

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, April 20, 2023

Meeting to be held at 1700 Eaton Drive

6:00 PM

1. Call to Order / Roll Call / Excuse Absent Members
2. Approve Meeting Agenda
3. Public Comment Period
 - A. Expected Visitor – Joy Gaasch, President, Grand Haven Chamber of Commerce
4. Consent Agenda
 - A. Approve Minutes of the March 16, 2023, Governance Training Workshop and the March 16, 2023, Regular Board Meeting
 - B. Receive and File: March Financial Statements, Power Supply and Retail Sales Dashboards
 - C. Receive and File: March Key Performance Indicator (KPI) Dashboard
 - D. Receive and File: MPPA Energy Services Project Resource Position Report (dated 04/07/2023)
 - E. Receive and File: Constellation Energy Market Update Graphs (dated 4/11/2023)
 - F. Approve Payment of Bills (\$2,657,239.65 in total)
 1. In the amount of \$2,412,334.94 from the Operation & Maintenance Fund
 2. In the amount of \$244,904.71 from the Renewal & Replacement Fund
 - G. Approve Confirming Purchase Orders (\$29,260 in total)
 1. PO #22598, IPKeys Power Partners, Inc., \$8,000 (Cybersecurity monitoring annual subscription)
 2. PO #22616, Power Line Supply Company, \$5,160 (Rubber gloves, sleeves, and hose testing)
 3. PO #22617, Cooperative Response Center, Inc., \$9,300 (CRC Link user license)
 4. PO #22619, Dykstra Landscape Management, \$6,800 (2023 lawn care)
5. General Manager's Report
 - A. Approve Purchase Orders (\$1,268,782 in total)
 1. PO #22563, Power Line Supply Company, \$145,170 (Overhead material for OF34 and OF42 circuit rebuild project)
 2. PO #22594, Irby Utilities, \$13,995 (3 x 200 kVAR capacitors)
 3. PO #22608, Kent Power Inc., \$933,909 (Construction contract for OF34 and OF42 circuit rebuild project)
 4. PO #22609, Irby Utilities, \$50,428 (7 x 25 kVA and 5 x 50 kVA pole-mount transformers)
 5. PO #22610, Resco, \$125,280 (7 x 25 KVA, 5 x 50 kVA, and 8 x 75 KVA pole-mount transformers)
 - B. Fiscal Year 2024 Initial Budget and Capital Plan Presentation (requires approval at May Board meeting)
 - C. Update on Evaluation of BLP Reuse of Former City Fire Station Property
6. Chairman's Report
 - A. Joint Meeting with City Council Planning
 - B. BLP Response to Proposed Charter Amendment Petition Announcement and Appropriate Participation in the Process Going Forward by Individual Board Members, the Board as a Whole, and Staff
7. Other Business
 - A. May's Regular Board Meeting is May 25th, the 4th Thursday

8. Public Comment Period

9. Closed Session under Section 8.(1)(d) of the Open Meetings Act to Consider Purchase of Real Estate

10. Adjourn

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4. B. The BLP Financial Statements and Dashboards for the month ending March 31, 2023, are provided for your information. These financial statements represent the BLP's financial position following nine months of fiscal year 2023 (75%).

Current Assets total \$34,216,923 showing a year-over-year decrease of \$446,913, or 1.3%.

Remaining 2021 electric revenue bond proceeds and accumulating bond redemption funds (**Non-Current Assets**) have decreased to \$9,531,136 (\$12,174,123 in FY 2022), **\$8,842,439** 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. The next principal payment of \$2,400,000 will be made on January 1, 2024.

Non-Current Assets in both years include an "advance to City of Grand Haven" for snowmelt heating equipment installed in 2020 using electric utility revenue Bond Anticipation Notes (BANs). The advance to the city is and will be reduced monthly by the return of an amount to the BLP equal to 5% of the PSCA. The advance now totals \$749,021. The BLP assumed 25% of the cost and will be crediting 100% of the additional amount collected from BLP customers on their service fees to that portion.

Cash (including non-current restricted amounts in the Bond Construction and Bond Redemption Funds) decreased 6.5% (or \$2,831,479) year-over-year to \$40,663,262.

As is displayed on the KPI dashboard, cash continues to be drawn upon at a rate well below that planned. Elements of our plans (capital investment and spending on environmental mitigation measures on the Sims site) have been delayed to a significant extent over the calendar year 2022 and 2023 YTD, and related project cost estimates are escalating. These factors, in addition to higher power supply costs and lower than expected retail sales, represent challenges to the BLP in achieving its strategic and financial objectives established in its Fiscal Years 2022-2026 Strategic Plan as well as the current approved budget. These challenges are addressed in greater detail in the staff's initial FY 2024 budget presentation (item 5.B. on your agenda).

Accumulated **Construction In-Progress** now stands at \$3,512,024. The net result of capital additions, deletions, and amortized depreciation over the last twelve months reflects an increase of **\$1,764,672**, or 5.2%, in the value of the BLP's **Capital Assets** (book value) year-over-year. That Capital Asset balance now stands at \$36,023,133 (as compared to \$34,258,461 on March 31, 2022), this represents 39.3% of current Total Assets. The booked value of these current Capital Assets is 31.5% depreciated.

The net combined unfunded Pension/OPEB liability now stands at a **negative \$174,481**. The fiscal year-end 2022 adjustments were based on the December 31, 2021, actuarial

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report and do not reflect any investment earnings (or loss) during calendar year 2022. December 31, 2022, actuarial report is now being conducted and can be expected in late spring of 2023.

Additional liabilities for "Asset Retirement Obligations – (Environmental Mitigation)" now total \$16,033,102, up \$9,750,801 (+155%) year-over-year.

Total Assets are now \$91,729,664, a decrease of 0.6% (\$541,069) year-over-year.

Retained Earnings are down 10.2% year-over-year (-\$5,436,737), primarily the result of the increased Asset Retirement liability booked during FY 2022 year-end adjustments discussed above.

The March 2023 Statement of Revenues and Expenses shows **Total Charges for Services** for the fiscal year are 2.78% below the YTD prorated budget and 1.50% above last fiscal year. The Sales Dashboard shows **the annual average retail customer revenue per kWh – (total retail charges divided by total retail sales) – is up to \$0.1263 per kWh or a 3.25% increase compared to FY 2022.**

Sales volume (including street lighting) fiscal year-to-date was down 1.8% as compared to FYTD 2022, industrial sales are down by 0.80%, commercial sales are down 1.70%, municipal sales are down 0.36% – **net FYTD commercial/industrial/municipal kWh sales volume then decreased by 1.14%** (the percentage of total sales increased to 67.8%). **Residential sales volume was down 2.86%** (31.9% of sales). Street lighting remained a small portion of the entire system load at approximately 0.35% (reductions in consumption are due to accelerated LED street lighting replacement program).

The Power Supply Cost Adjustment was reinstated in September 2022 after 26 months with zero adjustment in base charges to recover changes in wholesale power supply costs. As a result, the system average revenue per kWh year-over-year has increased each month since (as displayed on the KPI dashboard), is now leveling off, and is expected to remain relatively constant through FY 2024 (as proposed in our FY 2024 budget presentation).

Total Operating Expenses (before depreciation and legacy pension expenses) for FYTD 2023 are \$866,021, or 3.9%, below budget, and \$2,894,562, or 15.6%, above FYTD 2022. **Total power supply expenses are up \$2,820,453 in FYTD 2023 over FYTD 2022 (+22.9%)**. The total power supply expense increase then represents 97.4% of the increased total operating expenses for the first nine months of FY 2023 over FY 2022. It is important to note here then that **all other expenses are \$74,110 (+1.2%) above these same expenses in FYTD 2022, and \$160,055 below FYTD 2023 budget (-2.5%)**.

Renewable purchases increased 11.3% FYTD 2023 over FYTD 2022 to 21% of total energy volume, primarily the result of increased solar purchases.

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4. 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, now in a consolidated document.

I would note the following:

- (1) Reliability metric (SAIDI) 12-month rolling average below 3-hour goal (Good)
- (2) Power Supply metric, monthly system input FYTD, as compared to estimated FYTD budgeted forecast, below estimate by 2.9% (borderline Good)
- (3) Actual average retail revenues per kWh FYTD now slightly above projected average retail revenues per kWh FYTD (Good)
- (4) Power Supply Cost Adjustment (PSCA) revenues remain behind our estimated pace of implementation, however, the March PSCA is now above that anticipated at this point and total PSCA revenues are within the "Good" range.
- (5) Cash on hand continues to exceed that of our FY 2023 financial plan as a result of deferred spending (primarily environmental remediation costs on the Sims site)

4. E. Constellation Energy Market Update Graphs – Calendar years 2024-2027 MISO Michigan Hub Annual Round-the-Clock (24 x 365) Forward Power Prices range from \$52 to \$60/MWh, and approximately 90% above their "All-Time Contract Lows" (from executed transactions 18-24 months ago). The remainder of calendar year 2023 RTC transactions are trading below previous calendar year-end (2022) hedges. In late 2022, Annual Calendar 2024 RTC was trading above Calendar Years 2025-2027 (displaying downward pressures on energy prices). Over the last six months this inverted forward curve has been reversed with 2024 showing relative stability (and some downward movement) and the outyears showing substantial year over year increases.

4. G. Confirm Purchase Orders – There are four (4) confirming Purchase Orders on the Consent Agenda this month totaling **\$29,260** 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).

5. A. Approve Purchase Orders – There are five (5) additional Purchase Orders totaling **\$1,268,782** on the regular agenda.


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The PO number, contractor name, associated dollar value, and short description of these items are listed on the agenda.

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

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

5. B. Fiscal Year 2024 Initial Budget and Capital Plan Presentation – Attached is staff's initial presentation of the BLP's FY 2024 Operating Budget and Five-Year proposed Capital Plan (and associated financial plan and recommended Minimum Cash Reserve level). (No Board action is requested at this meeting. Budget and Capital Plan approval will be required in May).
5. C. Update on Evaluation of BLP Reuse of Former City Fire Station Property – Additional information regarding this review is attached. Although a Board work study session was scheduled for April 26, prior to our scheduled Joint Board Council meeting, staff (after consultation with the Chairman) is not recommending any further action on this proposed reuse at this time. The Board may desire to cancel this meeting accordingly.
6. Chairman's Report – Attached is the publicly distributed information from the group calling itself the BLP Charter Change Coalition for the Board's information. No further information is included as attachments for this portion of the agenda. The Chair asked that these items be put on the agenda for the Board's discussion. (No Board action is requested or anticipated).
9. The Board will be asked to go into closed session to review a potential Real Estate transaction. Confidential information will be distributed during this portion of the meeting. (No Board action is allowed during closed session and no action is expected thereafter).

DW/dm 
Attachments
04/17/23

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 16, 2023

A Training Workshop of the Grand Haven Board of Light and Power was held on Thursday, March 16, 2023 at 3:00 PM for the Board and Executive Staff at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 3:00 p.m. by Chairperson Westbrook.

Present were Directors Crum, Knoth, Witherell and Westbrook.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Erik Booth, Operations & Power Supply Manager; Lynn Diffell, Accounting & Finance Manager; Rob Shelley, Distribution & Engineering Manager; Danielle Martin, Administrative Assistant; Christopher Johnson and Eleanor Siewert, Michigan Municipal League.

23-04A Director Witherell, supported by Director Knoth, moved to approve the meeting agenda.

The motion was unanimously approved.

Public Comment Period – No comments were provided.

23-04B Open Meetings Act and Parliamentary Procedures Training was provided by Christopher Johnson and Eleanor Siewert from Michigan Municipal League.

No formal action was taken during this training workshop.

At 6:02 PM, the March 16, 2023 workshop was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
MARCH 16, 2023

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, March 16, 2023, at 6:00 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 6:10 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; Rob Shelley, Distribution & Engineering Manager; Erik Booth, Operations & Power Supply Manager; AnnMarie Sanford, Dickinson Wright; Lara Zawaideh, HDR via Zoom; and David Shull, Progressive A.E.

23-05A Director Witherell, supported by Director Crum, moved to approve the 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.

23-05B Director Witherell, supported by Director Hendrick, moved to approve the consent agenda items. The consent agenda includes:

- Approve the Minutes of the February 16, 2023 Implicit Bias Training Workshop and the February 16, 2023 Regular Board Meeting
- Accept and file the February 2023 Financial Statements and Power Supply & Retail Sales Dashboard
- Accept and file the February KPI Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated February 28, 2023
- Accept and file the Constellation Energy Market Graphs from March 3, 2023
- Accept and file the American Rescue Plan packet
- Accept and file the 2023 MPPA Stakeholders Meeting, to be held on May 18, 2023
- Approve paying bills in the amount of \$2,651,840.95 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$156,940.74 from the Renewal and Replacement Fund
- Confirm Purchase Order #22534 to Schweitzer Engineering Laboratories in the amount of \$6,285.36 for Fiber Optic Cable for the Osipoff Control House Project

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.

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23-05C Lara Zawaideh, HDR, provided an update on the Harbor Island environmental project to the Board primarily focusing on CCR activities.

AnnMarie Sanford, Environmental Attorney at Dickinson Wright, reported she has been negotiating the Administrative Consent Order (ACO) with EGLE. They are now reviewing the additional comments.

Discussion regarding who executes and approves the ACO was held. The BLP has been removed from the project and is no longer in control of the site; therefore, those who are in control of the site should sign the ACO. Sanford stated the party that executes the ACO will be doing so on behalf of the BLP.

No formal action taken.

23-05D Updates from Brittany Goode, City of Grand Haven Sustainability & Energy Commission and Ryan Cotton, Community Energy Planning Committee were provided.

No formal action taken.

23-05E Director Witherell, supported by Director Knoth, moved to approve the following Purchase Orders:

- Approve Purchase Order #22326-1 to Newkirk Electric in the amount of \$36,266 for additional substation exits conduit work for the Osipoff Control House Project
- Approve Purchase Order #22539 to Alpine Power Systems in the amount of \$7,950 for 2023 annual substation battery testing
- Approve Purchase Order #22548 to Joint Michigan Apprentice Program in the amount of \$24,420 for Apprentice Lineworker tuition and books
- Approve Purchase Order #22553 to Power Line Supply in the amount of \$25,498 to purchase streetlights for the LED Conversion Project
- Approve Purchase Order #22555 to Border States Electric in the amount of \$16,720 for 4/0 Tri-Plex Wire
- Approve Purchase Order #22560 to Power Line Supply in the amount of \$543,260.27 for Hendrix Wire for the OF34 and OF42 Project
- Approve Purchase Order #22561 to Brown Wood Preserving Co. in the amount of \$93,989.03 for wood poles for the OF34 and OF42 Project and BLP stock
- Approve Purchase Order #22562 to Western Tel-Com in the amount of \$129,400 for underground labor for that OF34 and OF42 Project
- Approve Purchase Order #22565 to Irby in the amount of \$22,250.50 for switches and fuses for that OF34 and OF42 Project

GRAND HAVEN BOARD OF LIGHT AND POWER
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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.

23-05F Director Witherell, supported by Director Crum, moved to appoint Danielle Martin as Secretary to the Board effective April 1, 2023.

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.

23-05G Director Witherell, supported by Director Crum, moved to request an extension for the Permit to Install a Combined Heat and Power Plant on Harbor Island.

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.

23-05H The Board reviewed and discussed proposed Board budget items that will be incorporated into the FY2024 budget.

No formal action taken.

23-05I Director Hendrick, supported by Director Witherell, moved to authorize Chairperson Westbrook to work with Mayor McNally to schedule and establish an agenda for a joint meeting of the Board and 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.

23-05J The Board discussed a letter written by the Executive Staff team regarding Board treatment of professional consultants.

No formal action taken.

23-05K The Board recognized and thanked Mike Kellogg for his thirty years of service and Renee Molyneux for her fifteen years of service with the Board of Light & Power.

No formal action taken.

23-05L David Shull, Progressive A.E., presented an evaluation of the City's former Fire Station located on the corner of N. 5th Street and Columbus. Project costs are estimated in the \$3.3 to \$4.3 million dollar range and project completion is estimated to take approximately 14 months given increasing lead times for materials.

The Board was asked to submit any questions to the General Manager in the next couple weeks. A work study will be scheduled to discuss next steps.

No formal action taken.

GRAND HAVEN BOARD OF LIGHT AND POWER
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23-05M Rob Shelley, Distribution & Engineering Manager, provided a 2022 GHBLP Reliability update to the Board. Shelley reported the BLP's performance is better than state and national averages in all categories. Causes for power outages have all been distribution related. Improvements to the distribution system are paying off.

No formal action taken.

23-05N Erik Booth provided a draft FY2024 Power Supply Budget to the Board. Booth reported the BLP's renewable portfolio is increasing, currently at 22% and is expected to be at 26% in FY2024. Power supply costs are lower than FY2023 projections. Future capacity and transmission pricing is likely to increase due to volatility in the market.

No formal action taken.

Public Comment Period –

Jim Hagen, 400 Lake stated, while expensive, he likes the Fire Station re-use opportunity. Hagen encouraged the Board to continue evaluation and consider installing solar panels on the roof. Hagen feels, if the site is capped, Harbor Island is a good location to install a solar array.

David Mann, 515 Howard Ave. agrees the Board, especially today, should have legal assistance and recognized the importance of BLP frontline workers.

Chairperson Westbrook recognized and thanked BLP lineworkers who provided mutual aid restoration assistance in Hillsdale and in the Hart area caused by ice storms.

The General Manager advised the Board MDOT is now fully maintaining their US31 traffic signals. The BLP is still maintaining municipal traffic lights within our service territory.

No formal action taken.

