

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA
Thursday, September 19, 2024
Meeting to be held at 1700 Eaton Drive
6:00 PM

1. Call to Order / Roll Call / Excuse Absent Members
2. Approve Meeting Agenda (1) *
3. Pledge of Allegiance
4. Public Comment Period
5. Consent Agenda (1)
 - A. Approve Minutes
 1. August 12, 2024 Special Meeting Minutes*
 2. August 15, 2024 Regular Meeting Minutes*
 3. September 5, 2024 Special Meeting Minutes*
 - B. Receive and File: August Financial Statements, Power Supply, Retail Sales Dashboards *
 - C. Receive and File: August Key Performance Indicators (KPI) Dashboard *
 - D. Receive and File: MPPA ESP Resource Position Report (dated 8/30/2024) *
 - E. Approve Payment of Bills (\$3,725,800.38 in total)
 1. In the amount of \$3,041,610.38 from the Operation & Maintenance Fund
 2. In the amount of \$684,190.00 from the Renewal & Replacement Fund
 - F. Approve Confirming Purchase Orders (\$76,014 in total)
 1. PO #23190, Landis & Gyr, \$30,000 (AMI Software Annual Subscription)
 2. PO #23175, Premier Line Services, \$46,014 (FY25 Switchgear Cleaning)
6. General Manager's Report *
 - A. Approve Purchase Orders (\$279,235 in total) (1)
 1. PO #23161, CDW, \$15,390 (Control Room Replacement Computers)
 2. PO #23172, Van Kam, \$12,393 (Dump Trailer)
 3. PO #23176, Irby, \$15,652 (Metering PT's x 9 for BLP Stock)
 4. PO #23185, Alpine Power Systems, \$6,800 (2024 Battery Maintenance)
 5. PO #23191, Verdantas, \$75,000 (Engineering for Beechtree & Marion Rebuild)
 6. PO #23192, Verdantas, \$87,000 (Engineering for Waverly & Eastern Rebuild)
 7. PO #23193, Verdantas, \$67,000 (Engineering for Hospital & W Spring Lake Rd Rebuild)
 - B. MPPA – ZRC Replacement (1) *
 - C. Eaton Drive Improvements (1) *
 - D. EGLE Permit to Install 88-21 Discussion *
 - E. Single Drum Puller Replacement (1)
 - F. Power Outage Update
 - G. MMEA – Fall Conference Oct 1-3, Port Huron MI (4) *

Notes:

(1) Board Action Required

(2) Future Board Action

* Information Enclosed

(3) Information RE: Policy or Performance

(4) General Information for Business or Education

7. Chairman's Report
 - A. Approval of General Manager Employment Agreement (1) *
 - B. Governance Training – Lesson 8 Discussion (3)
 - C. Governance Training – Watch Lessons 9 & 10 for October Discussion (3)
8. Other Business
9. Public Comment Period
10. Adjourn

Notes:

- (1) Board Action Required
- (2) Future Board Action
- * Information Enclosed

- (3) Information RE: Policy or Performance
- (4) General Information for Business or Education

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
AUGUST 12, 2024

5A1

A special meeting of the Grand Haven Board of Light and Power was held on Monday, August 12, 2024, at 1:00 PM at 421 Columbus Avenue in Grand Haven, MI.

The meeting was called to order at 1:04 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Welling and Westbrook.

Absent: None.

Others Present: Secretary to the Board Danielle Martin.

24-11A Director Crum, supported by Director Welling, moved to approve the meeting agenda.

Roll Call Vote:

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

24-11B The Board interviewed General Manager candidates Rick Wicklund, Erik Booth, and Rob Shelley. All candidates were asked the same pre-selected questions.

No formal action taken.

24-11C Chairperson Westbrook reviewed the next steps for the General Manager selection.

Candidate leadership assessments are pending. Recordings of today's interviews will be posted on the BLP's website. Employees and community members interested in participating in the selection process can complete and submit Candidate Feedback Forms by Thursday, August 15th at 8:00 AM for the Board's review. The Board plans to schedule a special meeting for September 5th at 6:00 PM to deliberate and select a candidate. The special meeting date and time will be finalized during the Board's regular meeting on August 15th.

No formal action taken.

Public Comment – none.

Adjournment

At 7:06 PM by motion of Director Hendrick, supported by Director Knoth, the August 12, 2024 special Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
AUGUST 15, 2024

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, August 15, 2024, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Webinar.

The meeting was called to order at 6:03 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Welling and Westbrook.

Absent: None.

Others Present: Interim General Manager Rob Shelley, Secretary to the Board Danielle Martin, Finance Manager Lynn Diffell, Operations and Power Supply Manager Erik Booth, and Dan Deller as Technical Support.

24-12A Director Crum, supported by Director Welling, moved to approve the meeting agenda.

Roll Call Vote:

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

Pledge of Allegiance

Public Comment Period: No comments.

24-12B Director Crum, supported by Director Welling, moved to approve the consent agenda. The consent agenda includes:

- Approve the minutes of the July 18, 2024 Special Board Meeting
- Approve the minutes of the July 18, 2024 Special Board Meeting Closed Session
- Approve the minutes of the July 18, 2024 Regular Board Meeting
- Approve the minutes of the August 8, 2024 Special Board Meeting
- Approve the minutes of the August 8, 2024 Special Board Meeting Closed Session
- Receive and file the July Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File the July Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 7/31/2024
- Approve payment of bills in the amount of \$4,272,674.42 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$123,730.53 from the Renewal & Replacement Fund

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
AUGUST 15, 2024

- Approve confirming Purchase Order #23151 to Western Tel-Com in the amount of \$5,813 for Poplar Trail boring services for a BLP repair
- Approve confirming Purchase Order #23152 to Western Tel-Com in the amount of \$10,238 for Clovernook Drive boring services for a BLP repair
- Approve confirming Purchase Order #23155 to Landis & Gyr in the amount of \$12,114 for the March through June 2024 AGA software subscription

The KPI's and financial statements have been reset with the new financial year. The PSCA indicator has been revised and now reports the actual PSCA in comparison to what was planned. The Cash Flow has been revised to report cash on hand in comparison to what was budgeted.

Roll Call Vote:

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

24-12C Director Hendrick, supported by Director Welling, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order #23145 to Irby Utilities in the amount of \$15,171 for two three-phase overhead switches for BLP stock
- Purchase Order #23147 to Irby Utilities in the amount of \$38,823 for two sets of PMH switchgear for BLP stock
- Purchase Order #23148 to Meredith Schneider in the amount of \$17,275 for twenty-five wood poles for BLP stock
- Purchase Order #23149 to Irby Utilities in the amount of \$33,518 for six 75kVA polemount transformers for BLP stock
- Purchase Order #23150 to Power Line Supply in the amount of \$36,390 for underground materials for repairs in the industrial park
- Purchase Order #23156 to Landis & Gyr in the amount of \$38,000 for the fiscal year 2025 AGA software subscription

Roll Call Vote:

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

24-12D Interim General Manager Rob Shelley provided an update on the data breach. At this time, Staff believes that this item is closed, and all invoices have been received with a total cost of \$73,715, of which \$46,482 was covered by insurance. This total includes direct, billable costs only and does not include indirect costs including staff time.

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
AUGUST 15, 2024

No formal action taken.

24-12E A joint meeting of the Board of Light and Power and Grand Haven City Council has been set for Monday, September 9th at 6:00 PM at City Hall. Prior to the meeting, the Chairperson, Interim General Manager, Mayor, and City Manager will meet to set the agenda. Snowmelt and Harbor Island will likely be agenda topics. The Council anticipates appointing a new member on September 3rd to fill the vacant seat.

No formal action taken.

24-12F The Board will hold a special meeting on Thursday, September 5th at 6:00 PM at 1700 Eaton Drive to select a General Manager candidate. Lanie Mycoff, executive recruiter from Mycoff Fry Partners, will attend by Zoom.

No formal action taken.

24-12G The Board discussed Governance Training lessons six “Conflict of Interest” and seven “Individual Roles and Responsibilities”.

No formal action taken.

24-12H The Board will watch Governance Training lesson eight “Developing a High Performing Board” at its next regular meeting.

No formal action taken.

24-12I Other Business: The Chairperson informed the public that Candidate Feedback Forms from the General Manager interviews will be accepted through Friday, August 23rd. Director Hendrick reported she has received thanks from community members for the way the Board included the public in the interview process.

No formal action taken.

Public Comment Period: No comments.

Adjournment

At 6:26 PM by motion of Director Hendrick, supported by Director Crum, the August 15, 2024 Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
SEPTEMBER 5, 2024

A special meeting of the Grand Haven Board of Light and Power was held on Thursday, September 5, 2024, at 6:00 PM at the Board's office located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 6:02 PM by Chairperson Westbrook.

Present: Directors Crum, Hendrick, Knoth, Welling and Westbrook.

Absent: None.

Others Present: Secretary to the Board Danielle Martin, Finance Manager Lynn Diffell, and Lanie Mycoff of Mycoff Fry Partners (attending remotely).

24-13A Director Welling, supported by Director Knoth, moved to approve the meeting agenda.

Roll Call Vote:

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

Public Comment Period: No comments.

24-13B Director Welling, supported by Director Hendrick, moved to make a job offer for the General Manager position to Rob Shelley.

Chairperson Westbrook thanked all candidates for their participation in the selection process. The Board was presented with three good candidates who all interviewed well, and the Board has a tough decision to make. He thanked the public and employees for participating and for providing feedback.

Roll Call Vote:

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

24-13C Director Knoth, supported by Director Welling, moved to authorize Lanie Mycoff to extend a salary and benefit package to Rob Sheley for the General Manager position under the following terms:

- Salary of \$207,414
- Vehicle allowance to be determined as deemed reasonable
- Six months' severance if terminated without cause
- Immediate start date
- No relocation requirement
- All other benefits as are standard for general employees

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
SEPTEMBER 5, 2024

Roll Call Vote:

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

Adjournment

At 6:42 PM by motion of Director Hendrick, supported by Director Knoth, the September 5, 2024 special Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

DM

DRAFT

**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF NET POSITION
FOR THE MONTH ENDING AUGUST 2024**

5B

	<u>AUGUST 2024</u>	<u>AUGUST 2023</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$22,800,356	\$18,411,897
ACCOUNTS RECEIVABLE	4,836,762	4,932,282
PREPAID	5,160	(16,770)
	27,642,278	23,327,409
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	10,666,124	8,939,946
DEPOSITS HELD BY MPPA	2,500,000	2,500,000
ADVANCE TO CITY OF GRAND HAVEN	604,774	696,509
MITIGATION FUND	14,602,918	13,699,125
2021A BOND MITIGATION FUND	2,004,951	2,372,184
2021A BOND CONSTRUCTION FUND	2,795,303	4,834,409
2021A BOND REDEMPTION FUND	1,690,352	1,664,712
	34,864,422	34,706,885
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	746,718	1,539,443
PROPERTY, PLANT AND EQUIPMENT	68,380,144	66,525,483
LESS ACCUMULATED DEPRECIATION	(30,352,943)	(30,669,185)
	38,773,919	37,395,741
TOTAL ASSETS	\$101,280,619	\$95,430,035
DEFERRED OUTFLOWS/(INFLOWS)		
PENSION/OPEB RELATED	3,736,804	4,681,112
	3,736,804	4,681,112
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	1,584,568	1,677,384
SERIES 2021A BOND CURRENT	2,453,457	2,459,777
ACCRUED PAYROLL LIABILITIES	118,009	216,038
CUSTOMER DEPOSITS	928,773	980,242
ACCRUED TRANSFER FUND	190,812	190,625
	5,275,619	5,524,066
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	17,474,809	16,888,188
ACCRUED SICK AND PTO	258,039	282,033
SERIES 2021A BOND	17,900,000	20,300,000
NET PENSION LIABILITIES	5,491,563	6,301,362
NET OTHER POST EMPLOYMENT BENEFIT	929,482	500,888
	42,053,893	44,272,471
TOTAL LIABILITIES	47,329,512	49,796,537
NET POSITION		
BEGINNING OF THE YEAR	56,080,669	48,794,255
YTD INCREASE IN NET ASSETS	1,607,242	1,520,355
NET POSITION	57,687,911	50,314,610
TOTAL LIABILITIES AND EQUITY	\$105,017,423	\$100,111,147

**GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH OF AUGUST 2024**

	Current Period Actual	YTD Actual	YTD Budget	Variance Over (Under)	Percent Variance Actual vs Budget	Previous Year Current Period	Previous Year YTD	Variance Over (Under)	Percent Variance Actual vs Last Year
Operating Revenue									
Residential Sales	\$ 1,474,193	\$ 2,793,764	\$ 2,696,436	\$ 97,328	3.61%	\$ 1,403,136	\$ 2,714,960	\$ 78,804	2.90%
Commercial Sales	1,050,445	2,025,261	2,170,175	(144,914)	-6.68%	1,030,654	2,011,653	13,608	0.68%
Industrial Sales	1,050,949	2,033,472	2,460,929	(427,457)	-17.37%	1,140,899	2,233,816	(200,344)	-8.97%
Municipal Sales	111,950	214,387	206,455	7,932	3.84%	109,105	216,440	(2,053)	-0.95%
Total Charges for Services	3,687,537	7,066,884	7,533,995	(467,111)	-6.20%	3,683,794	7,176,869	(109,985)	-1.53%
Street Lighting	28,017	56,017	56,000	17	0.03%	28,546	57,084	(1,067)	-1.87%
Other Revenue	202,976	229,543	49,933	179,610	359.70%	87,698	107,581	121,962	113.37%
Total Operating Revenue	3,918,530	7,352,444	7,639,928	(287,484)	-3.76%	3,800,038	7,341,534	10,910	0.15%
Operating Expenses									
Net Purchased Power	1,986,685	4,252,784	4,211,785	40,999	0.97%	1,815,979	4,107,739	145,045	3.53%
Distribution Operations	110,779	215,856	298,133	(82,277)	-27.60%	127,922	258,757	(42,901)	-16.58%
Distribution Maintenance	218,895	445,186	588,515	(143,329)	-24.35%	277,519	509,685	(64,499)	-12.65%
Energy Optimization	16,528	26,485	54,166	(27,681)	-51.10%	14,551	23,351	3,134	13.42%
Administration	250,798	449,891	520,423	(70,532)	-13.55%	288,052	486,177	(36,286)	-7.46%
Legacy Pension Expense	15,400	30,223	83,333	(53,110)	-63.73%	42,860	85,927	(55,704)	-
Operating Expenses Before Depreciation	2,599,085	5,420,425	5,756,355	(335,930)	-5.84%	2,566,883	5,471,636	(51,211)	-0.94%
Operating Changes Before Depreciation	1,319,445	1,932,019	1,883,573	48,446	2.57%	1,233,155	1,869,898	62,121	3.32%
Depreciation	186,482	364,816	363,469	1,347	0.37%	175,263	350,487	14,329	4.09%
Operating Changes	1,132,963	1,567,203	1,520,104	47,099	3.10%	1,057,892	1,519,411	47,792	3.15%
Nonoperating Revenue/(Expenses)	108,396	215,472	103,036	112,436	109.12%	86,658	180,337	35,135	19.48%
Asset Retirement Expense	-	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Environmental Surcharge	100,684	190,223	166,666	23,557	14.13%	100,159	191,899	(1,676)	-0.87%
Non-Operating Revenue/(Expenses)	209,080	405,695	269,702	135,993	50.42%	186,817	372,236	33,459	8.99%
Transfers to City of Grand Haven	(190,812)	(365,656)	(376,700)	11,044	-2.93%	(190,625)	(371,293)	5,637	-1.52%
Increase in Net Assets	\$ 1,151,231	\$ 1,607,242	\$ 1,413,106	\$ 194,136	13.74%	\$ 1,054,084	\$ 1,520,354	\$ 86,888	5.71%

**GRAND HAVEN BOARD OF LIGHT AND POWER
POWER SUPPLY DASHBOARD
FOR THE MONTH OF AUGUST 2024**

Power Supply for Month (kWh)	<u>FY2025</u>		<u>FY2024</u>	
Net Purchased (Sold) Power	21,886,685	77.23%	22,195,166	78.41%
Renewable Energy Purchases	6,452,310	22.77%	6,111,678	21.59%
Monthly Power Supply Total	28,338,995		28,306,844	
Days in Month	31		31	
Average Daily kWh Supply for Month	914,161		913,124	
% Change	0.11%			

Power Supply FYTD	<u>FY2025</u>		<u>FY2024</u>	
Net Purchased (Sold) Power	43,696,402	77.12%	44,749,467	78.70%
Renewable Energy Purchases	12,965,108	22.88%	12,107,904	21.30%
FYTD Power Supply Total	56,661,510		56,857,371	
FYTD Days (from 7/1)	62		62	
Average Daily kWh Supply FYTD	913,895		917,054	
% Change	-0.34%			

	<u>FY2025</u>		<u>FY2024</u>
Net Purchased Power Expenses	\$4,252,784		\$4,107,739
% Change	3.53%		
Net Energy Expenses per kWh Supplied to System FYTD	\$0.07506		\$0.07225
% Change	3.89%		

**GRAND HAVEN BOARD OF LIGHT AND POWER
SALES DASHBOARD
FOR THE MONTH OF AUGUST 2024**

<u>Monthly Retail Customers</u>	<u>FY2025</u>		<u>FY2024</u>	
Residential	13,289	87.58%	13,094	87.42%
Commercial	1,645	10.84%	1,641	10.96%
Industrial	126	0.83%	127	0.85%
Municipal	114	0.75%	116	0.77%
Total	15,174		14,978	
<u>Monthly Energy Sold (kWh)</u>				
Residential	10,503,157	36.41%	9,848,185	34.29%
Commercial	8,011,279	27.77%	7,725,488	26.90%
Industrial	9,265,081	32.12%	10,137,214	35.30%
Municipal	999,000	3.46%	917,046	3.19%
Retail Monthly Total	28,778,517	99.77%	28,627,933	99.69%
Street Lighting	66,291	0.23%	88,962	0.31%
Total Monthly Energy Sold	28,844,808		28,716,895	
Days in Primary Meter Cycle	31		31	
kWh Sold per Day	930,478		926,351	
% Change	0.45%			

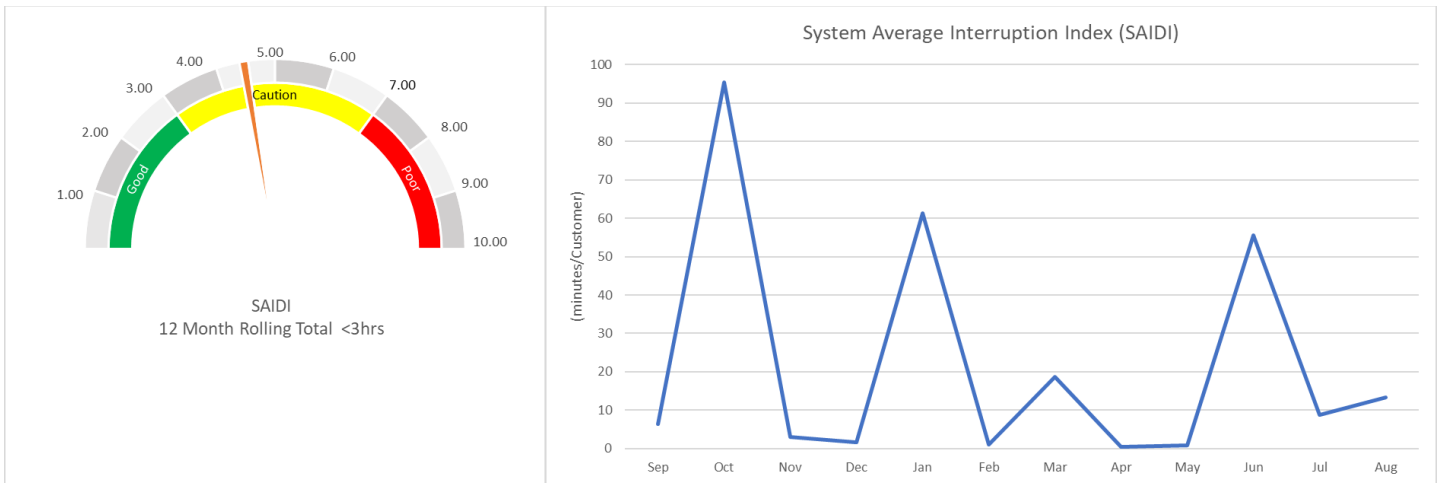
<u>Energy Sold (kWh) FYTD</u>	<u>FY2025</u>		<u>FY2024</u>	
Residential	19,804,206	36.33%	18,882,250	34.32%
Commercial	15,261,276	28.00%	14,911,345	27.10%
Industrial	17,441,658	32.00%	19,224,150	34.94%
Municipal	1,865,323	3.42%	1,818,175	3.30%
Retail Energy Sold Total FYTD	54,372,463	99.76%	54,835,920	99.68%
Street Lighting	132,425	0.24%	177,971	0.32%
Energy Sold FYTD	54,504,888		55,013,891	
Weighted Days in Meter Cycles FYTD	61		61	
kWh Sold per Day	893,523		901,867	
% Change	-0.93%			

<u>Sales Revenue FYTD net ERS</u>	<u>FY2025</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2024</u>	<u>Average Rate (\$/KWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$2,793,764	\$0.1411	\$2,714,960	\$0.1438	-1.89%
Commercial	\$2,025,262	\$0.1327	\$2,011,653	\$0.1349	-1.63%
Industrial	\$2,033,472	\$0.1166	\$2,233,816	\$0.1162	0.33%
Municipal	\$214,387	\$0.1149	\$216,440	\$0.1190	-3.45%
Retail Sales Revenue FYTD	\$7,066,884	\$0.1300	\$7,176,869	\$0.1309	-0.69%
Street Lighting	\$56,017		\$57,084		
Total Sales Revenue FYTD (Excl. Wholesale)	\$7,122,901	\$0.1307	\$7,233,953	\$0.1315	

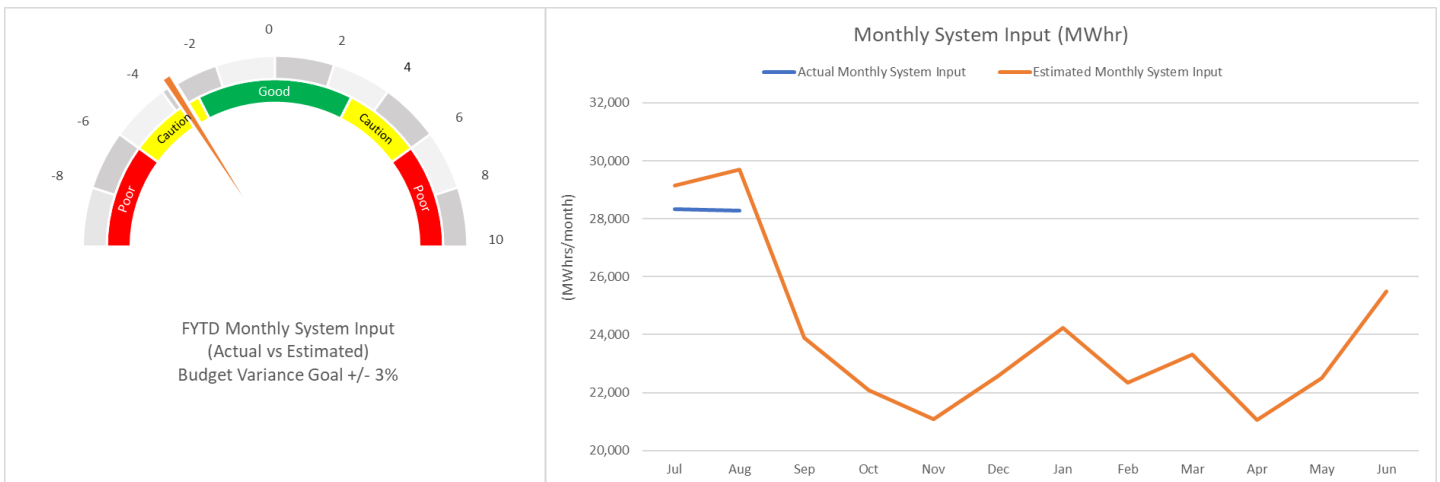
	<u>FY2025</u>	<u>FY2024</u>
Approx. Distribution Losses FYTD	2.23%	1.66%
Net Energy Expenses/kWh Sold FYTD	\$0.07673	\$0.07344
% Change	4.47%	

