**	**23,562**	**22,924**	**22,359**	**15,809**
Landfill Project	23,498	23,562	22,924	22,359	15,809
Contracted Power Supply	**240,512**	**196,332**	**146,022**	**104,484**	**66,588**
Contracted ESP Renewable PPAs	48,830	53,417	63,332	66,698	66,588
Contracted Bilateral Energy Transactions	191,682	142,915	82,690	37,786	

	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
Forecasted Hedge Plan % (w/o Peaking)	93%	87%	88%	85%	85%	85%	86%	89%	86%	85%	85%	88%
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 %	22%	19%	22%	25%	25%	24%	28%	22%	21%	25%	24%	26%
Forecasted Load	(23,145)	(25,720)	(23,270)	(24,936)	(22,710)	(24,180)	(26,145)	(31,504)	(30,716)	(25,713)	(24,188)	(22,995)
Forecasted Market Balancing, MWh	(1,600)	(3,235)	(2,846)	(3,744)	(3,501)	(3,678)	(3,588)	(3,559)	(4,240)	(3,738)	(3,712)	(2,854)
Forecasted Hedge % (w/ Peaking)	93%	87%	88%	85%	85%	85%	86%	89%	86%	85%	85%	88%

	2023	2024	2025	2026	2027
Forecasted Hedge Plan % (w/o Peaking)	86%	72%	54%	41%	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 %	24%	25%	28%	29%	26%
Forecasted Load	(305,680)	(307,231)	(309,996)	(312,474)	(314,648)
Forecasted Market Balancing, MWh	(41,669)	(87,336)	(141,051)	(185,632)	(232,251)
Forecasted Hedge % (w/ Peaking)	86%	72%	54%	41%	26%





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

Power Supply $'s	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
Total Resources, $'s	**($970,539)**	**($1,480,648)**	**($1,236,039)**	**($881,949)**	**($827,915)**	**($897,057)**	**($991,890)**	**($1,431,076)**	**($1,308,354)**	**($961,742)**	**($874,637)**	**($856,342)**
Project Assets	**($208,026)**	**($213,100)**	**($192,661)**	**($109,337)**	**($206,287)**	**($213,106)**	**($206,287)**	**($213,835)**	**($213,100)**	**($206,287)**	**($213,100)**	**($207,950)**
Landfill Project	($208,026)	($213,100)	($192,661)	($109,337)	($206,287)	($213,106)	($206,287)	($213,835)	($213,100)	($206,287)	($213,100)	($207,950)
Contracted Power Supply	**($762,513)**	**($1,267,548)**	**($1,043,378)**	**($772,613)**	**($621,628)**	**($683,952)**	**($785,603)**	**($1,217,241)**	**($1,095,254)**	**($755,455)**	**($661,537)**	**($648,393)**
Contracted ESP Renewable PPAs	($135,555)	($128,068)	($147,231)	($192,205)	($168,082)	($172,284)	($230,040)	($206,238)	($184,102)	($197,252)	($165,523)	($179,607)
Contracted Bilateral Energy Transactions	($626,958)	($1,139,481)	($896,147)	($580,407)	($453,546)	($511,668)	($555,564)	($1,011,003)	($911,152)	($558,203)	($496,015)	($468,785)
Locational Basis, $'s												
Locational Basis (Projects)	($3,755)	($1,218)	($6,286)	($2,835)	($1,089)	($1,592)	($86)	($85)	($1,689)	($1,454)	($973)	($1,964)
Locational Basis (Contracted Power Supply)	($15,253)	($38,499)	$395	($20,655)	($17,133)	$741	($8,152)	($5,812)	($27,239)	($29,675)	($27,453)	($7,767)

