

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, October 17, 2024

Meeting to be held at 1700 Eaton Drive

6:00 PM

1. Swearing in of Board Member Polyak
2. Call to Order / Roll Call / Excuse Absent Members
3. Approve Meeting Agenda (1) \*
3. Pledge of Allegiance
4. Public Comment Period
5. Fiscal Year 2024 Financial Audit Presentation (Peter Haefner) \*
  - A. Receive and File: Fiscal Year 2024 Audit Report (1)
6. Consent Agenda (1)
  - A. Approve Minutes
    1. September 19, 2024 Regular Meeting Minutes\*
  - B. Receive and File: September Financial Statements, Power Supply, Retail Sales Dashboards \*
  - C. Receive and File: September Key Performance Indicators (KPI) Dashboard \*
  - D. Receive and File: MPPA ESP Resource Position Report (dated 9/30/2024) \*
  - E. Approve Payment of Bills (\$2,634,095.74 in total)
    1. In the amount of \$2,472,071.29 from the Operation & Maintenance Fund
    2. In the amount of \$162,024.45 from the Renewal & Replacement Fund
7. General Manager's Report \*
  - A. Approve Purchase Orders (\$242,445 in total) (1)
    1. PO #23205, Irby, \$19,335 (5 - 50kVA Pad Transformers for BLP Stock)
    2. PO #23211, Power Line Supply, \$31,050 (15kV #4/0 Wire for BLP Stock)
    3. PO #23212, Border States, \$27,960 (128 Electric Meters for BLP Stock)
    4. PO #23213, Koppers, \$17,880 (44 Wood Distribution Poles for BLP Stock)
    5. PO #23217, Asplundh, \$146,220 (2024 Tree Trimming Bid Award)
  - B. Strategic Goals Update – FY24 CIP \*
  - C. Hart Solar PPA Amendment (1)\*
  - D. Amendment to August 3, 2022 Resolution Regarding Harbor Island Environmental Remediation (1)\*
  - E. Harbor Island Approval Procedure (1)\*
  - F. Approve Harbor Island Purchase Orders (\$25,557 in total) (1)
    1. PO #23123, City of Grand Haven, \$9,786 (HDR – Unit 3 Response Action Plan)\*
    2. PO #23130, City of Grand Haven, \$15,771 (HDR – Unit 3 Corrective Measures Work Plan)\*
  - G. PA 235 Update \*
8. Chairman's Report
  - A. Approval of 2025 Meeting Schedule (1)\*
  - B. Board Orientation Manual – Annual Update
  - C. Governance Training – Lessons 9 & 10 Discussion (3)
  - D. Governance Training – Watch Lessons 11 & 12 for November Discussion (3)

Notes:

(1) Board Action Required

(2) Future Board Action

\* Information Enclosed

(3) Information RE: Policy or Performance

(4) General Information for Business or Education

9. Other Business

10. Public Comment Period

11. 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



## Vredevelde Haefner LLC

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September 30, 2024

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

We have audited the financial statements of the Grand Haven Board of Light and Power, Grand Haven, Michigan (“the Board”, an enterprise fund and an other post-employment benefit trust fund of the City of Grand Haven) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 16, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Results

#### *Qualitative Aspects of Accounting Practices*

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

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

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

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

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

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

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 30, 2024.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

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

### Restriction on Use

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

Sincerely,

*Uredexold Haefner LLC*



# **GRAND HAVEN BOARD OF LIGHT AND POWER**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**



Vredeveld Haefner LLC  
CPAs and Consultants

# GRAND HAVEN BOARD OF LIGHT AND POWER

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### INDEPENDENT AUDITORS' REPORT

September 30, 2024

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

#### **Opinions**

We have audited the accompanying financial statements of the Grand Haven Board of Light and Power, Grand Haven, Michigan (an enterprise and OPEB trust fund of the City of Grand Haven, Michigan) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and the aggregate remaining fund information of the Grand Haven Board of Light and Power, as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

#### **Required Supplementary Information**

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the Grand Haven Board of Light and Power's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grand Haven Board of Light and Power's internal control over financial reporting and compliance.

*Urodeuxeld Haefner LLC*



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the Grand Haven Board of Light and Power (the Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- Base retail rates remained unchanged in this fiscal year. Average PSCA for FY2024 was \$.0069 per Kilowatt-hour. An additional 5% was added to the Service Charge July 2023-December 2024 to fund the Board approved commitment to the City of Grand Haven Snowmelt Replacement Equipment Capital Cost.
- Total operating revenues decreased by 2% with a 1.8% decrease in retail sales revenue. Kilowatt-hour's consumption decreased 4% from the previous year. FY24 Kwh consumption was below FY23 consumption with the primary driver being lower industrial sales. In FY24 the 3rd largest BLP industrial customer was lost due to plant shutdown.
- The BLP provides a transfer to the city in lieu of taxes of 5% of Sales. This transfer amounted to \$1,853,655 in FY2024.
- Beginning March 2020, all power is being purchased from the Michigan Public Power Agency (MPPA) as the BLP's Market Participant in the Midcontinent Independent System Operator (MISO) regional electric system and wholesale market. In FY2024, 25.16% of BLP energy was purchased from renewable resources through MPPA.
- Fuel related expenses decreased by 3.96% in FY2024. Total Kwh purchased decreased and the price per Kwh decreased .31% to \$.06522 per Kilowatt-hour on average.
- Environmental remediation and mitigation are underway on the Sims's power plant property following its demolition to address coal ash deposited on-site and the property's previous uses that included use as a City Dump site. An additional \$953 thousand has been added to the Asset Retirement Obligation liability to address these concerns. Currently the City of Grand Haven is in discussions with the State of Michigan's Environmental, Great Lakes & Energy division to determine next steps for environmental mitigation and remediation of the site. An Environmental Remediation Surcharge of \$.0035 per kWh was added to the bill to address this cost going forward.
- Deposits include \$2.5M held by Michigan Public Power Agency (MPPA) for power purchases.
- In December of 2021, a \$25 million dollar Bond was issued using a Direct Purchase Bond instrument with Huntington Bank. The Direct Purchase was obtained with a 1.58% interest rate and 10-year maturity. Bond can be retired at year 8 with no penalty.
- The cash and investment balances held at the Michigan Public Insurance Authority (MPIA) increased by \$1,727,092. A deposit was made to the plan in FY2024 of \$1.2M. Insurance expense and investment returns decrease and increase this balance.
- Pension and Other Post-Employment Benefits legacy liabilities resulted in a \$1.2M expense to the BLP this fiscal year. BLP is now 95% funded in their Defined Benefit plan administered by MERS.
- In December of 2020, the BLP self-funded health care fund was separated from that of the City of Grand Haven. The BLP is continuing its own self-funded plan with BCBSM as the administrator.

### Overview of the Financial Statements

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

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

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

The *Statement of Net Position* presents information on all of the Board's assets, deferred outflows, liabilities and deferred inflows with the difference between reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences, accrued interest, etc.).

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

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

## **Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Board's financial position. In the case of the Board, assets exceeded liabilities by \$56,080,671 at the close of the most recent fiscal year.

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

### Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$61,531,430	\$56,716,734
Capital assets	38,314,857	37,266,884
<b>Total assets</b>	<u>99,846,287</u>	<u>93,983,618</u>
Deferred outflows of resources	3,736,804	4,710,039
Other liabilities	5,364,589	5,599,859
Long-term liabilities	42,137,831	44,270,614
	<u>47,502,420</u>	<u>49,870,473</u>
Deferred inflows of resources	-	28,927
Net position		
Net Investment in capital assets	29,554,278	27,893,672
Restricted for revenue bond retirement	1,391,916	1,379,330
Unrestricted	25,134,477	19,521,255
	<u>\$56,080,671</u>	<u>\$48,794,257</u>

The total net position of the Board at June 30, 2024 is \$56,080,671; however, \$29,554,278 and \$1,391,916 represent net investment in capital assets and net position restricted for revenue bond retirement, respectively.

### Changes in Net Position

	<u>2024</u>	<u>2023</u>
Operating revenue	\$36,495,762	\$37,277,376
Operating expenses	29,544,115	30,763,023
Operating income (loss)	6,951,647	6,514,353
Nonoperating revenues (expense)	2,188,432	(393,723)
Change in net position before transfers	9,140,079	6,120,630
Transfers to the City of Grand Haven	1,853,665	1,831,462
Change in net position	7,286,414	4,289,168
<b>Net position-beginning of year</b>	<u>48,794,257</u>	<u>44,505,089</u>
<b>Net position-end of year</b>	<u>\$56,080,671</u>	<u>\$48,794,257</u>

## Capital Asset and Debt Administration

**Capital assets.** The Board's investment in capital assets as of June 30, 2024, amounted to \$38,314,857 (net of accumulated depreciation).

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

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

Land	\$ 78,849
Construction in progress	2,856,068
Depreciable capital assets, net	<u>35,379,940</u>
<b>Total</b>	<b><u>\$38,314,857</u></b>

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

**Debt.** At the end of the current fiscal year, the Board had total debt outstanding (issued in fiscal year 2023) as follows:

Bond payable	<b><u>\$20,300,000</u></b>
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Additional information on the Board's long-term debt can be found in Note 4 of these financial statements.

## Requests for Information

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

## **BASIC FINANCIAL STATEMENTS**

# GRAND HAVEN BOARD OF LIGHT AND POWER

## STATEMENT OF NET POSITION

JUNE 30, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Current assets		
Cash and cash equivalents	\$ 23,058,021	\$ 22,749,147
Investments	14,645,900	9,823,450
Accounts receivable	4,316,798	4,306,172
Prepaid items	3,870	-
<b>Total current assets</b>	<b>42,024,589</b>	<b>36,878,769</b>
Non-current assets		
Restricted cash and cash equivalents	6,840,999	8,801,514
Deposit with MPIA and MPPA	12,043,361	10,316,269
Advance to City of Grand Haven	622,481	720,182
Capital assets		
Land	78,849	78,849
Construction in progress	2,856,068	1,060,098
Depreciable capital assets, net	35,379,940	36,127,937
<b>Total non-current assets</b>	<b>57,821,698</b>	<b>57,104,849</b>
<b>Total assets</b>	<b>99,846,287</b>	<b>93,983,618</b>
<b>Deferred outflows of resources</b>		
Pension related	3,239,279	4,632,883
OPEB related	497,525	77,156
<b>Total deferred outflows of resources</b>	<b>3,736,804</b>	<b>4,710,039</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	1,452,797	1,740,095
Accrued liabilities	335,848	395,781
Customer deposits	1,016,396	904,831
Due to City of Grand Haven	159,548	159,152
Current portion of long-term debt	2,400,000	2,400,000
<b>Total current liabilities</b>	<b>5,364,589</b>	<b>5,599,859</b>
Long-term liabilities		
Accrued compensated absences	260,479	279,360
Asset retirement obligation	17,556,307	16,889,004
Net pension liability	5,491,563	6,301,362
Net OPEB liability	929,482	500,888
Bonds payable, net of current portion	17,900,000	20,300,000
<b>Total long-term liabilities</b>	<b>42,137,831</b>	<b>44,270,614</b>
<b>Total liabilities</b>	<b>47,502,420</b>	<b>49,870,473</b>
<b>Deferred inflows of resources</b>		
OPEB related	-	28,927
<b>Net position</b>		
Net investment in capital assets	29,554,278	27,893,672
Restricted for revenue bond retirement	1,391,916	1,379,330
Unrestricted	25,134,477	19,521,255
<b>Total net position</b>	<b>\$ 56,080,671</b>	<b>\$ 48,794,257</b>

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Operating revenue</b>		
Residential sales	\$ 12,766,448	\$ 12,850,114
Commercial sales	10,305,682	10,308,349
Industrial sales	11,714,817	12,283,447
Municipal sales	1,007,147	1,007,333
Public street and highway lighting	338,039	340,330
Thermal energy	-	10,616
Penalties	99,223	108,407
Rental income	35,833	48,577
Other	228,573	320,203
<b>Total operating revenue</b>	<u>36,495,762</u>	<u>37,277,376</u>
<b>Operating expense</b>		
Wholesale power net	18,281,810	19,034,752
Distribution	4,844,769	5,242,758
Customer accounts	710,774	704,565
Administrative	2,399,590	2,491,816
Change in pension and benefit costs	1,226,872	1,302,851
Depreciation	2,080,300	1,986,281
<b>Total operating expense</b>	<u>29,544,115</u>	<u>30,763,023</u>
Operating income (loss)	<u>6,951,647</u>	<u>6,514,353</u>
Non-operating revenue (expense)		
Interest income	1,373,378	614,684
Mitigation surcharge	953,037	-
Interest income including MPIA insurance reserve	1,018,031	332,288
Interest expense	(339,700)	(376,830)
Asset retirement expense	-	(1,000,000)
Gain (loss) on disposal/demolition	(816,314)	36,135
<b>Total non-operating revenue (expense)</b>	<u>2,188,432</u>	<u>(393,723)</u>
Changes before transfers	9,140,079	6,120,630
Transfers to City of Grand Haven	<u>(1,853,665)</u>	<u>(1,831,462)</u>
Changes in net position	7,286,414	4,289,168
<b>Net position, beginning of year</b>	<u>48,794,257</u>	<u>44,505,089</u>
<b>Net position, end of year</b>	<u>\$ 56,080,671</u>	<u>\$ 48,794,257</u>

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



# GRAND HAVEN BOARD OF LIGHT AND POWER

## STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Receipts from customers and users	\$ 36,596,701	\$ 37,000,483
Payments to employees	(4,228,349)	(8,912,197)
Payments to suppliers	<u>(24,652,776)</u>	<u>(22,541,837)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>7,715,576</u>	<u>5,546,449</u>
<b>Cash flows from non-capital financing activities</b>		
Transfers to City of Grand Haven	<u>(1,853,269)</u>	<u>(1,823,458)</u>
<b>Cash flows from capital and related financing activities</b>		
Interest expense paid on long-term debt	(358,660)	(412,556)
Principal paid	(2,400,000)	(2,300,000)
Asset retirement	(142,525)	9,572
Acquisitions of capital assets	<u>(3,134,207)</u>	<u>(4,963,506)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(6,035,392)</u>	<u>(7,666,490)</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(8,744,597)	(9,794,173)
Sales of investments	4,874,632	14,813,723
Interest received	<u>2,391,409</u>	<u>946,972</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(1,478,556)</u>	<u>5,966,522</u>
Net increase (decrease) in cash and cash equivalents	(1,651,641)	2,023,023
<b>Cash and cash equivalents, beginning of year</b>	<u>31,550,661</u>	<u>29,527,638</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 29,899,020</u>	<u>\$ 31,550,661</u>

(continued)

# GRAND HAVEN BOARD OF LIGHT AND POWER

## STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Operating income (loss)	\$ 6,951,647	\$ 6,514,353
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	2,080,300	1,986,281
Net pension liability	(809,799)	5,114,768
Deferred outflows for pensions	1,393,604	(3,130,290)
Deferred inflows for pensions	-	(3,285,074)
Net OPEB liability	428,594	(138,037)
Deferred outflows for OPEB	(420,369)	90,195
Deferred inflows for OPEB	(28,927)	(67,068)
Due from city of Grand Haven	97,701	316,969
Change in operating assets and liabilities which provided (used) cash		
Receivables	(10,626)	(326,027)
Prepaid and other assets	(3,870)	9,917
Deposits with others	(1,727,092)	(1,092,139)
Accounts payable	(287,298)	(158,729)
Accrued liabilities	(40,973)	(317,689)
Customer deposits	111,565	49,134
Compensated absences	(18,881)	(20,115)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 7,715,576</u>	<u>\$ 5,546,449</u>

(concluded)

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

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	<u>OPEB Trust Fund</u>
<b>Assets</b>	
Investments	
MERS - Total Market Portfolio	\$ 698,740
<b>Total assets</b>	<u>698,740</u>
<b>Liabilities</b>	
Accounts payable	<u>-</u>
<b>Total liabilities</b>	<u>-</u>
<b>Net Position</b>	
Restricted for pension and other post-employment benefits	\$ <u>698,740</u>

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

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	<b>OPEB Trust Fund</b>
<b>Additions</b>	
Contributions	
Employer	\$ 224,869
Investment income:	
Net appreciation (depreciation) in fair value of investments	65,177
Investment expense	<u>(1,391)</u>
Net investment income	<u>63,786</u>
<b>Total additions</b>	288,655
<b>Deductions</b>	
Health insurance premiums	<u>(224,869)</u>
Changes in net position	63,786
<b>Net position, beginning of year</b>	<u>634,954</u>
<b>Net position, end of year</b>	<u>\$ 698,740</u>

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### ***Reporting Entity***

The Board is made up of an Enterprise fund and another post-employment benefit trust fund of the City of Grand Haven, Michigan (the City). It operates under the direction of 5 elected Board Members as prescribed in the City Charter. The Board provides electric services to users in the City of Grand Haven and portions of the surrounding area.