September 12, 2024

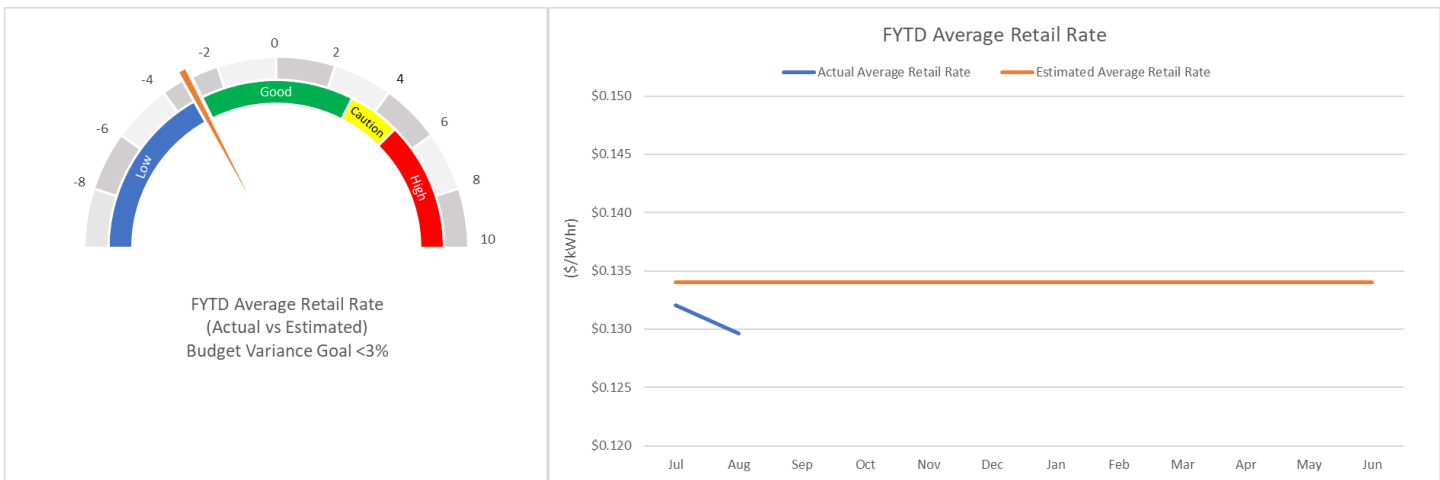
1) Reliability



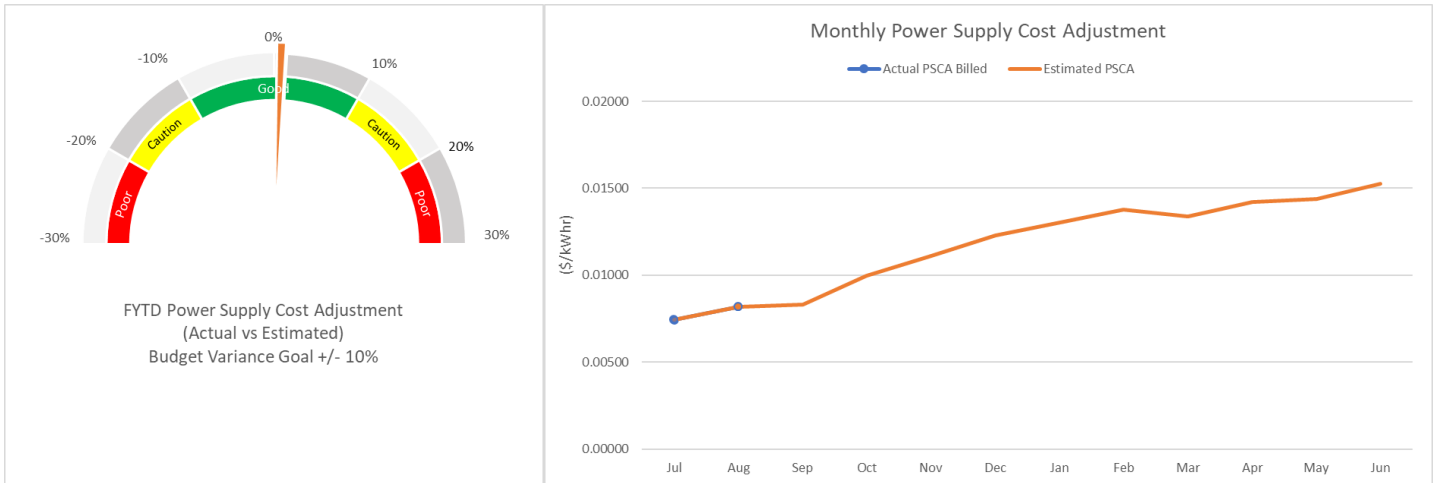
2) Power Supply



3) Average Retail Revenue per kWh



4) Rates/PSCA



5) Financial



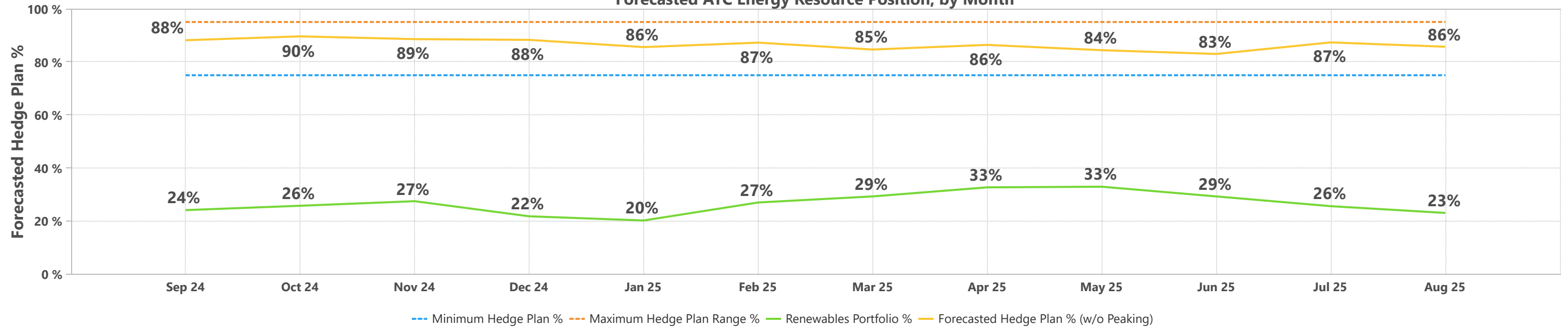
GRAN is forecasted to have an average of 86% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 26% towards load. Total Resources are forecasted to cost an average of \$49.84 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$41.69 per MWh. This results in a Total Forecasted Power Supply weighted average cost of \$49.37 over the upcoming 12 months.

Forecasted Prompt 12 Months Energy Resource Position for GRAN

Power Supply, MWh	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Total Resources, MWh	20,953	19,785	18,650	19,923	20,496	19,236	19,535	18,066	19,140	21,858	25,230	25,725
Project Assets	1,710	1,865	1,818	1,810	1,845	1,665	1,894	1,811	1,887	1,717	1,744	1,611
Landfill Project	1,710	1,865	1,818	1,810	1,845	1,665	1,894	1,811	1,887	1,717	1,744	1,611
Contracted Power Supply	19,243	17,920	16,832	18,113	18,651	17,572	17,641	16,256	17,252	20,141	23,485	24,113
Contracted ESP Renewable PPAs	4,003	3,803	3,952	3,086	2,975	4,269	4,847	5,011	5,567	5,977	5,628	5,283
Contracted Bilateral Energy Transactions	15,240	14,117	12,880	15,026	15,676	13,302	12,794	11,245	11,686	14,165	17,858	18,830

Total Power Supply	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Forecasted Hedge Plan % (w/o Peaking)	88%	90%	89%	88%	86%	87%	85%	86%	84%	83%	87%	86%
Minimum Hedge Plan %	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 %	24%	26%	27%	22%	20%	27%	29%	33%	33%	29%	26%	23%
Forecasted Load	(23,782)	(22,090)	(21,069)	(22,578)	(23,968)	(22,061)	(23,091)	(20,922)	(22,693)	(26,359)	(28,904)	(30,033)
Forecasted Market Balancing, MWh	(2,829)	(2,305)	(2,419)	(2,655)	(3,471)	(2,825)	(3,556)	(2,855)	(3,553)	(4,501)	(3,674)	(4,309)
Forecasted Hedge % (w/ Peaking)	88%	90%	89%	88%	86%	87%	85%	86%	84%	83%	87%	86%

Forecasted ATC Energy Resource Position, by Month

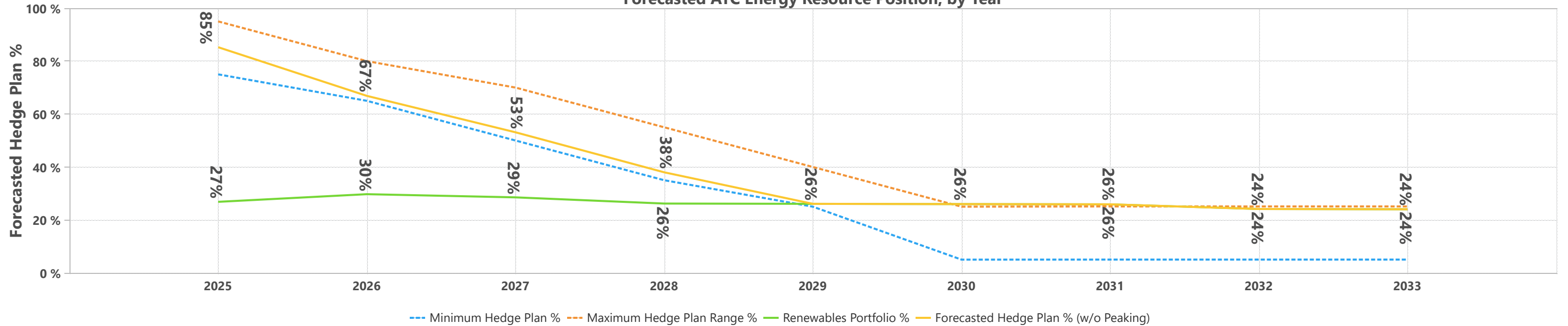


Forecasted Outer Years Energy Resource Position for GRAN

Power Supply, MWh	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Resources, MWh	245,455	192,700	153,192	109,712	75,399	75,211	75,032	70,041	69,831
Project Assets	21,011	20,195	14,008	7,493	7,493	7,491	7,492	2,654	2,654
Landfill Project	21,011	20,195	14,008	7,493	7,493	7,491	7,492	2,654	2,654
Contracted Power Supply	224,445	172,505	139,184	102,219	67,906	67,719	67,540	67,386	67,177
Contracted ESP Renewable PPAs	56,257	65,464	68,276	68,120	67,906	67,719	67,540	67,386	67,177
Contracted Bilateral Energy Transactions	168,188	107,041	70,908	34,099					

Total Power Supply	2025	2026	2027	2028	2029	2030	2031	2032	2033
Forecasted Hedge Plan % (w/o Peaking)	85%	67%	53%	38%	26%	26%	26%	24%	24%
Minimum Hedge Plan %	75%	65%	50%	35%	25%	5%	5%	5%	5%
Maximum Hedge Plan Range %	95%	80%	70%	55%	40%	25%	25%	25%	25%
Renewables Portfolio %	27%	30%	29%	26%	26%	26%	26%	24%	24%
Forecasted Load	(287,902)	(288,166)	(288,460)	(288,768)	(289,132)	(289,497)	(289,860)	(290,219)	(290,599)
Forecasted Market Balancing, MWh	(42,447)	(95,465)	(135,269)	(179,057)	(213,732)	(214,287)	(214,828)	(220,179)	(220,768)
Forecasted Hedge % (w/ Peaking)	85%	67%	53%	38%	26%	26%	26%	24%	24%

Forecasted ATC Energy Resource Position, by Year



Forecasted Prompt 12 Months Energy Resource Cost for GRAN

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

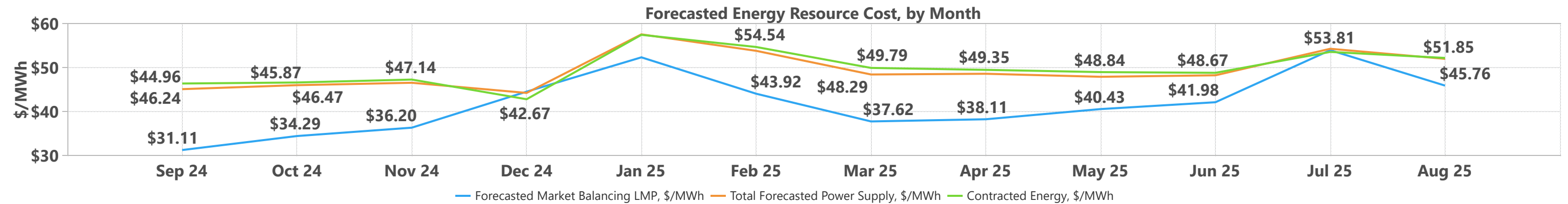
Power Supply \$'s	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Total Resources, \$'s	(\$968,859)	(\$919,462)	(\$879,113)	(\$850,016)	(\$1,174,621)	(\$1,049,240)	(\$972,619)	(\$891,497)	(\$934,708)	(\$1,063,869)	(\$1,347,927)	(\$1,339,158)
Project Assets	(\$201,806)	(\$213,074)	(\$208,068)	(\$76,886)	(\$223,323)	(\$202,454)	(\$217,101)	(\$218,842)	(\$219,237)	(\$201,128)	(\$199,711)	(\$200,900)
Landfill Project	(\$201,806)	(\$213,074)	(\$208,068)	(\$76,886)	(\$223,323)	(\$202,454)	(\$217,101)	(\$218,842)	(\$219,237)	(\$201,128)	(\$199,711)	(\$200,900)
Contracted Power Supply	(\$767,052)	(\$706,388)	(\$671,045)	(\$773,130)	(\$951,298)	(\$846,786)	(\$755,518)	(\$672,654)	(\$715,471)	(\$862,741)	(\$1,148,215)	(\$1,138,259)
Contracted ESP Renewable PPAs	(\$176,875)	(\$170,836)	(\$179,061)	(\$140,869)	(\$138,019)	(\$196,276)	(\$221,807)	(\$228,478)	(\$250,518)	(\$278,887)	(\$261,706)	(\$245,965)
Contracted Bilateral Energy Transactions	(\$590,177)	(\$535,552)	(\$491,984)	(\$632,261)	(\$813,279)	(\$650,510)	(\$533,711)	(\$444,177)	(\$464,952)	(\$583,854)	(\$886,509)	(\$892,294)

Locational Basis, \$'s	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Locational Basis (Projects)	(\$765)	(\$49)	(\$763)	\$17	(\$1,485)	(\$1,393)	(\$1,246)	(\$584)	(\$483)	(\$962)	(\$578)	(\$1,299)
Locational Basis (Contracted Power Supply)	(\$11,527)	(\$14,607)	(\$10,395)	(\$27,831)	(\$18,919)	(\$9,398)	(\$7,513)	(\$12,906)	(\$5,157)	(\$14,293)	(\$18,599)	(\$19,616)

Power Supply \$/MWh	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Power Supply \$/MWh												
Project Assets												
Landfill Project	\$118.02	\$114.24	\$114.45	\$42.48	\$121.05	\$121.61	\$114.64	\$120.87	\$116.16	\$117.16	\$114.49	\$124.69
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$44.19	\$44.92	\$45.31	\$45.64	\$46.39	\$45.97	\$45.76	\$45.59	\$45.00	\$46.66	\$46.50	\$46.56
Contracted Bilateral Energy Transactions	\$38.73	\$37.94	\$38.20	\$42.08	\$51.88	\$48.90	\$41.71	\$39.50	\$39.79	\$41.22	\$49.64	\$47.39