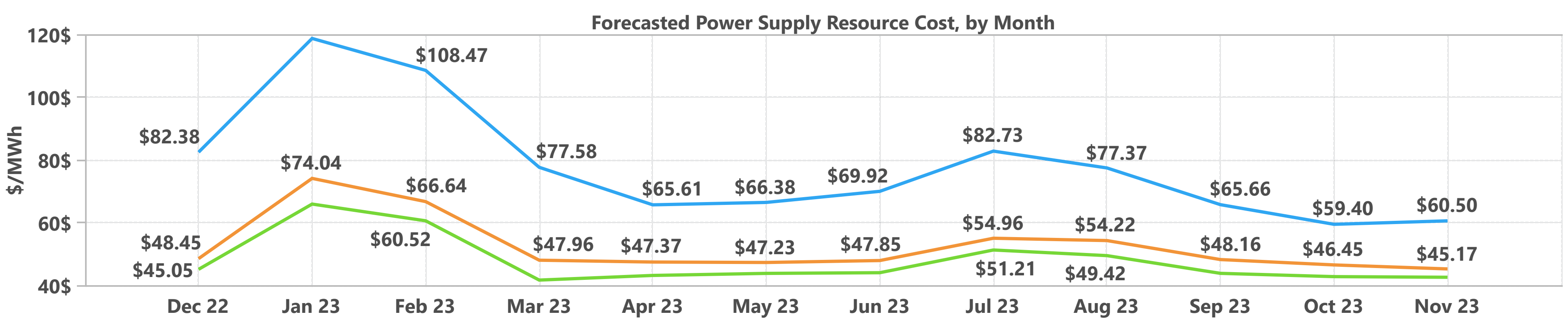
Power Supply $'s	2023	2024	2025	2026	2027
Total Resources, $'s	**($12,657,155)**	**($10,842,389)**	**($8,617,108)**	**($7,309,033)**	**($4,879,250)**
Project Assets	**($2,408,882)**	**($2,503,299)**	**($2,497,970)**	**($2,557,919)**	**($1,836,474)**
Landfill Project	($2,408,882)	($2,503,299)	($2,497,970)	($2,557,919)	($1,836,474)
Contracted Power Supply	**($10,248,272)**	**($8,339,090)**	**($6,119,138)**	**($4,751,114)**	**($3,042,776)**
Contracted ESP Renewable PPAs	($2,125,226)	($2,348,590)	($2,813,515)	($3,000,885)	($3,042,776)
Contracted Bilateral Energy Transactions	($8,123,046)	($5,990,500)	($3,305,623)	($1,750,229)	
Locational Basis, $'s					
Locational Basis (Projects)	($22,375)	($19,469)	($17,158)	($16,859)	($15,071)
Locational Basis (Contracted Power Supply)	($195,457)	($153,108)	($145,733)	($133,564)	($118,623)

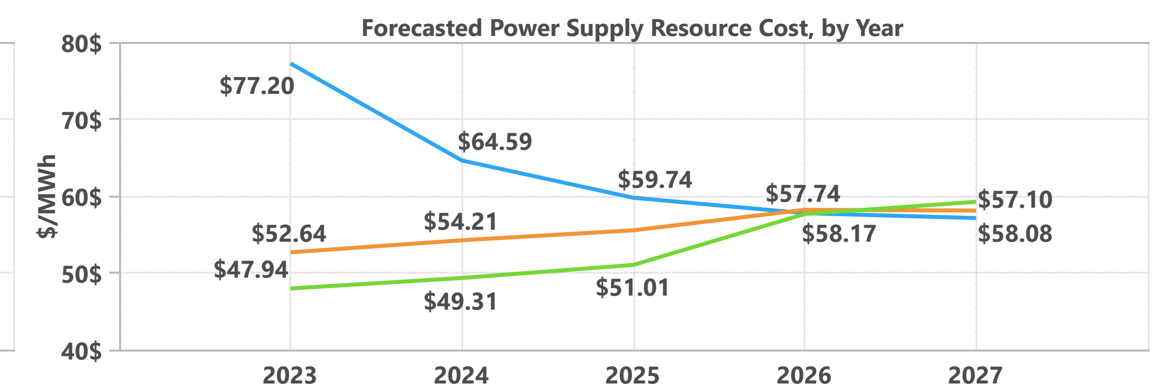
Power Supply $/MWh	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
Power Supply $/MWh												
Project Assets												
Landfill Project	$104.24	$106.78	$106.88	$54.78	$106.81	$106.78	$106.81	$107.15	$106.78	$106.81	$106.78	$107.67
Contracted Power Supply												
Contracted ESP Renewable PPAs	$44.38	$45.03	$44.75	$44.41	$44.35	$43.94	$42.39	$42.03	$42.07	$42.77	$43.56	$44.24
Contracted Bilateral Energy Transactions	$38.01	$64.58	$58.45	$39.04	$33.63	$35.08	$36.55	$48.05	$45.32	$36.17	$33.79	$33.13
Locational Basis, $/MWh												
Locational Basis (Projects)	$1.88	$0.61	$3.49	$1.42	$0.56	$0.80	$0.04	$0.04	$0.85	$0.75	$0.49	$1.02
Locational Basis (Contracted Power Supply)	$0.78	$1.88	($0.02)	$1.08	$0.99	($0.04)	$0.40	$0.22	$1.11	$1.48	$1.49	$0.43

Power Supply $/MWh	2023	2024	2025	2026	2027
Power Supply $/MWh					
Project Assets					
Landfill Project	$102.51	$106.24	$108.97	$114.40	$116.16
Contracted Power Supply					
Contracted ESP Renewable PPAs	$43.52	$43.97	$44.42	$44.99	$45.70
Contracted Bilateral Energy Transactions	$42.38	$41.92	$39.98	$46.32	
Locational Basis, $/MWh					
Locational Basis (Projects)	$0.95	$0.83	$0.75	$0.75	$0.95
Locational Basis (Contracted Power Supply)	$0.81	$0.78	$1.00	$1.28	$1.78