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

#### ***Measurement Focus and Basis of Accounting***

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

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

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

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

#### ***Cash and Cash Equivalents***

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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### **Investments**

Investments are recorded at fair value.

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

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Banker's acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.
- h. The other post-employment benefit plan fund may also invest in corporate debt and equity securities.

### **Receivables**

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

### **Prepaid Items**

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

### **Deposits with MPIA and MPPA**

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

### **Advance to City of Grand Haven**

The balance of \$622,481 was advanced to City of Grand Haven for equipment and system components to produce and provide heat to the City of Grand Haven's downtown snow melt system. The amount is being paid by the City as a percentage of billings.

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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#### **Capital Assets**

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

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

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

	<b>Years</b>
General plant	5-30
Transmission and distribution	5-33

#### **Deferred outflows/inflows of resources**

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

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

#### **Compensated absences**

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

#### **Pensions**

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents and investments consist of the following at June 30, 2024:

	<b>Enterprise Fund</b>	<b>OPEB Fund</b>	<b>Total</b>
Cash and cash equivalents	\$23,058,021	\$ -	\$23,058,021
Restricted cash and cash equivalents	6,840,999	-	6,840,999
Investments	14,645,900	698,740	15,344,640
<b>Total</b>	<b>\$44,544,920</b>	<b>\$698,740</b>	<b>\$45,243,660</b>

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

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned. State law does not require, and the Board does not have, a policy for deposit custodial credit risk. Insurance coverage pertains to all deposits of the City of Grand Haven; hence, the specific coverage pertaining to the Board's deposits, if any, is not readily determinable. As of year-end the Board had total bank balances of \$29,908,805 that may be exposed to custodial credit risk.

#### Investments

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

	<b><u>Maturity</u></b>	<b><u>Fair Value</u></b>	<b><u>Rating</u></b>	<b><u>Source</u></b>
U.S. Treasury bills	12/26/24	\$ 4,873,550	Not applicable	N/A
U.S. Treasury bills	9/5/24	4,952,200	Not applicable	N/A
U.S. Treasury bills	3/20/25	4,820,150	Not applicable	N/A
MERS - Total Market	N/A	698,740	Unrated	N/A
		<b><u>\$15,344,640</u></b>		

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

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

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



# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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### *Investment and deposit risk*

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

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

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Board does not have, a policy for investment custodial credit risk. Of the above \$15,344,640 of investments, the Board has a custodial credit risk of \$14,645,900 because the related securities are uninsured, unregistered and held by the government's brokerage firm which is also the counterparty for these particular securities. Custodial credit risk for the MERS total market portfolio cannot be determined as it does not consist of specifically identifiable securities.

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### 3. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
<b>Capital assets, not being depreciated</b>				
Land	\$ 78,849	\$ -	\$ -	\$ 78,849
Construction in progress	1,060,098	3,134,207	1,338,237	2,856,068
<b>Total capital assets, not being depreciated</b>	<u>1,138,947</u>	<u>3,134,207</u>	<u>1,338,237</u>	<u>2,934,917</u>
<b>Capital assets, being depreciated</b>				
Transmission and distribution	63,868,583	1,188,720	2,415,673	62,641,630
General plant	2,578,052	149,517	1,132	2,726,437
<b>Total capital assets, being depreciated</b>	<u>66,446,635</u>	<u>1,338,237</u>	<u>2,416,805</u>	<u>65,368,067</u>
Less accumulated depreciation for:				
Transmission and distribution	28,996,943	1,954,907	2,409,187	28,542,663
General plant	1,321,756	124,840	1,132	1,445,464
<b>Total accumulated depreciation</b>	<u>30,318,699</u>	<u>2,079,747</u>	<u>2,410,319</u>	<u>29,988,127</u>
<b>Net capital assets, being depreciated</b>	<u>36,127,936</u>	<u>(741,510)</u>	<u>6,486</u>	<u>35,379,940</u>
<b>Capital assets, net</b>	<u><b>\$37,266,883</b></u>	<u><b>\$2,392,697</b></u>	<u><b>\$1,344,723</b></u>	<u><b>\$38,314,857</b></u>

#### 4. LONG-TERM DEBT

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

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
*Series 2021A Revenue Bonds (private placement) \$25,000,000. Payments due in semiannual installments ranging from \$2,300,000 to \$2,700,000 beginning July 1, 2022 through January 1, 2032; interest at 1.58%	\$22,700,000	\$ -	\$2,400,000	\$20,300,000	\$2,400,000
Compensated absences	279,360	-	18,881	260,479	-
<b>Total</b>	<u>\$22,979,360</u>	<u>\$ -</u>	<u>\$2,418,881</u>	<u>\$20,560,479</u>	<u>\$2,400,000</u>

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

Future minimum payments on the long-term debt as of June 30, 2024 are as follows:

Year Ending <u>June 30</u>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2025	\$ 2,400,000	\$ 320,740
2026	2,400,000	282,820
2027	2,500,000	244,900
2028	2,500,000	205,400
2029	2,600,000	165,900
2030-2032	7,900,000	251,220
<b>Total</b>	<b>\$20,300,000</b>	<b>\$1,470,980</b>

#### 5. RETIREMENT PLANS

##### *Defined Benefit Pension Plan*

###### *Plan Description*

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

###### *Benefits Provided*

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

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2023):

Active plan members	19
Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled but not yet receiving benefits	18
Total	112

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### **Contributions**

The Board is required to contribute at an actuarially determined rate, which for the current year was \$58,333 per month depending on position and classification. Participating employees are required to contribute from 10% of covered payroll to the Plan based on position and classification. The contribution requirements of the Utility are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

#### **Net Pension Liability**

The Board's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2023 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% annually

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

Mortality rates used for non-disabled plan member were based on 106% of PubG-2010 tables with future mortality improvements using MP-2019 scale applied fully generationally from the Pub-2010 base year of 2010. Mortality rates used for disabled plan member were based on PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2018 actuarial experience study first used in the December 31, 2020 valuation.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
MERS gains adjustment			(0.07)%
Inflation			2.50%
Administrative fee			0.25%
			<hr/>
Discount rate			7.18%

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

Discount rate. The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2022	\$46,230,408	\$39,929,046	\$6,301,362
Changes for the Year:			
Service cost	332,669	-	332,669
Interest	3,249,780	-	3,249,780
Change in benefits	-	-	-
Differences between expected and actual experience	533,973	-	533,973
Change in assumptions	354,870	-	354,870
Contributions: employer	-	821,166	(821,166)
Contributions: employee	-	205,503	(205,503)
Net investment income	-	4,346,844	(4,346,844)
Benefit payments, including refunds	(3,144,402)	(3,144,402)	-
Administrative expense	-	(92,423)	92,423
Other changes	(1)	-	(1)
Net changes	1,326,889	2,136,688	(809,799)
Balance at December 31, 2023	\$47,557,297	\$42,065,734	\$5,491,563

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or higher (8.18%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total pension liability	\$53,172,893	\$47,557,297	\$42,906,038
Fiduciary net position	42,065,734	42,065,734	42,065,734
Net pension liability	\$11,107,159	\$ 5,491,563	\$ 840,304

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### **Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2024 the Board recognized pension expense of \$1,448,793. The Board reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 266,987	\$ -
Differences in assumptions	177,435	-
(Excess) deficit investment returns	2,279,867	-
Contributions subsequent to the measurement date*	514,990	-
<b>Total</b>	<b>\$3,239,279</b>	<b>\$ -</b>

\* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the fiscal year ending 2025.

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

2025	\$ 964,543
2026	830,028
2027	1,236,140
2028	(306,422)
Thereafter	-
<b>Total</b>	<b>\$2,724,289</b>

#### **Defined Contribution Plan (401a Plan)**

The Board provides a defined contribution pension plan (the Plan) that provides pension benefits to all participating full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to contribute 4% and the Board contributes 8% of each participant's compensation to the Plan. The Board's contributions are fully vested after four years of service. During the year employees contributed \$73,056 and the Board contributed \$146,112 to the plan.

## **6. POST-EMPLOYMENT BENEFITS**

#### ***Plan Description***

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### **Benefits provided**

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

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

Retirees and beneficiaries receiving benefits	23
Covered spouses	-
Active plan members	<u>23</u>
Total	<u><u>46</u></u>

#### **Net OPEB Liability**

The net OPEB liability was based on an actuarial valuation as of June 30, 2024. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5 %

Salary Increases: 3.5%

Investment rate of return: 7.0% including inflation

Healthcare cost trend rates: Pre-Medicare: 7.25% graded down 0.25% to an ultimate rate of 4.5%; post Medicare: 5.5% graded down by .25% to an ultimate rate of 4.5%

Mortality: Public general 2010 Employee and Healthy Retiree, Headcount weighted, MP-2021 improvement scale

An actuarial experience study was not conducted as the plan has fewer than 100 members.

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

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

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

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

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

Rate of return. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 7.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability is 7.00%. Because the employer continues to pay retiree health care benefits from general operating funds until the OPEB trust is sufficient to pay benefits, the assets are not projected to be depleted. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefits payments were not projected to be covered by projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rates that yields the same present value is calculated. This discount rate is used to determine the Total OPEB Liability. As of June 30, 2023 the discount rate used to value the OPEB liability was also 7.00%.

#### Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at June 30, 2023	\$1,135,842	\$634,954	\$500,888
Changes for the Year:			
Service cost	13,823	-	13,823
Interest	72,607	-	72,607
Change in benefits	-	-	-
Differences between expected and actual experience	610,120	-	610,120
Change in assumptions	20,699	-	20,699
Contributions to OPEB trust	-	-	-
Benefits paid from general operating funds	-	224,869	(224,869)
Net investment income	-	65,177	(65,177)
Benefit payments, including refunds	(224,869)	(224,869)	-
Administrative expense	-	(1,391)	1,391
Other changes	-	-	-
Net changes	492,380	63,786	428,594
Balance at June 30, 2024	\$1,628,222	\$698,740	\$929,482

#### Sensitivity of the Net OPEB Liability to changes in the discount rate.

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

	1% Decrease	Current Discount rate	1% increase
Total OPEB liability	\$1,699,764	\$1,628,222	\$1,563,574
Fiduciary net position	698,740	698,740	698,740
Net OPEB liability	\$1,001,024	\$ 929,482	\$ 864,834



# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$1,553,971	\$1,628,222	\$1,712,802
Fiduciary net position	698,740	698,740	698,740
Net OPEB liability	<u>\$ 855,231</u>	<u>\$ 929,482</u>	<u>\$1,014,062</u>

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

For the year ended June 30, 2024 the employer recognized OPEB expense of \$204,167. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$479,752	\$ -
Differences in assumptions	16,276	-
Excess(deficit) investment returns	1,497	-
Total	<u>\$497,525</u>	<u>\$ -</u>

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

2025	\$129,460
2026	150,473
2027	130,092
2028	87,500
2029	-
Thereafter	<u>-</u>
Total	<u>\$497,525</u>

#### Defined Contribution Plan (MERS Healthcare Savings Program)

The Board provides a defined contribution post-employment benefit plan (the Plan) that provides a health care saving account to eligible employees hired after September 30, 2008. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate immediately upon employment. Employees are required to contribute 1% and the Board contributes 2% of each participant's compensation to the Plan. The Board's contributions are fully vested after five years of service. During the year employees contributed \$29,539 and the Board contributed \$53,344 to the plan.

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

#### 7. RISK MANAGEMENT

The Board is self-insured for employees' health benefits. The claims liability of \$21,100 reported at June 30, 2024 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated.

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

The changes in the claims liability for the years ended June 30, 2024 was as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2024	\$14,000	\$ 960,698	\$ 953,598	\$21,100
2023	40,813	1,048,756	1,075,569	14,000
2022	21,678	1,123,671	1,104,536	40,813

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

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

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

	<u>Deductible/Retention</u>	
	<u>2023</u>	<u>2024</u>
Property and equipment	\$50,000 - 500,000	\$50,000 - 500,000
General liability	50,000	50,000
Public officials liability	25,000	25,000
Employee benefits liability	50,000	50,000
Crime	25,000	25,000

# GRAND HAVEN BOARD OF LIGHT AND POWER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2024 and 2023

The Board makes annual payment to the MPIA for administrative charges, insurance purchases and an estimated risk retention reserve. At year end the risk retention reserve balance held by the MPIA for the Board was \$9,543,361 which excluded assets set aside for estimated claims of \$104,938. The estimated claims at the end of the year included claims already incurred and reported as well as an estimate for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims have not exceeded insurance coverage in any of the past three years, and changes in insurance coverage are reflected above

The claims liability for the Board as reported by the MPIA for the year's ended June 30, 2024 and 2023 was \$104,938 and \$86,543, respectively. Claims adjustment expense cannot be specifically identified to each participant in the MPIA. Total claims expense reported by the MPIA for the years ended June 30, 2024 and 2023 was \$18,395 and \$17,043, respectively.

#### 8. JOINT VENTURE

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

The MPPA operates various projects. The Board participates in multiple MPPA projects for generation, purchase and transmission of electricity. The dollar amount of Board's commitments for participation in the various MPPA projects of \$137,487,200 declines from a commitment maximum of approximately \$14,870,000 in 2024 to \$208,343 in 2048.

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

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

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

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

Electricity purchase from/through MPPA	\$8,935,751
Payments to MPPA for electricity transmission	1,718,830
Payments to MPPA for renewable energy	4,305,979
Payments to MPPA for capacity	2,966,997
Payments to MPPA for other	441,764

#### 9. RELATED PARTY TRANSACTIONS

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

# GRAND HAVEN BOARD OF LIGHT AND POWER

## *NOTES TO THE FINANCIAL STATEMENTS*

*FOR THE YEARS ENDED JUNE 30, 2024 and 2023*

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### **10. CONTINGENT LIABILITIES**

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

### **11. ASSET RETIREMENT**

The Board closed the Sims III 70 megawatt coal fired power plant in fiscal year 2020. The Board's operation of electricity generating facilities required use of fuel and ash management facilities that will require environmental remediation and mitigation under various state and federal laws. The Board has estimated the remaining cost of remediating fuel and ash management facilities at \$17,556,307 based on known costs of similar plant closures and engineering estimates.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**GRAND HAVEN BOARD OF LIGHT AND POWER**

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

**FOR THE YEARS ENDED JUNE 30, 2015 through 2024**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total pension liability</b>										
Service cost	\$ 1,714,380	\$ 1,784,375	\$ 1,938,292	\$ 1,896,453	\$ 1,876,313	\$ 1,787,913	\$ 1,719,873	\$ 346,845	\$ 356,420	\$ 332,669
Interest	6,872,845	6,970,006	7,719,273	7,931,391	8,390,678	8,623,429	8,876,309	3,205,780	3,189,558	3,249,780
Changes in benefit terms	-	(8,167)	(27,927)	(54,797)	2,423	(25,121)	(883,918)	-	-	-
Difference between expected and actual experience	-	1,069,871	(1,279,520)	2,035,707	(948,030)	1,579,667	1,505,496	(826,286)	339,916	533,973
Changes in assumptions	-	4,451,385	-	-	-	4,122,188	3,919,533	1,680,863	-	354,870
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)	(2,942,376)	(3,144,402)
Other	-	217,812	(1)	-	(4)	(2)	1	-	1	(1)
<b>Net change in total pension liability</b>	4,064,873	9,398,920	3,043,663	5,759,789	3,255,091	9,418,795	7,699,848	2,150,779	943,519	1,326,889
<b>Total pension liability, beginning of year</b>	84,711,200	88,776,073	98,174,993	101,218,656	106,978,445	110,233,536	119,652,331	43,136,110	45,286,889	46,230,408
<b>Total pension liability, end of year</b>	<u>\$ 88,776,073</u>	<u>\$ 98,174,993</u>	<u>\$ 101,218,656</u>	<u>\$ 106,978,445</u>	<u>\$ 110,233,536</u>	<u>\$ 119,652,331</u>	<u>\$ 127,352,179</u>	<u>\$ 45,286,889</u>	<u>\$ 46,230,408</u>	<u>\$ 47,557,297</u>
<b>Plan Fiduciary Net Position</b>										
Contributions-employer	\$ 1,230,140	\$ 1,351,197	\$ 1,528,835	\$ 6,969,429	\$ 2,803,011	\$ 2,096,764	\$ 6,530,362	\$ 1,062,160	\$ 3,133,328	\$ 821,166
Contributions-employee	1,017,387	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	233,792	223,524	205,503
Net investment income	4,384,730	(1,056,807)	7,662,061	9,637,326	(3,336,775)	10,759,791	10,939,329	5,038,183	(4,503,490)	4,346,844
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)	(2,942,376)	(3,144,402)
Administrative expense	(160,769)	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(63,315)	(82,236)	(92,423)
<b>Net change in plan fiduciary net position</b>	1,949,136	(3,759,667)	5,132,696	12,055,170	(5,180,787)	7,621,851	11,376,970	4,014,397	(4,171,250)	2,136,688
<b>Plan fiduciary net position, beginning of year</b>	69,855,871	71,805,007	68,045,340	73,178,036	85,233,206	80,052,419	87,674,270	40,085,898	44,100,296	39,929,046
<b>Plan fiduciary net position, end of year</b>	<u>\$ 71,805,007</u>	<u>\$ 68,045,340</u>	<u>\$ 73,178,036</u>	<u>\$ 85,233,206</u>	<u>\$ 80,052,419</u>	<u>\$ 87,674,270</u>	<u>\$ 99,051,240</u>	<u>\$ 44,100,296</u>	<u>\$ 39,929,046</u>	<u>\$ 42,065,734</u>
<b>Employer net pension liability</b>	<u>\$ 16,971,066</u>	<u>\$ 30,129,653</u>	<u>\$ 28,040,620</u>	<u>\$ 21,745,239</u>	<u>\$ 30,181,117</u>	<u>\$ 31,978,061</u>	<u>\$ 28,300,939</u>	<u>\$ 1,186,593</u>	<u>\$ 6,301,362</u>	<u>\$ 5,491,563</u>
Employer net pension liability reported by Grand Haven Board of Light and Power **	\$ 6,141,039	\$ 12,039,809	\$ 11,524,695	\$ 4,196,831	\$ 4,941,117	\$ 7,520,756	\$ 4,450,113	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81%	69%	72%	80%	73%	73%	78%	97%	86%	88%
Covered employee payroll	\$ 11,071,127	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 2,164,742	\$ 2,084,285	\$ 2,774,545
Employer's net pension liability as a percentage of covered employee payroll	153%	261%	232%	188%	269%	305%	290%	55%	302%	198%

**Notes to schedule:**

\*\*The above schedule provides information for the City of Grand Haven plan as a whole through 2020 with the exception of this item.