Locational Basis, \$/MWh	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Locational Basis (Projects)	\$0.45	\$0.03	\$0.42	(\$0.01)	\$0.80	\$0.84	\$0.66	\$0.32	\$0.26	\$0.56	\$0.33	\$0.81
Locational Basis (Contracted Power Supply)	\$0.60	\$0.82	\$0.62	\$1.54	\$1.01	\$0.53	\$0.43	\$0.79	\$0.30	\$0.71	\$0.79	\$0.81

Total Power Supply	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
Forecasted Market Balancing LMP, \$/MWh	\$31.11	\$34.29	\$36.20	\$44.39	\$52.19	\$43.92	\$37.62	\$38.11	\$40.43	\$41.98	\$53.81	\$45.76
Forecasted Market Balancing LMP, \$'s	(\$88,017)	(\$79,037)	(\$87,546)	(\$117,849)	(\$181,184)	(\$124,063)	(\$133,749)	(\$108,809)	(\$143,657)	(\$188,952)	(\$197,727)	(\$197,182)
Total Forecasted Power Supply, \$/MWh	\$44.96	\$45.87	\$46.41	\$44.10	\$57.42	\$53.67	\$48.29	\$48.46	\$47.77	\$48.11	\$54.14	\$51.85
Total Forecasted Power Supply Costs, \$'s	(\$1,069,167)	(\$1,013,155)	(\$977,817)	(\$995,678)	(\$1,376,208)	(\$1,184,094)	(\$1,115,126)	(\$1,013,796)	(\$1,084,005)	(\$1,268,077)	(\$1,564,830)	(\$1,557,255)



Forecasted Outer Years Energy Resource Cost for GRAN

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

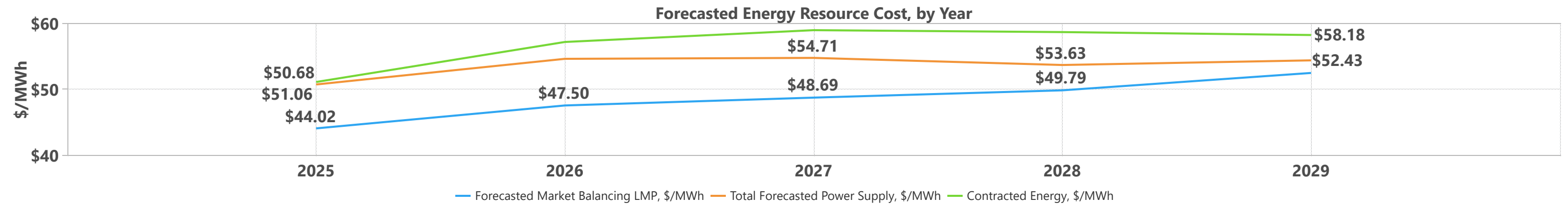
Power Supply \$'s	2025	2026	2027	2028	2029
Total Resources, \$'s	(\$12,532,228)	(\$11,007,812)	(\$9,025,219)	(\$6,431,787)	(\$4,386,675)
Project Assets	(\$2,388,641)	(\$2,366,171)	(\$1,669,909)	(\$924,838)	(\$948,028)
Landfill Project	(\$2,388,641)	(\$2,366,171)	(\$1,669,909)	(\$924,838)	(\$948,028)
Contracted Power Supply	(\$10,143,588)	(\$8,641,640)	(\$7,355,310)	(\$5,506,949)	(\$3,438,646)
Contracted ESP Renewable PPAs	(\$2,618,057)	(\$3,179,755)	(\$3,362,280)	(\$3,401,681)	(\$3,438,646)
Contracted Bilateral Energy Transactions	(\$7,525,530)	(\$5,461,885)	(\$3,993,030)	(\$2,105,268)	

Locational Basis, \$'s	2025	2026	2027	2028	2029
Locational Basis (Projects)	(\$9,980)	(\$10,739)	(\$11,226)	(\$2,248)	(\$2,218)
Locational Basis (Contracted Power Supply)	(\$180,622)	(\$172,138)	(\$159,305)	(\$137,740)	(\$116,085)

Power Supply \$/MWh	2025	2026	2027	2028	2029
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$113.69	\$117.16	\$119.22	\$123.43	\$126.52
Contracted Power Supply					
Contracted ESP Renewable PPAs	\$46.54	\$48.57	\$49.25	\$49.94	\$50.64
Contracted Bilateral Energy Transactions	\$44.74	\$51.03	\$56.31	\$61.74	

Locational Basis, \$/MWh	2025	2026	2027	2028	2029
Locational Basis (Projects)	\$0.47	\$0.53	\$0.80	\$0.30	\$0.30
Locational Basis (Contracted Power Supply)	\$0.80	\$1.00	\$1.14	\$1.35	\$1.71

Total Power Supply	2025	2026	2027	2028	2029
Forecasted Market Balancing LMP, \$/MWh	\$44.02	\$47.50	\$48.69	\$49.79	\$52.43
Forecasted Market Balancing LMP, \$'s	(\$1,868,735)	(\$4,534,491)	(\$6,586,022)	(\$8,916,104)	(\$11,205,702)
Total Forecasted Power Supply, \$/MWh	\$50.68	\$54.57	\$54.71	\$53.63	\$54.34
Total Forecasted Power Supply Costs, \$'s	(\$14,591,565)	(\$15,725,180)	(\$15,781,772)	(\$15,487,880)	(\$15,710,680)



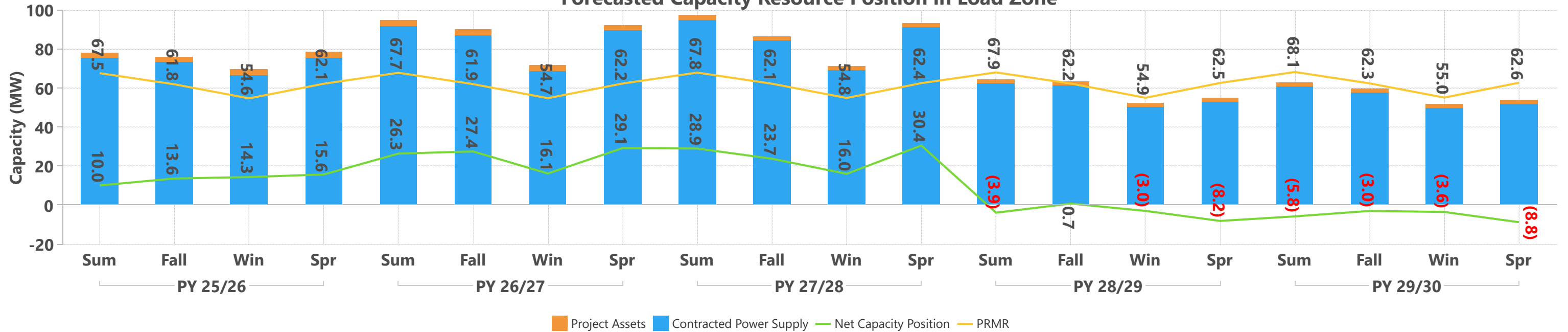
Forecasted Outer Years Capacity Resource Position for GRAN

Capacity Resources, MW	PY 25/26				PY 26/27				PY 27/28				PY 28/29				PY 29/30			
	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr
Net Capacity Position	10.0	13.6	14.3	15.6	26.3	27.4	16.1	29.1	28.9	23.7	16.0	30.4	(3.9)	0.7	(3.0)	(8.2)	(5.8)	(3.0)	(3.6)	(8.8)
Zone 7	10.0	13.6	14.3	15.6	26.3	27.4	16.1	29.1	28.9	23.7	16.0	30.4	(3.9)	0.7	(3.0)	(8.2)	(5.8)	(3.0)	(3.6)	(8.8)
Contracted Power Supply	75.4	73.3	66.9	75.7	92.0	87.3	68.8	89.7	95.2	84.3	69.3	91.4	62.5	61.4	50.4	52.8	60.8	57.8	50.0	52.3
Contracted Bilateral Capacity Transactions	64.0	64.0	64.0	64.0	76.9	75.8	65.7	75.8	79.7	74.1	66.5	77.5	55.0	54.3	48.7	50.1	54.1	52.5	48.5	49.8
Contracted ESP Renewable PPAs	11.4	9.3	2.9	11.7	15.1	11.5	3.1	13.9	15.5	10.2	2.8	13.9	7.5	7.2	1.7	2.8	6.7	5.3	1.5	2.6
Planning Reserve Margin Requirement	(67.5)	(61.8)	(54.6)	(62.1)	(67.7)	(61.9)	(54.7)	(62.2)	(67.8)	(62.1)	(54.8)	(62.4)	(67.9)	(62.2)	(54.9)	(62.5)	(68.1)	(62.3)	(55.0)	(62.6)
PRMR	(67.5)	(61.8)	(54.6)	(62.1)	(67.7)	(61.9)	(54.7)	(62.2)	(67.8)	(62.1)	(54.8)	(62.4)	(67.9)	(62.2)	(54.9)	(62.5)	(68.1)	(62.3)	(55.0)	(62.6)
Project Assets	2.1	2.0	2.0	2.0	2.0	2.0	2.0	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Landfill Project	2.1	2.0	2.0	2.0	2.0	2.0	2.0	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Net Contracted Bilateral Capacity	PY 25/26			PY 26/27			PY 27/28			PY 28/29			PY 29/30		
	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.
Total Net Capacity Bilats	(64.0)	(\$3,242,400)	\$4.22	(73.6)	(\$3,787,992)	\$4.29	(74.5)	(\$3,827,519)	\$4.28	(52.0)	(\$2,971,479)	\$4.76	(51.2)	(\$2,928,117)	\$4.77
Sum	(64.0)	(\$810,600)	\$4.22	(76.9)	(\$995,911)	\$4.32	(79.7)	(\$1,033,025)	\$4.32	(55.0)	(\$786,084)	\$4.77	(54.1)	(\$773,713)	\$4.77
Fall	(64.0)	(\$810,600)	\$4.22	(75.8)	(\$978,264)	\$4.30	(74.1)	(\$950,914)	\$4.28	(54.3)	(\$775,062)	\$4.76	(52.5)	(\$749,974)	\$4.77
Win	(64.0)	(\$810,600)	\$4.22	(65.7)	(\$833,793)	\$4.23	(66.5)	(\$842,332)	\$4.22	(48.7)	(\$695,024)	\$4.76	(48.5)	(\$692,826)	\$4.77
Spr	(64.0)	(\$810,600)	\$4.22	(75.8)	(\$980,023)	\$4.31	(77.5)	(\$1,001,248)	\$4.31	(50.1)	(\$715,308)	\$4.76	(49.8)	(\$711,604)	\$4.77

Net Capacity Position	PY 25/26			PY 26/27			PY 27/28			PY 28/29			PY 29/30		
	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s
Total Net Capacity Position	10.0	\$690,000	(\$2,552,400)	16.1	\$1,110,900	(\$2,677,092)	16.0	\$1,104,000	(\$2,723,519)	(8.2)	(\$585,480)	(\$3,556,959)	(8.8)	(\$628,320)	(\$3,556,437)
Sum	10.0	\$172,500	(\$638,100)	16.1	\$277,725	(\$718,186)	16.0	\$276,000	(\$757,025)	(8.2)	(\$146,370)	(\$932,454)	(8.8)	(\$157,080)	(\$930,793)
Fall	10.0	\$172,500	(\$638,100)	16.1	\$277,725	(\$700,539)	16.0	\$276,000	(\$674,914)	(8.2)	(\$146,370)	(\$921,432)	(8.8)	(\$157,080)	(\$907,054)
Win	10.0	\$172,500	(\$638,100)	16.1	\$277,725	(\$556,068)	16.0	\$276,000	(\$566,332)	(8.2)	(\$146,370)	(\$841,394)	(8.8)	(\$157,080)	(\$849,906)
Spr	10.0	\$172,500	(\$638,100)	16.1	\$277,725	(\$702,298)	16.0	\$276,000	(\$725,248)	(8.2)	(\$146,370)	(\$861,678)	(8.8)	(\$157,080)	(\$868,684)

Forecasted Capacity Resource Position in Load Zone



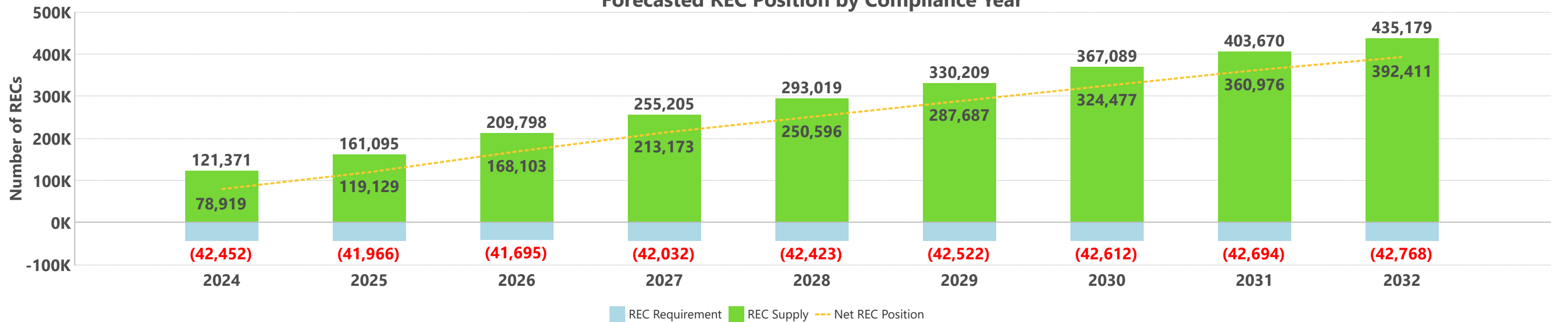
Forecasted Renewable Energy Credit (REC) Position for GRAN

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.

