



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

---

**May 21, 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, May 21, 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 J. R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township), and Robert Worthy (Delta Township)

Absent: None.

Corporate Secretary LaVella Todd declared a quorum.

Commissioner Beth Graham led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

**Motion** by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to approve the Regular Board Meeting Minutes of March 26, 2024.

**Action:** Motion Carried.

**PUBLIC COMMENTS ON AGENDA ITEMS**

Djoachim Lockhart, Lansing, MI spoke about technical issues with paying his bill online.

**COMMUNICATIONS**

Electronic mail received from Sheila Contreras regarding MLK Water Main - *Referred to Management. Received and Placed on File.*

Electronic mail received from Jessica Pasche regarding Power Outage - *Referred to Management. Received and Placed on File.*

Electronic mail received from Jon Kermiet regarding RICE Plant - *Referred to Management. Received and Placed on File.*

## COMMITTEE REPORTS

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

### COMMITTEE OF THE WHOLE Meeting Minutes May 14, 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, May 14, 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 Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle; and Non-Voting Members Brian Pillar (Meridian Township) and Robert Worthy (Delta Township)

Absent: J. R. Beauboeuf (East Lansing)

The Corporate Secretary declared a quorum.

#### **Public Comments**

There were no public comments.

#### **Approval of Minutes**

**Motion** by Commissioner Tracy Thomas, **Seconded** by Commissioner Semone James, to approve the Committee of the Whole Meeting minutes of March 19, 2024.

**Yeas:** Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle

**Nays:** None

**Action:** Motion carried. The minutes were approved.

#### **Grant Update**

Breina Pugh, Government & Community Relations Manager, presented the grants program update. Ms. Pugh provided information on current grant applications, recently completed applications, awarded projects underway, grants awarded, grants not awarded, and upcoming grant opportunities.

Commissioner Zerkle commended the work that has been completed which resulted in the receipt of a number of grants. General Manager Dick Peffley added that cooperation between the BWL and the city helped with the receipt of grants.

Chairperson Price commented that he was impressed with the number and variety of grants received.

Commissioner James asked the time period of the awarding of the grants. Ms. Pugh responded that the process started in 2023. GM Peffley responded that most of the grants had been received in the last year and a half. Commissioner James also asked if a team of grant writers were employed by BWL. GM Peffley responded that Ms. Pugh received support from several departments. Ms. Pugh responded that a BWL team is put together with subject matter experts who can help with community, finance, and technical items, along with Baker Tilly to help with the technical aspects of the grant writing.

Commissioner James asked what Baker Tilly is paid for assisting. Ms. Pugh responded that it depends on the amount of time provided.

#### **Bill Line-Item Presentation**

Executive Director of Customer Experience Stephen Serkaian introduced Deanna Sparks, Customer Operations Manager and James Black, Customer Billing & Accounts Supervisor who gave a line-item presentation of customer billing. Included in the presentation were the customer account and billing period summary, monthly usage and current charge details for electric, water and sewer services, available payment options, and customer resources.

Commissioner Mullen commented that the sewer charges are billed for the city. Mr. Serkaian responded that an RFP has been sent out for a bill presentment provider which, when awarded, will result in the bill being changed to indicate and differentiate the sewer charges from the city. Commissioner Mullen also asked whether different townships were charged for services. Mr. Serkaian responded that a franchise fee was charged. GM Peffley responded that previous administrations didn't want the association.

Commissioner Thomas asked whether the actual on-peak and off-peak hours could be placed on the bill. Mr. Black responded that would be good to include in RFP. Commissioner Thomas thanked the BWL for not charging a fee to pay the utility bill online and also asked if the bill payment by phone could be streamlined.

Commissioner Graham asked whether sales tax was charged on the entire utility bill or just electric usage. Mr. Black responded that he will check and get back with the Commissioners.

Commissioner Zerkle asked whether pointing out to customers the average cost per day would help the customers save money.

