



BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
July 23, 2024 - 5:30 p.m.
1201 S. Washington Ave., Lansing, Michigan
REO Town Depot

AGENDA - UPDATED

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

- 1. Roll Call**
- 2. Pledge of Allegiance**
- 3. Nominating Committee Report and Election of Officers FY 2024-2025**
- 4. Approval of Minutes**
 - a. Regular Board Meeting Minutes of May 21, 2024
- 5. Public Comment on Agenda Items**

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment.*
- 6. Communications**
 - a. Electronic mail from Elaine Fischhoff re: Lansing Board of Water & Light and City of Lansing Joint COW Meeting
 - b. Electronic mail from Elaine Fischhoff re: Clean Energy
- 7. Committee Reports**
 - a. Nominating Committee Meeting (May 30, 2024)-Tracy Thomas, Chairperson
 - b. Human Resources Committee Meeting (June 4, 2024)-Tony Mullen, Chairperson
 - c. Human Resources Committee Meeting (July 16, 2024)-Tony Mullen, Chairperson
 - d. Committee of the Whole Meeting (July 16, 2024)-David Price, Chairperson
 - e. Finance Committee Meeting (July 16, 2024)-Sandra Zerkle, Chairperson
- 8. Manager's Recommendations**
- 9. Unfinished Business**
- 10. New Business**

11. Resolutions/Action Items

- a. Appointment of the Charter Position of Corporate Secretary Resolution
- b. Appointment of the Charter Position of Director and General Manager Resolution
- c. Appointment of the Charter Position of Internal Auditor Resolution
- d. Return on Equity (ROE) Renewal Resolution
- e. Code of Conduct and Ethics for Retirement Plan Fiduciaries Resolution
- f. Capital Project Exceedance: AE - Electric Annuals Resolution
- g. Retirement Plan Committee Charter Approval Resolution
- h. Internal Audit Plan for FY 2025 Resolution
- i. Approval of Executive Committee Appointment

12. Manager's Remarks

13. Commissioners' Remarks

14. Motion of Excused Absence

15. Public Comment

Members of the public are welcome to speak to the Board on any Board of Water and Light subject.

16. Adjournment

Agenda posted on web site and building 07-18-24

2024 Board Meetings Notice/Schedule Posted in the Lansing State Journal January 3, 2024



**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 16th.
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 an 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 21st 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 1st 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 1st 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 1st 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 05-__-24
 Approved by the Board of Commissioners: 07-__-24
 Official Minutes filed (electronically) with Lansing City Clerk: 07-__-24

From: Customer Service <customerservice@LBWL.COM>

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Tue, 07/09/2024 - 8:34 PM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Street Address

Lansing, Michigan. 48910

Message

When will the LBWL Board have its joint meeting with the Lansing City Council this year?

From: Customer Service <customerservice@LBWL.COM>

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Fri, 07/19/2024 - 11:17 AM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Street Address

Lansing, Michigan. 48910

Message

I write to bring your attention to some serious concerns regarding LBWL's "clean energy" plan and ask that the decision to build a RICE plant be reconsidered.

First, as Manager Peffley recently (July 17 2024) clarified, there is currently no legal sense in which the proposed RICE plant (costing \$170 million) is "clean energy." State statutes require clean energy sources to not emit greenhouse gasses, OR to be a combined cycle plant (which the RICE is not), OR to have 90% effective carbon capture and storage (CCS). As BWL noted in their air permit application, CCS would double the cost of the RICE plant and so is unaffordable. Currently there are no other legal options for the plant to be "clean energy." Thus, the RICE plant should not be considered "clean energy" and should not be included in a "clean energy plan." To include it is misleading for the public.

Another misleading claim concerns the planned LBWL battery storage facility. Manager Peffley has stated that battery can only supply 4 hours of electricity. However, the batteries available at utility scale can be drawn down variably (much like our phone batteries) and so do not have a strict 4 hour time limit. Indeed, drawing power out of a battery more slowly than the maximum draw tends to increase the life of a battery. Such a battery can provide resilient support for the Lansing electrical grid, as has been shown in other states.

Such misinformation undermines confidence in the decision-making capacities at LBWL. This confidence is further eroded by considering that the expense of the RICE plant dominates the "clean energy plan," despite it not being a clean energy resource and despite the fact that this cost does not include the fuel needed to run the plant. Recent economic analyses show that building new intermittent "peaking" gas plants (such as the RICE) are among the most expensive ways to generate new electricity capacity, and given state law, such a facility is likely to be a stranded asset by 2040 (as well as to impede LBWL's reaching 50% renewable energy by 2030--another state standard).

In short, the RICE plant is not clean energy and a waste of money for the Lansing area.

Associated with that dirty wasteful RICE plant is that LBWL asking for a 7% electric rate

increase. Why this increase is necessary, why it far exceeds current inflation, how this additional money will be spent, and how millions in clean energy grants will be spent has simply not been explained. LBWL should invest in less expensive sources, such as wind energy to complement its growing solar portfolio and in distributed energy systems. This is the economically responsible way to build a strong hometown energy system. Such a path is also the most plausible way to meet state standards for renewable and clean energy.