The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan beginning in 2021.

Above data is based on a measurement date of December 31.

# GRAND HAVEN BOARD OF LIGHT AND POWER

## *DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS*

*FOR THE YEARS ENDED JUNE 30, 2015 through 2024*

Fiscal Year end	Actuarially determined contributions **	Contributions in relation to the actuarially determined contribution **	Contribution deficiency (excess) **	Covered employee payroll **	Contributions as a percentage of covered employee payroll **
6/30/2015	\$ 542,904	\$ 542,904	\$ -	\$ 4,672,250	12%
6/30/2016	582,225	582,225	-	4,689,604	12%
6/30/2017	688,049	688,049	-	5,733,742	12%
6/30/2018	657,368	5,657,368	(5,000,000)	4,265,218	133%
6/30/2019	525,540	1,525,540	(1,000,000)	3,771,656	40%
6/30/2020	525,804	753,552	(227,748)	3,188,749	24%
6/30/2021	960,000	4,960,000	(4,000,000)	3,692,923	134%
6/30/2022	832,788	1,324,320	(491,532)	2,351,628	56%
6/30/2023	991,534	2,991,534	(2,000,000)	2,239,798	134%
6/30/2024	699,996	864,988	(164,992)	2,774,545	31%

**Notes to schedule**

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	16 years
Asset valuation method	5 year smoothed (10 year smothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	7.0% (7.35 through 2020, 7.75% for 2015 through 2019)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

**Notes to schedule:**

\*\*The above schedule provides information for the City of Grand Haven plan as a whole through 2020 with the exception of this item.

The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan for 2021.

**GRAND HAVEN BOARD OF LIGHT AND POWER**

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

**FOR THE YEARS ENDED JUNE 30, 2017 through 2024**

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB liability</b>								
Service cost	\$ 52,122	\$ 49,554	\$ 42,889	\$ 46,820	\$ 43,640	\$ 15,611	\$ 14,854	\$ 13,823
Interest	456,376	456,247	556,550	623,499	593,625	113,978	78,633	72,607
Changes in benefit terms	-	-	-	(34,994)	-	-	-	-
Difference between expected and actual experience	79,952	1,015,790	141,760	(101,970)	(75,976)	(42,424)	44,149	610,120
Change on plan terms	-	-	-	-	-	(334,645)	-	-
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	110,853	12,160	20,699
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)	(224,869)
Other	-	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>52,855</b>	<b>1,174,403</b>	<b>826,899</b>	<b>27,870</b>	<b>(165,416)</b>	<b>(471,819)</b>	<b>(95,041)</b>	<b>492,380</b>
<b>Total OPEB liability, beginning of year</b>	<b>6,300,692</b>	<b>6,353,547</b>	<b>7,527,950</b>	<b>8,354,849</b>	<b>8,382,719</b>	<b>1,702,702</b>	<b>1,230,883</b>	<b>1,135,842</b>
<b>Total OPEB liability, end of year</b>	<b>\$ 6,353,547</b>	<b>\$ 7,527,950</b>	<b>\$ 8,354,849</b>	<b>\$ 8,382,719</b>	<b>\$ 8,217,303</b>	<b>\$ 1,230,883</b>	<b>\$ 1,135,842</b>	<b>\$ 1,628,222</b>
<b>Plan Fiduciary Net Position</b>								
Contributions-employer	\$ 500,000	\$ -	\$ 779,102	\$ 713,057	\$ 699,661	\$ -	\$ -	\$ -
Contributions/benefit payments made from general operating funds	535,595	639,638	-	-	-	335,192	244,837	224,869
Net Investment income	198,865	151,458	62,008	50,205	618,036	(54,370)	44,113	65,177
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)	(224,869)
Administrative expense	(4,014)	(4,917)	(4,396)	(3,939)	(4,546)	(687)	(1,117)	(1,391)
Other	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>694,851</b>	<b>146,541</b>	<b>57,612</b>	<b>46,266</b>	<b>613,490</b>	<b>(55,057)</b>	<b>42,996</b>	<b>63,786</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>1,253,420</b>	<b>1,948,271</b>	<b>2,094,812</b>	<b>2,152,424</b>	<b>2,198,690</b>	<b>647,015</b>	<b>591,958</b>	<b>634,954</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 1,948,271</b>	<b>\$ 2,094,812</b>	<b>\$ 2,152,424</b>	<b>\$ 2,198,690</b>	<b>\$ 2,812,180</b>	<b>\$ 591,958</b>	<b>\$ 634,954</b>	<b>\$ 698,740</b>
<b>Employer net OPEB liability</b>	<b>\$ 4,405,276</b>	<b>\$ 5,433,138</b>	<b>\$ 6,202,425</b>	<b>\$ 6,184,029</b>	<b>\$ 5,405,123</b>	<b>\$ 638,925</b>	<b>\$ 500,888</b>	<b>\$ 929,482</b>
Employer net OPEB liability reported by Grand Haven Board of Light and Power **	\$ 1,013,548	\$ 1,319,831	\$ 1,146,013	\$ 1,091,795	\$ 1,055,687	N/A	N/A	N/A
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	31%	28%	26%	26%	34%	48%	56%	43%
<b>Covered employee payroll</b>	\$ 11,180,895	\$ 5,433,138	\$ 5,833,306	\$ 4,286,167	\$ 4,228,786	\$ 1,187,543	\$ 1,097,102	\$ 2,218,649
<b>Employer's net OPEB liability as a percentage of covered employee payroll</b>	39%	100%	106%	144%	128%	54%	46%	42%

**Notes to schedule:**

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

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

The above data is based on a measurement date of June 30.

The above data is being accumulated prospectively until ten years of data is presented.



**GRAND HAVEN BOARD OF LIGHT AND POWER**

**DEFINED BENEFIT OPEB PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**FOR THE YEARS ENDED JUNE 30, 2017 through 2024**

Fiscal Year end	Actuarially determined contributions **	Contributions in relation to the actuarially determined contribution **	Contribution deficiency (excess) **	Covered employee payroll **	Contributions as a percentage of covered employee payroll **
6/30/2017	\$ 202,700	\$ 208,736	\$ (6,036)	\$ 4,398,937	5%
6/30/2018	215,813	215,813	-	3,280,409	7%
6/30/2019	212,789	212,789	-	3,041,327	7%
6/30/2020	273,794	280,815	(7,021)	1,738,293	16%
6/30/2021	251,488	212,119	39,369	1,720,867	12%
6/30/2022	240,636	335,192	(94,556)	1,187,543	28%
6/30/2023	123,449	244,837	(121,388)	1,097,102	22%
6/30/2024	119,876	224,869	(104,993)	2,218,649	10%

**Notes to schedule**

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

**SCHEDULE OF INVESTMENT RETURNS**

**FOR THE YEARS ENDED JUNE 30, 2017 through 2024**

Fiscal Year end	Annual money-weighted rate of return net of investment expense
6/30/2017	12.2%
6/30/2018	7.7%
6/30/2019	2.9%
6/30/2020	7.2%
6/30/2021	28.1%
6/30/2022	-4.4%
6/30/2023	7.2%
6/30/2024	9.8%

**Notes to schedule:**

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

The above data is being accumulated prospectively until ten years of data is presented.

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

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

## **INTERNAL CONTROL AND COMPLIANCE**



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

September 30, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Grand Haven Board of Light and Power, Grand Haven, Michigan (the Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 30, 2024.

#### **Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

**Purpose of this Report**

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

*Ordebold Haefner LLC*

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 19, 2024

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, September 19, 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 6:01 PM by Chairperson Westbrook.

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

**Absent:** None.

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

**24-14A** Director Welling, supported by Director Knoth, moved to add item 4A "Declare Vacancy and City Clerk Announcement" to the meeting agenda.

**Roll Call Vote:**

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

**24-14B** Director Welling, supported by Director Knoth, moved to approve the amended agenda.

**Roll Call Vote:**

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

**Pledge of Allegiance**

**Public Comment Period**

Jeffrey Miller, 1120 S Harbor Drive, commented on the level of public attendance at a recent City Council meeting. Miller encouraged the Board to begin its meetings at 7:30 pm.

**24-14C** Chairperson Westbrook announced the receipt of a September 18, 2024 resignation letter from Director Hendrick. Per the BLP bylaws, the Chairperson is accepting the resignation and is declaring the vacancy. The Board Secretary will provide notice to the City Clerk. Westbrook thanked Hendrick for her service on the Board.

City Clerk Maria Boersema announced the receipt of Andrea Hendrick's resignation from the Board on September 18, 2024. Applications to fill the vacant seat will be accepted until 5:00 pm on October 4, 2024 and interviews will be held the week of October 7. Council's appointed Director will hold the seat until the next regular election in November 2025.

**24-14D** Director Welling, supported by Director Knoth, moved to approve the consent agenda. The consent agenda includes:

- Approve the minutes of the August 12, 2024 Special Board Meeting

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 19, 2024

- Approve the minutes of the August 15, 2024 Regular Board Meeting
- Approve the minutes of the September 5, 2024 Special Board Meeting
- Receive and file the August Financial Statements, Power Supply and Retail Sales Dashboards
- Receive and File the August Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 8/30/2024
- Approve payment of bills in the amount of \$3,041,610.38 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$684,190.00 from the Renewal & Replacement Fund
- Approve confirming Purchase Order #23190 to Landis & Gyr in the amount of \$30,000 for the AMI annual software subscription
- Approve confirming Purchase Order #23175 to Premier Line Services in the amount of \$46,014 for fiscal year 2025 switchgear cleaning

**Roll Call Vote:**

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

**24-14E** Director Welling, supported by Director Knoth, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order #23161 to CDW in the amount of \$15,390 for replacement computers for the control room
- Purchase Order #23172 to Van Kam in the amount of \$12,393 for a dump trailer
- Purchase Order #23176 to Irby in the amount of \$15,652 for nine metering PT's for BLP stock
- Purchase Order #23185 to Alpine Power Systems in the amount of \$6,800 for 2024 battery maintenance
- Purchase Order #23191 to Verdantas in the amount of \$75,000 for engineering services for the Beechtree & Marion rebuild project
- Purchase Order #23192 to Verdantas in the amount of \$87,000 for engineering services for the Waverly & Eastern rebuild project

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 19, 2024

- Purchase Order #23193 to Verdantas in the amount of \$67,000 for engineering services for the Hospital & West Spring Lake Road rebuild project

The dump trailer associated with Purchase Order #23172 is not the low bid but is recommended by staff due to higher quality. GRP Engineering is now Verdantas.

**Roll Call Vote:**

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

**24-14F** Director Welling, supported by Director Knoth, moved to approve the ESP Amended and Restated Power Purchase Commitment Authorization as presented.

The Board approved an agreement in 2023 for an energy storage project, but the developer is facing challenges. MPPA and the developer have agreed to terminate the previous agreement and replace it with a firm capacity transaction at the same price. Staff recommends approval as the proposed solution eliminates development and operating performance risk and comes with greater financial support. As a ten year commitment, this will be presented to the City Council.

**Roll Call Vote:**

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

**24-14G** Director Welling, supported by Director Knoth, moved to approve the Progressive A&E proposal as presented.

If approved, this proposal will begin the engineering phases for improvements to be made to the Eaton Drive facility. The main components of the project include adding a locker room for our field workers and building a yard facility to replace lost storage space, exploring options to increase the Board room size for Board and all employee meetings, and adding an office space for HR functions.

**Roll Call Vote:**

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

**24-14H** The BLP previously obtained an air permit for the proposed project on Harbor Island. We were granted an 18-month extension on the permit, which is now expiring. Staff recommends the Board take no action, which would allow the permit to expire. If the Board desires local generation at another location in the future, we can apply for a new permit.

Chairperson Westbrook reminded the Board that survey results indicated 82% of residential customers, and 76.5% of commercial/industrial customers desire local generation. He agreed Harbor Island is not the right spot but feels local generation should be revisited in the future.

GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 19, 2024

**24-14I** Director Welling, supported by Director Knoth, moved to authorize staff to spend up to \$30,000 to purchase a single drum puller replacement.

The engine failed in the machine we own, which was a 1990's model. Staff is requesting pre-authorization to act if a replacement becomes available at auction. This is not a budgeted expense.

**Roll Call Vote:**

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

Motion carried.

**24-14J** The General Manager provided an update on the recent power outage and improvements that have been made since.

The BLP's website saw 100,000 hits during the event and crashed from the level of traffic. Our website host has adjusted settings to be able to handle this level of traffic in the future. The Outage Management website was working during the outage, but customers were not able access it via the BLP page. A slimmed down "launching pad" which requires less data has been created and can be deployed in place of the regular website if traffic levels are very high. When the power went out, our internal phone system rebooted. The battery back up system has been upgraded to prevent the lapse in availability that the reboot caused. The text message alert system is expected to be deployed soon. This will help reduce website and phone traffic and will help customers stay informed of their outage status.

**No formal action taken.**

**24-14K** Senior staff will be attending the MMEA fall conference October 1<sup>st</sup> through 3<sup>rd</sup> in Port Huron.

**No formal action taken.**

**24-14L** Director Crum, supported by Director Welling, moved to approve the Employment Agreement for Rob Shelley.

**Roll Call Vote:**

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

Motion carried.

**24-14M** The Board discussed Governance Training Lesson 8 "Developing a High Performance Board".

Director Knoth commented on the benefits of Board members possessing a diverse skillset. He appreciated the trainer's opinion that the best recruitment strategy is to be a well run Board with a good reputation.



GRAND HAVEN BOARD OF LIGHT AND POWER  
MINUTES  
SEPTEMBER 19, 2024

Director Welling commented on how long it can take to get up to speed as a new Board member. He feels any potential conflict of interests should be evaluated when the Council considers who to appoint to the vacant seat.

Director Crum feels the Board treats all customers the same, but would like to explore ways we could allow for input from representatives living outside of the City.

Chairperson Westbrook agreed the best recruitment plan is to be a well run Board. He felt his new member orientation process was a good experience and appreciated the informational binders and tours. He would like to see Board members get back to attending conferences.

**No formal action taken.**

**24-14N** The Board will watch Governance Training Lessons 9 and 10 for discussion at its October meeting.

**No formal action taken.**

**24-14O Other Business**

The General Manager reminded the Board that an anniversary celebration luncheon for Board members, employees and retirees is being held September 26<sup>th</sup>.

The General Manager congratulated BLP employee Trent for his promotion into the Apprentice Lineworker Program.

**Public Comment Period**

Jeffrey Miller, 1120 S Harbor Drive, encouraged the Board to hire a Public Information Officer to help get the BLP's story out into the community.

