

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, May 25, 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
4. Consent Agenda
  - A. Approve Minutes of the April 20, 2023 Regular Board Meeting, the Closed Session on April 20, 2023, and the May 3, 2023 Board Work Session
  - B. Receive and File: April Financial Statements, Power Supply and Retail Sales Dashboards
  - C. Receive and File: April Key Performance Indicator (KPI) Dashboard
  - D. Receive and File: MPPA Energy Services Project Resource Position Report (dated 04/28/2023)
  - E. Receive and File: Constellation Energy Market Update Graphs (dated 5/16/2023)
  - F. Approve Payment of Bills (\$2,975,733.57 in total)
    1. In the amount of \$2,022,056.90 from the Operation & Maintenance Fund
    2. In the amount of \$953,676.67 from the Renewal & Replacement Fund
  - G. Approve Confirming Purchase Orders (\$55,138 in total)
    1. PO #22631, Border States, \$5,853 (Replacement AMI gateway for failed units)
    2. PO #22641, Midwest Dial Tone LLC, \$11,400 (FY 2024 annual phone support/subscription)
    3. PO #22648, Asphalt Paving, Inc., \$5,820 (North Substation driveway repair)
    4. PO #22650, Survalent Technology, Inc., \$32,065 (3-year SCADA software support/subscription)
5. General Manager's Report
  - A. Final Fiscal Year 2024 Annual Budget and 5-Year Capital Plan Summary Presentation
    1. Consider Resolution to Collect an Environmental Remediation Surcharge Effective July 1, 2023, for the Purpose of Funding Necessary Sims Site CCR Cleanup Activities
    2. Consider Resolution to Restrict Reserve Funds for the Sole Purpose to Cover BLP Liabilities for Environmental Remediation of the Sims Site
    3. Consider Resolution to Approve FY 2024 Annual Budget
    4. Consider Resolution to Approve FY 2024-2028 5-Year Capital Plan
    5. Consider Resolution to Set Minimum Unrestricted Cash Reserve Position at \$18,000,000
  - B. Update on Recent Harbor Island City Manager/BLP GM Efforts
6. Chairman's Report
  - A. Chairman Public Comments to GHCT and Ferrysburg (letters attached)
  - B. Approve Public Relations Firm to Assist Board in Educational Effort
  - C. Discuss Request from City of Ferrysburg
  - D. Discussion on the Development of a Timed Agenda as Requested by Director Knoth
7. Other Business
  - A. Schedule Special Closed Session for the Purpose of Conducting Annual Personnel Evaluation
8. Public Comment Period
9. Adjourn

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GENERAL MANAGER'S REPORT  
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4. B. The BLP Financial Statements and Dashboards for the month ending April 30, 2023, are provided for your information. These financial statements represent the BLP's financial position following ten months of fiscal year 2023 (83%).

**Current Assets total \$35,675,371 showing a year-over-year increase of \$433,862, or 1.2%.**

Remaining 2021 electric revenue bond proceeds and accumulating bond redemption funds (**Non-Current Assets**) have decreased to \$9,293,715 (from \$12,357,939 in FY 2022), **\$8,372,888** 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). This advance will be reduced monthly by the City returning an amount to the BLP equal to 5% of PSCA revenues the City receives in transfers. The balance of the advance/loan now totals \$740,628. The BLP also assumed 25% of the snowmelt equipment costs directly and will be crediting 100% of the incremental monthly service fee increase collected from BLP customers to offset this portion of these costs (that have now been "prepaid" to the City).

**Cash (including non-current restricted amounts in the Bond Construction and Bond Redemption Funds) decreased 6.7% (or \$2,925,113) year-over-year to \$40,693,611.**

As is displayed on the KPI dashboard, cash continues to be drawn upon at a rate well below that planned in our current 5-year financial plan. 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 our FY 2024 budget presentation (item 5.A. on your agenda).

Accumulated **Construction In-Progress** now stands at \$4,034,184. The net result of capital additions, deletions, and amortized depreciation over the last twelve months reflects an increase of **\$2,074,433**, or 6.0%, in the value of the BLP's **Capital Assets** (book value) year-over-year. That Capital Asset balance now stands at \$36,382,180 (as compared to \$34,307,747 on April 30, 2022), this amount now represents 39.5% of the BLP's current Total Assets. The book value of these Capital Assets is now 45.8% depreciated

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(approximate average depreciation life of system is 33.5 years, with current average age of system equal to 18.2 years assuming straight line depreciation).

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 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 \$15,9887,317, up \$7,317,272 (+84.4%) year-over-year.**

Total Assets are now \$92,220,601, a decrease of 0.5% (\$478,124) year-over-year. Retained Earnings are down 5.1% year-over-year (-\$2,607,437), primarily the result of the increased Asset Retirement liability booked during FY 2022 year-end adjustments discussed above.

The April 2023 Statement of Revenues and Expenses shows Total Charges for Services for the fiscal year are 2.00% below the YTD prorated budget and 2.05% 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 \$0.1270 per kWh or a 3.68% increase compared to FY 2022.**

Sales volume (including street lighting) fiscal year-to-date was down 1.66% as compared to FYTD 2022, industrial sales are down by 0.68%, commercial sales are down 1.49%, municipal sales are down 1.08% – **net FYTD commercial/industrial/municipal kWh sales volume then decreased by 1.02%** (the percentage of total sales increased to 68.06%). **Residential sales volume was down 2.75%** (31.58% of sales). Street lighting remained a small portion of the entire system load at approximately 0.36% (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 \$1,104,110, or 4.6%, below budget, and \$2,779,690, or 13.6%, above FYTD 2022. **Total power supply expenses are up \$2,687,528 in FYTD 2023 over FYTD 2022 (+19.8%).** The total power supply expense increase then represents 96.7% of the increased total operating expenses for the first ten months of FY 2023 over FY 2022. It is important to note here then that **all other expenses of \$6,865,497 FYTD 2023 are \$92,162 (+1.4%) above these same expenses in FYTD 2022, and \$261,297 below FYTD 2023 budget (-3.7%).**

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**Renewable purchases increased 9.7% FYTD 2023 over FYTD 2022** to 21.5% of total energy volume, primarily the result of increased solar purchases.

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 well below 3-hour goal (Good)
  - (2) Power Supply metric, monthly system input FYTD, as compared to estimated FYTD budgeted forecast, below estimate by 3.0% (borderline Good) – approximate 2% reduction YTD vs. projected approximate 1% growth YTD
  - (3) Actual average retail revenues per kWh FYTD now slightly above projected average retail revenues per kWh FYTD (Good)
  - (4) Monthly Power Supply Cost Adjustment (PSCA) revenues are now ahead of estimated pace of implementation (i.e. the April PSCA is now above that anticipated at this point), however, total PSCA revenues YTD remain slightly behind those estimated, primarily as a result of lower actual sales volume, but the total remains within the "Good" range.
  - (5) Cash on hand continues to far exceed that of our FY 2023 financial plan as a result of deferred spending (primarily environmental CCR remediation costs on the Sims site) – as you know, we have no control of this portion of spending.
4. E. Constellation Energy Market Update Graphs – Calendar years 2024-2027 MISO Michigan Hub Annual Round-the-Clock (24 x 365) Forward Power Prices now range from \$51 to \$60/MWh, and with these years trading approximately 92% above their "All-Time Contract Lows" (from executed energy 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 in future years on energy prices). Over the last six months this inverted forward curve has been reversed with 2024 showing relative stability since January 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 **\$55,138** 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).

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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. Final Fiscal Year 2024 Annual Budget and Capital Plan Summary Presentation – Attached is staff's final 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). (Associated proposed resolutions for the Board's consideration at this meeting are attached).
5. B. Update on Recent Harbor Island City Manager/BLP GM Efforts – I will be presenting a short verbal update on concerns we have encountered in reaching a plan to meet Board/City Council desires expressed in our recent joint meeting.
6. Chairman's Report –
  - A. Attached on two letters from the Chair provided to Grand Haven Charter Township and the City of Ferrysburg providing information on BLP electrical service in their jurisdictions and an invitation to these Boards to provide their feedback and input, on behalf of our customers they represent, to the Board of Light and Power directly regarding the potential charter change initiated by the BLPCCC (representatives of which have also been recently attending their meetings), or any other current or future service issues they may wish to bring to the Board's attention.
  - B. The Board Members (Gerry and Todd) assigned at our last regular meeting to review and recommend public relations assistance will report back their findings and recommendations. No additional information from the committee was available for this report.
  - C. We have been asked to attend the June 5<sup>th</sup> meeting of the Ferrysburg City Council to follow-up on a discussion they had at their last Council meeting.
7. Schedule Special Closed Session for the Purpose of Conducting Annual Personnel Evaluation – It is again time to conduct the General Manager's annual performance appraisal as required under my Employment Agreement and to address any compliance issues that may develop with provisions of our Employee Handbook. As I requested last year, and am doing so again this year, consistent with Michigan's Open Meeting Act (Section 8. (1) (b)), that the Board and I conduct and consider this evaluation in a closed hearing of the Board. I am asking you to schedule this "special meeting" before our June regular meeting, consistent with our schedule for all employees of the Board.

DW/dm   
Attachments  
05/22/23

GRAND HAVEN BOARD OF LIGHT AND POWER  
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APRIL 20, 2023

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Thursday, April 20, 2023, at 6:00 PM 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 6:00 PM by Chairperson Westbrook.

**Present:** Directors Crum, Hendrick, Knoth, Witherell and Westbrook.

**Absent:** None.

**Others Present:** General Manager David Walters, Secretary to the Board Danielle Martin, Finance Manager Lynn Diffell, Operations & Power Supply Manager Erik Booth, Distribution & Engineering Manager Rob Shelley, and Chamber of Commerce President Joy Gaasch.

**23-06A** Director Witherell, supported by Director Knoth, moved to approve the meeting agenda.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

**Visitor Presentation:**

Joy Gaasch, Chamber of Commerce President, shared a historical overview of Grand Haven's waterfront and economic development. The BLP has a long history of supporting economic development efforts and the Chamber would like to say thank you for this partnership. Gaasch stated when people are making the decision to live or operate a business in Grand Haven, electrical reliability and cost are two of the key factors considered. The BLP has a history of high ratings in these areas and is a benefit to the community. The BLP contributes \$5,000 a year to the Chamber's economic development efforts in addition to its membership dues.

**No formal action taken.**

**Public Comment Period:**

Jim Hagen, 400 Lake Avenue, spoke regarding the proposed Charter amendment. He read the "Your Views" article published in the Grand Haven Tribune titled "Protect our Democracy". Hagen values the right to vote and said the public can not allow any voting rights to be taken away.

Jenni Shepherd-Kelly, 120 Prospect Street, stated she is a happy customer and when her power goes out it is back on within minutes. She cannot understand why anyone would support the Charter change initiative because it takes away the voter's voice.

**No formal action taken.**

**23-06B** Director Witherell, supported by Director Knoth, moved to approve the consent agenda. The consent agenda includes:

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- Approve the Minutes of the March 16, 2023, Governance Training Workshop and the March 16, 2023, Regular Board Meeting
- Accept and file the March Financial Statements, Power Supply and Retail Sales Dashboards
- Accept and file the March Key Performance Indicator (KPI) Dashboard
- Accept and file the MPPA Energy Services Project Resource Position Report dated April 7, 2023
- Accept and file the Constellation Energy Market Graphs from April 11, 2023
- Approve paying bills in the amount of \$2,412,334.94 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$244,904.71 from the Renewal and Replacement Fund
- Confirm Purchase Order 22598 to IPKeys Power Partners, Inc. in the amount of \$8,000 for an annual cybersecurity monitoring subscription
- Confirm Purchase Order 22616 to Power Line Supply Company in the amount of \$5,160 for rubber gloves, sleeves, and hose testing
- Confirm Purchase Order 22617 to Cooperative Response Center, Inc. in the amount of \$9,300 for a CRC Link user license
- Confirm Purchase Order 22619 to Dykstra Landscape Management in the amount of \$6,800 for 2023 lawn care

Constellation Energy creates a wholesale energy report for its customers. The BLP is a customer through MPPA. The graphs show prices in the 2023 prompt year are down. Prices are now 92% above all-time lows, down from 120%. Recent graphs have shown an inverted forward curve, with out-years lower than the prompt year. These out-years have now returned to a more traditional pattern, indicating substantial increases in out-year prices. MPPA is recommending the BLP goes to the maximum level of our hedge plan.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

**23-06C** Director Crum, supported by Director Witherell, moved to approve the purchase orders. The purchase orders include:

- Purchase Order 22563 to Power Line Supply Company in the amount of \$145,170 for overhead material for the OF34 and OF42 circuit rebuild project

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- Purchase Order 22594 to Irby Utilities in the amount of \$13,995 for 3 x 200 kVAR capacitors
- Purchase Order 22608 to Kent Power Inc. in the amount of \$933,909 for the construction contract for OF34 and OF42 circuit rebuild project
- Purchase Order 22609 to Irby Utilities in the amount of \$50,428 for 7 x 25 kVA and 5 x 50 kVA pole-mount transformers
- Purchase Order 22610 to Resco in the amount of \$125,280 for 7 x 25 KVA, 5 x 50 kVA, and 8 x 75 KVA pole-mount transformers

Last month's purchase orders totaled \$800,000 and this month's total is \$1.2 million. These expenditures are for projects in the approved capital improvement plan. Purchase Order 22608 is related to adding two new circuits that will split load and help improve reliability.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

**23-06D** Fiscal Year 2024 Initial Budget and Capital Plan Presentation.

The General Manager gave a presentation on the initial budget and capital plan for Fiscal Year 2024. Highlights of the presentation are provided below.

