



**MINUTES OF THE BOARD OF COMMISSIONERS MEETING
LANSING BOARD OF WATER AND LIGHT**

January 23, 2024

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, January 23, 2024.

Chairperson Semone James called the meeting to order at 5:30 p.m.

Corporate Secretary, LaVella Todd, called the roll.

Present: Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Commissioners Brian Pillar (Meridian Township), and Robert Worthy (Delta Township)

Absent: Commissioner J. R. Beauboeuf (East Lansing)

Corporate Secretary Todd declared a quorum.

Commissioner Tracy Thomas led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to approve the Special Board Meeting Minutes of October 19, 2023.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner David Price, to correct in the minutes, the starting time of the November 14, 2023 Regular Board Meeting to 5:30 p.m.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham, to approve the Board Meeting Minutes of November 14, 2023.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments.

COMMUNICATIONS

Electronic mail received from Carla Hayward regarding instructions, dividends proceeds and BWL bill scrutiny - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Chairperson Semone James presented the Executive Committee Report:

EXECUTIVE COMMITTEE

Meeting Minutes

November 16, 2023

The Executive Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Thursday, November 16, 2023.

Executive Committee Chairperson Semone James called the November 16, 2023 Executive Committee meeting to order at 5:30 p.m. and asked the Corporate Secretary LaVella Todd to call the roll.

Present: Commissioners Semone James, DeShon Leek, David Price and Sandra Zerkle; also present: Internal Auditor, Elisha Franco; HR Executive Director, Michael Flowers and General Counsel, Mark Matus.

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner DeShon Leek, to approve the Executive Committee meeting minutes of March 3, 2022.

Action: Motion Carried.

Review of 360 Board Evaluation

The Executive Committee briefly discussed the 360 Board Self-Evaluation Questionnaire emailed by the Corporate Secretary to the full Board on November 9, 2023 and the Board Self-Evaluation Questionnaire: A Tool for Improving Governance Practice for Voluntary and Community Organizations emailed by the Corporate Secretary to the full Board on November 6, 2023 which HR Executive Director, Michael Flowers confirmed had been formatted to Survey Monkey in 2014

or 2015 or prior. The Each Executive Committee member shared comments and concerns regarding both documents.

Commissioner Price suggested the Executive Committee consider using the survey contained in the American Public Power Association (APPA) Governing for Excellence Book and followed on to read aloud several sections of the online survey to the Committee members. Commissioner Zerkle stated she had several issues with the 360 Self-Evaluation Questionnaire. Commissioner Price stated one of the reasons we do these surveys is to evaluate ourselves and the fact that its APPA gives it instant credibility. Commissioner Leek stated the APPA is the gold-standard and no one should have issues with it. Commissioner Price asked how we could get access to the survey. Commissioner James shared her approval to move forward with utilizing the APPA Governing for Excellence Book's Board Self-Evaluation Survey.

General Counsel, Mark Matus shared he thought the Governing for Excellence Book Board Self-Evaluation Survey had been purchased for the Board of Commissioners by the former Corporate Secretary and suggested purchasing the latest version of the Book Board Self-Evaluation Survey to share with the full Board. Mr. Matus shared concern for following the Open Meetings Act and encouraged the Executive Committee to follow through with presenting its decision to move forward with the APPA Governing for Excellence Book Board Self-Evaluation Survey to the Committee of the Whole in January. Chairperson James recalled she had a copy of the Governing for Excellence Book and Board Self-Evaluation Survey in her possession and requested the Corporate Secretary purchase the latest version of the Governing for Excellence Book and Board Self-Evaluation Survey for to distribute the full Board.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to adopt the APPA Governing for Excellence Book and Board Self-Evaluation Survey and forward the APPA Governing for Excellence Book and Board Self-Evaluation Survey to the Committee of the Whole.

Action: Motion Carried.

HR Executive Director, Michael Flowers requested clarification on the next steps in the process now that the tool has been selected: how the survey will be distributed and administered, and how will the data be collected and shared. The Corporate Secretary was asked her opinion on how the next steps should be administered. Corporate Secretary Todd responded the responsibility of administering the Board Self-Evaluation Survey should go back to the HR Department like it has in the past due to the HR Department's experience in processing the Board Self-Evaluations as the information provided is confidential and the Survey Monkey will capture and tabulate the response data. Chairperson James requested a motion regarding the next steps as shared by the Corporate Secretary.