**Adjournment**

At 6:47 PM by motion of Director Knoth, supported by Director Welling, the September 19, 2024 Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin  
Secretary to the Board

DM

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

6B

	<u>SEPTEMBER 2024</u>	<u>SEPTEMBER 2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$23,897,609	\$19,567,925
ACCOUNTS RECEIVABLE	4,622,253	4,539,839
PREPAID	3,870	12,664
	28,523,732	24,120,428
<b>NON-CURRENT ASSETS</b>		
DEPOSITS HELD BY MPIA	10,627,506	8,900,909
DEPOSITS HELD BY MPPA	2,500,000	2,500,000
ADVANCE TO CITY OF GRAND HAVEN	592,985	684,496
MITIGATION FUND	14,689,030	13,783,297
2021A BOND MITIGATION FUND	1,943,268	2,372,184
2021A BOND CONSTRUCTION FUND	2,796,688	4,592,901
2021A BOND REDEMPTION FUND	1,920,274	1,897,722
	35,069,751	34,731,509
<b>CAPITAL ASSETS</b>		
CONSTRUCTION IN PROGRESS	793,105	1,941,396
PROPERTY, PLANT AND EQUIPMENT	68,381,811	66,525,483
LESS ACCUMULATED DEPRECIATION	(30,539,431)	(30,844,449)
	38,635,485	37,622,430
<b>TOTAL ASSETS</b>	<b>\$102,228,968</b>	<b>\$96,474,367</b>
<b>DEFERRED OUTFLOWS/(INFLOWS)</b>		
PENSION/OPEB RELATED	3,736,804	4,681,112
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLE	1,428,209	1,426,281
SERIES 2021A BOND CURRENT	2,480,185	2,489,665
ACCRUED PAYROLL LIABILITIES	169,286	233,150
CUSTOMER DEPOSITS	928,122	981,857
ACCRUED TRANSFER FUND	175,885	172,047
	5,181,687	5,303,000
<b>LONG TERM LIABILITIES</b>		
ASSET RETIREMENT OBLIGATION - MITIGATION	17,413,125	16,888,188
ACCRUED SICK AND PTO	265,817	287,829
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
	41,999,987	44,278,267
<b>TOTAL LIABILITIES</b>	47,181,674	49,581,267
<b>NET POSITION</b>		
BEGINNING OF THE YEAR	56,080,669	48,794,255
YTD INCREASE IN NET ASSETS	2,703,429	2,779,957
<b>NET POSITION</b>	58,784,098	51,574,212
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$105,965,772</b>	<b>\$101,155,479</b>

**GRAND HAVEN BOARD OF LIGHT AND POWER  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE MONTH OF SEPTEMBER 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
<b>Operating Revenue</b>									
Residential Sales	\$ 1,282,239	\$ 4,076,003	\$ 3,791,365	\$ 284,638	7.51%	\$ 1,217,104	\$ 3,932,064	\$ 143,939	3.66%
Commercial Sales	989,798	3,015,060	3,051,409	(36,349)	-1.19%	964,281	2,975,934	39,126	1.31%
Industrial Sales	1,022,892	3,056,364	3,460,226	(403,862)	-11.67%	1,046,911	3,280,727	(224,363)	-6.84%
Municipal Sales	104,035	318,422	290,289	28,133	9.69%	95,484	311,923	6,499	2.08%
Total Charges for Services	3,398,964	10,465,849	10,593,289	(127,440)	-1.20%	3,323,780	10,500,648	(34,799)	-0.33%
Street Lighting	28,080	84,097	84,000	97	0.12%	28,550	85,633	(1,536)	-1.79%
Other Revenue	23,373	252,916	74,900	178,016	237.67%	34,027	141,609	111,307	78.60%
<b>Total Operating Revenue</b>	<b>3,450,417</b>	<b>10,802,862</b>	<b>10,752,189</b>	<b>50,673</b>	<b>0.47%</b>	<b>3,386,357</b>	<b>10,727,890</b>	<b>74,972</b>	<b>0.70%</b>
<b>Operating Expenses</b>									
Net Purchased Power	1,503,812	5,756,596	5,846,901	(90,305)	-1.54%	1,327,233	5,434,973	321,623	5.92%
Distribution Operations	108,557	324,413	447,200	(122,787)	-27.46%	114,478	373,234	(48,821)	-13.08%
Distribution Maintenance	262,518	707,704	882,772	(175,068)	-19.83%	246,796	756,481	(48,777)	-6.45%
Energy Optimization	19,658	46,143	81,250	(35,107)	-43.21%	12,469	35,819	10,324	28.82%
Administration	255,591	705,482	780,634	(75,152)	-9.63%	206,482	692,659	12,823	1.85%
Legacy Pension Expense	14,720	44,943	125,000	(80,057)	-64.05%	41,645	127,573	(82,630)	-
<b>Operating Expenses Before Depreciation</b>	<b>2,164,856</b>	<b>7,585,281</b>	<b>8,163,757</b>	<b>(578,476)</b>	<b>-7.09%</b>	<b>1,949,103</b>	<b>7,420,739</b>	<b>164,542</b>	<b>2.22%</b>
<b>Operating Changes Before Depreciation</b>	<b>1,285,561</b>	<b>3,217,581</b>	<b>2,588,432</b>	<b>629,149</b>	<b>24.31%</b>	<b>1,437,254</b>	<b>3,307,151</b>	<b>(89,570)</b>	<b>-2.71%</b>
Depreciation	186,487	551,304	545,203	6,101	1.12%	175,263	525,750	25,554	4.86%
<b>Operating Changes</b>	<b>1,099,074</b>	<b>2,666,277</b>	<b>2,043,229</b>	<b>623,048</b>	<b>30.49%</b>	<b>1,261,991</b>	<b>2,781,401</b>	<b>(115,124)</b>	<b>-4.14%</b>
Nonoperating Revenue/(Expenses)	82,352	297,825	154,554	143,271	92.70%	81,056	261,393	36,432	13.94%
Asset Retirement Expense	-	-	-	-	-	-	-	-	-
Environmental Surcharge	90,645	280,868	249,999	30,869	12.35%	88,603	280,502	366	0.13%
<b>Non-Operating Revenue/(Expenses)</b>	<b>172,997</b>	<b>578,693</b>	<b>404,553</b>	<b>174,140</b>	<b>43.05%</b>	<b>169,659</b>	<b>541,895</b>	<b>36,798</b>	<b>6.79%</b>
Transfers to City of Grand Haven	(175,885)	(541,541)	(529,664)	(11,877)	2.24%	(172,047)	(543,339)	1,798	-0.33%
<b>Increase in Net Assets</b>	<b>\$ 1,096,186</b>	<b>\$ 2,703,429</b>	<b>\$ 1,918,118</b>	<b>\$ 785,311</b>	<b>40.94%</b>	<b>\$ 1,259,603</b>	<b>\$ 2,779,957</b>	<b>\$ (76,528)</b>	<b>-2.75%</b>

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

<b>Power Supply for Month (kWh)</b>	<b><u>FY2025</u></b>		<b><u>FY2024</u></b>	
Net Purchased (Sold) Power	17,690,907	74.04%	18,480,446	78.83%
Renewable Energy Purchases	6,202,283	25.96%	4,962,384	21.17%
<b>Monthly Power Supply Total</b>	<b>23,893,190</b>		<b>23,442,830</b>	
Days in Month	30		30	
Average Daily kWh Supply for Month	<b>796,440</b>		<b>781,428</b>	
% Change	1.92%			

<b>Power Supply FYTD</b>	<b><u>FY2025</u></b>		<b><u>FY2024</u></b>	
Net Purchased (Sold) Power	61,406,378	76.22%	63,229,913	78.74%
Renewable Energy Purchases	19,162,376	23.78%	17,070,288	21.26%
<b>FYTD Power Supply Total</b>	<b>80,568,754</b>		<b>80,300,201</b>	
FYTD Days (from 7/1)	92		92	
<b>Average Daily kWh Supply FYTD</b>	<b>875,747</b>		<b>872,828</b>	
% Change	0.33%			

	<b><u>FY2025</u></b>		<b><u>FY2024</u></b>
Net Purchased Power Expenses	\$5,756,596		\$5,434,973
% Change	5.92%		
<b>Net Energy Expenses per kWh Supplied to System FYTD</b>	<b>\$0.07145</b>		<b>\$0.06768</b>
% Change	5.56%		

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

<u>Monthly Retail Customers</u>	<u>FY2025</u>		<u>FY2024</u>	
Residential	13,300	87.57%	13,084	87.35%
Commercial	1,646	10.84%	1,651	11.02%
Industrial	127	0.84%	128	0.85%
Municipal	114	0.75%	115	0.77%
<b>Total</b>	<b>15,187</b>		<b>14,978</b>	
<b><u>Monthly Energy Sold (kWh)</u></b>				
Residential	8,906,589	34.29%	8,392,360	33.02%
Commercial	7,352,416	28.30%	7,077,870	27.85%
Industrial	8,752,525	33.69%	9,038,699	35.57%
Municipal	899,588	3.46%	814,823	3.21%
Retail Monthly Total	25,911,118	99.74%	25,323,752	99.65%
Street Lighting	66,457	0.26%	88,956	0.35%
<b>Total Monthly Energy Sold</b>	<b>25,977,575</b>		<b>25,412,708</b>	
Days in Primary Meter Cycle	31		31	
<b>kWh Sold per Day</b>	<b>837,986</b>		<b>819,765</b>	
% Change	2.22%			

<u>Energy Sold (kWh) FYTD</u>	<u>FY2025</u>		<u>FY2024</u>	
Residential	28,710,795	35.67%	27,274,610	33.91%
Commercial	22,613,692	28.10%	21,989,215	27.34%
Industrial	26,194,183	32.55%	28,262,849	35.14%
Municipal	2,764,911	3.44%	2,632,998	3.27%
Retail Energy Sold Total FYTD	80,283,581	99.75%	80,159,672	99.67%
Street Lighting	198,882	0.25%	266,927	0.33%
<b>Energy Sold FYTD</b>	<b>80,482,463</b>		<b>80,426,599</b>	
Weighted Days in Meter Cycles FYTD	92		92	
<b>kWh Sold per Day</b>	<b>874,809</b>		<b>874,202</b>	
% Change	0.07%			

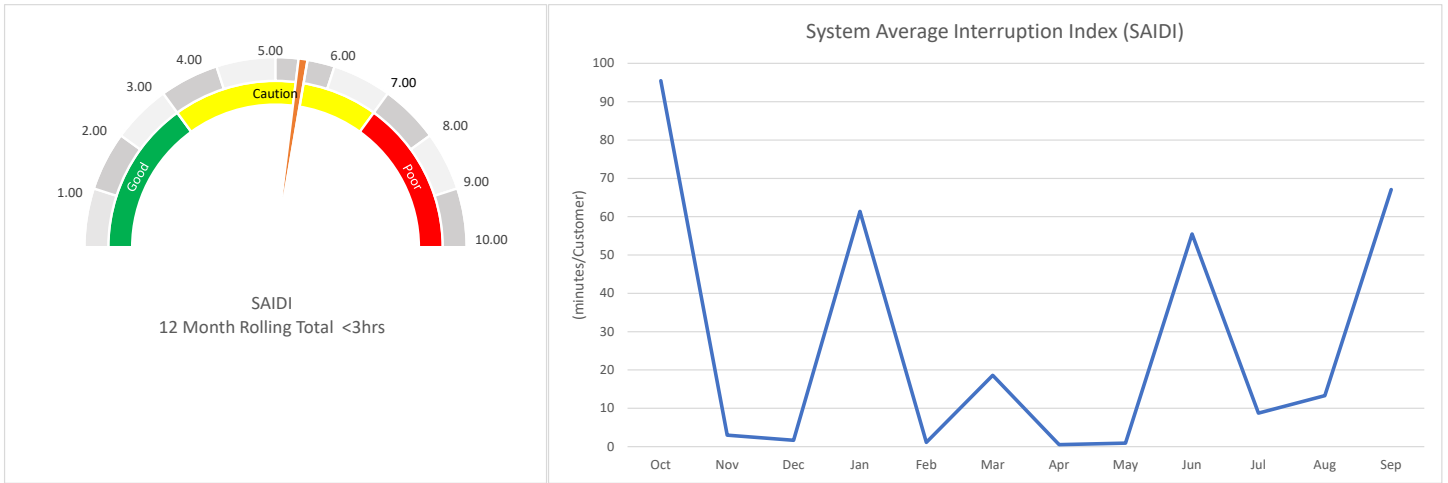
<u>Sales Revenue FYTD net ERS</u>	<u>FY2025</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2024</u>	<u>Average Rate (\$/kWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$4,076,003	\$0.1420	\$3,932,064	\$0.1442	-1.52%
Commercial	\$3,015,060	\$0.1333	\$2,975,934	\$0.1353	-1.48%
Industrial	\$3,056,364	\$0.1167	\$3,280,727	\$0.1161	0.52%
Municipal	\$318,422	\$0.1152	\$311,923	\$0.1185	-2.79%
<b>Retail Sales Revenue FYTD</b>	<b>\$10,465,849</b>	<b>\$0.1304</b>	<b>\$10,500,648</b>	<b>\$0.1310</b>	<b>-0.49%</b>
Street Lighting	\$84,097		\$85,633		
<b>Total Sales Revenue FYTD (Excl. Wholesale)</b>	<b>\$10,549,946</b>	<b>\$0.1311</b>	<b>\$10,586,282</b>	<b>\$0.1316</b>	

	<u>FY2025</u>	<u>FY2024</u>
Approx. Distribution Losses FYTD	0.11%	-0.16%
<b>Net Energy Expenses/kWh Sold FYTD</b>	<b>\$0.07153</b>	<b>\$0.06758</b>
% Change	5.84%	