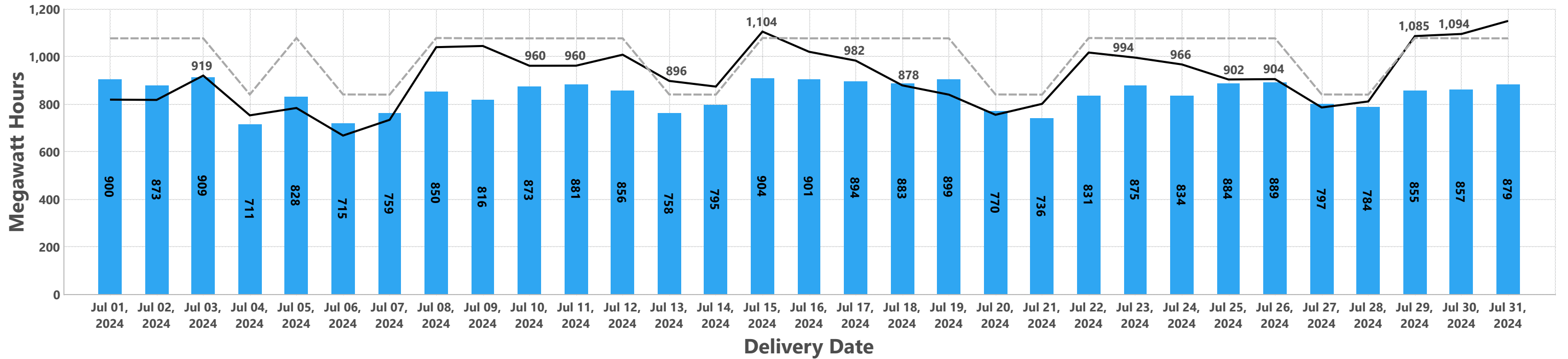
Compliance Year	2024	2025	2026	2027	2028	2029	2030	2031	2032
Net REC Position	78,919	119,129	168,103	213,173	250,596	287,687	324,477	360,976	392,411
Available Banked RECs	46,017	78,919	119,129	168,103	213,173	250,596	287,687	324,477	360,976
Hedge Policy REC Requirement	(42,452)	(41,966)	(41,695)	(42,032)	(42,423)	(42,522)	(42,612)	(42,694)	(42,768)
Assembly Solar	9,806	10,711	10,667	10,612	10,557	10,504	10,451	10,395	10,348
Assembly Solar Phase II	8,074	8,934	8,898	8,848	8,803	8,761	8,718	8,668	8,625
Beebe	6,078	6,178	6,178	6,178	6,178	6,178	6,178	6,178	6,179
Brandt Woods Solar		2,894	4,515	4,492	4,477	4,447	4,425	4,403	4,389
Hart Solar			4,639	7,614	7,605	7,569	7,546	7,523	7,514
Invenergy Calhoun Solar	11,371	13,773	13,749	13,698	13,653	13,616	13,569	13,527	13,491
Landfill Project (EDL)	17,516	17,084	16,349	10,009	2,933	2,925	2,923	2,923	2,932
Landfill Project (NANR)	4,886	4,839	4,839	4,839	4,839	4,839	4,838	4,837	
Pegasus	17,624	17,009	17,011	17,007	17,007	17,008	17,006	17,009	17,007
White Tail Solar		755	3,824	3,805	3,794	3,767	3,748	3,729	3,719

Compliance Year	2024	2025	2026	2027	2028	2029	2030	2031	2032
3 Year Avg Retail Sales	(283,015)	(279,771)	(277,966)	(280,215)	(282,820)	(283,482)	(284,081)	(284,626)	(285,119)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Hedge Policy REC Requirement	(42,452)	(41,966)	(41,695)	(42,032)	(42,423)	(42,522)	(42,612)	(42,694)	(42,768)
VGP REC %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
VGP REC Requirement	0	0	0	0	0	0	0	0	0

Forecasted REC Position by Compliance Year

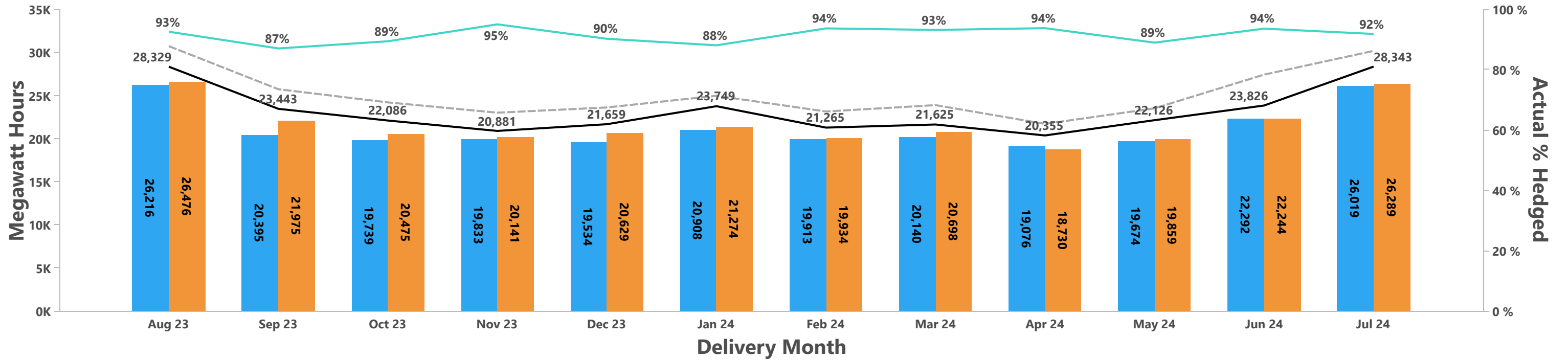


Daily Actual Lookback for GRAN



Actual Supply (w/o Peaking) Actual Load Avg Budgeted Load

Actual vs Budget Lookback for GRAN



Actual Supply (w/o Peaking) Budgeted Supply (w/o Peaking) Actual Load Budgeted Load Actual % Hedged

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER’S REPORT
BOARD MEETING OF SEPTEMBER 19, 2024

5. B. The BLP Financial Statements and Dashboards for the month ending August 31, 2024, are provided for your information. These financial statements represent the BLP’s financial position through 16.7% of the fiscal year.

INCOME STATEMENT

Income Statement Budget Variance	
	<u>over(under)</u>
Total Charges for Service	\$ (467,094)
Other Revenue	179,610
	<u>(287,484)</u>
Purchased Power	40,999
Departments Salary and Fringe	(148,955)
Departments Other	(147,184)
Other	(80,791)
	<u>(335,930)</u>
Depreciation	1,347
Non-Operating Revenue (Expenses)	135,993
Transfers to City of Grand Haven	(11,044)
	<u> </u>
Increase in Net Assets	<u>\$ 194,136</u>

Operating revenues are at 19.74% of annual budgeted revenues. The primary driver in the revenue budgeted variance is lower than anticipated Industrial Sales. Overall Year-to-Date Kwhs are 3.27% below budget and Sales per Kwh are 3.03% below budget. This is the result of a different mix of kwh’s consumed and lower-than-anticipated sales.

Retail Sales Budget Variance			
Kwh Over (Under) Budget	-3.27%	(1,840,199)	Kwh \$ (246,634)
Sales\$ per Kwh Over (Under) Budget	-3.03%	\$ (0.00405)	per Kwh \$ (220,477)
			<u>\$ (467,111)</u>

Operating expenses are 19.75% of annual budgeted operating expenses. All departments are under budget. Purchased Power expenses were over budget primarily due to the cost per Kwh being higher than anticipated although purchases were under budget.

Purchased Power Budget Variance			
Kwh Over (Under) Budget	-3.68%	(2,164,133)	Kwh \$ (154,947)
Cost Over (Under) Budget per Kwh	4.83%	\$ 3.45819	per Kwh \$ 195,946
			<u>\$ 40,999</u>

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF SEPTEMBER 19, 2024

Year-to-Date **Renewable Energy Purchases equal 12,965,108 Kwhs or 23% of power purchases.**

The Increase in Net Position for the year is \$1,607,242.

BALANCE SHEET

Cash and Cash Equivalents are at \$22,800,356. This is \$4,800,356 above the minimum cash reserve and does not include funds set aside for remediation, bond funds and working capital held with MPIA and MPPA.

The **Capital Plan** approved for FY25 was \$5,747,500. As of August 31, 2024, 13.9% of the capital projects budget has been disbursed.

The **Pension and OPEB** Liability balances are updated on the August financial statements. Together we have a liability of \$6,421,045. Per GASB (Governmental Accounting Standards Board) rules, we are required to defer a portion of this liability. \$3,736,804 of this amount is deferred on our Balance Sheet. Net liability on the Balance Sheet is \$2,684,241. The pension plan is 95% funded and the OPEB plan is 43% funded.

The audit work is complete and will be presented at the October meeting.

5. F. Confirm Purchase Orders – There are two (2) confirming Purchase Orders on the Consent Agenda this month of **\$76,014** 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).

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

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).

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF SEPTEMBER 19, 2024

6. A. Approve Purchase Orders – There are seven (7) Purchase Order totaling **\$279,235** on the regular agenda.

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

I, or an appropriate staff member, can answer any further questions you may have regarding these items.

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

I have two (2) PO's for which I would like to give more detail.

PO #23172 – Van Kam: This PO is for a new dump trailer. Staff is not recommending the low bid on this unit. Three quotes were obtained and evaluated. After evaluation Staff is recommending the unit quoted by Van Kam. This unit (brand of trailer) has a better reputation, is constructed with thicker steel, and has a better hydraulic system. Therefore, staff believes this trailer is the best value. Staff is recommending approval.

PO #23185 – Alpine Power Systems: This PO is for 2024 annual substation battery testing. This is the first year of a new three-year contract with Alpine Power Systems, which offered the low bid for this work. The scope of work includes routine annual inspections of each substation battery, and a capacity test (scheduled every 5 years) on the Grand Haven Substation's battery. Alpine will provide this service to the BLP for 2024-2026. In the coming years this service will be placed on the agenda under Confirming PO's. Staff is recommending approval.

6. B. MPPA ZRC – Please see enclosed resolution and support information. In January 2023 MPPA on behalf of GHBLP and 14 other members entered into a Capacity Purchase Agreement (CPA) with White Ox LLC for capacity from a Battery Energy Storage System. White Ox presented MPPA with the challenges of contracting the remaining products from this project. Therefore, White Ox has proposed terminating the existing contract with MPPA and replacing the capacity lost in the existing contract with Zonal Resource Credits (ZRC). Staff is recommending approval.
6. C. Eaton Drive Improvements – Please see enclosed Progressive A&E proposal. Staff is recommending approval.
6. D. EGLE Permit – On November 5, 2021, EGLE issued a Permit to Install (PTI) for a combined heat and power plant on Harbor Island. The BLP requested and received an 18-

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF SEPTEMBER 19, 2024

month extension to the PTI in March of 2023. This extension will become void on November 5, 2024. At this time BLP Staff is recommending no action by the Board. This will in effect allow the PTI to expire.

6. E. Single Drum Puller Replacement – This month our existing puller's engine suffered a catastrophic failure. This failure was not foreseen and therefore the purchase of a replacement unit was not in the budget. Staff is requesting permission to purchase a used replacement unit. Many times, these units are sold at auction. Therefore, currently we do not have a final purchase price or seller. Staff is seeking authorization for up to \$30,000 to purchase a unit when one becomes available.

RS/dm

Attachments

9/13/24



Support Information for Approving the Amended and Restated PPC

Background:

- MPPA executed a 10-year, 25 MW Capacity Purchase and Sale Agreement (“CPA”) with a Battery Energy Storage System (“BESS”) developer in January 2023, who was to construct a new BESS on or before June 1, 2026.
- The CPA was executed to obtain capacity for Member participants in meeting their resource adequacy requirements in wholesale markets and reliability demonstration under Michigan law.
- The capacity to be provided from the BESS was subject to project development and BESS operating performance risk as it was contingent on the project reaching the contracted Commercial Operation Date and thereafter the quantity of capacity would be influenced by BESS operating performance and accreditation rules of the wholesale market operator.

Challenge:

- The BESS developer communicated potential development delays to MPPA driven by challenges:
 - Contracting the other power products from the BESS.
 - Conforming to wholesale market rules when two or more buyers are representing the resource in wholesale power markets.

Solution:

To ensure these challenges did not cause delays and/or potential disputes under the CPA, MPPA and the BESS developer agreed to:

- Terminate the CPA and replace it with a financially firm capacity transaction known as a Zonal Resource Credit (“ZRC”) Transaction Confirmation (“Replacement ZRC Confirmation”).
 - The capacity in the Replacement ZRC Confirmation is the same price, term, quantity, and start date as in the CPA.
 - The Replacement ZRC Confirmation contains a higher performance security than the CPA.

The Replacement ZRC Confirmation eliminates development and operating performance risk and comes with greater financial support.

Approval Request:

- Approve an Amended and Restated PPC that terminates the provisions of the previous PPC tied to the CPA and replaces it with the provisions contained in the Replacement ZRC Confirmation.



ENERGY SERVICES PROJECT (“ESP”) Amended and Restated Power Purchase Commitment Authorization

This Amended and Restated Power Purchase Commitment Authorization (“Amended and Restated PPC”) is made and entered into as of _____, 2024, by and between Michigan Public Power Agency (“MPPA”), a joint agency of the State of Michigan created pursuant to 1976 PA 448, and Grand Haven Board of Light and Power (the “Participant”).