Commissioner Graham asked whether two meters are available for customers in Lansing as some townships have. GM Peffley responded that a separate irrigation meter is available but it is mostly in townships where there are larger lawns.

Commissioner Leek asked if there was a discount offered for autopay. Mr. Black responded that conversations have been held but it has not been instated yet.

Commissioner James asked whether a credit card fee is charged and how much cost is absorbed when payments are made by credit cards. Mr. Serkaian responded that credit card payments are capped at \$3,000 without paying a fee. GM Peffley added that there were complaints regarding the fee and the cost of service was evaluated with having good customer relations.

Commissioner Zerkle commented that there is usually a minimal cost for the receipt of a credit card payment and BWL doesn't have a credit charge fee.

Commissioner Mullen asked how many people still receive paper bills and don't pay online. Mr. Black responded that a poll would need to be taken but customers are encouraged to receive electronic billing. Mr. Serkaian responded that a third of the community makes their payments through the kiosks and lobby but BWL prefers ACH withdrawals for payment. GM Peffley and Ms. Sparks responded that customers like the face-to-face interaction.

Commissioner Thomas commented that not having a credit charge compared to companies that do have a charge is beneficial for the BWL.

Commissioner Zerkle commented that no service fee is charged for the sewer and GM Peffley responded that the city pays BWL to add the sewer charges to the utility bills.

Commissioner Worthy asked about the infiltration charge. Mr. Black responded that the infiltration charge is for any leaks that occur as all of the water needs to be cleaned.

Commissioner James asked whether sewer costs more than water. GM Peffley responded that in townships the amounts are more but in Lansing sewer costs two times the amount of water.

Commissioner Pillar asked if business customers had similar bills and if there was notification on the bills when rate changes are made. Mr. Black responded business billing had a similar setup, but rate changes are made known through marketing campaigns. Mr. Serkaian added that BWL responds to media requests, and calls and visits are made to business customers.

Commissioner Thomas commented that the commercial was fabulous and complemented the team.

Chairperson Price asked if the presentation will be made available and Mr. Black responded that it will be placed on the BWL website on May 15, 2024.

### **Strategic Plan Update**

General Counsel Mark Matus announced that proposed enhancements to and the recommendations by the team for the strategic plan, with the input received from the directors, employees, stakeholders, and community surveys, would be presented. Mr. Matus requested adoption by resolution of the amendments to the strategic plan.

Chairperson Price commented on the importance in the concepts of the strategic planning process.

Amy Adamy, Public Relations & Marketing Manager, presented the proposed changes to BWL's Mission, Vision and Values.

Commissioner James asked why changes are being made and whether there would be additional changes made. Ms. Adamy responded that amendments are being made to the vision and values to provide clean, concise language that is easy to remember, connects more employees, and is inclusive for all utilities, and then upon approval today it would be combined with the strategic plan which is to be completed July 2025.

Chairperson Price commented that operational aspects such as carbon neutrality can be added later.

Commissioner Zerkle asked about descriptive phrases that are being replaced. Ms. Adamy responded that utility of the future has been replaced with utility of today, transforming tomorrow.

Commissioner Schrader commented that the proposed changes were clearer.

Commissioner Mullen commented that financial responsibility needs to remain in the proposed changes. GM Peffley commented that affordable utility service is included in the vision.

**Motion** by Commissioner Semone James, **Seconded** by Sandra Zerkle to forward the Resolution for 2021-2025 Strategic Plan: Strategic Foundation Statements (Mission, Vision & Values) Update to the full Board for approval.

**Yeas:** Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

Leah Bucio, Planning Business Analyst, presented the FY2026 strategic plan progress. The plan is on track to present for approval in Fall 2024.

Commissioner Thomas and Chairperson Price commended the quality of the presentation.

### **Resolution Honoring Brian Pillar**

Chairperson Price presented a resolution to honor Commissioner Brian Pillar for his service as an Advisory Commissioner to Meridian Township.