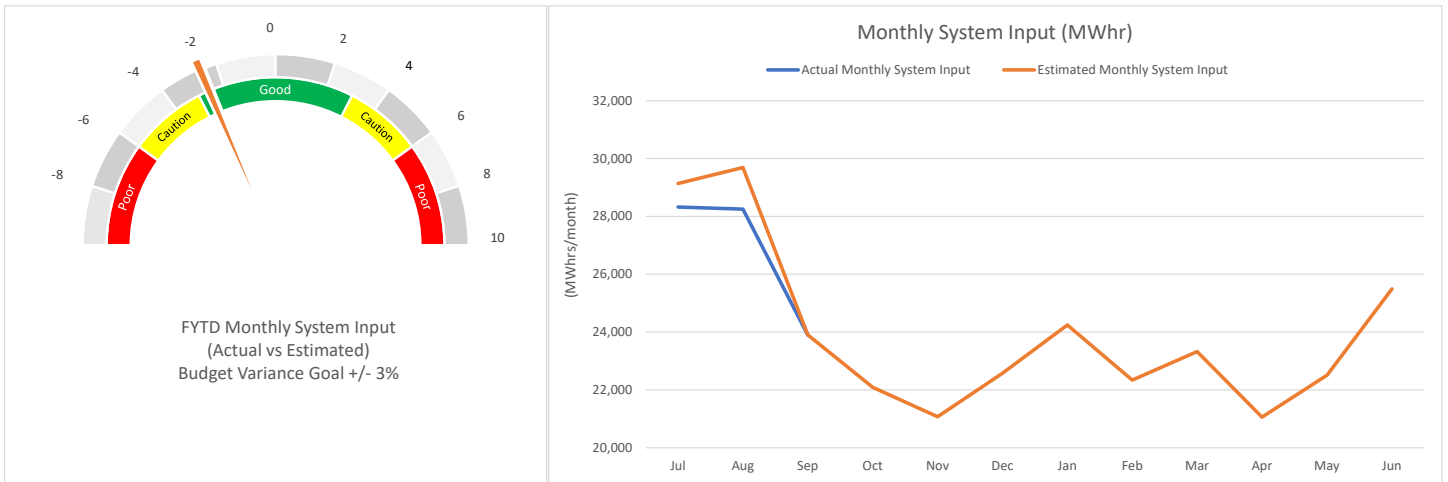
# GHBLP Key Performance Indicators

October 10, 2024

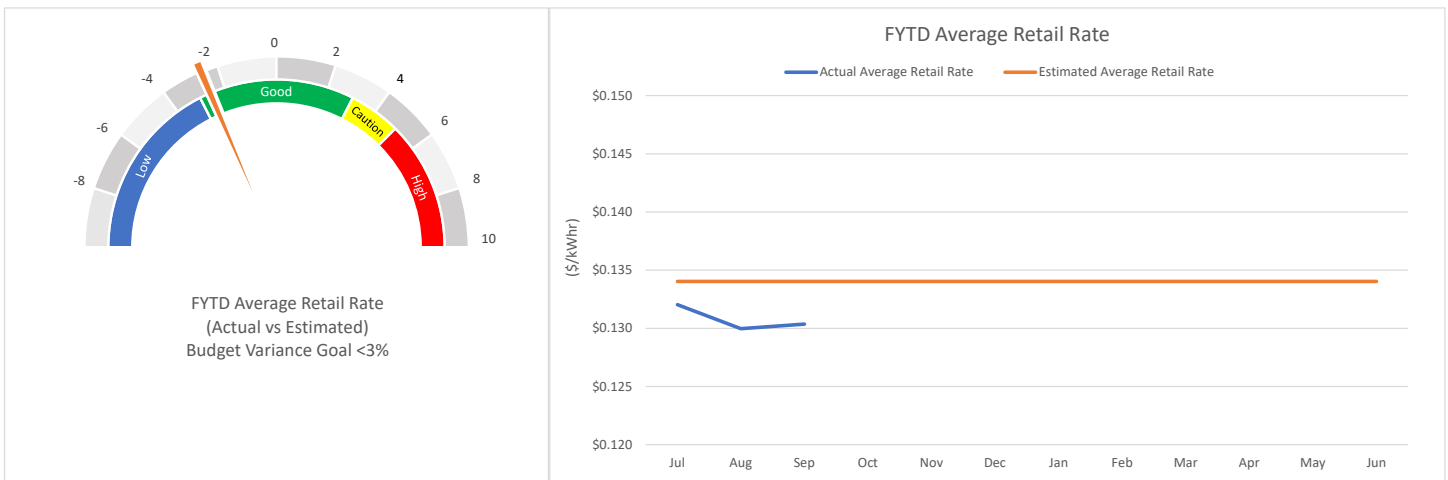
## 1) Reliability



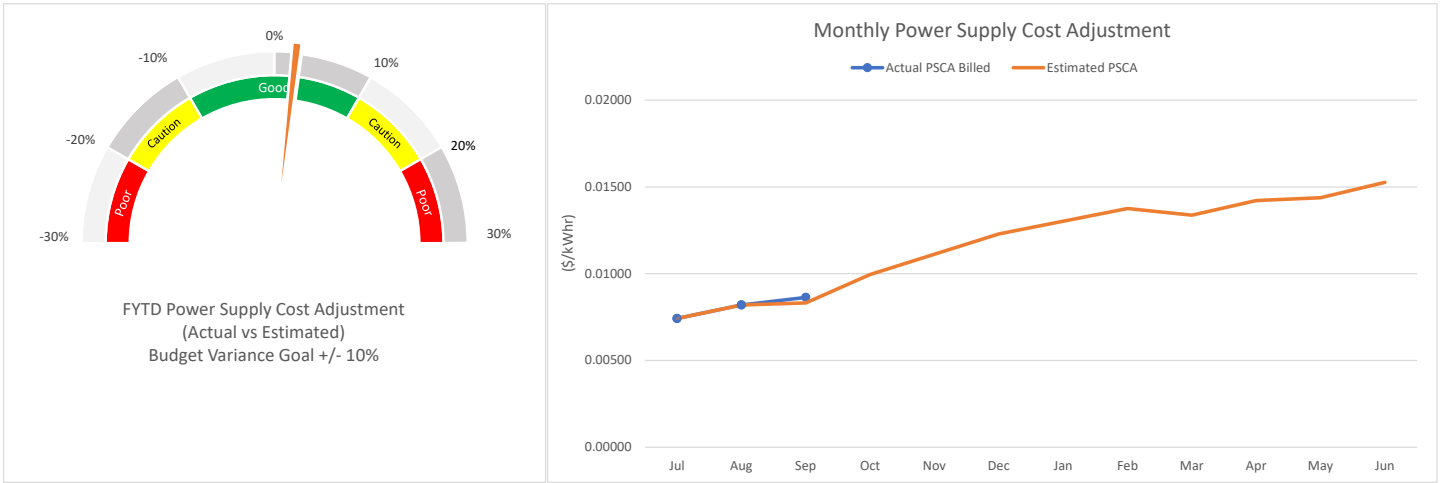
## 2) Power Supply



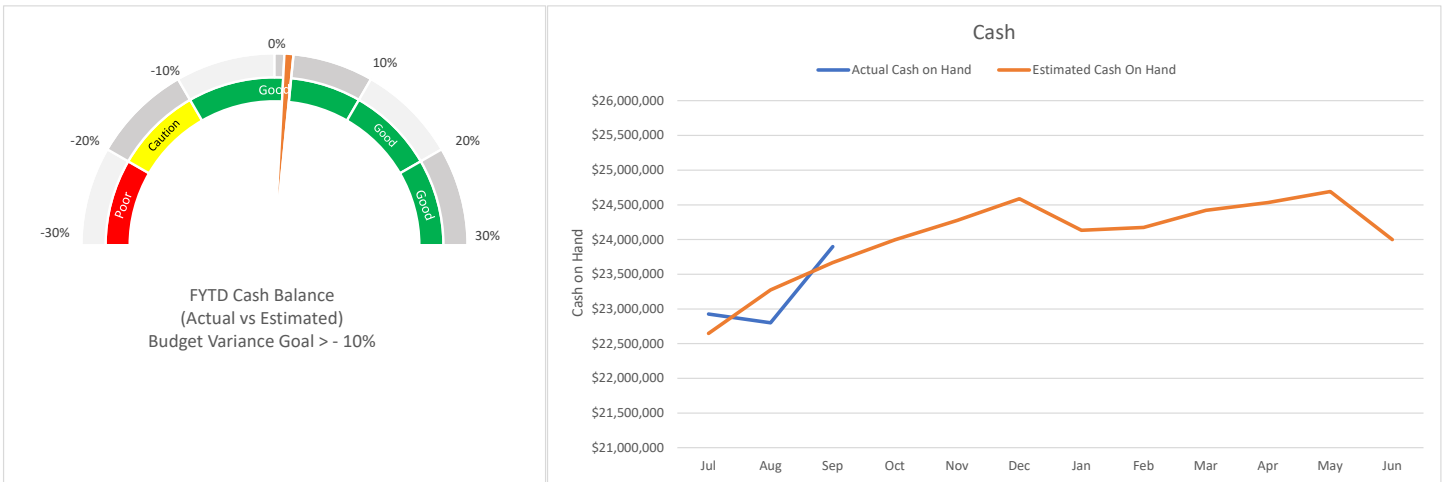
## 3) Average Retail Revenue per kWh



#### 4) Rates/PSCA



#### 5) Financial



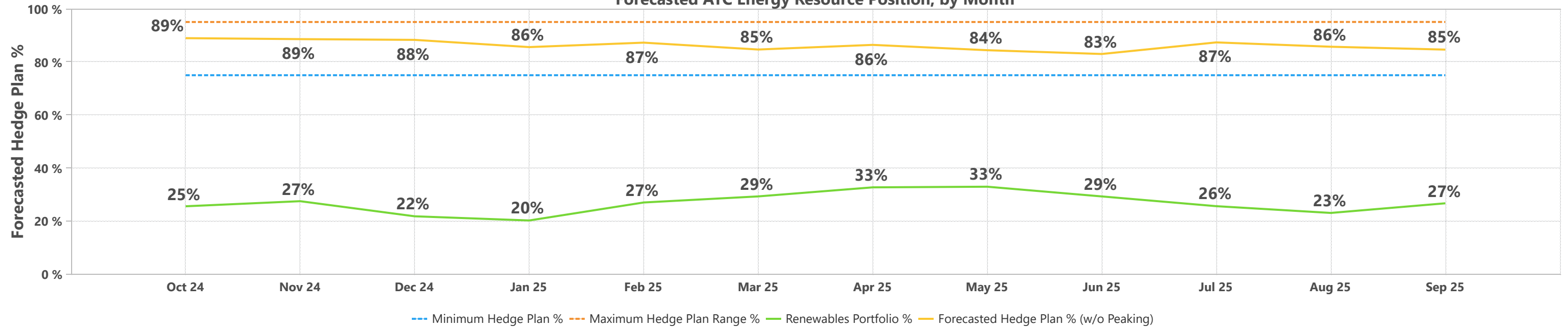
GRAN is forecasted to have an average of 86% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 27% towards load. Total Resources are forecasted to cost an average of \$50.19 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$43.15 per MWh. This results in a Total Forecasted Power Supply weighted average cost of \$49.85 over the upcoming 12 months.

### Forecasted Prompt 12 Months Energy Resource Position for GRAN

Power Supply, MWh	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
<b>Total Resources, MWh</b>	<b>19,785</b>	<b>18,650</b>	<b>19,923</b>	<b>20,496</b>	<b>19,236</b>	<b>19,535</b>	<b>18,066</b>	<b>19,140</b>	<b>21,858</b>	<b>25,230</b>	<b>25,725</b>	<b>20,262</b>
<b>Project Assets</b>	<b>1,865</b>	<b>1,818</b>	<b>1,810</b>	<b>1,845</b>	<b>1,665</b>	<b>1,894</b>	<b>1,811</b>	<b>1,887</b>	<b>1,717</b>	<b>1,744</b>	<b>1,611</b>	<b>1,624</b>
Landfill Project	1,865	1,818	1,810	1,845	1,665	1,894	1,811	1,887	1,717	1,744	1,611	1,624
<b>Contracted Power Supply</b>	<b>17,920</b>	<b>16,832</b>	<b>18,113</b>	<b>18,651</b>	<b>17,572</b>	<b>17,641</b>	<b>16,256</b>	<b>17,252</b>	<b>20,141</b>	<b>23,485</b>	<b>24,113</b>	<b>18,638</b>
Contracted ESP Renewable PPAs	3,803	3,952	3,086	2,975	4,269	4,847	5,011	5,567	5,977	5,628	5,283	4,747
Contracted Bilateral Energy Transactions	14,117	12,880	15,026	15,676	13,302	12,794	11,245	11,686	14,165	17,858	18,830	13,891

Total Power Supply	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
Forecasted Hedge Plan % (w/o Peaking)	89%	89%	88%	86%	87%	85%	86%	84%	83%	87%	86%	85%
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 %	25%	27%	22%	20%	27%	29%	33%	33%	29%	26%	23%	27%
Forecasted Load	(22,258)	(21,069)	(22,578)	(23,968)	(22,061)	(23,091)	(20,922)	(22,693)	(26,362)	(28,904)	(30,034)	(23,960)
Forecasted Market Balancing, MWh	(2,473)	(2,419)	(2,655)	(3,471)	(2,825)	(3,556)	(2,855)	(3,554)	(4,504)	(3,674)	(4,309)	(3,698)
Forecasted Hedge % (w/ Peaking)	89%	89%	88%	86%	87%	85%	86%	84%	83%	87%	86%	85%

Forecasted ATC Energy Resource Position, by Month



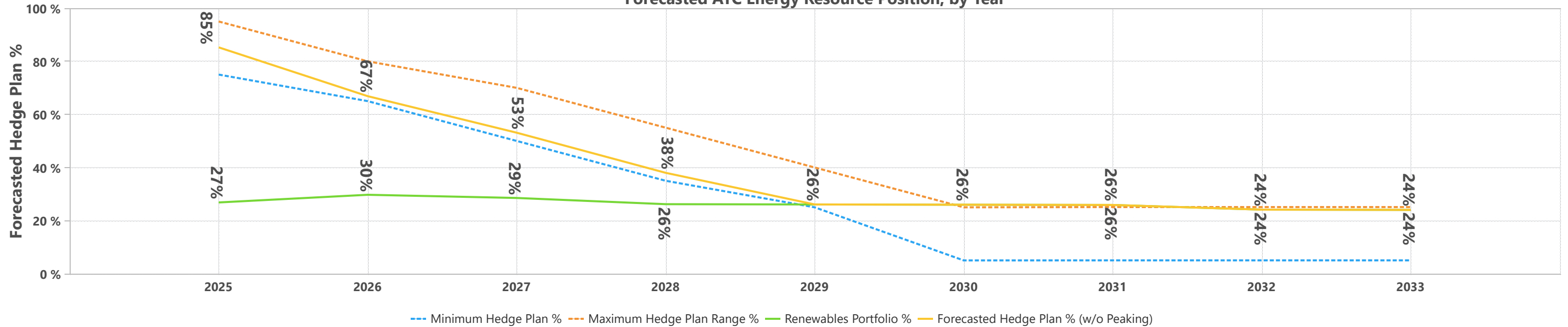


## Forecasted Outer Years Energy Resource Position for GRAN

Power Supply, MWh	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Total Resources, MWh</b>	<b>245,455</b>	<b>192,700</b>	<b>153,192</b>	<b>109,712</b>	<b>75,399</b>	<b>75,209</b>	<b>75,032</b>	<b>70,041</b>	<b>69,831</b>
<b>Project Assets</b>	<b>21,011</b>	<b>20,195</b>	<b>14,008</b>	<b>7,493</b>	<b>7,493</b>	<b>7,491</b>	<b>7,492</b>	<b>2,654</b>	<b>2,654</b>
Landfill Project	21,011	20,195	14,008	7,493	7,493	7,491	7,492	2,654	2,654
<b>Contracted Power Supply</b>	<b>224,445</b>	<b>172,505</b>	<b>139,184</b>	<b>102,219</b>	<b>67,906</b>	<b>67,718</b>	<b>67,540</b>	<b>67,386</b>	<b>67,177</b>
Contracted ESP Renewable PPAs	56,257	65,464	68,276	68,120	67,906	67,718	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	(287,907)	(288,168)	(288,462)	(288,769)	(289,133)	(289,502)	(289,864)	(290,221)	(290,600)
Forecasted Market Balancing, MWh	(42,451)	(95,468)	(135,271)	(179,057)	(213,734)	(214,293)	(214,833)	(220,181)	(220,769)
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.

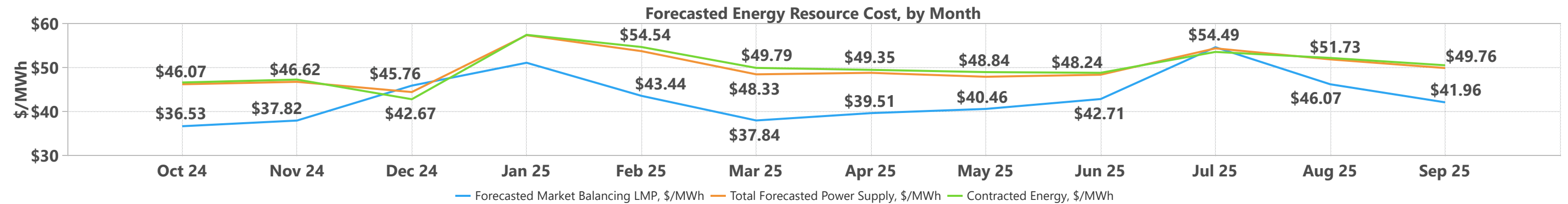
Power Supply \$'s	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
<b>Total Resources, \$'s</b>	<b>(\$919,462)</b>	<b>(\$879,113)</b>	<b>(\$850,016)</b>	<b>(\$1,174,621)</b>	<b>(\$1,049,240)</b>	<b>(\$972,619)</b>	<b>(\$891,497)</b>	<b>(\$934,708)</b>	<b>(\$1,063,869)</b>	<b>(\$1,347,927)</b>	<b>(\$1,339,158)</b>	<b>(\$1,020,937)</b>
<b>Project Assets</b>	<b>(\$213,074)</b>	<b>(\$208,068)</b>	<b>(\$76,886)</b>	<b>(\$223,323)</b>	<b>(\$202,454)</b>	<b>(\$217,101)</b>	<b>(\$218,842)</b>	<b>(\$219,237)</b>	<b>(\$201,128)</b>	<b>(\$199,711)</b>	<b>(\$200,900)</b>	<b>(\$203,568)</b>
Landfill Project	(\$213,074)	(\$208,068)	(\$76,886)	(\$223,323)	(\$202,454)	(\$217,101)	(\$218,842)	(\$219,237)	(\$201,128)	(\$199,711)	(\$200,900)	(\$203,568)
<b>Contracted Power Supply</b>	<b>(\$706,388)</b>	<b>(\$671,045)</b>	<b>(\$773,130)</b>	<b>(\$951,298)</b>	<b>(\$846,786)</b>	<b>(\$755,518)</b>	<b>(\$672,654)</b>	<b>(\$715,471)</b>	<b>(\$862,741)</b>	<b>(\$1,148,215)</b>	<b>(\$1,138,259)</b>	<b>(\$817,369)</b>
Contracted ESP Renewable PPAs	(\$170,836)	(\$179,061)	(\$140,869)	(\$138,019)	(\$196,276)	(\$221,807)	(\$228,478)	(\$250,518)	(\$278,887)	(\$261,706)	(\$245,965)	(\$226,918)
Contracted Bilateral Energy Transactions	(\$535,552)	(\$491,984)	(\$632,261)	(\$813,279)	(\$650,510)	(\$533,711)	(\$444,177)	(\$464,952)	(\$583,854)	(\$886,509)	(\$892,294)	(\$590,450)

Locational Basis, \$'s	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
Locational Basis (Projects)	(\$52)	(\$808)	\$14	(\$1,475)	(\$1,391)	(\$1,299)	(\$603)	(\$502)	(\$968)	(\$574)	(\$920)	(\$974)
Locational Basis (Contracted Power Supply)	(\$15,615)	(\$10,885)	(\$28,674)	(\$18,508)	(\$9,264)	(\$7,461)	(\$13,347)	(\$5,163)	(\$14,559)	(\$18,897)	(\$14,965)	(\$15,180)

Power Supply \$/MWh	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
<b>Power Supply \$/MWh</b>												
<b>Project Assets</b>												
Landfill Project	\$114.24	\$114.45	\$42.48	\$121.05	\$121.61	\$114.64	\$120.87	\$116.16	\$117.16	\$114.49	\$124.69	\$125.34
<b>Contracted Power Supply</b>												
Contracted ESP Renewable PPAs	\$44.92	\$45.31	\$45.64	\$46.39	\$45.97	\$45.76	\$45.59	\$45.00	\$46.66	\$46.50	\$46.56	\$47.81
Contracted Bilateral Energy Transactions	\$37.94	\$38.20	\$42.08	\$51.88	\$48.90	\$41.71	\$39.50	\$39.79	\$41.22	\$49.64	\$47.39	\$42.51

