

GRAND HAVEN BOARD OF LIGHT AND POWER MEETING AGENDA

Thursday, November 20, 2025

Meeting to be held at 1700 Eaton Drive

6:00 PM

1. Swearing in of Board Members Crum and Polyak
2. Call to Order / Roll Call / Excuse Absent Members
3. Election of Chairperson and Vice- Chairperson
4. Approve Meeting Agenda (1) *
5. Pledge of Allegiance
6. Public Comment Period
7. Fiscal Year 2025 Financial Audit Presentation (Mike Vredeveld, Vredeveld Haefner LLC)
 - A. Receive and File: Fiscal Year 2025 Audit Report (1)*
8. Organizational Items
 - A. Board Orientation Manual Update
 - B. Review of Board Bylaws
9. Consent Agenda (1)
 - A. Approve Minutes
 1. October 16, 2025 Meeting Minutes *
 - B. Receive and File: October Financial Statements, Power Supply & Retail Sales Dashboards *
 - C. Receive and File: October Key Performance Indicators (KPI) Dashboard *
 - D. Receive and File: MPPA ESP Resource Position Report (dated 10/31/2025) *
 - E. Approve Payment of Bills (\$4,105,071.88 in total)
 1. In the amount of \$2,862,276.19 from the Operation & Maintenance Fund
 2. In the amount of \$1,242,795.69 from the Renewal & Replacement Fund
10. General Manager's Report *
 - A. Approve Purchase Orders (\$51,175 in total) (1)
 1. PO #23574, Power Line Supply, \$51,175 (15kV UG Cable 500MCM CU)
 - B. Update on Renewable Energy Projects (Erik Booth) *
11. Chairman's Report
12. Other Business
 - A. APPA Awards – Customer Satisfaction, Award of Merit in Communications
13. Public Comment Period
14. 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



Vredeveld Haefner LLC

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September 16, 2025

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, 2025. 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 13, 2025. 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. GASB 101 was implemented this fiscal 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 16, 2025.

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,

Orlando Haefner LLC



GRAND HAVEN BOARD OF LIGHT AND POWER

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**



Vredeveld Haefner LLC
CPAs and Consultants

GRAND HAVEN BOARD OF LIGHT AND POWER

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INDEPENDENT AUDITORS' REPORT

September 16, 2025

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, 2025 and 2024, 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, 2025 and 2024, 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 16, 2025, 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.

Uradewald 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, 2025. 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 Power Supply Cost Adjustments for FY2025 was .0099 cents per Kilowatt-hour.
- Total operating revenues increased by 3% with a 2% increase in retail sales revenue. Kilowatt-hour's consumption decreased 4% from the previous year. Total FY2025 Kwh consumption was consistent with FY2024. However, it did include a 5% decrease in industrial sales, offset by a 3.6% increase in residential sales. In FY2025 our largest industrial customer decreased and consolidated operations.
- The BLP provides a transfer to the City of Grand Haven's general fund in lieu of taxes of 5% of Sales. This transfer amounted to \$1,891,573 in FY2025.
- 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 FY2025, 27.04% of BLP energy was purchased from renewable resources through MPPA.
- Fuel related expenses increased by 7.6% in FY2025. While the amount of Kwhs purchased decreased slightly, the price per Kwh increased 7.8% to .07029 cents per Kilowatt-hour on average. This was the driver in the Power Supply Cost Adjustment increase mentioned above.
- Environmental remediation and mitigation are underway on the Sims's power plant property (the Island) 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 949 thousand dollars has been added to the Asset Retirement Obligation liability to address the coal ash concerns in FY2025. 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 cents per kWh was added to the bill to address this cost going forward. The City of Grand Haven did bill the BLP 697 thousand dollars for Coal Combustion Clean up efforts in FY2025.
- 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. This bond can be retired at year 8 with no penalty.
- The cash and investment balances held at the Michigan Public Insurance Authority (MPIA) increased to 11.1 thousand dollars. A deposit was made to the plan in FY2025 of 1.2 million dollars. Current balance is net of insurance expenses and investment returns. The purpose of this fund is to self-fund all non-employee risk including non-insurable assets.
- Pension and Other Post-Employment Benefits legacy liabilities resulted in a 950 thousand dollars of expenditure to the BLP this fiscal year. BLP is now 93% funded in their Defined Benefit plan administered by the Municipal Employees' Retirement System.
- In December of 2020, the BLP self-funded health care fund was separated from that of the City of Grand Haven. The BLP will be continuing its 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 \$63,106,785 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>2025</u>	<u>2024</u>
Current and other assets	\$65,553,814	\$61,531,430
Capital assets	40,270,220	38,314,857
Total assets	105,824,034	99,846,287
Deferred outflows of resources	2,504,612	3,736,804
Other liabilities	6,069,728	5,364,589
Long-term liabilities	38,992,869	42,137,831
Total liabilities	45,062,597	47,502,420
Deferred inflows of resources	159,264	-
Net position		
Net Investment in capital assets	24,457,655	29,554,278
Restricted for revenue bond retirement	1,396,742	1,391,916
Unrestricted	37,252,388	25,134,477
Total net position	\$63,106,785	\$56,080,671

The total net position of the Board at June 30, 2025 is \$63,106,785; however, \$24,457,655 and \$1,396,742 represent net investment in capital assets and net position restricted for revenue bond retirement, respectively.

Changes in Net Position		
	<u>2025</u>	<u>2024</u>
Operating revenue	\$37,556,110	\$36,495,762
Operating expenses	30,581,300	29,544,115
Operating income (loss)	6,974,810	6,951,647
Nonoperating revenue (expense)	1,942,877	2,188,432
Change in net position before transfers	8,917,687	9,140,079
Transfers to the City of Grand Haven	1,891,573	1,853,665
Change in net position	7,026,114	7,286,414
Net position-beginning of year	56,080,671	48,794,257
Net position-end of year	\$63,106,785	\$56,080,671

Capital Asset and Debt Administration

Capital assets. The Board's investment in capital assets as of June 30, 2025, amounted to \$40,270,220 (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	2,182,283
Depreciable capital assets, net	<u>38,009,088</u>
Total	<u>\$40,270,220</u>

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 as follows:

Bond payable	<u>\$17,900,000</u>
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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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 31,124,825	\$ 23,058,021
Investments	14,718,050	14,645,900
Accounts receivable	4,195,484	4,316,798
Prepaid items	3,369	3,870
Total current assets	<u>50,041,728</u>	<u>42,024,589</u>
Non-current assets		
Restricted cash and cash equivalents	1,396,742	6,840,999
Deposit with MPIA and MPPA	13,622,678	12,043,361
Advance to City of Grand Haven	492,666	622,481
Capital assets		
Land	78,849	78,849
Construction in progress	2,182,283	2,856,068
Depreciable capital assets, net	<u>38,009,088</u>	<u>35,379,940</u>
Total non-current assets	<u>55,782,306</u>	<u>57,821,698</u>
Total assets	<u>105,824,034</u>	<u>99,846,287</u>
Deferred outflows of resources		
Pension related	2,119,779	3,239,279
OPEB related	<u>384,833</u>	<u>497,525</u>
Total deferred outflows of resources	<u>2,504,612</u>	<u>3,736,804</u>
Liabilities		
Current liabilities		
Accounts payable	2,185,200	1,452,797
Accrued liabilities	349,849	335,848
Customer deposits	977,587	1,016,396
Due to City of Grand Haven	157,092	159,548
Current portion of long-term debt	<u>2,400,000</u>	<u>2,400,000</u>
Total current liabilities	<u>6,069,728</u>	<u>5,364,589</u>
Long-term liabilities		
Accrued compensated absences	293,413	260,479
Asset retirement obligation	17,807,754	17,556,307
Net pension liability	4,747,289	5,491,563
Net OPEB liability	644,413	929,482
Bonds payable, net of current portion	<u>15,500,000</u>	<u>17,900,000</u>
Total long-term liabilities	<u>38,992,869</u>	<u>42,137,831</u>
Total liabilities	<u>45,062,597</u>	<u>47,502,420</u>
Deferred inflows of resources		
OPEB related	<u>159,264</u>	<u>-</u>
Net position		
Net investment in capital assets	24,457,655	29,554,278
Restricted for revenue bond retirement	1,396,742	1,391,916
Unrestricted	<u>37,252,388</u>	<u>25,134,477</u>
Total net position	<u>\$ 63,106,785</u>	<u>\$ 56,080,671</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenue		
Residential sales	\$ 13,337,818	\$ 12,766,448
Commercial sales	10,640,245	10,305,682
Industrial sales	11,541,967	11,714,817
Municipal sales	995,987	1,007,147
Public street and highway lighting	337,324	338,039
Penalties	115,758	99,223
Rental income	38,262	35,833
Other	548,749	228,573
Total operating revenue	<u>37,556,110</u>	<u>36,495,762</u>
Operating expense		
Wholesale power net	19,680,612	18,281,810
Distribution	4,648,676	4,844,769
Customer accounts	651,722	710,774
Administrative	2,527,688	2,399,590
Change in pension and benefit costs	860,458	1,226,872
Depreciation	2,212,144	2,080,300
Total operating expense	<u>30,581,300</u>	<u>29,544,115</u>
Operating income (loss)	<u>6,974,810</u>	<u>6,951,647</u>
Non-operating revenue (expense)		
Interest income	1,226,348	1,373,378
Mitigation surcharge	948,544	953,037
Interest income including MPIA insurance reserve	973,902	1,018,031
Interest expense	(301,780)	(339,700)
Gain (loss) on disposal/demolition	(904,137)	(816,314)
Total non-operating revenue (expense)	<u>1,942,877</u>	<u>2,188,432</u>
Changes before transfers	8,917,687	9,140,079
Transfers to City of Grand Haven	<u>(1,891,573)</u>	<u>(1,853,665)</u>
Changes in net position	7,026,114	7,286,414
Net position, beginning of year	<u>56,080,671</u>	<u>48,794,257</u>
Net position, end of year	<u>\$ 63,106,785</u>	<u>\$ 56,080,671</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Receipts from customers and users	\$ 37,638,615	\$ 36,596,701
Payments to employees	(3,764,113)	(4,228,349)
Payments to suppliers	<u>(24,893,633)</u>	<u>(24,652,776)</u>
Net cash provided by (used in) operating activities	<u>8,980,869</u>	<u>7,715,576</u>
Cash flows from non-capital financing activities		
Transfers to City of Grand Haven	<u>(1,894,029)</u>	<u>(1,853,269)</u>
Cash flows from capital and related financing activities		
Interest expense paid on long-term debt	(320,740)	(358,660)
Principal paid	(2,400,000)	(2,400,000)
Asset retirement	388,440	(142,525)
Acquisitions of capital assets	<u>(4,260,093)</u>	<u>(3,134,207)</u>
Net cash provided by (used in) capital and related financing activities	<u>(6,592,393)</u>	<u>(6,035,392)</u>
Cash flows from investing activities		
Purchases of investments	(14,405,504)	(8,744,597)
Sales of investments	14,333,354	4,874,632
Interest received	<u>2,200,250</u>	<u>2,391,409</u>
Net cash provided by (used in) investing activities	<u>2,128,100</u>	<u>(1,478,556)</u>
Net increase (decrease) in cash and cash equivalents	2,622,547	(1,651,641)
Cash and cash equivalents, beginning of year	<u>29,899,020</u>	<u>31,550,661</u>
Cash and cash equivalents, end of year	<u>\$ 32,521,567</u>	<u>\$ 29,899,020</u>
Cash and cash equivalents are included in the following captions on the statement of net position		
Cash and cash equivalents	\$ 31,124,825	\$ 23,058,021
Restricted cash and cash equivalents	<u>1,396,742</u>	<u>6,840,999</u>
	<u>\$ 32,521,567</u>	<u>\$ 29,899,020</u>

(continued)

GRAND HAVEN BOARD OF LIGHT AND POWER

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Operating income (loss)	\$ 6,974,810	\$ 6,951,647
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	2,212,144	2,080,300
Net pension liability	(744,274)	(809,799)
Deferred outflows for pensions	1,119,500	1,393,604
Net OPEB liability	(285,069)	428,594
Deferred outflows for OPEB	112,692	(420,369)
Deferred inflows for OPEB	159,264	(28,927)
Due from city of Grand Haven	129,815	97,701
Change in operating assets and liabilities which provided (used) cash		
Receivables	121,314	(10,626)
Prepaid and other assets	501	(3,870)
Deposits with others	(1,579,317)	(1,727,092)
Accounts payable	732,403	(287,298)
Accrued liabilities	32,961	(40,973)
Customer deposits	(38,809)	111,565
Compensated absences	32,934	(18,881)
Net cash provided by (used in) operating activities	<u>\$ 8,980,869</u>	<u>\$ 7,715,576</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, 2025

	<u>OPEB Trust Fund</u>
Assets	
Investments	
MERS - Total Market Portfolio	<u>\$ 765,263</u>
Total assets	<u>765,263</u>
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net Position	
Restricted for pension and other post-employment benefits	<u>\$ 765,263</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, 2025

	<u>OPEB Trust Fund</u>
Additions	
Contributions	
Employer	<u>\$ 174,713</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	68,050
Investment expense	<u>(1,527)</u>
Net investment income	<u>66,523</u>
Total additions	241,236
Deductions	
Health insurance premiums	<u>(174,713)</u>
Changes in net position	66,523
Net position, beginning of year	<u>698,740</u>
Net position, end of year	<u><u>\$ 765,263</u></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, 2025 and 2024

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, 2025 and 2024

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 \$492,666 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, 2025 and 2024

Capital Assets

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

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

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

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

Deferred outflows/inflows of resources

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

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

Compensated absences

Employees earn paid time off (PTO) based on service. Up to 320 hours may be carried forward; amounts in excess of this limit are converted or paid out per policy. PTO is payable upon separation, and the Board records a liability for amounts more likely than not to be used or paid.