- Revenue challenges include a flat recovery post COVID-19 and a substantial reduction in load over the past twenty years.
- Keeping rates stable in a higher cost environment is difficult. The proposed rate schedule keeps base rates the same for the next five years. The 5% increase in fixed rates to cover the snowmelt contribution will continue through FY24. The PSCA using \$59/MWh as the base is currently at \$0.08 and is expected to stay roughly the same next year.
- The budget includes a proposed Environmental Remediation Surcharge beginning July 1, 2023 at a rate of \$3.50/MWh. This surcharge is not an operating revenue and would be placed in a restricted account to be used for remediation activities only. For Fiscal Year 2024 the surcharge would raise approximately \$1 million. This surcharge would appear as a separate line item on customer bills.
- The financial plan represents the BLP's continuing commitment to recover and pay for all appropriately addressed obligation and liabilities associated with our operations of the Sims power plant.

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- The power supply expenses per MWh show a 0% increase from the current year and represents 68.4% of all operating expenses. Payroll and energy optimization budgets are the same as the current year.
- Staff is recommending the minimum cash reserve amount be set at \$18 million. The proposed five-year financial plan will put the BLP cash balance just above this level.

Director Knoth stated he does not support keeping \$4 million in the capital plan for administrative facilities.

Director Crum would like to see options of other ways the Environmental Remediation Surcharge could be implemented.

Director Hendrick would like to see line items for the Community and Customer Engagement and Administrative budgets.

Chairperson Westbrook found many positives in the presentation including no increase in base rates, a reduced employee headcount, operational expenses remaining flat, progress in REC's and renewables, and the level of pension funding. He would also like to see alternative options to implement the Environmental Remediation Surcharge.

By consensus, the Board scheduled a Work Session to review the proposed budget on Wednesday, May 3<sup>rd</sup> at 5:30pm.

**No formal action taken.**

**23-06E** Update on Evaluation of BLP Reuse of Former City Fire Station Property.

Erik Booth provided answers to questions received from Directors Knoth and Hendrick. Booth stated the BLP needs more space following the closure of the Diesel Plant and Sims Generating Station. However, the former fire station is not a good fit. There are too many hurdles leading to higher costs.

By consensus, the Board feels this project is not a good fit and will not be moving forward.

Director Witherell, supported by Director Knoth, moved to cancel the scheduled work session on April 26<sup>th</sup> and to direct staff to notify the Mayor and City Manager.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

**23-06F** Joint Meeting with City Council Planning.

Chairperson Westbrook met with the Mayor and City Manager regarding the Joint Meeting scheduled for Wednesday, April 26<sup>th</sup> at 6:00pm. The agenda will include a tour of the BLP administrative building and dinner. Each member of the Council and Board will be given six

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minutes to share their thoughts on current BLP and City issues. The Mayor will set ground rules for discussion. Board members can share any input on the agenda with Chairperson Westbrook by Friday afternoon.

**No formal action taken.**

**23-06G** 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.

Chairperson Westbrook explained the roles and capabilities of individual Board members, the Board as a whole, and staff regarding the proposed Charter amendment. The Board must remain neutral but does have the responsibility to provide education on the value the BLP brings to the community and how this value may be impacted by the change. Chairperson Westbrook would like to see an advisory committee established for educational purposes. The committee will make a recommendation at the Board's next meeting.

Director Crum, supported by Director Witherell, moved to establish an advisory committee, on which Directors Crum and Witherell will serve, to support community education on the value of this community owned utility.

**Roll Call Vote:**

In favor: Directors Crum, Witherell and Westbrook; Opposed: Hendrick and Knoth.  
Motion carried.

**23-06H** Other Business

May's regular Board meeting will be held May 25<sup>th</sup>, which is the fourth Thursday.

**No formal action taken.**

**Public Comment Period**

Jan O'Connell, Sierra Club, stated the Sierra Club is not financially supporting the BLP Charter Change Coalition.

Mike Welling, 1226 Fulton Street, announced his candidacy for the Board of Light and Power. He stated the BLP has done nothing wrong or improper. He thinks the BLP does a great job because the rates are lower, and the lights are on. He is against the proposed Charter amendment. He is campaigning for the Board, not against it.

Jenni Shepherd-Kelly, 120 Prospect Street, challenged BLP employees to exercise their first amendment rights. She feels the City is in debt and the proposed Charter amendment is a money grab. She is concerned the utility will be sold if under the control of the City.

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Field Reichardt, 1053 Ohio Avenue, encouraged individuals to read the proposed amendment in detail. He stated the BLP is now a distribution company with reduced employee count and is no longer as complex. He stated the City government is strong and this is an efficiency issue to remove administrative overhead.

Director Westbrook commended BLP employees for zero OSHA recordable injuries year to date, 100% participation in safety meetings, and 868 days without a lost time injury.

Director Westbrook read a phone call comment received April 18<sup>th</sup> from Marcia Howe, 18146 Mohawk Drive, who said she was looking at her calendar and realized it was Lineman Appreciation Day. She wanted to call and say thank you and express how much she appreciates what the linemen do, especially because that job looks “scary as hell” to her.

Director Westbrook read an email comment received March 29<sup>th</sup> from Peter Harbeck, 815 Verhoeks, saying to a BLP Customer Account Representative, “Thank you for your prompt and professional assistance. Just got off the phone trying to accomplish the same with Michigan Gas Utilities. All serviced out of another country. All I can say is OMG. It was a struggle and I’m not confident that the mission was accomplished.”

**No formal action taken.**

**23-06I** At 9:45pm Director Hendrick, supported by Director Knoth, moved for the Board to enter closed session pursuant to Section 8.(1)(d) of the Open Meetings Act to consider the purchase of real estate.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

**23-06J** At 10:28pm Director Witherell, supported by Director Hendrick, moved to adjourn the closed session and return to open session.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

**23-06K** Director Hendrick, supported by Director Witherell, moved to schedule a Board work session on Wednesday, April 26<sup>th</sup> at 5:00pm to discuss a potential real estate transaction and to release the related information on Monday, April 24<sup>th</sup> upon staff approval.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

*(This meeting was later cancelled).*

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**Adjournment**

At 10:30 PM by motion of Director Witherell, supported by Director Hendrick, the April 20, 2023 Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin  
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER  
CLOSED SESSION MINUTES  
TO CONSIDER THE PURCHASE OR LEASE OF REAL PROPERTY  
EXEMPT FROM DISCLOSURE  
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At 9:45 PM, Director Hendrick, supported by Director Knoth, moved to adjourn the open session, and enter closed session pursuant to section 8(1)(d) of the Michigan Open Meetings Act to consider the purchase of real estate.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

The Board discussed making a recommendation to City Council to act on a right of first refusal to obtain property for the Board of Light and Power.

At 10:28 PM, Director Witherell, supported by Director Hendrick, moved to adjourn the closed session and reenter the open session.

**Roll Call Vote:**

In favor: Directors Crum, Hendrick, Knoth, Witherell and Westbrook; Opposed: None.  
Motion carried.

Respectfully submitted,

Danielle Martin  
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER  
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MAY 3, 2023

A work session of the Grand Haven Board of Light and Power was held on Wednesday, May 3, 2023, at 5:30 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Meeting.

The work session was called to order at 5:30 PM by Chairperson Westbrook.

**Present:** Directors Crum, Hendrick, Knoth, Witherell and Westbrook.

**Absent:** None.

**Others Present:** General Manager David Walters, Secretary to the Board Danielle Martin, Finance Manager Lynn Diffell, Operations & Power Supply Manager Erik Booth, and Utility Compliance Specialist Paul Cederquist.

**Public Comment Period:** No comments were heard.

**23-07A** Discussion of Fiscal Year 2024 Budget and Capital Plan

In a round table discussion, each Board member was given the opportunity to ask questions on the proposed budget and capital plan. Directors Knoth and Witherell had no questions. Director Crum thanked the General Manager for providing the Environmental Remediation Surcharge information for the next item on the agenda.

Director Hendrick asked where the budgeted \$4 million could be reallocated if the administrative facilities were removed from the capital plan. The General Manager recommended the funds be left as a reserve to cover possible cost increases in other existing capital plan projects. In any circumstance, the \$4 million cannot be used to reduce operating revenues or increase operating expenses to the extent we violate our bond ordinances that require the Board to collect adequate revenues to pay operating expenses and provide a debt service coverage ratio.

Director Hendrick asked about the Energy Waste Reduction and Energy Optimization budget. Erik Booth explained the state's mandates were lifted in January of 2022, giving the program more flexibility. The BLP worked with Franklin Energy and MPPA on a pilot Clean Energy Program which includes smart thermostats and rebates on level two chargers. BLP staff meets monthly with the Community Energy Plan Task Force. The General Manager advised the Board the BLP's results are as impressive as others in the state and our program aligns with other MPPA members.

The General Manager explained the Board will be asked to approve separate resolutions for the budget, the capital plan, any rate changes, and to establish the minimum cash reserve balance at its regular May meeting.

Director Hendrick requested the budget be presented differently next year similar to that of Traverse City Light and Power. Chairperson Westbrook noted he does not see significant differences in the presentations.

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Chairperson Westbrook thanked staff for their work and recognized the proposed budget is \$5,000 below the current year's in the items the Board asked for further review. This is a big achievement in today's inflationary environment.

**No formal action taken.**

**23-07B** Discussion of Alternative Environmental Remediation Surcharge Determination

The General Manager provided two slides for the Board's review. The first reflects an error correction made from the April 20<sup>th</sup> budget presentation. Calculations now accurately show the monthly impact to each customer group for an Environmental Remediation Surcharge of \$0.0035/KWh on all KWh sold. The corrected data reflects a significantly reduced average monthly impact on commercial and industrial customers than was previously presented.

The second slide provides a blended option to implement the Environmental Remediation Surcharge. In this example, residential services have a \$3.00 per month fixed fee and all other customer classes have a variable fee of \$0.00271/KWh. Staff does not recommend this option.

Director Hendrick asked about the legality of collecting the surcharge. The General Manager stated City Council asked the city attorney, and the Board should ask Council for a copy of that opinion if desired, however, the General Manager is confident the charge is legal. Walters also stated the Board should be less concerned with how the funds are collected and focus on the legality of how they are spent.

Director Crum stated the timeline for remediation activities is after summer 2024 and asked if the BLP needs to collect \$1 million now, or if that amount could be split into multiple years. The General Manager stated the total amount that will be needed is unknown. The Board will be asked to approve setting collected funds aside in a reserve account at the May meeting. If more money is collected than needed, a refund can be issued from this account. Staff recommends collecting the \$1 million now because starting earlier spreads the burden over time for customers.

Staff will provide a summarized budget presentation at the Board's May 25<sup>th</sup> meeting.

**No formal action taken.**

At 6:41 PM, the May 3, 2023 work session was adjourned.

Respectfully submitted,

Danielle Martin  
Secretary to the Board

DM

**GRAND HAVEN BOARD OF LIGHT AND POWER**  
**BALANCE SHEET**  
**FOR THE MONTH ENDING APRIL 2023**

	<u>APRIL 2023</u>	<u>APRIL 2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$31,399,896	\$31,260,785
ACCOUNTS RECEIVABLE	4,053,799	3,967,382
PREPAID	221,676	13,342
	<u>35,675,371</u>	<u>35,241,509</u>
<b>NON-CURRENT ASSETS</b>		
DEPOSITS HELD BY MPIA	7,615,000	7,578,579
DEPOSITS HELD BY MPPA	2,500,000	2,000,000
HEALTH BENEFIT FUND	13,707	175,800
ADVANCE TO CITY OF GRAND HAVEN	740,628	1,037,151
2021A BOND CONSTRUCTION FUND	8,372,888	11,442,295
2021A BOND REDEMPTION FUND	920,827	915,644
OTHER ASSETS	0	0
	<u>20,163,050</u>	<u>23,149,469</u>
<b>CAPITAL ASSETS</b>		
CONSTRUCTION IN PROGRESS	4,034,184	3,627,795
PROPERTY, PLANT AND EQUIPMENT	63,055,832	60,444,896
LESS ACCUMULATED DEPRECIATION	<u>(30,707,836)</u>	<u>(29,764,944)</u>
	36,382,180	34,307,747
<b>TOTAL ASSETS</b>	<u><u>\$92,220,601</u></u>	<u><u>\$92,698,725</u></u>
<b>DEFERRED OUTFLOWS/(INFLOWS)</b>		
PENSION/OPEB RELATED	<u>(1,711,125)</u>	<u>1,026,945</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLE	\$1,441,902	\$1,059,475
BOND ANTICIPATION NOTE PAYABLE	-	-
SERIES 2021A BOND CURRENT	2,519,553	2,448,885
ACCRUED PAYROLL LIABILITIES	285,154	594,520
CUSTOMER DEPOSITS	903,221	877,130
ACCRUED TRANSFER FUND	147,303	137,094
	<u>5,297,133</u>	<u>5,117,104</u>
<b>LONG TERM LIABILITIES</b>		
ASSET RETIREMENT OBLIGATION - MITIGATION	15,988,317	8,671,045
ACCRUED SICK AND PTO	260,403	286,180
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
	<u>36,374,239</u>	<u>37,163,025</u>
<b>TOTAL LIABILITIES</b>	<u>41,671,372</u>	<u>42,280,129</u>
<b>RETAINED EARNINGS</b>		
BEGINNING OF THE YEAR	44,505,093	48,304,825
YTD NET INCOME	4,333,011	3,140,716
<b>RETAINED EARNINGS</b>	<u>48,838,104</u>	<u>51,445,541</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$90,509,476</u></u>	<u><u>\$93,725,670</u></u>