Sincerely,

Elaine Dierwa Fischhoff

Lansing resident and LBWL electric customer

NOMINATING COMMITTEE
Meeting Minutes
May 30, 2024

The Nominating Committee of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Thursday, May 30, 2024.

Nominating Committee Chairperson, Tracy Thomas, called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll. The following committee members were present: Commissioners Beth Graham, DeShon Leek, Dale Schrader and Tracy Thomas; also present: Commissioner J. R. Beauboeuf (arrived @5:03 p.m.)

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Beth Graham to approve the Nominating Committee meeting minutes of June 13, 2023.

Yeas: Commissioners Beth Graham, DeShon Leek, Dale Schrader, and Tracy Thomas

Nays: None.

Action: Motion Carried.

Officer & Committee Survey Memorandum, Committee Selection Results Memorandum and Officer & Committee Survey Results and Comments

Chairperson Tracy Thomas stated that the Officer & Committee Survey Memorandum, Committee Selection Results Memorandum and the Officer & Committee Survey Results and Comments were included in the Nominating Committee meeting packet for review and asked if there were any questions regarding the documents.

Commissioner Leek commented that Commissioner Mullen requested removal from consideration for the Vice-Chairperson position. Commissioner Thomas responded that would be addressed during the nominating process.

Chairperson Thomas reviewed the list provided of past Board Chairpersons and Vice-Chairpersons. Commissioner Thomas stated that it was important to select a Chairperson and Vice-Chairperson that would be transparent and govern in conjunction with management operations.

Commissioner Schrader commented regarding rotation of the officer positions in the past few years in that there weren't very many Commissioners that held the office of the Chairperson and Vice Chairperson.

Nomination of Board Officer Candidates for Fiscal Year 2024-2025

Chairperson and Vice Chairperson

Chairperson Tracy Thomas opened the floor for nominations for the Chairperson for the 2024-2025 fiscal year.

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Beth Graham to nominate Commissioner David Price to serve as Chairperson of the Board of Commissioners for the 2024-2025 Fiscal Year.

Roll Call Vote:

Yeas: Commissioners Beth Graham, DeShon Leek, Dale Schrader, Tracy Thomas

Nays: None

Action: Motion Carried.

Chairperson Thomas noted that Commissioner Tony Mullen had withdrawn his request for consideration for the position of Vice-Chairperson.

Chairperson Tracy Thomas opened the floor for nominations for the Vice Chairperson for the 2024-2025 Fiscal Year.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner DeShon Leek to nominate Commissioner Semone James to serve as Vice-Chairperson of the Board of Commissioners for the 2024-2025 Fiscal Year.

Yeas: Commissioners Beth Graham, DeShon Leek, Dale Schrader, Tracy Thomas

Nays: None.

Action: Motion Carried.

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Beth Graham to present the Slate of Officers for Fiscal Year 2024-2025 to the full Board for consideration as follows:

Chairperson: David Price
Vice Chairperson: Semone James

Roll Call Vote:

Yeas: Commissioners Beth Graham, DeShon Leek, Dale Schrader, Tracy Thomas

Nays: None

Action: Motion Carried.

Nominating Committee Chairperson Tracy Thomas stated that the recommended slate will be presented to the full Board for consideration and nominations will be taken from the floor at the July 23, 2024, Regular Board/Annual Organizational meeting.

Adjourn

There being no further business, the meeting adjourned at 5:19 p.m.

Respectfully submitted,
Tracy Thomas, Chairperson
Nominating Committee

HUMAN RESOURCES COMMITTEE
Meeting Minutes
June 4, 2024

Human Resources (HR) Committee: Commissioner Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Tracy Thomas; Alternates: Beth Graham, Sandra Zerkle; Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Pillar, Robert Worthy

The HR 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, at 5:30 p.m. on Tuesday, June 4, 2024.

HR Committee Chairperson Commissioner Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Semone James, DeShon Leek, Tony Mullen, and Tracy Thomas; also present: Commissioners David Price, Dale Schrader, and Sandra Zerkle (Alternate); and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Bob Worthy (Delta Township).
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek, to approve the HR Committee meeting minutes of November 7, 2023.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

FY 2024 Board Appointee Performance Reviews

HR Committee Chairperson Tony Mullen opened the floor for the Board Appointee Performance Reviews.

Corporate Secretary

Corporate Secretary LaVella J. Todd requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Semone James, to go into closed session to discuss the contractual year-end performance evaluation of Corporate Secretary LaVella J. Todd.

Roll Call Vote:

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

The Human Resources Committee went into closed session at 5:32 p.m.