**Motion** by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dale Schrader to approve the Resolution honoring Brian Pillar for his service on the Board of Commissioners and to forward it to the full Board for consideration.

**Yeas:** Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle

**Nays:** None

**Action:** Motion carried.

### **Other**

GM Peffley reported on two items.

1. First S.T.E.P. graduation will be held on May 16<sup>th</sup>.
2. GM's response to communication from Dusty Horwitt which urged EGLE to deny the air permit application for the RICE engines on the basis that he didn't believe the BWL's actions were inclusive with the public and would operate within environmental guidelines. GM Peffley stated that communications received, and contracts negotiated regarding the RICE engines were discussed and approved by all Commissioners. GM Peffley added that BWL employees follow rules and regulations for facility operations and will continue to do so.

Commissioner Mullen commented that most of the evaluations were received for the three appointed employees and that for those who haven't responded yet, the deadline is today.

### **Adjourn**

Chairperson Price adjourned the meeting at 7:06 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 May 14, 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, May 14, 2024.

Finance Committee Chairperson Sandra Zerkle called the meeting to order at 7:17 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Beth Graham, David Price, Dale Schrader, and Sandra Zerkle; Also present: Commissioners Semone James (Alternate), Tracy Thomas (Alternate), DeShon Leek, Brian Pillar (Meridian Township), and Robert Worthy (Delta Township).

Absent: None

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 March 19, 2024.

**Yeas:** Commissioners Beth Graham, David Price, Dale Schrader, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

### **March YTD Financial Summary**

CFO Heather Shawa presented the March YTD Financial Summary. Days Cash on Hand and the net income remain under target due to the cash outflow from the August storm. The cost of the bond issuance was not included in the budget and that also contributes to the net income amount. Retail income is strong and wholesale income is down but offset by lower fuel costs. The year-end projected was updated and the budget forecast is projected to be at 1.7%. Capital projects are currently underspent but will increase by year end.

Chairperson Zerkle asked if the Days Cash on Hand would be brought up in the next Financial Summary. CFO Shawa responded that the budget presentation tonight will show that the budget will be back on target. Chairperson Zerkle also asked about the wholesale budget and actual amounts. GM Peffley responded that there were equipment malfunctions at one of the plants.

CFO Shawa stated that the debt to total assets would remain under until further payments are made on the principle of debt. Days sales outstanding was under due to an increase in receivables and bad debt is slightly under and expected to improve due to funding from PA95.

Commissioner James asked whether PHP was being offered as a provider. CFO Shawa responded that the HR Executive Director was working on selecting the best provider.

### **Rate Strategy Update**

CFO Shawa presented the Rate Strategy Update with a prospective timeline. Proposed rates and tariff charges are to be filed with the Lansing City Clerk 45 days before the public hearing on July

5, 2024; the Rate Strategy will be presented at the July 11, 2024 Finance Committee Meeting; the public notice of the hearing will be filed with the Lansing State Journal on August 5, 2024; the public hearing/rate hearing is proposed to be held on August 20, 2024; the approval of rates and tariffs are to be approved at a proposed Special Board of Commissioners Meeting on August 27, 2024; and the Year 1 Rates and Year 2 Rates will be implemented October 1, 2024 and October 1, 2025 respectively.

Commissioner Schrader asked what the tariffs were. CFO Shawa and GM Peffley responded that the tariffs are the costs for different services for residential, commercial, and industrial customers.

### **FY 25 Operating Budget and FY25-30 Forecast Presentation and Resolution**

CFO Shawa presented the FY 2025-2030 Budget and Forecast. CFO Shawa provided the FY 2024 major accomplishments for the following areas: Customer and Community, Workforce Engagement and Diversity, Climate and Environment, Operational Resiliency and Continuous Improvement, and Financial Stability. CFO Shawa also provided information on target metrics and the focus of the FY2025-FY2030 budget and forecast cycle. She added that the current strategic plan is supported by the budget and forecast and reviewed the key budget and forecast assumptions.