**GRAND HAVEN BOARD OF LIGHT AND POWER**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE MONTH OF APRIL 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
<b>Operating Revenue</b>									
Residential Sales	\$ 976,686	\$ 10,833,839	\$ 10,745,358	\$ 88,481	0.82%	\$ 918,262	\$ 10,747,119	\$ 86,720	0.81%
Commercial Sales	828,403	8,521,072	8,695,482	(174,410)	-2.01%	766,332	8,342,343	178,729	2.14%
Industrial Sales	1,045,921	10,115,346	10,656,017	(540,671)	-5.07%	961,193	9,794,009	321,337	3.28%
Municipal Sales	66,499	827,006	818,280	8,726	1.07%	67,910	806,506	20,500	2.54%
Total Charges for Services	2,917,509	30,297,263	30,915,137	(617,874)	-2.00%	2,713,697	29,689,977	607,286	2.05%
Street Lighting	28,557	283,162	281,665	1,497	0.53%	28,184	319,868	(36,706)	-11.48%
Other Revenue	32,595	179,316	165,000	14,316	8.68%	15,464	191,915	(12,599)	-6.56%
<b>Total Operating Revenue</b>	2,978,661	30,759,741	31,361,802	(602,061)	-1.92%	2,757,345	30,201,760	557,981	1.85%
<b>Operating Expenses</b>									
Net Purchased Power	1,125,253	16,281,112	17,123,925	(842,813)	-4.92%	1,258,178	13,593,584	2,687,528	19.77%
Distribution Operations	143,726	1,556,727	2,096,403	(539,676)	-25.74%	140,848	1,865,324	(308,597)	-16.54%
Distribution Maintenance	275,622	2,892,239	2,412,708	479,531	19.88%	237,919	2,492,421	399,818	16.04%
Energy Optimization	10,781	156,921	166,666	(9,745)	-5.85%	6,893	265,657	(108,736)	-40.93%
Administration	181,308	2,259,610	2,451,017	(191,407)	-7.81%	207,724	2,149,933	109,677	5.10%
Legacy Pension Expense	62,012	597,065	922,177	(325,112)	-35.25%	93,217	900,946	(303,881)	-
<b>Operating Expenses Before Depreciation</b>	1,798,702	23,743,674	25,172,896	(1,429,222)	-5.68%	1,944,779	21,267,865	2,475,809	11.64%
<b>Operating Net Income Before Depreciation</b>	1,179,959	7,016,067	6,188,906	827,161	13.37%	812,566	8,933,895	(1,917,828)	-21.47%
Depreciation	163,113	1,660,054	1,541,661	118,393	7.68%	156,538	1,578,516	81,538	5.17%
<b>Operating Net Income</b>	1,016,846	5,356,013	4,647,245	708,768	15.25%	656,028	7,355,379	(1,999,366)	-27.18%
Nonoperating Revenue/(Expenses)	55,435	506,019	118,474	387,545	327.11%	(22,589)	(235,457)	741,476	-314.91%
Asset Retirement Expense	-	-	-	-	#DIV/0!	(2,400,668)	(2,478,715)	2,478,715	-100.00%
<b>Non-Operating Revenue/(Expenses)</b>	55,435	506,019	118,474	387,545	327.11%	(2,423,257)	(2,714,172)	3,220,191	-118.64%
Transfers to City of Grand Haven	(147,303)	(1,529,021)	(1,559,840)	30,819	-1.98%	(137,094)	(1,500,492)	(28,529)	1.90%
<b>Increase in Net Assets</b>	<u>\$ 924,978</u>	<u>\$ 4,333,011</u>	<u>\$ 3,205,879</u>	<u>\$ 1,127,132</u>	<u>35.16%</u>	<u>\$ (1,904,323)</u>	<u>\$ 3,140,715</u>	<u>\$ 1,192,296</u>	<u>37.96%</u>

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

<b><u>Power Supply for Month (kWh)</u></b>	<b><u>FY2023</u></b>		<b><u>FY2022</u></b>	
Net Purchased (Sold) Power	15,396,278	73.27%	15,749,404	73.34%
Renewable Energy Purchases	5,616,788	26.73%	5,726,373	26.66%
<b>Monthly Power Supply Total</b>	<b>21,013,066</b>		<b>21,475,777</b>	
Days in Month	30		30	
Average Daily kWh Supply for Month	<b>700,436</b>		<b>715,859</b>	
% Change	-2.15%			

<b><u>Power Supply FYTD</u></b>	<b><u>FY2023</u></b>		<b><u>FY2022</u></b>	
Net Purchased (Sold) Power	189,959,364	78.51%	199,382,316	80.79%
Renewable Energy Purchases	51,996,880	21.49%	47,415,353	19.21%
<b>FYTD Power Supply Total</b>	<b>241,956,244</b>		<b>246,797,669</b>	
FYTD Days (from 7/1)	304		304	
<b>Average Daily kWh Supply FYTD</b>	<b>795,909</b>		<b>811,834</b>	
% Change	-1.96%			

	<b><u>FY2023</u></b>	<b><u>FY2022</u></b>
Net Purchased Power Expenses	\$16,281,112	\$13,593,584
% Change	19.77%	
<b>Net Energy Expenses per kWh Supplied to System FYTD</b>	<b>\$0.06729</b>	<b>\$0.05508</b>
% Change	22.17%	

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

<u>Monthly Retail Customers</u>	<u>FY2023</u>		<u>FY2022</u>	
Residential	13,057	87.44%	12,987	87.55%
Commercial	1,632	10.93%	1,603	10.81%
Industrial	128	0.86%	128	0.86%
Municipal	116	0.78%	116	0.78%
<b>Total</b>	<b>14,933</b>		<b>14,834</b>	
 <u>Monthly Energy Sold (kWh)</u>				
Residential	6,307,865	28.79%	6,407,435	29.16%
Commercial	5,899,858	26.93%	5,863,541	26.68%
Industrial	9,051,494	41.32%	9,007,108	40.99%
Municipal	558,192	2.55%	612,238	2.79%
Retail Monthly Total	21,817,409	99.59%	21,890,322	99.62%
Street Lighting	89,256	0.41%	84,357	0.38%
<b>Total Monthly Energy Sold</b>	<b>21,906,665</b>		<b>21,974,679</b>	
 Days in Primary Meter Cycle	 31		 31	
<b>kWh Sold per Day</b>	<b>706,667</b>		<b>708,861</b>	
% Change	-0.31%			

<u>Energy Sold (kWh) FYTD</u>	<u>FY2023</u>		<u>FY2022</u>	
Residential	75,630,224	31.58%	77,767,556	31.94%
Commercial	64,244,254	26.83%	65,214,492	26.78%
Industrial	91,636,116	38.27%	92,261,576	37.89%
Municipal	7,099,362	2.96%	7,176,913	2.95%
Retail Energy Sold Total FYTD	238,609,956	99.64%	242,420,537	99.55%
Street Lighting	860,698	0.36%	1,097,028	0.45%
<b>Energy Sold FYTD</b>	<b>239,470,654</b>		<b>243,517,565</b>	
 Weighted Days in Meter Cycles FYTD	 304		 305	
<b>kWh Sold per Day</b>	<b>787,732</b>		<b>798,418</b>	
% Change	-1.34%			

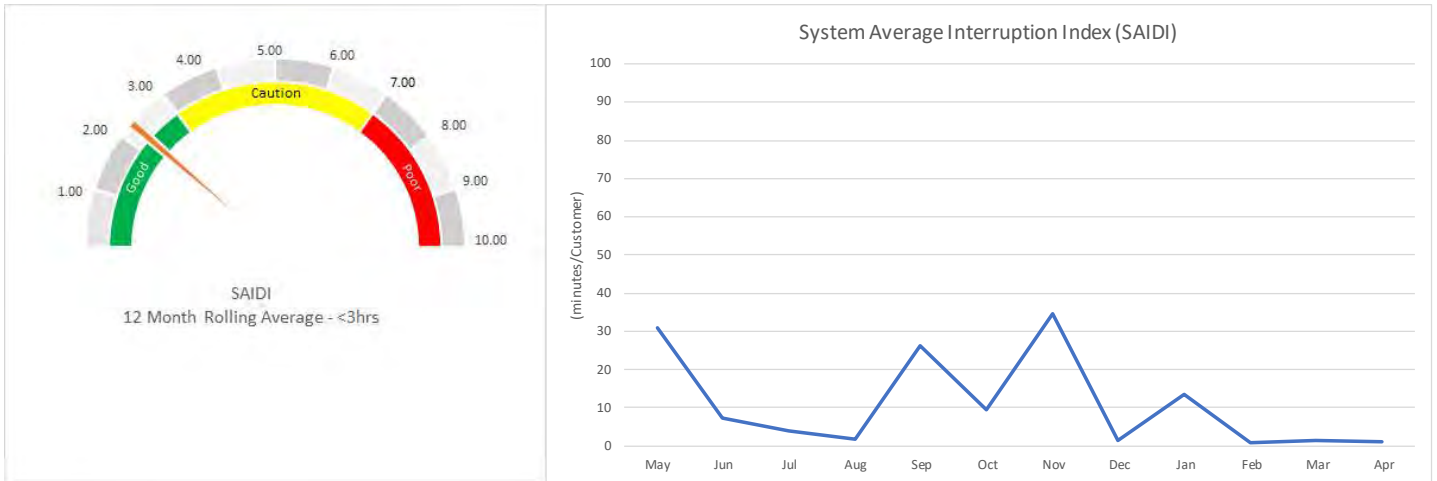
<u>Sales Revenue FYTD</u>	<u>FY2023</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2022</u>	<u>Average Rate (\$/KWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$10,834,176	\$0.1433	\$10,747,119	\$0.1382	3.66%
Commercial	\$8,520,736	\$0.1326	\$8,342,343	\$0.1279	3.68%
Industrial	\$10,115,345	\$0.1104	\$9,794,009	\$0.1062	3.99%
Municipal	\$827,006	\$0.1165	\$806,506	\$0.1124	3.66%
<b>Retail Sales Revenue FYTD</b>	<b>\$30,297,263</b>	<b>\$0.1270</b>	<b>\$29,689,977</b>	<b>\$0.1225</b>	<b>3.68%</b>
Street Lighting	\$283,162		\$319,868		
<b>Total Sales Revenue FYTD (Excl. Wholesale)</b>	<b>\$30,580,425</b>	<b>\$0.1277</b>	<b>\$30,009,846</b>	<b>\$0.1232</b>	

	<u>FY2023</u>	<u>FY2022</u>
Approx. Distribution Losses FYTD	1.03%	1.65%
 <b>Net Energy Expenses/kWh Sold FYTD</b>	<b>\$0.06798</b>	<b>\$0.05599</b>
% Change	21.42%	