Motion by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek to direct the Corporate Secretary to order the latest version of the APPA Governing for Excellence Book and Board Self-Evaluation Survey, distribute the APPA Governing for Excellence Book and a PDF copy of the APPA Governing for Excellence Board Self-Evaluation Survey to the full Board and HR Executive Director, Michael Flowers in preparation for presentation at the January 2024

Committee of the Whole meeting, and then to have the APPA Governing for Excellence Board Self-Evaluation Survey uploaded into Survey Monkey format and administered to the full Board by HR Ex. Dire Michael Flowers, thereafter.

Action: Motion Carried.

Other

There was no other business.

Excused Absence

None.

Adjourn

Chairperson James adjourned the meeting adjourned at 6:01 p.m.

Respectfully submitted,
Semone James, Chairperson
Executive Committee

Vice-Chairperson David Price presented the Committee of the Whole Report:

**COMMITTEE OF THE WHOLE
Meeting Minutes
January 16, 2024**

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, January 16, 2024.

Committee of the Whole Chairperson David Price called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle; and Non-Voting Members J. R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township), and Robert Worthy (Delta Township)

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the Committee of the Whole Meeting minutes of November 7, 2023.

Action: Motion carried. The minutes were approved.

Board Self-Evaluation Survey

Commissioner Semone James led the discussion on the governing Board self-evaluation survey that was brought forward from the November 16, 2023 Executive Committee Meeting. Chairperson Price commented that Human Resources Executive Director Michael Flowers would collect the data for the survey and provide it to the Commissioners. Commissioners will be sent the survey electronically within the next week and will have ten days to respond.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to complete the Board self-evaluation survey sent electronically by Mr. Flowers and return it to Mr. Flowers within ten days of receipt upon which the data will be compiled and provided at the March 2024 Committee of the Whole Meeting for discussion.

Action: Motion Carried.

Board of Commissioners' Roles & Responsibilities Handbook

Commissioner James led the discussion on the Board of Commissioners' Roles & Responsibilities Handbook. The BOC Handbook was well received with the suggestion of adding source reference hyperlinks. Commissioner James thanked BWL staff, Associate Attorney II Marie Mireles, Associate Attorney II Yolanda Bennet, Corporate Secretary LaVella Todd, and Administrative Assistant Maria Koutsoukos, who participated in preparing the handbook. Commissioners were asked to review the Roles & Responsibilities Handbook for further discussion at the March 2024 COW meeting.

Other

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle for an excused absence for Commissioner Beth Graham.

Action: Motion Carried.

Adjourn

Chairperson Price adjourned the meeting at 5:47 p.m.

Respectfully Submitted
David Price, Chairperson
Committee of the Whole

Finance Committee Chairperson Sandra Zerkle presented the Finance Committee Report:

FINANCE COMMITTEE Meeting Minutes January 16, 2024

Finance Committee: Sandra Zerkle, Committee Chairperson; Beth Graham; David Price; and Dale Schrader; Alternates: Semone James, Tracy Thomas; Non-Voting: Commissioners J. R. Beauboeuf, Brian Pillar, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, January 16, 2024.

Finance Committee Chairperson Sandra Zerkle called the meeting to order at 6:00 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners David Price, Dale Schrader, and Sandra Zerkle; Alternates: Semone James and Tracy Thomas

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve the Finance Committee Meeting minutes of November 7, 2023.

Action: Motion Carried.

November YTD Financial Summary

CFO, Heather Shawa presented the November YTD Financial Summary.

Commissioner James asked why the Days Cash on Hand was in red even though it is in the positive. CFO Shawa responded that the Days Cash on Hand is below the targeted amount.

Chairperson Zerkle asked whether after receiving the grant of \$8 million for electric vehicle charging stations in the Lansing area, BWL would be in charge of providing and repairing the stations. CFO Shawa responded that grant was awarded to the city in a partnership, with BWL making sure the infrastructure is to BWL specifications.

Commissioner James asked whether hydrogen was being considered for energy. Executive Director of Operations, Dave Bolan responded that one of the pilot projects being worked on is small hydrogen technology fuel cells.