At 9:07 PM by motion of Director Hendrick, supported by Director Knoth, the March 16, 2023 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 MARCH 2023**

	<u>MARCH 2023</u>	<u>MARCH 2022</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$31,132,126	\$31,320,618
ACCOUNTS RECEIVABLE	3,871,829	3,686,191
PREPAID	237,151	10,778
	35,241,106	35,017,587
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	7,645,913	7,608,813
DEPOSITS HELD BY MPPA	2,500,000	2,000,000
HEALTH BENEFIT FUND	39,355	174,598
ADVANCE TO CITY OF GRAND HAVEN	749,021	1,037,151
2021A BOND CONSTRUCTION FUND	8,842,439	11,483,277
2021A BOND REDEMPTION FUND	688,697	690,846
OTHER ASSETS	0	0
	20,465,425	22,994,685
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	3,512,024	3,421,971
PROPERTY, PLANT AND EQUIPMENT	63,055,832	60,444,896
LESS ACCUMULATED DEPRECIATION	(30,544,723)	(29,608,406)
	36,023,133	34,258,461
TOTAL ASSETS	\$91,729,664	\$92,270,733
DEFERRED OUTFLOWS/(INFLOWS)		
PENSION/OPEB RELATED	(1,711,125)	1,026,945
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$1,822,348	\$1,162,762
BOND ANTICIPATION NOTE PAYABLE	-	-
SERIES 2021A BOND CURRENT	2,489,665	2,415,799
ACCRUED PAYROLL LIABILITIES	321,907	585,516
CUSTOMER DEPOSITS	907,789	870,047
ACCRUED TRANSFER FUND	140,550	135,654
	5,682,259	5,169,778
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	16,033,102	6,282,301
ACCRUED SICK AND PTO	264,532	289,935
SERIES 2021A BOND	20,300,000	22,700,000
NET PENSION LIABILITIES	(813,406)	4,450,113
NET OTHER POST EMPLOYMENT BENEFIT	638,925	1,055,687
	36,423,153	34,778,036
TOTAL LIABILITIES	42,105,412	39,947,814
RETAINED EARNINGS		
BEGINNING OF THE YEAR	44,505,093	48,304,825
YTD NET INCOME	3,408,034	5,045,039
RETAINED EARNINGS	47,913,127	53,349,864
TOTAL LIABILITIES AND EQUITY	\$90,018,539	\$93,297,678

**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF MARCH 2023**

	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	\$ 961,065	\$ 9,857,153	\$ 9,789,095	\$ 68,058	0.70%	\$ 921,754	\$ 9,828,858	\$ 28,295	0.29%
Commercial Sales	774,162	7,692,670	7,921,643	(228,973)	-2.89%	758,556	7,576,011	116,659	1.54%
Industrial Sales	980,267	9,069,424	9,707,704	(638,280)	-6.57%	933,400	8,832,816	236,608	2.68%
Municipal Sales	67,035	760,507	745,459	15,048	2.02%	67,011	738,596	21,911	2.97%
Total Charges for Services	2,782,529	27,379,754	28,163,901	(784,147)	-2.78%	2,680,721	26,976,281	403,473	1.50%
Street Lighting	28,462	254,605	253,499	1,106	0.44%	32,361	291,684	(37,079)	-12.71%
Other Revenue	8,314	146,721	148,499	(1,778)	-1.20%	11,109	176,451	(29,730)	-16.85%
Total Operating Revenue	2,819,305	27,781,080	28,565,899	(784,819)	-2.75%	2,724,191	27,444,416	336,664	1.23%
Operating Expenses									
Net Purchased Power	1,343,944	15,155,859	15,861,825	(705,966)	-4.45%	1,196,470	12,335,406	2,820,453	22.86%
Distribution Operations	138,855	1,413,001	1,886,762	(473,761)	-25.11%	(77,009)	1,724,476	(311,475)	-18.06%
Distribution Maintenance	232,382	2,616,617	2,171,438	445,179	20.50%	147,489	2,254,502	362,115	16.06%
Energy Optimization	29,547	146,140	150,000	(3,860)	-2.57%	6,802	258,764	(112,624)	-43.52%
Administration	223,622	2,078,302	2,205,915	(127,613)	-5.79%	1,405	1,942,209	136,093	7.01%
Legacy Pension Expense	61,499	535,052	829,959	(294,907)	-35.53%	807,729	807,729	(272,677)	-
Operating Expenses Before Depreciation	2,029,849	21,944,971	23,105,899	(1,160,928)	-5.02%	2,082,886	19,323,086	2,621,885	13.57%
Operating Net Income Before Depreciation	789,456	5,836,109	5,460,000	376,109	6.89%	641,305	8,121,330	(2,285,221)	-28.14%
Depreciation	163,541	1,496,941	1,387,494	109,447	7.89%	156,539	1,421,978	74,963	5.27%
Operating Net Income	625,915	4,339,168	4,072,506	266,662	6.55%	484,766	6,699,352	(2,360,184)	-35.23%
Nonoperating Revenue/(Expenses)	19,258	450,584	106,627	343,957	322.58%	(11,060)	(212,868)	663,452	-311.67%
Asset Retirement Expense	-	-	-	-	#DIV/0!	(2,313)	(78,047)	78,047	-100.00%
Non-Operating Revenue/(Expenses)	19,258	450,584	106,627	343,957	322.58%	(13,373)	(290,915)	741,499	-254.89%
Transfers to City of Grand Haven	(140,550)	(1,381,718)	(1,420,870)	39,152	-2.76%	(135,654)	(1,363,398)	(18,320)	1.34%
Increase in Net Assets	\$ 504,623	\$ 3,408,034	\$ 2,758,263	\$ 649,771	23.56%	\$ 335,739	\$ 5,045,039	\$ (1,637,005)	-32.45%

**GRAND HAVEN BOARD OF LIGHT AND POWER
POWER SUPPLY DASHBOARD
FOR THE MONTH OF MARCH 2023**

Power Supply for Month (kWh)	<u>FY2023</u>		<u>FY2022</u>	
Net Purchased (Sold) Power	17,364,639	74.74%	17,998,723	75.94%
Renewable Energy Purchases	5,870,166	25.26%	5,703,067	24.06%
Monthly Power Supply Total	23,234,805		23,701,790	
Days in Month	31		31	
Average Daily kWh Supply for Month	749,510		764,574	
% Change	-1.97%			

Power Supply FYTD	<u>FY2023</u>		<u>FY2022</u>	
Net Purchased (Sold) Power	174,566,251	79.01%	183,632,913	81.50%
Renewable Energy Purchases	46,382,605	20.99%	41,688,980	18.50%
FYTD Power Supply Total	220,948,856		225,321,893	
FYTD Days (from 7/1)	274		274	
Average Daily kWh Supply FYTD	806,383		822,343	
% Change	-1.94%			

	<u>FY2023</u>	<u>FY2022</u>
Net Purchased Power Expenses	\$15,155,859	\$12,335,406
% Change	22.86%	
Net Energy Expenses per kWh Supplied to System FYTD	\$0.06859	\$0.05475
% Change	25.30%	

**GRAND HAVEN BOARD OF LIGHT AND POWER
SALES DASHBOARD
FOR THE MONTH OF MARCH 2023**

<u>Monthly Retail Customers</u>	<u>FY2023</u>		<u>FY2022</u>	
Residential	13,065	87.45%	12,862	87.44%
Commercial	1,631	10.92%	1,602	10.89%
Industrial	128	0.86%	128	0.87%
Municipal	116	0.78%	117	0.80%
Total	14,940		14,709	
<u>Monthly Energy Sold (kWh)</u>				
Residential	6,239,868	30.00%	6,443,998	29.91%
Commercial	5,453,720	26.22%	5,720,504	26.56%
Industrial	8,474,513	40.74%	8,693,485	40.36%
Municipal	545,572	2.62%	572,026	2.66%
Retail Monthly Total	20,713,673	99.57%	21,430,013	99.48%
Street Lighting	88,819	0.43%	111,944	0.52%
Total Monthly Energy Sold	20,802,492		21,541,957	
Days in Primary Meter Cycle	28		28	
kWh Sold per Day	742,946		769,356	
% Change	-3.43%			

<u>Energy Sold (kWh) FYTD</u>	<u>FY2023</u>		<u>FY2022</u>	
Residential	69,322,359	31.86%	71,360,121	32.21%
Commercial	58,344,396	26.82%	59,350,951	26.79%
Industrial	82,584,622	37.96%	83,254,469	37.58%
Municipal	6,541,170	3.01%	6,564,675	2.96%
Retail Energy Sold Total FYTD	216,792,547	99.65%	220,530,216	99.54%
Street Lighting	771,442	0.35%	1,012,671	0.46%
Energy Sold FYTD	217,563,989		221,542,887	
Weighted Days in Meter Cycles FYTD	273		274	
kWh Sold per Day	796,938		808,551	
% Change	-1.44%			

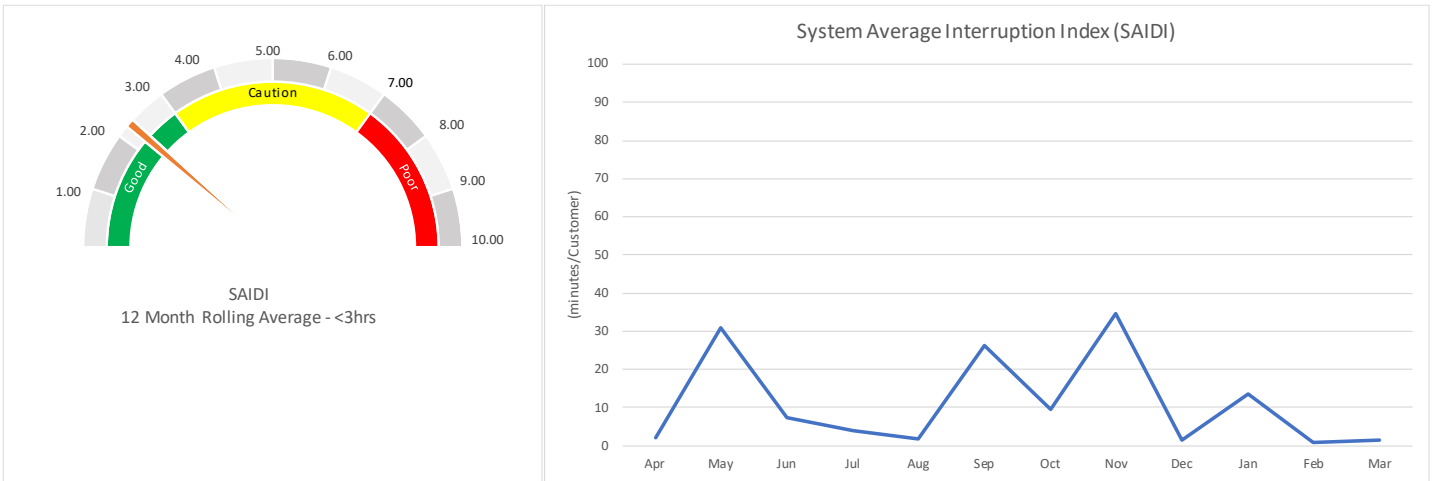
<u>Sales Revenue FYTD</u>	<u>FY2023</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2022</u>	<u>Average Rate (\$/KWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$9,857,489	\$0.1422	\$9,828,858	\$0.1377	3.24%
Commercial	\$7,692,333	\$0.1318	\$7,576,011	\$0.1276	3.29%
Industrial	\$9,069,424	\$0.1098	\$8,832,816	\$0.1061	3.51%
Municipal	\$760,507	\$0.1163	\$738,596	\$0.1125	3.34%
Retail Sales Revenue FYTD	\$27,379,754	\$0.1263	\$26,976,280	\$0.1223	3.25%
Street Lighting	\$254,605		\$291,684		
Total Sales Revenue FYTD (Excl. Wholesale)	\$27,634,359	\$0.1270	\$27,267,964	\$0.1231	

	<u>FY2023</u>	<u>FY2022</u>
Approx. Distribution Losses FYTD	1.17%	1.68%
Net Energy Expenses/kWh Sold FYTD	\$0.06940	\$0.05566
% Change	24.67%	

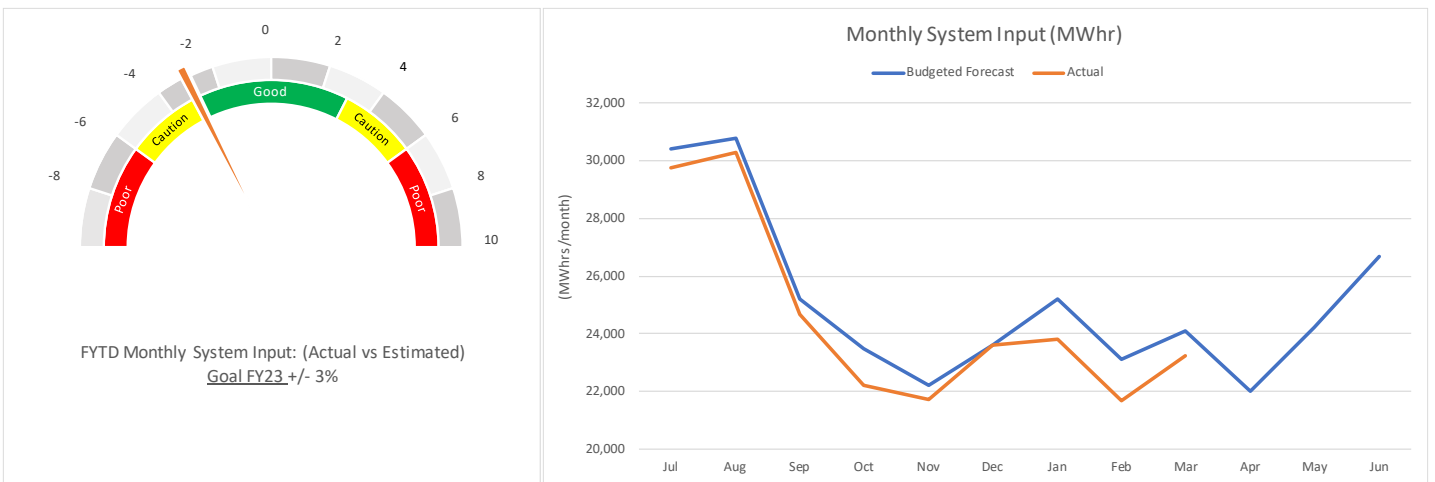
GHBLP Key Performance Indicators

April 14, 2023

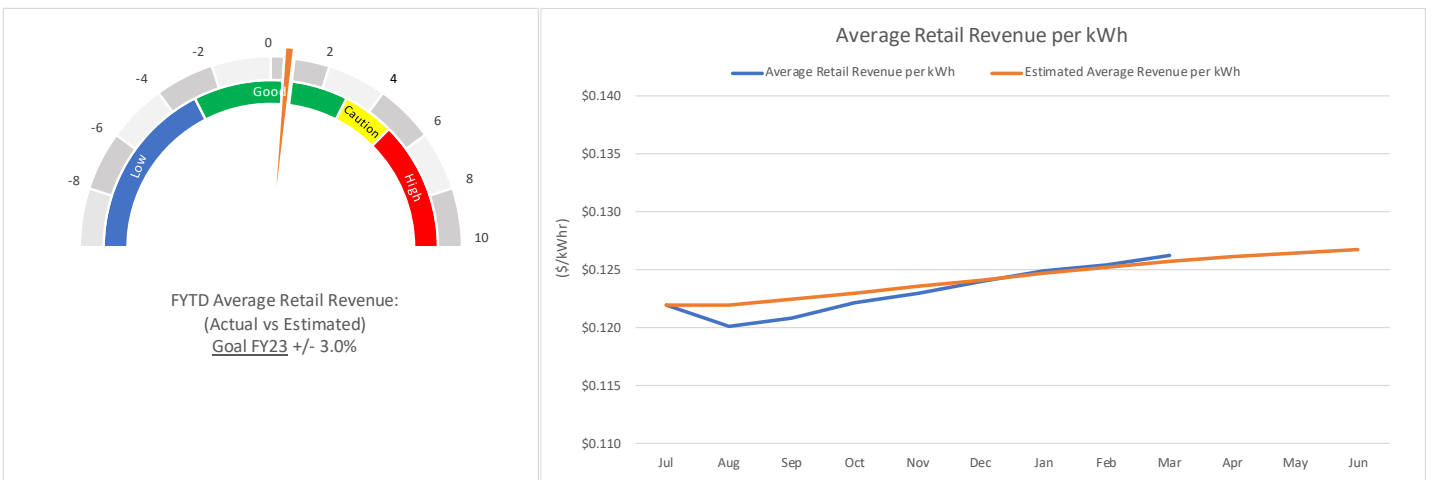
1) Reliability



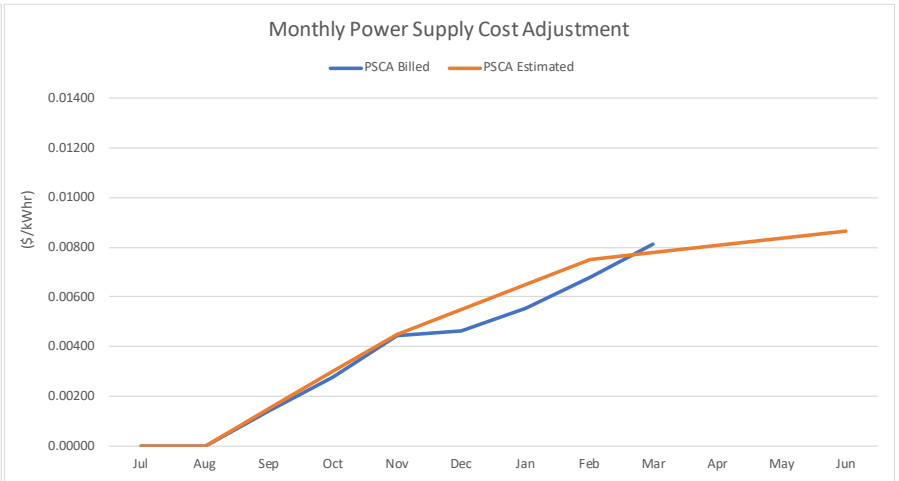
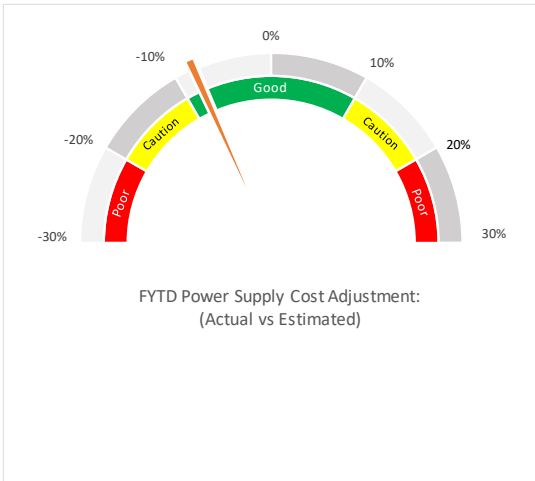
2) Power Supply



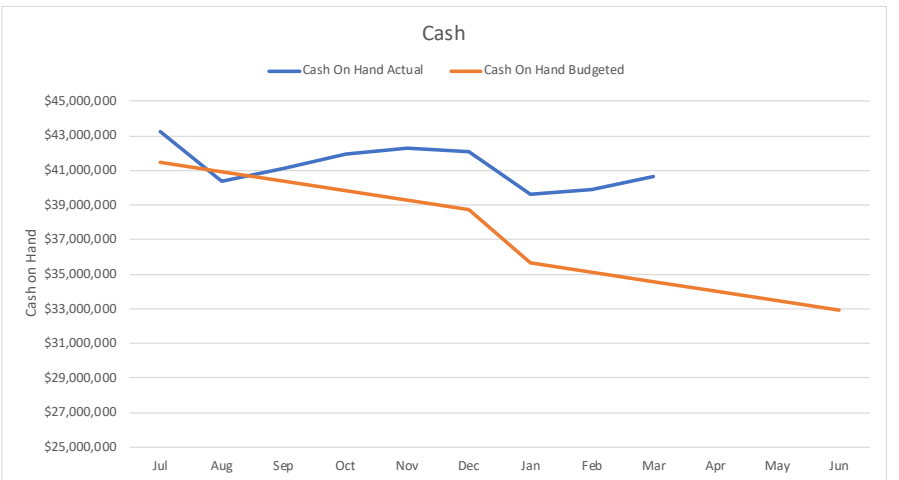
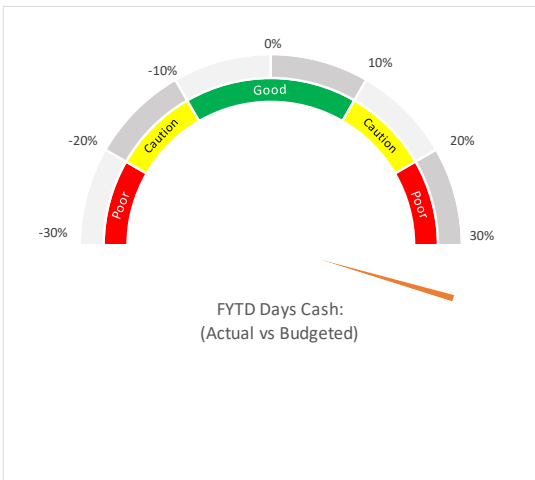
3) Average Retail Revenue per kWh



4) Rates/PSCA



5) Financial



GRAN is forecasted to have an average of 86% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 25% towards load. Total Resources are forecasted to cost an average of \$47.48 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$47.43 per MWh. This results in a Total Forecasted Power Supply weighted average cost of \$48.03 over the upcoming 12 months.