	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
Forecasted Market Balancing LMP, $/MWh	$82.38	$118.65	$108.47	$77.58	$65.61	$66.38	$69.92	$82.73	$77.37	$65.66	$59.40	$60.50
Forecasted Market Balancing LMP, $'s	($131,782)	($383,883)	($308,748)	($290,476)	($229,678)	($244,116)	($250,852)	($294,404)	($328,073)	($245,439)	($220,511)	($172,694)
Total Forecasted Power Supply, $/MWh	$48.45	$74.04	$66.64	$47.96	$47.37	$47.23	$47.85	$54.96	$54.22	$48.16	$46.45	$45.17
Total Forecasted Power Supply Costs, $'s	($1,121,330)	($1,904,247)	($1,550,678)	($1,195,915)	($1,075,814)	($1,142,025)	($1,250,981)	($1,731,377)	($1,665,354)	($1,238,310)	($1,123,574)	($1,038,767)

	2023	2024	2025	2026	2027
Forecasted Market Balancing LMP, $/MWh	$77.20	$64.59	$59.74	$57.74	$57.10
Forecasted Market Balancing LMP, $'s	($3,217,029)	($5,640,842)	($8,426,258)	($10,717,494)	($13,261,341)
Total Forecasted Power Supply, $/MWh	$52.64	$54.21	$55.50	$58.17	$58.08
Total Forecasted Power Supply Costs, $'s	($16,092,015)	($16,655,809)	($17,206,257)	($18,176,950)	($18,274,285)





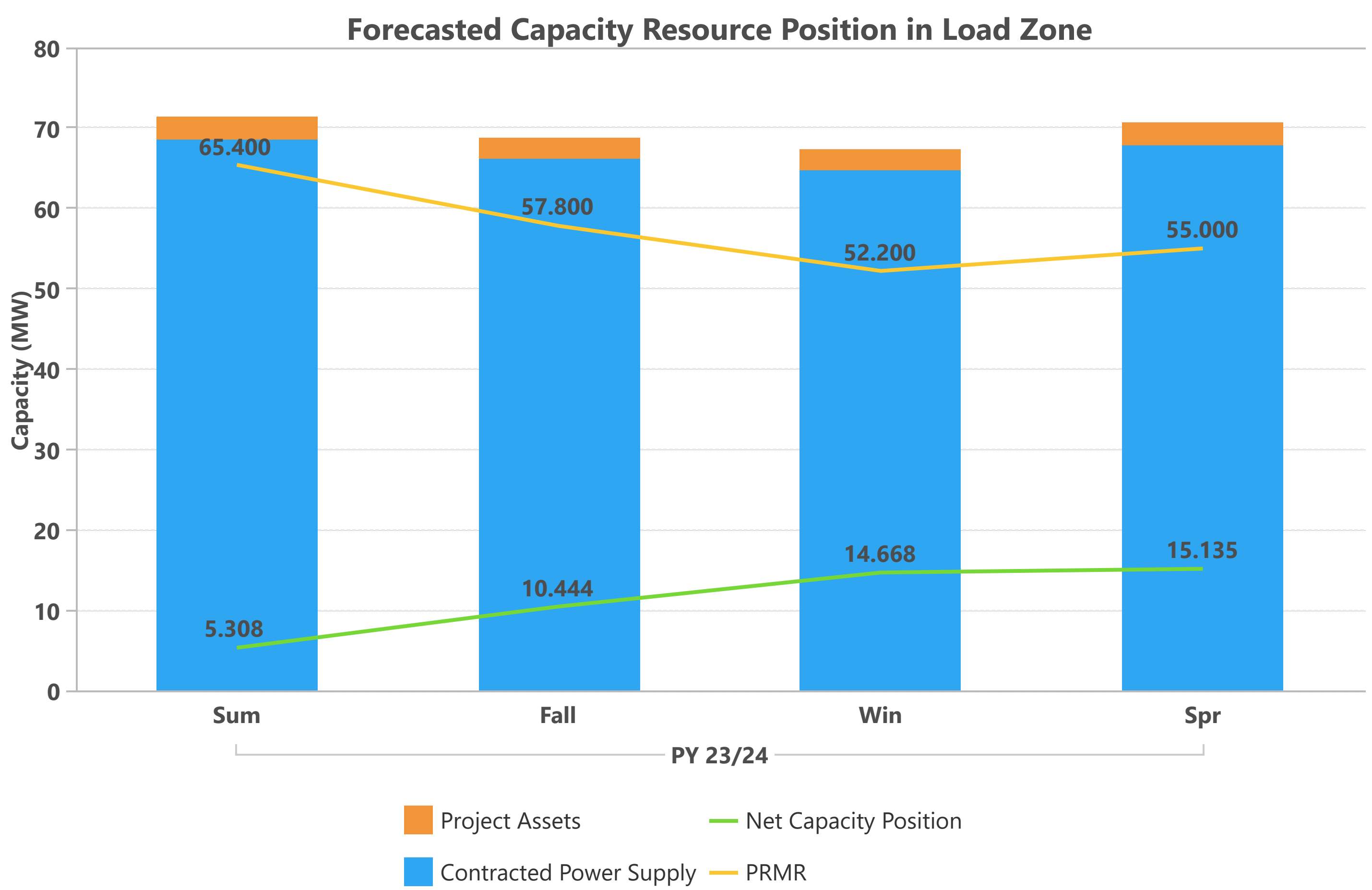
Forecasted Market Balancing LMP, $/MWh — Total Forecasted Power Supply, $/MWh — Contracted Energy, $/MWh