Commissioner James asked whether the Return on Equity amount of 6% would be increased for inflation. GM Peffley responded that instead of increasing the 6% amount, the strategy is to increase revenue.

Commissioner Thomas asked if the Return on Equity amount would ever be decreased due to a loss of revenue. GM Peffley responded that the Return on Equity amount can be discussed with the City.

Commissioner James asked if revenue is greatly increased could the 6% be lowered. GM Peffley responded that the request would need to be brought to the City.

Commissioner Schrader commented that with the revenue from the onboarding of Ultium, the revenue will increase substantially. GM Peffley responded in the affirmative and that the impact from Ultium will be discussed in the 6-year forecast.

Commissioner Zerkle asked what occurs when grant dollars are received that have not been included in the budget. GM Peffley responded that those grant dollars would be used to offset future rate hikes. CFO Shawa responded that those grants dollars would also supplement capital projects and cash flow.

Commissioner Thomas commented that receiving recognition awards will help in receiving grants.

Scott Taylor, Director of Accounting, Finance and Planning, presented the sales volume history and forecast, the operating budget and forecast, and the capital portfolio budget and forecast.



In the operating budget and forecast section, Mr. Taylor provided information from the FY 2025 income statement, the FY 2025 operating expense by category, the 6-year income statement, the 6-year KPIs, the 6-year return on assets, the 6-year cash flow, and the 6-year bonded debt service.

GM Peffley commented that BWL is working with the State of Michigan to acquire grant dollars to convert steam to hot water.

Commissioner Worthy asked what the other sources of energy besides electric, water, steam, chilled water, gas, solar and wind. CFO Shawa responded that battery storage is another source of energy BWL will use.

Commissioner James asked whether no growth in the workforce was a realistic projection. GM Peffley responded that the BWL was adequately staffed, and that he was confident that staffing expectations will remain the same through FY 2030.

Commissioner James asked why we weren't looking at SAP replacement until FY 2030 and are we looking into utilizing AI (artificial intelligence). CFO Shawa responded that a decision needs to be made by 2028 to migrate into the cloud service platform or replace SAP and right now SAP is more than what we need as an ERP. What is best for each department – Human Resources, Billing, and Customer Operations, is what will be selected. Currently, 30% of functionality of SAP is used. SAP will be maintained if needed and BWL will be covered. CFO Shawa further stated that CIO Vern Myers and his team are working on a cyber security plan and looking into the pros and cons of AI and will be making recommendations. Scott Taylor shared the next steps in the FY 25 Operating Budget and FY25-30 Forecast process.

**Motion** by Commissioner Dale Schrader, **Seconded** by Commissioner David Price to forward the Resolution for the FY2025-2030 Budget and Forecast to the full Board for consideration.

**Yeas:** Commissioners Beth Graham, David Price, Dale Schrader, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

CFO Shawa stated that as a reminder, after filing of the FY 25-30 Budget with City Clerk, BWL will be invited to the City Ways and Means Committee meeting where she and GM Peffley will give a high-level presentation to the City Council. GM Peffley commented that these meetings go very smooth for us.

Commissioner Thomas commended the awesome work on tree trimming being done in his neighborhood and that they have addressed the concern he shared with GM Peffley. He also shared the tree trimming signage is now reflective of the BWL mission statement. GM Peffley stated he would share Commissioner Thomas' comments with Vegetation Management and that they stepped up and made the changes to the signage that was 50 years too old.

### **Retirement Plan Committee (RPC) Updates**

CFO Shawa presented the retirement plan committee investment activity and administrative activity updates for the DB, VEBA, 401a and 457b Plans. No discussion on this item.

### **Drinking Water State Revolving Fund (DWSRF) Project Plan Approval and Resolution**

CFO Shawa presented the DWSRF project plan, next steps and requested approval through resolution to be forwarded to the full Board. The resolution is for approval for the next project plan, and any additional approvals will be via bond resolutions should we receive funding, including low interest loans.