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Tracy Thomas, to reconvene into open session.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:19 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Semone James, to forward the resolution reappointing LaVella J. Todd to the Charter position of Corporate Secretary for FY25 to the full Board for consideration.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioner Thomas thanked Corporate Secretary Todd for the work she has done for the 2023-2024 season.

Commissioner James thanked Corporate Secretary Todd for all her hard work and being a consummate professional.

Commissioner Beauboeuf thanked Corporate Secretary Todd for her professionalism and respect for her job.

General Manager

General Manager Richard R. Peffley requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Semone James, to go into closed session to discuss the contractual year-end performance evaluation of General Manager, Richard R. Peffley.

Roll Call Vote:

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Human Resources Executive Director Michael Flowers was also requested to go into closed session.

The Human Resources Committee went into closed session at 6:22 p.m.

Motion by Commissioner DeShon Leeks, **Seconded** by Commissioner Semone James, to reconvene into open session.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:53 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner Semone James, Seconded by Commissioner Tracy Thomas, to forward the resolution reappointing Richard R. Peffley to the Charter position of General Manager for FY25 to the full Board for consideration.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioner Thomas commended GM Peffley for doing a great job and always doing a great job.

Internal Auditor

Internal Auditor Elisha Franco requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Tony Mullen, Seconded by Commissioner Tracy Thomas, to go into closed session to discuss the contractual year-end performance evaluation of Internal Auditor, Elisha Franco.

Roll Call Vote:

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Human Resources Executive Director Michael Flowers was also requested to go into closed session.

The Human Resources Committee went into closed session at 6:56 p.m.

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Semone James, to reconvene into open session.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 7:15 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to forward the resolution reappointing Elisha Franco to the Charter position of Internal Auditor for FY25 to the full Board for consideration.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioner Thomas thanked Internal Auditor Franco for her work.

Commissioner James commended all three Board appointed employees for doing a good job and for the work they had accomplished.

Chairperson Mullen also commended all three appointed employees for the work they have accomplished.

Subsequent Steps for Board Appointed Employees Contracts

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Tracy Thomas, to charge the HR Chairperson and the Board Chairperson with the task of working with the appointed employees on their respective annual merit considerations on behalf of the Board of Commissioners.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Chairperson Mullen announced that there will be a Human Resources Committee scheduled before the next Committee of the Whole Meeting.

Other

There was no other business.

Adjourn

Meeting adjourned at 7:19 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

HUMAN RESOURCES COMMITTEE
Meeting Minutes
July 16, 2024

The HR 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 Tuesday, July 16, 2024.

Human Resources (HR) Committee: Commissioner Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Tracy Thomas; Alternates: Beth Graham, Sandra Zerkle; Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Pillar and Robert Worthy.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:01 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Semone James, DeShon Leek, Tony Mullen, and Tracy Thomas; also present: Alternates: Beth Graham and Sandra Zerkle; Dale Schrader; Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Bob Worthy (Delta Township).
Absent: None.

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 HR Committee meeting minutes of June 4, 2024.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Appointee Re-Appointment Next Steps

A brief discussion was held on the Appointee Re-Appointment next steps. Commissioner Mullen asked if board members had any questions or concerns regarding the employee contracts, he and Commissioner James had discussed with the three appointed employees, that were then emailed to the full Board by HR Ex. Dir. Michael Flowers. There were no questions or concerns shared. Commissioner Mullen presented a motion to forward the three agreements for reappointments to the July 23, 2024 Regular Board Meeting for approval.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Semone James to forward the agreements for the reappointments of the three Board of Commissioner appointees to the full Board for approval.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Other

There was no other business.

Adjourn

Meeting adjourned at 5:05 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

COMMITTEE OF THE WHOLE
Meeting Minutes
July 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, July 16, 2024.

Commissioner Semone James called the meeting to order as Acting Chairperson of the Committee of the Whole at 5:30 p.m. and asked the Corporate Secretary to call the roll.

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

Absent: Commissioner David Price; and Non-Voting Member Brian Pillar (Meridian Township)

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Beth Graham to approve the Committee of the Whole Meeting minutes of May 14, 2024.

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

Nays: None

Action: Motion carried. The minutes were approved.

Return on Equity Update

General Manager Dick Peffley spoke on the Return on Equity Update. After meeting with the City of Lansing Mayor at which a request for an 8% rate of return on equity was made, GM Peffley, Chief Financial Officer Heather Shawa and team petitioned for leaving the rate at 6% and building revenue in order to retain customers. GM Peffley stated Mayor Schor responded with a recommendation for the rate of the renewal request at 6% but at budgeted revenue instead of gross revenue.

Chairperson Mullen asked whether the budgeted revenue was expected to be realized, and also asked whether the rate of 6% of the expected budget was a good deal. GM Peffley responded that budgeted income would not be realized this year due to equipment malfunctions at both facilities, but industry growth is expected for future years and budget realization is expected. GM Peffley responded that 6% of budgeted income is a good deal compared to the 8% initially requested as BWL is generating more income and bringing in new customers.