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, 2025 and 2024

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents and investments consist of the following at June 30, 2025:

	Enterprise Fund	OPEB Fund	Total
Cash and cash equivalents	\$31,124,825	\$ -	\$31,124,825
Restricted cash and cash equivalents	1,396,742	-	1,396,742
Investments	14,718,050	765,263	15,483,313
Total	\$47,239,617	\$765,263	\$48,004,880

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 \$32,407,839, of which \$32,157,839 may be exposed to custodial credit risk.

Investments

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

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
U.S. Treasury bills	12/26/25	\$ 4,898,300	Not applicable	N/A
U.S. Treasury bills	9/4/25	4,961,550	Not applicable	N/A
U.S. Treasury bills	3/19/26	4,858,200	Not applicable	N/A
MERS - Total Market	N/A	765,263	Unrated	N/A
		<u>\$15,483,313</u>		

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, 2025 and 2024

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 \$15,483,313 of investments, the Board has a custodial credit risk of \$14,718,050 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, 2025 and 2024

3. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Capital assets, not being depreciated				
Land	\$ 78,849	\$ -	\$ -	\$ 78,849
Construction in progress	2,856,068	4,260,091	4,933,876	2,182,283
Total capital assets, not being depreciated	2,934,917	4,260,091	4,933,876	2,261,132
Capital assets, being depreciated				
Transmission and distribution	62,641,631	4,822,702	434,894	67,029,439
General plant	2,726,437	111,174	-	2,837,611
Total capital assets, being depreciated	65,368,068	4,933,876	434,894	69,867,050
Less accumulated depreciation for:				
Transmission and distribution	28,542,662	2,065,434	342,308	30,265,788
General plant	1,445,464	146,710	-	1,592,174
Total accumulated depreciation	29,988,126	2,212,144	342,308	31,857,962
Net capital assets, being depreciated	35,379,942	2,721,732	92,586	38,009,088
Capital assets, net	\$38,314,859	\$6,981,823	\$5,026,462	\$40,270,220

4. LONG-TERM DEBT

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

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</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%	\$20,300,000	\$ -	\$2,400,000	\$17,900,000	\$2,400,000
Compensated absences *	260,479	32,934	-	293,413	-
Total	\$20,560,479	\$ 32,934	\$2,400,000	\$18,193,413	\$2,400,000

* The change in compensated absences is presented as a net change

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, 2025 and 2024

Future minimum payments on the long-term debt as of June 30, 2025 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
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	2,600,000	124,820
2031-2032	5,300,000	126,400
Total	\$17,900,000	\$1,150,240

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.

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, 2024):

Active plan members	15
Inactive employees or beneficiaries currently receiving benefits	76
Inactive employees entitled but not yet receiving benefits	16
Total	107

GRAND HAVEN BOARD OF LIGHT AND POWER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

Contributions

The Board is required to contribute at an actuarially determined rate, which for the current year was \$28,419 per month. Participating employees are required to contribute 10% of covered payroll to the Plan. 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, 2024, 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, 2024 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: 6.93%, 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%
Discount rate			<u>7.18%</u>

GRAND HAVEN BOARD OF LIGHT AND POWER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2023	\$47,557,297	\$42,065,734	\$5,491,563
Changes for the Year:			
Service cost	274,817	-	274,817
Interest	3,307,885	-	3,307,885
Change in benefits	-	-	-
Differences between expected and actual experience	(211,607)	-	(211,607)
Change in assumptions	(143,501)	-	(143,501)
Contributions: employer	-	750,824	(750,824)
Contributions: employee	-	190,835	(190,835)
Net investment income	-	3,122,325	(3,122,325)
Benefit payments, including refunds	(3,247,750)	(3,247,750)	-
Administrative expense	-	(92,116)	92,116
Other changes	-	-	-
Net changes	(20,156)	724,118	(744,274)
Balance at December 31, 2024	\$47,537,141	\$42,789,852	\$4,747,289

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	\$53,099,879	\$47,537,141	\$42,928,428
Fiduciary net position	42,789,852	42,789,852	42,789,852
Net pension liability	\$10,310,027	\$ 4,747,289	\$ 138,576

GRAND HAVEN BOARD OF LIGHT AND POWER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

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

For the year ended June 30, 2025 the Board recognized pension expense of \$1,121,574. The Board reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
(Excess) deficit investment returns	1,609,265	-
Contributions subsequent to the measurement date*	510,514	-
Total	<u>\$2,119,779</u>	<u>\$ -</u>

* 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 2026.

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

2026	\$ 792,408
2027	1,198,519
2028	(344,042)
2029	(37,620)
2030	-
Thereafter	-
Total	<u>\$1,609,265</u>

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 \$80,116 and the Board contributed \$160,231 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, 2025 and 2024

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	23
Total	46

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, 2025 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: 6.93% 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:

Healthy: Pub-2016 General Employees and Retirees, Headcount weighted

Disabled: Pub-2016 Disability mortality, Headcount weighted

Improvement scale: IRS 2024 Adjusted Scale MP-2021

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%	2.16%
Real Assets	20.0%	6.50%

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 6.93%.

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, 2025 and 2024

Rate of return. For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.09%. 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 6.93%. 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, 2024 the discount rate used to value the OPEB liability was 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, 2024	\$1,628,222	\$698,740	\$ 929,482
Changes for the Year:			
Service cost	12,420	-	12,420
Interest	108,730	-	108,730
Change in benefits	-	-	-
Differences between expected and actual experience	(195,602)	-	(195,602)
Change in assumptions	30,619	-	30,619
Contributions to OPEB trust	-	-	-
Benefits paid from general operating funds	-	174,713	(174,713)
Net investment income	-	68,050	(68,050)
Benefit payments, including refunds	(174,713)	(174,713)	-
Administrative expense	-	(1,527)	1,527
Other changes	-	-	-
Net changes	(218,546)	66,523	(285,069)
Balance at June 30, 2025	\$1,409,676	\$765,263	\$ 644,413

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 6.93%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (5.93%) or higher (7.93%) than the current rate.

	1% Decrease	Current Discount rate	1% increase
Total OPEB liability	\$1,478,613	\$1,409,676	\$1,347,564
Fiduciary net position	765,263	765,263	765,263
Net OPEB liability	\$ 713,350	\$ 644,413	\$ 582,301

GRAND HAVEN BOARD OF LIGHT AND POWER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

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	\$1,325,279	\$1,409,676	\$1,505,995
Fiduciary net position	765,263	765,263	765,263
Net OPEB liability	\$ 560,016	\$ 644,413	\$ 740,732

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

For the year ended June 30, 2025 the employer recognized OPEB expense of \$161,600. 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	\$349,384	\$150,739
Differences in assumptions	35,449	-
Excess(deficit) investment returns	-	8,525
Total	\$384,833	\$159,264

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

2026	\$108,795
2027	88,414
2028	45,822
2029	(17,462)
2030	-
Thereafter	-
Total	\$225,569

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 \$29,524 and the Board contributed \$54,984 to the plan.

GRAND HAVEN BOARD OF LIGHT AND POWER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

7. RISK MANAGEMENT

The Board is self-insured for employees' health benefits. The claims liability of \$61,900 reported at June 30, 2025 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, 2025 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>
2025	\$ 21,100	\$ 869,889	\$ 829,089	\$ 61,900
2024	14,000	960,698	953,598	21,100
2023	40,813	1,048,756	1,075,569	14,000

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>2024</u>	<u>2025</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

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 \$11,122,678 which excluded assets set aside for estimated claims of \$150,034. 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

GRAND HAVEN BOARD OF LIGHT AND POWER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and 2024

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, 2025 and 2024 was \$150,034 and \$104,938, 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, 2025 and 2024 was \$45,096 and \$18,395, respectively.

8. JOINT VENTURE

The Board is a member of a joint venture, the Michigan Public Power Agency (MPPA), with 21 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 \$142,134,409 declines from a commitment maximum of approximately \$15,297,000 in 2026 to approximately \$200,000 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 22 MPPA participants with capacity and energy provided by third parties through the MPPA.

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

Electricity purchase from/through MPPA	\$9,469,498
Payments to MPPA for electricity transmission	1,555,196
Payments to MPPA for renewable energy	4,736,968
Payments to MPPA for capacity	3,439,973
Payments to MPPA for other	448,403

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, 2025 and 2024

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 \$17,807,754 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, 2016 through 2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 1,784,375	\$ 1,938,292	\$ 1,896,453	\$ 1,876,313	\$ 1,787,913	\$ 1,719,873	\$ 346,845	\$ 356,420	\$ 332,669	\$ 274,817
Interest	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	3,307,885
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	(211,607)
Changes in assumptions	4,451,385	-	-	-	4,122,188	3,919,533	1,680,863	-	354,870	(143,501)
Benefit payments including employee refunds	(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)	(3,247,750)
Other	217,812	(1)	-	(4)	(2)	1	-	1	(1)	-
Net change in total pension liability	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	(20,156)
Total pension liability, beginning of year	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	47,557,297
Total pension liability, end of year	\$ 98,174,993	\$ 101,218,656	\$ 106,978,445	\$ 110,233,536	\$ 119,652,331	\$ 127,352,179	\$ 45,286,889	\$ 46,230,408	\$ 47,557,297	\$ 47,537,141
Plan Fiduciary Net Position										
Contributions-employer	\$ 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	\$ 750,824
Contributions-employee	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	233,792	223,524	205,503	190,835
Net investment income	(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	3,122,325
Benefit payments including employee refunds	(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)	(3,247,750)
Administrative expense	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(63,315)	(82,236)	(92,423)	(92,116)
Net change in plan fiduciary net position	(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	724,118
Plan fiduciary net position, beginning of year	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	42,065,734
Plan fiduciary net position, end of year	\$ 68,045,340	\$ 73,178,036	\$ 85,233,206	\$ 80,052,419	\$ 87,674,270	\$ 99,051,240	\$ 44,100,296	\$ 39,929,046	\$ 42,065,734	\$ 42,789,852
Employer net pension liability	\$ 30,129,653	\$ 28,040,620	\$ 21,745,239	\$ 30,181,117	\$ 31,978,061	\$ 28,300,939	\$ 1,186,593	\$ 6,301,362	\$ 5,491,563	\$ 4,747,289
Employer net pension liability reported by Grand Haven Board of Light and Power **	\$ 12,039,809	\$ 11,524,695	\$ 4,196,831	\$ 4,941,117	\$ 7,520,756	\$ 4,450,113	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	69%	72%	80%	73%	73%	78%	97%	86%	88%	90%
Covered employee payroll	\$ 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	\$ 2,213,797
Employer's net pension liability as a percentage of covered employee payroll	261%	232%	188%	269%	305%	290%	55%	302%	198%	214%