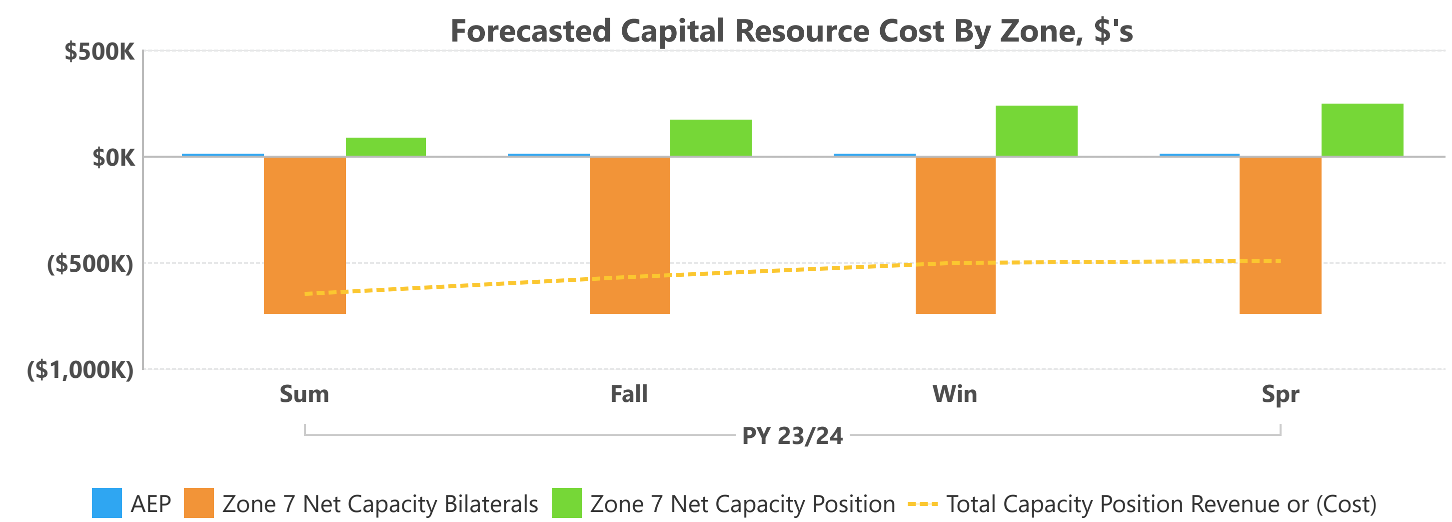
Capacity Resources, MW	PY 23/24			
	Sum	Fall	Win	Spr
Zone 7	**5.308**	**10.444**	**14.668**	**15.135**
Contracted Power Supply	**68.740**	**66.211**	**64.738**	**67.988**
Contracted ESP Renewable PPAs	9.740	7.211	5.738	8.988
Contracted Bilateral Capacity Transactions	59.000	59.000	59.000	59.000
Planning Reserve Margin Requirement	**(65.400)**	**(57.800)**	**(52.200)**	**(55.000)**
PRMR	(65.400)	(57.800)	(52.200)	(55.000)
Project Assets	**1.968**	**2.033**	**2.130**	**2.146**
Landfill Project	1.968	2.033	2.130	2.146
AEP	**0.472**	**0.472**	**0.472**	**0.472**
Project Assets	**0.472**	**0.472**	**0.472**	**0.472**
Landfill Project	0.472	0.472	0.472	0.472