Commissioner James inquired about the amount the budget was short this year and if it could be recouped. CFO Shawa responded that the budget was short \$1.2 million to the city and the resolution being presented includes that amount.

Commissioner Mullen asked whether 6% of the budgeted income plus the \$1.2 million is in the resolution or if the 6% of the budgeted income includes the \$1.2 million. GM Peffley and CFO Shawa responded the city is being given the shortfall of \$1.2 million this year and 6% of the budgeted income will be given for FY2025.

Commissioner Thomas commented that the national average is 6% and agrees that it is a good deal.

Commissioner Schrader asked what the difference of the budgeted income for this year and the additional amount and budgeted income for next year. CFO Shawa responded for FY2024 the budget amount was \$26 million and for FY2025 it was \$28 million. CFO Shawa added that since Ultium is expected to ramp up production, it was a shorter term of a one-year request.

Commissioner Worthy asked if the rate was based on budgeted income only and if the budget is exceeded whether the city would be okay with that. GM Peffley responded that the request was for 6% of budgeted income and it was agreed upon.

Commissioner Zerkle asked whether the resolution depends on what happens at the rate hearing and what happens from the results of voting on the new budget. GM Peffley responded that there is no impact from the rate hearing and the 6% will be on the budget which has been approved. CFO Shawa responded when the budget and forecast was approved there was a note that the rate increases weren't being approved until the rate increase process.

Commissioner Worthy asked what would a shortfall in the budget be in percentage terms. GM Peffley responded that a shortfall wasn't expected. Wholesale revenue isn't used as part of base income in BWL's budget, but it is in the city. There was a decrease in wholesale revenue this year and it was an expense on customers' bills.

Motion by Commissioner Tracy Thomas, **Seconded** by Tony Mullen to forward the Resolution for the Return on Equity Renewal to the full Board for approval.

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

Nays: None

Action: Motion Carried.

Retirement Systems Code of Conduct and Ethics Update

Chief Financial Officer Heather Shawa presented the Retirement Systems Code of Conduct and Ethics update. While the RPC Charter was being reviewed for the Finance Committee, it was determined that Code of Conduct and Ethics resolution needed to be updated as the RPC was formed in 2016 and needed to be added, and also the legal names of the plan are being updated.

GM Peffley added information on the formation of the RPC will be presented at tonight's Finance Committee meeting.

Commissioner Thomas asked why this item was being presented at a COW meeting rather than a Finance Committee meeting. CFO Shawa responded because it was information regarding code of conduct it was better suited for presentation at a COW meeting.

Motion by Commissioner Beth Graham, **Seconded** by Tracy Thomas to forward the Resolution for the Code of Conduct and Ethics for Retirement Plan Fiduciaries to the full Board for approval.

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

Nays: None

Action: Motion Carried.

Other

Commissioner Semone James stated that the office of the City Clerk of the City of Lansing requests that the Ethics Ordinance, Conflict of Interest and Open Meetings Act Annual Training be noted in our minutes when commissioners have completed the requirement. Therefore, it is stated that the Board of Water & Light Board of Commissioners have completed the Ethics Ordinance, Conflict of Interest and Open Meetings Act training requirement for FY 2024.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham for excused absences for Commissioners David Price and Brian Pillar.

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

Nays: None

Action: Motion Carried.

Adjourn

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

Respectfully Submitted
Semone James, Acting Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
July 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, July 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 Beth Graham, Dale Schrader, and Sandra Zerkle; Also Present: Commissioners Semone James (Alternate), Tracy Thomas (Alternate), DeShon Leek, and Non-Voting Commissioners J.R. Beauboeuf (East Lansing) and Robert Worthy (Delta Township).

Absent: Commissioner David Price.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Dale Schrader, to approve the Finance Committee Meeting minutes of May 14, 2024.

Yeas: Commissioners Beth Graham, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

May YTD Financial Summary

CFO Heather Shawa presented the May YTD Financial Summary. Cash flow and net income results were affected by the August 2023 storm, as well as the bond issuance costs. Benefit Cost is expected to be within budget at the end of the year.

Capital Project Report

CFO Heather Shawa presented the Capital Project Report. Prior approval was received for exceedance on the Dye Filter Controls Upgrade and the Eckert 13 & 15 Cutover projects, and an exceedance is now being requested for the Electric T&D Annuals.

GM Peffley stated that when variances occur and explanations are provided, and funds obtained, this won't hamper reliability, availability and projects moving forward.,

Capital Project Exceedance Request: AE-Electric Annuals

Electric Transmission and Distribution Director, Wayne Lynn presented the Capital Project Exceedance Request for the Electric T&D Annuals. Mr. Lynn reviewed the significant expenditures in electric annuals, gave examples of the expenditures, and the amount of exceedance requested.

GM Peffley commented that a six-month project turned into a two-year project where a generator was requested as a backup, and resulted in an additional cable circuit being placed in the area and reimbursement is being requested for some of this expense.