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, 2016 through 2025

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 **
6/30/2016	\$ 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%
6/30/2025	341,028	681,028	(340,000)	2,213,797	31%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	14 years
Asset valuation method	5 year smoothed (10 year smoothing 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 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability									
Service cost	\$ 52,122	\$ 49,554	\$ 42,889	\$ 46,820	\$ 43,640	\$ 15,611	\$ 14,854	\$ 13,823	\$ 12,420
Interest	456,376	456,247	556,550	623,499	593,625	113,978	78,633	72,607	108,730
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	(195,602)
Change on plan terms	-	-	-	-	-	(334,645)	-	-	-
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	110,853	12,160	20,699	30,619
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)	(224,869)	(174,713)
Other	-	-	-	-	-	-	-	-	-
Net change in total OPEB liability	<u>52,855</u>	<u>1,174,403</u>	<u>826,899</u>	<u>27,870</u>	<u>(165,416)</u>	<u>(471,819)</u>	<u>(95,041)</u>	<u>492,380</u>	<u>(218,546)</u>
Total OPEB liability, beginning of year	<u>6,300,692</u>	<u>6,353,547</u>	<u>7,527,950</u>	<u>8,354,849</u>	<u>8,382,719</u>	<u>1,702,702</u>	<u>1,230,883</u>	<u>1,135,842</u>	<u>1,628,222</u>
Total OPEB liability, end of year	<u>\$ 6,353,547</u>	<u>\$ 7,527,950</u>	<u>\$ 8,354,849</u>	<u>\$ 8,382,719</u>	<u>\$ 8,217,303</u>	<u>\$ 1,230,883</u>	<u>\$ 1,135,842</u>	<u>\$ 1,628,222</u>	<u>\$ 1,409,676</u>
Plan Fiduciary Net Position									
Contributions-employer	\$ 500,000	\$ -	\$ 779,102	\$ 713,057	\$ 699,661	\$ -	\$ -	\$ -	\$ -
Contributions/benefit payments made from general operating funds	535,595	639,638	-	-	-	335,192	244,837	224,869	174,713
Net Investment income	198,865	151,458	62,008	50,205	618,036	(54,370)	44,113	65,177	68,050
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)	(224,869)	(174,713)
Administrative expense	(4,014)	(4,917)	(4,396)	(3,939)	(4,546)	(687)	(1,117)	(1,391)	(1,527)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>694,851</u>	<u>146,541</u>	<u>57,612</u>	<u>46,266</u>	<u>613,490</u>	<u>(55,057)</u>	<u>42,996</u>	<u>63,786</u>	<u>66,523</u>
Plan fiduciary net position, beginning of year	<u>1,253,420</u>	<u>1,948,271</u>	<u>2,094,812</u>	<u>2,152,424</u>	<u>2,198,690</u>	<u>647,015</u>	<u>591,958</u>	<u>634,954</u>	<u>698,740</u>
Plan fiduciary net position, end of year	<u>\$ 1,948,271</u>	<u>\$ 2,094,812</u>	<u>\$ 2,152,424</u>	<u>\$ 2,198,690</u>	<u>\$ 2,812,180</u>	<u>\$ 591,958</u>	<u>\$ 634,954</u>	<u>\$ 698,740</u>	<u>\$ 765,263</u>
Employer net OPEB liability	<u>\$ 4,405,276</u>	<u>\$ 5,433,138</u>	<u>\$ 6,202,425</u>	<u>\$ 6,184,029</u>	<u>\$ 5,405,123</u>	<u>\$ 638,925</u>	<u>\$ 500,888</u>	<u>\$ 929,482</u>	<u>\$ 644,413</u>
Employer net OPEB liability reported by Grand Haven Board of Light and Power **	<u>\$ 1,013,548</u>	<u>\$ 1,319,831</u>	<u>\$ 1,146,013</u>	<u>\$ 1,091,795</u>	<u>\$ 1,055,687</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31%	28%	26%	26%	34%	48%	56%	43%	54%
Covered employee payroll	\$ 11,180,895	\$ 5,433,138	\$ 5,833,306	\$ 4,286,167	\$ 4,228,786	\$ 1,187,543	\$ 1,097,102	\$ 2,218,649	\$ 880,788
Employer's net OPEB liability as a percentage of covered employee payroll	39%	100%	106%	144%	128%	54%	46%	42%	73%

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 2025

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%
6/30/2025	155,952	174,713	(18,761)	880,788	20%

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	6.93% (7% 2022-2024, 7.35% 2020-2021, 7.75% 2017-2019)
Retirement age	Varies depending on plan adoption
Mortality	Public 2016 tables, headcount weighted

SCHEDULE OF INVESTMENT RETURNS

FOR THE YEARS ENDED JUNE 30, 2017 through 2025

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%
6/30/2025	9.1%

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.



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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 16, 2025

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, 2025, 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 16, 2025.

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.

Wrodenold Haefner LLC

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 16, 2025

A regular meeting of the Grand Haven Board of Light and Power was held on Thursday, October 16, 2025, at 6:00 PM at 1700 Eaton Drive in Grand Haven, Michigan and electronically via live Zoom Webinar.

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

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

Absent: Director Polyak.

Others Present: General Manager Rob Shelley, Secretary to the Board Danielle Martin, Distribution and Engineering Manager Austin Gagnon, and Information Technology Specialist Dan Deller.

25-14A Director Crum, supported by Director Welling, moved to excuse Director Polyak from the meeting due to personal reasons.

Roll Call Vote:

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

25-14B Director Welling, supported by Director Knoth, moved to approve the meeting agenda.

Roll Call Vote:

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

Pledge of Allegiance

Public Comment Period:

Jeff Miller, 1120 South Harbor Drive, commented on the October 9, 2025 BLP Open House, stakeholder engagement, and strategic planning.

25-14C Director Welling, supported by Director Knoth, moved to approve the consent agenda. The consent agenda includes:

- Approve the September 25, 2025 meeting minutes
- Receive and File the September Financial Statements and Power Supply and Retail Sales Dashboards
- Receive and File the September Key Performance Indicator (KPI) Dashboard
- Receive and File the MPPA Energy Services Project Resource Position Report dated 09/30/2025

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 16, 2025

- Approve payment of bills in the amount of \$2,418,918.92 from the Operation & Maintenance Fund
- Approve payment of bills in the amount of \$154,077.71 from the Renewal & Replacement Fund
- Receive and File the Public Act 202 Pension and Other Post Employment Benefits Funding Report

The Public Act 202 report must be shared with the Board annually as a part of our state reporting process and shows the BLP meets required funding levels. The pension actuarial report will be delivered in December.

Roll Call Vote:

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

25-14D Director Welling, supported by Director Knoth, moved to approve the Purchase Orders. The Purchase Orders include:

- Purchase Order #23556 to Turnkey Network Solutions in the amount of \$82,353 for transmission fiber optic cable river crossing
- Purchase Order #23562 to Resco in the amount of \$76,705 for five padmount transformers
- Purchase Order #23564 to Landis and Gyr in the amount of \$30,000 for the calendar year 2026 AMI software subscription

In 2017-2018, the BLP placed fiber optic cables throughout its system, except for under the Grand River. We were approached by Wolverine Power, who also used fiber optic in their system, about leasing space to connect their systems which lay to the north and south of Grand Haven. Staff recommends approval of Purchase Order #23556 to place fiber optic under the river. This will not only complete our own system, but the costs will be more than recouped through lease income we will receive from Wolverine of approximately \$150,000 over 20 years.

Landis and Gyr currently supports our AMI system. Staff recommends entering a nine-year agreement to continue this service. Purchase Order #23564 will cover the first year of the agreement. The agreement has been reviewed by the BLP's legal counsel and is recommended for approval by staff.

Roll Call Vote:

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

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 16, 2025

25-14E Director Welling, supported by Director Knoth, moved to approve the Resolution to Adopt the Annual Exemption Option as set forth in Public Act 152 the Publicly Funded Health Insurance Contribution Act. (Attachment A)

Public Act 152 sets limits on how much a public employer can contribute to its employees' health care coverage. There are three ways for an employer to comply: by meeting the established hard cap dollar amounts, by having employees contribute 20% towards the cost of their health care coverage, or by opting out. The BLP has historically utilized the opt-out option.

Roll Call Vote:

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

25-14F Chairperson Westbrook thanked BLP employees for their work on the October 9th Open House. He felt it was well attended and a good event.

No formal action taken.

Other Business

- Kent Power is continuing work on the Harbor Drive project. Some setbacks have been encountered, and the completion date has been adjusted to December.
- The General Manager reported he attended a recent airport board meeting and spoke at public comment. He is also scheduled for a meeting with the airport board chair and the city's airport liaison to further discuss the possibility of a community solar garden.
- The coal yard clean up on Harbor Island is complete. BLP and City staff meet monthly regarding Harbor Island.

No formal action taken.

Public Comment Period: none.

Adjournment

At 6:28PM by motion of Director Welling, supported by Director Knoth, the October 16, 2025 Board meeting was unanimously adjourned.

Respectfully submitted,

Danielle Martin
Secretary to the Board

DM

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
OCTOBER 16, 2025

Attachment A

**RESOLUTION TO ADOPT THE ANNUAL EXEMPTION OPTION AS SET FORTH IN 2011 PUBLIC ACT 152 THE
PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT**

WHEREAS, 2011 Public Act 152 (the "Act") was passed by the State Legislature and signed by the Governor on September 24, 2011; and

WHEREAS, the Act contains three options for complying with the requirements of the Act; and

WHEREAS, the three options are as follows:

- 1) Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- 3) Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body; and

WHEREAS, the Grand Haven Board of Light and Power has decided to adopt the annual Exemption option as its choice of compliance under the Act.

NOW THEREFORE, BE IT RESOLVED, the Grand Haven Board of Light and Power elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the annual Exemption option for the medical benefit plan coverage year January 1, 2026 through December 31, 2026.

RESOLUTION DECLARED ADOPTED

Dated: October 16, 2025

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 16, 2025, 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.

October 16, 2025

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

GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF NET POSITION
FOR THE MONTH ENDING OCTOBER 2025

	<u>OCTOBER 2025</u>	<u>OCTOBER 2024</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$27,916,693	\$24,863,902
ACCOUNTS RECEIVABLE	4,225,293	4,243,465
PREPAID	2,246	2,581
	32,144,232	29,109,948
NON-CURRENT ASSETS		
DEPOSITS HELD BY MPIA	12,126,270	10,588,887
DEPOSITS HELD BY MPPA	2,500,000	2,500,000
ADVANCE TO CITY OF GRAND HAVEN	423,440	581,804
MITIGATION FUND	17,591,061	14,761,625
2021A BOND FUND	0	4,688,409
2021A BOND REDEMPTION FUND	2,102,786	2,150,337
	34,743,557	35,271,062
CAPITAL ASSETS		
CONSTRUCTION IN PROGRESS	3,334,458	928,535
PROPERTY, PLANT AND EQUIPMENT	69,945,897	68,381,811
LESS ACCUMULATED DEPRECIATION	(32,633,411)	(30,725,917)
	40,646,944	38,584,429
TOTAL ASSETS	\$107,534,733	\$102,965,439
DEFERRED OUTFLOWS/(INFLOWS)		
PENSION/OPEB RELATED	2,345,348	3,736,804
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	1,160,390	1,257,155
SERIES 2021A BOND CURRENT	2,494,273	2,506,913
ACCRUED PAYROLL LIABILITIES	294,617	189,990
CUSTOMER DEPOSITS	994,577	902,528
ACCRUED TRANSFER FUND	156,935	152,980
	5,100,792	5,009,566
LONG TERM LIABILITIES		
ASSET RETIREMENT OBLIGATION - MITIGATION	17,022,181	17,386,835
ACCRUED SICK AND PTO	320,271	267,868
SERIES 2021A BOND	15,500,000	17,900,000
NET PENSION LIABILITIES	4,747,289	5,491,563
NET OTHER POST EMPLOYMENT BENEFIT	644,413	929,482
	38,234,154	41,975,748
TOTAL LIABILITIES	43,334,946	46,985,314
NET POSITION		
BEGINNING OF THE YEAR	63,106,783	56,080,669
YTD INCREASE IN NET ASSETS	3,438,352	3,636,260
NET POSITION	66,545,135	59,716,929
TOTAL LIABILITIES AND EQUITY	\$109,880,081	\$106,702,243