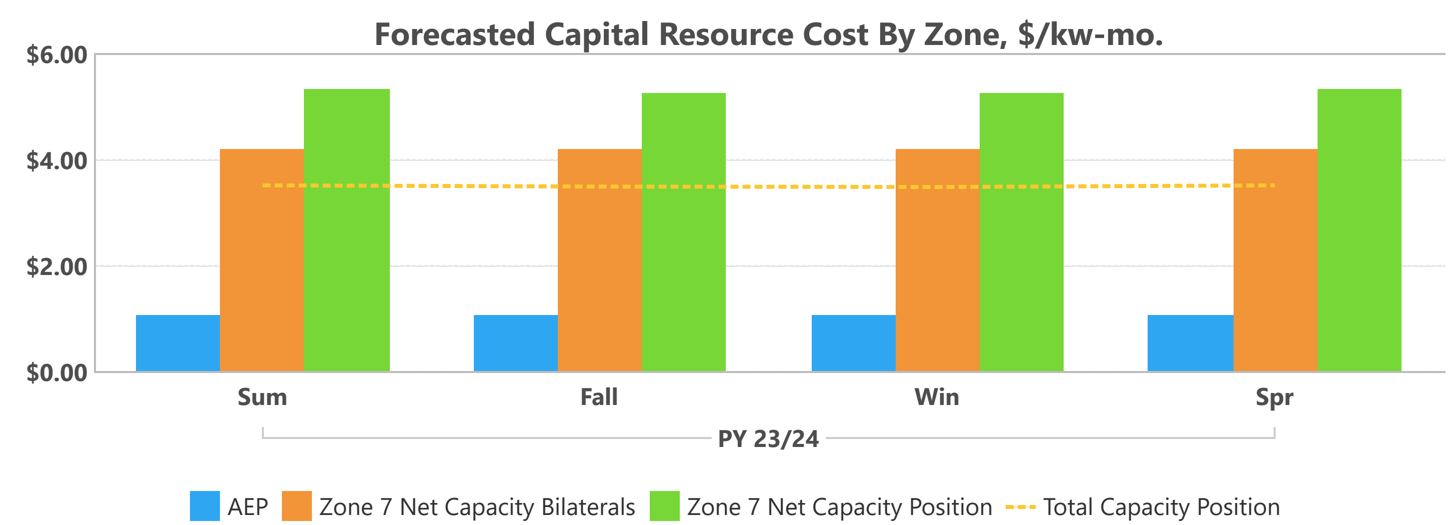
Capacity Resources, $'s	PY 23/24			
	Sum	Fall	Win	Spr
Zone 7				
Net Capacity Position				
$	**$84,288.14**	**$164,042.32**	**$230,388.05**	**$240,335.52**
$/kw-mo.	**$5.29**	**$5.24**	**$5.24**	**$5.29**
Net Capacity Bilaterals				
$	**($737,100.00)**	**($737,100.00)**	**($737,100.00)**	**($737,100.00)**
$/kw-mo.	**$4.16**	**$4.16**	**$4.16**	**$4.16**
AEP				
Net Capacity Position				
$	**$1,487.67**	**$1,471.50**	**$1,471.50**	**$1,487.67**
$/kw-mo.	**$1.05**	**$1.04**	**$1.04**	**$1.05**

Total Capacity Position Revenue or (Cost)	PY 23/24			
	Sum	Fall	Win	Spr
$	**($651,324)**	**($571,586)**	**($505,240)**	**($495,277)**

Total Capacity Position	PY 23/24			
	Sum	Fall	Win	Spr
$/kw-mo.	**$3.50**	**$3.48**	**$3.48**	**$3.50**