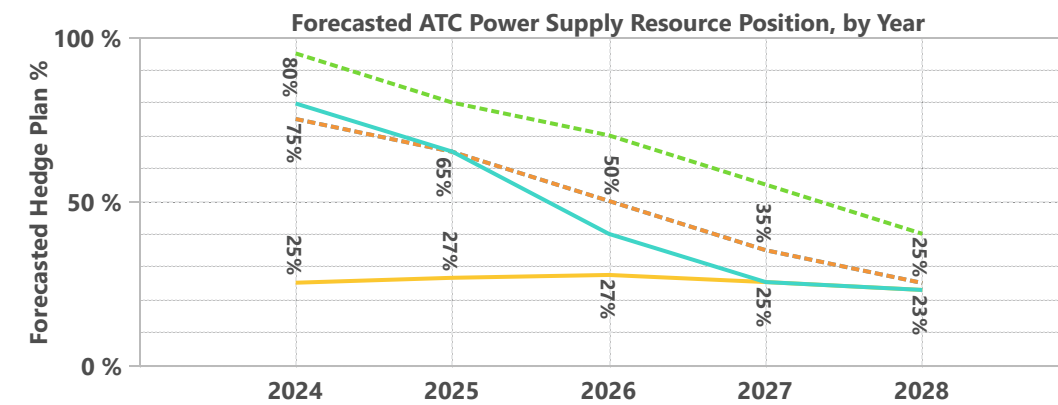
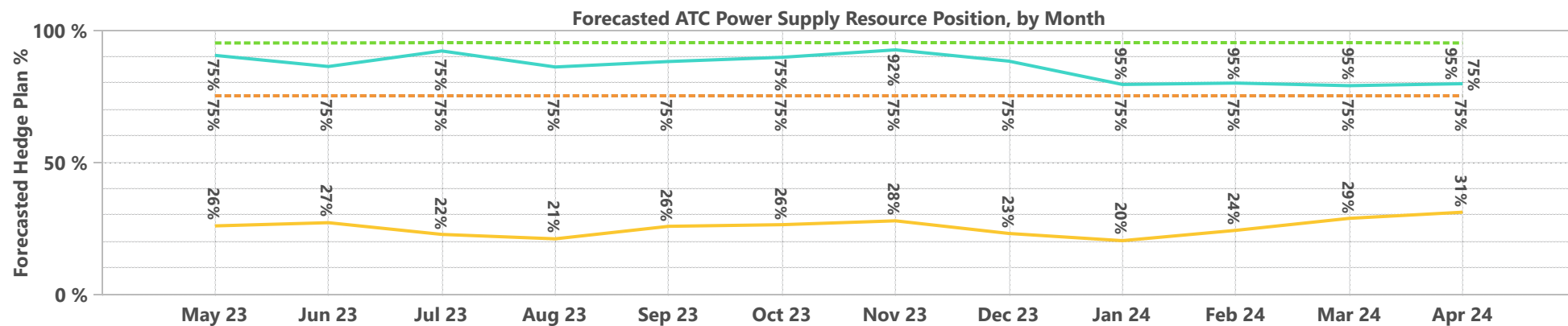
Forecasted Power Supply Resource Position for GRAN

Power Supply, MWh	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Total Resources, MWh	20,393	22,120	27,856	26,535	21,752	20,742	20,192	20,467	19,912	18,622	19,179	17,435
Project Assets	1,981	1,815	1,803	1,822	1,850	1,955	1,884	1,888	2,007	1,819	1,951	1,970
Landfill Project	1,981	1,815	1,803	1,822	1,850	1,955	1,884	1,888	2,007	1,819	1,951	1,970
Contracted Power Supply	18,412	20,304	26,053	24,712	19,902	18,787	18,308	18,578	17,905	16,803	17,228	15,465
Contracted ESP Renewable PPAs	3,827	5,106	5,011	4,608	4,470	4,108	4,157	3,419	3,048	3,788	5,002	4,801
Contracted Bilateral Energy Transactions	14,585	15,198	21,042	20,104	15,432	14,679	14,150	15,159	14,858	13,015	12,226	10,664

Power Supply, MWh	2024	2025	2026	2027	2028
Total Resources, MWh	240,084	196,171	120,708	76,478	69,280
Project Assets	22,746	22,237	21,583	15,225	8,113
Landfill Project	22,746	22,237	21,583	15,225	8,113
Contracted Power Supply	217,338	173,935	99,125	61,253	61,167
Contracted ESP Renewable PPAs	52,791	57,950	61,340	61,253	61,167
Contracted Bilateral Energy Transactions	164,547	115,985	37,786		

	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Forecasted Hedge Plan % (w/o Peaking)	90%	86%	92%	86%	88%	90%	92%	88%	79%	80%	79%	80%
Minimum Hedge Plan %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Target Hedge %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Maximum Hedge Plan Range %	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Renewables Portfolio %	26%	27%	22%	21%	26%	26%	28%	23%	20%	24%	29%	31%
Forecasted Load	(22,582)	(25,694)	(30,285)	(30,887)	(24,725)	(23,157)	(21,855)	(23,226)	(25,113)	(23,332)	(24,328)	(21,910)
Forecasted Market Balancing, MWh	(2,190)	(3,575)	(2,429)	(4,352)	(2,973)	(2,414)	(1,663)	(2,760)	(5,201)	(4,710)	(5,149)	(4,475)
Forecasted Hedge % (w/ Peaking)	90%	86%	92%	86%	88%	90%	92%	88%	79%	80%	79%	80%

	2024	2025	2026	2027	2028
Forecasted Hedge Plan % (w/o Peaking)	80%	65%	40%	25%	23%
Minimum Hedge Plan %	75%	65%	50%	35%	25%
Target Hedge %	75%	65%	50%	35%	25%
Maximum Hedge Plan Range %	95%	80%	70%	55%	40%
Renewables Portfolio %	25%	27%	27%	25%	23%
Forecasted Load	(301,123)	(301,594)	(302,041)	(302,450)	(302,788)
Forecasted Market Balancing, MWh	(61,040)	(105,423)	(181,333)	(225,972)	(233,508)
Forecasted Hedge % (w/ Peaking)	80%	65%	40%	25%	23%



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

Project Asset Costs are as forecasted in the MPPA Financial Plan, including fixed costs and all other anticipated costs in addition to Energy costs.

Power Supply \$'s	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Total Resources, \$'s	(\$893,023)	(\$982,603)	(\$1,440,229)	(\$1,322,518)	(\$958,975)	(\$890,087)	(\$862,503)	(\$908,009)	(\$1,193,555)	(\$1,034,395)	(\$826,926)	(\$804,765)
Project Assets	(\$213,106)	(\$206,287)	(\$213,835)	(\$213,100)	(\$206,287)	(\$213,100)	(\$207,950)	(\$213,835)	(\$221,452)	(\$200,212)	(\$113,622)	(\$214,372)
Landfill Project	(\$213,106)	(\$206,287)	(\$213,835)	(\$213,100)	(\$206,287)	(\$213,100)	(\$207,950)	(\$213,835)	(\$221,452)	(\$200,212)	(\$113,622)	(\$214,372)
Contracted Power Supply	(\$679,917)	(\$776,316)	(\$1,226,395)	(\$1,109,418)	(\$752,688)	(\$676,987)	(\$654,553)	(\$694,175)	(\$972,102)	(\$834,183)	(\$713,304)	(\$590,392)
Contracted ESP Renewable PPAs	(\$168,249)	(\$220,752)	(\$215,392)	(\$198,266)	(\$194,485)	(\$180,973)	(\$185,768)	(\$153,100)	(\$138,458)	(\$171,444)	(\$224,071)	(\$213,163)
Contracted Bilateral Energy Transactions	(\$511,668)	(\$555,564)	(\$1,011,003)	(\$911,152)	(\$558,203)	(\$496,015)	(\$468,785)	(\$541,075)	(\$833,644)	(\$662,739)	(\$489,233)	(\$377,230)

Power Supply \$'s	2024	2025	2026	2027	2028
Total Resources, \$'s	(\$11,895,295)	(\$10,261,951)	(\$7,168,828)	(\$4,739,987)	(\$3,956,125)
Project Assets	(\$2,503,299)	(\$2,497,970)	(\$2,557,919)	(\$1,836,474)	(\$1,009,081)
Landfill Project	(\$2,503,299)	(\$2,497,970)	(\$2,557,919)	(\$1,836,474)	(\$1,009,081)
Contracted Power Supply	(\$9,391,996)	(\$7,763,982)	(\$4,610,908)	(\$2,903,513)	(\$2,947,044)
Contracted ESP Renewable PPAs	(\$2,354,502)	(\$2,650,073)	(\$2,860,679)	(\$2,903,513)	(\$2,947,044)
Contracted Bilateral Energy Transactions	(\$7,037,494)	(\$5,113,908)	(\$1,750,229)		

Locational Basis, \$'s	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Locational Basis (Projects)	(\$794)	(\$44)	(\$56)	(\$1,035)	(\$854)	(\$564)	(\$1,335)	\$1,233	(\$1,729)	(\$4,303)	(\$1,279)	(\$685)
Locational Basis (Contracted Power Supply)	\$481	(\$4,290)	(\$3,979)	(\$17,866)	(\$18,950)	(\$16,983)	(\$9,698)	(\$26,987)	(\$24,964)	(\$4,619)	(\$15,550)	(\$10,148)

Locational Basis, \$'s	2024	2025	2026	2027	2028
Locational Basis (Projects)	(\$12,098)	(\$12,232)	(\$12,829)	(\$14,761)	(\$2,836)
Locational Basis (Contracted Power Supply)	(\$153,739)	(\$155,360)	(\$134,587)	(\$115,035)	(\$118,169)

Power Supply \$/MWh	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Power Supply \$/MWh												
Project Assets												
Landfill Project	\$107.59	\$113.63	\$118.59	\$116.95	\$111.51	\$108.98	\$110.37	\$113.25	\$110.35	\$110.08	\$58.24	\$108.82
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$43.96	\$43.24	\$42.99	\$43.02	\$43.51	\$44.06	\$44.68	\$44.78	\$45.43	\$45.26	\$44.79	\$44.40
Contracted Bilateral Energy Transactions	\$35.08	\$36.55	\$48.05	\$45.32	\$36.17	\$33.79	\$33.13	\$35.69	\$56.11	\$50.92	\$40.02	\$35.37

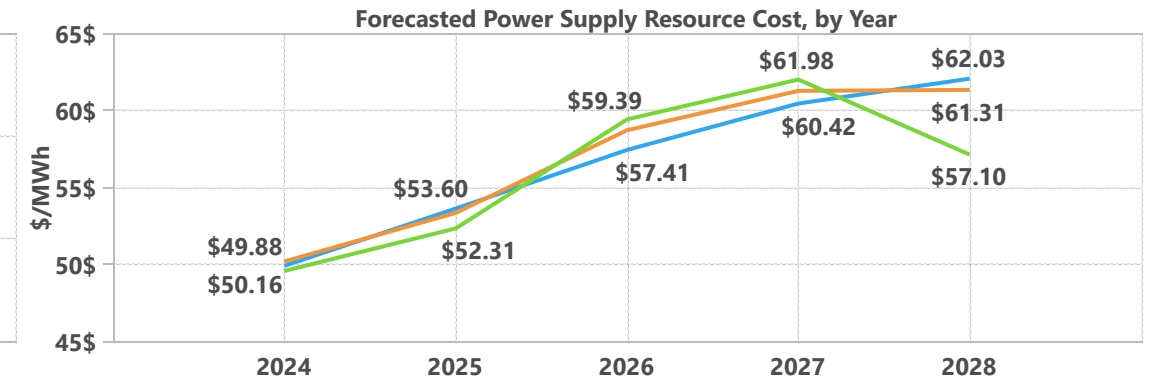
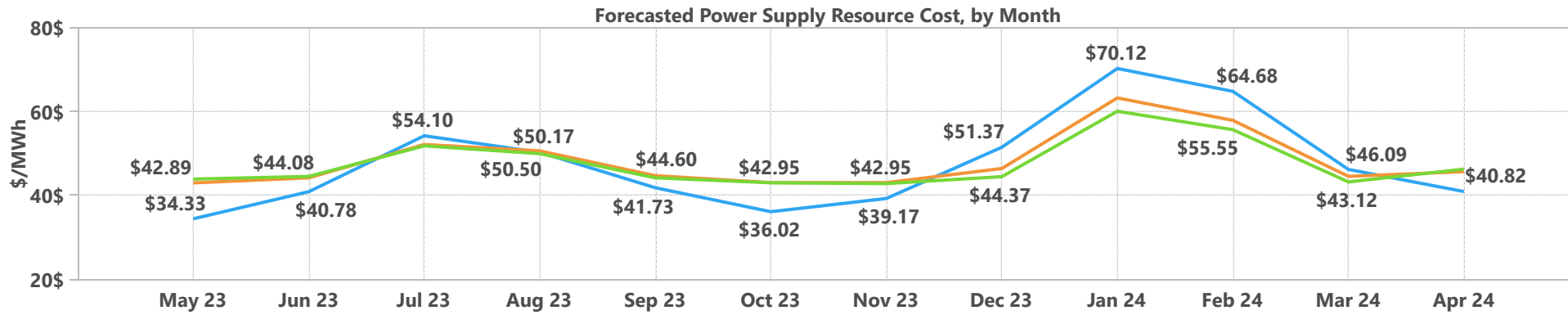
Power Supply \$/MWh	2024	2025	2026	2027	2028
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$110.06	\$112.34	\$118.52	\$120.62	\$124.38
Contracted Power Supply					
Contracted ESP Renewable PPAs	\$44.60	\$45.73	\$46.64	\$47.40	\$48.18
Contracted Bilateral Energy Transactions	\$42.77	\$44.09	\$46.32		

Locational Basis, \$/MWh	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Locational Basis (Projects)	\$0.40	\$0.02	\$0.03	\$0.57	\$0.46	\$0.29	\$0.71	(\$0.65)	\$0.86	\$2.37	\$0.66	\$0.35
Locational Basis (Contracted Power Supply)	(\$0.03)	\$0.21	\$0.15	\$0.72	\$0.95	\$0.90	\$0.53	\$1.45	\$1.39	\$0.27	\$0.90	\$0.66

Locational Basis, \$/MWh	2024	2025	2026	2027	2028
Locational Basis (Projects)	\$0.53	\$0.55	\$0.59	\$0.97	\$0.35
Locational Basis (Contracted Power Supply)	\$0.71	\$0.89	\$1.36	\$1.88	\$1.93

	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
Forecasted Market Balancing LMP, \$/MWh	\$34.33	\$40.78	\$54.10	\$50.17	\$41.73	\$36.02	\$39.17	\$51.37	\$70.12	\$64.68	\$46.09	\$40.82
Forecasted Market Balancing LMP, \$'s	(\$75,171)	(\$145,796)	(\$131,421)	(\$218,334)	(\$124,038)	(\$86,969)	(\$65,133)	(\$141,781)	(\$364,714)	(\$304,608)	(\$237,354)	(\$182,687)
Total Forecasted Power Supply, \$/MWh	\$42.89	\$44.08	\$52.03	\$50.50	\$44.60	\$42.95	\$42.95	\$46.31	\$63.11	\$57.77	\$44.44	\$45.56
Total Forecasted Power Supply Costs, \$'s	(\$968,508)	(\$1,132,732)	(\$1,575,685)	(\$1,559,753)	(\$1,102,817)	(\$994,604)	(\$938,668)	(\$1,075,543)	(\$1,584,961)	(\$1,347,926)	(\$1,081,109)	(\$998,284)

	2024	2025	2026	2027	2028
Forecasted Market Balancing LMP, \$/MWh	\$49.88	\$53.60	\$57.41	\$60.42	\$62.03
Forecasted Market Balancing LMP, \$'s	(\$3,044,608)	(\$5,650,715)	(\$10,409,620)	(\$13,653,136)	(\$14,485,590)
Total Forecasted Power Supply, \$/MWh	\$50.16	\$53.32	\$58.69	\$61.24	\$61.31
Total Forecasted Power Supply Costs, \$'s	(\$15,105,739)	(\$16,080,258)	(\$17,725,864)	(\$18,522,919)	(\$18,562,719)



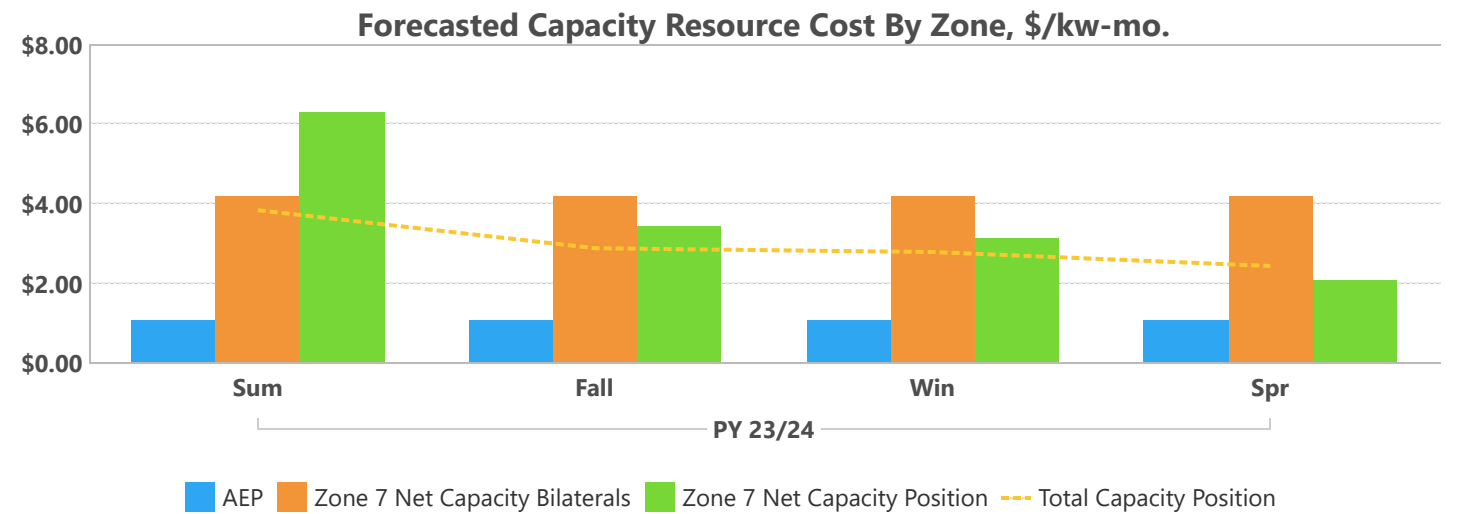
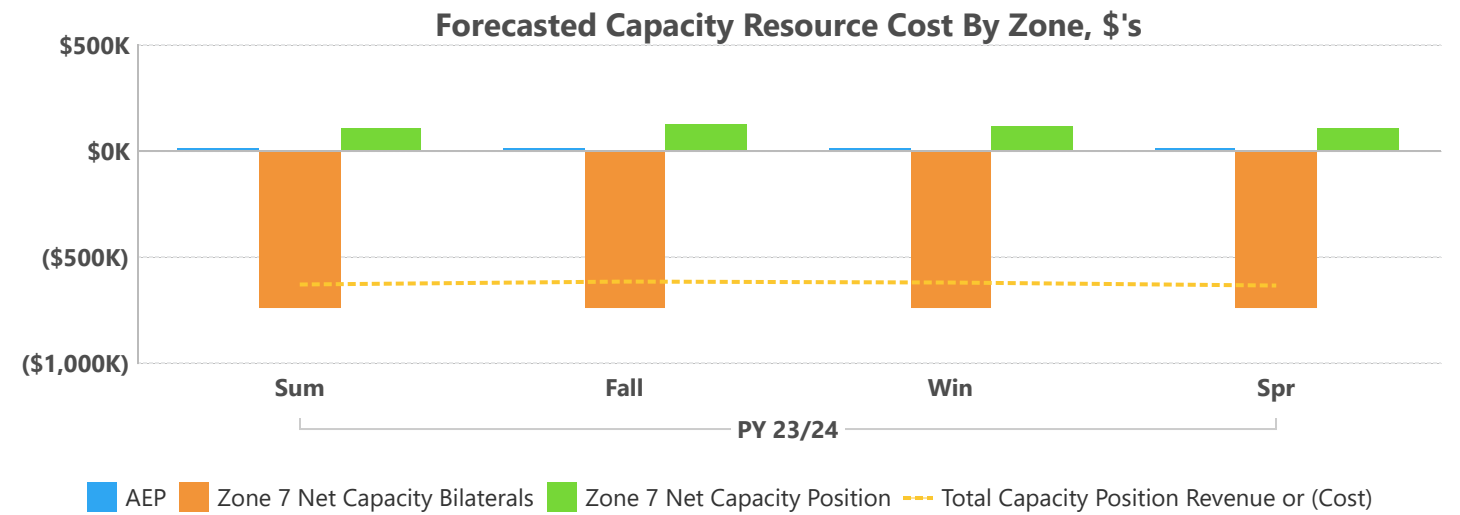
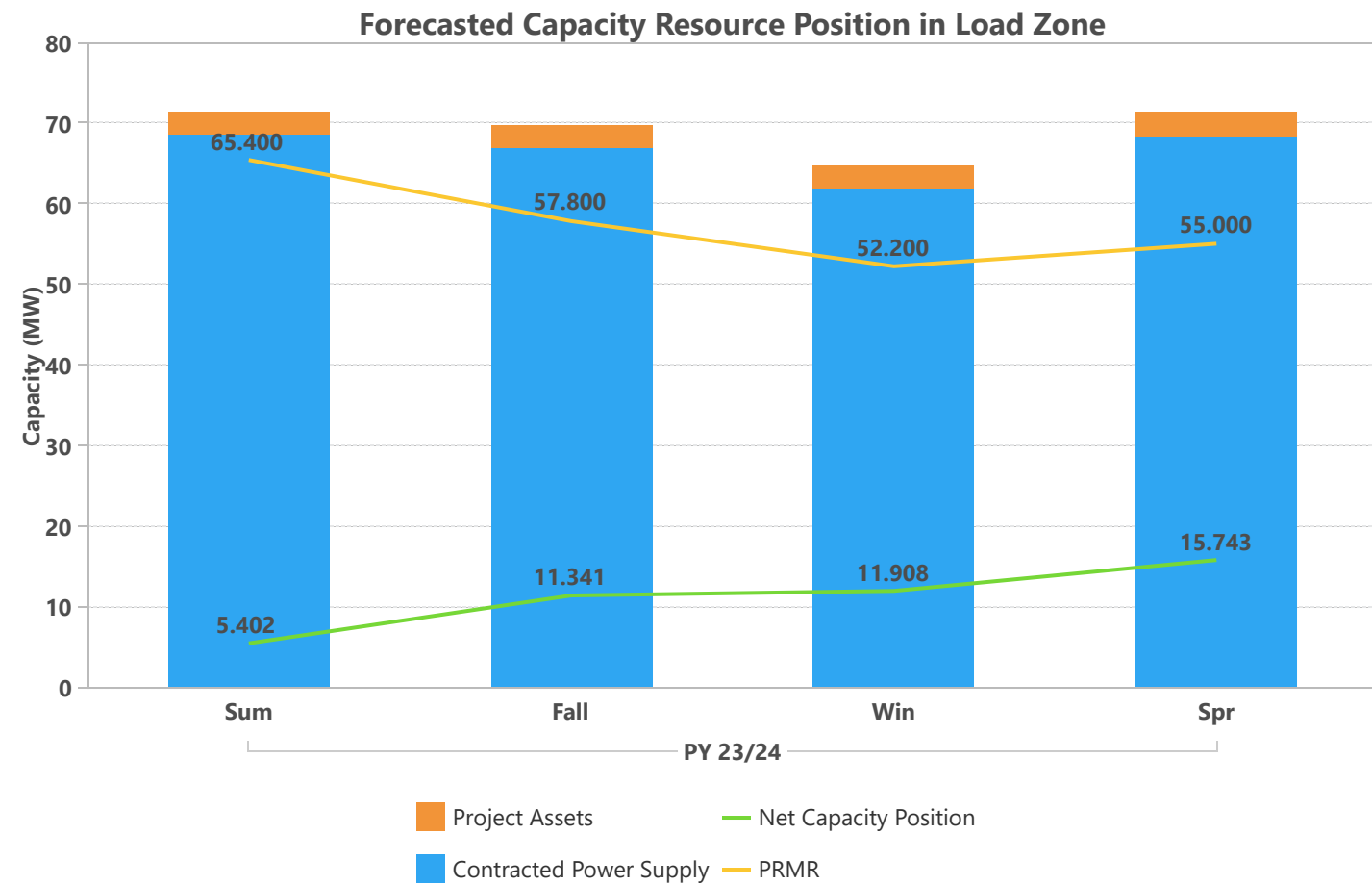
— Forecasted Market Balancing LMP, \$/MWh — Total Forecasted Power Supply, \$/MWh — Contracted Energy, \$/MWh