Capital Project Exceedance Request – Eckert 13 & 15 Cutover Resolution

CFO Shawa requested approval of the Capital Project Exceedance for the Eckert 13 & 15 Cutover which was due to an extended schedule resulting in higher material and labor costs.

Commissioner DeShon Leek asked for an explanation of 13 & 15 Cutover. CFO Shawa responded that the numbers referred to circuits at the old John Beam building. Mr. Bolan added the circuits are to service the additional load at the building.

Commissioner Schrader requested that plain language information be provided as to why there is an exceedance when there is a request made. CFO Shawa responded that we can be sure to

provide additional information and added that this exceedance was primarily due to increased labor costs.

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Resolution for the Capital Exceedance Request Eckert 13 & 15 Cutover to the full Board for consideration.

Action: Motion Carried.

Bond Update

CFO Shawa provided the clean energy bond issuance update. Closing is on January 31, 2024 and proceeds will be received then. Savings of \$4.7 Million are estimated to result from the partial refinancing of the 2013A and 2019B bonds.

Retirement Plan Committee (RPC) and DB Plan Investment Policy Statement (IPS) Updates

Finance, Planning and Accounting Director, Scott Taylor presented the RPC updates. An asset allocation to reduce risk for the Defined Benefit Plan assets was recommended by the RPC for which there is a resolution requesting approval.

Commissioner Thomas commended the work on the Retirement Plan for the benefit of retirees.

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Resolution for the DB Plan Investment Policy Statement Revision to the full Board for consideration.

Action: Motion Carried.

Bi-Annual Internal Audit Open Management Response Updates

Internal Control Analyst, Cody Rochefort, presented the Bi-Annual Internal Audit Open Management Response updates. The RPC is working on a formal Retirement Plan Committee Charter and expects to complete it by June 2024.

FY24 Internal Audit Work Plan and Resolution

Director of Internal Audit Elisha Franco presented the FY24 Internal Audit Work Plan and requested approval of the plan. The audit department will review the FY24 Rules & Regulations with a focus on fees and charges; complete a follow-up audit to conclude if opting into PA-95 is a benefit to BWL customers; and examine the payroll process and documentation with a focus on FY24 3rd and 4th quarter transactions.

Commissioner James requested that Ms. Franco do a review of Commissioner resolutions that have been passed to date for the Board of Commissioners Roles & Responsibilities Handbook that is being created. Ms. Franco responded that she would conduct an informal audit and review the resolutions for the handbook on behalf of the Board.

Commissioner Schrader asked what was being examined in the payroll process. Ms. Franco responded that a new HRIS payroll system has been implemented, cash payroll is a high-risk area, and a payroll management review has not been completed since 2017.

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Resolution for the approval of the FY24 Internal Audit Work Plan to the full Board for consideration.

Action: Motion Carried.

Review and Approval of Board of Commissioners Second Quarter Budget & Expense Report

Finance Committee Chairperson, Sandra Zerkle reported that P-Card reports and expense reports have been approved by the Finance Committee Chairperson and Finance Committee Member, David Price and have been sent to all Commissioners.

Other

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner David Price for an excused absence for Commissioner Beth Graham.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 6:44 p.m.

Respectfully submitted,
Sandra Zerkle, Chairperson
Finance Committee

MANAGER’S RECOMMENDATIONS

There were no Manager’s Recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION 2024-01-01

Capital Project Exceedance: PE-20230 Eckert 13 & 15 Cutover

WHEREAS, Lansing Board of Water & Light’s (BWL) Policy F1-13, entitled Capital Project Exceedance Approval, requires BWL Board of Commissioners approval for capital projects that are expected to exceed their previously approved designed budget amount by both 15% and \$200,000 prior to completion of the project; and

WHEREAS, the previously approved budget for Capital Project PE-20230 Eckert 13 & 15 Cutover was \$1,882,818; and

WHEREAS, the projected final total cost for Capital Project PE-20230 Eckert 13 & 15 Cutover is \$2,180,905, should the project be completed; and

WHEREAS, BWL staff and management reviewed the project cost in detail, which includes but is not limited to the rationale and circumstances for the increased budget projection; and

WHEREAS, BWL staff and management recommends that the Capital Project PE-20230 Eckert 13 & 15 Cutover projected spending be approved; and

RESOLVED, the BWL Board of Commissioners approve projected spending for Capital Project PE-20230 Eckert 13 & 15 Cutover with a projected final total cost of \$2,180,905.