Commissioner Zerkle asked whether it was technically an exceedance or an emergency situation, related to the storm reclassification costs. GM Peffley responded that the expenses were moved from capital to operations and maintenance.

Commissioner Leek asked whether vandalism to substations and transformers affected the amount included in the request. GM Peffley responded that repair for vandalism is not included.

Commissioner Schrader asked whether the annuals are line items for emergency situations. GM Peffley responded that annuals are for reoccurring and emergent projects that need to be completed annually.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Dale Schrader to forward the Resolution for the Capital Exceedance Request AE-Electric Annuals to the full Board for consideration.

Yeas: Commissioners Beth Graham, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

Rate Strategy Presentation

GM Peffley provided background information on the rate strategy. GM Peffley stated that BWL's rate increases are under inflation and BWL is complying with clean energy standards. CFO Shawa introduced Mark Beauchamp, President of Utility Financial Solutions, who presented the first part of the 2024 Rate Strategy of industry rate design trends, rates study process, and rate recommendations.

Commissioner Thomas asked whether there were external and internal subject matter experts involved. GM Peffley responded that BWL has internal subject matter experts, but an outside expert provides assurance that there isn't bias in the information presented. CFO Shawa responded that BWL has a cross functional team with whom Mr. Beauchamp worked.

Commissioner Thomas requested a BWL organizational chart to be able to identify presenters at meetings. GM Peffley responded that a BWL organizational chart would be made available to Commissioners if they are not able to access it through the Commissioner Dashboard.

Commissioner Schrader asked if the peak load hour was 9:00 p.m. GM Peffley responded that the average residential customer load is 500kW and it takes 220 kW to charge an electric vehicle. Electric vehicle owners are encouraged to charge their vehicles at night as the electricity used equals half of the total of all other residential load. It is considered new load and won't lower the peak.

CFO Shawa presented BWL's place in the state in reliability, BWL's Lansing Energy Tomorrow projects, vegetation management, cyber resiliency and technology investments, water service information, BWL resource portfolio and carbon reduction.

Commissioner Zerkle inquired whether any cyber security improvements were being made because of AI. CFO Shawa responded that recommendations are being made that focus on the AI plan under the acceptable use policy.

Commissioner Thomas asked CFO Shawa to share at some time the AI for utilities information this year's APPA National Conference keynote speaker presented. CFO Shawa responded she would be happy to share on the AI for utilities presentation from the APPA National Conference.

Accounting, Finance and Planning Director, Scott Taylor presented rate design recommendations.

Commissioner Zerkle asked if this is the information that will be presented at the public hearing and CFO Shawa affirmed.

Commissioner Worthy asked whether the \$1.1 million savings for PA 95, which is received from customers at the rate of \$0.88 per month resulting in about \$100,00 per month, is a net number or gross number. Mr. Taylor responded that it was a gross number and additional information would be presented by Director of Internal Audit Elisha Franco later this evening.

Commissioner Schrader asked for an explanation of the cost-of-service rates and actual usage rates. Mr. Beauchamp responded that a cost-of-service study determines what components of rates need to be charged, but isn't an exact science. Commissioner Schrader asked how BWL rates compared to Consumers Energy. GM Peffley responded that at the highest peak, BWL was 18% under Consumers Energy on residential rates. Currently, BWL's rates are 6% under and has plans in place to return to target rate differential. GM Peffley also responded that BWL ranks higher in comparison relative to reliability.

Mr. Taylor noted that several members of BWL staff worked on the information provided on the rate strategy presentation.

Commissioner Worthy asked why chilled water isn't subject to the same inflationary effects in rate increases and also asked whether RICE should be included in green energy initiatives.

Mr. Taylor responded that chilled water is the newest system, and it has been easier to obtain cost of service. GM Peffley responded that RICE was put into the project as an intermittent power source.

Retirement Plan Committee (RPC) Update

CFO Shawa and Mr. Taylor presented the retirement plan committee investment activity for the VEBA Plan, and administrative activity updates for the DB, VEBA, 401a and 457b Plans.

Retirement Plan Committee (RPC) Charter

CFO Shawa presented the proposed Retirement Plan Committee Charter for the overseeing and management of plans and trusts and requested approval.

Motion by Beth Graham, **Seconded** by Commissioner Dale Schrader to forward the Resolution for the Approval of the Retirement Plan Committee (RPC) Charter to the full Board for consideration.

Yeas: Commissioners Beth Graham, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

Bi-Annual Internal Audit Open Management Response Update

Internal Control Analyst Cody Rochefort presented the Bi-Annual Internal Audit Open Management Response Update, which consisted of drafting and adopting a formal Retirement Plan Committee Charter; updating the FY 2024 Rules and Regulations; and create a comprehensive document that outlines the roles and responsibilities of each entity involved in PA 95.

Commissioner Thomas commended Mr. Rochefort on his presentation and made some recommendations for the formatting in the presentation.