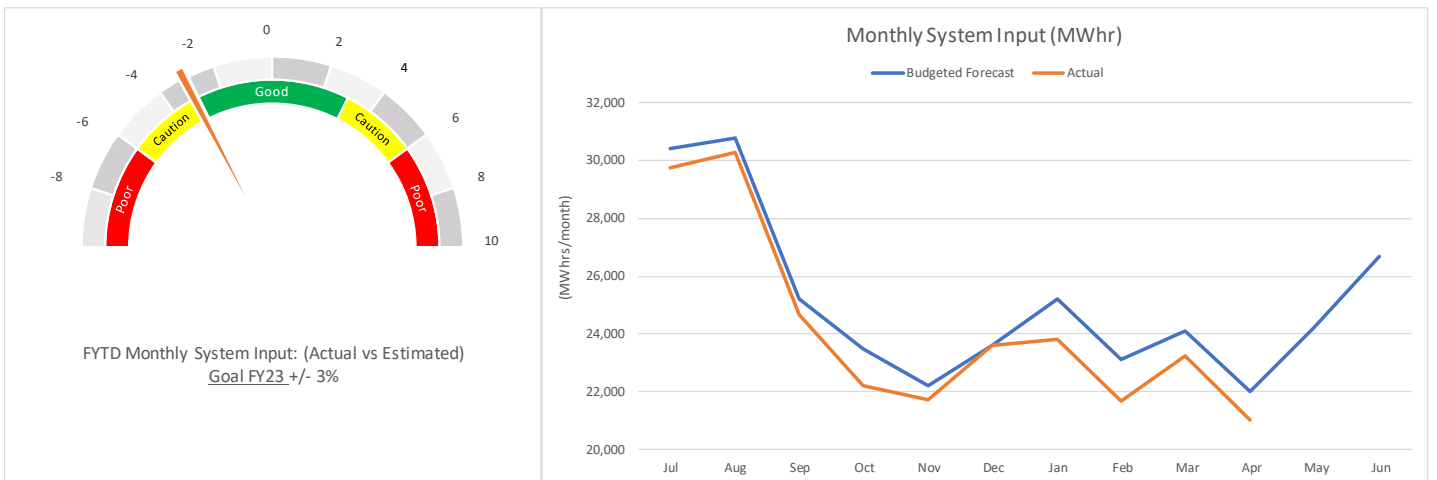
# GHBLP Key Performance Indicators

May 22, 2023

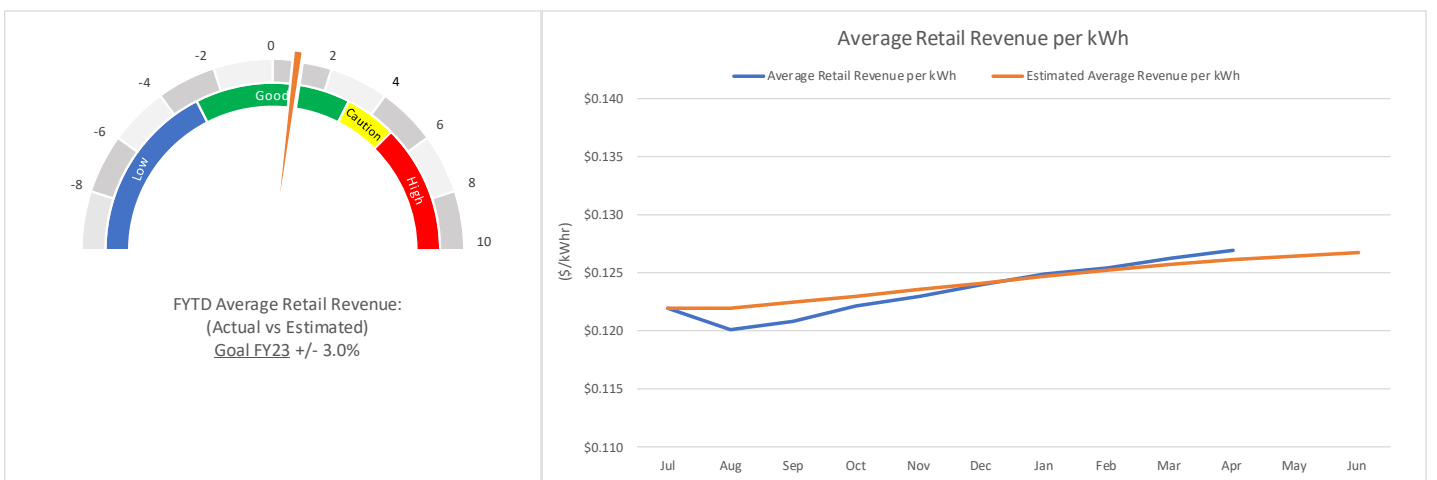
## 1) Reliability



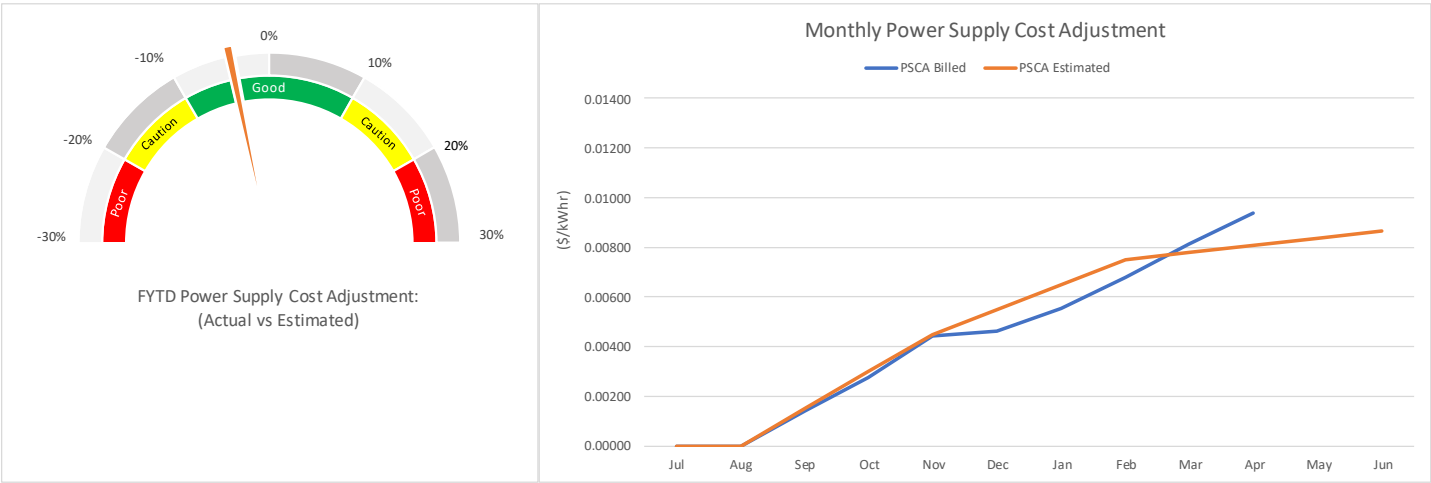
## 2) Power Supply



## 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 \$47.20 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$48.19 per MWh. This results in a Total Forecasted Power Supply weighted average cost of \$47.91 over the upcoming 12 months.

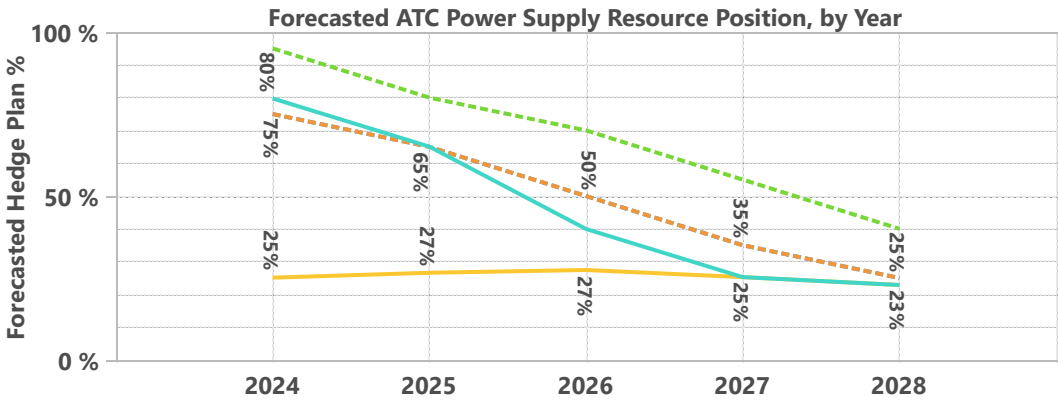
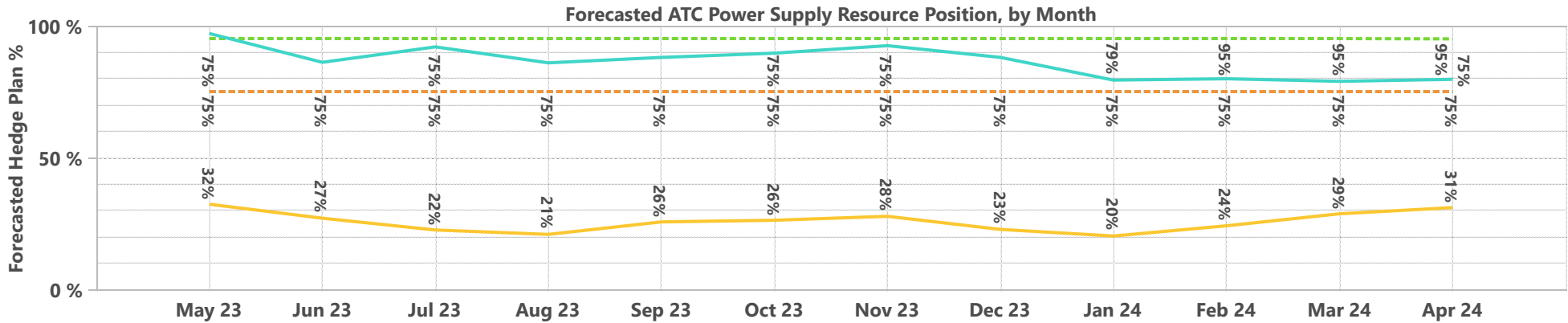
Forecasted Power Supply Resource Position for GRAN

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	21,848	22,127	27,853	26,536	21,751	20,743	20,200	20,432	19,930	18,635	19,193	17,451
Project Assets	1,990	1,823	1,800	1,823	1,849	1,956	1,892	1,898	2,025	1,832	1,965	1,986
Landfill Project	1,990	1,823	1,800	1,823	1,849	1,956	1,892	1,898	2,025	1,832	1,965	1,986
Contracted Power Supply	19,857	20,304	26,053	24,712	19,902	18,787	18,308	18,535	17,905	16,803	17,228	15,465
Contracted ESP Renewable PPAs	5,272	5,106	5,011	4,608	4,470	4,108	4,157	3,375	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	240,133	196,205	120,662	76,434	69,236
Project Assets	22,839	22,314	21,581	15,224	8,113
Landfill Project	22,839	22,314	21,581	15,224	8,113
Contracted Power Supply	217,294	173,891	99,081	61,209	61,123
Contracted ESP Renewable PPAs	52,747	57,906	61,296	61,209	61,123
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)	97%	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 %	32%	27%	22%	21%	26%	26%	28%	23%	20%	24%	29%	31%
Forecasted Load	(22,512)	(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	(665)	(3,567)	(2,433)	(4,351)	(2,973)	(2,414)	(1,655)	(2,794)	(5,183)	(4,697)	(5,135)	(4,459)
Forecasted Hedge % (w/ Peaking)	97%	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	(60,990)	(105,389)	(181,379)	(226,017)	(233,552)
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)	(\$906,170)	(\$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)	(\$692,336)	(\$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)	(\$151,261)	(\$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)

Locational Basis, \$'s												
Locational Basis (Projects)	(\$776)	(\$44)	(\$61)	(\$1,014)	(\$841)	(\$556)	(\$1,353)	\$1,281	(\$1,834)	(\$4,438)	(\$1,355)	(\$700)
Locational Basis (Contracted Power Supply)	(\$639)	(\$4,242)	(\$3,905)	(\$17,710)	(\$18,719)	(\$17,116)	(\$9,925)	(\$28,177)	(\$26,874)	(\$4,944)	(\$16,219)	(\$10,277)

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	\$107.07	\$113.16	\$118.81	\$116.88	\$111.57	\$108.95	\$109.91	\$112.67	\$109.35	\$109.29	\$57.81	\$107.96
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$31.91	\$43.24	\$42.99	\$43.02	\$43.51	\$44.06	\$44.68	\$44.81	\$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

Locational Basis, \$/MWh												
Locational Basis (Projects)	\$0.39	\$0.02	\$0.03	\$0.56	\$0.45	\$0.28	\$0.72	(\$0.67)	\$0.91	\$2.42	\$0.69	\$0.35
Locational Basis (Contracted Power Supply)	\$0.03	\$0.21	\$0.15	\$0.72	\$0.94	\$0.91	\$0.54	\$1.52	\$1.50	\$0.29	\$0.94	\$0.66

	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	\$32.57	\$39.69	\$51.88	\$49.75	\$41.20	\$36.29	\$40.09	\$54.39	\$75.53	\$67.92	\$48.05	\$41.25
Forecasted Market Balancing LMP, \$'s	(\$21,653)	(\$141,599)	(\$126,216)	(\$216,466)	(\$122,502)	(\$87,582)	(\$66,346)	(\$151,972)	(\$391,431)	(\$318,977)	(\$246,737)	(\$183,928)
Total Forecasted Power Supply, \$/MWh	\$40.69	\$43.92	\$51.85	\$50.43	\$44.53	\$42.98	\$43.02	\$46.72	\$64.26	\$58.41	\$44.85	\$45.63
Total Forecasted Power Supply Costs, \$'s	(\$916,091)	(\$1,128,487)	(\$1,570,411)	(\$1,557,708)	(\$1,101,037)	(\$995,341)	(\$940,128)	(\$1,085,038)	(\$1,613,694)	(\$1,362,753)	(\$1,091,238)	(\$999,670)