WHEREAS, MPPA and White Ox, LLC (“White Ox”) entered into a Capacity Purchase and Sale Agreement (“CPA”) whereby White Ox agreed to sell to MPPA (on behalf of its participating members) a certain amount of Midcontinent Independent System Operator (“MISO”) Local Resource Zone 7 (“LRZ 7”) Zonal Resource Credits (“ZRCs”) generated from a Battery Energy Storage System (“BESS”) to be constructed by White Ox in Michigan;

WHEREAS, MPPA and Participant previously executed a power purchase commitment that entitled Participant to receive and pay for a percentage share of MISO LRZ 7 ZRCs produced from the BESS pursuant to the CPA executed between MPPA and White Ox;

WHEREAS, White Ox has identified and communicated challenges to MPPA in contracting the other power products from the BESS as well as concerns with conforming to wholesale market rules when two or more market participants are representing the resource in wholesale power markets;

WHEREAS, to avoid potential delays in reaching the contracted commercial operation date under the CPA and/or disputes associated with the development challenges, MPPA and White Ox negotiated a Mutual Termination of the CPA (“CPA Termination”) and an EEI Agreement Long Form MISO ZRC Confirmation (“Replacement ZRC Confirmation”) to replace the ZRCs in the CPA;

WHEREAS, the ZRCs in the Replacement ZRC Confirmation have the same price, quantity, start date, and term length as in the CPA but provides the participants with added financial security and lower financial risk;

WHEREAS, MPPA staff reviewed the terms and conditions of the CPA Termination and Replacement ZRC Confirmation at an ESP Committee Meeting on August 29, 2024;

WHEREAS, the ESP Committee, at their August 29, 2024, meeting, voted to recommend that the BOC approve MPPA executing the CPA Termination and Replacement ZRC Confirmation;

WHEREAS, the BOC, at a regularly scheduled meeting on September 11, 2024, passed a resolution approving the CPA Termination and Replacement ZRC Confirmation;

WHEREAS, the CPA Termination and Replacement ZRC Confirmation have an effectiveness clause that conditions the effectiveness of these two agreements on MPPA obtaining executed power purchase commitments from each of the fifteen (15) participants to the CPA Termination and Replacement ZRC Confirmation; and

WHEREAS, this authorization is being executed by the Participant as an Amended and Restated PPC between the Participant and MPPA to acknowledge their responsibility to pay for and receive the benefits of Participant's percentage share of ZRCs provided from the Replacement ZRC Confirmation between MPPA and White Ox.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, it is hereby agreed by and between the MPPA and the Participant as follows:

Section 1. Terminated CPA and Replacement ZRC Confirmation

The CPA Termination and Replacement ZRC Confirmation are the agreements between MPPA and White Ox.

Section 2. Delivery Location

MISO LRZ 7, as is presently defined in the MISO Tariff.

Section 3. Product

ZRCs delivered from within LRZ 7. One ZRC represents one (1) MW of unforced capacity as defined in the MISO Tariff.

The ZRCs being procured from the Replacement ZRC Confirmation are part of a portfolio of ZRCs used to meet Participant's capacity demonstration requirements under Michigan Public Act 341 and resource adequacy requirements of the MISO.

Section 4. Term

The term of the Amended and Restated PPC is ten (10) years and will begin on June 1, 2026.

Section 5. Quantity

The Participant is allocated the following percentage share of ZRCs provided to MPPA under the Replacement ZRC Confirmation:

MPPA ZRCs	Participant's Allocation %: Years 1-3	Participant's ZRC Quantity Per Year: Years 1-3	Participant's Allocation %: Years 4-10	Participant's ZRC Quantity Per Year: Years 4-10
25 MW	6.00%	1.5 MW	12.00%	3.0 MW

Section 6. Payment

The Participant will pay MPPA the contract rate in the Replacement ZRC Confirmation for the Participant's ZRC Quantity. Over the term of the Amended and Restated PPC, the financial commitment is \$1,444,036.

Section 7. Energy Services Agreement

This Amended and Restated PPC is subject to the terms and provisions of the Energy Services Agreement ("ESA") between MPPA and the Participant. In the event the terms of this Amended and Restated PPC conflict with the ESA, the ESA shall control.

Section 8. Evidence

Authority of the Participant's Member Authorized Representative ("MAR") to execute this Amended and Restated PPC is evidenced through a Participant resolution passed appropriately by the Participant's governing body or through the meeting minutes of the Participant's governing body where approval was granted to the MAR to execute this Amended and Restated PPC.

Section 9. Effectiveness

This Amended and Restated PPC is not effective until MPPA has received executed power purchase commitment authorizations from all other Members of MPPA who have their own respective power purchase commitment with MPPA for their quantity under the Replacement ZRC Confirmation.

Section 10. Effect of this Amended and Restated PPC

Except for the ESA, this Amended and Restated PPC supersedes any and all other power purchase commitments, either oral or written, between MPPA and Participant with respect to the original CPA with White Ox.

Member Authorized Representative

Its: _____

By: _____

Dated: _____



September 13, 2024

Mr. Rob Shelley, Acting General Manager
Grand Haven Board of Light and Power
Grand Haven MI, 49417

Re: Proposal for Professional Architectural and Engineering Services for Operation Improvements at 1700 Eaton Drive

Dear Mr. Shelley:

Thanks for spending time with us to expand our understanding of the Board's need to improve operations at 1700 Eaton Drive. Progressive Companies is pleased to present this proposal for architectural and engineering services for Operation Improvements at 1700 Eaton Drive. Following is our understanding of the project, our scope of services, clarifications, proposed schedule and compensation for your consideration.

UNDERSTANDING OF PROJECT

The project, as we understand it, is to implement facility changes to improve operations at the 1700 Eaton Drive site. Changes are needed to accommodate a higher occupancy at the site due to the closure of the JB Simms plant and relocation of the operations team to Eaton Drive. Grand Haven Board of Light and Power (GHBLP) has identified funding to address the site requirements and intends to proceed through project definition, design, and construction over the next two budget years.

GHBLP has experienced several years use in this new configuration on the site, with management and staff adapting and adjusting to the available spaces. At this time, the limits of the site have been identified, and some improvements are under consideration. These improvements are:

1. At present, the line crews' lockers are located inside the garage. A new locker room and a unisex toilet/shower room are to be created within the existing facility.
2. The existing boardroom is cramped during board meetings and all-organization staff meetings. Expansion of this room, either internally or externally, is under consideration.
3. The Human Resources (HR) manager is presently located in an open office cubicle. A private office is necessary for this function. The available enclosed space is limited to two conference rooms, one of which is used frequently for private HR use. Consideration is to be given to converting this room to a private office and revising the General Manager's office to make better use of the available square footage.
4. Site circulation is limited to a single drive from Eaton Drive to the operations yard. The addition of another drive with a manual gate on the west side of the site is under consideration.
5. On-site parking is at capacity for staff daily, and for the public during board meetings. An option to add parking is under consideration.
6. Protected vehicle parking is inadequate on the site, with some equipment and vehicles left outside, increasing response time for outage events and depreciating the equipment. Consideration for additional covered and heated vehicle parking is to be included.

The logistics of the project require the following steps:

- Develop a feasible concept and plans to allow budgeting and provide a review opportunity for GHBLP.

- Upon approval, develop Construction Documents.
- Assist GHBLP with the bidding process.

GHBLP is ready to undertake the project definition and preliminary design and plans to enter construction during the 2025 calendar year.

SCOPE OF BASIC SERVICES

Based upon the above project understanding, we will provide the following scope of services:

- Architectural Design
- Interior Design
- Structural Engineering
- Mechanical Engineering
- Electrical Engineering
- Civil Engineering

We will address the following activities and tasks:

1. Develop requests for surveying and geotechnical investigations to assist GHBLP in retaining surveyors and or geotechnical consultants to document existing conditions.
2. Attend two meetings on-site to present concepts and costs and refine the design concept.
3. Develop a design concept and cost opinion for presentation to GHBLP.
4. Attend one board meeting to present the selected design concept.
5. Upon acceptance of the design concept, develop construction documents including drawings, specifications, and advertisement for bids.
6. Provide final bid documents to GHBLP for negotiation of contracts.
7. Provide sealed drawings for building permit applications.
8. Review plan review comments, revise documents if required.
9. Coordination and input of structural loads from a pre-engineered metal building supplier, if this approach is used, to adequately design building foundations.

SCOPE OF OPTIONAL ADDITIONAL SERVICES

1. Planning commission submissions for approval of the proposed site improvements.
2. Bidding assistance to include issuing drawings, advertising, qualifying contractors, pre-bid meetings, receiving and opening bids, evaluation and recommendation of bid awards.
3. Construction administration to include attendance at Owner-Architect-Contractor meetings, review of submittals (shop drawings), review and response to requests for information, review of payment applications, inspections, and project punch list review.
4. Record drawings conformed to the as-built conditions after construction.
5. Selection, design, and management of pre-engineered metal building supplier.

CLARIFICATIONS

Progressive Companies will rely on the cooperation of the GHBLP to provide the following:

1. Existing drawings and documentation of the existing site and building conditions, as available.
2. Access to the project site for in-person observation and verification of conditions.
3. Participation of designated decision-makers to assist with understanding requirements as well as to approve the process and design decisions taken.
4. Contract for applicable geotechnical reports or new investigations if required for the proposed construction. Progressive Companies to provide specification.
5. Contract for land survey of the site. Progressive Companies to provide specification.

SCHEDULE

Progressive Companies will begin work within one week of notice to proceed. We propose the following schedule for the following tasks:

- Develop Design Concept – 6 weeks
- Board Approval – 4 weeks
- Construction Documents – 10 weeks

PROFESSIONAL COMPENSATION

Based upon the above identified scope of services, Progressive Companies proposes the following compensation for professional services. We propose to provide the work as delineated above for a stipulated sum of \$75,000 (seventy-five thousand dollars). Reimbursable expenses are in addition to the professional compensation, estimated at \$1,500 (one thousand five hundred dollars) and will be invoiced according to the attached Schedule of Invoice Rates.

Optional Additional Services:

Planning and zoning/entitlements	\$ 5,000
Bidding Assistance	\$ 5,000
Construction Administration	\$15,500
Record drawings	\$ 2,500
Management of pre-engineered building procurement	<u>\$ 3,000</u>
Total Optional Additional Services	\$31,000

Progressive Companies has prepared this proposal for Grand Haven Board of Light and Power and we request that it be treated as confidential and not copied or distributed for any reason other than evaluation for hire.

The attached Standard Agreement Provisions are incorporated into and made part of this proposal. If an AIA or other Standard form of Agreement is entered into by the Parties, the AIA or other Standard Form of Agreement will include the terms and conditions of the Standard Agreement Provisions. If this proposal meets with your approval, please sign below and return a copy of the signed proposal. Your signature will be our authorization to begin the work and place the project in the firm’s schedule. If you do not sign and return this proposal, and after receipt of this proposal you request or accept services from Progressive AE in connection with this or any other engagement, your request or acceptance of such services will be deemed to be an acquiescence or agreement with the terms provided in this proposal.

We look forward to working on this project with you and your team.

Sincerely,

John R. Eberly, PE
Senior Project Manager

David M. Krysak
Director of Practice Development

Accepted By: _____

Printed Name: _____ Date: _____

Grand Haven Board of Light and Power

JRE/DMK/sag
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Schedule of Invoice Rates - 2024

Hourly Staff Charges

Class 10 Personnel:	Director, Principal	\$275/hour
Class 9 Personnel:	Senior Healthcare Planner, Senior Project Leader, Project Principal, Practice Leader, Principal / Team Leader, Senior Construction Leader	\$215/hour
Class 8 Personnel:	Senior Engineer Leader, Senior Project Manager, Senior Planner	\$190/hour
Class 7 Personnel:	Senior Architect, Senior Architectural Designer, Senior Engineer, Senior Scientist, Senior Project Manager, Senior Construction Administrator, Construction Superintendent	\$175/hour
Class 6 Personnel:	Engineer II, Project Manager II, Senior Landscape Architect, Senior Interior Designer, Senior Technician, Senior Lighting Designer, Preconstruction Coordinator/Estimator	\$150/hour
Class 5 Personnel:	Architect II, Engineer I, Architectural Designer II, Engineer I, Landscape Architect II, Project Manager I, Planner	\$130/hour
Class 4 Personnel:	Architect I, Architectural Designer I, Graduate Engineer, Interior Designer II, Technician II, GIS Technician, Construction Project Manager/Superintendent, Planner I, Water Resources Specialist, Executive Assistant	\$110/hour
Class 3 Personnel:	Graduate Architect, Landscape Architect I, Interior Designer I, Technician I, Associate Planner, Field Scientist	\$ 95/hour
Class 2 Personnel:	Graduate Interior Designer, Graduate Landscape Architect, Project Assistant	\$ 80/hour
Class 1 Personnel:	Intern	\$ 60/hour

Reimbursable Expenses

1. Fees for Program, Financial or Procurement Management services when the Owner has engaged a supplier and Architect is subject to a fee.
2. Building permit fees and plan review fees as required by the authorities having jurisdiction over projects at cost plus 10%.
3. Outside services, consultants, travel and lodging at cost plus 10%.
4. Copies, telephone, cell phone voice and data charges and office supplies will be charged through a \$25 per month Misc. Office Expense charge. This charge will not be applied to invoices under \$1,000.
5. CAD black/white plotting at 15¢ per square foot; CAD color plotting at 25¢ per square foot; CAD low density color images at 30¢ each; CAD high density color images at 50¢ each; large-format color plotting at \$9 per square foot. Postage, shipping, and lab tests at cost. Files written to CD will be minimum \$100 per drawing or \$500 maximum. Passenger vehicle mileage on projects at the IRS Standard Rate (currently 67¢ per mile). Lodging, meals, and airfare at cost. Machine rental GPS at \$250 per day. Traffic Counters at \$60 per count. Surveying supplies at 50¢ per stake.
6. Overtime expenses requiring higher than normal rates if authorized by owner.