Capacity Resources, MW	PY 23/24			
	Sum	Fall	Win	Spr
Zone 7	5.402	11.341	11.908	15.743
Contracted Power Supply	68.753	67.044	61.913	68.531
Contracted ESP Renewable PPAs	9.753	8.044	2.913	9.531
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	2.049	2.098	2.195	2.211
Landfill Project	2.049	2.098	2.195	2.211
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				
\$	\$101,287.50	\$115,053.20	\$110,503.62	\$96,340.55
\$/kw-mo.	\$6.25	\$3.38	\$3.09	\$2.04
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				
\$	\$1,475.54	\$1,475.54	\$1,475.54	\$1,475.54
\$/kw-mo.	\$1.04	\$1.04	\$1.04	\$1.04

Total Capacity Position Revenue or (Cost)	PY 23/24			
	Sum	Fall	Win	Spr
\$	(\$634,337)	(\$620,571)	(\$625,121)	(\$639,284)

Total Capacity Position	PY 23/24			
	Sum	Fall	Win	Spr
\$/kw-mo.	\$3.82	\$2.86	\$2.77	\$2.42

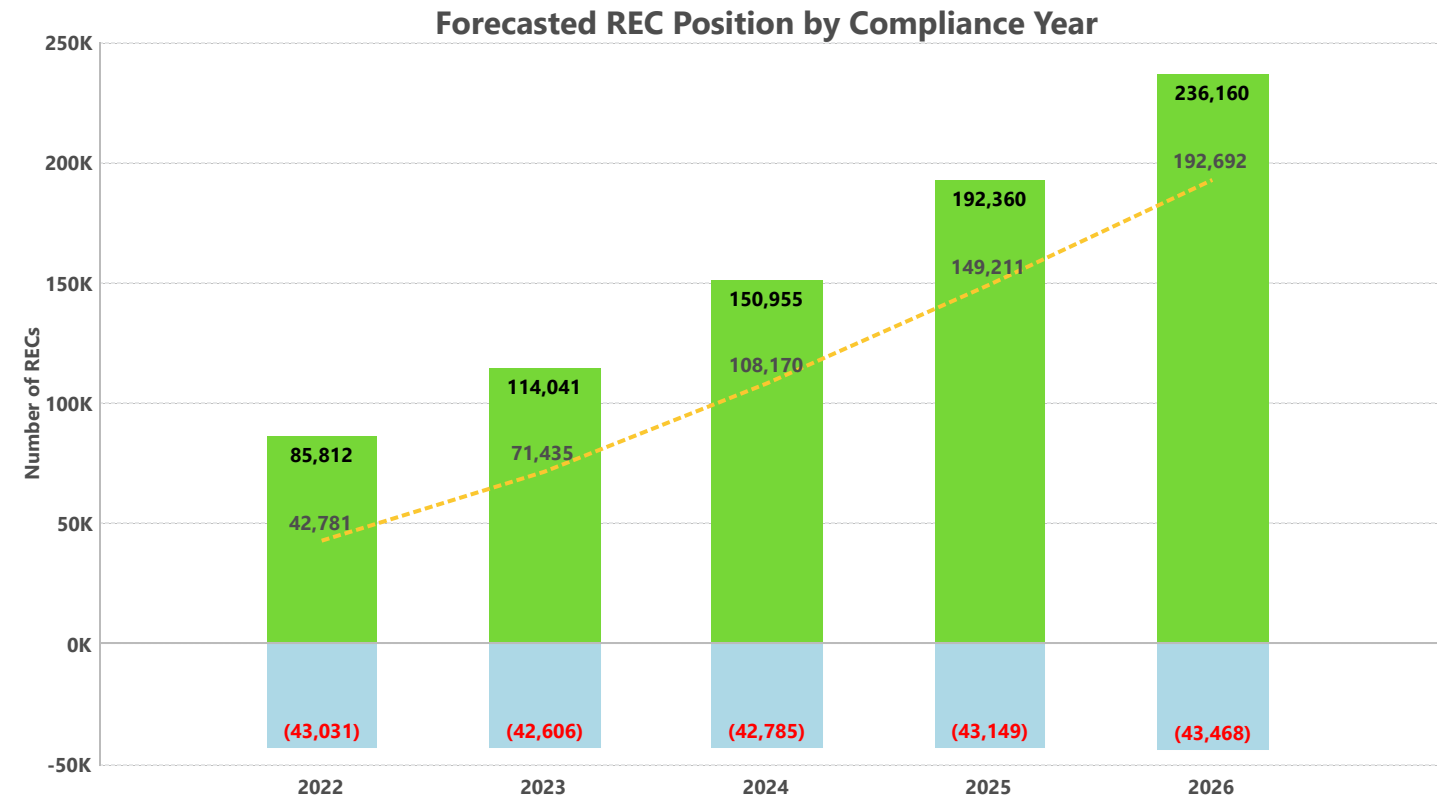


Forecasted Renewable Energy Credit (REC) Position for GRAN

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	42,781	71,435	108,170	149,211	192,692
Available Banked RECs	22,377	42,781	71,435	108,170	149,211
Hedge Policy REC Requirement	(43,031)	(42,606)	(42,785)	(43,149)	(43,468)
Assembly Solar	9,514	10,250	10,818	10,814	10,826
Assembly Solar Phase II	7,985	8,476	8,940	8,937	8,948
Beebe	6,228	5,879	6,180	6,178	6,180
Hart Solar				5,220	8,670
Invenergy Calhoun Solar	0	9,219	13,853	13,782	13,723
Landfill Project (EDL)	16,661	16,314	17,484	17,014	16,359
Landfill Project (NANR)	4,921	4,943	5,234	5,234	5,234
Pegasus	18,127	16,180	17,011	17,011	17,009

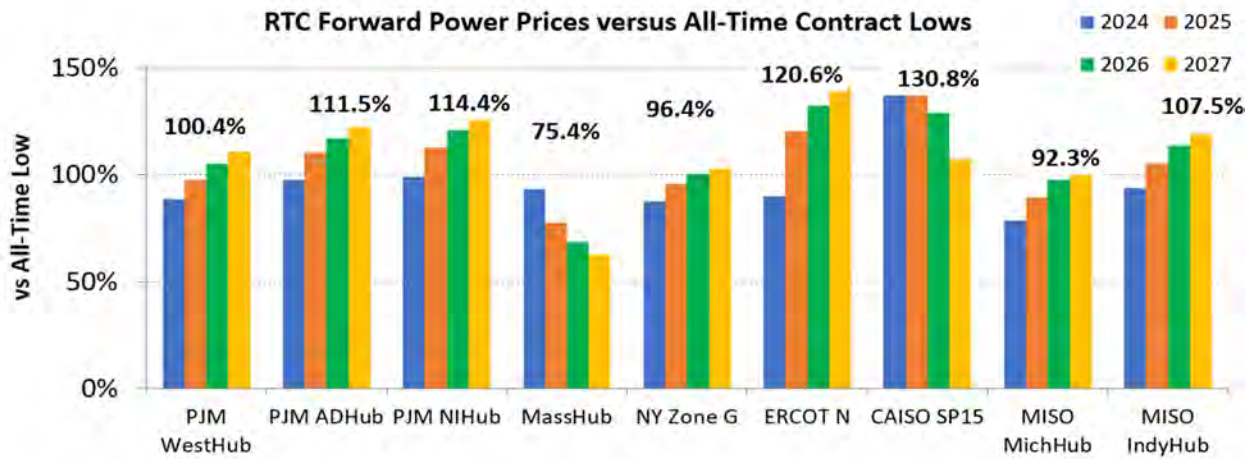
Compliance Year	2022	2023	2024	2025	2026
3 Year Avg Retail Sales	(286,872)	(284,038)	(285,231)	(287,658)	(289,785)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%
Hedge Policy REC Requirement	(43,031)	(42,606)	(42,785)	(43,149)	(43,468)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0



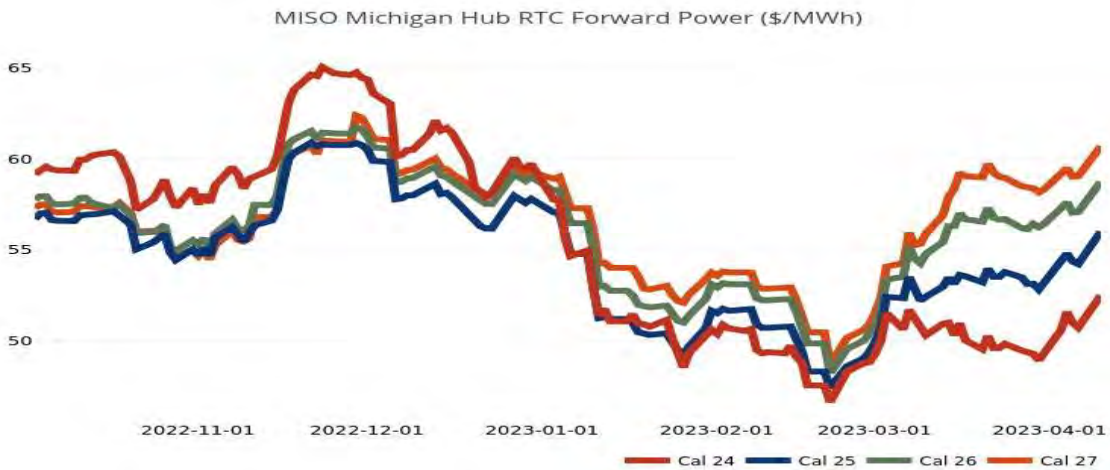
■ REC Requirement
 ■ REC Supply
 - - - Net REC Position

Week Ending	RTC Day-Ahead Index Prices				RTC Forward Calendar Strip Prices ¹			
	4/6/2023	(\$/MWh)			(\$/MWh)			
Electric Hub	ISO	Min	Max	Avg	2023	2024	2025	2026
Indiana Hub	MISO	\$22.00	\$49.03	\$30.31	\$43.25	\$51.81	\$55.21	\$58.07
Michigan Hub	MISO	\$18.99	\$41.65	\$27.30	\$42.38	\$50.72	\$54.21	\$57.08
PJM West Hub	PJM	\$19.27	\$57.89	\$29.14	\$40.34	\$50.62	\$53.48	\$55.81
AEP-Dayton Hub	PJM	\$19.03	\$54.77	\$28.89	\$40.55	\$48.80	\$51.67	\$53.95
N. Illinois Hub	PJM	(\$4.11)	\$34.25	\$17.10	\$34.65	\$43.35	\$45.76	\$48.04
Mass Hub	ISO-NE	\$16.81	\$57.68	\$28.04	\$51.21	\$71.80	\$67.86	\$64.83
NYZ J	NYISO	\$19.97	\$48.84	\$30.13	\$47.85	\$63.73	\$66.99	\$68.31
ERCOT N ²	ERCOT	\$1.01	\$233.20	\$23.73	\$39.41	\$42.01	\$46.15	\$47.85
SP15	CAISO	(\$14.19)	\$159.65	\$56.11	\$79.26	\$81.98	\$81.39	\$78.65

¹These 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. ²ERCOT 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.



GHBLP Initial FY 2024 Budget Presentation

April 20, 2023 Board Meeting

Strategic Plan Priorities for FY 2024 Budget

- **Power Supply** – continue phase-in of higher wholesale power supply costs through PSCA (consistent with planned integration and expansion of renewable energy portfolio and energy optimization and waste reduction programming)
- **Financial Management** – retain stable Base Rates (adjusted to recover 25% of City’s snowmelt capital equipment costs) consistent with cost-of-service study and 5-year rate plan, and establish and maintain “*minimum cash reserve*” position, while appropriately addressing identified capital needs over the 5-year financial planning period
 - Maintain adequate debt-service coverage
- **Human Resources / Business Practices and Technologies** – maintain stabilized restructured workforce of 42 FTEs addressing identified IT/OT/cybersecurity needs as determined appropriate in BARRA and Business Continuity Plan (FTEs 72 in FY 2018)

Strategic Plan Priorities for FY 2024 Budget

- **Transmission and Distribution** – update, maintain, and implement a rolling 5-year capital improvement plan to effectively address aging T & D infrastructure
- **Funding BLP Past Environmental Obligations and Liabilities** – establish and assess appropriate recovery mechanism to collect adequate funds to address identified BLP liabilities consistent with the City’s environmental remediation and redevelopment planning activities on the Sims site
- **Customer and Community Engagement** – update and implement revised communications/education plan consistent with recent organizational restructuring, customer feedback, community interests, and identified needs

Projected Retail Sales Volume

Total Retail Sales Volume (including Street Lighting)

- **Actual FY 2021** **289,215 MWh**
- **Actual FY 2022** **289,614 MWh (+ 0.1%)**
- **Forecast FY 2023** **284,400 MWh (-1.8%)**
- **Budget FY 2024** **287,000 MWh (+0.9%)**

- **Forecasted FY 2023 retail sales volume is almost identical to actual FY 2013 retail sales volume of **284,481 MWh** and 1.4% below FY 2003 retail sales volume of **288,548 MWh**.**
 - The BLP also generated **95,326 MWh** of wholesale sales, primarily from Sims in 2003 (ten-year average wholesale sales volume FY 2001-2010 – **72,650 MWh**)

- **Forecasted FY 2023 retail sales volume 5.6% below pre-COVID actual FY 2019 sales volume of **301,276 MWh****

Projected Retail Sales Volume (excl. Street Lighting)

	FY 2021	FY 2022	FY 2023	FY 2024
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>
Residential	92,794.7	91,019.8	88,600.0	89,000.0
Commercial	77,011.5	77,840.4	76,750.0	77,000.0
Industrial	109,698.8	111,143.2	109,700.0	111,600.0
Municipal	<u>8,292.2</u>	<u>8,343.6</u>	<u>8,350.0</u>	<u>8,400.0</u>
Total	287,797.1	288,347.0	283,400.0	286,000.0

Proposed Retail Rates

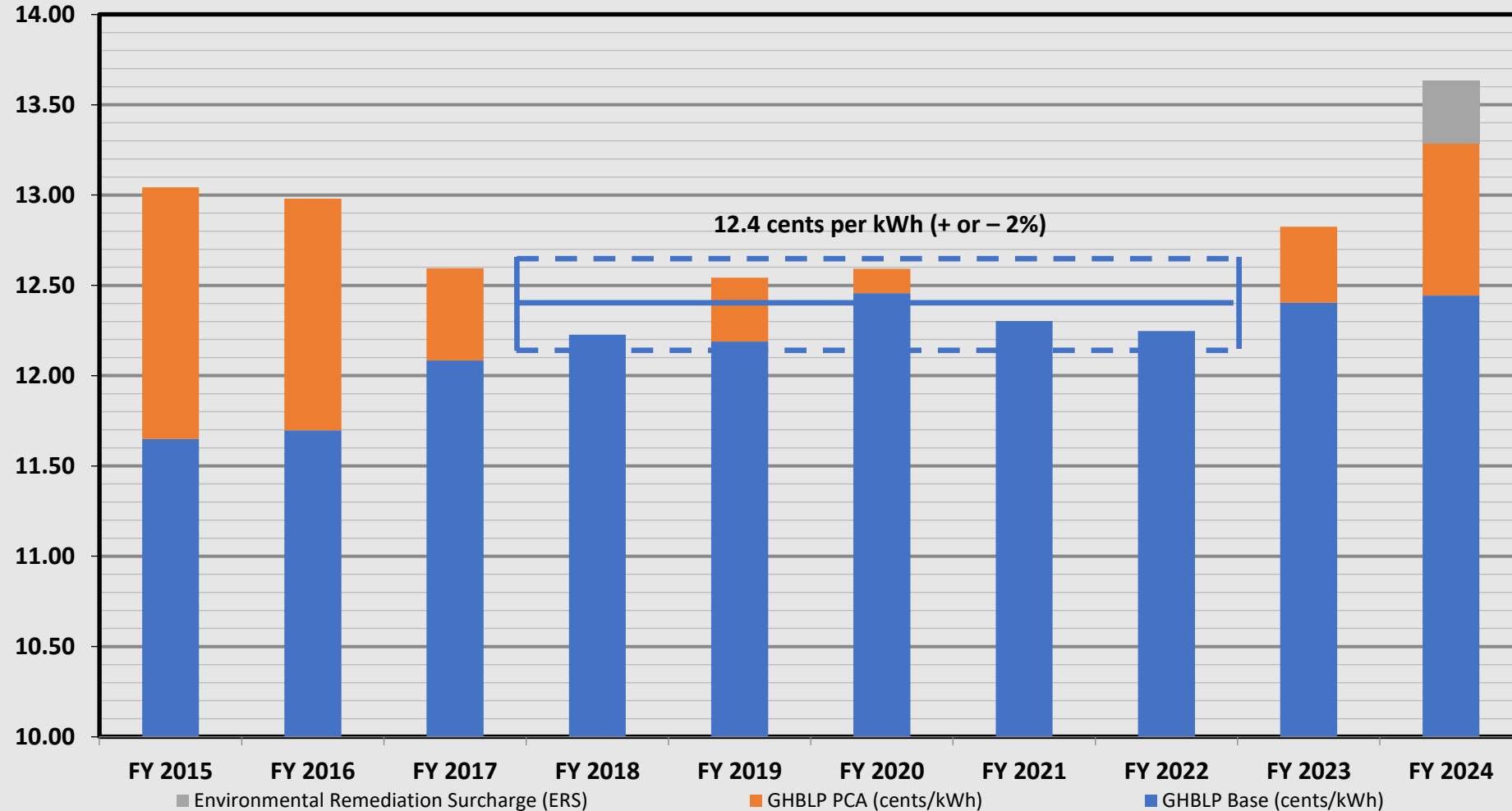
- No proposed changes in the Base Rates for FY 2024 (nor in street lighting rates)
- Continued implementation of 5% increase in fixed monthly charges to recover a 25% electric utility contribution to City snowmelt system capital costs approved by Board in December 2022 (assessed through June 2024)
- Consistent calculation of PSCA (reimplemented in September 2022) using \$59/MWh as Base
 - Budget utilizes power supply costs discussed at our March 2023 Board meeting and projected retail sales volumes results in \$2,413,000 in PSCA revenues as compared to \$1,190,000 now forecasted in FY 2023 (+ \$1,223,000)
- Propose establishing Sims Site Combustion Coal Residual (CCR) **Environmental Remediation Surcharge (ERS)** beginning at **\$3.50/MWh** effective July 1, 2023 (+\$1,000,000)