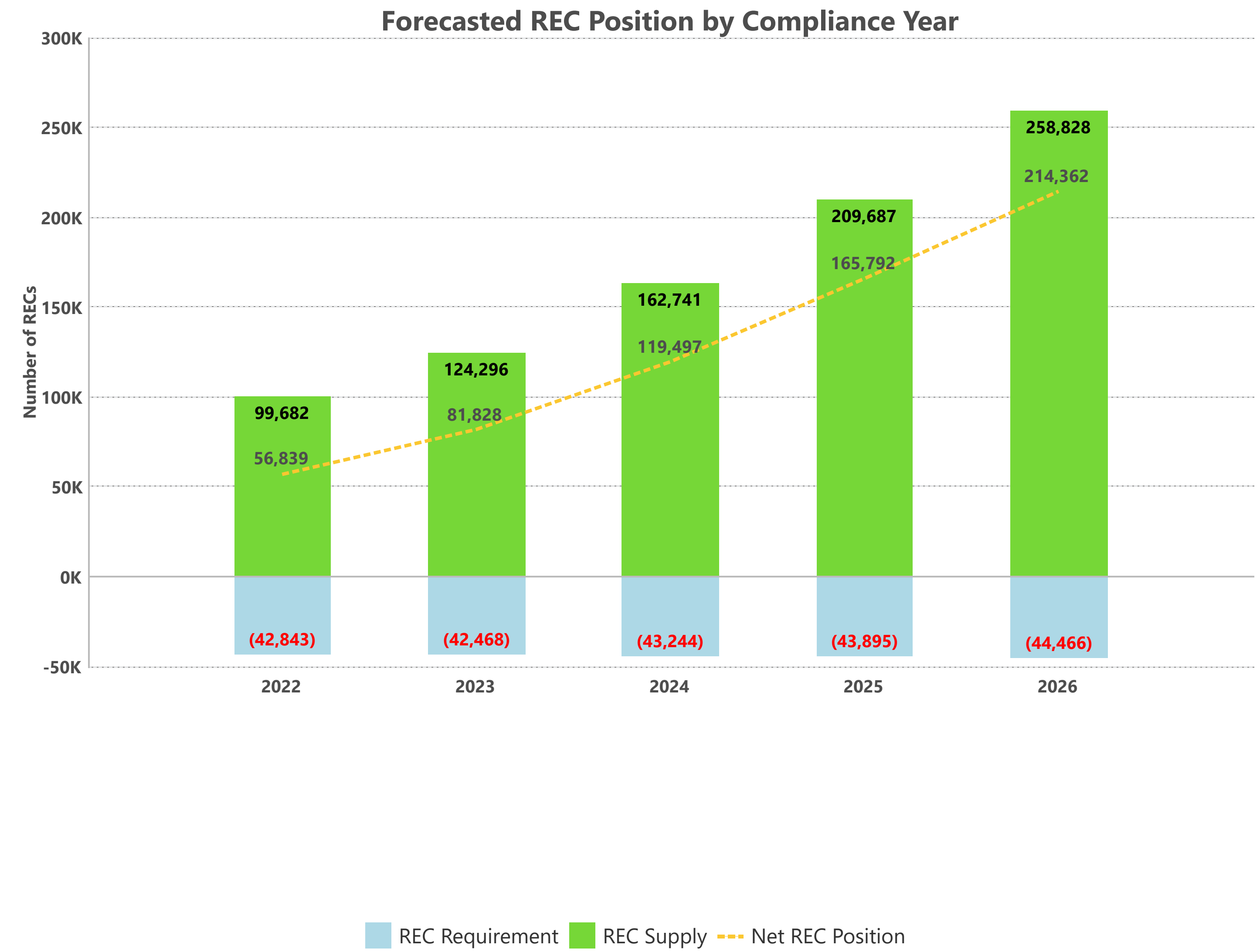


Forecasted Renewable Energy Credit (REC) Position for GRAN

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	**56,839**	**81,828**	**119,497**	**165,792**	**214,362**
Available Banked RECs	35,024	56,839	81,828	119,497	165,792
Hedge Policy REC Requirement	(42,843)	(42,468)	(43,244)	(43,895)	(44,466)
Assembly Solar	9,751	10,595	10,597	10,591	10,604
Assembly Solar Phase II	8,175	8,752	8,755	8,753	8,764
Beebe	6,339	6,291	6,291	6,293	6,295
Hart Solar				5,220	8,670
Invenergy Calhoun Solar	0	475	13,861	13,789	13,729
Landfill Project (EDL)	16,971	17,647	17,697	17,091	16,543
Landfill Project (NANR)	4,679	5,812	5,828	5,812	5,812
Pegasus	18,743	17,885	17,884	17,885	17,886
Savion Calhoun Solar				4,757	4,733

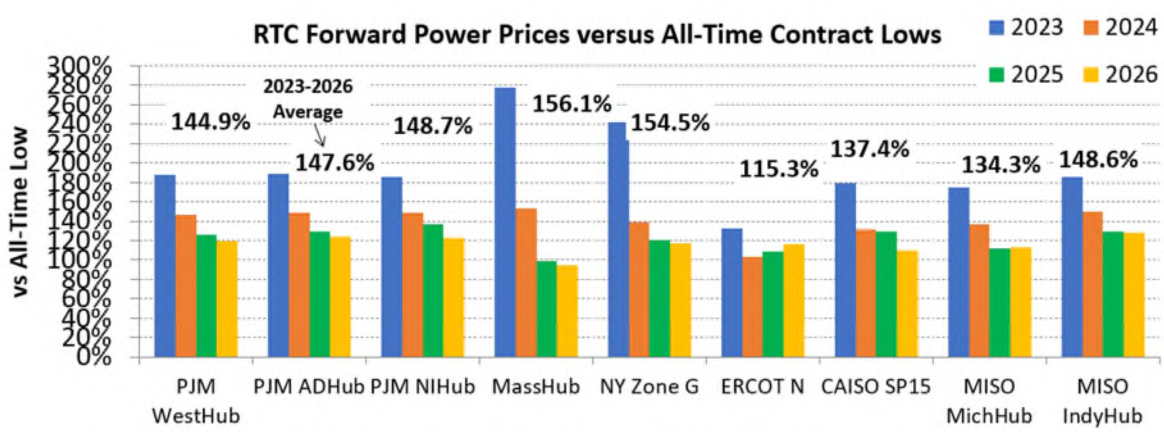
Compliance Year	2022	2023	2024	2025	2026
3 Year Avg Retail Sales	(285,618)	(283,117)	(288,295)	(292,632)	(296,443)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%
Hedge Policy REC Requirement	(42,843)	(42,468)	(43,244)	(43,895)	(44,466)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0



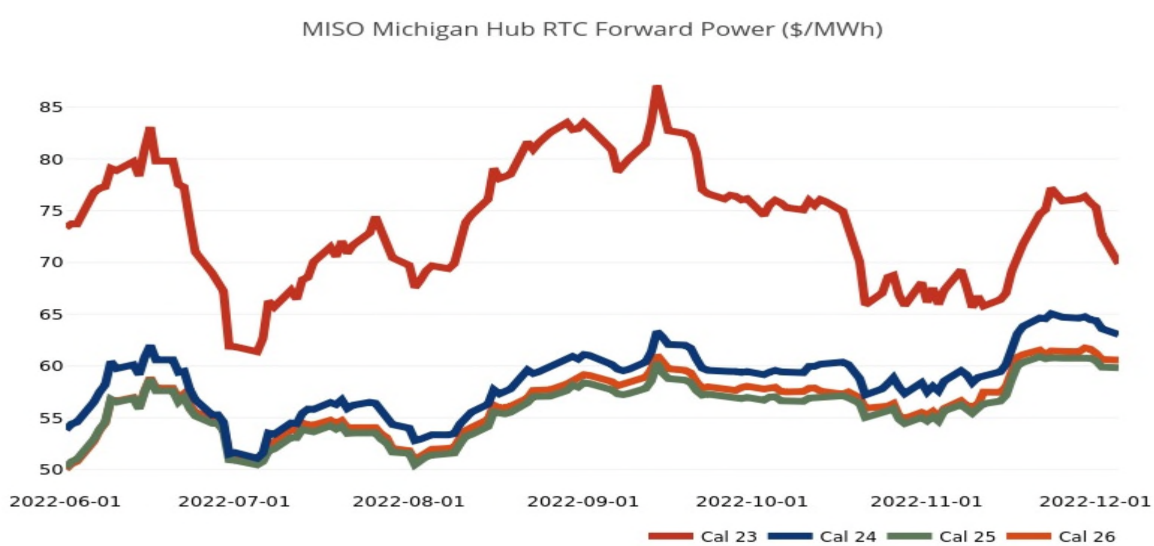
From Constellation Energy Market Update for the week of December 5, 2022