Notes:

1. Invoices are due upon receipt. Unpaid invoices shall bear interest at a rate of 1 percent per month if not paid within 30 days of the date of the invoice.
2. Special media requests may be at higher rate.
3. Hourly staff charges and expenses subject to change annually.

STD RATE

August 5, 2024

Standard Agreement Provisions
Engineering Services

The parties to this Agreement, Progressive Companies, Grand Rapids, Michigan, USA, hereinafter called the ENGINEER and Grand Haven Board of Light and Power, Grand Haven, Michigan, USA, hereinafter called the OWNER, hereby agree to the following conditions:

1. Scope of Services: The services provided by the ENGINEER shall be limited to those described in the proposal dated September 13, 2024. The parties agree that the Standard Agreement Provisions incorporated herein shall govern.
2. Term: If services covered by this Agreement have not been completed within three months of the date of this Agreement, through no fault of the ENGINEER, extension of the ENGINEER's services beyond that time shall be compensated as additional services.
3. Changed Conditions: If, during the term of this Agreement, the ENGINEER becomes aware of any circumstances or conditions that were not originally contemplated by or known to the ENGINEER, then to the extent that they affect the scope of services, compensations, schedule, allocation of risks or other material terms of this Agreement, the ENGINEER may call for re-negotiation of appropriate portions of the Agreement. The ENGINEER shall notify the OWNER of the changed conditions necessitating re-negotiation, and the ENGINEER and the OWNER shall promptly and in good faith enter into re-negotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.
4. Additional Services: Additional services not specifically identified in the Scope of Services shall be paid for by the OWNER in addition to the fees previously stated, provided the OWNER authorizes such additional services in writing. Special services will be billed monthly as work progresses and invoices are due upon receipt.
5. Standard of Care: Professional Services provided by the ENGINEER will be conducted in a manner consistent with that level of care ordinarily and normally exercised by licensed engineers and engineers practicing in the State where the Project resides. In reference to the Standard of Care, the Owner and ENGINEER acknowledge that changes may be required because of possible errors, omissions, ambiguities or inconsistencies in the plans and specifications, and, therefore, that the costs of the project may exceed the construction contract sum. The Owner and ENGINEER agree that a design contingency in the amount of three percent (3 percent) of the cost of the work be established, as required, to pay for any such increased project costs. The Owner further agrees to make no claim by way of direct or third-party action against the ENGINEER or his or her subconsultants with respect to any payments within the limit of the contingency reserve made to the construction contractors because of such changes or because of any claims made by the construction contractors relating to such changes. Costs or expenses that are considered value added/betterment (see Paragraph 29) to the project shall not be applied against the design contingency. The design contingency shall be established as a line item in the overall project budget and be carried through the project's construction phase.
6. Schedule for Rendering Services: The ENGINEER shall prepare and submit for OWNER approval a schedule for the performance of the ENGINEER's services. This schedule shall include reasonable allowances for review and approval times required by the OWNER, performance of services by the OWNER's consultants, and review and approval times required by public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by the OWNER, or for delays or other causes beyond the ENGINEER's reasonable control.
7. Payment Terms: Invoices will be submitted by the ENGINEER monthly, are due upon presentation and shall be considered past due if not paid within thirty (30) calendar days of the date of invoice. Invoices past due shall accrue interest at one percent (1%) per month from the

original invoice date. If past due invoices cause the ENGINEER to proceed with legal action or collection services, the OWNER agrees to pay all of the ENGINEER's collection expenses including reasonable attorney fees.

8. Opinions of Probable Construction Cost: In providing opinions of probable construction cost, the OWNER understands that the ENGINEER has no control over the cost or availability of labor, equipment, or materials, or over market conditions or the Contractor's method of pricing, and that the ENGINEER's opinions of probable construction costs are made on the basis of the ENGINEER's professional judgment and experience. The ENGINEER makes no warranty, express or implied that the bids or the negotiated cost of the Work will not vary from the ENGINEER's opinion of probable construction cost.

9. Ownership of Instruments of Service: The OWNER acknowledges the ENGINEER's design documents, including electronic files, reports, drawings, worksheets, plans, supporting documents and other material as the ENGINEER's instruments of professional service. Provided that the OWNER complies with all obligations of this Agreement and, upon completion of the services and payment in full of all monies due to the ENGINEER, the ENGINEER shall provide the OWNER with an exclusive agreement to use the final construction documents prepared under this Agreement for construction or maintaining the project. The OWNER shall not reuse or make any modifications to the construction documents without the prior written authorization of the ENGINEER. The OWNER agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the ENGINEER, its officers, directors, employees, and subconsultants (collectively, ENGINEER) against any damages, liabilities or costs, including reasonable lawyers' fees and defense costs, arising from or allegedly arising from or in any way related to or connected with the unauthorized reuse or modification of the construction documents by the OWNER or any person or entity that acquires or obtains the construction documents from or through the OWNER without the written authorization of the ENGINEER.

Under no circumstances shall the transfer of ownership of the ENGINEER's drawings, specifications, electronic files, or other instruments of service be deemed a work made for hire, or sale by the ENGINEER, and the ENGINEER makes no warranties, either express or implied, of merchantability and fitness for any particular purpose, nor shall such transfer be construed or regarded as any waiver or other relinquishment of the ENGINEER's copyrights or intellectual property rights including Universal Design innovation strategies, checklists, reports and processes in any of the foregoing, full ownership of which shall remain with ENGINEER, absent the ENGINEER's express prior written consent.

Native format software models (NFSM) used in development and/or analysis of the OWNER's power system(s) are considered the intellectual property of the ENGINEER. The ENGINEER reserves the right of sole ownership of said NFSM. Sole ownership by the ENGINEER shall survive termination or expiration of the agreement with the OWNER and shall not be restricted by any constraint.

10. Digital Data/Electronic Media: The ENGINEER reserves the right to remove all indications of its ownership and/or involvement in the material from each electronic medium not held in its possession. The OWNER may retain copies of the work performed by the ENGINEER in CAD form. Release of digital data will be by execution of the ENGINEER's digital data licensing Agreement (AIA Document C106-2013 or latest edition). Copies shall be for information and used by the OWNER for the specific purpose for which the ENGINEER was engaged. Said material shall not be used by the OWNER, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended without the ENGINEER's express written permission. Any unauthorized modification or reuse of the materials shall be at the OWNER's sole risk, and the OWNER agrees to defend, indemnify, and hold the ENGINEER harmless, from all claims, injuries, damages, losses, expenses, and attorneys' fees arising out of the unauthorized use or modification of all Project documentation. Under no circumstance shall the transfer of drawings

or data or other instruments of service on digital data for use by the Recipient be construed to be as a sale. ENGINEER makes no warranties, either express or implied or of merchantability or of fitness for a particular purpose. To the extent that the digital data includes building information models (Models), the parties agree to the following terms. (1) The Models are intended for the purpose of communicating design intent only and are not construction documents. (2) The Models may not detect all conflicts or inconsistencies. (3) The Models are not intended for quantity take-offs, cost estimates, fabrication, or dimensional purposes. (4) Information contained in the Models will not be construed to dictate construction means or methods. This will remain the Contractor or Fabricator's responsibility.

11. **Dispute Resolution:** In an effort to resolve any conflict, the duly authorized representatives of each party will meet together in good faith in an attempt to resolve the conflict. If this attempted resolution fails to resolve the claim or dispute, the parties agree that all claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for non-binding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. The parties hereto agree to fully cooperate and participate in good faith to resolve the dispute(s). The cost of mediation shall be shared equally by the parties hereto. Any time expended in mediation shall not be included in calculating the time for filing arbitration.

If mediation fails to resolve the claim or dispute, the matter shall be submitted to arbitration with the American Arbitration Association under the Construction Industry rules, unless the parties agree otherwise or unless a plaintiff not a party hereto institutes litigation in a court of competent jurisdiction and said court takes personal jurisdiction over one of the parties hereto regarding the same subject matter as in dispute between the parties hereto.

No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder, or in any other manner, any additional person not a party to this Agreement except by written consent of the parties and such consent to arbitration involving an additional person(s) shall not constitute consent to arbitration of any dispute not described therein. This Agreement to arbitrate and any Agreement to arbitrate with an additional person(s) shall be specifically enforceable under the prevailing arbitration law.

The demand for arbitration shall be made within one (1) year of the date the claimant knew or should have known of the existence of the claim, dispute, or other matter but in no event later than 3 years after the date of substantial completion of the project. If the demand for arbitration is not effectuated within such times, the claim, dispute, or other matter shall be forever barred.

The decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. In the event either party makes a claim or brings an arbitration action or lawsuit against the other party for any act arising out of the performance of the services hereunder, and the claimant fails to prove such claim or action, then the claimant shall pay all legal and other costs (including attorneys' fees) incurred by the other party in defense of such claim or action.

12. **Termination:** If the OWNER fails to make payments in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the ENGINEER's option, cause for suspension of services. The ENGINEER shall provide seven days' written notice. If the OWNER or ENGINEER suspends the Project, the ENGINEER shall be compensated for services performed prior to notice of suspension. The ENGINEER's fees for the remaining services and the time schedule shall be equitably adjusted. Either party may terminate this Agreement upon not less than seven days' written notice to the other party for convenience and without cause. If the Agreement is terminated, the ENGINEER shall be compensated by the OWNER for services performed prior to termination and reimbursable

expenses including costs attributable to termination, including the costs attributable to the ENGINEER's termination of consultant Agreements.

13. Professional Liability Insurance and Limitation of Liability: The ENGINEER maintains professional liability insurance as part of its normal business practice. The OWNER agrees to limit the ENGINEER's liability to the OWNER and to all Construction Contractors and Subcontractors on the project due to the ENGINEER's negligent acts, errors, or omissions, such that the total aggregate liability of the ENGINEER to all those named shall not exceed the amount of the ENGINEER's compensation for the Project.
14. Indemnification: Subject to the limitation in Paragraph 13 above the ENGINEER agrees, to the fullest extent permitted by law, to indemnify and hold harmless the OWNER, its officers, directors and employees (collectively, OWNER) against all damages, liabilities or costs, including reasonable attorneys' fees and defense cost, to the extent caused by the ENGINEER's negligent performance of professional services under this Agreement and that of its subconsultants or anyone for whom the ENGINEER is legally liable.

The OWNER agrees to the fullest extent permitted by law, to indemnify and hold harmless the ENGINEER, its officers, directors, employees and subconsultants (collectively ENGINEER) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the OWNER negligent acts in connection with the Project and the acts of its contractors, subcontractors or consultants or anyone for whom the OWNER is legally liable.

Neither OWNER or ENGINEER shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence or for the negligence of others.

The OWNER and ENGINEER waive consequential damages for claims, disputes, or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages including disruptions to business operations or loss of profits.

15. Mutual Waiver of Consequential Damages: Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the OWNER nor the ENGINEER, their respective officers, directors, partners, employees, contractors or sub-consultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of incidental, indirect and consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both the OWNER and the ENGINEER shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.
16. Delays: The OWNER agrees that the ENGINEER is not responsible for any damages arising directly or indirectly from any delays for causes beyond the ENGINEER's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions, epidemics, pandemics, or other natural disasters or acts of God; fires, riots, war or other emergencies; failure of any government agency to act in a timely manner; failure of performance by OWNER or the OWNER's contractors or consultants; or discovery of any hazardous substance or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by the ENGINEER to perform its services in an orderly and efficient manner, the ENGINEER shall be entitled to a reasonable adjustment in schedule and compensation.

17. Disputed Invoices: If the OWNER objects to any portion of an invoice, the OWNER shall so notify the ENGINEER in writing within ten (10) calendar days of receipt of the invoice. The OWNER shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest at one percent (1%) per month shall be paid by the OWNER on all disputed invoice amounts that are subsequently resolved in the ENGINEER's favor and shall be calculated on the unpaid balance from the due date of the invoice.
18. ADA Requirements: The ENGINEER shall make a reasonable professional effort to interpret applicable ADA requirements as they apply to this project but cannot warrant or guarantee compliance due to the fact it is civil rights legislation and open to many different interpretations.
19. Code Compliance: The ENGINEER shall put forth reasonable professional efforts to comply with applicable laws, codes, and regulations in effect as of the date of the execution of this Agreement. Design changes made necessary by newly enacted laws, codes and regulations after the date shall entitle the ENGINEER to a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provisions of this Agreement.
20. Buried Utilities: The OWNER will be responsible for furnishing the ENGINEER information identifying the type of all underground utilities and verifying their specific locations. The ENGINEER (or their subconsultant) will rely on this information and prepare a plan that shows the locations intended for connections with respect to assumed locations of underground utilities provided by the OWNER. The OWNER will approve of all locations of subsurface penetrations prior to them being made. The OWNER agrees to waive all claims and causes of action against the ENGINEER for damages to underground improvements. The OWNER further agrees to indemnify and hold the ENGINEER harmless from any damage, liability, or cost, including reasonable attorney's fees and defense costs for any property damage, injury or economic loss arising or allegedly arising from subsurface penetrations.
21. Condominium Conversion: If the ENGINEER's services and Construction Documents are intended for the design and construction of residential or commercial rental units, they shall be under the ownership and control of a single, integrated OWNER. In the event the Project is changed to any other purpose or use, including, but not limited to, subdivision into individual units for sale, the ENGINEER shall have no responsibility, and shall be released from all obligations and liabilities for the Project, and each and every right, license and/or ownership interest of the OWNER of the Construction Documents shall be void. The OWNER shall be expressly prohibited from making any further use of the Construction Documents for any purpose, including, but not limited to, the conversion of the Project to another purpose. Further, the OWNER agrees, to the fullest extent permitted by law, to indemnify, immediately defend, and hold harmless the ENGINEER, its officers, directors, employees and subconsultants (collectively, ENGINEER) against all damages, liabilities, or costs, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the services performed under this Agreement.
22. Energy Tax Deduction: The ENGINEER may wish to pursue an energy tax deduction under Section 179D of the Internal Revenue Code for this Project. Such deductions are available to design firms for projects that reduce overall energy use of a building. If Progressive AE determines that this Project meets the relevant 179D qualification criteria, the OWNER agrees to allocate the tax deduction to Progressive AE by signing an Allocation Acknowledgement form which is required by the IRS to receive the deduction.