Locational Basis, \$/MWh	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
Locational Basis (Projects)	\$0.03	\$0.44	(\$0.01)	\$0.80	\$0.84	\$0.69	\$0.33	\$0.27	\$0.56	\$0.33	\$0.57	\$0.60
Locational Basis (Contracted Power Supply)	\$0.87	\$0.65	\$1.58	\$0.99	\$0.53	\$0.42	\$0.82	\$0.30	\$0.72	\$0.80	\$0.62	\$0.81

Total Power Supply	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
Forecasted Market Balancing LMP, \$/MWh	\$36.53	\$37.82	\$45.76	\$50.96	\$43.44	\$37.84	\$39.51	\$40.46	\$42.71	\$54.49	\$46.07	\$41.96
Forecasted Market Balancing LMP, \$'s	(\$90,340)	(\$91,469)	(\$121,495)	(\$176,901)	(\$122,712)	(\$134,537)	(\$112,796)	(\$143,785)	(\$192,348)	(\$200,202)	(\$198,528)	(\$155,162)
Total Forecasted Power Supply, \$/MWh	\$46.07	\$46.62	\$44.30	\$57.22	\$53.61	\$48.33	\$48.67	\$47.77	\$48.24	\$54.23	\$51.73	\$49.76
Total Forecasted Power Supply Costs, \$'s	(\$1,025,469)	(\$982,275)	(\$1,000,171)	(\$1,371,505)	(\$1,182,606)	(\$1,115,916)	(\$1,018,242)	(\$1,084,158)	(\$1,271,744)	(\$1,567,600)	(\$1,553,571)	(\$1,192,253)



## 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.

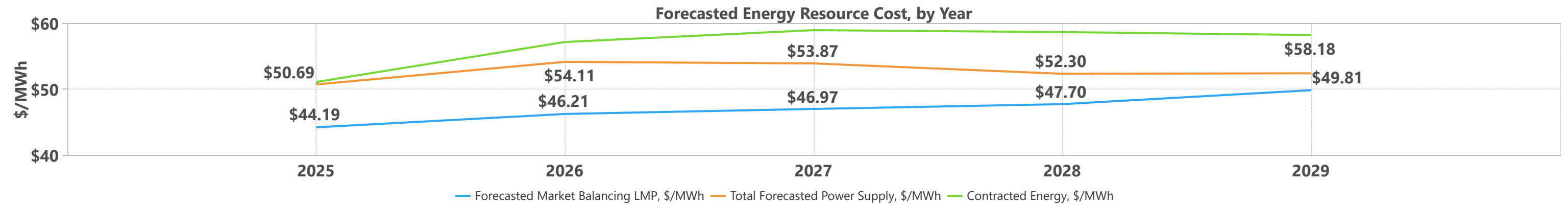
Power Supply \$'s	2025	2026	2027	2028	2029
<b>Total Resources, \$'s</b>	<b>(\$12,532,229)</b>	<b>(\$11,007,812)</b>	<b>(\$9,025,219)</b>	<b>(\$6,431,788)</b>	<b>(\$4,386,675)</b>
<b>Project Assets</b>	<b>(\$2,388,641)</b>	<b>(\$2,366,171)</b>	<b>(\$1,669,909)</b>	<b>(\$924,838)</b>	<b>(\$948,028)</b>
Landfill Project	(\$2,388,641)	(\$2,366,171)	(\$1,669,909)	(\$924,838)	(\$948,028)
<b>Contracted Power Supply</b>	<b>(\$10,143,588)</b>	<b>(\$8,641,640)</b>	<b>(\$7,355,310)</b>	<b>(\$5,506,949)</b>	<b>(\$3,438,646)</b>
Contracted ESP Renewable PPAs	(\$2,618,058)	(\$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)	(\$9,666)	(\$10,371)	(\$10,550)	(\$2,067)	(\$2,022)
Locational Basis (Contracted Power Supply)	(\$176,538)	(\$163,451)	(\$150,403)	(\$129,167)	(\$108,450)

Power Supply \$/MWh	2025	2026	2027	2028	2029
<b>Power Supply \$/MWh</b>					
<b>Project Assets</b>					
Landfill Project	\$113.69	\$117.16	\$119.22	\$123.43	\$126.52
<b>Contracted Power Supply</b>					
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)	\$0.46	\$0.51	\$0.75	\$0.28	\$0.27
Locational Basis (Contracted Power Supply)	\$0.79	\$0.95	\$1.08	\$1.26	\$1.60

Total Power Supply	2025	2026	2027	2028	2029
Forecasted Market Balancing LMP, \$/MWh	\$44.19	\$46.21	\$46.97	\$47.70	\$49.81
Forecasted Market Balancing LMP, \$'s	(\$1,875,780)	(\$4,411,539)	(\$6,353,833)	(\$8,540,702)	(\$10,646,702)
Total Forecasted Power Supply, \$/MWh	\$50.69	\$54.11	\$53.87	\$52.30	\$58.18
Total Forecasted Power Supply Costs, \$'s	(\$14,594,213)	(\$15,593,174)	(\$15,540,004)	(\$15,103,724)	(\$15,143,849)



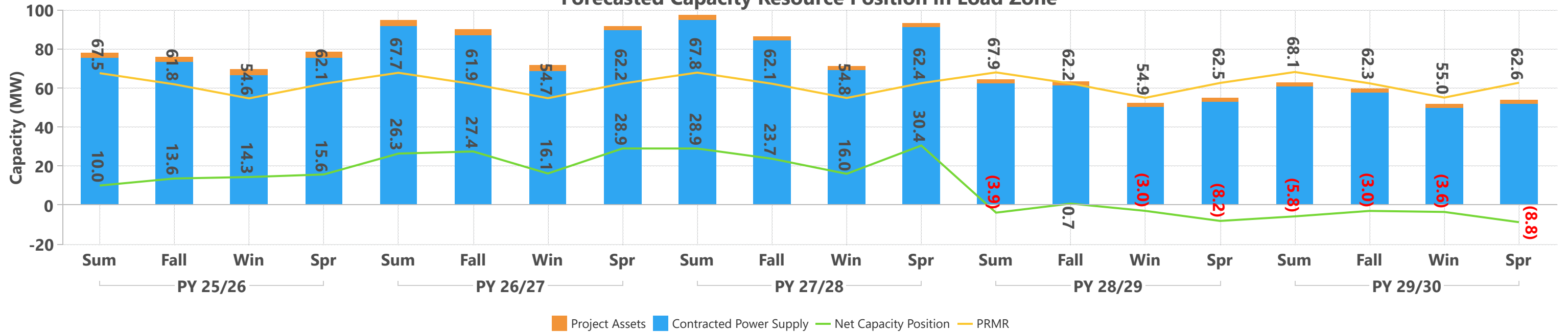
## Forecasted Outer Years Capacity Resource Position for GRAN

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
<b>Net Capacity Position</b>	<b>10.0</b>	<b>13.6</b>	<b>14.3</b>	<b>15.6</b>	<b>26.3</b>	<b>27.4</b>	<b>16.1</b>	<b>28.9</b>	<b>28.9</b>	<b>23.7</b>	<b>16.0</b>	<b>30.4</b>	<b>(3.9)</b>	<b>0.7</b>	<b>(3.0)</b>	<b>(8.2)</b>	<b>(5.8)</b>	<b>(3.0)</b>	<b>(3.6)</b>	<b>(8.8)</b>
<b>Zone 7</b>	<b>10.0</b>	<b>13.6</b>	<b>14.3</b>	<b>15.6</b>	<b>26.3</b>	<b>27.4</b>	<b>16.1</b>	<b>28.9</b>	<b>28.9</b>	<b>23.7</b>	<b>16.0</b>	<b>30.4</b>	<b>(3.9)</b>	<b>0.7</b>	<b>(3.0)</b>	<b>(8.2)</b>	<b>(5.8)</b>	<b>(3.0)</b>	<b>(3.6)</b>	<b>(8.8)</b>
<b>Contracted Power Supply</b>	<b>75.4</b>	<b>73.3</b>	<b>66.9</b>	<b>75.7</b>	<b>92.0</b>	<b>87.3</b>	<b>68.8</b>	<b>89.7</b>	<b>95.2</b>	<b>84.3</b>	<b>69.3</b>	<b>91.4</b>	<b>62.5</b>	<b>61.4</b>	<b>50.4</b>	<b>52.8</b>	<b>60.8</b>	<b>57.8</b>	<b>50.0</b>	<b>52.3</b>
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
<b>Planning Reserve Margin Requirement</b>	<b>(67.5)</b>	<b>(61.8)</b>	<b>(54.6)</b>	<b>(62.1)</b>	<b>(67.7)</b>	<b>(61.9)</b>	<b>(54.7)</b>	<b>(62.2)</b>	<b>(67.8)</b>	<b>(62.1)</b>	<b>(54.8)</b>	<b>(62.4)</b>	<b>(67.9)</b>	<b>(62.2)</b>	<b>(54.9)</b>	<b>(62.5)</b>	<b>(68.1)</b>	<b>(62.3)</b>	<b>(55.0)</b>	<b>(62.6)</b>
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)
<b>Project Assets</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
Landfill Project	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	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.
<b>Total Net Capacity Bilats</b>	<b>(64.0)</b>	<b>(\$3,242,400)</b>	<b>\$4.22</b>	<b>(73.6)</b>	<b>(\$3,787,992)</b>	<b>\$4.29</b>	<b>(74.5)</b>	<b>(\$3,827,519)</b>	<b>\$4.28</b>	<b>(52.0)</b>	<b>(\$2,971,479)</b>	<b>\$4.76</b>	<b>(51.2)</b>	<b>(\$2,928,117)</b>	<b>\$4.77</b>
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
<b>Total Net Capacity Position</b>	<b>10.0</b>	<b>\$690,000</b>	<b>(\$2,552,400)</b>	<b>16.1</b>	<b>\$1,110,900</b>	<b>(\$2,677,092)</b>	<b>16.0</b>	<b>\$1,104,000</b>	<b>(\$2,723,519)</b>	<b>(8.2)</b>	<b>(\$585,480)</b>	<b>(\$3,556,959)</b>	<b>(8.8)</b>	<b>(\$628,320)</b>	<b>(\$3,556,437)</b>
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



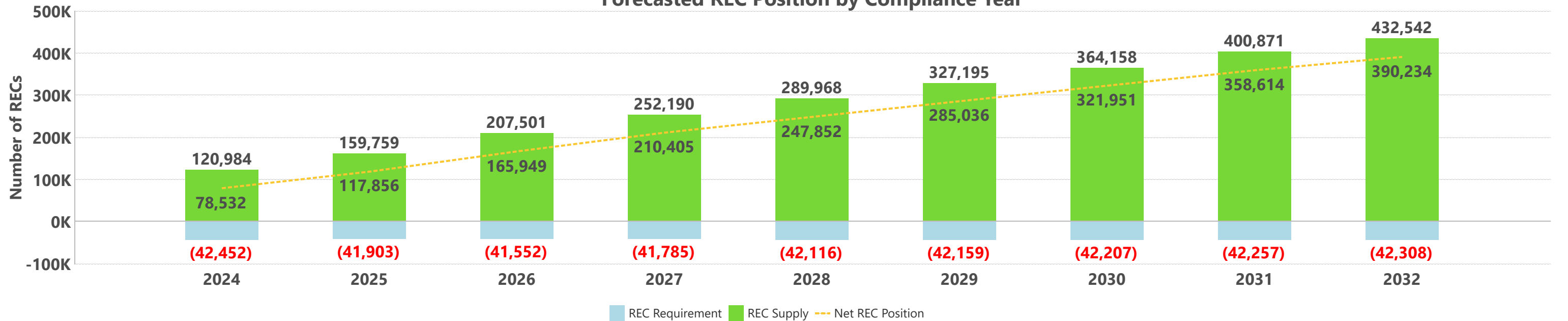
## Forecasted Renewable Energy Credit (REC) Position for GRAN

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.

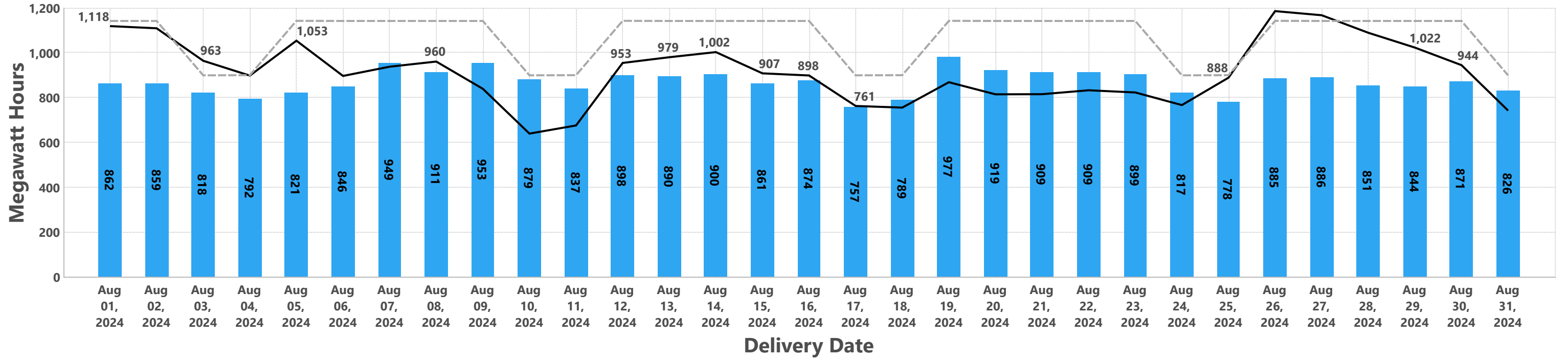
Compliance Year	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Net REC Position</b>	<b>78,532</b>	<b>117,856</b>	<b>165,949</b>	<b>210,405</b>	<b>247,852</b>	<b>285,036</b>	<b>321,951</b>	<b>358,614</b>	<b>390,234</b>
Available Banked RECs	46,017	78,532	117,856	165,949	210,405	247,852	285,036	321,951	358,614
Hedge Policy REC Requirement	(42,452)	(41,903)	(41,552)	(41,785)	(42,116)	(42,159)	(42,207)	(42,257)	(42,308)
Assembly Solar	9,893	10,647	10,601	10,543	10,490	10,442	10,383	10,331	10,282
Assembly Solar Phase II	8,156	8,822	8,790	8,741	8,695	8,655	8,608	8,562	8,525
Beebe	5,735	5,803	5,801	5,803	5,801	5,801	5,802	5,803	5,804
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	11,316	13,789	13,760	13,714	13,672	13,629	13,587	13,542	13,507
Landfill Project (EDL)	17,490	16,135	15,330	9,143	2,640	2,645	2,644	2,644	2,640
Landfill Project (NANR)	5,183	4,839	4,839	4,839	4,839	4,839	4,837	4,837	
Pegasus	17,195	17,544	17,546	17,548	17,550	17,549	17,542	17,544	17,549
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)	(279,355)	(277,011)	(278,566)	(280,770)	(281,063)	(281,380)	(281,712)	(282,056)
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)	(41,903)	(41,552)	(41,785)	(42,116)	(42,159)	(42,207)	(42,257)	(42,308)
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

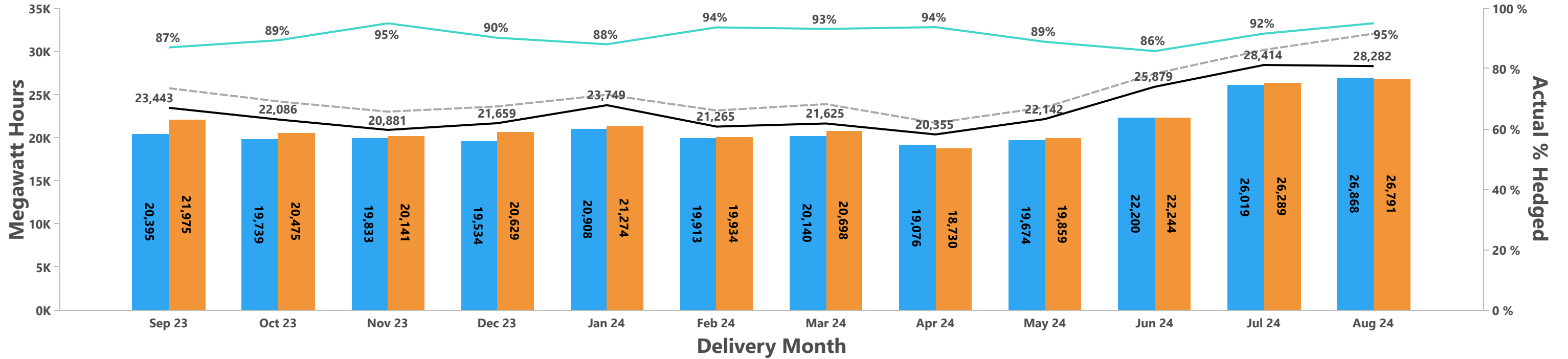


### Daily Actual Lookback for GRAN



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

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6. B. The BLP Financial Statements and Dashboards for the month ending September 30, 2024, are provided for your information. These financial statements represent the BLP’s financial position through 25% of the fiscal year.