GRAND HAVEN BOARD OF LIGHT AND POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH OF OCTOBER 2025

	Current Period Actual	YTD Actual	YTD Budget	Variance Over (Under)	Percent Variance Actual vs Budget	Previous Year Current Period	Previous Year YTD	Variance Over (Under)	Percent Variance Actual vs Last Year
Operating Revenue									
Residential Sales	\$ 1,048,619	\$ 5,614,106	\$ 5,091,978	\$ 522,128	10.25%	\$ 1,005,123	\$ 5,081,126	\$ 532,980	10.49%
Commercial Sales	920,461	4,149,260	3,995,169	154,091	3.86%	879,853	3,894,913	254,347	6.53%
Industrial Sales	973,414	4,080,189	3,732,720	347,469	9.31%	984,337	4,040,701	39,488	0.98%
Municipal Sales	91,176	437,048	359,372	77,676	21.61%	85,784	404,206	32,842	8.13%
Total Charges for Services	3,033,670	14,280,603	13,179,239	1,101,364	8.36%	2,955,097	13,420,946	859,657	6.41%
Street Lighting	28,243	112,753	112,000	753	0.67%	28,093	112,190	563	0.50%
Other Revenue	25,686	144,838	127,533	17,305	13.57%	24,190	277,106	(132,268)	-47.73%
Total Operating Revenue	3,087,599	14,538,194	13,418,772	1,119,422	8.34%	3,007,380	13,810,242	727,952	5.27%
Operating Expenses									
Net Purchased Power	1,340,514	7,273,899	7,126,383	147,516	2.07%	1,246,805	7,003,401	270,498	3.86%
Distribution Operations	145,845	503,374	482,569	20,805	4.31%	122,129	446,542	56,832	12.73%
Distribution Maintenance	389,327	1,161,205	1,353,281	(192,076)	-14.19%	258,327	966,031	195,174	20.20%
Energy Optimization	15,699	56,419	41,667	14,752	35.40%	22,248	68,391	(11,972)	-17.51%
Administration	285,644	1,061,674	1,032,840	28,834	2.79%	214,377	919,859	141,815	15.42%
Legacy Pension Expense	41,484	185,215	133,333	51,882	38.91%	12,233	57,176	128,039	223.94%
Operating Expenses Before Depreciation	2,218,513	10,241,786	10,170,073	71,713	0.71%	1,876,119	9,461,400	780,386	8.25%
Operating Changes Before Depreciation	869,086	4,296,408	3,248,699	1,047,709	32.25%	1,131,261	4,348,842	(52,434)	-1.21%
Depreciation	193,862	775,449	766,664	8,785	1.15%	186,486	737,790	37,659	5.10%
Operating Changes	675,224	3,520,959	2,482,035	1,038,924	41.86%	944,775	3,611,052	(90,093)	-2.49%
Nonoperating Revenue/(Expenses)	63,845	286,299	127,379	158,920	124.76%	64,623	362,447	(76,148)	-21.01%
Asset Retirement Expense	-	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Environmental Surcharge	76,795	369,223	333,332	35,891	10.77%	76,415	357,283	11,940	3.34%
Non-Operating Revenue/(Expenses)	140,640	655,522	460,711	194,811	42.28%	141,038	719,730	(64,208)	-8.92%
Transfers to City of Grand Haven	(156,935)	(738,129)	(664,569)	(73,560)	11.07%	(152,980)	(694,521)	(43,608)	6.28%
Increase in Net Assets	\$ 658,929	\$ 3,438,352	\$ 2,278,177	\$ 1,160,175	50.93%	\$ 932,833	\$ 3,636,261	\$ (197,909)	-5.44%

GRAND HAVEN BOARD OF LIGHT AND POWER
POWER SUPPLY DASHBOARD
FOR THE MONTH OF OCTOBER 2025

<u>Power Supply for Month (kWh)</u>	<u>FY2026</u>		<u>FY2025</u>	
Net Purchased (Sold) Power	17,584,522	75.65%	14,786,813	69.04%
Renewable Energy Purchases	5,659,586	24.35%	6,631,633	30.96%
Monthly Power Supply Total	23,244,108		21,418,446	
Days in Month	31		31	
Average Daily kWh Supply for Month	749,810		690,918	
% Change	8.52%			

<u>Power Supply FYTD</u>	<u>FY2026</u>		<u>FY2025</u>	
Net Purchased (Sold) Power	81,459,343	76.77%	76,323,819	74.72%
Renewable Energy Purchases	24,654,846	23.23%	25,818,349	25.28%
FYTD Power Supply Total	106,114,189		102,142,168	
FYTD Days	123		123	
Average Daily kWh Supply FYTD	862,717		830,424	
% Change	3.89%			

	<u>FY2026</u>	<u>FY2025</u>
Net Purchased Power Expenses	\$7,273,899	\$7,003,401
% Change	3.86%	
Net Energy Expenses		
per kWh Supplied to System FYTD	\$0.06855	\$0.06857
% Change	-0.03%	

**GRAND HAVEN BOARD OF LIGHT AND POWER
SALES DASHBOARD
FOR THE MONTH OF OCTOBER 2025**

<u>Monthly Retail Customers</u>	<u>FY2026</u>		<u>FY2025</u>	
Residential	13,280	87.50%	13,283	87.49%
Commercial	1,658	10.92%	1,660	10.93%
Industrial	128	0.84%	126	0.83%
Municipal	111	0.73%	114	0.75%
Total	15,177		15,183	
 <u>Monthly Energy Sold (kWh)</u>				
Residential	6,755,326	30.68%	6,600,152	30.10%
Commercial	6,467,635	29.37%	6,326,302	28.85%
Industrial	8,030,820	36.47%	8,239,943	37.58%
Municipal	701,146	3.18%	692,814	3.16%
Retail Monthly Total	21,954,927	99.70%	21,859,211	99.70%
Street Lighting	66,677	0.30%	66,569	0.30%
Total Monthly Energy Sold	22,021,604		21,925,780	
 Days in Primary Meter Cycle	 30		 30	
kWh Sold per Day	734,053		730,859	
% Change	0.44%			

<u>Energy Sold (kWh) FYTD</u>	<u>FY2026</u>		<u>FY2025</u>	
Residential	38,134,360	36.04%	35,310,947	34.48%
Commercial	30,002,690	28.35%	28,939,994	28.26%
Industrial	33,812,861	31.95%	34,434,126	33.62%
Municipal	3,608,719	3.41%	3,457,725	3.38%
Retail Energy Sold Total FYTD	105,558,630	99.75%	102,142,792	99.74%
Street Lighting	265,890	0.25%	265,451	0.26%
Energy Sold FYTD	105,824,520		102,408,243	
 Weighted Days in Meter Cycles FYTD	 122		 122	
kWh Sold per Day	867,414		839,412	
% Change	3.34%			

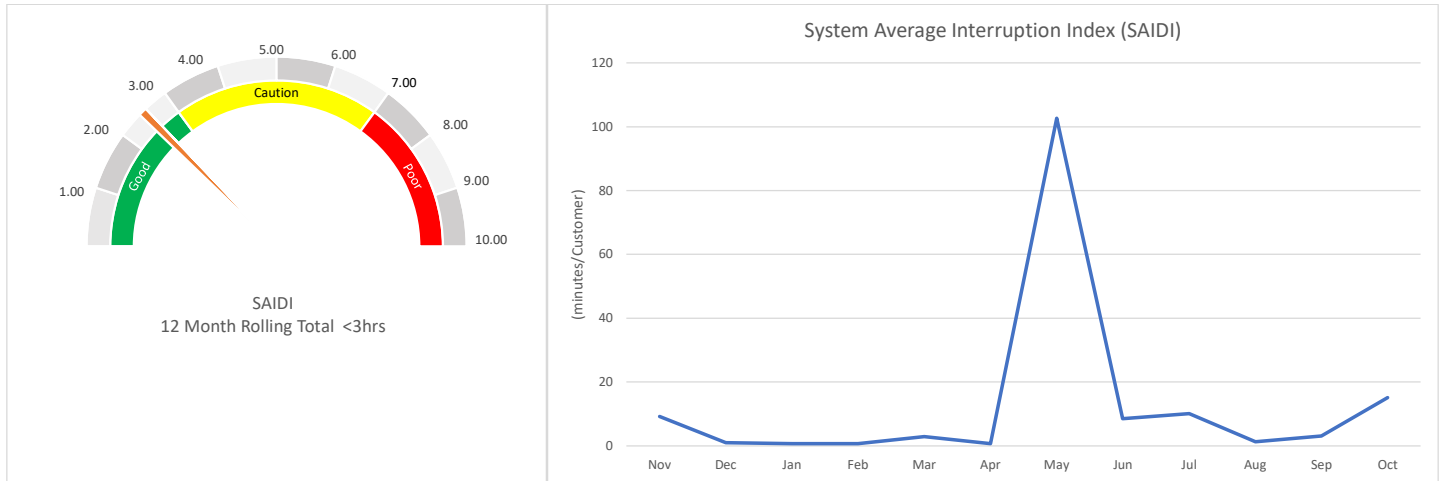
<u>Sales Revenue FYTD net ERS</u>	<u>FY2026</u>	<u>Average Rate (\$/kWh)</u>	<u>FY2025</u>	<u>Average Rate (\$/KWh)</u>	<u>Percent Change \$/kWh</u>
Residential	\$5,614,106	\$0.1472	\$5,081,126	\$0.1439	2.31%
Commercial	\$4,149,260	\$0.1383	\$3,894,913	\$0.1346	2.76%
Industrial	\$4,080,189	\$0.1207	\$4,040,701	\$0.1173	2.83%
Municipal	\$437,048	\$0.1211	\$404,206	\$0.1169	3.60%
Retail Sales Revenue FYTD	\$14,280,603	\$0.1353	\$13,420,946	\$0.1314	2.96%
Street Lighting	\$112,753		\$112,190		
Total Sales Revenue FYTD (Excl. Wholesale)	\$14,393,356	\$0.1360	\$13,533,136	\$0.1321	

	<u>FY2026</u>	<u>FY2025</u>
Approx. Distribution Losses FYTD	-0.54%	-1.08%
 Net Energy Expenses/kWh Sold FYTD	\$0.06817	\$0.06782
% Change	0.52%	