Proposed Average Revenue per KWh (Cents)

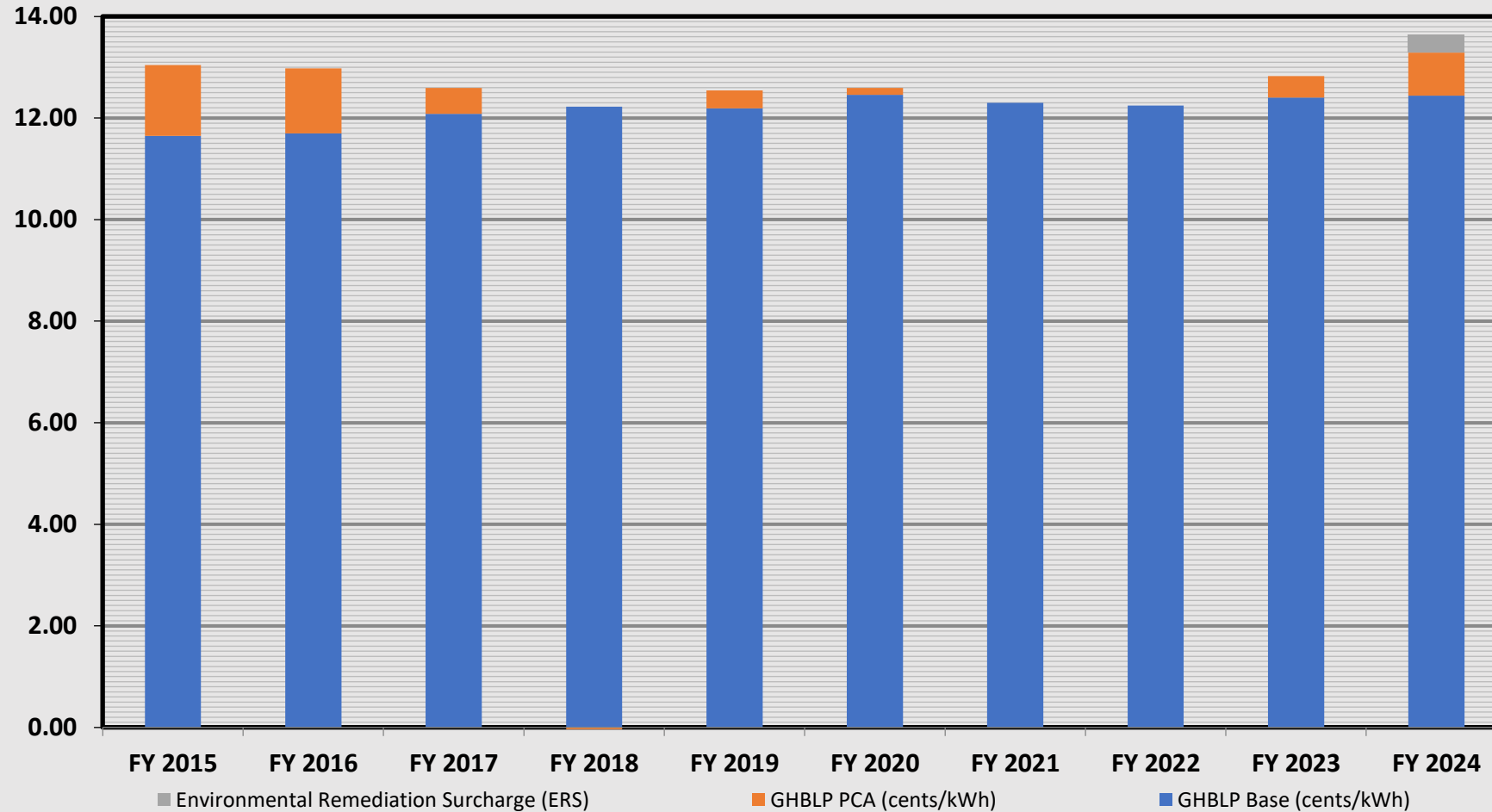
	FY 2021	FY 2022	FY 2023	FY 2024
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>
Average Base Rates	12.30	12.25	12.40	12.44
Average PSCA	0.00	0.00	0.42	0.84
ERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.35</u>
	12.30	12.25	12.82	13.64

- Average base rate fluctuations year over year due to annual variations in proportional sales within various rate classes and the implementation of a 5% increase in fixed monthly charges to recover snowmelt capital costs beginning in February 2023

Proposed Average Revenue per KWh (Cents)



Proposed Average Revenue per KWh (Cents)



Same chart as previous slide with x-axis based at 0.00 cents (as requested by Board Chairman)

Projected Electric Retail Operating Revenues

	FY 2021	FY 2022	FY 2023	FY 2024
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget*</u>
Residential	\$12,669,845	\$12,599,200	\$12,737,500	\$13,252,500
Commercial	\$9,809,380	\$9,997,640	\$10,167,900	\$10,557,200
Industrial	\$11,984,651	\$11,778,174	\$12,455,300	\$13,150,000
Municipal	<u>\$941,343</u>	<u>\$939,070</u>	<u>\$984,300</u>	<u>\$1,040,300</u>
Total	\$35,405,219	\$35,314,084	\$36,345,000	\$38,000,000

* Does not include proposed Environmental Remediation Surcharge (ERS)

Projected Environmental Remediation Surcharge

	FY 2024		Approximate	Average Monthly
	<u>Budgeted</u>		<u>Customer Count</u>	<u>Impact</u>
Residential	\$311,200		13,050	\$1.99
Commercial	\$269,200		1,631	\$165.05
Industrial	\$390,200		128	\$3,048.44
Municipal	<u>\$29,400</u>		<u>116</u>	253.45
Total	\$1,000,000		14,925	2.6% increase in total monthly billing on average

Environmental Remediation Surcharge

- Asset retirement, environmental remediation, closure and demolition expenses (non-operating) **booked** in FY 2020-FY 2022 totaled **\$23,598,000**
- **\$7,547,200** has been **spent** on plant demolition and initial clean-up and closure activities on the Sims Site since its retirement in February 2020
- **\$16,033,100** remains on our balance sheet as of March 2023 as an asset retirement obligation and/or environmental mitigation/remediation liability
- Prior to the end of FY 2023, staff is recommending the board self-restrict a portion of its now unrestricted cash and investments equivalent to these remaining liabilities on our balance sheet (as a “Non-current Asset”)
- In other words, staff is recommending the Board restrict cash assets equal to the Board’s environmental liabilities on its balance sheet before the end of FY 2023, to more accurately reflect truly unrestricted cash balances in our year-end financial statements

Environmental Remediation Surcharge

- At this point, we don't know our share of the total future environmental remediation and redevelopment costs on the Sims site to properly address the BLP's environmental liabilities
- As more information becomes known, and the Board and City Council determine the appropriate cost sharing arrangements for these environmental costs, the BLP must properly reflect the most recent information on its independent balance sheet
- Staff believes it is appropriate to begin recovering from our customers future inevitably higher environmental remediation costs as soon as they become known (to avoid an even larger rate shock in the future), through an ERS to begin on July 1, 2023
- A **\$3.50/MWh** (or \$0.0035/kWh) ERS, on estimated annual retail sales of 286,000 MWhs, will raise approximately \$1,000,000 additional in FY 2024

Environmental Remediation Surcharge

- Staff additionally recommends all future revenues collected through the ERS be designated by the Board as a non-operating revenue (not a retail “rate for electricity”), and accordingly, such amounts are not considered a “gross retail sale of the electric utility” subject to the 5% transfer to the City
- Additionally, we would recommend, upon recovering these amounts in a given month, the BLP would also book an equivalent and offsetting non-operating expense for environmental remediation and mitigation
- This monthly revenue amount would then be booked as an addition to the restricted cash asset account and equivalently an addition to the environmental remediation and mitigation liability on the balance sheet (i.e. zero net impact on the BLP’s Net Position)
- As the BLP/City moves forward on remediation activities, the BLP will use only this dedicated restricted cash to pay for such environmental activities, and reduce the BLP’s associated liability accordingly

Environmental Remediation Surcharge

- Our previous actions and financial plan going forward represent the **BLP's continuing commitment** to recover and pay for all appropriately assessed obligations and liabilities associated with our operations of the Sims power plant on Harbor Island for nearly 60 years
- To be clear, however, these dedicated funds are not expected to be adequate to address other now identified environmental contamination on the Sims site and elsewhere on Harbor Island, believed to be originating from other sources not associated with BLP operations on the Sims site
- Additionally, these actions allow a mechanism to increase electric utility charges to recover increasing environmental liabilities of the BLP if necessary, or if other sources are identified to cover a portion of these costs, a mechanism to return to our customers any overcollections proportionately

Operating Expenses

- **Total power supply expenses** within the FY 2024 budget remain at \$19,300,000 as was presented at our March Board meeting (for a slightly lower revised system annual input volume of 294,350 MWh)
- Average budgeted power supply costs then are **\$65.57/MWh** (\$67.25/MWh at retail assuming a 2.5% distribution system loss)
- FY 2024 budgeted renewable energy purchases are estimated at 25.9% of the total FY 2024 power supply portfolio (the BLP plans to retire MiRECs equivalent to 23% of CY 2023 retail sales on or about December 31, 2023)
- These power supply expenses amount to approximately **68.4%** of total operating expenses, excluding depreciation and excess legacy defined benefit pension contributions, and 50.3% of retail sales revenues, not including ERS revenues

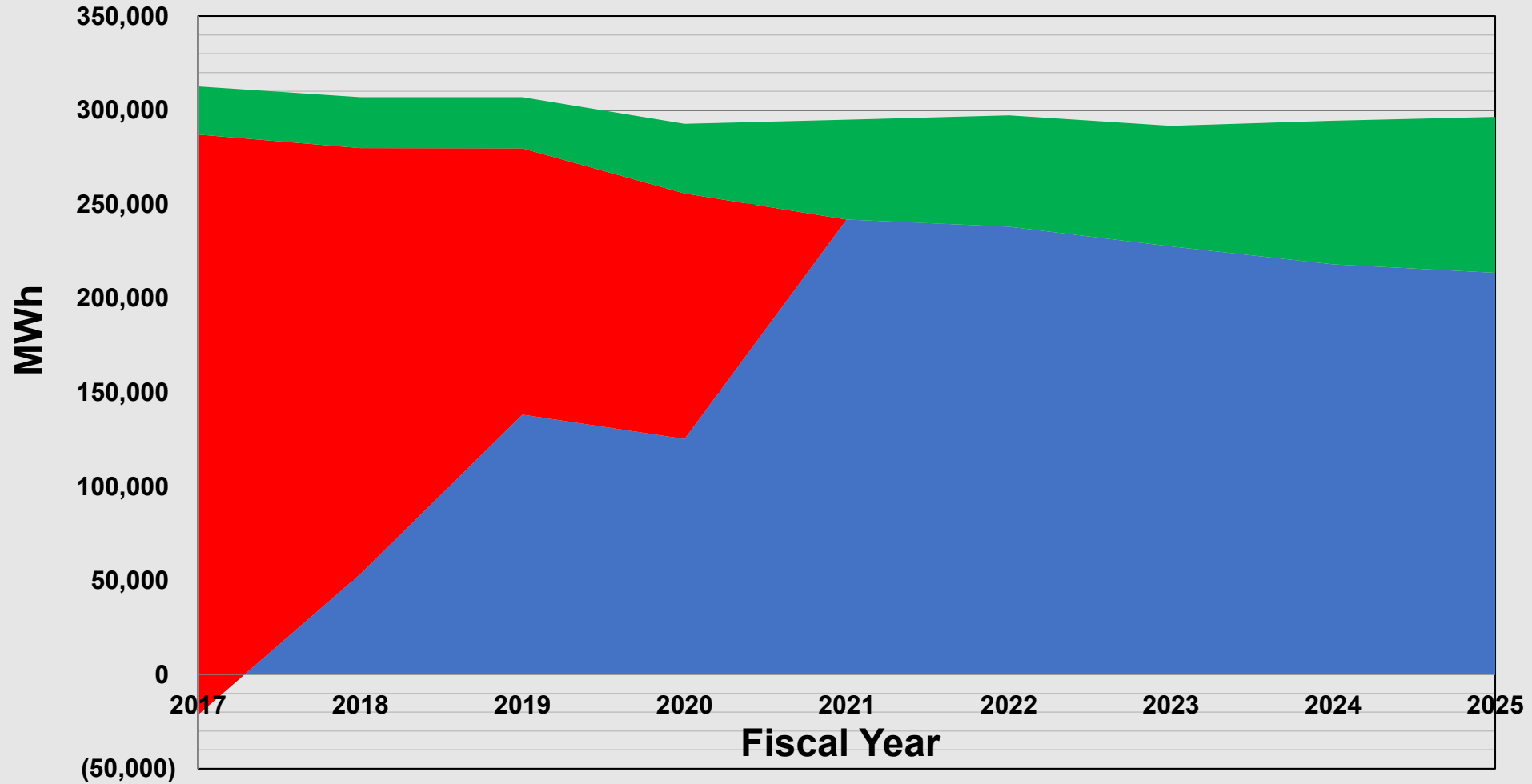
Operating Expenses

- Energy waste reduction and energy optimization funds are again budgeted and planned at \$400,000 in FY 2024 (\$125,000 of which is planned for street lighting LED retrofits within the BLP's FY 2024 Capital Improvement Plan)
- MPIA insurance expenses are budgeted at \$450,000 in FY 2024 (remaining portion of \$1.2 million total annual transfer maintained within self-insurance fund)

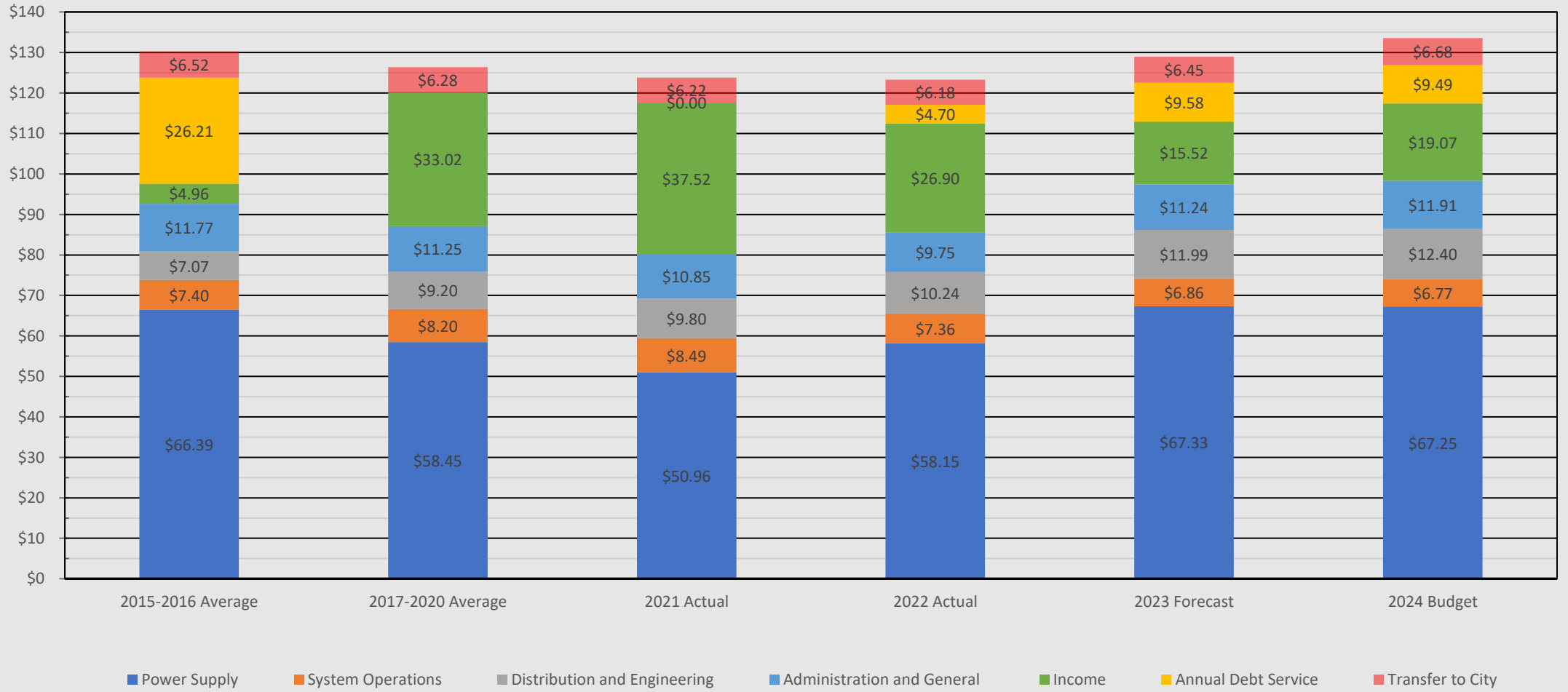
BLP Power Supply Summary Fiscal Year 2017-2025

	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Projected 2024	Projected 2025	Percent Change 2017-2025
Total BLP Net Generation (MWh)	308,248	226,453	141,544	130,545	0	0	0	0	0	-100.00%
Net Wholesale Purchases	(21,248)	53,405	138,186	125,270	241,870	238,000	227,525	218,100	213,500	-1104.82%
Renewable Purchases	<u>25,692</u>	<u>27,010</u>	<u>27,190</u>	<u>36,929</u>	<u>53,130</u>	<u>59,206</u>	<u>64,175</u>	<u>76,250</u>	<u>83,000</u>	<u>223.06%</u>
Net System Input	312,692	306,868	306,920	292,744	295,001	297,206	291,700	294,350	296,500	-5.18%
Total Retail Sales (MWh)	300,156	293,621	301,276	278,593	289,215	289,614	284,400	287,000	289,100	-3.68%
Percent Distribution Losses	4.0%	4.3%	1.8%	4.8%	2.0%	2.6%	2.5%	2.5%	2.5%	
Percent BLP Net Generation	98.6%	73.8%	46.1%	44.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Percent Net Wholesale Purchase	-6.8%	17.4%	45.0%	42.8%	82.0%	80.1%	78.0%	74.1%	72.0%	
Percent Renewable Purchase	8.2%	8.8%	8.9%	12.6%	18.0%	19.9%	22.0%	25.9%	28.0%	

BLP Power Supply Summary Fiscal Years 2017-2025



Average Dollars per MWh Operating Revenue Requirement



Operating Expenses

- **Total payroll expenses** (wages and benefits) are budgeted at the same level as now forecasted for FY 2023, at approximately **\$6,100,000**, assuming 42 Full-Time Equivalents (FTEs)
- Actual BLP total payroll expenses in FY 2018 were \$7,438,200 for 72 FTEs
- Our budgeted payroll then for FY 2023 represents an 18% reduction in total payroll expenses (-\$1.34 million) and a reduction of 30 FTEs (-41.7%) in the last 5 years
- With a recent employee resignation, and two recent retirements, our active workforce currently numbers **40**. Over the next several months, we will be reevaluating our organizational structure in the areas impacted by these by these retirements and resignation and are quite likely to adjust these job descriptions a bit, before hiring and restoring two of these three FTEs.