23. Evaluation of Work: The ENGINEER shall have authority to reject work that does not conform to the contract documents; however, the ENGINEER does not have authority to stop work at any time.
24. Hazardous Materials: The ENGINEER shall have no responsibility for the discovery, presence, handling, removal, or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site. The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.
25. Hiring of Personnel: OWNER may not directly hire any employee of the ENGINEER. OWNER agrees that it shall not, directly, or indirectly solicit any employee of the ENGINEER from accepting employment with OWNER, affiliate companies, or competitors of ENGINEER.
26. Means and Methods: The ENGINEER shall not have control over, charge of, or responsibility for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the work, nor shall the ENGINEER be responsible for the constructor's failure to perform work in accordance with the contract documents.
27. Site Signage: The ENGINEER shall be permitted to install on the project premises an exterior sign of not more than sixty square feet for promotional purposes. The location of the sign shall be mutually agreed upon by OWNER and ENGINEER, not to be unreasonably withheld by either.
28. Timeliness of Performance: The OWNER and ENGINEER are aware that many factors outside the Agreement control may affect the ENGINEER's ability to complete the services to be provide under Agreement. The ENGINEER will perform these services with reasonable diligence and expediency consistent with sound professional practices.
29. Value-Added/Betterment: If, due to the ENGINEER's error or omission, any required item or component of the project is omitted from the ENGINEER's Construction documents, the ENGINEER shall not be responsible for paying the cost to add such item or components to the extent that such item or component would have otherwise been necessary to the project or otherwise adds value or betterment to the project. In no event will the ENGINEER be responsible for any cost or expenses that provides value, upgrade, or enrichment of the project.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



AARON B. KEATLEY
ACTING DIRECTOR

May 3, 2023

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

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

Dear David Walters:

This letter is in reference to your Permit to Install (PTI), identified as 88-21, for a combined heat and power plant consisting of five natural gas-fired reciprocating internal combustion engines (State Registration Number B1976) located at 1231 North Third Street in Grand Haven, Michigan. This permit was approved by the Air Quality Division on November 5, 2021. In accordance with Michigan Air Pollution Control Rule 336.1201(4), this permit will become void on May 5, 2023, 18 months from the date of approval if construction has not commenced, unless otherwise authorized by the Michigan Department of Environment, Great Lakes, and Energy (EGLE).

In your letter requesting an extension dated March 23, 2023, you stated that due to volatility of the electrical market, Grand Haven Board of Light & Power has not yet begun construction. Therefore, you are requesting an 18-month extension for PTI No. 88-21.

EGLE is hereby granting Grand Haven Board of Light & Power's request for one 18-month extension of PTI No. 88-21. This extension will expire on November 5, 2024.

Please contact Janelle Trowhill at 517-582-5312 or TrowhillJ1@Michigan.gov if you have any questions regarding this permit, or you may contact me.

Sincerely,

Annette Switzer, Director
Air Quality Division
517-284-6773

Enclosure

cc/enc: Eric Marko, NTH Consultants, Ltd.
Mark Mitchell, EGLE
Heidi Hollenbach, EGLE
Janelle Trowhill, EGLE



PORT HURON

2024 CONFERENCE



EMPLOYMENT AGREEMENT

This Employment Agreement is made as of September ____, 2024, between the Grand Haven Board of Light and Power, an elected board operating and having contractual authority over the department of the City of Grand Haven that provides electric utility service, the principal business address of which is 1700 Eaton Drive, Grand Haven, MI 49417 (the “BLP”), and Robert Shelley, an individual residing at 17080 Moon Road, Casnovia, MI 49318 (“Mr. Shelley”). The BLP and Mr. Shelley are together referred to as “parties” and individually as “party.”

RECITALS

Mr. Shelley began employment as the BLP’s Distribution & Engineering Manager on October 5, 2015. Mr. Shelley and the BLP desire to continue this employment with Mr. Shelley in the role of General Manager under the terms of this Agreement.

TERMS AND CONDITIONS

For the consideration in and referred to by this Agreement, the parties agree as follows.

1. Employment.

- A. The BLP will employ Mr. Shelley as its General Manager to perform the functions and duties of the General Manager in a competent and professional manner, at the direction of the BLP and in accordance with the Grand Haven City Charter and Code of Ordinances, BLP policies and procedures, applicable state and federal laws, as well as the rules, regulations, orders, directives, and resolutions of any agency or entity of competent jurisdiction.
- B. Mr. Shelley’s employment by the BLP shall be Mr. Shelley’s exclusive employment during the term of this Agreement, and Mr. Shelley shall devote his full energies and efforts to the performance of his duties under this Agreement.

2. Term. This Agreement shall remain in effect from the date written above, after approval of the Agreement by the BLP and acceptance of the Agreement by Mr. Shelley, until terminated by one party or both of the parties according to the terms of this Agreement.

- A. Mr. Shelley shall serve at the pleasure of the BLP on an at-will basis. Nothing in this Agreement shall prevent, limit, or otherwise interfere with BLP’s right to terminate its employment of Mr. Shelley at any time, with or without cause, for any reason or no reason.
- B. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Mr. Shelley to resign at any time from employment with the BLP.

3. Salary and Performance Evaluations. The BLP shall pay Mr. Shelley an annual base salary of \$208,000 payable in installments at the same time as other BLP employees are paid. In addition, the BLP agrees to evaluate Mr. Shelley’s performance and review and adjust his base salary, and/or other benefits, to such extent as the BLP may determine that it is desirable to do so, on an annual basis and in the same timeframe as the other general employees of the BLP.

4. Retirement and Other Benefits.

- A. The BLP shall provide Mr. Shelley with the same employment benefits afforded to other non-union employees of the BLP, consistent with the BLP's Employee Handbook (the "Handbook"), based upon his hire date of October 5, 2015 (where applicable).
- B. Mr. Shelley's Paid Time Off shall be awarded according to the Paid Time Off schedule outlined in the Handbook calculated with an additional five years of service.

5. Use of Utility-Owned Vehicle. The BLP shall furnish Mr. Shelley an appropriate BLP owned vehicle with all necessary fuel, maintenance, operation, and insurance costs paid by the BLP. Mr. Shelley shall maintain a record of mileage accumulated for personal use as required by BLP policies and Internal Revenue Service requirements and he shall be responsible to pay any federal, state, or other taxes due for such taxable benefits as are provided under this Paragraph. Such vehicle allowance may be reviewed annually, in the same timeframe as base salary and/or other benefits and adjusted as deemed appropriate by the BLP and acceptable to both parties.

If Mr. Shelley would prefer to have a monthly vehicle allowance instead of the benefits described above in this Paragraph, the parties shall negotiate the amount of the monthly allowance.

6. Professional Membership. The BLP expects Mr. Shelley to be active in professional societies reasonably related to the performance of his duties as General Manager. The BLP will pay reasonable costs of such memberships, travel to and attendance at meetings, and other costs pertaining to such participation, as Mr. Shelley and the BLP agree are reasonably necessary or advantageous, and in accordance with the BLP's annual budget.

7. Termination and Severance Pay. This Agreement, and Mr. Shelley's employment pursuant to it, may be terminated as follows.

- A. Termination shall occur by Mr. Shelley's written resignation. Mr. Shelley shall give written notice of his resignation at least 30 days prior to its effective date. If Mr. Shelley fails to do so, any other provision of this Agreement notwithstanding, the BLP shall have no obligation to pay Mr. Shelley for accumulated PTO, the amount of which the BLP shall be entitled to retain as liquidated damages for the costs it shall incur as a result of a resignation without the required notice.
- B. Termination shall occur by action of the BLP for any of the following reasons pertaining to Mr. Shelley:
 - (1) Conviction of or a plea of no contest to a felony;
 - (2) Misconduct, whether during or outside the course of employment, that substantially impairs Mr. Shelley's ability to function effectively as General Manager or which brings disrepute to the BLP;
 - (3) Gross negligence in the performance of his duties;
 - (4) Fraud or embezzlement;
 - (5) Dishonesty, intentional falsification of records or documents, financial improprieties, misuse of position for personal gain, or deliberate

- misrepresentation of material facts to or about the BLP;
- (6) Willful neglect or abandonment of Mr. Shelley's duties;
- (7) Drug test confirming the use of illegal substances at any time, or intoxication while working or scheduled to be working;
- (8) Violation of federal or state laws, the Grand Haven City Charter, or the Grand Haven Code of Ordinances which would expose the BLP to civil or criminal liability and/or affect the validity and enforceability of BLP actions; or
- (9) Material breach of this Agreement.

In such circumstances, as described above in this subparagraph 8.B, the BLP shall pay to Mr. Shelley the amounts due Mr. Shelley for earned and unused PTO, but no other severance amounts.

- C. Termination shall occur by action of the BLP for any reason or no reason, other than reasons provided in the preceding subparagraph 8.B. If such action is taken, then the BLP shall pay Mr. Shelley severance compensation equal to six months' pay, at Mr. Shelley's pay rate at the time of termination, in addition to payment for his earned and unused PTO. Severance pay is subject to all applicable federal, state, and local taxes.
 - (1) Severance pay may be paid monthly, through the BLP regular payroll process, or in a lump sum, at the sole option of the BLP.
 - (2) In addition, the BLP shall continue health insurance provided to Mr. Shelley through the last day of the month in which termination occurs. All other fringe benefits, including but not limited to those set forth in this Agreement, shall cease as of the effective date of Mr. Shelley's employment termination.
 - (3) The severance compensation under this Paragraph will not be provided if the BLP terminates Mr. Shelley's employment for conduct which, in the BLP's discretion, interferes with Mr. Shelley's job performance or reflects a willful disregard of the BLP's interests.
- D. Termination shall occur by Mr. Shelley's death, in which case no severance amount shall be paid.

8. Confidentiality. Mr. Shelley acknowledges that during the course of his employment by the BLP, he will have access to and knowledge of confidential or proprietary information related to the BLP's business. He agrees to use such confidential or proprietary information only for the purposes of carrying out his duties with the BLP and will not otherwise disclose such information unless required by statute or law. These obligations shall not apply to any information that is now or becomes generally known or available to the public through no act of Mr. Shelley. This Paragraph shall survive the termination of this Agreement for a period of five years and shall be in addition to any restrictions imposed on Mr. Shelley by law.

9. Indemnification. Mr. Shelley shall be indemnified by the BLP as of right to the fullest extent now or hereafter permitted by law in connection with any actual or threatened civil, criminal, administrative, or investigative action, suit, or proceeding, which is brought against Mr. Shelley

because of his employment hereunder, or in which he is a witness because of his employment. This right to indemnification does not apply to those actions, suits, or proceedings brought by or on behalf of the BLP against Mr. Shelley, or by or on behalf of the people of the State of Michigan or the United States by a prosecuting attorney (the exclusion to indemnification does not apply if Mr. Shelley is prosecuted for an action he takes in good faith in the course of his employment as the General Manager). This indemnification will be consistent to that provided by the BLP in Section 31 of its by-laws, as amended from time to time.

10. Miscellaneous.

- A. This Agreement is written pursuant to the laws of the State of Michigan and was made in Ottawa County, Michigan. This is the entire agreement between the parties regarding its subject matter and it supersedes and replaces all prior agreements. This Agreement may not be modified or amended except in writing, signed by both parties. The captions are for reference only and shall not affect this Agreement’s interpretation. In case of any conflict between this Agreement and any personnel or other policies of the BLP, this Agreement shall control.
- B. To the extent not prohibited by law, jurisdiction and venue of any action brought pursuant to or to enforce this Agreement shall initially be solely in the state courts in Ottawa County, Michigan.
- C. Mr. Shelley’s rights and obligations under this Agreement are personal and are not transferrable or assignable.
- D. Employment matters between Mr. Shelley and the BLP which are not addressed by this Agreement but are addressed by the Handbook shall remain as addressed in that latter document. In the event of a discrepancy between this Agreement and the Handbook, this Agreement shall prevail.

The parties signed this Agreement as of the dates written below.

GRAND HAVEN BOARD OF LIGHT AND POWER

ROBERT SHELLEY

By: _____
Michael Westbrook, Chairperson
Board of Directors

Signed September _____, 2024

Signed September _____, 2024

Witnessed By: _____
Danielle Martin,
Administrative Services Supervisor

Signed September _____, 2024