Week Ending	12/2/2022	RTC Day-Ahead Index Prices ($/MWh)			RTC Forward Calendar Strip Prices[1] ($/MWh)			
Electric Hub	ISO	Min	Max	Avg	2023	2024	2025	2026
Indiana Hub	MISO	$33.28	$111.55	$60.00	$73.92	$64.64	$60.94	$61.32
Michigan Hub	MISO	$28.28	$102.53	$52.89	$72.68	$63.60	$59.89	$60.63
PJM West Hub	PJM	$36.40	$111.32	$55.20	$75.17	$64.64	$60.41	$59.15
AEP-Dayton Hub	PJM	$33.35	$102.59	$53.11	$70.78	$60.80	$56.22	$54.91
N. Illinois Hub	PJM	$12.43	$89.44	$42.50	$61.43	$53.59	$49.24	$47.90
Mass Hub	ISO-NE	$30.09	$180.62	$63.81	$122.89	$90.23	$73.94	$72.36
NYZ J	NYISO	$41.13	$120.52	$63.26	$100.90	$79.58	$74.70	$74.56
ERCOT N[2]	ERCOT	$6.78	$218.29	$43.74	$59.09	$49.13	$46.20	$45.55
SP15	CAISO	$70.37	$262.98	$137.00	$92.15	$77.98	$76.49	$70.88

[1]These prices are an indicative, non-transactable snapshot of the wholesale market as of close of business on Friday of the report week. Actual price on contract is contingent upon customer's load, product and market prices at time of execution. [2]ERCOT index prices are from Real-Time market.



Notes: 0% implies forward prices are currently trading at all-time, life-of-contract lows. All prices are indicative wholesale marks.



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RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER'S COMMITMENT TO COLLECT AND PROVIDE TWENTY-FIVE PERCENT (25%) OF THE $1,037,151 ADVANCE TO THE CITY OF GRAND HAVEN FOR ITS SNOWMELT REPLACEMENT EQUIPMENT CAPITAL COSTS

WHEREAS THE BOARD OF LIGHT AND POWER DETERMINES THAT PAYMENT OF TWENTY-FIVE PERCENT (25%) OF THE CITY SNOWMENT REPLACEMENT EQUIPMENT ADVANCE IS CONSIDERED TO BE AN APPROPRIATE USE OF ELECTRIC UTILITY REVENUES; AND,

WHEREAS THE GRAND HAVEN BOARD OF LIGHT & POWER WILL PAY AN EQUIVALENT ELECTRIC OPERATING SNOWMELT EXPENSE TO THE CITY FOR THEM TO USE AS A FUNDING MECHANISIM FOR THIS PURPOSE.

NOW THEREFORE BE IT RESOLVED THE BOARD OF LIGHT AND POWER WILL COLLECT A 5% ADDITIONAL MONTHLY SERVICE CHARGE FOR ALL CUSTOMERS IN EACH RATE CLASS TO FUND A PORTION OF THE CITY SNOWMELT REPLACEMENT EQUIPMENT CAPITAL COST FOR A PERIOD OF 17 MONTHS BEGINNING IN FEBRUARY 2023 AND ENDING IN JUNE 2024; AND,

BE IT FURTHER RESOLVED THAT THE SURCHARGES COLLECTED WILL BE EXPENSED AND FORWARDED TO THE CITY OF GRAND HAVEN TO BE USED TO REIMBURSE 25% OF THE BOARD OF LIGHT & POWER ADVANCE OF $1,037,151 TO THE CITY OF GRAND HAVEN.

RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER'S COMMITMENT TO CALCULATE AND ACCEPT THE CITY'S POWER SUPPLY COST ADJUSTMENT (PSCA) 5% TRANSFER AS REPAYMENT FOR THE CITY SNOWMELT REPLACEMENT EQUIPMENT ADVANCE

WHEREAS THE BOARD OF LIGHT & POWER WILL IDENTIFY THE PORTION OF EACH MONTHLY TRANSFER TO THE CITY OF GRAND HAVEN THAT IS ATTRIBUTED TO THE PSCA RETROACTIVELY TO SEPTEMBER 1, 2022; AND,

WHEREAS THE BOARD OF LIGHT AND POWER DETERMINES THAT A REASONABLE INTEREST CHARGE ON THE SNOWMELT REPLACEMENT EQUIPMENT ADVANCE TO THE CITY IS ZERO PERCENT.