How is a dollar of retail electric revenue being spent in FY 23 and (proposed) in FY 24?

Total Annual Power Supply Expenses	51.3%
Payroll (Wages and Fringe Benefits)	16.1%
Annual Debt Service on Bonds (Principal and Interest)	7.3%
Transfers/Contributions to the City	5.3%
MPIA Insurance Expenses	1.2%
EWR/EO Expenses (including Street Lighting Capital Investments)	1.1%
All Other Estimated Utility Operating Expenses (excluding <u>additional</u> DB Pension Contributions)	<u>5.1%</u>
	87.3%
Operating Income Available for Capital Assets and Other	12.7%
"Utility Purposes," and To Maintain Adequate Cash Reserves	
Retail electric operating revenue does not include Environmental Remediation Surcharge (ERS)	

All Other Estimated Utility Operating Expenses

- Budgeted at **\$2,020,277** in FY 2023
- Now forecasted at \$1,852,000 for FY 2023 (under budget by \$168,277)
- Now budgeted in FY 2024 at **\$2,195,621**
 - FY 2024 budget for these items as compared to FY 2023 budget for same items shows an increase of **\$175,344 (+ 8.67%)**
 - Several budgeted items comprise the majority of this amount:
 - (1) Development of 5-year distribution system capital plan (GRP Engineering)
 - (2) Several IT software enhancements (grid analytics, SCADA, texting)
 - (3) Snowmelt equipment contribution (unbudgeted in FY 2023)
 - (4) Board added items for outside services (discussed at March Board meeting)
 - (5) Several Eaton Drive facility maintenance items

Use of Net Assets (including Utility Reserve Funds)

- Proposed 5-year utility capital plan (FY 24 - FY 28) totals **\$24.8 million**
 - No longer includes non-operating environmental remediation activities being implemented by other departments within City Administration under the direction and control of City Council
- Five-year FY 24 – FY 28 financial plan also includes funding for:
 - (1) Additional deposits to MPIA / MPPA Working Capital reserve funds (estimated @ **\$6.05 million**)
 - (2) Annual debt-service (principal payments) – interest payments are expensed (**\$12.0 million**)
 - (3) Additional contributions to legacy defined benefit obligations/liabilities (estimated @ **\$2.275 million**)
- **Current base rates (with only increased anticipated PSCA collections) over the 5-year planning period are now estimated adequate to maintain recommended Minimum Cash Reserve Position of **\$18.0 million****

**GRAND HAVEN BOARD OF LIGHT AND POWER
BUDGET FY2024**

	<u>Actual 2020-2021</u>	<u>Actual 2021-2022</u>	<u>Budget 2022-2023</u>	<u>Forecast 2022-2023</u>	<u>Budget 2023-2024</u>	<u>Budget to Forecast Variance</u>	<u>Budget to Budget Variance</u>
Operating Revenue							
Residential Sales	12,669,845	12,599,201	12,869,000	12,737,500	13,252,500	515,000	383,500
Commerical/Industrial/Municipal Sales	22,735,373	22,728,899	24,156,002	23,607,500	24,747,500	1,140,000	591,498
Total Charges for Services	35,405,218	35,328,100	37,025,002	36,345,000	38,000,000	1,655,000	974,998
Street Lighting	414,173	376,312	338,000	335,000	335,000	-	(3,000)
Other Revenue	271,230	237,135	198,000	202,045	174,281	(27,764)	(23,719)
Total Operating Revenue	36,090,621	35,941,547	37,561,002	36,882,045	38,509,281	1,627,236	948,279
Operating Expenses							
Purchased Power	14,740,982	16,841,879	20,142,118	19,150,000	19,300,000	150,000	(842,118)
<u>Distribution</u>						-	-
Distribution Operations	2,455,421	2,131,370	2,515,693	1,950,840	1,942,813	(8,027)	(572,880)
Distribution Maintenance	2,833,781	2,964,507	2,895,260	3,409,830	3,559,903	150,073	664,643
Energy Optimization	433,447	290,816	200,000	174,890	275,000	100,110	75,000
Administration	2,704,532	2,532,771	2,941,233	3,022,364	3,142,804	120,440	201,571
Legacy Pension Expense	931,934	146,946	1,106,617	710,000	498,436	(211,564)	(608,181)
Operating Expenses before Depreciation	24,100,097	24,908,289	29,800,921	28,417,923	28,718,956	301,033	(1,081,965)
Operating Net Income Before Depreciation	11,990,524	11,033,258	7,760,081	8,464,121	9,790,325	1,326,204	2,030,244
Depreciation	1,548,247	1,891,594	1,850,000	1,850,000	2,024,000	174,000	174,000
Operating Net Income	10,442,277	9,141,664	5,910,081	6,614,121	7,766,325	1,152,204	1,856,244
Nonoperating Income/(Expenses)	580,550	(1,017,153)	142,170	676,974	610,300	(66,674)	468,130
Environmental Remediation Expense	(9,990,741)	(10,134,689)	(5,000,000)	-	(1,000,000)	(1,000,000)	4,000,000
Environmental Remediation Surcharge	(9,410,191)	(11,151,842)	(4,857,830)	676,974	610,300	(66,674)	5,468,130
Transfers to the City of Grand Haven	(1,798,150)	(1,789,553)	(1,868,150)	(1,834,000)	(1,916,750)	(82,750)	(48,600)
Increase in Net Assets	(766,064)	(3,799,731)	(815,899)	5,457,095	6,459,875	1,002,780	7,275,774

Minimum Cash Reserve Position

- Considerations (as recommended by Utility Financial Solutions)
 - (1) Minimum days cash of annual operating expenses (excluding power supply)
 - (2) Minimum days cash of total power supply expenses
 - Market risk premium for unhedged portions
 - (3) One year of annual debt service (principal and interest)
 - (4) Estimated cost of next fiscal-year capital improvements
 - (5) Uninsured portion of historical rate base
 - (6) Prefunding of potential working capital call from MPPA to address evolving credit concerns in wholesale power marketplace (under ESA)
- Staff recommends Board set **Minimum Cash Reserve** position at **\$18.0 million** for FY 24

GRAND HAVEN BOARD OF LIGHT AND POWER
5 YEAR CAPITAL PLAN FY 2024-2028

		x FY23	x FY23 Projection	x FY24	x FY25	x FY26	x FY27	x FY28	5 YEAR Cost	6 YEAR Cost
DISTRIBUTION MAINTENANCE AND OPERATIONS										
1	North Sub Transformer T2-Circuit North-80	D00851	1,200,000	1,100,684					0	
2	2400V Upgrades								0	
	DeSpelder Voltage Upgrade	D00965	250,000	405,000					0	
	Pole Blanket	DB0011	100,000	150,000	150,000	125,000	125,000	125,000	100,000	625,000
	Overhead Lines Blanket	DB0021	150,000	150,000	200,000	200,000	200,000	200,000	125,000	925,000
	Underground Lines Blanket	DB0041	125,000	75,000	225,000	130,000	130,000	330,000	130,000	945,000
	Transformers Blanket	DB0051	200,000	205,000	200,000	175,000	175,000	175,000	125,000	850,000
	New Services Blanket	DB0061	70,000	50,000	70,000	70,000	70,000	70,000	70,000	350,000
	New Metering Blanket	DB0071	35,000	20,000	35,000	35,000	37,500	37,500	37,500	182,500
	New Street Lights Blanket	DB0081	35,000	20,000	20,000	20,000	20,000	25,000	25,000	110,000
	Streetlight LED Conversions	D00090	200,000	85,000	125,000					125,000
	City Road Upgrades Blanket	DB0101	80,000	0	80,000	80,000	80,000	80,000	80,000	400,000
3	Vehicle Replacement	DVXXXX	45,000		110,000	760,000	480,000	480,000	480,000	2,310,000
	Pickup Truck #222			48,965						0
4	Misc. Circuit Reconstructor/Rebuild					2,000,000	2,000,000	2,100,000	2,225,000	8,325,000
	Circuit Rebuild/Riverhaven 3	D01075		83,204						0
	Harbor Drive Undergrounding				1,000,000	500,000				1,500,000
5	Morford Sub Line Relaying Upgrade	D00841		71,651	550,000					550,000
	Service Area Expansion		100,000	0	100,000	100,000	100,000	100,000	100,000	500,000
	OH Service 17840 WSLR	D02080		23,130						0
6	Circuit Osploff-42	D00700	600,000	400,000	1,200,000					1,200,000
7	Circuit Osploff-34	D00600	700,000	400,000	1,300,000					1,300,000
8	Osploff Control House	D00800	900,000	1,448,361						0
	OMX Texting				28,500					28,500
	Locator				10,000					10,000
	SUBTOTAL		4,790,000	4,735,995	4,403,500	4,695,000	3,917,500	3,722,500	3,497,500	20,236,000
ADMINISTRATION/FACILITIES										
	Admin Facility	P08000	4,000,000	21,000	4,000,000					4,000,000
	Misc. Admin		35,000		35,000	35,000	35,000	35,000	35,000	175,000
	SUBTOTAL		4,035,000	21,000	4,035,000	35,000	35,000	35,000	35,000	4,175,000
TECHNOLOGY										
	Network Backup System				10,000			10,000		20,000
	Host Server Replacement		80,000		80,000				80,000	160,000
	Printers Replacement					10,000				10,000
	San Storage		40,000		40,000		80,000			120,000
	Microsoft Windows Server Upgrades		9,000		12,000			12,000		36,000
	Network Infrastructure		5,000		5,000	10,000		10,000		25,000
	Wi-Fi Upgrades									0
	Firewall					25,000				25,000
	SUBTOTAL		134,000	-	147,000	10,000	57,000	90,000	92,000	396,000
	TOTAL CAPITAL		\$ 8,959,000	\$ 4,756,995	\$ 8,585,500	\$ 4,740,000	\$ 4,009,500	\$ 3,847,500	\$ 3,624,500	\$ 24,807,000
										\$ 29,563,995

**GRAND HAVEN BOARD OF LIGHT AND POWER
BUDGET FY2024**

	<u>Actual 2020-2021</u>	<u>Actual 2021-2022</u>	<u>Budget 2022-2023</u>	<u>Forecast 2022-2023</u>	<u>Budget 2023-2024</u>	<u>Budget to Forecast Variance</u>	<u>Budget to Budget Variance</u>
Operating Revenue							
Residential Sales	12,669,845	12,599,201	12,869,000	12,737,500	13,252,500	515,000	383,500
Commerical/Industrial/Municipal Sales	22,735,373	22,728,899	24,156,002	23,607,500	24,747,500	1,140,000	591,498
Total Charges for Services	<u>35,405,218</u>	<u>35,328,100</u>	<u>37,025,002</u>	<u>36,345,000</u>	<u>38,000,000</u>	<u>1,655,000</u>	<u>974,998</u>
Street Lighting	414,173	376,312	338,000	335,000	335,000	-	(3,000)
Other Revenue	271,230	237,135	198,000	202,045	174,281	(27,764)	(23,719)
Total Operating Revenue	<u>36,090,621</u>	<u>35,941,547</u>	<u>37,561,002</u>	<u>36,882,045</u>	<u>38,509,281</u>	<u>1,627,236</u>	<u>948,279</u>
Operating Expenses							
Purchased Power	14,740,982	16,841,879	20,142,118	19,150,000	19,300,000	150,000	(842,118)
<u>Distribution</u>						-	-
Distribution Operations	2,455,421	2,131,370	2,515,693	1,950,840	1,942,813	(8,027)	(572,880)
Distribution Maintenance	2,833,781	2,964,507	2,895,260	3,409,830	3,559,903	150,073	664,643
Energy Optimization	433,447	290,816	200,000	174,890	275,000	100,110	75,000
Administration	2,704,532	2,532,771	2,941,233	3,022,364	3,142,804	120,440	201,571
Legacy Pension Expense	931,934	146,946	1,106,617	710,000	498,436	(211,564)	(608,181)
Operating Expenses before Depreciation	<u>24,100,097</u>	<u>24,908,289</u>	<u>29,800,921</u>	<u>28,417,923</u>	<u>28,718,956</u>	<u>301,033</u>	<u>(1,081,965)</u>
Operating Net Income Before Depreciation	11,990,524	11,033,258	7,760,081	8,464,121	9,790,325	1,326,204	2,030,244
Depreciation	1,548,247	1,891,594	1,850,000	1,850,000	2,024,000	174,000	174,000
Operating Net Income	<u>10,442,277</u>	<u>9,141,664</u>	<u>5,910,081</u>	<u>6,614,121</u>	<u>7,766,325</u>	<u>1,152,204</u>	<u>1,856,244</u>
Nonoperating Income/(Expenses)	580,550	(1,017,153)	142,170	676,974	610,300	(66,674)	468,130
Environmental Remediation Expense	(9,990,741)	(10,134,689)	(5,000,000)	-	(1,000,000)	(1,000,000)	4,000,000
Environmental Remediation Surcharge	<u>(9,410,191)</u>	<u>(11,151,842)</u>	<u>(4,857,830)</u>	<u>676,974</u>	<u>610,300</u>	<u>(66,674)</u>	<u>5,468,130</u>
Transfers to the City of Grand Haven	<u>(1,798,150)</u>	<u>(1,789,553)</u>	<u>(1,868,150)</u>	<u>(1,834,000)</u>	<u>(1,916,750)</u>	<u>(82,750)</u>	<u>(48,600)</u>
Increase in Net Assets	<u><u>(766,064)</u></u>	<u><u>(3,799,731)</u></u>	<u><u>(815,899)</u></u>	<u><u>5,457,095</u></u>	<u><u>6,459,875</u></u>	<u><u>1,002,780</u></u>	<u><u>7,275,774</u></u>

**GRAND HAVEN BOARD OF LIGHT AND POWER
5 YEAR CAPITAL PLAN FY 2024-2028**

		X FY23	X FY23 Projection	X FY24	X FY25	X FY26	X FY27	X FY28	5 YEAR Cost
DISTRIBUTION MAINTENANCE AND OPERATIONS									
North Sub Transformer T2-Circuit North-60	D00851	1,200,000	1,100,684						0
2400V Upgrades									0
<i>DeSpelder Voltage Upgrade</i>	D00965	250,000	405,000						0
Pole Blanket	DB0011	100,000	150,000	150,000	125,000	125,000	125,000	100,000	625,000
Overhead Lines Blanket	DB0021	150,000	150,000	200,000	200,000	200,000	200,000	125,000	925,000
Underground Lines Blanket	DB0041	125,000	75,000	225,000	130,000	130,000	330,000	130,000	945,000
Transformers Blanket	DB0051	200,000	205,000	200,000	175,000	175,000	175,000	125,000	850,000
New Services Blanket	DB0061	70,000	50,000	70,000	70,000	70,000	70,000	70,000	350,000
New Metering Blanket	DB0071	35,000	20,000	35,000	35,000	37,500	37,500	37,500	182,500
New Street Lights Blanket	DB0081	35,000	20,000	20,000	20,000	20,000	25,000	25,000	110,000
Streetlight LED Conversions	D00090	200,000	85,000	125,000					125,000
City Road Upgrades Blanket	DB0101	80,000	0	80,000	80,000	80,000	80,000	80,000	400,000
Vehicle Replacement	DVXXXX	45,000		110,000	760,000	480,000	480,000	480,000	2,310,000
<i>Pickup Truck #222</i>			48,965						0
Misc. Circuit Reconductor/Rebuild					2,000,000	2,000,000	2,100,000	2,225,000	8,325,000
<i>Circuit Rebuild/Riverhaven 3</i>	D01075		83,204						0
Harbor Drive Undergrounding					1,000,000	500,000			1,500,000
Morford Sub Line Relaying Upgrade	D00841		71,651	550,000					550,000
Service Area Expansion		100,000	0	100,000	100,000	100,000	100,000	100,000	500,000
<i>OH Service 17840 WSLR</i>	D02080		23,130						0
Circuit Osipoff-42	D00700	600,000	400,000	1,200,000					1,200,000
Circuit Osipoff-34	D00600	700,000	400,000	1,300,000					1,300,000
Osipoff Control House	D00800	900,000	1,448,361						0
OMX Texting				28,500					28,500
Locator				10,000					10,000
SUBTOTAL		4,790,000	4,735,995	4,403,500	4,695,000	3,917,500	3,722,500	3,497,500	20,236,000
ADMINISTRATION/FACILITIES									
Admin Facility	P08000	4,000,000	21,000	4,000,000					4,000,000
Misc. Admin		35,000		35,000	35,000	35,000	35,000	35,000	175,000
SUBTOTAL		4,035,000	21,000	4,035,000	35,000	35,000	35,000	35,000	4,175,000
TECHNOLOGY									
Network Backup System				10,000			10,000		20,000
Host Server Replacement		80,000		80,000				80,000	160,000
Printers Replacement						10,000			10,000
San Storage		40,000		40,000			80,000		120,000
Microsoft Windows Server Upgrades		9,000		12,000		12,000		12,000	36,000
Network Infrastructure		5,000		5,000	10,000	10,000			25,000
Wi-Fi Upgrades									0
Firewall						25,000			25,000
SUBTOTAL		134,000	-	147,000	10,000	57,000	90,000	92,000	396,000
TOTAL CAPITAL		\$ 8,959,000	\$ 4,756,995	\$ 8,585,500	\$ 4,740,000	\$ 4,009,500	\$ 3,847,500	\$ 3,624,500	\$ 24,807,000

Danielle Martin

From: Erik Booth
Sent: Friday, April 14, 2023 3:50 PM
To: Dave Walters
Subject: FW: Progressive AE Fire Station Report Questions
Attachments: (2023-04-14) PAE Letter-Alternate Fire Station Approach.pdf

Dave,

I forward Director Knuth's email to Progressive AE and attached is their response. While I think John's letter was sufficient, it seemed worthwhile to also include a couple pictures of what PAE was referencing on environmental remediation.

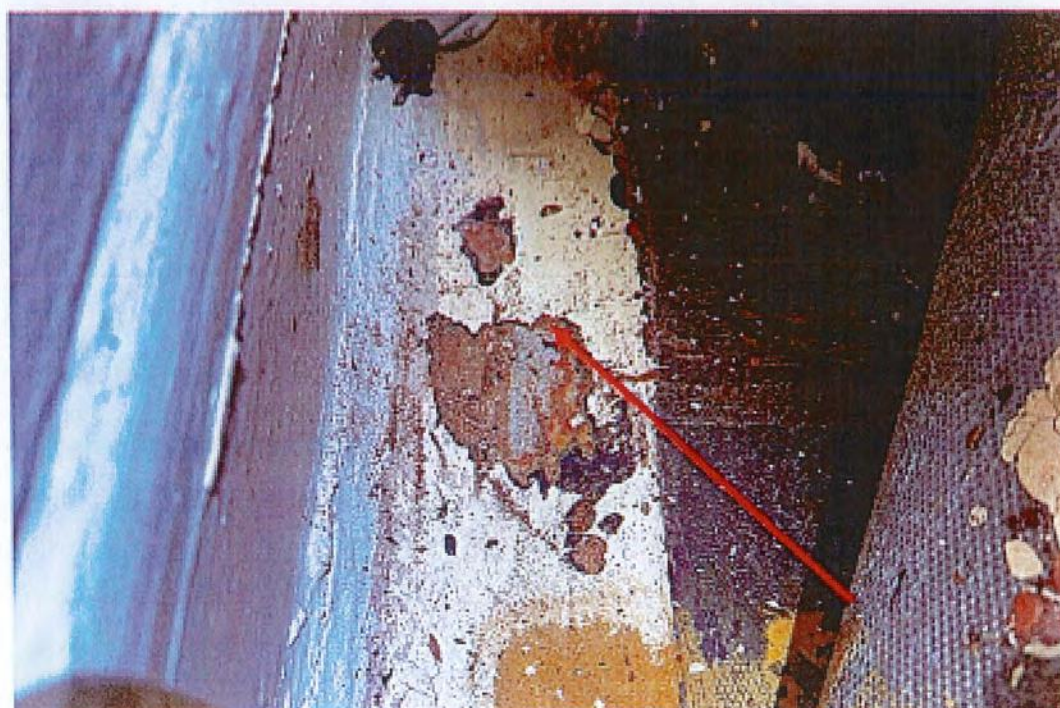
Upon receiving the final report for the Asbestos and Lead/Cadmium based paint tests, it unfortunately uncovered several potentially serious concerns. The following picture was taken in one of the hidden areas of the facility above the drop ceiling which shows deteriorated and flaking paint as well as chipped paint under the carpet that happens to have significant amount of lead concentrations. Unfortunately, some of this peeling lead-based paint (580 ppm lead, <2.1 ppm Cadmium) is right above some piping of the ventilation system. Additionally, there are high levels of lead-based paint peeling and chipping on the concrete floor (18,000 ppm lead, 5.8 ppm Cadmium). The exterior paint is peeling and chipping as well (130,000 ppm lead, 89 ppm Cadmium).