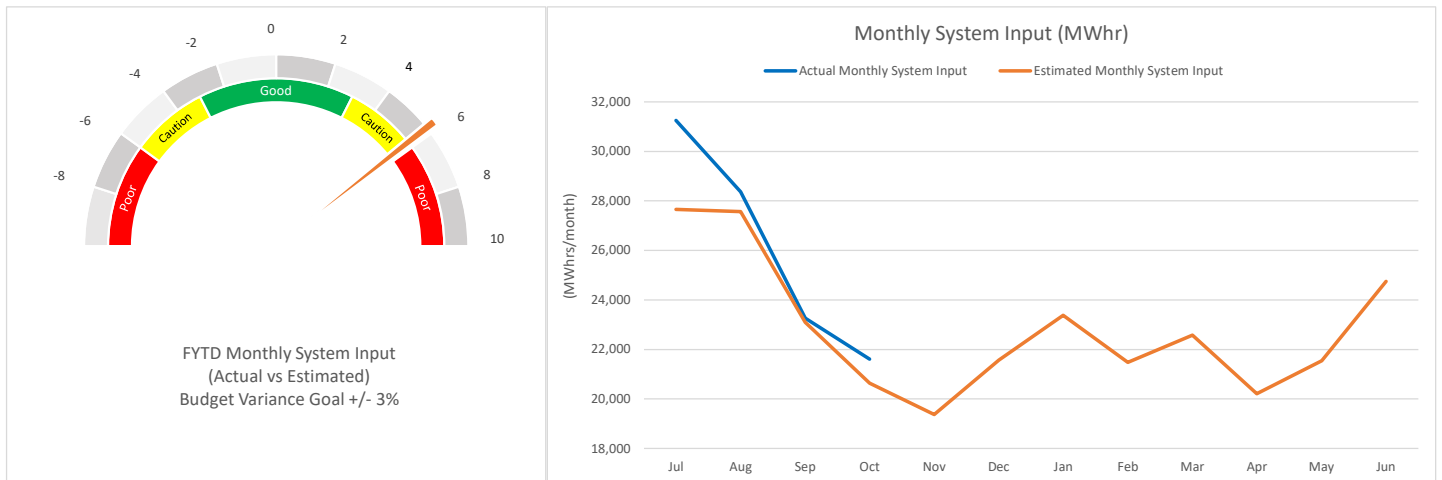
GHBLP Key Performance Indicators

November 14, 2025

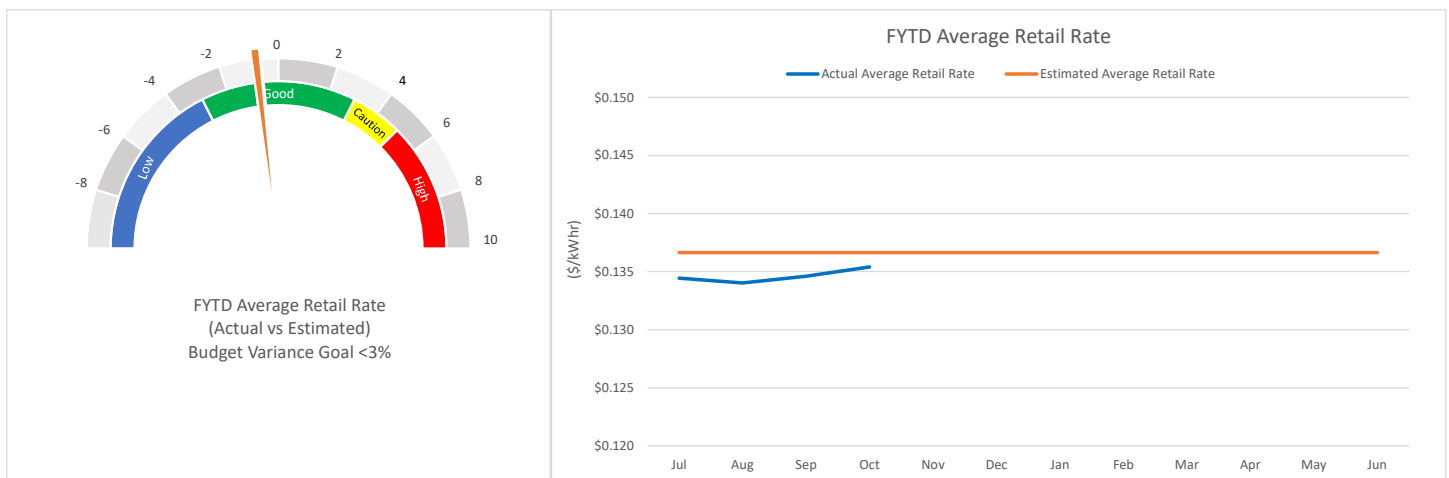
1) Reliability



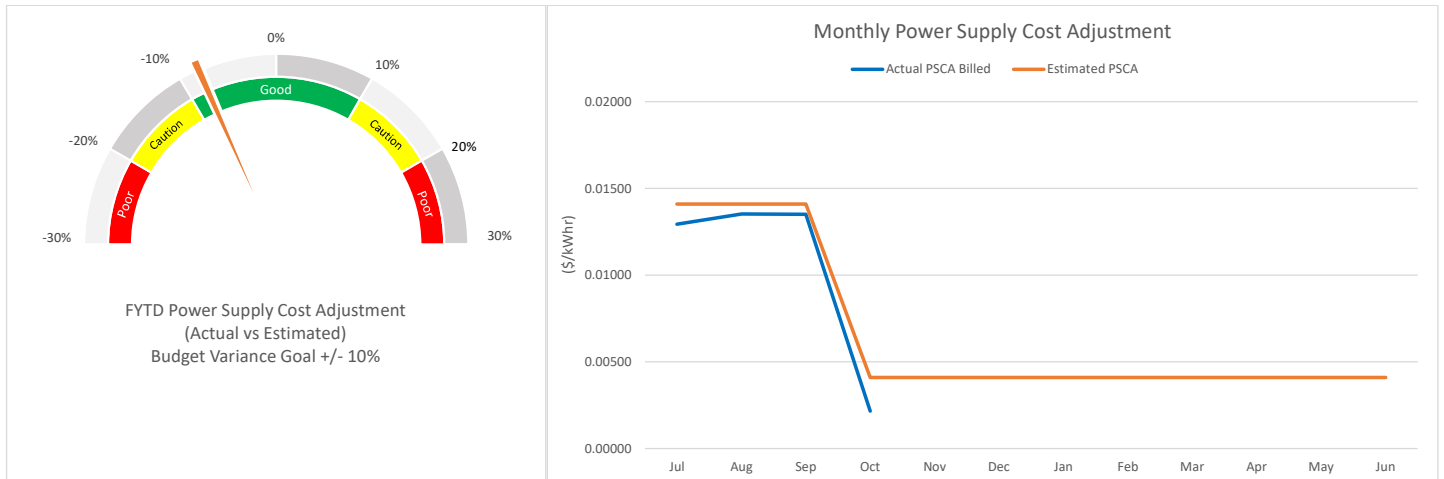
2) Power Supply



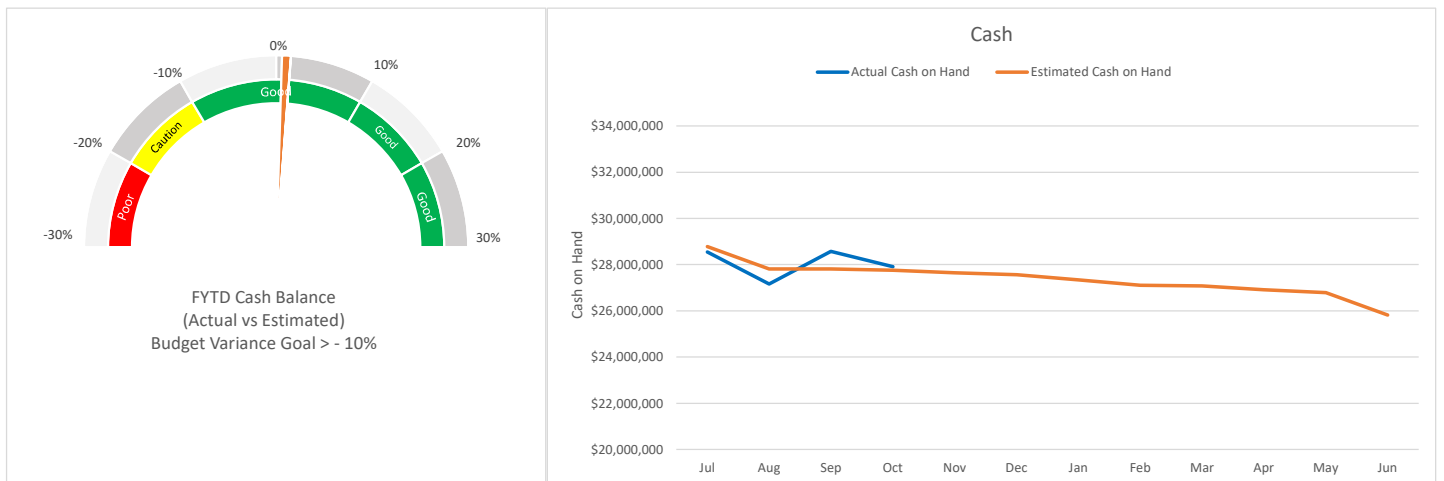
3) Average Retail Revenue per kWh



4) Rates/PSCA



5) Financial

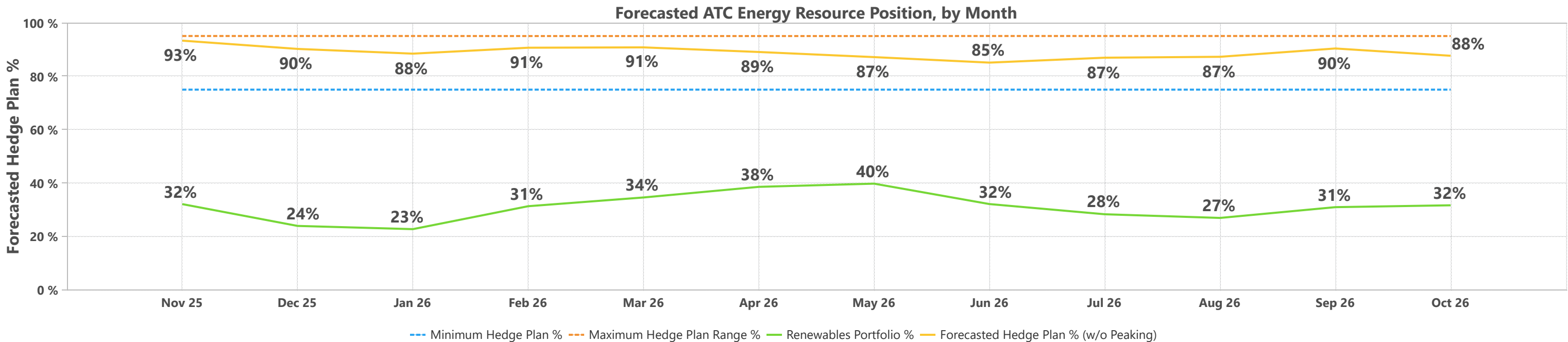


GRAN is forecasted to have an average of 89% of Around the Clock (ATC) Power Supply hedged over the upcoming 12 months, and Renewable Energy Resources are forecasted to provide an average of 31% towards load. Total Resources are forecasted to cost an average of \$53.58 Per MWh, and Market Balancing Energy is forecasted to come in at an average of \$53.26 per MWh. When including Locational Basis this results in a Total Forecasted Power Supply weighted average cost of \$54.58 over the upcoming 12 months.

Forecasted Prompt 12 Months Energy Resource Position for GRAN

Power Supply, MWh	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Total Resources, MWh	18,098	19,447	20,085	18,548	19,476	17,472	18,586	21,225	23,695	23,631	20,484	18,174
Project Assets	1,850	1,855	1,884	1,686	1,900	1,813	1,901	1,537	1,572	1,539	1,554	1,701
Landfill Project	1,850	1,855	1,884	1,686	1,900	1,813	1,901	1,537	1,572	1,539	1,554	1,701
Contracted Power Supply	16,248	17,592	18,202	16,862	17,576	15,658	16,685	19,687	22,123	22,093	18,930	16,473
Contracted ESP Renewable PPAs	4,358	3,282	3,254	4,702	5,501	5,737	6,563	6,454	6,117	5,727	5,442	4,845
Contracted Bilateral Energy Transactions	11,890	14,310	14,947	12,160	12,075	9,922	10,122	13,234	16,006	16,366	13,488	11,628

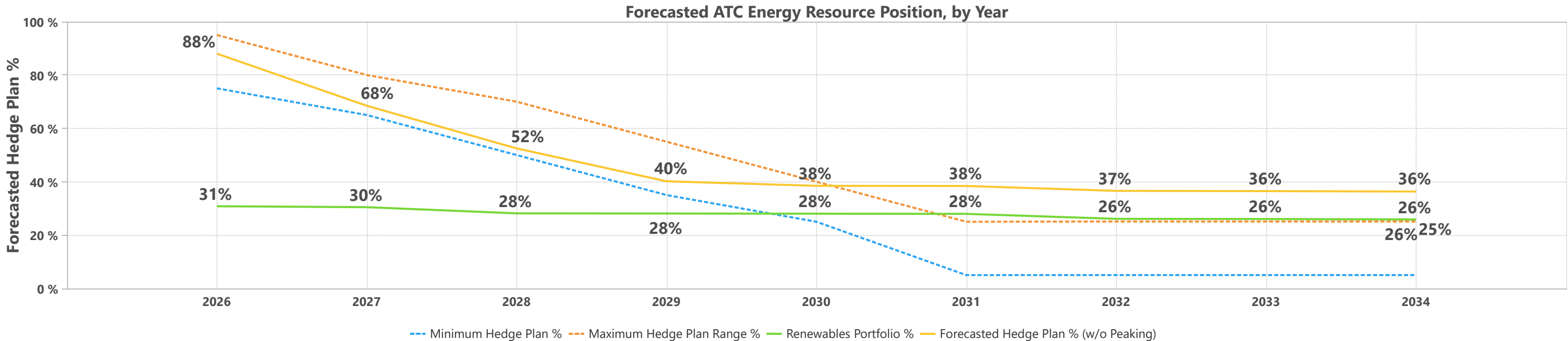
Total Power Supply	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Forecasted Hedge Plan % (w/o Peaking)	93%	90%	88%	91%	91%	89%	87%	85%	87%	87%	90%	88%
Minimum Hedge Plan %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Maximum Hedge Plan Range %	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Renewables Portfolio %	32%	24%	23%	31%	34%	38%	40%	32%	28%	27%	31%	32%
Forecasted Load	(19,405)	(21,569)	(22,725)	(20,470)	(21,464)	(19,629)	(21,341)	(24,962)	(27,277)	(27,098)	(22,679)	(20,749)
Forecasted Market Balancing, MWh	(1,307)	(2,122)	(2,639)	(1,922)	(1,988)	(2,158)	(2,756)	(3,738)	(3,582)	(3,467)	(2,194)	(2,575)
Forecasted Hedge % (w/ Peaking)	93%	90%	88%	91%	91%	89%	87%	85%	87%	87%	90%	88%