Commissioner James asked what was the interest rate on the loan. Mr. Taylor responded that the loan was a low interest loan rate of 1.875 percent and the rates are set by the term of the loan.

Commissioner Thomas asked how many attended the DWSRF public hearing held on April 29, 2024. CFO Shawa responded that there were about 12 attendees and there were a couple of kudos and no public comments.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Beth Graham to forward the Resolution for the Drinking Water State Revolving Fund (DWSRF) Project Plan Approval to the full Board for consideration.

**Yeas:** Commissioners Beth Graham, David Price, Dale Schrader, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

### **FY2024 Rules and Regulations Audit Results**

Director of Internal Audit Elisha Franco presented the FY 2024 rules and regulations audit results. The audit included a review of the FY 2024 rules and regulations fee and charge calculations, processes and procedures, and billing for fees and charges.

Commissioner James commended IA Director Franco on her presentation and asked whether there was a process in place for a security breach and if the information is encrypted at rest and in transit. Ms. Franco affirmed there is a process in place for a security breach, and as third parties are responsible for secure encryption, a SOC report or internal control review is necessary. CFO Shawa also affirmed a process is in place in case of a security breach.

### **Internal Audit Status Report**

Director of Internal Audit Elisha Franco presented the Internal Audit Status Report and provided the audit progress report.

Commissioner Zerkle commented that the audit was concise and clear.

Commissioner Thomas commented that he was impressed with Internal Auditor Elisha Franco's work.

Corporate Secretary LaVella Todd commented that the Commissioners have been provided with the most current version of the APPA Policymakers Handbook.

**Other**

There was no other business.

**Adjourn**

Chairperson Sandra Zerkle adjourned the meeting at 8:39 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 2024-05-01**

**2021-2025 Strategic Plan: Strategic Foundation Statements (Mission, Vision & Values) Update**

WHEREAS, the Board of Commissioners (“Board”) approved the Lansing Board of Water & Light’s (“BWL”) 2021-2025 Strategic Plan on January 26, 2021; and

WHEREAS, the BWL’s 2021-2025 Strategic Plan’s Mission, Vision and Values statements were supported under the 2021-2025 Strategic Plan; and

WHEREAS, the BWL desires to update the 2021-2025 Strategic Plan’s Mission, Vision and Values statements for use going forward; and

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the updated Mission, Vision and Values statements be used going forward including for the 2025-2029 Strategic Plan which is currently in development.

## Strategic Foundation Statements

### Mission

The mission of the BWL is to provide a safe, reliable and affordable utility experience through public ownership, climate consciousness and innovative strategies.

### Vision

The vision of the BWL is to deliver exceptional utility and customer service. The BWL will provide environmentally conscious utility products and programs that support regional growth by retaining a diverse, highly skilled workforce and implementing innovative technology solutions.

### Values

*The BWL's values – "CARES" – are as follows:*

- **Customer Driven** - We strive to meet the needs of every customer in every interaction.
- **Accountability** - We operate with integrity and take ownership for business decisions made today that will lead to long-term organizational success.
- **Respect** - We celebrate everyone's differences, perspectives and traditions.
- **Environmentally Focused** – We contribute to the health of our community by providing energy and water from clean sources, reducing waste and promoting sustainable initiatives.
- **Safety** - Safety is always job one, ensuring a safe working environment and community for everyone.

**Motion** by Commissioner David Price, Seconded by Commissioner Beth Graham, to approve the Resolution for 2021-2025 Strategic Plan: Strategic Foundation Statements (Mission, Vision & Values) Update at a Board meeting held on May 21, 2024.