Sample Description and Location

White / Peach Paint on Plaster Walls – collected near the center of the plaster ceiling in functional area 102



Tan / Black Paint on Concrete Floor – collected under the carpet in the NW corner of functional area 105



These items must be addressed to make this facility safe for our customers and utility employees. Repairing, remediating, and rehabilitating only a portion of the building is going to be expensive and, in the end, wouldn't fit the utilities space needs.



**Grand Haven
Board of Light & Power**
1700 Eaton Drive
Grand Haven, MI 49417
ghblp.org

Erik Booth, P.E.
Operations & Power Supply Manager

Office: 616-607-1264
ebooth@ghblp.org

From: Danielle Martin <DMartin@ghblp.org>
Sent: Thursday, March 23, 2023 11:37 AM
To: Erik Booth <EBooth@ghblp.org>
Subject: FW: Progressive AE Fire Station Report Questions



**Grand Haven
Board of Light & Power**
1700 Eaton Drive
Grand Haven, MI 49417
ghblp.org

Danielle Martin
Administrative Services Supervisor

616-607-1262
Fax 616-846-3114
dmartin@ghblp.org

From: Kurt Knoth <KKnoth@ghblp.org>
Sent: Thursday, March 23, 2023 11:36 AM
To: Danielle Martin <DMartin@ghblp.org>
Subject: Re: Progressive AE Fire Station Report Questions

Danielle,

My question is regarding different options, rather than the "full blown" \$4M option. Can we only rehab part of the building (maybe just customer service for the public)? Can the work be phased in over several years? Are there other options for this building that are more cost effective?

Thank you!

Kurt

From: Danielle Martin <DMartin@ghblp.org>
Sent: Thursday, March 23, 2023 8:41 AM
To: Michael J. Westbrook <MWestbrook@ghblp.org>; Gerald Witherell <GWitherell@ghblp.org>; Andrea Hendrick <AHendrick@ghblp.org>; Kurt Knoth <KKnoth@ghblp.org>; Todd B. Crum <TBCrum@ghblp.org>
Cc: Erik Booth <EBooth@ghblp.org>
Subject: Progressive AE Fire Station Report Questions

Hello,

Thank you all for responding with your availability for the upcoming Work Session. We have confirmed everyone is available at 5:00pm on April 26th for the Work Session, followed by a joint get together with Council at 6:00pm.

Please send any questions you have regarding the Progressive AE evaluation of the former Fire Department building to Erik Booth by April 5th. Progressive AE will develop a written response to all questions for inclusion in the April 17th Board package so you have time to review it prior to the Work Session.

Thank you,
Danielle

	<p>Grand Haven Board of Light & Power 1700 Eaton Drive Grand Haven, MI 49417 ghblp.org</p>
<p>Danielle Martin Administrative Services Supervisor</p>	<p>616-607-1262 Fax 616-846-3114 dmartin@ghblp.org</p>



April 14, 2023

Mr Erik Booth
Grand Haven Board of Light and Power
1700 Eaton Drive
Grand Haven MI 49417

Re: Fire Station – Alternate Approaches
Progressive AE Project No. 76780010

Dear Erik:

We understand that Board member Knoth has asked whether an option for the Fire station would be to use a portion of the existing office area to relocate a smaller group of staff, or to phase in the work over a period.

After due consideration, it is PAE's opinion that these options, while perhaps reducing the overall cost, would be less cost-effective if considered in terms of dollars per workspace created. More cost efficient options can be identified in buildings that do not contain the challenges that the Fire Station embodies.

Reducing the number of occupants does not help with the costs for environmental remediation in the office spaces, and moving a limited portion of the team will not meet the organizational needs we recognized in our earlier work.

Phasing the work may delay immediate costs, but we are concerned that future costs are unknown and may make a multi-year approach risky due to inflation uncertainty.

Either approach leaves the Board with less-than-optimal results and will require further investment elsewhere to meet their goals.

Sincerely,

John R. Eberly PE
Senior Project Manager

JRE/cab
P:\76780010\01 ADMIN\A2 CORRESPONDENCE\Owner\2023 03 08 76780010 GHBLP Invoice Letter.docx



A PROPOSED AMENDMENT TO THE GRAND HAVEN CITY CHARTER

The BLP Charter Change Coalition (BLPCCC) is a broad coalition of people working to place an amendment to the Grand Haven City Charter to rationalize our electric energy services.

We are a successor to The Grand Haven Energy Organization (GHEO), a citizen group with more than 1,000 supporters, that persuaded the City Council in 2021, to deny the Board of Light and Power request to issue bonds to construct a small Gas Power plant and combined operations and office building on then flooded Harbor Island.

We are very concerned about the deterioration of relations, on many fronts, between the City Council and the Board of Light and Power (BLP) over the past several years. These strained relations continue to rend the fabric of our municipal government to the detriment of us all.

The BLPCCC believes an amendment to the Grand Haven City Charter is a rational, reasonable solution to the problem. We are working to place it before the Grand Haven voters for their consideration.

We are asking for your help!

If approved by Grand Haven voters, the proposed charter amendment would:

- a. Dissolve the Board of Light and Power,
- b. Transfer the city's electric facilities and services to the control and direction of the city council, through the city manager.
- c. Establish a city department known as the Department of Energy Services managed by the city manager,
- d. Require the city manager to appoint a Director of Energy Services who would be responsible to the city manager for the operation and maintenance of the department. The city manager reports to the City Council,
- e. Establish a Department of Energy Services Advisory Commission consisting of 7 members appointed by the city council who, after the initial appointments of Commission members, would serve 4-year terms. 5 members would be city registered voters, 1 member would be a registered voter and a customer of the Department of Energy Services from outside the city, and 1 member would be a city council member.

Over the coming weeks, BLPCCC members will be circulating a charter amendment petition among city registered voters to seek your support of the charter amendment. Our goal is to submit our petition with the required number of signatures—at least 5% of the number of city registered voters, or about 500 signatures—to the city clerk. Voters in the city will then vote on the amendment in the November, 2023 city election.

1. State law provides: *If the petition contains the requisite number of signatures of registered electors, the clerk shall submit the proposed amendment to the electors of the city at the next regular municipal or general state election held in the city which shall occur not less than 90 days following the filing of the petition.* The next regular Grand Haven city election is Tuesday, November 7, 2023.
2. The specific elements of the proposed charter amendment include:
 - a. Deletion of the current Chapter 14. Board of Light and Power with Sections 14.1. through 14.12 and Sec. 14.14. (Sec. 14.3. was deleted in 1978),
 - b. Deletion of references to the board of light and power and its director in 15 locations in other City Charter chapters outside of Chapter 14,
 - c. Addition of a new Chapter 14. Department of Energy Services with Sections 14.1 through 14.8.
3. New Sec. 14.1. would:
 - a. Make the current electric facilities and services a city department—the Department of Energy Services,
 - b. Under the general direction of the City Council, provide for the city manager to manage the department,
 - c. Provide for the city manager to appoint a director of energy services to be responsible to the city manager for the operation and maintenance of the department.
4. New Sec. 14.2. would establish a Department of Energy Services Advisory Commission which would:
 - a. Provide a forum for the public, customers, city council, and the administration to share information regarding energy services, activities, and needs,
 - b. Review and explore changes taking place in energy production, transmission, storage, and distribution and make recommendations to the director, city manager, and city council,
 - c. Provide opportunities for public comment—including at least 1 public hearing—on the department’s strategic plan, capital improvement plan, proposed changes in customer rates, and proposed annual budget, and make recommendations to the director, city manager, and city council,

- d. Hold bi-monthly meetings open to the public in accordance with the Michigan Open Meetings Act,
 - e. Comply with the Michigan Freedom of Information Act,
 - f. Select a chairperson and a vice-chairperson,
 - g. Have members that serve without compensation but who may be reimbursed for approved expenses,
 - h. Include the city manager as an ex-officio member without a vote,
 - i. Be provided with operational support by the city manager.
5. New Sec. 14.2. would provide for the initial and succeeding Commission members:
- a. The 5 city registered voters serving as BLP members as of the November 2023 city election would serve as initial Commission members for terms ending when the terms to which they were elected end:
 - 1 would end in November 2025
 - 2 would end in November 2027
 - 2 would end in November 2029.
 Commission members succeeding these initial 5 city registered voters would be city registered voters appointed by the city council for staggered terms ending on June 30, the end of the city's fiscal year.
 - b. The initial 1 non-city registered voter and department customer Commission member would be appointed by the city council for a term ending June 30, 2026. Succeeding Commission members in this position would be appointed for 4-year terms ending June 30,
 - c. The initial Commission member who is a city council member would be appointed by the city council for a term ending June 30, 2028, or the end of their city council term, whichever is earlier. Succeeding Commission members in this position would be appointed for 4-year terms or the end of their city council terms, whichever is earlier.
6. New Sec. 14.3. would continue the current transfer of 5% of the department's annual gross retail sales to the city's general fund.
7. New Sec. 14.4. would continue the existing reserve funds—for bond construction, bond redemption, Harbor Island remediation—with the provision that they may not be used for other purposes unless city voters approve.
8. New Sec. 14.5. would:
- a. Provide for the Board of Light and Power to be dissolved December 31, 2023,
 - b. Provide for the transfer of electric facilities and services to the Department of Energy Services, to be accomplished and effective by January 1, 2024,
 - c. Provide for the city manager to be responsible for implementing the transition.

9. New Sec. 14.6. would:
 - a. Continue the annual compensation rate as of December 31, 2023, for the 5 initial Commission members who were previously elected to the BLP, until their initial Commission terms end,
 - b. Continue the compensation of current BLP employees as of December 31, 2023, in the Department of Energy Services, until changed as provided by Charter, ordinances, resolutions, and contracts.
10. New Sec. 14.7. provides boilerplate language that continues all ordinances, resolutions, rules and regulations, and millages which are not inconsistent with the proposed charter amendment.
11. New Sec. 14.8. provides that the city council may resolve any question concerning the proposed transition that is not provided in the proposed charter amendment by adopting an ordinance.
12. The new Chapter 14. Department of Energy Services has just 4 substantive sections, Sections 14.1. through 14.4. The other 4 sections, Sections 14.5. through 14.8., are implementation sections. The main reason there are only 4 substantive sections in the new Chapter 14 is because most of the provision addressed in the current Chapter 14 are addressed in other chapters of the current City Charter.

When the BLP was established in the 1959 City Charter, those chapter sections exempted BLP from almost all the provisions that applied to all other city departments. The 1959 City Charter created similar topic provisions in Chapter 14 sections that were applicable only to the BLP.

The proposed charter amendment returns electric utility facilities and operations to a new city department: the Department of Energy Services which will be subject to the same City Charter provisions as other city departments with one notable exception: the new department will have an advisory commission.

GRAND HAVEN CITY CHARTER AMENDMENT TO
CHARTER OF APRIL 6, 1959, AS AMENDED

Sec. 4.1. City officers enumerated.

- (a) The elective officers shall be the mayor *and*¹ the four councilmen ~~and members of the board of light and power.~~
- (b) The appointive officers shall be those named in section 7.1, and members of any boards or commissions created by or under authority of this charter.

Sec. 4.4. Terms of office.

- (a) The terms of office of the mayor shall be for two years, and that of members of the council shall be for four years, ~~and of members of the board of light and power shall be six years.~~
- (b) Each appointive officer, except members of boards, shall serve for an indefinite term unless otherwise provided.
- (c) Terms of office of persons appointed to fill vacancies on boards and commissions shall commence at the time of appointment and shall continue until the end of the term of office vacated.
- (d) With the consent of the council, and for so long as the council shall permit, an elective officer may continue in the office held by them after the expiration of their term until their successor has been elected or appointed and has qualified for the office.

Sec. 4.10. Declaring vacancies in office, causes enumerated.

A city office shall become vacant upon the occurrence of any of the following events:

- (1) Expiration of the term of office, except as provided in section 4.4(d);
- (2) Death of the incumbent;
- (3) Resignation;
- (4) Removal from office;
- (5) Ceasing to be an inhabitant of the city;
- (6) Conviction of an infamous crime, or of an offense involving a violation of oath of office;
- (7) Default to the city, unless such default is eliminated within thirty days after written notice thereof by the clerk upon the direction of the council, or, unless the officer in good faith contests, by recognized means of legal procedures, their liability for the default;
- (8) A decision of a competent tribunal declaring the officer's election or appointment void;

¹ Strikeouts indicate words to be eliminated; Italics indicate words to be added.

- (9) Failure to take the oath or file the bond required for the office within ten days from the date of election of appointment or within such other time thereafter, as the council may fix;
- (10) In the case of councilmen *and* the mayor ~~and members of the board of light and power~~, absence from four consecutive regular meetings of the council ~~or board~~, ~~as the case may be~~, unless such absences, with reasons therefor stated at the time and appearing in the journal of the meeting from which the member was absent, be excused, or twenty-five per cent of such meetings in any calendar year, unless such absences are so excused;
- (11) Absence from the city or failure to perform the duties of such office for sixty consecutive days, unless such absence from the city or failure to perform the duties of office shall be excused by the council prior to the expiration of such sixty-day period; or
- (12) Any other event which, by law, creates a vacancy.

Sec. 4.11. Resignations, procedure.

Resignations of elective officers shall be made in writing to the clerk. Resignations of appointive officers shall be made in writing to the appointing authority. The appointing officer or the clerk, as the case may be, shall announce the resignation of any officer to the council ~~or the board of light and power, as the case may be~~, at its next meeting.

Sec. 4.13. Filling vacancies.

- (a) If a vacancy occurs in the office of any councilman, the council shall, within thirty days thereafter, fill the vacancy until the Monday following the next regular city election. ~~In the event of a vacancy on the board of light and power, the council shall fill such vacancy in the same manner and for the same period of time.~~
- (b) Except as otherwise provided in this charter, if a vacancy occurs in an appointive office, such vacancy shall be filled within thirty days thereafter in the manner provided for making the original appointment. Such time may be extended once, for not to exceed sixty days, by resolution of the council setting forth the reasons therefor. If no appointment has been made within such time and the extension thereof, the council may appoint a committee of three of its members to make such appointment in the stead of the officer required by this charter to make such appointment.

Sec. 7.3. City manager; qualifications; powers and duties.

- (a) To be eligible for appointment as city manager, a person must have had training for or previous experience in city, public, or business administration.
- (b) The city manager shall be the administrative agent of the council, shall be vested with all administrative powers of the city, except as otherwise provided by this charter, and shall perform the duties of their office under the authority of, and be accountable to the council. Except as otherwise provided in this charter, all administrative officers,

other than members of city boards and commissions, shall be responsible to them for the performance of their duties.

- (c) It shall be the duty of the city manager to:
- (1) Supervise and coordinate the work of the administrative officers and departments of the city, except as otherwise provided in this charter, and except the work of the clerk insofar as set forth and required of them by section 7.4(a) of this chapter;
 - (2) Prepare and submit to the council the annual budget proposals of the city, together with supporting information in explanation thereof;
 - (3) Establish and maintain a central purchasing service for the city;
 - (4) Except as otherwise provided under authority of section 7.22, establish, supervise, and coordinate the personnel policies and practices of the city;
 - (5) Keep informed and report to the council concerning the work of the several offices and departments of the city, and, to that end, they may secure from the officers and heads of all administrative departments such information and periodic or special reports as they or the council may deem necessary;
 - (6) In case of conflict of authority between officers and administrative departments, or in case of absence of administrative authority, occasioned by inadequacy of charter or ordinance provisions, resolve the conflict or supply the necessary authority, so far as may be consistent with law and the ordinances of the city, and direct the necessary action to be taken in conformance therewith, making a full report immediately to the council;
 - (7) Attend all meetings of the council, with the right to be heard in all council proceedings, but without the right to vote;
 - (8) Recommend to the council, from time to time, such measures as they deem necessary or appropriate for the improvement of the city or its services;
 - (9) Prepare and maintain an administrative code which, when adopted by the council, shall supplement this charter in establishing the duties and functions of each officer and department of the city;
 - (10) Furnish the council with information concerning city affairs and prepare and submit such reports as may be required or which the council may request, including an annual report, which shall consolidate the reports of the several departments;
 - (11) Supervise the maintenance of safety measures along the waterfront; appoint the harbor master, if any; provide for filing all records and reports pertaining to the harbor; and make recommendations for the upkeep, improvement, and development of the city's waterfront property; and

(12) Possess such further powers and perform such additional duties as may be granted to or required of them, from time to time, by the council, so far as may be consistent with the provisions of law.

~~(d) None of the provisions of this section shall give to the city manager any power or authority with respect to the board of light and power or any of its functions.~~

Sec. 7.4. City clerk; powers and duties.

- (a) The clerk shall be clerk of the council ~~of the board of light and power~~, and of each appointive board and commission of the city, except as otherwise provided by this charter. They shall attend all meetings of the council, and shall keep a permanent journal, in the English language, of its proceedings.
- (b) They shall keep a record of all ordinances, resolutions, and actions of the council.
- (c) They shall have power to administer all oaths required by law and the ordinances of the city.
- (d) They shall be custodian of the city seal, and shall affix it to all documents and instruments requiring the seal, and shall attest the same. They shall also be custodian of all papers, documents, and records pertaining to the city, the custody of which is not otherwise provided for by this charter. They shall give to the proper officials ample notice of the expiration or termination of any official bonds, franchises, contracts, or agreements to which the city is a party.
- (e) They shall certify all ordinances and resolutions enacted or passed by the council.
- (f) They shall perform such other duties in connection with their office as may be required of them by law, ordinances, or resolutions of the council.

Sec. 7.10. City engineer; powers and duties.

- (a) The city engineer, if there be one, shall be appointed by and responsible to the city manager. They shall be qualified by law for performing engineering design and supervision of public works and by training and experience in the field of sanitary and public works engineering. They shall be the official surveyor of the city and shall perform such duties on behalf of the city as are required by law to be performed by an engineer.
- (b) The city engineer or the city manager shall preserve in their office records concerning the boundaries of the city, the location of city streets, alleys, and public places, and the location of all utility and sewer mains, lines, conduits, manholes, valves, junctions, and appurtenances located therein or thereon.
- (c) The city engineer or the city manager shall make, or cause to be made, all necessary surveys, maps, plats, diagrams, plans, and specifications for all public improvements, buildings, and grounds of the city. The council ~~and the board of light and power, with the approval of the council~~, shall each have the power to employ the engineering services of any qualified engineer or engineering firm in connection with any specific engineering work. Such services may be performed in conjunction with or

independently of the city engineer, but a copy of all final plans and specifications provided by such engineer or engineering firm shall be filed with the city engineer or the city manager.

Sec. 7.22. Nepotism.

Relatives by blood or marriage who are a brother, sister, spouse, parent, grandparent, child, or grandchild of the mayor, and councilman, ~~or the city manager, any member of the board of light and power or its director,~~ or bear such relationship to any of their spouses, shall not be qualified to hold any appointive office or to be employed by the city during the term for which any such officers were elected, or during the tenure of office of such city manager ~~or director,~~ except and unless they are bona fide appointive officers or employees of the city at the time of election or appointment of such officers ~~or director.~~ If the status or relationship between any employee of the city and a person holding one of the positions enumerated herein changes to a relationship prohibited hereby, following employment of such employee or the election or appointment of a person holding one of the enumerated positions, the provisions of this section shall not apply.