Forecasted Outer Years Energy Resource Position for GRAN

Power Supply, MWh	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Resources, MWh	236,774	184,004	140,917	107,807	103,226	103,027	98,092	97,819	97,357
Project Assets	20,382	13,518	7,424	7,424	7,424	7,421	2,586	2,586	2,314
Landfill Project	20,382	13,518	7,424	7,424	7,424	7,421	2,586	2,586	2,314
Contracted Power Supply	216,391	170,486	133,493	100,383	95,802	95,606	95,506	95,233	95,044
Contracted ESP Renewable PPAs	62,519	68,347	68,161	67,962	67,770	67,574	67,397	67,201	67,012
Contracted Bilateral Energy Transactions	153,872	102,139	65,331	32,422	28,032	28,032	28,109	28,032	28,032

Total Power Supply	2026	2027	2028	2029	2030	2031	2032	2033	2034
Forecasted Hedge Plan % (w/o Peaking)	88%	68%	52%	40%	38%	38%	37%	36%	36%
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 %	31%	30%	28%	28%	28%	28%	26%	26%	26%
Forecasted Load	(269,027)	(268,739)	(268,501)	(268,403)	(268,342)	(268,263)	(268,195)	(268,114)	(268,031)
Forecasted Market Balancing, MWh	(32,254)	(84,736)	(127,584)	(160,595)	(165,115)	(165,236)	(170,103)	(170,295)	(170,673)
Forecasted Hedge % (w/ Peaking)	88%	68%	52%	40%	38%	38%	37%	36%	36%



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.

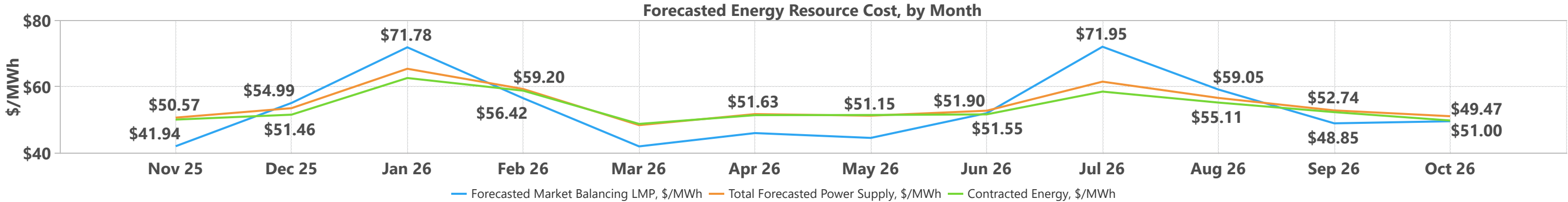
Power Supply \$'s	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Total Resources, \$'s	(\$904,465)	(\$1,000,679)	(\$1,255,601)	(\$1,088,695)	(\$947,928)	(\$896,510)	(\$954,613)	(\$1,094,137)	(\$1,384,241)	(\$1,302,300)	(\$1,069,740)	(\$903,358)
Project Assets	(\$194,173)	(\$191,977)	(\$196,648)	(\$177,654)	(\$142,926)	(\$193,227)	(\$202,123)	(\$182,621)	(\$185,706)	(\$171,333)	(\$172,555)	(\$130,507)
Landfill Project	(\$194,173)	(\$191,977)	(\$196,648)	(\$177,654)	(\$142,926)	(\$193,227)	(\$202,123)	(\$182,621)	(\$185,706)	(\$171,333)	(\$172,555)	(\$130,507)
Contracted Power Supply	(\$710,292)	(\$808,702)	(\$1,058,953)	(\$911,042)	(\$805,002)	(\$703,283)	(\$752,491)	(\$911,516)	(\$1,198,535)	(\$1,130,967)	(\$897,184)	(\$772,850)
Contracted ESP Renewable PPAs	(\$207,861)	(\$155,709)	(\$158,170)	(\$227,308)	(\$267,306)	(\$278,670)	(\$318,319)	(\$314,304)	(\$297,668)	(\$278,749)	(\$275,144)	(\$243,384)
Contracted Bilateral Energy Transactions	(\$502,432)	(\$652,993)	(\$900,783)	(\$683,733)	(\$537,696)	(\$424,613)	(\$434,172)	(\$597,212)	(\$900,867)	(\$852,218)	(\$622,040)	(\$529,467)

Locational Basis, \$'s	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Locational Basis (Projects)	(\$691)	\$776	(\$1,343)	(\$1,264)	\$142	\$1,628	(\$984)	(\$1,161)	(\$939)	(\$1,991)	(\$537)	\$417
Locational Basis (Contracted Power Supply)	(\$21,277)	(\$35,518)	(\$37,682)	(\$13,495)	(\$5,673)	(\$19,507)	(\$13,605)	(\$25,049)	(\$32,425)	(\$22,229)	(\$18,714)	(\$27,783)

Power Supply \$/MWh	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Power Supply \$/MWh												
Project Assets												
Landfill Project	\$104.94	\$103.48	\$104.40	\$105.36	\$75.22	\$106.56	\$106.32	\$118.79	\$118.12	\$111.34	\$111.04	\$76.72
Contracted Power Supply												
Contracted ESP Renewable PPAs	\$47.70	\$47.44	\$48.60	\$48.35	\$48.59	\$48.58	\$48.50	\$48.70	\$48.66	\$48.67	\$50.56	\$50.23
Contracted Bilateral Energy Transactions	\$42.26	\$45.63	\$60.26	\$56.23	\$44.53	\$42.80	\$42.90	\$45.13	\$56.28	\$52.07	\$46.12	\$45.53

Locational Basis, \$/MWh	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Locational Basis (Projects)	\$0.37	(\$0.42)	\$0.71	\$0.75	(\$0.07)	(\$0.90)	\$0.52	\$0.76	\$0.60	\$1.29	\$0.35	(\$0.24)
Locational Basis (Contracted Power Supply)	\$1.31	\$2.02	\$2.07	\$0.80	\$0.32	\$1.25	\$0.82	\$1.27	\$1.47	\$1.01	\$0.99	\$1.69

Total Power Supply	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Forecasted Market Balancing LMP, \$/MWh	\$41.94	\$54.99	\$71.78	\$56.42	\$41.89	\$45.91	\$44.45	\$51.90	\$71.95	\$59.05	\$48.85	\$49.47
Forecasted Market Balancing LMP, \$'s	(\$54,824)	(\$116,696)	(\$189,435)	(\$108,462)	(\$83,273)	(\$99,054)	(\$122,483)	(\$193,986)	(\$257,713)	(\$204,716)	(\$107,193)	(\$127,374)
Total Forecasted Power Supply, \$/MWh	\$50.57	\$53.42	\$65.31	\$59.20	\$48.30	\$51.63	\$51.15	\$52.65	\$61.42	\$56.51	\$52.74	\$51.00
Total Forecasted Power Supply Costs, \$'s	(\$981,258)	(\$1,152,117)	(\$1,484,061)	(\$1,211,916)	(\$1,036,731)	(\$1,013,443)	(\$1,091,686)	(\$1,314,333)	(\$1,675,319)	(\$1,531,237)	(\$1,196,183)	(\$1,058,098)



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.

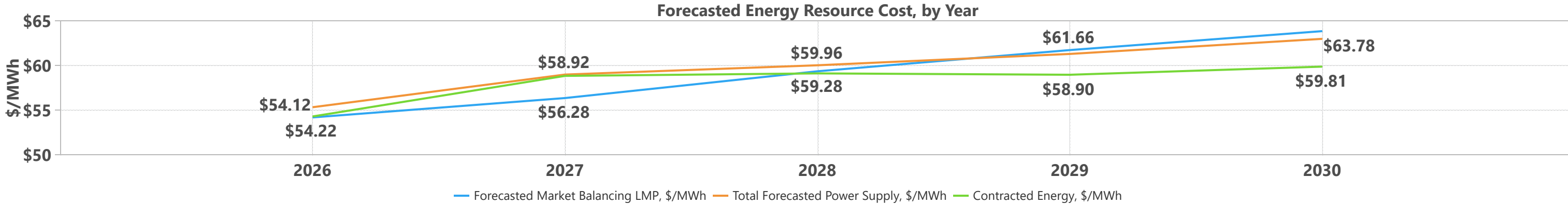
Power Supply \$'s	2026	2027	2028	2029	2030
Total Resources, \$'s	(\$12,838,356)	(\$10,813,676)	(\$8,320,863)	(\$6,349,326)	(\$6,173,555)
Project Assets	(\$2,121,355)	(\$1,492,827)	(\$862,621)	(\$884,885)	(\$907,489)
Landfill Project	(\$2,121,355)	(\$1,492,827)	(\$862,621)	(\$884,885)	(\$907,489)
Contracted Power Supply	(\$10,717,001)	(\$9,320,849)	(\$7,458,242)	(\$5,464,441)	(\$5,266,066)
Contracted ESP Renewable PPAs	(\$3,063,204)	(\$3,484,839)	(\$3,522,221)	(\$3,559,498)	(\$3,598,162)
Contracted Bilateral Energy Transactions	(\$7,653,797)	(\$5,836,010)	(\$3,936,021)	(\$1,904,942)	(\$1,667,904)

Locational Basis, \$'s	2026	2027	2028	2029	2030
Locational Basis (Projects)	(\$5,976)	(\$7,133)	(\$1,312)	(\$1,307)	(\$1,323)
Locational Basis (Contracted Power Supply)	(\$275,867)	(\$242,928)	(\$212,827)	(\$180,419)	(\$177,069)

Power Supply \$/MWh	2026	2027	2028	2029	2030
Power Supply \$/MWh					
Project Assets					
Landfill Project	\$104.08	\$110.43	\$116.19	\$119.19	\$122.23
Contracted Power Supply					
Contracted ESP Renewable PPAs	\$49.00	\$50.99	\$51.67	\$52.38	\$53.09
Contracted Bilateral Energy Transactions	\$49.74	\$57.14	\$60.25	\$58.76	\$59.50

Locational Basis, \$/MWh	2026	2027	2028	2029	2030
Locational Basis (Projects)	\$0.29	\$0.53	\$0.18	\$0.18	\$0.18
Locational Basis (Contracted Power Supply)	\$1.27	\$1.42	\$1.59	\$1.80	\$1.85

Total Power Supply	2026	2027	2028	2029	2030
Forecasted Market Balancing LMP, \$/MWh	\$54.12	\$56.28	\$59.28	\$61.66	\$63.78
Forecasted Market Balancing LMP, \$'s	(\$1,745,488)	(\$4,769,315)	(\$7,563,440)	(\$9,902,243)	(\$10,531,123)
Total Forecasted Power Supply, \$/MWh	\$55.26	\$58.92	\$59.96	\$61.23	\$62.92
Total Forecasted Power Supply Costs, \$'s	(\$14,865,687)	(\$15,833,053)	(\$16,098,442)	(\$16,433,296)	(\$16,883,070)