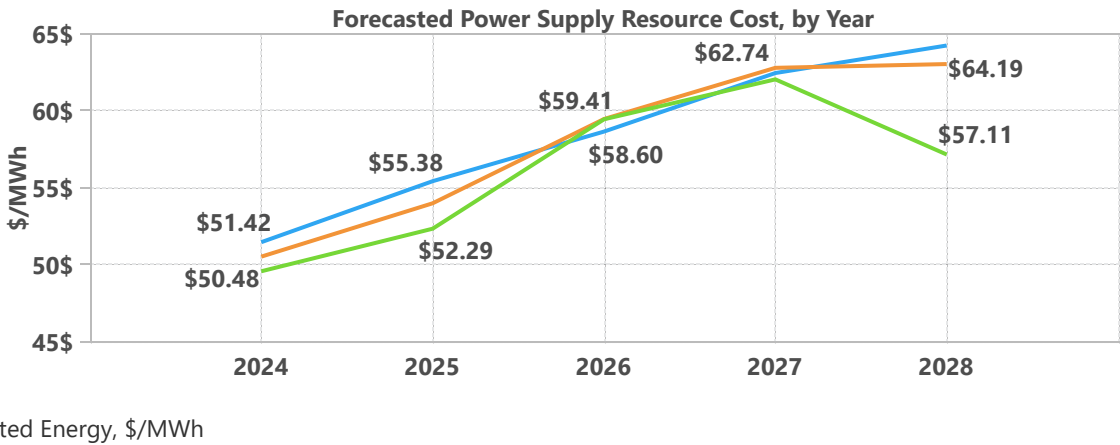
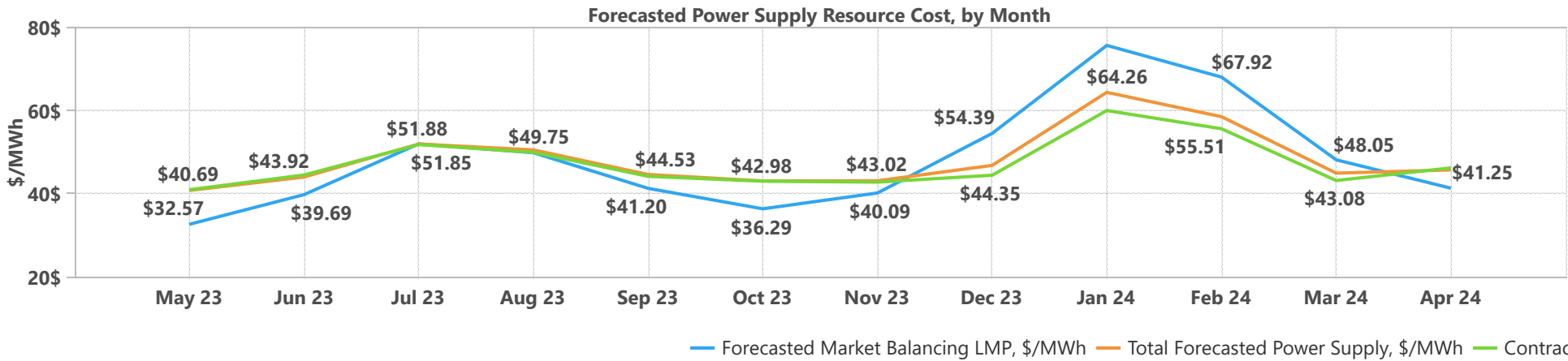
Power Supply \$'s	2024	2025	2026	2027	2028
Total Resources, \$'s	(\$11,893,420)	(\$10,260,038)	(\$7,166,877)	(\$4,737,997)	(\$3,954,095)
Project Assets	(\$2,503,299)	(\$2,497,970)	(\$2,557,919)	(\$1,836,474)	(\$1,009,081)
Landfill Project	(\$2,503,299)	(\$2,497,970)	(\$2,557,919)	(\$1,836,474)	(\$1,009,081)
Contracted Power Supply	(\$9,390,120)	(\$7,762,069)	(\$4,608,957)	(\$2,901,523)	(\$2,945,014)
Contracted ESP Renewable PPAs	(\$2,352,627)	(\$2,648,160)	(\$2,858,728)	(\$2,901,523)	(\$2,945,014)
Contracted Bilateral Energy Transactions	(\$7,037,494)	(\$5,113,908)	(\$1,750,229)		

Locational Basis, \$'s					
Locational Basis (Projects)	(\$12,466)	(\$12,709)	(\$13,080)	(\$15,028)	(\$2,906)
Locational Basis (Contracted Power Supply)	(\$158,588)	(\$159,962)	(\$137,167)	(\$118,665)	(\$122,204)

Power Supply \$/MWh	2024	2025	2026	2027	2028
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$109.61	\$111.95	\$118.53	\$120.63	\$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		

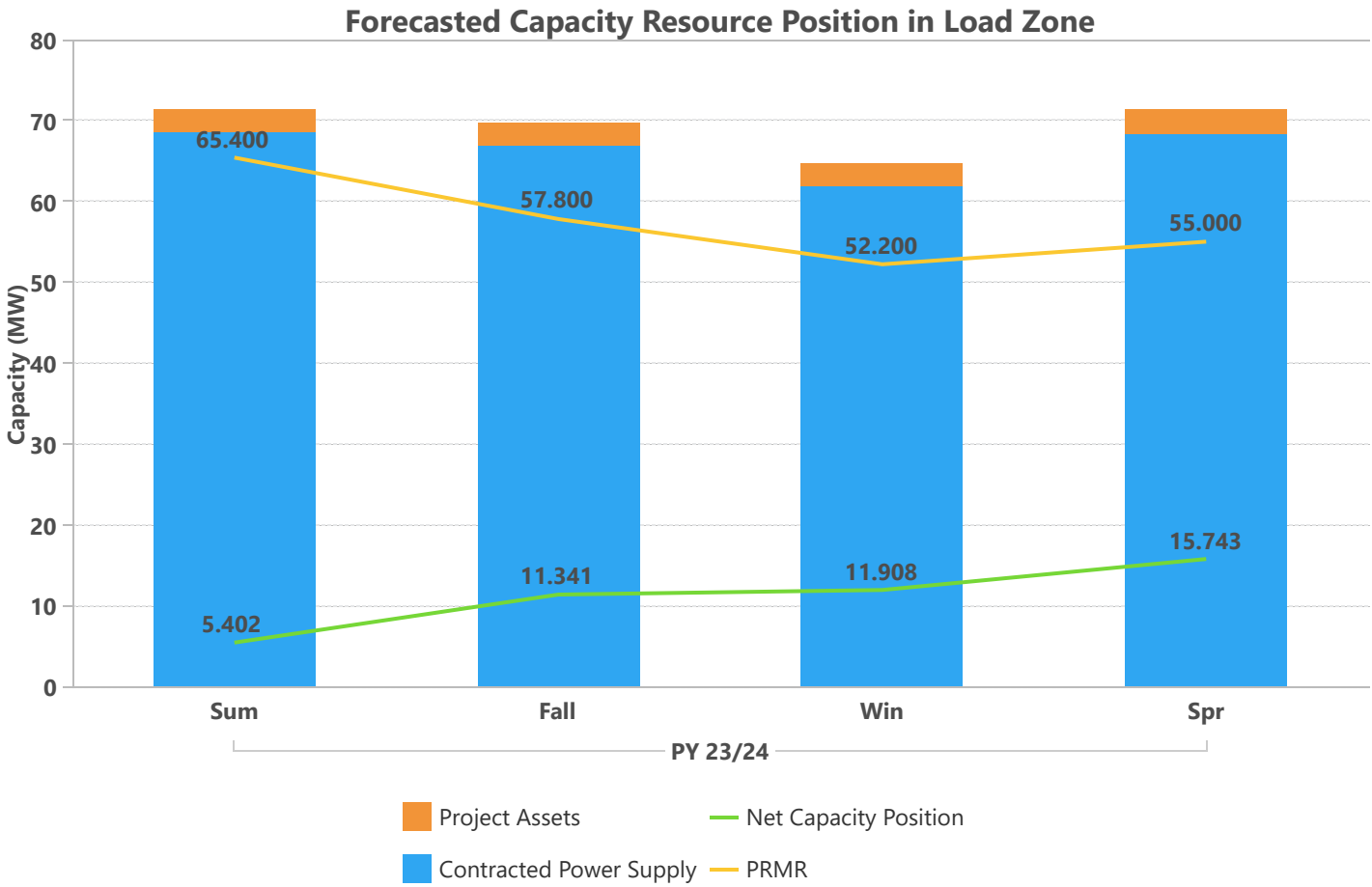
Locational Basis, \$/MWh					
Locational Basis (Projects)	\$0.55	\$0.57	\$0.61	\$0.99	\$0.36
Locational Basis (Contracted Power Supply)	\$0.73	\$0.92	\$1.38	\$1.94	\$2.00

	2024	2025	2026	2027	2028
Forecasted Market Balancing LMP, \$/MWh	\$51.42	\$55.38	\$58.60	\$62.40	\$64.19
Forecasted Market Balancing LMP, \$'s	(\$3,135,957)	(\$5,836,264)	(\$10,628,625)	(\$14,103,453)	(\$14,991,280)
Total Forecasted Power Supply, \$/MWh	\$50.48	\$53.94	\$59.41	\$62.74	\$62.98
Total Forecasted Power Supply Costs, \$'s	(\$15,200,431)	(\$16,268,973)	(\$17,945,748)	(\$18,975,143)	(\$19,070,485)



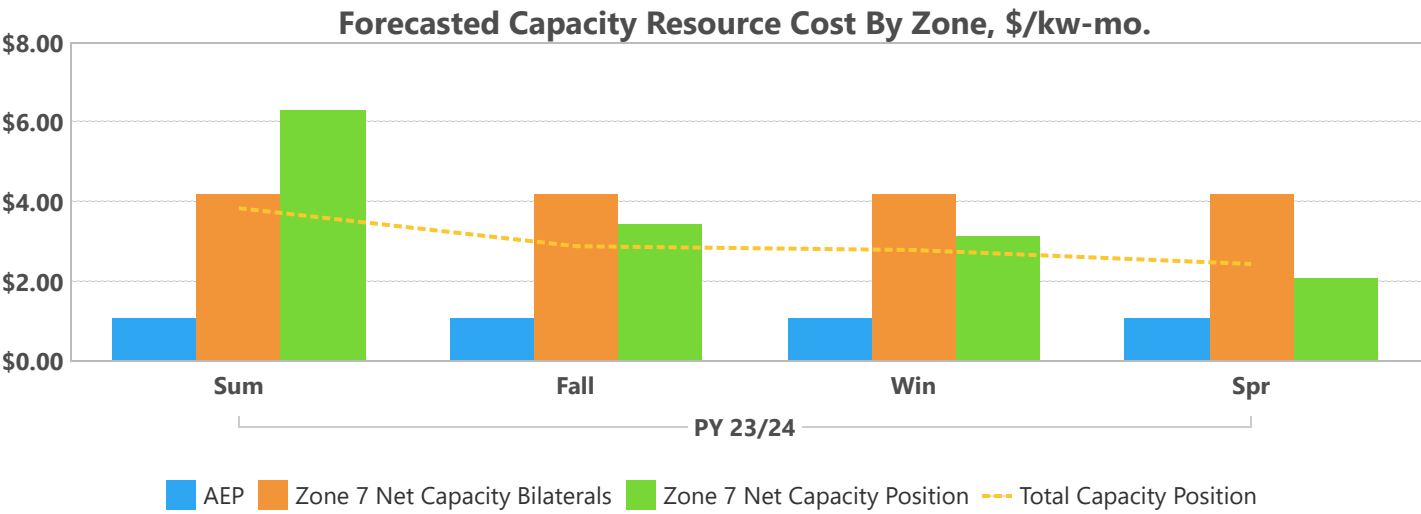
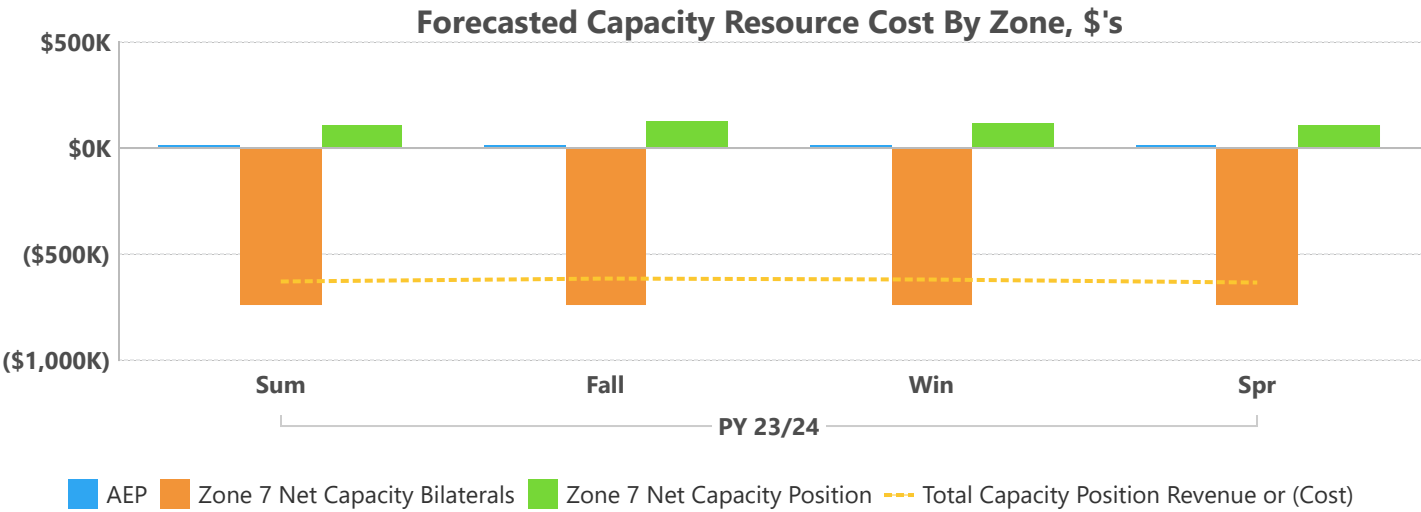
Capacity Resources, MW	PY 23/24			
	Sum	Fall	Win	Spr
Zone 7	5.402	11.341	11.908	15.743
Contracted Power Supply	68.753	67.044	61.913	68.531
Contracted ESP Renewable PPAs	9.753	8.044	2.913	9.531
Contracted Bilateral Capacity Transactions	59.000	59.000	59.000	59.000
Planning Reserve Marqin Requirement	(65.400)	(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