NOW THEREFORE BE IT RESOLVED THE BOARD OF LIGHT & POWER WILL ACCEPT 5% OF THE PSCA AMOUNT AS THE CITY'S MONTHLY REPAYMENT INSTALLMENT ON THE ADVANCE UNTIL SUCH TIME AS THE ADVANCE IS REPAID IN FULL.

6C

Proposed Electric Rate Recovery of Snowmelt Heating Equipment Capital Cost

Snowmelt Heating Equipment Capital Costs: **$1,037,151**

Percent Recovery From Electric Customers: **25.0%**
$ Recovery From Electric Customers: **$259,287.75**
Annual FY 2023 Budgeted Total Retail Electric Revenues (w/o Str. Ltg.): $37,025,000.00

5.00% Percent Increase In Monthly Customer Service Fee

0.50% Percent Increase In Annual Retail Revenues

	Rate Class	Customer Accounts	Monthly Service Charge	Total Monthly Service Charges	Proposed Monthly Snowmelt Surcharge	Total Snowmelt Surcharge Dollars	Monthly Service Fee % Increase
Residential	RS	12,025	$15.00	$180,375.00	**$0.75**	$9,018.75	5.00%
	RSS*	1,325	$10.00	$13,250.00	**$0.75**	$993.75	
		13,350		**$193,625.00**		**$10,012.50**	
Commercial	GSS	1,409	$37.50	$52,837.50	**$1.88**	$2,641.88	5.00%
	GSP	2	$100.00	$200.00	**$5.00**	$10.00	5.00%
	GSLS	190	$150.00	$28,500.00	**$7.50**	$1,425.00	5.00%
	GSLP	14	$350.00	$4,900.00	**$17.50**	$245.00	5.00%
		1,615		**$86,437.50**		**$4,321.88**	
Industrial	GSS	65	$37.50	$2,437.50	**$1.88**	$121.88	5.00%
	GSP	4	$100.00	$400.00	**$5.00**	$20.00	5.00%
	GSLS	22	$150.00	$3,300.00	**$7.50**	$165.00	5.00%
	GSLP	36	$350.00	$12,600.00	**$17.50**	$630.00	5.00%
		127		**$18,737.50**		**$936.88**	
Municipal	GSS	108	$37.50	$4,050.00	**$1.88**	$202.50	5.00%
	GSP	0	$100.00	$0.00	**$5.00**	$0.00	5.00%
	GSLS	6	$150.00	$900.00	**$7.50**	$45.00	5.00%
	GSLP	3	$350.00	$1,050.00	**$17.50**	$52.50	5.00%
		117		**$6,000.00**		**$300.00**	
All Retail Electric Customers		**15,209**		**$304,800.00**		**$15,571.25**	

***RSS Note: $5.00 Monthly Senior Citizen Credit applied to Monthly Residential Service Charge (65 years or older)**

Months to recover Costs: 16.7

Service Area	Residential			Commercial			Industrial			Municipal			Total				
City of Ferrysburg	1,473	11.28%	$1,130	202	12.35%	$534	56	31.28%	$293	3	2.56%	$8	1,734	11.57%	$1,964	12.61%	$33,393
City of Grand Haven	6,110	46.81%	$4,687	1,139	69.62%	$3,009	112	62.57%	$586	111	94.87%	$285	7,472	49.86%	$8,567	55.01%	$145,631
Grand Haven Township	3,528	27.03%	$2,706	163	9.96%	$431	8	4.47%	$42	1	0.85%	$3	3,700	24.69%	$3,181	20.43%	$54,081
Robinson Township	128	0.98%	$98	8	0.49%	$21	0	0.00%	$0	0	0.00%	$0	136	0.91%	$119	0.77%	$2,028
Spring Lake Township	1,814	13.90%	$1,391	124	7.58%	$328	3	1.68%	$16	2	1.71%	$5	1,943	12.97%	$1,740	11.17%	$29,578
	13,053		$10,013	1,636		$4,322	179		$937	117		$300	14,985		$15,571		$264,711

Renee Molyneux
18030 Mohawk Drive
Spring Lake, MI 49456

Mr. David Walters
General Manager
Grand Haven Board of Light & Power
1700 Eaton Drive
Grand Haven, MI 49417

December 1, 2022

Dear Dave,

I'm writing to inform you that my final day of work at the Grand Haven Board of Light & Power will be March 31, 2023. At that time, I plan to retire.

While I look forward to this next chapter of my life, I am grateful for my career with the Board of Light & Power and want to thank you, the Board, and the entire GHBLP team for the opportunity to contribute to the many successes of this organization.

As I transition out of my role, I am happy to assist with the transfer of responsibilities in any way I can as I continue to work to complete current and ongoing projects.

Thank you again. I wish you and the Board all the best as you continue to move the Board of Light & Power forward.

Best regards,

Renee Molyneux

Renee Molyneux