**INCOME STATEMENT**

<b>Income Statement Budget Variance</b>	
	<b>over(under)</b>
Total Charges for Service	\$ (127,343)
Other Revenue	178,016
	50,673
Purchased Power	(90,305)
Departments Salary and Fringe	(234,285)
Departments Other	(138,722)
Other	(115,164)
	(578,476)
Depreciation	6,101
Non-Operating Revenue (Expenses)	174,140
Transfers to City of Grand Haven	11,877
Increase in Net Assets	<b>\$ 785,311</b>

**Operating revenues** are at 28.45% of annual budgeted revenues. The primary driver in the revenue budgeted variance is lower than anticipated Industrial Sales. Overall Year-to-Date Kwhs are 1.58% above budget and Sales per Kwh are 2.74% below budget. This is the result of a warmer than anticipated month, but a different mix of kwh’s consumed than budgeted.

<b>Retail Sales Budget Variance</b>				
Kwh Over (Under) Budget	1.58%	1,244,910	Kwh	\$ 166,852
Sales\$ per Kwh Over (Under) Budget	-2.74%	\$ (0.00367)	per Kwh	\$ (294,293)
				\$ (127,440)

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**Operating expenses** are 25.69% of annual budgeted operating expenses. All departments are under budget. Purchased Power expenses were under budget. Purchased Power costs per Kwh were higher than anticipated but purchases were under budget.

<b>Purchased Power Budget Variance</b>				
Kwh Over (Under) Budget	-2.61%	(2,158,450)	Kwh	\$ (152,553)
Cost Over (Under) Budget per Kwh	1.09%	\$ 0.77260	per Kwh	\$ 62,248
				\$ (90,305)

Year-to-Date **Renewable Energy Purchases equal 19,162,376 Kwhs, or 23.78%, of power purchases.**

**The Increase in Net Position for the year is \$2,703,429.**

**BALANCE SHEET**

**Cash and Cash Equivalentents are \$23,897,609.** This is \$5,897,609 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 September 30, 2024, 16% of the capital projects budget has been disbursed.

- 7. A. Approve Purchase Orders – There are five (5) Purchase Order totaling **\$242,445** 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).

- 7. C. Hart Solar PPA – Please see enclosed resolution and supporting information. In May of 2021 MPPA, on behalf of GHBLP and other MPPA members, entered into a Power Purchase Agreement (PPA) with Hart Solar Partners LLC for 50MW of Solar. In December of 2022, MPPA and Hart Solar executed the First Amendment to the contract related to delays and higher costs. MPPA and Hart Solar have come to a Second Amendment again related to project delays and higher costs. It should be noted that for both Amendments MPPA has checked this project against market conditions and has negotiated what is



GRAND HAVEN BOARD OF LIGHT AND POWER  
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believed to be in the best interests of all parties. Including increased guarantees from the developer to MPPA members. Staff is recommending approval.

7. F. Approve Harbor Island Purchase Orders – There are two (2) Purchase Order totaling **\$25,557** on the regular agenda.

PO #23123 – City of Grand Haven: This PO is to allow the BLP to reimburse the City for work performed by HDR. The scope of work was to develop a Response Action Plan (RAP) to address CCR constituents for the Unit 3A/B impoundments. City Staff is recommending approval.

PO #23130 – City of Grand Haven: This PO is to allow the BLP to reimburse the City for work performed by HDR. The scope of work was to develop a work plan to support the Assessment of Corrective Measures (ACM) to address CCR constituents for the Unit 3A/B impoundments. City Staff is recommending approval.

RS/dm  
Attachments  
10/11/24

# Project Update

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**CIP Projects**

FY2024

# Our Mission & Core Values

The **GHBLP mission** is to meet our community's expectations for reliable electric service that returns value to our customers, and ensures the economic and environmental sustainability of the utility.

## Our core values are to:

### Work cooperatively as a team

- Prioritize wellness, education and training
- Maintain a safe and secure workplace
- Treat our team members fairly, equitably and with mutual respect
- Value the contributions of everyone on the team

### Continuously improve our performance

- Maintain modern and reliable infrastructure
- Consider the environmental impacts of what we do
- Implement best and sustainable practices
- Utilize technology cost effectively

### Serve with integrity

- Be accountable for our actions
- Serve openly and honestly
- Treat all in our community fairly, equitably, and respectfully

### Provide value to the community

- Improve the community we serve
- Remain a trusted energy partner
- Engage and understand our customers

# Strategic Priorities



# FY2024 CIP Projects



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## Harbor Drive Underground

This project is to convert the two overhead distribution circuits along Harbor Drive between Columbus and Howard to underground. We have previously worked with the City to install conduit when road work was being completed. We have also already ordered the major/long lead time material. Currently the remainder of the material and the labor for this project is out for bid. Construction is planned for fall of 2025.

## Sternberg Sub Relaying/Breaker Upgrade

The project scope was the replacement of the 69kV bus equipment and control relaying. This included new 69kV breakers, 69kV PT's, lightning arrestors, 69kV switches and control relaying and wiring. We are currently waiting on delivery of the 69kV switches. This project should be completed this fall and under budget.

## Osipoff Circuit 34

The scope of this project was to build a new circuit exit from the Osipoff Sub and split the existing circuit OF-35. This project runs along 168<sup>th</sup> and Robbins Rd. and is constructed with Hendrix Cable. OF-34 now supplies the area of the system along Mercury Dr. out to Green St. OF-35 now services the area along Robbins Rd. up to Mercury Dr. This project was done for reliability and redundancy. This project was completed early summer of 2024 and under budget.

# FY2024 CIP Projects



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## Osipoff Circuit 42

The scope of this project was to build a new circuit exit from the Osipoff Sub and add a third source to the industrial park. This project runs along 168<sup>th</sup> and Comstock to 160<sup>th</sup>. and is constructed with Hendrix Cable. OF-42 now feeds part of the industrial park. This project was done for reliability and redundancy. This project was completed early summer of 2024 and under budget.

## LED Street Lights

The LED Street Light Project is upgrading all public lights to energy efficient (LED) lights. BLP crews have changed approx. 500 lights. This project will reduce energy consumption and bills for the City, Ferrysburg, and surrounding townships. This was funded by the BLP CIP and EWR program. This project was done in house and was completed early and under budget.

## Network Servers

This project included the replacement and virtualization of our servers. The existing servers varied in age, some were more than 10 years old. This included moving to a more modern network/backup design utilizing more cloud-based systems. This will improve our network reliability and availability. This project was completed on time and under budget.

# Projects Costs

	Engineer's Estimate	Budget	Final Cost	Comments
Harbor Drive UG	\$1,525,000	\$1,500,000	\$568,272 (to date)	Out for Bids
Sternberg Sub	\$550,000	\$550,000	\$436,953 (to date)	Waiting on Material
Osipoff Circuit 34	\$1,700,000	\$1,700,000	\$1,358,793	Completed
Osipoff Circuit 42	\$1,600,000	\$1,600,000	\$1,576,103	Completed
LED Street Lights	\$325,000 (2 year)	\$325,000 (2 year)	\$ 210,357	Completed
Network Servers	\$147,000	\$147,000	\$116,147	Completed



## **Second Amendment Support Information for Member Participants of the Hart Solar PPA**

### **Background:**

- The Hart Solar Power Purchase Agreement (“PPA”) is a 50 MW, 20-year agreement for the purchase of solar power supply from the 120 MW Hart Solar Project.
- MPPA executed the original PPA in May 2021 and a First Amendment in December 2022.
- The PPA was executed to contribute to decarbonizing Member Participant power supply portfolios and achieving compliance under Michigan’s Clean and Renewable Energy legislation.

### **Challenge:**

- The developer of the Hart Solar Project has experienced development challenges and delays driven primarily by the limited availability and increased cost of Engineering, Procurement, and Construction (“EPC”) contractors.
- The forecasted delays and cost increases has led MPPA to evaluate numerous alternative solutions over the last year, including early terminating the PPA with financial damages.

### **Solution:**

From the evaluation of alternative solutions, the terms and conditions of the negotiated Second Amendment delivers the best outcome.

- Ensures Member Participants will still receive new, competitively priced, Michigan-based solar power supply.
- Provides larger financial guarantees (\$9 million from \$3.6 million).
- Obligates the developer to replace capacity if the commercial operation date of the PPA is delayed and makes available additional capacity supply next year (2025) for Members that need it.
- Extends the Commercial Operation Date (“COD”) from June 1, 2025, to December 1, 2026.
- Though there is an increase in the PPA contract price, the new price is ~15% lower than similarly sized alternative Solar PPA opportunities.

### **Approval Request:**

- Approve a Second Amended and Restated PPC for the Hart Solar Project.





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

This Second Amended and Restated Power Purchase Commitment Authorization (“Second 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 Hart Solar Partners, LLC (“Hart Solar Partners”) entered into a First Amended Power Purchase Agreement (“First Amended PPA”) whereby Hart Solar Partners agreed to develop a solar electric generation facility and sell to MPPA (on behalf of its participating members) a certain amount of energy, capacity, environmental attributes, and reactive power service produced by the solar facility (“Renewable Power Supply”);

WHEREAS, MPPA and Participant previously executed an Amended and Restated Power Purchase Commitment (“Amended and Restated PPC”) that entitled Participant to receive and pay for a percentage share of the Renewable Power Supply to be provided pursuant to the First Amended PPA;

WHEREAS, to resolve potential disputes arising from development delays, MPPA and Hart Solar Partners mutually negotiated further amendments to the First Amended PPA (“Second Amended PPA”) which Second Amended PPA effectuates changes to the Solar Project, Commercial Operation Date (“COD”), Contract Rate, Delay Damages, Development Security, Make Whole Provisions, and other commercial terms;

WHEREAS, MPPA staff reviewed the changes to be effected by the Second Amended PPA with the ESP at an August 29, 2024, ESP Committee Meeting;

WHEREAS, the ESP Committee, at the August 29, 2024, ESP Committee Meeting, voted to recommend that the Board of Commissioners (“BOC”) of MPPA approve executing the Second Amended PPA;

WHEREAS, the BOC, at a regularly scheduled meeting on October 9, 2024, passed a resolution approving the Second Amended PPA;

WHEREAS, the Second Amended PPA has an effectiveness clause that conditions the effectiveness of the Second Amended PPA on MPPA obtaining executed power purchase commitments from each of the 14 MPPA Member participants to the Second Amended PPA; and

WHEREAS, this authorization is being executed by the Participant as a Second Amended and Restated PPC between the Participant and MPPA to acknowledge Participant's responsibility to pay for and receive the benefits of Participant's percentage share of Renewable Power Supply provided from the Second Amended PPA between MPPA and Hart Solar Partners.

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. Hart Solar Power Purchase Agreement**

The Second Amended PPA is the agreement between MPPA and Hart Solar Partners.

**Section 2. Delivery Point**

The delivery point for the Renewable Power Supply from the solar electric generation facility will be in accordance with the terms and conditions of the Second Amended PPA.

**Section 3. Term**

The term of this Second Amended and Restated PPC will begin when Hart Solar Partners declares COD in accordance with the terms and conditions of the Second Amended PPA, currently committed by Hart Solar Partners to occur no later December 1, 2026, and shall continue for twenty (20) years thereafter.

**Section 4. Quantity**

The Participant is allocated the following percentage share of Renewable Power Supply provided to MPPA under the Second Amended PPA:

<b>MPPA's PPA Installed Capacity</b>	<b>Participant's Allocation Percentage</b>	<b>Participant's Installed Capacity (approximate)</b>
50 MW	8.6%	4.3 MW

"MPPA's PPA Installed Capacity" shall mean fifty (50) MW, which may be reduced if Commercial Operation is declared with less than fifty (50) MW of Installed Nameplate Capacity (but for avoidance of doubt, no less than forty-five (45) MW). If MPPA's PPA Installed Capacity is reduced, Participant's Installed Capacity will be reduced by MPPA's PPA Installed Capacity total reduction multiplied by Participant's Allocation Percentage.

**Section 5. Renewable Power Supply**

Energy, Capacity, Environmental Attributes, and Reactive Power Services.

**Section 6. Payment**

The Participant will pay MPPA the Contract Rate for each year of the Term of the Second Amended PPA multiplied by the Quantity allocated to the Participant. The Contract Rate in the Second Amended PPA is attached hereto as Exhibit A.

**Section 7. Energy Services Agreement**

This Second 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 Second 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 Second 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 Second Amended and Restated PPC.

**Section 9. Effectiveness**

This Second 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 Second Amended PPA.

**Section 10. Effect of this Second Amended and Restated PPC**

Except for the ESA, this Second Amended and Restated PPC, together with any Exhibits hereto, supersedes any and all other power purchase commitments (including, but not limited to, the Amended and Restated PPC), either oral or written, between MPPA and Participant with respect to the Solar Project with Hart Solar Partners.

\_\_\_\_\_  
Member Authorized Representative

Its: \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT A  
CONTRACT RATE**

Contract Year	Contract Rate (\$/MWh)
Year 1	\$64.00
Year 2	\$64.00
Year 3	\$64.00
Year 4	\$64.00
Year 5	\$64.00
Year 6	\$64.00
Year 7	\$64.00
Year 8	\$64.00
Year 9	\$64.00
Year 10	\$64.00
Year 11	\$64.00
Year 12	\$64.00
Year 13	\$64.00
Year 14	\$64.00
Year 15	\$64.00
Year 16	\$64.00
Year 17	\$64.00
Year 18	\$64.00
Year 19	\$64.00
Year 20	\$64.00

**GRAND HAVEN BOARD OF LIGHT & POWER****AMENDMENT TO AUGUST 3, 2022 RESOLUTION REGARDING HARBOR ISLAND ENVIRONMENTAL  
REMEDATION AND APPOINTMENT OF SPECIAL LEGAL COUNSEL**

WHEREAS, the Grand Haven Board of Light and Power passed the “Resolution of the Grand Haven Board of Light and Power’s Commitment to the Continued Environmental Remediation and Redevelopment of the Former Sims Power Plant Site on Harbor Island and Appointment of Varnum as Special Legal Counsel for Utility Matters” on August 3, 2022; and

WHEREAS, the August 3, 2022 Resolution states:

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

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

THEREFORE, BE IT RESOLVED, the Grand Haven Board of Light and Power approves the Harbor Island Approval Procedure to serve as the written agreement between the Board of Light and Power and City Council to authorize funding of the Sims site environmental remediation activities; and

BE IT FURTHER RESOLVED, the Grand Haven Board of Light and Power seeks further discussion with City Council to reach a mutual agreement to resolve the Board’s request for special legal representation within the next six months OR approval of the Harbor Island Approval Procedure will be withdrawn; and

BE IT FURTHER RESOLVED, all parts of the August 3, 2022 resolution in conflict herewith are hereby rescinded.

**RESOLUTION DECLARED ADOPTED**

Dated: October 17, 2024

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Danielle Martin, Board Secretary  
Grand Haven Board of Light & Power

**CERTIFICATION**

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Grand Haven Board of Light & Power, at a meeting held on October 17, 2024, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: October 18, 2024

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Robert Shelley, General Manager  
Grand Haven Board of Light & Power

## GRAND HAVEN COGH/GHBLP HARBOR ISLAND APPROVAL PROCEDURE

### Scope:

The purpose of this document is to outline the approval process for expenditures related to the environmental cleanup of Harbor Island. This procedure is intended to be utilized when both the City Council and the Board of Light and Power are expected to fund or sign for a particular scope of services or contract related to Harbor Island. This document will also serve as a guideline for responsibility of each department/personnel involved.

Date Effective: October XX, 2024 – BLP Approved  
October XX, 2024 – Council Approved

Supersedes: None

### Background:

The City has taken the lead role in the Harbor Island cleanup efforts and has appointed the DPW Director as the project manager for these projects. As the project manager the DPW Director will have contract execution authority for items approved through this process by way of signature of the Mayor and City Clerk per the City Charter. Therefore, all contracts will be in the name of the City of Grand Haven. BLP staff will work with and support as needed City staff throughout these projects. After approval and completion of the work, including progress invoices, the City shall invoice the BLP for its portion of the costs.

### 100% City Funded Procedure:

1. The project manager shall follow the standard purchasing and approval procedures and policies of the City. No action by the BLP is required.
2. The project manager will adhere to all City policies and procedures.