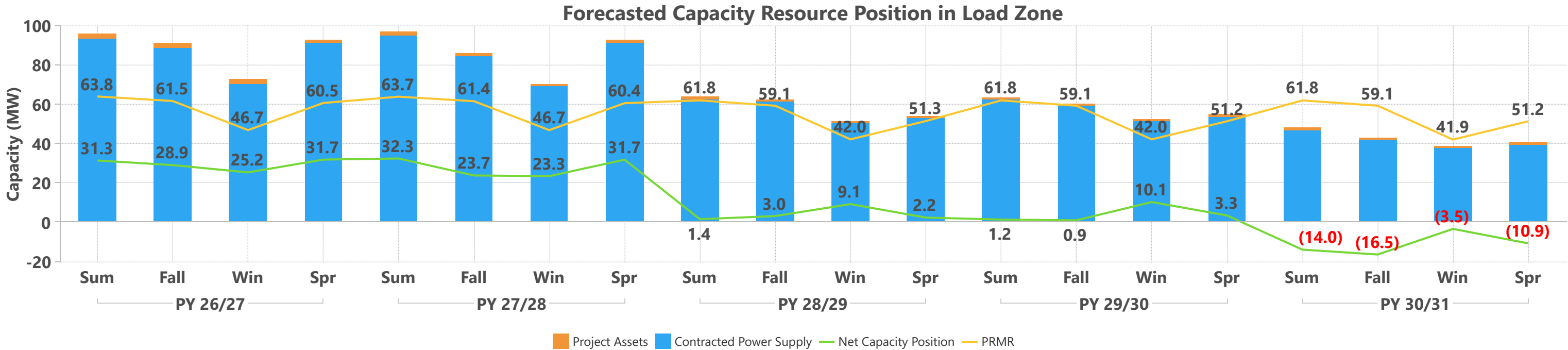


Forecasted Outer Years Capacity Resource Position for GRAN

Capacity Resources, MW	PY 26/27				PY 27/28				PY 28/29				PY 29/30				PY 30/31			
	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr
Net Capacity Position	31.3	28.9	25.2	31.7	32.3	23.7	23.3	31.7	1.4	3.0	9.1	2.2	1.2	0.9	10.1	3.3	(14.0)	(16.5)	(3.5)	(10.9)
Zone 7	31.3	28.9	25.2	31.7	32.3	23.7	23.3	31.7	1.4	3.0	9.1	2.2	1.2	0.9	10.1	3.3	(14.0)	(16.5)	(3.5)	(10.9)
Contracted Power Supply	93.4	88.8	70.3	91.2	95.2	84.3	69.3	91.4	62.5	61.4	50.4	52.8	62.3	59.3	51.5	53.8	47.0	41.9	37.7	39.6
Contracted Bilateral Capacity Transactions	80.5	77.3	67.2	77.3	79.7	74.1	66.5	77.5	55.0	54.3	48.7	50.1	55.6	54.0	50.0	51.3	41.1	38.4	36.2	37.3
Contracted ESP Renewable PPAs	12.9	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	5.9	3.5	1.5	2.3
Planning Reserve Margin Requirement	(63.8)	(61.5)	(46.7)	(60.5)	(63.7)	(61.4)	(46.7)	(60.4)	(61.8)	(59.1)	(42.0)	(51.3)	(61.8)	(59.1)	(42.0)	(51.2)	(61.8)	(59.1)	(41.9)	(51.2)
PRMR	(63.8)	(61.5)	(46.7)	(60.5)	(63.7)	(61.4)	(46.7)	(60.4)	(61.8)	(59.1)	(42.0)	(51.3)	(61.8)	(59.1)	(42.0)	(51.2)	(61.8)	(59.1)	(41.9)	(51.2)
Project Assets	1.6	1.6	1.6	1.1	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Landfill Project	1.6	1.6	1.6	1.1	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Net Contracted Bilateral Capacity	PY 26/27			PY 27/28			PY 28/29			PY 29/30			PY 30/31		
	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.	Net Bilat MW	Net Bilat \$'s	\$/kw-mo.
Total Net Capacity Bilats	(75.6)	(\$3,864,492)	\$4.26	(74.5)	(\$3,831,299)	\$4.29	(52.0)	(\$2,975,371)	\$4.77	(52.7)	(\$3,014,516)	\$4.77	(38.3)	(\$2,143,611)	\$4.67
Sum	(80.5)	(\$1,015,036)	\$4.20	(79.7)	(\$1,033,970)	\$4.32	(55.0)	(\$787,057)	\$4.77	(55.6)	(\$795,312)	\$4.77	(41.1)	(\$577,155)	\$4.68
Fall	(77.3)	(\$997,389)	\$4.30	(74.1)	(\$951,859)	\$4.28	(54.3)	(\$776,036)	\$4.77	(54.0)	(\$771,574)	\$4.77	(38.4)	(\$537,810)	\$4.67
Win	(67.2)	(\$852,918)	\$4.23	(66.5)	(\$843,277)	\$4.23	(48.7)	(\$695,997)	\$4.77	(50.0)	(\$714,426)	\$4.77	(36.2)	(\$506,379)	\$4.66
Spr	(77.3)	(\$999,148)	\$4.31	(77.5)	(\$1,002,193)	\$4.31	(50.1)	(\$716,281)	\$4.77	(51.3)	(\$733,203)	\$4.77	(37.3)	(\$522,267)	\$4.67

Net Capacity Position	PY 26/27			PY 27/28			PY 28/29			PY 29/30			PY 30/31		
	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s	Market Cap MW	Market Cap \$'s	Total Cap \$'s
Total Net Capacity Position	25.2	\$2,116,800	(\$1,747,692)	23.3	\$2,027,100	(\$1,804,199)	1.4	\$126,000	(\$2,849,371)	0.9	\$83,700	(\$2,930,816)	(16.5)	(\$1,584,000)	(\$3,727,611)
Sum	25.2	\$529,200	(\$485,836)	23.3	\$506,775	(\$527,195)	1.4	\$31,500	(\$755,557)	0.9	\$20,925	(\$774,387)	(16.5)	(\$396,000)	(\$973,155)
Fall	25.2	\$529,200	(\$468,189)	23.3	\$506,775	(\$445,084)	1.4	\$31,500	(\$744,536)	0.9	\$20,925	(\$750,649)	(16.5)	(\$396,000)	(\$933,810)
Win	25.2	\$529,200	(\$323,718)	23.3	\$506,775	(\$336,502)	1.4	\$31,500	(\$664,497)	0.9	\$20,925	(\$693,501)	(16.5)	(\$396,000)	(\$902,379)
Spr	25.2	\$529,200	(\$469,948)	23.3	\$506,775	(\$495,418)	1.4	\$31,500	(\$684,781)	0.9	\$20,925	(\$712,278)	(16.5)	(\$396,000)	(\$918,267)

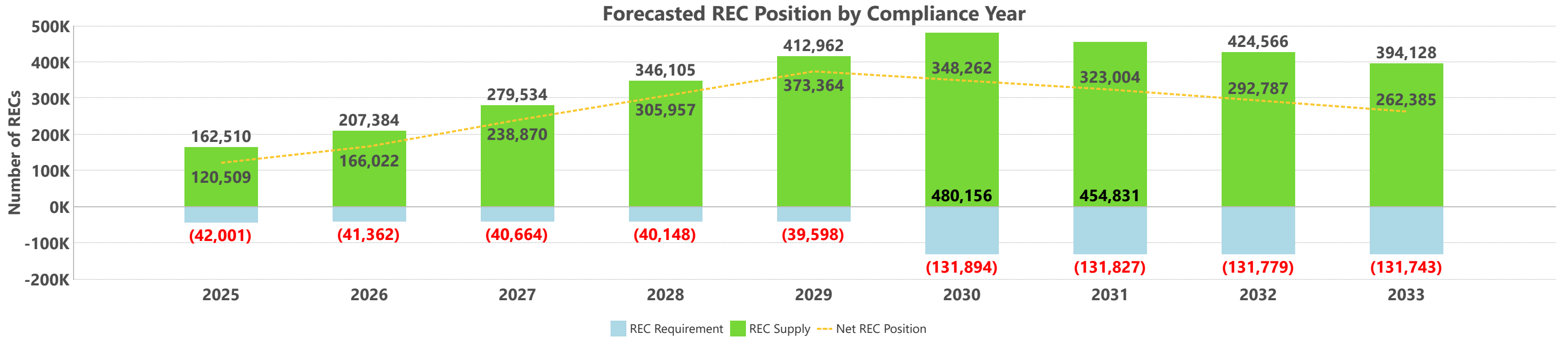


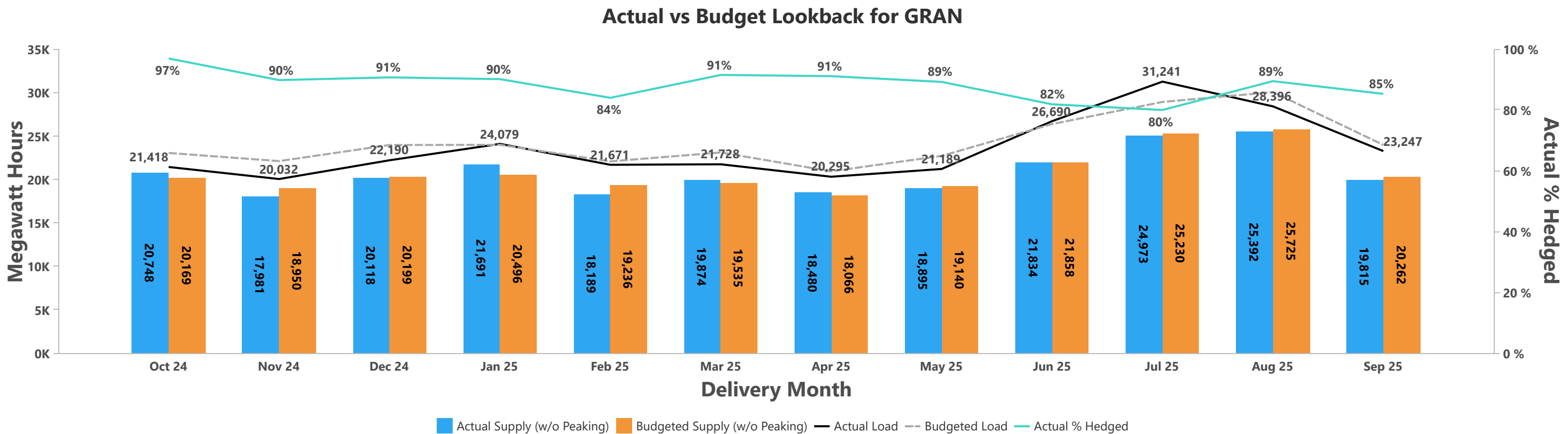
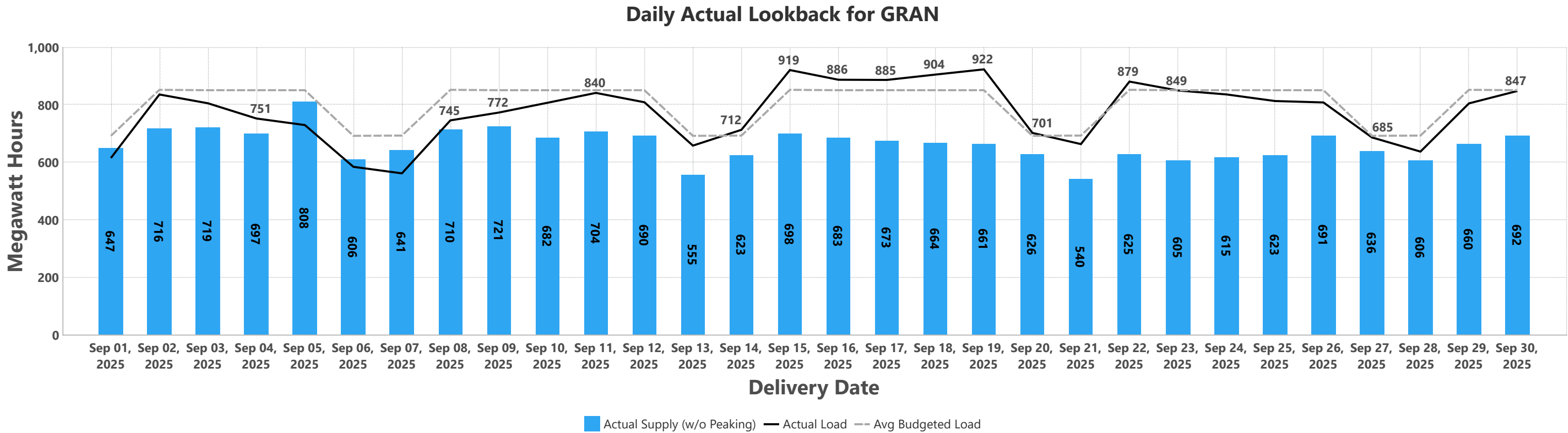
Forecasted Renewable Energy Credit (REC) Position for GRAN