Commissioner Worthy asked whether the section on security deposits included a review of any computer errors. Mr. Taylor responded that the figures reported included computer errors and changes in the rules and doesn't believe there are any outstanding concerns.

Review and Approval of Board of Commissioners Fourth Quarter Budget and Expense Report

Chairperson Zerkle reported that the Board of Commissioners fourth quarter P-Card reports have been provided to the Commissioners for review with approval.

Internal Audit Department Status Update

Director of Internal Audit Elisha Franco presented the Internal Audit Department Status Update which included the Audit Progress Report, Issuance of the FY 2024 PA 95 Audit Report, FY 2025 Audit Plan awaiting Commissioner approval, Internal Auditor Professional Development, and Departmental Items.

PA95 Audit Results

Director of Internal Audit Elisha Franco presented the PA95 Audit Results. The audit was conducted to assess the effect on both the BWL organization and customers of opting into PA 95, and to determine if opting into PA 95 affected bad-debt status. No business findings were identified, and it was recommended that documentation is created to outline the crucial roles and responsibilities of each entity involved in PA 95.

FY 2025 Internal Audit Work Plan

Director of Internal Audit Elisha Franco presented the FY 2025 Internal Audit Work Plan and requested approval. The plan included a payroll management audit, a remittance/cash receipts audit, a follow up audit on PA 95 and a P-Card audit.

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Beth Graham to forward the Resolution for the Internal Audit Plan for FY 2025 to the full Board for consideration.

Yeas: Commissioners Beth Graham, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

Ms. Franco introduced new Internal Auditor Nicole Smith to the Commissioners.

Other

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Dale Schrader for an excused absence for Commissioner David Price.

Action: Motion Carried.

There was no other business.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 8:02 p.m.

Respectfully submitted,
Sandra Zerkle, Chairperson
Finance Committee

RESOLUTION 2024-07-XX**Appointment of the Charter Position of Corporate Secretary**

WHEREAS, the Board's Rules of Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Corporate Secretary fiscal year 2024-2025 or until a successor is appointed, whichever last occurs:

LaVella J. Todd, Corporate Secretary

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2024's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Corporate Secretary for Fiscal Year 2024-2025 at a Board Meeting held on July 23, 2024.

Roll Call Vote:

Yeas:

Nays:

Action:

RESOLUTION 2024-07-XX

Appointment of the Charter Position of Director and General Manager

WHEREAS, the Board’s Rules of Procedure specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of General Manager for fiscal year 2024-2025, or until a successor is appointed, whichever last occurs:

Richard R. Peffley, Director and General Manager

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for fiscal year 2024’s performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Charter Position of Director and General Manager for Fiscal Year 2024-2025 at a Board Meeting held on July 23, 2024.

Roll Call Vote:

Yeas:

Nays:

Action:

RESOLUTION #2024-07-XX
Appointment of the Charter Position of Internal Auditor

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Internal Auditor fiscal year 2024-2025, or, until a successor is appointed, whichever last occurs:

Elisha Franco, Internal Auditor

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2024's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Internal Auditor for Fiscal Year 2024-2025 at a Board Meeting held on July 23, 2024.

Roll Call Vote:

Yeas:

Nays:

Action: Motion Carried.

**AMENDMENT NO. 7 TO AGREEMENT
BETWEEN THE CITY OF LANSING AND
THE BOARD OF WATER & LIGHT**

This Amendment No. 7 is entered as of this ___day of ____, 2024, by and between the City of Lansing, 124 W. Michigan Ave., Lansing, MI 48933, hereinafter referred to as “City,” and the Board of Water & Light, 1201 South Washington Ave., Lansing, Michigan 48910, hereinafter referred to as “Board.” The City and the Board are each a “Party” and, collectively are the “Parties.”

STATEMENT OF PURPOSE

- A. The Parties entered into an Agreement dated June 30, 1992 (the “Agreement”), a copy of which is attached as **Exhibit A**;
- B. The Parties entered into Amendment No. 1 to the Agreement on December 17th, 2001, which expired June 30, 2012, a copy of which is attached as **Exhibit B**;
- C. The Parties entered into Amendment No. 2 to the Agreement on June 30, 2012, which expired June 30, 2017, a copy of which is attached as **Exhibit C**;
- D. The Parties entered into Amendment No. 3 to the Agreement on December 23, 2013, which increased the Board’s annual payment to the City to 6.1% of its revenue from retail and wholesale sales of chilled water, electric, steam, heat and water utilities for the preceding 12-month period ending May 31st of each year (the “Payment”). A copy of Amendment No. 3 is attached as **Exhibit D**;
- E. Amendment No. 3 also extended the term of the Agreement for an additional year beyond that provided for in Amendment No. 2, such that the Agreement expired June 30, 2018, unless extended in writing by the Board of Commissioners and the City Council of Lansing;
- F. The Parties entered into Amendment No. 4 to the Agreement on July 1, 2018. Amendment No. 4 extended the terms and provisions of the Agreement by an additional two years such that the Agreement expired June 20, 2020, unless extended in writing by the Commissioners of the Board and the City Council of Lansing. A copy of Amendment No. 4 is attached as **Exhibit E**; and
- G. The Parties entered into Amendment No. 5 to the Agreement on July 1, 2020. Amendment No. 5 extended the terms and provisions of the Agreement by an additional two (2) years. Further, the Parties agreed that the Board would pay to the City a fixed dollar amount for each of the Fiscal Years 2020, 2021, and 2022 as follows: FY2020 \$23,100,000; FY2021 \$25,000,000; and FY2022 \$25,000,000. It was also agreed that in addition to the amounts described in the preceding paragraph, for each of FY2021 and FY2022, the Board would pay to the City an amount determined as follows:

(the Board's revenue from retail and wholesale sales of chilled water, electric, steam, heat and water utilities for the preceding 12-month period ending May 31st minus \$409,836,066) multiplied by 3%). A copy of Amendment No. 5 is attached as **Exhibit F**.

H. The Parties entered into Amendment No. 6 to the Agreement on July 20, 2022. Amendment No. 6 extended the terms and provisions of the Agreement by an additional two (2) years. Further, the parties agreed that the Board would pay to the City for the two fiscal years commencing on July 1, 2022, 6% of total Board operating revenues, excluding inter-utility sales, as reported in the Board's audited financial statements. The parties also agreed that payments by the Board would be made quarterly within 30 days after each quarter's end and any changes to operating revenues or inter-utility sales after a quarterly payment has been made, would be adjusted for in the subsequent quarter's payment.

Including as modified by this Amendment No. 7, and by the prior Amendments Nos. 1-6, the Parties desire to extend the term of the Agreement.

AGREEMENT

The Parties therefore agree as follows:

- 1) The term of the Agreement is extended by an additional year, such that the Agreement shall automatically terminate on June 30, 2025, unless extended further by the Commissioners of the Board and the City Council of Lansing.
- 2) The Agreement is amended that the Board shall make return on equity payments to the City for the fiscal years commencing on July 1, 2023 and July 1, 2024, in the amount of 6% of total budgeted Board operating revenues, excluding inter-utility sales, as is in effect at the start of each respective fiscal year.
- 3) Payments shall be made quarterly by the end of the month following each quarter's end. If this date falls on a weekend or holiday, payment may be made on the next business day. Q4 payment of FY2024 will incorporate the terms above including any difference between payments to date and the total fiscal year amount.
- 4) This Agreement as amended contains the entire Agreement and any terms, conditions or provisions not contained in this Agreement as amended are not binding on either Party.
- 5) This Agreement shall inure to the benefit of the Parties to the Agreement.
- 6) This Agreement, or any of its terms or provisions, shall not be waived, modified or otherwise altered except as agreed in writing and executed by both Parties.
- 7) Except as modified in this Amendment No. 7, the Agreement shall remain in full force and effect. Nothing herein releases the Board from any payments it is obligated to make

pursuant to the previous amendments to the Agreement.

IN WITNESS WHEREOF the parties have signed this Amendment No. 7, and it shall become effective on the date first above written.

CITY OF LANSING

By: _____
Andy Schor, Mayor

By: _____
Chris Swope, City Clerk

BOARD OF WATER & LIGHT

By: _____
Richard R. Peffley
General Manager

By: _____
Lavella J. Todd
Corporate Secretary

Approved as to form only:

Approved as to form:

City Attorney

Board of Water & Light
Legal Counsel

Approved as availability of funds:
Account No. 101-674100

Controller

RESOLUTION 2024-XX-XX
Return on Equity (ROE) Renewal

WHEREAS, the City of Lansing has expressed a desire to continue the Agreement Between the City of Lansing and The Board of Water & Light dated June 30, 1992 (the Agreement), which has been subsequently extended by means of six Amendments thereto in 2001, 2012, 2013, 2018, 2020 and 2022, respectively;

WHEREAS, the Board of Commissioners Committee of the Whole (COW) considered the City of Lansing's request on July 16, 2024;

WHEREAS, the General Manager recommended the Agreement be amended and extended by one year at a rate of 6% of total budgeted Board operating revenues, excluding inter-utility sales, effective July 1, 2023, which would be memorialized as Amendment No. 7;

WHEREAS, the COW has considered the proposed Amendment No. 7, agreed with the General Manager's recommendation and approved the Amendment, including authorization for the General Manager to execute the Amendment, and the Amendment shall be forwarded to the Board of Commissioners for approval at the July 23, 2024 meeting.

RESOLVED, the proposed Amendment No. 7 to the Agreement Between the City of Lansing and The Board of Water & Light dated June 30, 1992 is hereby approved, including authorization for the General Manager to execute the Amendment.

Motion by Commissioner _____, Seconded by Commissioner _____, to approve the Return on Equity (ROE) Renewal.