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner David Price, to approve the Resolution for the Capital Project Exceedance: PE-20230 Eckert 13 & 15 Cutover at a Board meeting held on January 23, 2024.

Action: Motion Carried.

RESOLUTION 2024-01-02

Revised Defined Benefit Plan Statement of Investment Policies, Procedures and Objectives

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions (the “Defined Benefit Plan”); and

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of Defined Benefit Plan assets, periodically reviews the asset allocation of the plan and, as a result of its most recent review, recommends the total target allocation to equity investments be reduced to 45% of the plan from the current target allocation of 55% and the total target allocation to fixed income investments be increased to 50% of the plan from the current target of 40%; and

WHEREAS, the Retirement Plan Committee along with the General Manager recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee along with the General Manager, the Sponsor adopts and approves the attached

Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions
Statement of Investment Policies, Procedures and Objectives.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle to approve the Resolution for Revised Defined Benefit Plan Investment Policy Statement at a Board meeting held on January 23, 2024.

Action: Motion Carried.

RESOLUTION 2024-01-03
Internal Audit Plan for FY 2024

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Plan for FY 2024.

Motion by Commissioner David Price, **Seconded** by Commissioner Toy Mullen to approve the Internal Audit Plan for FY 2024 at a Board meeting held on January 23, 2024.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager Peffley reported on the following:

1. The BWL Sustainability Report for FY 2023 was provided to the Commissioners. The report contains facts and figures for BWL's utility services.
2. The 15th group of 1st STEP students were welcomed on Friday, January 20, 2024.
3. There were only 35 customers without power during the storm two weeks ago which is a credit to the transmission and distribution system.
4. The BWL annual audit was presented at the Lansing City Council COW on January 22 and the presentation went well.
5. Since opting into PA-95, which allows BWL to disconnect residential electric service in the winter, BWL customers have received \$532,855.48 in MDHHS utility payment assistance. This is an increase of \$429,004.75 compared to November and December 2022 MDHHS' funding. These preliminary numbers indicate this program is working. Customers age 65 and older are exempt from shut off (13,000 customers). Shut offs were suspended for 6 days this month due to severe cold and were in line with the Mayor's activation of warming centers.

Commissioner Mullen asked how many Lansing public school students were in the 1st STEP program and Executive Director of Human Resources Michael Flowers responded there are four students in the program this year.

COMMISSIONERS' REMARKS

Commissioner Zerkle commended BWL for a terrific year, for the work on the lead removal project and for the \$8 million grant received in participation with the city.

GM Peffley stated that a \$12 million purchase for 700W solar panels would be delivered for developing a Lansing footprint with seven projects in the Lansing area. BWL wasn't eligible for the 30% tax credit previously and partnered with another business with purchase power agreements. For the first three projects, solar panels will be put at the landfill at Comfort Street, at Lake Lansing, and at the Delta Energy Plant. The projects will help with the renewable portfolio and the loads during the summer.

Commissioner Zerkle asked if the amount of renewables that would result from the solar panels had been determined. GM Peffley stated that Kellee Christensen, Director of Strategic Planning & Development, could provide the generation numbers to the Commissioners.

Commissioner Leek asked if the solar panels were stationary to one spot or rotate with the sun. GM Peffley responded that the panels were stationary and the 2-3% of increase in the output of energy in the tracking array is not worth the expense and maintenance costs. Commissioner Leek also asked how snow is removed from the solar panels in the winter. GM Peffley responded that mother nature removes it or the snow can be swept off.

Commissioner Thomas commended BWL on the communications received and commended Ben McDonald for keeping the meeting technology working.

Chairperson James thanked GM Peffley and his staff, Associate Attorney Marie Mireles, Corporate Secretary and her staff, for the help with Board of Commissioners Roles & Responsibilities Handbook; and HR Executive Director Michael Flowers with the help with the Board Self-Evaluation survey.

EXCUSED ABSENCE

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham, to excuse Commissioner J. R. Beauboeuf from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chairperson Semone James adjourned the meeting at 5:52 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 01-25-24
Approved by the Board of Commissioners: 03-26-24
Official Minutes filed (electronically) with Lansing City Clerk: 03-27-24