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	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net REC Position	120,509	166,022	238,870	305,957	373,364	348,262	323,004	292,787	262,385
Available Banked RECs	86,104	120,509	193,714	266,562	333,649	401,056	375,954	350,696	320,479
Hedge Policy REC Requirement	(42,001)	(41,362)	(40,664)	(40,148)	(39,598)	(131,894)	(131,827)	(131,779)	(131,743)
Assembly Solar	9,557	10,603	10,545	10,494	10,437	10,384	10,329	10,283	10,234
Assembly Solar Phase II	8,138	8,784	8,738	8,696	8,651	8,603	8,557	8,522	8,475
Beebe	5,583	5,805	5,804	5,804	5,803	5,803	5,801	5,804	5,804
Brandt Woods Solar	3,493	4,515	4,492	4,477	4,447	4,425	4,403	4,389	4,359
Hart Solar		1,710	7,700	7,670	7,639	7,608	7,578	7,548	7,517
Invenergy Calhoun Solar	10,539	13,754	13,705	13,666	13,621	13,580	13,537	13,503	13,459
Landfill Project (EDL)	17,032	15,511	8,664	2,583	2,578	2,579	2,578	2,583	2,580
Landfill Project (NANR)	4,546	4,839	4,839	4,839	4,839	4,839	4,836		
Pegasus	17,238	17,546	17,543	17,544	17,546	17,546	17,543	17,543	17,543
White Tail Solar	281	3,809	3,790	3,771	3,752	3,733	3,714	3,696	3,677

Compliance Year	2025	2026	2027	2028	2029	2030	2031	2032	2033
3 Year Avg Retail Sales	(280,006)	(275,748)	(271,090)	(267,650)	(263,987)	(263,788)	(263,653)	(263,558)	(263,485)
Hedge Policy REC Target %	15.0%	15.0%	15.0%	15.0%	15.0%	50.0%	50.0%	50.0%	50.0%
Hedge Policy REC Requirement	(42,001)	(41,362)	(40,664)	(40,148)	(39,598)	(131,894)	(131,827)	(131,779)	(131,743)
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





GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF NOVEMBER 20, 2025

9. B. The BLP Financial Statements and Dashboards for the month ending October 31, 2025, are enclosed for review. These materials represent the utility's financial position through the first 33% of the fiscal year.

Income Statement Budget to Actual Variance	
	<u>over(under)</u>
Total Charges for Service	\$ 1,101,364
Other Revenue	18,058
	1,119,422
Purchased Power	147,516
Departments Salary and Fringe	(48,950)
Departments Other	(93,488)
Other	66,634
	71,713
Depreciation	8,785
Non-Operating Revenue (Expenses)	194,811
Transfers to City of Grand Haven	73,560
Increase in Net Assets	<u>\$ 1,160,175</u>

INCOME STATEMENT

Total charge revenues are currently at 39% of the annual budget and tracking 8% above projections. Year-to-date kilowatt-hour usage is 9.5% higher than budgeted, primarily due to warmer-than-expected weather during the first quarter of FY2026. See below:

Retail Sales Budget Variance				
Kwh Over (Under) Budget	9.45%	9,109,715	Kwh	\$ 1,244,795
Sales\$ per Kwh Over (Under) Budget	-0.99%	\$ (0.00136)	per Kwh	\$ (143,430)
				\$ 1,101,364

As of this reporting period, **Operating Expenses** are at 35% of the annual budget. Purchased power, which comprises more than 70% of total operating expenses, is currently 2% over budget. This variance is driven by higher-than-budgeted energy purchases, although the average cost per kilowatt-hour remains below projections. See below:

GRAND HAVEN BOARD OF LIGHT AND POWER
GENERAL MANAGER'S REPORT
BOARD MEETING OF NOVEMBER 20, 2025

Purchased Power Budget Variance				
Kwh Over (Under) Budget	7.25%	7,174,463	Kwh	\$ 516,764
Cost Over (Under) Budget per Kwh	-4.83%	\$ (3.47971)	per Kwh	\$ (369,247)
				\$ 147,517

It is important to note that purchased power and retail sales follow different timelines: energy purchases are recorded in the current month, while retail sales are billed in the following month. Although this timing difference balances out over the course of the fiscal year, it can result in temporary variances early in the year.

Year-to-Date **Renewable Energy Purchases equal 24,654,486 kilowatt-hours, representing 23.2% of total power purchases.**

The Net Position has increased by \$3,438,352 since the start of the fiscal year.

BALANCE SHEET

As of October 31, 2025, **Cash and Cash Equivalents** total \$27,916,693. This figure excludes funds designated for remediation, bond redemption, and working capital held with MPIA and MPPA. The current cash balance remains above the established minimum reserve threshold.

The **Asset Retirement Obligation** liability stands at \$17,022,181, with \$785,573 disbursed year-to-date for remediation activities.

The FY2026 **Capital Plan** was approved at \$6,152,000. To date, 18.7% of the budgeted capital project funds have been expended.

10. A. Approve Purchase Orders – There is one (1) Purchases Order totaling **\$51,175** 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).

RS/dm

Attachments 11/14/25



Update on Renewable Energy Projects

Grand Haven Board of Light & Power
November 20, 2025

Picture of completed Assembly Solar Project in Shiawassee County, Michigan

Two New Solar Projects in 2025

Brandt Woods Solar & White Tail Solar



<https://www.youtube.com/watch?v=od8Gt3LUiWk>

Status of Solar Projects

1) Assembly I - Ranger Power

- Shiawassee County, MI
- Completed December 2020
- 50 MW
 - MPPA Offtake – 40 MW
 - ***GHBLP Share – 4.68 MW***

2) Assembly II – Ranger Power

- Shiawassee County, MI
- Completed December 2021
- 110 MW
 - MPPA Offtake – 40 MW
 - ***GHBLP Share – 3.87 MW***

3) Calhoun Solar – Invenergy

- Calhoun County, MI
- Completed May 2023
- 200 MW
 - MPPA Offtake – 50 MW
 - ***GHBLP Share – 5.85 MW***

4) Brandt Woods Solar – Calhoun County Solar Project, LLC

- Calhoun County, MI
- Completed April 2025
- 125 MW
 - MPPA Offtake – 25 MW
 - ***GHBLP Share – 2.2MW***

5) White Tail Solar – White Tail Solar, LLC

- Washtenaw County, MI
- Completed October 2025
- 140 MW
 - MPPA Offtake – 25 MW
 - ***GHBLP Share – 2.15 MW***

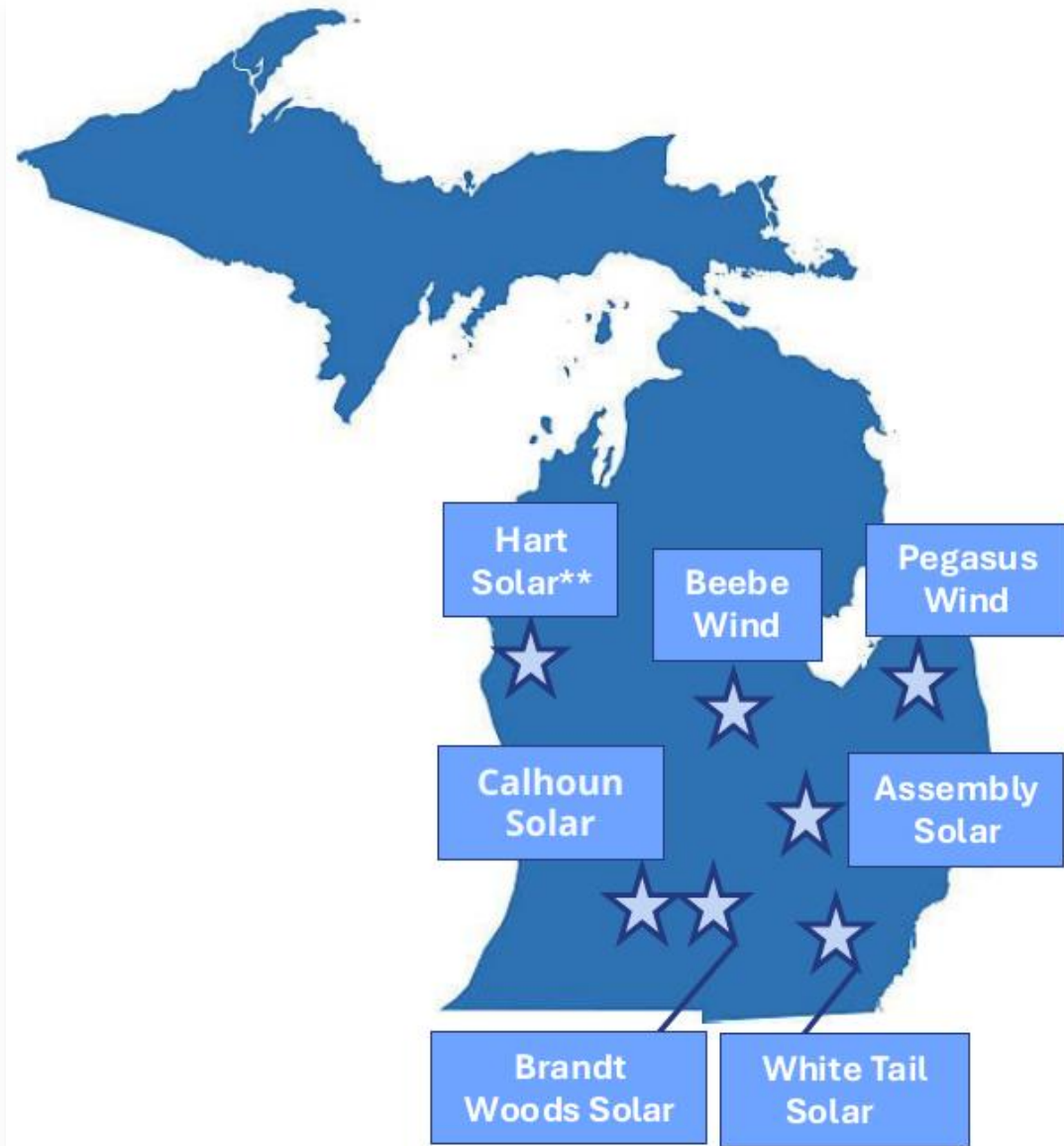
6) Hart Solar Partners LLC - CMS

- Oceana County, MI
- Original COD – 4th QTR 2023
- Delayed COD – **End of Year 2026**
- 100 MW
 - MPPA Offtake – 50 MW
 - ***GHBLP Share – 4.3 MW***

Projected Renewable Energy Purchases - 2027

Renewable Project	County	MW-hrs
Beebe Wind	Gratiot	5,803
Pegasus Wind	Tuscola	17,544
Assembly Solar I	Shiawassee	10,540
Assembly Solar II	Shiawassee	8,738
Calhoun Solar	Calhoun	13,705
Brandt Woods Solar	Calhoun	4,492
White Tail Solar	Wastenaw	3,790
Hart Solar	Oceana	7,700
Landfill Gas (NANR)	Various Locations	4,839
Landfill Gas (EDL)	Various Locations	8,665
Total		85,816

**Under Construction



State Rules – Renewable Portfolio

- State law requires a 50% renewable energy portfolio from 2030 – 2034 and then increases to 60% from 2035 thereafter.
- Board of Directors approved the renewable energy plan in January 2025.
- Board of Directors approved renewable energy credit purchases from 2027-2035.
- Compliance is currently forecasted to be met until 2036 based on early measure taken.