**Yeas:** Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

### **RESOLUTION 2024-05-02** **Resolution Honoring Brian Pillar**

WHEREAS, it is a pleasure to extend this expression of our thanks and best wishes to Brian Pillar for his service as a Commissioner of the Board of Water & Light; and,

WHEREAS, Brian Pillar was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2023, to represent Meridian Township; and

WHEREAS, He last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Brian is a General Manager of IT with the State of Michigan, Department of Technology, Management and Budget supporting the public safety agencies; and

WHEREAS, on behalf of his colleagues, employees of the Board of Water & Light and the citizens of Lansing, we offer our sincere gratitude for the time, energy, and talent he devoted as a Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Brian Pillar for his year of distinguished service in Regular Board Meeting this 21<sup>st</sup> day of May, 2024. We sincerely wish Brian continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson  
J. R. Beauboeuf  
Dale Schrader  
Tony Mullen  
Robert Worthy

David Price, Vice-Chairperson  
DeShon Leek  
Beth Graham  
Tracy Thomas  
Sandra Zerkle

**Motion** by Commissioner Sandra Zerkle, **Seconded** by Commissioner David Price, to approve the resolution of tribute for the outgoing Commissioner Brian Pillar at a Board meeting held on May 21, 2024.

**Yeas:** Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

#### **RESOLUTION 2024-05-03**

#### **Fiscal Year 2025-2030 Budget and Forecast**

RESOLVED, that the Annual Operating and Capital Budget covering Fiscal Year 2025 is hereby approved as presented; and

RESOLVED, that the Operating and Capital Forecast for the Fiscal Years 2026-2030 is hereby accepted as presented; and

FURTHER RESOLVED, that the Corporate Secretary be directed to make the appropriate filings with the Lansing City Clerk's office in accordance with the Lansing City Charter regarding the above actions.

-----  
Staff Comments:

Staff recommends an operating and maintenance budget of \$403.8M and a capital budget of \$187.6M for Fiscal Year 2025.

The Operating and Capital Budget and Forecast for Fiscal Years 2025-2030 includes forecasted rate increases. The forecast rate increases are subject to revision and, in any case, prior to implementation, must be subject to the BWL's formal rate setting process as per Lansing City Charter, Section 5-205 which refers to the BWL's authority to set just and reasonable rates and defines the public hearing process.

In accordance with the provisions of the Lansing City Charter, Article 5, Chapter 2, Section 5-203.5 and Section 5-203.6, staff recommends the Finance Committee approve the budget and forecast for presentation and adoption by the Board at its May 21, 2024 board meeting.

**Motion** by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle, to approve the Resolution for the Fiscal Year 2025-2030 Budget and Forecast at a Board meeting held on May 21, 2024.

**Yeas:** Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle

**Nays:** None

**Action:** Motion Carried.

**RESOLUTION 2024-05-04**

**A Resolution Adopting a Final Project Plan for Water System Improvements  
and Designating an Authorized Project Representative**

**WHEREAS**, the Lansing Board of Water & Light ("BWL") is seeking low interest funding to assist in its efforts to improve reliability of existing raw water supply, water treatment and distribution systems through the State of Michigan, Department of Environmental Quality's ("EGLE") Drinking Water State Revolving Fund ("DWSRF"); and

**WHEREAS**, as a requirement of the DWSRF Loan Program, municipalities applying for DWSRF loans are required to submit to EGLE an adopted Project Plan ("Project Plan") describing the proposed improvement to existing water treatment and distribution systems program projects; and

**WHEREAS**, the purpose of the Project Plan is for raw water supply, water treatment plant and distribution system improvement projects located within the City of Lansing. The projects have several benefits, which include reducing potential safety hazards, as well as improvements to reliability, water quality, and flow efficiencies to ultimately increase public health protection; and

**WHEREAS**, the Project Plan consists of water main replacement projects that will be completed in partnership with the City of Lansing's Combined Sewer Overflow project and street

rehabilitation projects, in addition to other areas within the BWL service territory that are in need of replacement. Raw water supply and water treatment projects will also be done on BWL property; and

**WHEREAS**, the BWL authorized OHM Advisors to prepare a Project Plan, which recommends the construction of the following:

Water Treatment Plant Upgrades

- Dye WCP –replacement of sludge processing pumps, filter press service piping, high service pump, and filter media in addition to reservoir repairs and basin improvements
- Wise Rd WCP – replacement of ammonia system, filter media and an optimization project.