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



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

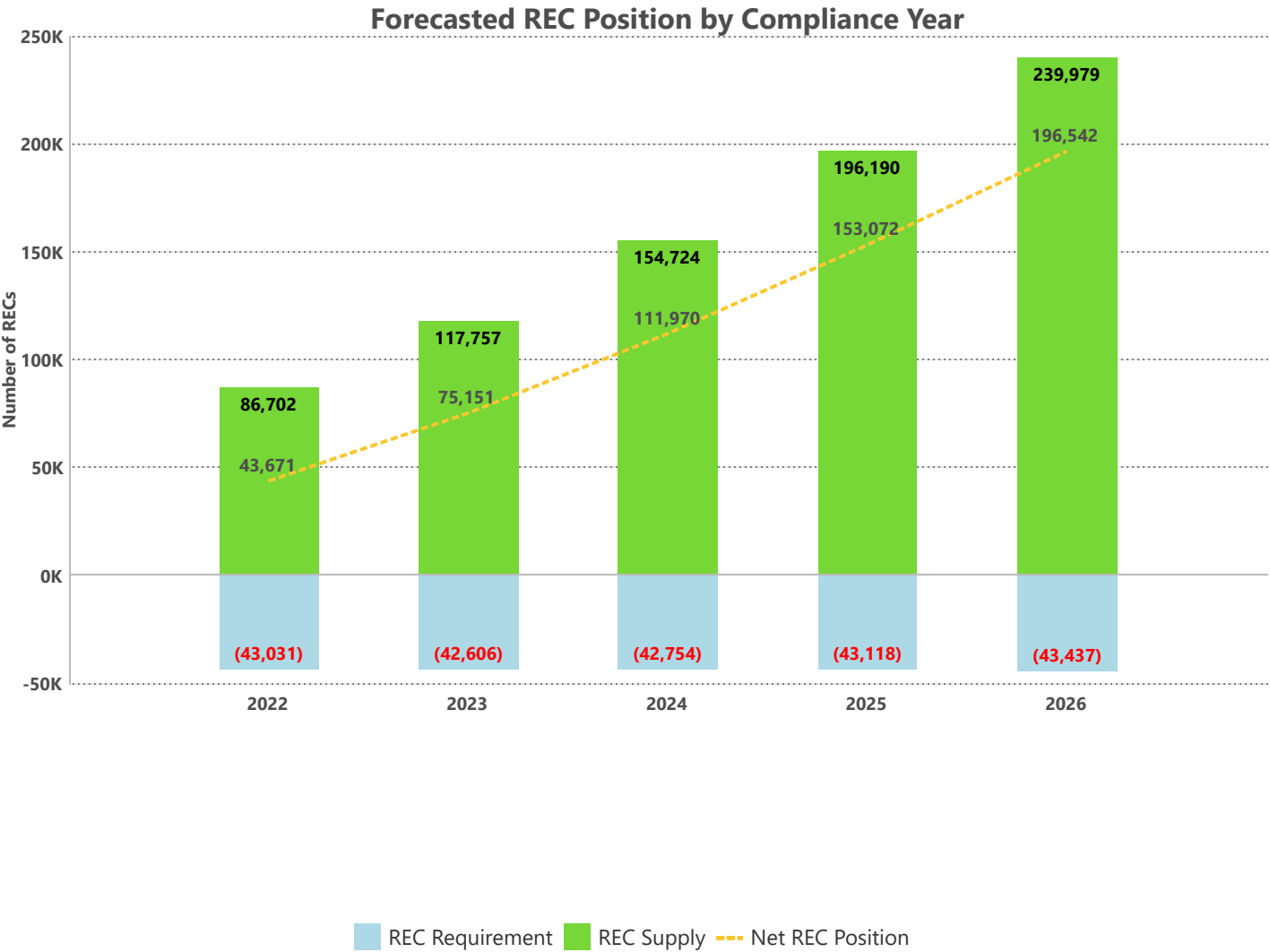


# Forecasted Renewable Energy Credit (REC) Position for GRAN

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.

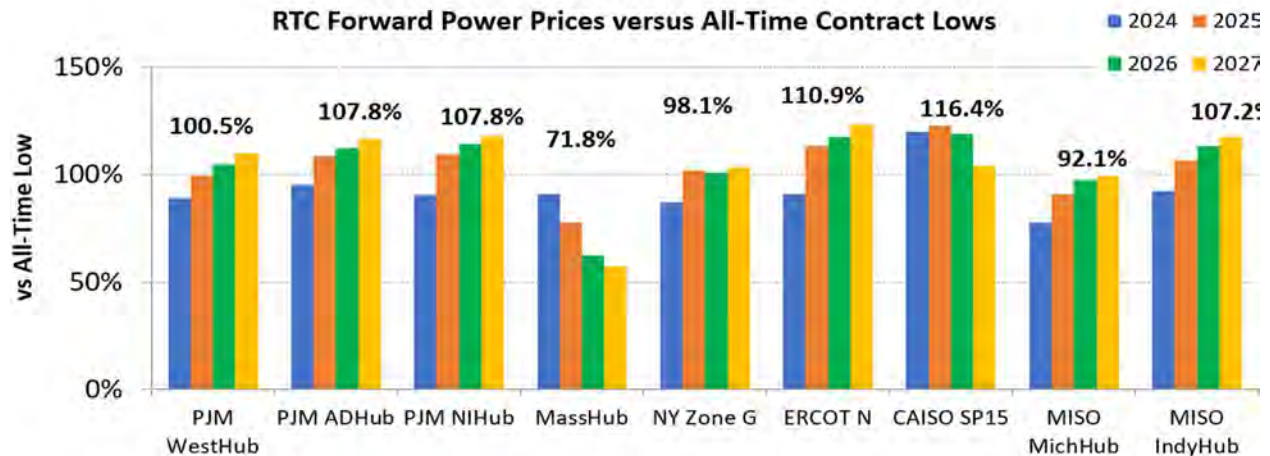
Compliance Year	2022	2023	2024	2025	2026
Net REC Position	43,671	75,151	111,970	153,072	196,542
Available Banked RECs	22,377	43,671	75,151	111,970	153,072
Hedge Policy REC Requirement	(43,031)	(42,606)	(42,754)	(43,118)	(43,437)
Assembly Solar	9,514	10,654	10,796	10,791	10,803
Assembly Solar Phase II	7,985	8,804	8,920	8,916	8,927
Beebe	6,228	6,200	6,180	6,178	6,179
Hart Solar				5,220	8,670
Invenergy Calhoun Solar	0	10,036	13,858	13,789	13,730
Landfill Project (EDL)	16,661	16,880	17,574	17,081	16,352
Landfill Project (NANR)	4,921	4,962	5,234	5,234	5,234
Pegasus	19,017	16,550	17,011	17,012	17,011

Compliance Year	2022	2023	2024	2025	2026
3 Year Avg Retail Sales	(286,872)	(284,038)	(285,027)	(287,453)	(289,580)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%
Hedge Policy REC Requirement	(43,031)	(42,606)	(42,754)	(43,118)	(43,437)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0

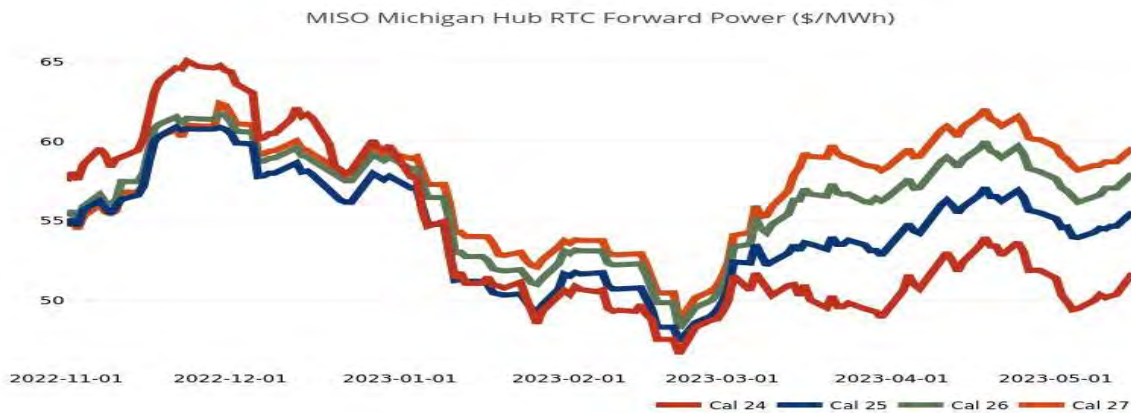


Week Ending	5/12/2023	RTC Day-Ahead Index Prices			RTC Forward Calendar Strip Prices <sup>1</sup>			
		(\$/MWh)			(\$/MWh)			
Electric Hub	ISO	Min	Max	Avg	2023	2024	2025	2026
Indiana Hub	MISO	\$20.02	\$64.93	\$37.06	\$43.30	\$51.36	\$55.65	\$58.04
Michigan Hub	MISO	\$14.65	\$49.90	\$31.24	\$42.15	\$50.27	\$54.65	\$57.05
PJM West Hub	PJM	\$17.47	\$75.05	\$36.16	\$40.69	\$50.36	\$53.74	\$55.44
AEP-Dayton Hub	PJM	\$15.67	\$66.39	\$35.11	\$40.65	\$48.22	\$51.22	\$52.77
N. Illinois Hub	PJM	\$2.82	\$61.20	\$29.28	\$34.57	\$41.61	\$44.99	\$46.67
Mass Hub	ISO-NE	\$10.14	\$39.94	\$23.94	\$55.35	\$70.97	\$67.77	\$62.37
NYZ J	NYISO	\$14.03	\$57.12	\$26.05	\$49.28	\$63.32	\$68.18	\$68.42
ERCOT N <sup>2</sup>	ERCOT	\$6.34	\$461.67	\$26.59	\$41.31	\$41.50	\$44.23	\$44.95
SP15	CAISO	(\$13.38)	\$61.52	\$12.73	\$74.43	\$72.79	\$74.89	\$74.64

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



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

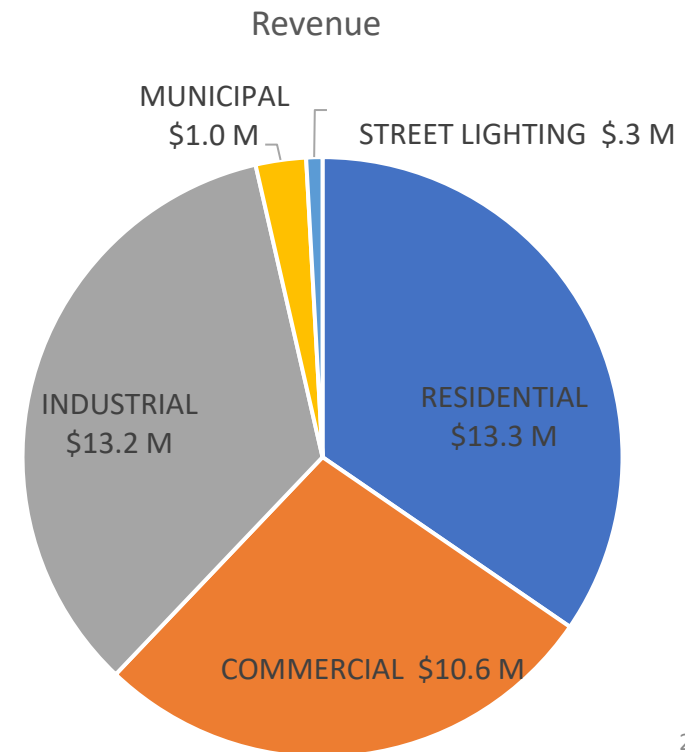
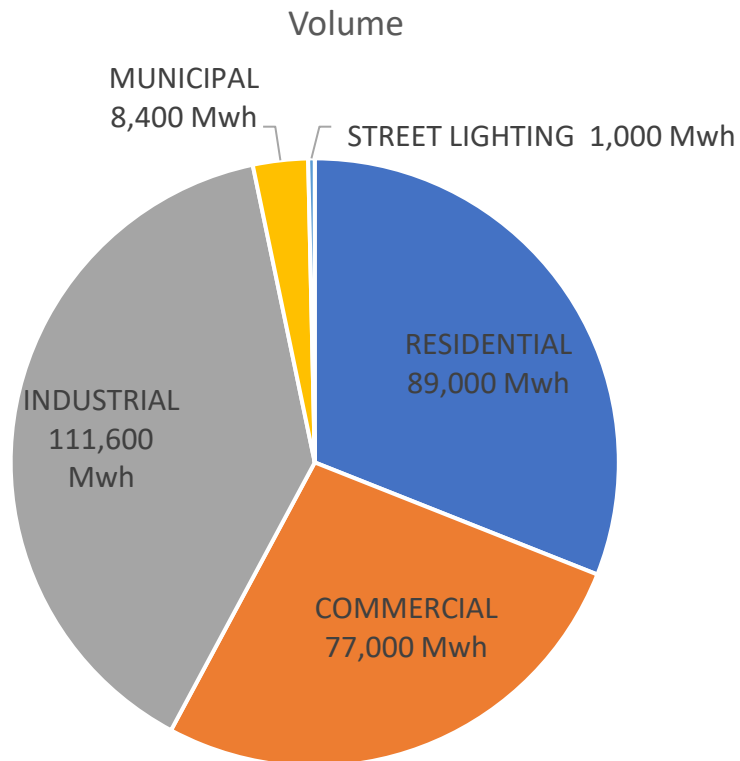


# **GHBLP FY 2024 Budget Approval**

May 25, 2023

# Budgeted Retail Volume and Revenue

287,000 MWh    \$38,335,000    14,925 Meters



# Environmental Remediation Surcharge \$1,000,000

## RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER

TO COLLECT AN ENVIRONMENTAL REMEDIATION SURCHARGE EFFECTIVE JULY 1, 2023, FOR THE PURPOSE OF FUNDING NECESSARY SIMS SITE COMBUSTION COAL RESIDUAL (CCR) CLEANUP ACTIVITIES

**WHEREAS** THE BOARD OF LIGHT AND POWER BELIEVES IT IS **BEST PRACTICES** TO BEGIN TO COLLECT ADDITIONAL FUNDS AND BE COMMITTED TO **SET SUCH FUNDS ASIDE FOR CCR REMEDIATION**; AND

**WHEREAS** THE BOARD OF LIGHT & POWER BELIEVES THAT **ADDITIONAL FUNDS WILL BE NEEDED** FOR THE REMEDIATION OF CCR ON HARBOR ISLAND; AND

**WHEREAS** THE BOARD OF LIGHT & POWER HAS NOT INCLUDED THESE FUNDS IN THE CURRENT BASE.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER **RESOLVES TO COLLECT A SURCHARGE OF \$0.0035 PER Kwh FOR ALL CUSTOMERS** TO FUND THIS LIABILITY AND,

**BE IT FURTHER RESOLVED** THAT THE BOARD OF LIGHT AND POWER WILL BEGIN CHARGING THE ENVIRONMENTAL REMEDIATION SURCHARGE ON JULY 1, 2023.

# Restricting the Funds

## **RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER TO RESTRICT RESERVE FUNDS FOR THE SOLE PURPOSE TO COVER BLP LIABILITIES FOR ENVIRONMENTAL REMEDiation OF THE SIMS SITE**

**WHEREAS** THE BOARD OF LIGHT AND POWER BELIEVES THAT IT IS **BEST PRACTICES** TO RESTRICT RESERVE FUNDS TO COVER THE LIABILITIES ASSOCIATED WITH THE BOARD OF LIGHT & POWER'S ASSET RETIREMENT OBLIGATION.

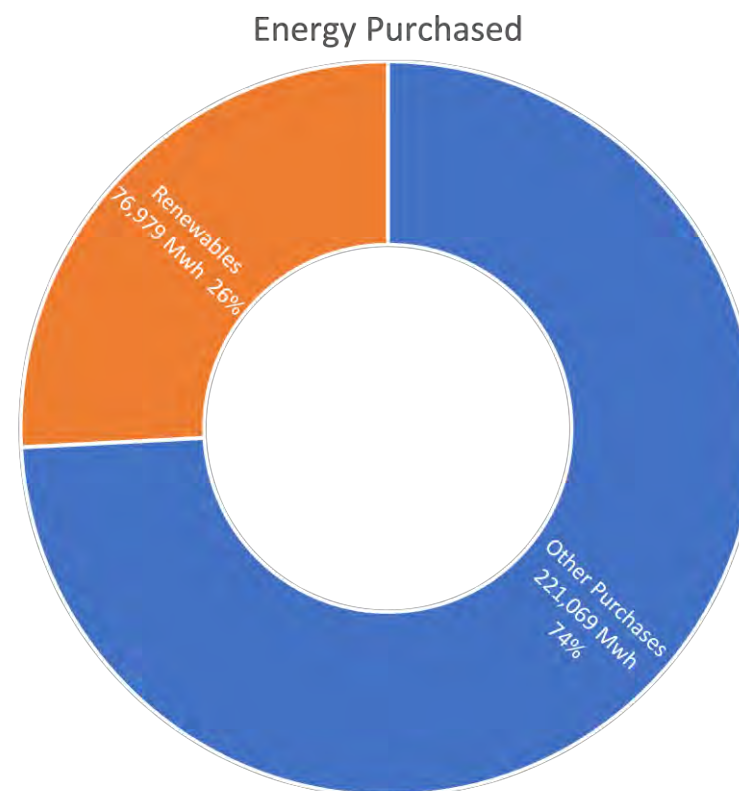
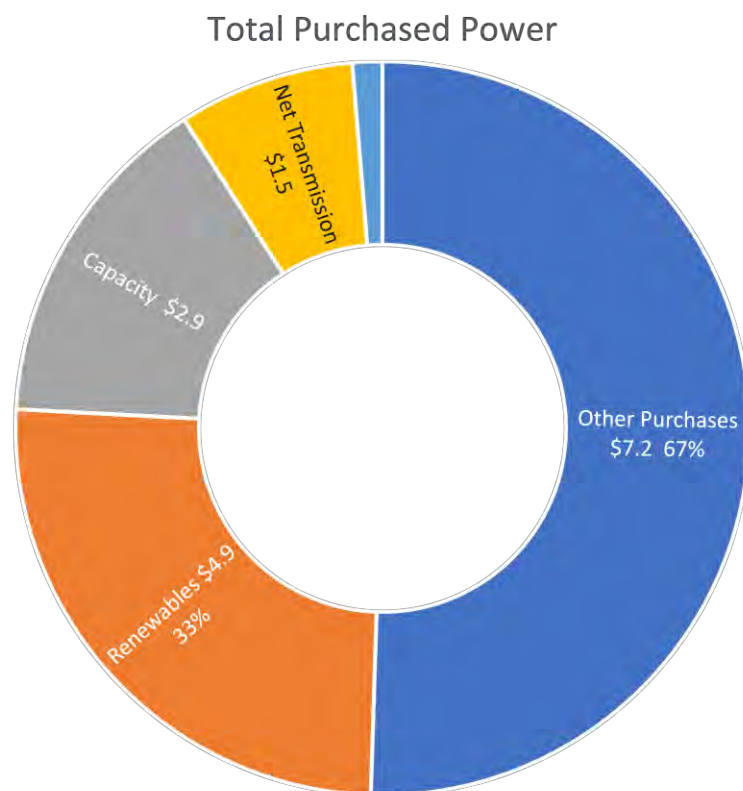
**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT & POWER WILL **DISTINGUISH THESE FUNDS** ON THE FINANCIAL REPORTS AS RESTRICTED CASH; AND,

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER WILL **USE THESE RESTRICTED FUNDS FOR THE SOLE PURPOSE TO COVER ITS LIABILITIES FOR ENVIRONMENTAL REMEDIATION ON THE SIMS SITE.**

# Budgeted Operating Expenses

Purchased Power \$19,300,000

67% of Operating Expenses



## Other Operating Expenses – 2.5% decrease from FY23 budget

- Salary and Benefits \$6,100,000 42 FTE's
- Energy waste reduction and energy optimization \$400,000  
*\$125,000 of which is planned for street lighting LED retrofits*
- Legacy Pension Expense \$500,000 - *94.6% Funded (12/31/2021)*
- Technology \$447,000 - *grid analytics, SCADA, texting service*
- Snowmelt Equipment Contribution \$180,000

## Non-Operating Revenue & Expenses

- Interest Revenue-Treasury Notes \$540,000
- Depreciation \$2,024,000
- Interest Expense-Series 2021 Bond \$339,700
- Environmental Remediation Expense \$1,000,000
- Transfers to the City of Grand Haven \$1,916,750 - *5% of Gross Revenue*

GRAND HAVEN BOARD OF LIGHT AND POWER									
BUDGET FY2024									
			Actual	Actual	Budget	Forecast	Budget	Budget to	Budget to
			2020-2021	2021-2022	2022-2023	2022-2023	2023-2024	Forecast	Budget
								Variance	Variance
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)
	Distribution							-	-
	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							1,000,000	1,000,000	1,000,000
			(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

# Approve Operating Budget

## RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER TO APPROVE THE FISCAL YEAR 2024 ANNUAL BUDGET

**WHEREAS** THE BOARD OF LIGHT AND POWER HAS ESTABLISHED A BUDGET WHICH INCLUDES OPERATING AND NONOPERATING REVENUE AND EXPENSES FOR THE FISCAL YEAR 2024; AND,

**WHEREAS** THE BOARD OF LIGHT & POWER HAS INCLUDED PROJECTIONS FOR RETAIL SALES ALONG WITH PURCHASED POWER, EMPLOYEE AND OTHER EXPENSES.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER BELIEVES THAT THESE PROJECTIONS ARE REASONABLE AND BASED ON BEST PRACTICES; AND,

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER APPROVES THE BUDGET AS PRESENTED FOR THE FISCAL YEAR 2024.

# Use of Cash

- Proposed 5-year Capital Plan (FY 24-28) totals \$24.8 M

Distribution \$20.2 M 81%

Facility \$4.2 M

Technology \$.4 M

- Environmental Remediation \$16 M
- Michigan Professional Insurance Authority \$6 M
- Bond Payments \$12 M
- Pension Legacy Payments \$2.3 M

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

		FY24	FY25	FY26	FY27	FY28	5 YEAR Cost
<b>DISTRIBUTION MAINTENANCE AND OPERATIONS</b>							
North Sub Transformer T2-Circuit North-60	D00851						0
2400V Upgrades							0
De-Spolder Voltage Upgrade	D00935						0
Pole Blanket	D80011	150,000	125,000	125,000	125,000	100,000	625,000
Overhead Lines Blanket	D80021	200,000	200,000	200,000	200,000	125,000	925,000
Underground Lines Blanket	D80041	225,000	130,000	130,000	330,000	130,000	945,000
Transformers Blanket	D80051	200,000	175,000	175,000	175,000	125,000	850,000
New Services Blanket	D80061	70,000	70,000	70,000	70,000	70,000	350,000
New Metering Blanket	D80071	35,000	35,000	37,500	37,500	37,500	182,500
New Street Lights Blanket	D80081	20,000	20,000	20,000	25,000	25,000	110,000
Streetlight LED Conversions	D00090	125,000					125,000
City Road Upgrades Blanket	D80101	80,000	80,000	80,000	80,000	80,000	400,000
Vehicle Replacement	DVXXXX	110,000	780,000	480,000	480,000	480,000	2,310,000
Pickup Truck #222							0
							0
Misc. Circuit Reconduct/Rebuild			2,000,000	2,000,000	2,100,000	2,225,000	8,325,000
Circuit Rebuild/Riverhaven-3	D01075						0
							0
Harbor Drive Undergrounding			1,000,000	500,000			1,500,000
							0
Worford Sub Line Relaying Upgrade	D00841	550,000					550,000
Service Area Expansion		100,000	100,000	100,000	100,000	100,000	500,000
DH Service 17840 WSLR	D00280						0
							0
Circuit Outpost-42	D00700	1,200,000					1,200,000
Circuit Outpost-34	D00600	1,300,000					1,300,000
Outpost Control House	D00800						0
OMX Testing		28,500					28,500
Locator		10,000					10,000
<b>SUBTOTAL</b>		<b>4,493,500</b>	<b>4,895,000</b>	<b>3,917,500</b>	<b>3,722,500</b>	<b>3,497,500</b>	<b>20,236,000</b>
<b>ADMINISTRATION/FACILITIES</b>							
Admin Facility	P08000	4,000,000					4,000,000
Misc. Admin		35,000	35,000	35,000	35,000	35,000	175,000
<b>SUBTOTAL</b>		<b>4,035,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>4,175,000</b>
<b>TECHNOLOGY</b>							
Network Backup System		10,000			10,000		20,000
Host Server Replacement		80,000				80,000	160,000
Printers Replacement				10,000			10,000
San Storage		40,000			80,000		120,000
Microsoft Windows Server Upgrades		12,000		12,000		12,000	36,000
Network Infrastructure		5,000	10,000	10,000			25,000
Wi-Fi Upgrades							0
Firewall				25,000			25,000
<b>SUBTOTAL</b>		<b>147,000</b>	<b>10,000</b>	<b>57,000</b>	<b>90,000</b>	<b>92,000</b>	<b>396,000</b>
<b>TOTAL CAPITAL</b>		<b>\$ 8,585,500</b>	<b>\$ 4,740,000</b>	<b>\$ 4,009,500</b>	<b>\$ 3,847,500</b>	<b>\$ 3,624,500</b>	<b>\$ 24,807,000</b>

# Approve Capital Plan

## RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER TO APPROVE THE FISCAL YEAR 2024-2028 5-YEAR CAPITAL PLAN

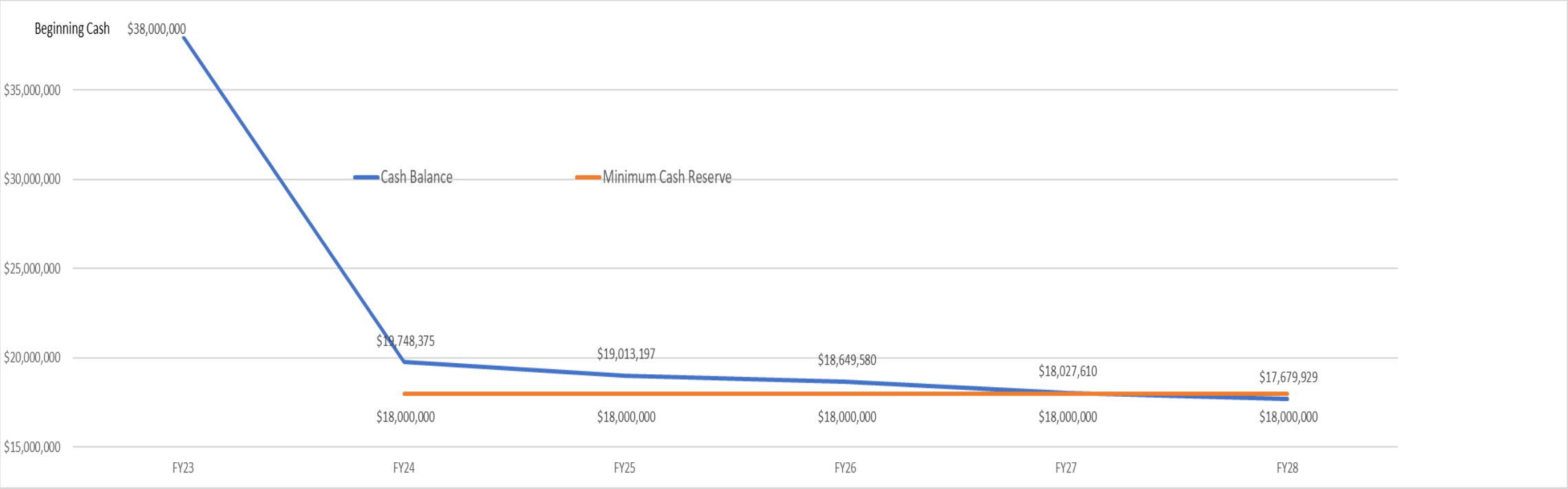
**WHEREAS** THE BOARD OF LIGHT AND POWER HAS DEVELOPED A FIVE-YEAR CAPITAL PLAN FOR THE FISCAL YEARS 2024-2028; AND,

**WHEREAS** THE BOARD OF LIGHT & POWER HAS INCLUDED ESTIMATED COSTS FOR PROJECTS ANTICIPATED TO BEGIN IN THE FISCAL YEAR 2024 AND PURCHASES FOR CAPITALIZED INVENTORY.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER BELIEVES THAT THESE PROJECTIONS ARE REASONABLE AND BASED ON BEST PRACTICES AND RECENT ENGINEERING STUDIES; AND

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER APPROVES THE FIVE-YEAR CAPITAL PLAN PRESENTED FOR THE FISCAL YEAR 2024-2028.