Sec. 8.2. Budget procedure.

On or before the first day of February of each year, each officer, department head, and board or commission of the city, ~~except the board of light and power,~~ shall submit to the city manager a complete statement of the financial needs and expected revenues of their office or department for the next fiscal year. The city manager shall assemble the statements so submitted and prepare for the council a budget proposal for the next fiscal year. Such budget proposal shall be presented to the council at its first regular meeting in April. The proposed expenditures set forth in such budget proposal shall not exceed the expected revenues of the city for the next fiscal year by an amount greater than the expected unencumbered funds remaining at the end of the current fiscal year.

Sec. 8.11. Contractual claims; payment, procedure; ordinance required.

All claims against the city shall be filed with the clerk. They shall refer all such claims to the finance director ~~or the board of light and power, as the case may be.~~ The finance director ~~or the board~~ shall verify the correctness of each claim so referred and determine whether it is a proper charge against the city, and shall transmit it to the city manager. The council shall provide, by ordinance, the procedure for the payment of contractual claims against the city.

Sec. 11.1. Regular city elections.

A regular city election shall be held biennially on the date of the biennial spring election established by law. A mayor and two councilmen shall be elected at each regular city election. ~~Members of the board of light and power shall be elected at the times specified in section 14.1 of this charter, respectively.~~

Sec. 12.4. Business dealings with city; officers, restriction.

An officer who intends to have business dealings with the city whereby they may derive any income or benefits, other than such as are provided as remuneration for their official

duties, shall file with the clerk a statement, under oath, setting forth the nature of such business dealings, and their interest therein. The statement shall be filed with the clerk not less than ten days before the date when action may be taken by the council or any other agency of the city upon the matter involved. The statement shall be spread upon the proceedings of the council or other agency and published in full therewith. Approval of any such business dealings shall require a concurring vote of at least four members of the council ~~or, in the case of the board of light and power, at least four of its members,~~ not including any member who is disqualified under section 5.5(j) of this charter. Any business dealing made in violation of this section shall be void.

Sec. 13.3. Rates and charges.

- (a) The council shall fix just and reasonable rates and such other charges as may be deemed advisable for supplying water and other municipal utility services, ~~other than light and power.~~ Discrimination in rates by the council, within any classification of users, shall not be permitted. Increased rates, approved by the council, may be charged for service rendered or furnished to persons residing outside the corporate limits of the city.
- (b) Transactions pertaining to the ownership and operation of each municipal utility shall be recorded in a separate group of accounts, which shall be classified in accordance with generally accepted accounting practices. Charges for all services furnished to other city departments or administrative units of the city, or rendered to any municipal utility by any such department or administrative unit, shall be recorded, whether collected or not. An annual report shall be prepared to show the financial position of each utility and the results of its operation. A copy of such report shall be available for inspection at the office of the clerk.

Sec. 13.5. Municipal utility plants and property, disposition.

The city shall not sell, exchange, lease, or in any way dispose of any municipal public utility or any property, easement, equipment, privilege, or asset needed to continue the operation of any utility, unless the proposition to do so is approved by the electors or the council, as the case may be, in the same manner as was required to acquire the utility. In the case of the electric and the water utilities of the city, no action shall be taken by the council ~~or the board of light and power~~ to divest any interest of the city therein, unless the proposition to do so is approved by a three-fifths vote of the electors of the city voting thereon at a regular election. All contracts, grants, leases, or other forms of transfer in violation of this section shall be void and of no effect as against the city. The restrictions of this section shall not apply to the sale or exchange of articles of machinery or equipment of any utility which are no longer useful or which are replaced by new machinery or equipment, or to the sale or leasing of property not necessary for the operation of the utility, or to the exchange of property or easements for other property needed for the utility.

CHAPTER 14. ~~BOARD OF LIGHT AND POWER~~ DEPARTMENT OF ENERGY SERVICES

~~Sec. 14.1. Composition, terms, compensation; meetings, journal required.~~

~~The city's electric utility facilities and services shall constitute a department of the city government. The electric utility of the city shall be under the control and direction of an elected board, to be known as the board of light and power. The board shall be composed of five members who shall be elected for terms of six years each, with the terms of two members expiring in each odd-numbered year, except that, in each third odd-numbered year, counting from 1959, the term of one member shall expire. The term of office of each member of the board shall commence on the day of the first regular meeting of the board next following the date of their election, except that the term of office of any person who is appointed to fill a vacancy shall commence on the date of their appointment. The board shall organize at its first meeting following each regular city election, and shall elect one of its members chairman. The board shall hold at least one regular meeting in each month at a meeting place designated by the board with the approval of the council. Special meetings may be called at the request of the chairman or of any two members in the manner provided in this charter for calling special meetings of the council. All meetings of the board shall be open to the public. The board shall keep a journal of its meetings, and its proceedings shall be filed with the clerk as a public record. Members of the board shall not receive any compensation, but shall be allowed reasonable expenses when actually incurred by them upon authority of the board.~~

Sec. 14.1. Department of city government.

- (a) The city's electric energy facilities and services shall constitute a department of the city government known as the Department of Energy Services.*
- (b) Under the general direction of the City Council, the Department shall be managed by the city manager.*
- (c) The city manager shall appoint a director of energy services who shall be responsible to the manager for the operation and maintenance of the Department. The director shall be responsible for all energy facilities and services. The director shall manage the department employees subject to this Charter's provisions.*

~~Sec. 14.2. Board of light and power; director, appointment; powers and duties.~~

~~The board shall appoint a director of light and power who shall be responsible to the board and serve at its pleasure. The board shall set their compensation. The director shall have control and direction of and be responsible for the supervision of all of the electric light and power facilities, and of such community antenna television (CATV) facilities as may be authorized by the council, and the properties of the city pertinent thereto, and shall be responsible for the economical and proper operation and maintenance thereof. As the administrative agent, they shall have the control and direction of the employees of the board, subject to the provisions of this charter.~~

Sec. 14.2. Department of Energy Services Advisory Commission.

- (a) A Department of Energy Services Advisory Commission is hereby established. The duties of the Commission shall include but are not limited to the following:*

- (1) *Provide a forum for the public, the customers, City Council, and the administration to share information regarding energy services, activities, and needs.*
 - (2) *Review and explore changes taking place in energy production, storage, transmission, distribution, and other aspects of energy service, including no-carbon options such as energy efficiency, demand-response technologies, and distributed solar generation, and to make recommendations to the director, the city manager, and the City Council.*
 - (3) *Provide opportunities for public comments, including at least one public hearing, in its review of the Department's strategic plans, and make recommendations to the director, city manager, and the City Council.*
 - (4) *Provide opportunities for public comments, including at least one public hearing, in its review of the Department's capital improvement plans, and make recommendations to the director, city manager, and the City Council.*
 - (5) *Provide opportunities for public comments, including at least one public hearing, in its review of the Department's proposed changes in customer rates, and make recommendations to the director, city manager, and the City Council.*
 - (6) *Provide opportunities for public comments in its review of the Department's proposed annual budget for the next fiscal year, and make recommendations to the director, the city manager, and the City Council.*
 - (7) *Gather and evaluate information and make reports and recommendations regarding energy services on its own initiative or at the request of the director, city manager, or the City Council.*
- (b) *The Advisory Commission shall consist of seven members. The initial members, successor members, their qualifications, and the expiration dates of their terms shall be:*
- (1) *One current Board of Light and Power member whose term expires in November 2025 shall serve a term on the Commission ending on the first Commission meeting following the November 2025 city election. The successor Commission member shall be a city resident, shall meet the qualifications for city elective office, and shall be appointed by the City Council for a term ending June 30, 2029. Thereafter, the successor Commission member shall meet the same qualifications and shall be appointed by the City Council for four-year terms ending on June 30.*
 - (2) *Two current Board of Light and Power members whose terms expire in November 2027 shall serve terms on the Commission ending on the first Commission meeting following the November 2027 city election. The successor Commission members shall be city residents, shall meet the qualifications for city elective office, and shall be appointed by the City Council for terms ending June 30, 2031. Thereafter, successor Commission members shall meet the same qualifications and shall be appointed by the City Council for four-year terms ending on June 30.*

- (3) *Two Board of Light and Power members who will be elected at the November 2023 city election shall serve terms on the Commission ending on the first Commission meeting following the November 2029 city election. The successor Commission members shall be city residents, shall meet the qualifications for city elective office, and shall be appointed by the City Council for terms ending June 30, 2033. Thereafter, successor Commission members shall meet the same qualifications and shall be appointed by the City Council for four-year terms ending on June 30.*
- (4) *One member of the City Council appointed by the City Council whose term on the Commission shall expire on June 30, 2028, or on the expiration of that member's term on the City Council, whichever is earlier. Thereafter, the successor Commission member shall be a member of the City Council appointed by the City Council for a four-year term ending on June 30, or on the expiration of that member's term on the City Council, whichever is earlier.*
- (5) *One resident of the Department's service area outside of the City's limits, who is a customer of the Department, and who is a registered voter, shall be appointed by the City Council for a term ending on June 30, 2026. Thereafter, the successor Commission member shall meet the same qualifications and shall be appointed by the City Council for a four-year term ending on June 30.*
- (c) *A Commission member shall serve no longer than two full terms. A member shall be eligible for reappointment after a one-year hiatus.*
- (d) *A Commission member who fails to attend four consecutive meetings shall automatically forfeit their office unless they show cause to the City Council at its next meeting why they should not be removed.*
- (e) *The City Council may remove any member of the Commission for malfeasance, misfeasance, or nonfeasance unless they show cause to the City Council why they should not be removed.*
- (f) *The City Manager or their designee shall be an Ex-Officio member of the Commission without a vote.*
- (g) *Commission Members shall serve without compensation but may be reimbursed for Commission-related expenses with prior approval of the City Manager.*
- (h) *The Commission shall hold bi-monthly meetings at a location approved by the City Manager and open to the public as provided in the Michigan Open Meetings Act.*
- (i) *The Commission shall comply with the Michigan Freedom of Information Act, the City Charter and Ordinances, and the policies and procedures of the City.*
- (j) *As its first order of business at its first meeting and at the first meeting in July thereafter, the Commission shall select one of its members as the chair and one as vice-chair. The Commission shall promptly adopt Rules of Procedure which the City Council may amend.*

(k) *The Commission Chair, any two Commission members, or the City Manager may call a special meeting of the Commission. Only matters stated in the notice of the special meeting may be discussed and decided at the special meeting.*

(l) *The City Manager shall provide support for the Commission.*

Sec. 14.3. Powers and duties.

~~a—Electric facilities: Subject to the general direction of the council, the board shall have charge of the city's electric services, and shall organize and conduct the affairs of the city's systems for the generation, purchase, and distribution of electric light and power in a manner consistent with the best practices therefore. The board shall make contracts concerning the electric facilities of the city, subject to the overall control of the council relating to all departments of the city. The board shall not be subject to or limited by the provisions of chapter 8, except as to its program of extensions and improvements of the city's electric facilities, and regarding sections 8.14, 8.16, and 8.17 thereof.~~

~~b—Community antenna television (CATV) system: Subject to the general direction of the council, the board may, if expressly authorized by the council and subject to such terms and conditions as the council may by ordinance prescribe, operate a community antenna television (CATV) system within the city.~~

Sec. 14.3. Transfer to general fund.

From the revenues of the Energy Services Department, an amount equal to five percent of the dollar amount of gross retail sales of the electric system during each month to all customers receiving services from the Energy Services Department shall be transferred to the city general fund.

Sec. 14.4. Same; personal property; purchases, sales; procedures.

~~The board of light and power shall establish the procedures for the purchase and sale of personal property which may, in whole or in part, be through the officer charged with the functions of making purchases for the city. Subject to the approval of the council, the board shall provide the dollar limit within which purchases of personal property may be made without the necessity of securing competitive bids, and the dollar limit within which purchases may be made by the director without the necessity of board approval.~~

Sec. 14.4. Electric utility reserve funds; uses, restrictions.

(a) *The electric utility reserve funds existing on the effective date of this Charter Amendment shall be maintained for the purpose of accumulating and holding funds for the protection, improvement, replacement, and extension of the city's electric utility facilities.*

(b) *Monies placed in these electric utility reserve funds shall not be used for any purpose other than the purpose of the funds as stated in this section, unless the proposition to do so is approved by a majority of the electors of the city voting on such proposition at a*

regular or special city election. This subsection shall not prohibit the investment and reinvestment of such monies in any manner permitted by law.

~~Sec. 14.5. Property; acquisition, disposition, limitation.~~

~~The board shall have the power to acquire property, and interests in property, both real and personal, in the name of the city, for its purposes, and shall have the power to dispose of personal property by sale, exchange, or lease. The board may dispose of real property or any interest therein by sale, exchange, lease, or otherwise, upon the approval thereof by the affirmative vote of not less than four members of the council, and subject to the limitations on the sale of property by the city contained in sections 12.3 and 13.5 of this charter.~~

~~Sec. 14.6. Rates and charges; minimum required.~~

~~The board shall have full power and authority to fix all rates for electricity, which shall become effective thirty days after the same have been filed with the clerk as a public record. Such rates shall not be fixed any lower than will produce the revenue required to pay all operating, maintenance, depreciation, obsolescence and debt service expenses of the city's electric utility system, including the payments required by section 14.9 of this charter, together with a sufficient amount to provide for necessary plant expansions. The city shall be charged and shall pay for light and power used at the same rates as are or would be charged to and paid by other customers using like amounts of electricity. The board and the council shall agree upon rates and conditions upon which the board will furnish electricity and services for street lighting.~~

~~Sec. 14.7. Free service, appropriation prohibited; services furnished to city, charges.~~

~~—No appropriations of money shall be made by the council for the operating expenses of the city's electric utility, other than to pay for light and power actually used by the city. No free service shall be furnished by the city's electric utility to any person, public or private, or to any public agency or instrumentality, including the city. In all cases where the cost of any public utility services to the city cannot be metered, the same shall be estimated and the annual cost thereof shall be paid by the city. Such cost may be pro-rated and paid monthly.~~

~~Sec. 14.8. Receipts, funds; use, restriction; checks, signatures.~~

~~—Subject to the provisions of this charter and any ordinance adopted pursuant to the provisions of Act. No. 94 of the Public Acts of 1933 [MCL 141.101 et seq.], as amended, or the provisions of any other legislative authority authorizing the issuance of bonds based upon the revenues of a public utility, and the general accounting procedures of the city which shall be consistent with and meet any requirements of law, the board shall have and exercise full control over all of its funds. Such funds and revenues shall be in a bank account separate from other city funds. Except as provided in sections 14.9 to 14.12 inclusive of this charter, such funds shall be used only to defray the cost of operating the city's electric plant or plants and distribution system, and such community antenna television (CATV) facilities as may be authorized by the council, including necessary overhead, plant and system extensions, debt service, and other incidental and pertinent expenses of operating, maintaining, improving, extending, and changing the plant and system, and such community antenna television (CATV)~~

facilities as may be authorized by the council, including allowance for depreciation and obsolescence. All checks or warrants drawn for the payment of money, under authority of the board, shall be signed by the city clerk or finance director and countersigned by the city treasurer.

Sec. 14.9. Transfer to the city.

From the revenues of the electric utility of the city, there shall be paid within 30 days after the end of each month or such other period as may be required by law, to the city treasurer for deposit in the general fund of the city, an amount equal to 5 per cent of the dollar amount of gross retail sales of the electric utility during such month or such other period to all electric customers located upon the electric utility's distribution system. This percentage may be reduced by the council for such time period as the council, in its discretion, shall determine by resolution.

Sec. 14.10. Loans to or by the board of light and power.

- (a) — The council shall have power to loan money to the board from funds of the city which are not appropriated or budgeted for expenditure within the term of such loan. Each such loan shall be based upon the payment of reasonable interest by the board, to be determined by the council, and the repayment thereof to the city in substantially equal annual or monthly installments.
- (b) — Notwithstanding other provisions of this chapter, the board shall have power to loan or transfer to the city such sums of money as it may deem proper, which loan or transfer shall be for such purpose or to such fund of the city as the board and the council shall mutually agree. Each such loan shall be based upon the payment of reasonable interest by the city, to be determined jointly by the board and the council, and the payment thereof by the city in substantially equal annual or monthly installments.

Sec. 14.11. Utility reserve fund; use, restriction.

- (a) — There is hereby created a public utility reserve fund, which reserve fund shall be maintained for the purpose of accumulating and holding available funds for the protection, improvement, replacement, and extension of the city's electric public utility plants and facilities.
- (b) — Monies placed in the city's public utility reserve fund shall not be used for any purpose other than the purpose of the fund, as stated in this section, unless the proposition to do so is approved by a majority of the electors of the city voting on such proposition at a regular or special election. This subsection shall not prohibit the investment and reinvestment of such monies in any manner permitted by law.

Sec. 14.12. Receipts, revenue; distribution, disposition.

- (a) — The revenues of the electric utility of the city shall be devoted to the following purposes in the order listed:

~~First, to the expense of administration and operation of the utility as well as the maintenance thereof as may be necessary to preserve it and its facilities in good repair and working order;~~

~~Second, such of the remaining amount of the revenues as may be required for the principal and interest on any indebtedness;~~

~~Third, of the remaining amount of the revenues, to the city treasurer for deposit in the general fund the amount required to be paid, pursuant to section 14.9 of this charter;~~

~~Fourth, subject to the next paragraph, the remaining amount of revenues shall, each year, be placed in the public utility reserve fund established by section 14.11 of this charter.~~

~~If, at any time, there are insufficient revenues to pay in full all amounts to be paid pursuant to section 14.9 of this charter for any month or such other period as may be required by law, then no revenues shall be placed in the public utility reserve fund established by section 14.11 until any deficiency with respect to amounts due under section 14.9 for such month or such other period has been paid in full.~~

~~(b) — In the event that the city shall issue bonds under the provisions of Act. No. 94 of the Public Acts of 1933 [MCL 141.101 et seq.], as amended, or under the provisions of any other legislative authority authorizing the issuance of bonds based upon the revenues of a public utility, the provisions of this section, and of sections 14.9 and 14.11 shall be subject to any ordinance adopted pursuant to the provisions of such act or other legislative authority.~~

~~Sec. 14.14. Annual report; contents, publication.~~

~~— An annual report shall be prepared by the board within sixty days after the completion of the annual audit, made under the provisions of section 8.14 of this charter, which report shall clearly show the financial position of the electric utility system of the city by a profit and loss statement, balance sheet, and such other information as may be pertinent thereto. Such annual report shall be published in a manner determined by the board, and one copy thereof shall be filed with the city clerk, one with the public library, and one with each newspaper published in the city.~~

~~Sec. 14.5. Procedure for amendment.~~

~~(a) Upon the adoption of the amendment to this Charter at the November 7, 2023, election, the Board of Light and Power provided for in the April 6, 1959, Charter, as amended, is dissolved effective December 31, 2023, and City's electric utility facilities and services are transferred to the control and direction of the City Council.~~

- (b) It shall be the responsibility of the City Manager to implement the transition of the Department of Energy Services into a city administrative department under the control and direction of the City Council to be accomplished and effective as of January 1, 2024.*

Sec. 14.6. Compensation of Officers and Employees.

- (a) The initial compensation of Commission members and employees of the Department created by this Charter amendment, shall continue as it exists on the day prior to the effective date of this Charter amendment.*
- (b) Any change in compensation shall be made in the manner provided by the Charter, ordinances, resolutions, and contracts.*

Sec. 14.7. Existing City Ordinances, Resolutions, and Rules and Regulations.

- (a) All ordinances and resolutions of the City Council and all rules and regulations made by any officer or department of the City which are not inconsistent with this Charter amendment shall remain in effect until changed by action under this Charter.*
- (b) All current millages, duly adopted, shall continue to exist and are not impaired by this Charter amendment.*

Sec. 14.8. Ordinances for transition.

If any question arises concerning the transition from the April 6, 1959, Charter, as amended, to this Charter amendment for which this Charter amendment has not been resolved, the City may resolve the question by ordinance.