Water Distribution Improvements

- Multiple locations of water main replacement and looping projects throughout BWL service territory.

Operational System Improvements

- Elevated storage tank – constructing a 2nd elevated water storage tank near the southern pressure zone.
- Well drilling to replace aging wells.
- Replace radio network for wells.

**WHEREAS**, the estimated total project cost of the projects listed above is \$171.5 Million; and

**WHEREAS**, a public hearing to receive public comment on the proposed Project Plan was held on April 29, 2024; and

**NOW THEREFORE BE IT RESOLVED** that the Lansing Board of Water & Light formally adopts the selected alternative within the Project Plan.

**BE IT FURTHER RESOLVED**, that the Water Distribution Principal Engineer, a position currently held by Michael Lehtonen, P.E., is designated as the authorized representative for all activities associated with the projects referenced above, including the submittal of said Project Plan as the first step in applying to the State of Michigan for a Drinking Water State Revolving Fund Loan to assist in the implementation of the selected alternative.

**Motion** by Commissioner Tracy Thomas, **Seconded** by Commissioner David Price to approve the Resolution for Adopting a Final Project Plan for Water System Improvements and Designating an Authorized Project Representative.

Yeas: Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle.

Nays: None

I certify that the above Resolution was adopted by Board of Water & Light Board of Commissioners on May 21, 2024.

BY:

\_\_\_\_\_  
LaVella J. Todd

\_\_\_\_\_  
Corporate Secretary

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### **MANAGER'S REMARKS**

General Manager Dick Peffley spoke on the following items.

1. The 1<sup>st</sup> S.T.E.P. Graduation was held on May 15, 2024. It was another successful class, and Commissioners Mullen, Thomas and Zerkle were able to attend and speak at the event.
2. GM Peffley will be attending the Mackinac Policy Conference next week in an effort to procure funding from state officials.
3. GM Peffley was nominated as a distinguished alumni of Lansing Community College and a video of his LCC Distinguished Alumni Recognition speech was presented.

### **COMMISSIONERS' REMARKS**

Commissioner Thomas commended General Manager Peffley on the LCC Recognition award and thanked Commissioner Brian Pillar for his service on the Board.

Commissioner Zerkle thanked Commissioner Brian Pillar for his service on the Board.

Chairperson James thanked Commissioner Brian Pillar for his service on the Board and his help with the Board of Commissioners Roles and Responsibilities Handbook. She also commended GM Peffley on his LCC Distinguished Alumni Recognition, as well as the 1<sup>st</sup> S.T.E.P. program and the opportunities provided to students in Lansing. She commented that she appreciated the efforts of the BWL to attract and retain our youth with employment and career opportunities.

GM Peffley responded he would relay the Commissioners' remarks to the 1<sup>st</sup> S.T.E.P. committee.

Chairperson James shared a reminder with Commissioners that the City of Lansing Ethics Training is due June 15. She also shared that Mr. Peffley was kind enough to share information regarding BWL's Anti-Harassment Policy Training and that she asked the Corporate Secretary to share the Anti-Harassment Training with the Commissioners as an opportunity to take the training as they see fit and that it was a good opportunity to see what the BWL staff is following.

Chairperson noted that the public rate hearing will be held on August 20, 2024.



## **PUBLIC COMMENTS**

There were no public comments.

## **ADJOURNMENT**

Chairperson Semone James adjourned the meeting at 5:51 p.m.

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 07-23-24

Approved by the Board of Commissioners: 07-23-24

Official Minutes filed (electronically) with Lansing City Clerk: 07-24-24