### 100% BLP Funded Procedure:

1. The project manager will present BLP staff with the proposed scope of work, costs, and rationale for the expenditure.
2. BLP staff will review the proposal and work with City staff to address any questions or concerns.
3. If the proposal is below or equal to \$5,000 the BLP General Manager will evaluate and approve.
4. If the proposal is above \$5,000 the proposal will be placed on the Board's meeting agenda for discussion/approval
5. Upon BLP approval the Project Manager shall have authority to sign and proceed with the work.
6. The project manager will seek City Council approval due to the expenditure being on a reimbursement basis.

### Mixed City/BLP Funded Procedure:

1. The project manager will present BLP staff with the proposed scope of work, costs, and rationale for the expenditure.
2. BLP staff will review the proposal and work with City staff to address any questions or concerns.

3. If the proposal is below or equal to \$5,000 the BLP General Manager will evaluate and approve.
4. If the proposal is above \$5,000 the proposal will be placed on the Board's meeting agenda for discussion/approval.
5. Upon BLP approval the proposal will be placed on the Council's meeting agenda for discussion/approval.
6. Upon Council approval the Project Manager shall have authority to proceed with the work.





February 19, 2024

Derek Gajdos  
Public Works Director  
City of Grand Haven  
Grand Haven, MI 49417  
[dgaidos@grandhaven.org](mailto:dgaidos@grandhaven.org)

Re: Response Action Plan  
Task Order 13

Dear Derek,

HDR appreciates the opportunity to continue to assist The City of Grand Haven (City) with Grand Haven-Harbor Island Environmental Project (Former JBS Generating Station - Harbor Island). This task order request is for HDR to provide services related to development of a Response Action Plan (RAP) according to the Michigan Part 115 Rule.

## Task Order

This scope is for HDR to provide additional support to the City with respect to developing a Response Action Plan (RAP).

### PART 1.0 PROJECT DESCRIPTION:

As HDR continues to support the City of Grand Haven with environmental-related support, this Task Order 013 will include the following task as a continuation of our services:

Task #	Description
Task 23	Response Action Plan

### PART 2.0 Scope of Services

#### Task 23 – Response Action Plan

According to Michigan Statute 324.11519b(2), if the detection monitoring confirms a statistically significant increase or an SSI over background at either one of the impoundments for one or more of the constituents listed in Section 11511a(3), the owner will develop a Response Action Plan and conduct assessment monitoring at that impoundment. To assist the City in these compliance tasks, HDR will prepare a Response Action Plan in compliance with R 299.4442 and submit to EGLE for review and approval.

The following will be included in the RAP:

- Introduction
- Background
- Characterize the Nature and Extent of Possible Contamination
- Development of Groundwater Protection Standard
- Evaluation of Possible Sources of Contamination
- Reporting
- Termination of Waste Schedule

The RAP schedule will be enforceable according to the draft administrative consent order (ACO) that is anticipated between the Grand Haven Board of Light and Power (BLP) and EGLE.

**Meetings:**

- Meetings are included in Task 11 as part of the project bi-weekly meetings.

**Deliverables:**

- Draft Response Action Plan to the City
- Final Draft Response Action Plan to EGLE
- Final Response Action Plan to EGLE

**Schedule:**

- According to the ACO, the RAP must be submitted to EGLE by March 8, 2024.

**Assumptions:**

- HDR assumes that one round of comments will be received from the City and their attorney for revisions, and that one round of comments will be received from EGLE for revisions.

## **Project Management**

HDR will provide management to initiate, monitor and review technical deliverables for this task. HDR will assign a dedicated Project Manager who will be responsible for the overall execution of this task, including scheduling, coordination with the City and monitoring the scope, schedule, and budget. HDR's Project Manager will update the current Project Management Plan (PMP) to reflect the additional scope, schedule, and budget associated with this task order.



**PART 3.0 OWNER’S RESPONSIBILITIES:**

- Timely NTP and review of draft RAP

**PART 4.0 PERIODS OF SERVICE:**

HDR anticipates proceeding with the services associated with Task 23 upon authorization of this Task Order 013. HDR anticipates the work to be performed in 2024. A detailed schedule will be provided to the City after the Notice to Proceed.

**PART 5.0 ENGINEER’S FEE:**

TASK	Hours	Labor	Subs	Expenses	Total
Task 23 Response Action Plan	62	\$9,786	-	-	\$9,786

**PART 6.0 OTHER**


None.

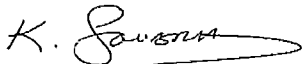
**Approval**

We appreciate the opportunity to continue this work with the City. If you have questions, please feel free to contact me at 734-332-6405 or [Lara.Zawaideh@hdrinc.com](mailto:Lara.Zawaideh@hdrinc.com).

**ENGINEER**

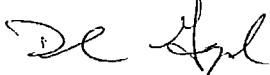
(Approval required by all listed below)

  
 Lara Zawaideh (Feb 19, 2024 14:19 CST) 02/19/2024  
**Project Manager** Date  
 Lara Zawaideh, PE ENV SP  
 Associate Vice President | Area Business  
 Development Leader

  
 02/19/2024  
**Authorized Signatory:** Date  
 Khaled S. Soubra, PhD, PD, LEED AP  
 Vice President | Michigan Area Manager

**CLIENT**

(Approval required by authorized signatory)

 2-29-24  
**Authorized Signatory** Date

**Authorized Signatory** Date

23180



February 15, 2024

Derek Gajdos  
Public Works Director  
City of Grand Haven  
Grand Haven, MI 49417  
[dgajdos@grandhaven.org](mailto:dgajdos@grandhaven.org)

Re: Assessment of Corrective Measure Work Plan (40 CFR §257.97) Proposal  
Former J.B. Sims Generating Station  
Task Order 12

Dear Derek,

HDR appreciates the opportunity to continue to assist The City of Grand Haven (City) with Grand Haven-Harbor Island Environmental Project (Former JBS Generating Station - Harbor Island). This task order request is for HDR to provide services related to development of a An Assessment of Corrective Measures (ACM) Workplan Document in compliance with the Coal Combustion (CCR) Rule and the Michigan Part 115 Rule. The ACM document is in compliance with the federal and the state rule and will incorporate remediation alternatives associated with per-and polyfluorinated alkyl substances (PFAS) encountered at the site. However, this scope of services is related to CCR and does not incorporate data collection related to the PFAS since the ACM document has a regulatory deadline of June 7, 2024 and implementing this work plan need to take an expedited approach. A separate PFAS data collection scope and budget will be submitted separately.

## Task Order 012

This scope is for HDR to provide additional support to the City with respect to developing a work plan for site-specific data collection to support the Assessment of Corrective Measures (ACM) in accordance with Coal Combustion Residuals (CCR) Final Rule Section §257.96.

### PART 1.0 PROJECT DESCRIPTION:

As HDR continues to support the City of Grand Haven with environmental-related support, this Task Order 012 will include the following task as a continuation of our services:

Task#	Description
Task 22	ACM Work Plan

HDR will assist the City in preparing to collect site-specific data to inform Remedy Selection according to 40 CFR §257.97. An ACM Data Collection Work Plan will be prepared to describe the data collection activities.

## PART 2.0 Scope of Services

### Task 25 – ACM Data Collection Work Plan Preparation

In order to prepare an Assessment of Corrective Measures (ACM) for the Former J.B. Sims site and Harbor Island for the City and proceed with evaluating corrective measure alternatives, this work plan is needed. The purpose of the assessment is to identify and evaluate potential groundwater corrective measures for the site, showing benefits and limitations associated with each alternative. The corrective measure alternatives are evaluated with the goal of implementation to reduce groundwater concentrations to levels below the groundwater protection standards (GPS) developed for the site. 40 CFR §257.97(b) lists requirements that the selected remedy must meet. 40 CFR §257.97(c) lists other factors that must be considered during the remedy selection phase. The Former J.B. Sims Generating Station is currently in the assessment monitoring phase and the City has continued data collection efforts to characterize plume extent, including the installation of new wells and regular groundwater sampling.

Additional site-specific data is needed to continue making progress towards the selection of a remedy. The alternatives evaluated at a high level:

- Alternative 1 – Slurry Wall, Engineered Cap, Low Level Storm Water Pumping
- Alternative 2 – Source Removal
- Alternative 3 – Hydraulic Containment + CCR Source Control, Groundwater Extraction and Treatment (Pump and Treat) (GWET), PFAS Hot Spot Removal

The United State Environmental Protection Agency (EPA) has stated an expectation that site specific data must be used to support the remedy selection process. This ACM Data Collection Work Plan will focus on data collection that will inform the site-specific feasibility and time to achieve compliance for the three corrective measure alternatives that will be used in remedy selection.

In general, the data collection work plan will focus on planning data needed for the initial alternatives developed and will include the following data collection needs:

- Installation of borings (Total 4-5, Deep 1-2)
- Clay Characterization
- Pump Test development and execution
- Slug Test (4-5 Wells)
- Water Balance Study
- Ash Delineation (Existing - AnnMarie/Propose additional)
- Ash Analytical Sampling (Superior study not sufficient)
- Background Soil Study



The draft Work Plan will be provided to the City for comments. HDR will develop a Cost Estimate summarizing probable costs to implement the approved Work Plan (not the remediation alternatives).

#### **Deliverables**

- Draft ACM Data Collection Work Plan submitted to the City for review and comment.
- Final ACM Data Collection Work Plan submitted to the City.
- Cost Estimate submitted to the City summarizing probable costs of completing the work outlined in the ACM Data Collection Work Plan

#### **Key Understandings and Assumptions**

- HDR anticipates one round of comments from the City to the ACM Data Collection Work Plan. Additional rounds of comments will require additional time and effort by HDR.
- Meetings with regulators are not anticipated as part of this scope of service.
- Implementation/field investigation is not included in this scope of service.
- Initiation of ACM activities (described in this scope) based on the publication of the Statistically Significant Level Memo, which is within 90 days of the identification of SSLs (following SSL memo submission date) is anticipated to be May 8, 2024.

#### **Schedule:**

- Upon authorization, the draft ACM Data Collection Work Plan will be submitted to the City within four weeks. The final ACM Data Collection Work Plan and associated Cost Estimate is anticipated to be submitted to the City within one week of receipt of comments on the draft from the City.

#### **Meetings:**

- Meeting related to the work plan will be performed under our regularly scheduled meeting task.

### **Project Management**

HDR will provide management to initiate, monitor and review technical deliverables for this task. HDR will assign a dedicated Project Manager who will be responsible for the overall execution of this task, including scheduling, coordination with the City and monitoring the scope, schedule, and budget. HDR's Project Manager will update the current Project Management Plan (PMP) to reflect the additional scope, schedule, and budget associated with this task order.



**PART 3.0 OWNER'S RESPONSIBILITIES:**

None.

**PART 4.0 PERIODS OF SERVICE:**

HDR anticipates proceeding with the services associated with Task 22 upon authorization of this Task Order 012. HDR anticipates the work to be performed in 2024. A detailed schedule will be provided to the City after the Notice to Proceed.

**PART 5.0 ENGINEER'S FEE:**

TASK	Hours	Labor	Subs	Expenses	Total
Task 22 ACM Work Plan	109	\$15,771	0	0	\$15,771

**PART 6.0 OTHER**

None.



## Approval

We appreciate the opportunity to continue this work with the City. If you have questions, please feel free to contact me at 734-332-6405 or [Lara.Zawaideh@hdrinc.com](mailto:Lara.Zawaideh@hdrinc.com).

### ENGINEER

(Approval required by all listed below)

Lara Zawaideh (Feb 15, 2024 17:22 EST) 02/15/2024

Project Manager

Date

Lara Zawaideh, PE ENV SP

Associate | Area Business Development Leader

### CLIENT

(Approval required by authorized signatory)

2-29-24

Authorized Signatory

Date

02/15/2024

Authorized Signatory:

Date

Authorized Signatory

Date

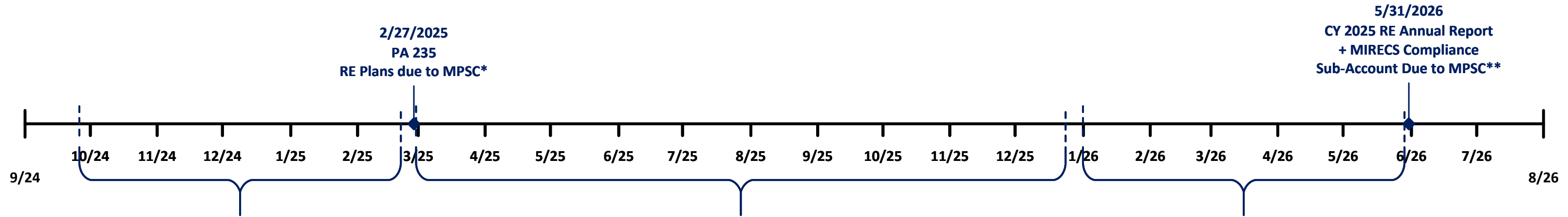
Khaled S. Soubra, PhD, PD, LEED AP

Vice President | Michigan Area Manager





# Public Act 235 (“PA 235”) Renewable Energy (“RE”) Legislative Compliance Timeline



\*See Exhibit A for PA 235 RE Plan Development and Filing Process Information

\*\*See Exhibit B for PA 235 RE Compliance Activities

Board Members:  
 Michael Westbrook, Chairperson  
 Todd Crum, Vice Chairperson  
 Kurt Knoth  
 Phillip Polyak  
 Mike Welling

## Board of Light and Power

1700 Eaton Drive  
 Grand Haven, Michigan 49417  
 616-846-6250



### SCHEDULE OF MEETINGS

The Board of Directors of the Board of Light and Power holds regularly scheduled meetings which are open to all members of the public under Michigan's Open Meeting Act. Meetings are held at 1700 Eaton Drive, Grand Haven, Michigan and are scheduled to begin at 6:00 p.m.

During the 2025 calendar year, the Board of Light and Power has scheduled regular meetings for the following dates and times:

DATE	MEETING TYPE	START TIME	LOCATION	NOTATIONS
January 16	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
February 27	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	4 <sup>th</sup> Thursday
March 20	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
April 17	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
May 15	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
June 19	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
July 17	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
August 21	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
September 25	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	4 <sup>th</sup> Thursday
October 16	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
November 20	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	
December 18	Regular Board Meeting	6:00 p.m.	1700 Eaton Drive	

The Board of Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities. The materials will be made available at the meeting/hearing upon three days' notice to the Board of Light and Power. Individuals with disabilities requiring auxiliary aids or services, as well as individuals requesting information, should contact the Board of Light and Power by writing or calling:

Danielle Martin  
 Administrative Services Supervisor  
 Board of Light and Power  
 1700 Eaton Drive  
 Grand Haven, MI 49417

Phone: (616) 607-1262; TDD (Michigan Relay Center) Call 1-800-649-3777 and request 616-846-6250, ext. 1262.

DM

Board Members:  
 Michael Westbrook, Chairperson  
 Todd Crum, Vice Chairperson  
 Kurt Knoth  
 Phillip Polyak  
 Mike Welling

## Board of Light and Power

1700 Eaton Drive  
 Grand Haven, Michigan 49417  
 616/846-6250  
 Fax 616/846-3114



### SCHEDULE OF MEETINGS

The Board of Directors of the Board of Light and Power holds regularly scheduled meetings which are open to all members of the public under Michigan's Open Meeting Act. Meetings are held at 1700 Eaton Drive, Grand Haven, Michigan and are scheduled to begin at 6:00 p.m.

During the 2025 calendar year, the Board of Light and Power has scheduled regular meetings for the following dates and times. Annual agenda items are listed during the month they generally fall in.

DATE	MEETING TYPE	START TIME	NOTATIONS / ANNUAL AGENDA ITEMS
January 16	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Strategic Goals Update</li> </ul>
February 27	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Customer Satisfaction Survey Presentation</li> </ul>
March 20	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Annual Reliability Presentation</li> <li>● Board Self-Evaluation &amp; Development Plan</li> </ul>
April 17	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Initial Budget and Capital Plan Review</li> <li>● Strategic Goals Update</li> </ul>
May 15	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Budget and Capital Plan Approval</li> </ul>
June 19	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Public Act 95 (Low-Income Energy Assistance Fund)</li> <li>● General Manager's Performance Review</li> </ul>
July 17	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Fiscal Year End Write Offs</li> <li>● Strategic Goals Update</li> </ul>
August 21	Regular Meeting	6:00 p.m.	
September 25	Regular Meeting	6:00 p.m.	
October 16	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Next Calendar Year Board Meeting Schedule</li> <li>● Strategic Goals Update</li> </ul>
November 20	Regular Meeting	6:00 p.m.	<ul style="list-style-type: none"> <li>● Election of Board Chair and Vice Chair</li> <li>● Public Act 152 (Publicly Funded Health Insurance Contribution Act)</li> <li>● Auditor's Report</li> </ul>
December 18	Regular Meeting	6:00 p.m.	

### MULTI-YEAR AGENDA ITEMS

- June – Collective Bargaining Agreement
- January – Strategic Planning
- October – Business Readiness Risk Assessment
- April – Cost of Service Study