# Cash Flow



# Minimum Cash Reserve

## RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER TO SET MINIMUM UNRESTRICTED CASH RESERVE POSITION AT \$18,000,000

**WHEREAS** THE BOARD OF LIGHT AND POWER BELIEVES IT IS **BEST PRACTICES** TO REQUIRE A MINIMUM CASH RESERVE TO ENSURE FUNDS EXIST TO PAY EXPENSES, FUND CAPITAL IMPROVEMENTS TO MAINTAIN SYSTEM RELIABILITY, AND FUND CURRENT AND FUTURE LIABILITIES; AND,

**WHEREAS** THE BOARD OF LIGHT & POWER HAS PROJECTED RESERVE FUNDS NEEDED FOR THE NEXT FIVE YEARS TO MEET THIS REQUIREMENT.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER HAS BEEN ADVISED BY RATE CONSULTANTS AND THE MICHIGAN PUBLIC POWER AGENCY OF CRITERIA THAT SHOULD BE USED TO DETERMINE AN ADEQUATE MINIMUM RESERVE; AND,

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER WILL **MAINTAIN A MINIMUM OF \$18,000,000 IN UNRESTRICTED CASH RESERVES UNTIL** SUCH TIME AS THIS LEVEL IS REVISED BY THE BOARD.

**RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER**

**TO COLLECT AN ENVIRONMENTAL REMEDIATION SURCHARGE EFFECTIVE JULY 1, 2023, FOR THE  
PURPOSE OF FUNDING NECESSARY SIMS SITE COMBUSTION COAL RESIDUAL (CCR) CLEANUP  
ACTIVITIES**

**WHEREAS** THE BOARD OF LIGHT AND POWER BELIEVES IT IS BEST PRACTICES TO BEGIN TO COLLECT ADDITIONAL FUNDS AND BE COMMITTED TO SET SUCH FUNDS ASIDE FOR CCR REMEDIATION; AND

**WHEREAS** THE BOARD OF LIGHT & POWER BELIEVES THAT ADDITIONAL FUNDS WILL BE NEEDED FOR THE REMEDIATION OF CCR ON HARBOR ISLAND; AND

**WHEREAS** THE BOARD OF LIGHT & POWER HAS NOT INCLUDED THESE FUNDS IN THE CURRENT BASE.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER RESOLVES TO COLLECT A SURCHARGE OF \$0.0035 PER Kwh FOR ALL CUSTOMERS TO FUND THIS LIABILITY AND,

**BE IT FURTHER RESOLVED** THAT THE BOARD OF LIGHT AND POWER WILL BEGIN CHARGING THE ENVIRONMENTAL REMEDIATION SURCHARGE ON JULY 1, 2023.

**RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER**  
**TO RESTRICT RESERVE FUNDS FOR THE SOLE PURPOSE TO COVER ITS LIABILITIES FOR**  
**ENVIRONMENTAL REMEDIATION OF THE SIMS SITE**

**WHEREAS** THE BOARD OF LIGHT AND POWER BELIEVES THAT IT IS BEST PRACTICES TO RESTRICT RESERVE FUNDS TO COVER THE LIABILITIES ASSOCIATED WITH THE BOARD OF LIGHT & POWER'S ASSET RETIREMENT OBLIGATION.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT & POWER WILL DISTINGUISH THESE FUNDS ON THE FINANCIAL REPORTS AS RESTRICTED CASH; AND,

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER WILL USE THESE RESTRICTED FUNDS FOR THE SOLE PURPOSE TO COVER ITS LIABILITIES FOR ENVIRONMENTAL REMEDIATION ON THE SIMS SITE.

**RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER**

**TO APPROVE THE FISCAL YEAR 2024 ANNUAL BUDGET**

**WHEREAS** THE BOARD OF LIGHT AND POWER HAS ESTABLISHED A BUDGET WHICH INCLUDES OPERATING AND NONOPERATING REVENUE AND EXPENSES FOR THE FISCAL YEAR 2024; AND,

**WHEREAS** THE BOARD OF LIGHT & POWER HAS INCLUDED PROJECTIONS FOR RETAIL SALES ALONG WITH PURCHASED POWER, EMPLOYEE AND OTHER EXPENSES.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER BELIEVES THAT THESE PROJECTIONS ARE REASONABLE AND BASED ON BEST PRACTICES; AND,

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER APPROVES THE BUDGET AS PRESENTED FOR THE FISCAL YEAR 2024.

**RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER**

**TO APPROVE THE FISCAL YEAR 2024-2028 5-YEAR CAPITAL PLAN**

**WHEREAS** THE BOARD OF LIGHT AND POWER HAS DEVELOPED A FIVE-YEAR CAPITAL PLAN FOR THE FISCAL YEARS 2024-2028; AND,

**WHEREAS** THE BOARD OF LIGHT & POWER HAS INCLUDED ESTIMATED COSTS FOR PROJECTS ANTICIPATED TO BEGIN IN THE FISCAL YEAR 2024 AND PURCHASES FOR CAPITALIZED INVENTORY.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER BELIEVES THAT THESE PROJECTIONS ARE REASONABLE AND BASED ON BEST PRACTICES AND RECENT ENGINEERING STUDIES; AND

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER APPROVES THE FIVE-YEAR CAPITAL PLAN PRESENTED FOR THE FISCAL YEAR 2024-2028.

**RESOLUTION OF THE GRAND HAVEN BOARD OF LIGHT & POWER**

**TO SET MINIMUM UNRESTRICTED CASH RESERVE POSITION AT \$18,000,000**

**WHEREAS** THE BOARD OF LIGHT AND POWER BELIEVES IT IS BEST PRACTICES TO REQUIRE A MINIMUM CASH RESERVE TO ENSURE FUNDS EXIST TO PAY EXPENSES, FUND CAPITAL IMPROVEMENTS TO MAINTAIN SYSTEM RELIABILITY, AND FUND CURRENT AND FUTURE LIABILITIES; AND,

**WHEREAS** THE BOARD OF LIGHT & POWER HAS PROJECTED RESERVE FUNDS NEEDED FOR THE NEXT FIVE YEARS TO MEET THIS REQUIREMENT.

**NOW THEREFORE BE IT RESOLVED** THE BOARD OF LIGHT AND POWER HAS BEEN ADVISED BY RATE CONSULTANTS AND THE MICHIGAN PUBLIC POWER AGENCY OF CRITERIA THAT SHOULD BE USED TO DETERMINE AN ADEQUATE MINIMUM RESERVE; AND,

**BE IT FURTHER RESOLVED** THE BOARD OF LIGHT AND POWER WILL MAINTAIN A MINIMUM OF \$18,000,000 IN UNRESTRICTED CASH RESERVES UNTIL SUCH TIME AS THIS LEVEL IS REVISED BY THE BOARD.

Board Members:  
Michael Westbrook, Chairperson  
Gerald Witherell, Vice Chairperson  
Todd Crum  
Andrea Hendrick  
Kurt Knoth

**Board of Light and Power**  
1700 Eaton Drive  
Grand Haven, Michigan 49417  
616-846-6250  
Fax 616-846-3114



May 8, 2023

Grand Haven Charter Township Board  
13300 168<sup>th</sup> Ave  
Grand Haven, MI 49417

Dear Township Board Members,

Recently a group called the Charter Change Coalition (CCC) announced plans to collect signatures to dissolve the voter elected Board of Light and Power (BLP) and place the electric utility under the Grand Haven City Manager and City Council. This group is not a Charter Commission and has not involved the general public or the Board of Light and Power in this process. According to Field Reichardt (a leader with the CCC) on April 20, 2023, at a Board of Light and Power meeting, this group has “spent a lot of time and a lot of money with attorneys helping to design this thing” bypassing any public process, to change the City Charter. The group has not divulged the source of the money, nor have they identified the attorneys paid to rewrite their desired charter changes related to the BLP.

The BLP serves not only the City of Grand Haven but also parts of Grand Haven Township, the City of Ferrysburg, Spring Lake Township, and Robinson Township. While only the voters of Grand Haven will get to decide on the future of the BLP, these surrounding communities will share the impacts.


The BLP serves over 3,533 residential households in Grand Haven Township. From information provided by your Assessing Director/Deputy Treasurer, there are 8,038 residential dwellings in Grand Haven Township. Therefore, the BLP provides electrical service to 44 percent of residential dwellings in your Township. In addition, we provide services to 170 commercial customers, 8 industrial customers, and 1 municipal customer in Grand Haven Township. Given that the BLP provides service to a significant portion of the Township, your residents and businesses may be asking you how this city charter change could impact their electric services and costs.

The strategic priorities of the Board of Light and Power are to provide reliable, affordable, and sustainable electric services to the greater Northwest Ottawa community. Over the past seven years, the reliability of the BLP has increased substantially and we are now one of the most reliable public power utilities in the country. We have improved our reliability while decreasing our rates multiple times over the past six years. Our sustainability initiatives have taken us from 9.4 percent renewable energy in 2019 to 22 percent in 2022 and we are planning on reaching 28 percent renewable energy by 2025.

We are reaching out to the surrounding service areas to let you know of this potential charter change initiative and will provide further information to the people and businesses we serve as this process moves forward. Additionally, the Grand Haven Township Board and all our electric customers in the township are invited to attend BLP Board meetings which normally take place on the third Thursday of every month. An exception is that this month we will be meeting on May 25<sup>th</sup>. We welcome your voice to the discussion on the future of the BLP, your local electric service provider.

Best regards,

GRAND HAVEN BOARD OF LIGHT & POWER

A handwritten signature in dark ink, appearing to read "Mike Westbrook", written in a cursive style.

Mike Westbrook, Board Chair

cc: GHBLP Board Directors

David Walters, General Manager

Board Members:  
Michael Westbrook, Chairperson  
Gerald Witherell, Vice Chairperson  
Todd Crum  
Andrea Hendrick  
Kurt Knoth

**Board of Light and Power**  
1700 Eaton Drive  
Grand Haven, Michigan 49417  
616-846-6250  
Fax 616-846-3114



May 15, 2023

City of Ferrysburg  
17520 Ridge Avenue  
Ferrysburg, MI 49409

Dear Mayor, Mayor Pro Tem, and Council Members,

Recently a group called the Charter Change Coalition (CCC) announced plans to collect signatures to dissolve the voter elected Board of Light and Power (BLP) and place the electric utility under the Grand Haven City Manager and City Council. This group is not a Charter Commission and has not involved the general public or the Board of Light and Power in this process. According to Field Reichardt (a leader with the CCC) on April 20, 2023, at a Board of Light and Power meeting, this group has “spent a lot of time and a lot of money with attorneys helping to design this thing” bypassing any public process, to change the City Charter. The group has not divulged the source of the money, nor have they identified the attorneys paid to rewrite their desired charter changes related to the BLP.

The BLP serves not only the City of Grand Haven but also parts of Grand Haven Township, the City of Ferrysburg, Spring Lake Township, and Robinson Township. While only the voters of Grand Haven will get to decide on the future of the BLP, these surrounding communities will share the impacts.

The BLP serves over 1,464 residential households in the City of Ferrysburg. In addition, we provide services to 201 commercial customers, 5 industrial customers, and 3 municipal customers in the City of Ferrysburg. Given that the BLP provides service to a significant portion of Ferrysburg, your residents and businesses may be asking you how this city charter change could impact their electric services and costs.

The strategic priorities of the Board of Light and Power are to provide reliable, affordable, and sustainable electric services to the greater Northwest Ottawa community. Over the past seven years, the reliability of the BLP has increased substantially and we are now one of the most reliable public power utilities in the country. We have improved our reliability while decreasing our rates multiple times over the past six years. Our sustainability initiatives have taken us from 9.4 percent renewable energy in 2019 to 22 percent in 2022 and we are planning on reaching 28 percent renewable energy by 2025.

We are reaching out to the surrounding service areas to let you know of this potential charter change initiative and will provide further information to the people and businesses we serve as this process moves forward. Additionally, the City of Ferrysburg and all our electric customers in your city are invited to attend BLP Board

meetings which normally take place on the third Thursday of every month. An exception is that this month we will be meeting on May 25<sup>th</sup>. We welcome your voice to the discussion on the future of the BLP, your local electric service provider.

Best regards,

GRAND HAVEN BOARD OF LIGHT & POWER

A handwritten signature in dark ink, appearing to read "Mike Westbrook", with a stylized flourish at the end.

Mike Westbrook, Board Chair

cc: GHBLP Board Directors

David Walters, General Manager