RESOLUTION 2024-XX-XX
Code of Conduct and Ethics for Retirement Plan Fiduciaries

WHEREAS, the Lansing Board of Water & Light (the “Sponsor” or “BWL”) sponsors the (a) Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions; (b) Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light; (c) Lansing Board of Water and Light Defined Contribution Plan and Trust 1; (d) Lansing Board of Water and Light Defined Contribution Plan and Trust 2; and (e) Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (collectively the “Plans”), which are administered in accordance with the provisions of the Public Employee Retirement System Investment Act, Michigan Public Act 314 of 1965, as amended (“Act 314”), applicable plan documents, and local, state and federal laws; and

WHEREAS, the Board of Commissioners (“Board”) and Retirement Plan Committee (the “Committee”) are vested with the general administration, management, and operation of the Plans, and have a fiduciary responsibility to make decisions solely in the interest of plan participants and beneficiaries; and

WHEREAS, the Board and the Committee recognize that they are subject to the provisions of Act 314 as amended, wherein the Board and its appointed Trustees and the Committee is required to act as a prudent investor in all transactions related to the Plans’ funds and assets by discharging their duties solely in the interests of the participants and beneficiaries, and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered; and

WHEREAS, due to the fiduciary responsibilities entrusted to the Board and the Committee, they are encouraged to maintain the highest standards of conduct and ethics above the minimum requirements of applicable law and policy; and

WHEREAS, while the BWL adheres to the City of Lansing’s Ethics Policy, the Board desired to state its policy with regard to conduct and ethics as it specifically pertains to administration, management and operation of the Plans; and

WHEREAS, the Board adopted a Retirement System Code of Conduct and Ethics policy in November 2014 by Resolution #2014-11-01; and

WHEREAS, the Board desires to update the Retirement System Code of Conduct and Ethics policy and replace it with the Code of Conduct and Ethics set forth in Attachment A.

THEREFORE, it is:

RESOLVED, that the Code of Conduct and Ethics is approved as set forth in Attachment A; and

FURTHER RESOLVED, that this Resolution supersedes Resolution #2014-11-01.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve the Resolution for Code of Conduct and Ethics for Retirement Plan Fiduciaries at a Board meeting held on _____.

RESOLUTION 2024-07-XX**Capital Project Exceedance: AE – Electric Annuals**

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

WHEREAS, the previously approved budget for Capital Project AE – Electric Annuals was \$17,900,000; and

WHEREAS, the projected final total cost for Capital Project AE – Electric Annuals is \$25,774,045, 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 AE – Electric Annuals projected spending be approved; and

RESOLVED, the BWL Board of Commissioners approve projected spending for Capital Project AE – Electric Annuals with a projected final total cost of \$25,774,045.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Resolution for the Capital Project Exceedance: AE – Electric Annuals at a Board meeting held on _____.

RESOLUTION 2024-XX-XX
Retirement Plan Committee Charter Approval

WHEREAS, the Lansing Board of Water & Light (the “Sponsor” or “BWL”) sponsors the (a) Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions; (b) Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light; (c) Lansing Board of Water and Light Defined Contribution Plan and Trust 1; (d) Lansing Board of Water and Light Defined Contribution Plan and Trust 2; and (e) Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (collectively the “Plans”); and

WHEREAS, the Sponsor created a committee effective September 27, 2016, named “Retirement Plan Committee” (the “Committee”), to which the Sponsor delegated discretionary authority and responsibility for the discharge of certain Plan-related duties; and

WHEREAS, the BWL Board of Commissioners (“Board”) accepted the audit report from the Internal Auditor recommending modifications to the Committee and its governance – Internal Audit Report FY 2023-3, Retirement Plans and the Retirement Plan Committee (RPC) issued March 27, 2023 (“RPC Audit”), which includes management response; and

WHEREAS, on May 23, 2023, consistent with RPC Audit Recommendation #2, the Sponsor resolved that the Committee shall draft and adopt a formal Charter to be approved by the Sponsor;

WHEREAS, the Committee recommends the Retirement Plan Committee Charter for approval by the Sponsor; and

WHEREAS, the documents and service providers referred to in the Charter appendices may change from time to time, the Committee requests the ability to amend the Charter for these changes as they occur without further approval of the Sponsor.

THEREFORE, it is:

RESOLVED, that the Sponsor approves the Retirement Plan Committee Charter.

FURTHER RESOLVED, that the Committee may amend the Retirement Plan Committee Charter as the documents and service providers referred to in the appendices change from time to time without further approval of the Sponsor.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve the Resolution for Retirement Plan Committee Charter Approval at a Board meeting held on _____.

RESOLUTION 2024-XX-XX
Internal Audit Plan for FY 2025

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Plan for FY 2025.

Motion by Commissioner _____, **Seconded** by _____ to approve the Internal Audit Plan for FY2025 at a Board meeting held on _____, 2024.

Action: