



BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
September 24, 2024 - 5:30 p.m.
1201 S. Washington Ave., Lansing, Michigan
REO Town Depot

AGENDA

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

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Approval of Minutes

- a. Regular Board Meeting Minutes of July 23, 2024
- b. Special Board Meeting Minutes of August 27, 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. Each speaker will have 3 minutes to speak to the Board.*

6. Communications

- a. Capital Area Friends of the Environment Letter to Lansing City Council and LBWL Board of Commissioners
- b. Letter from Allison Dimick re: Rate Increases
- c. Electronic mail from Clarissa Potter re: Rate Increases
- d. Electronic mail from John Harris re: Rate Increases
- e. Letter from Julie Dixon re: Rate Increases
- f. Electronic mail from Anne Kingery re: Rate Increases
- g. Letter from Anne Kingery re: Rate Increases
- h. Letter from Isaac Rowles re: Rate Increases
- i. Electronic mail from Julia Ousley re: Rate Increases
- j. Electronic mail from Kathy Gray re: Rate Increases
- k. Letter from BWL to Lansing City Council
- l. Electronic mail from Erica Touchette re: Rate Increases
- m. Electronic mail from Cathy Everling re: Rate Increases
- n. Electronic mail from Dawn Fleming re: Rate Increases
- o. Electronic mail from Jim Swisk re: Rate Increases
- p. Electronic mail from Cheryl Brand re: Rate Increases
- q. Electronic mail from Elaine Fischhoff re: Rate Increases

- r. Electronic mail from Donna Rose re: Rate Increases
- s. Electronic mail from Lori Benjamin re: Rate Increases
- t. Electronic mail from Tamara Arend re: Rate Increases
- u. Electronic mail from Todd Schulz re: Rate Increases
- v. Electronic mail from Mike Smalligan re: Rate Increases
- w. Electronic mail from Katherine Alaimo re: Rate Increases
- x. Letter from Lansing Area Elected Officials re: Rate Increases
- y. Letter from Myles Johnson re: Rate Increases
- z. Electronic mail from Ryan Kost re: Rate Increases
- aa. Electronic mail from Sovann Keo re: Senior Plan
- bb. Electronic mail from Florence Baerren re: Rate Increases
- cc. Electronic mail from Mike Barron re: Utility Bill
- dd. Electronic mail from Elaine Fischhoff re: Rate Increases
- ee. Electronic mail from Nicholas Weil re: Risk Management Claim

7. Committee Reports

- a. Human Resources Committee Meeting (September 10, 2024)-Tracy Thomas, Chairperson
- b. Committee of the Whole Meeting (September 10, 2024)-Semone James, Chairperson
- c. Finance Committee Meeting (September 10, 2024)-David Price, Acting Chairperson

8. Manager's Recommendations

9. Unfinished Business

10. New Business

11. Resolutions/Action Items

- a. PA 152 Health Care Premium Sharing Resolution
- b. Internal Audit Charter Approval Resolution
- c. Ratification of Trustees of Retirement Plans Resolution
- d. Approval of Modifications to Belle River Power Sales and Project Support Contracts Resolution

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. Each speaker will have 3 minutes to speak to the Board.

16. Adjournment

Agenda posted on web site and building 09-18-24

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**

July 23, 2024

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

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

Corporate Secretary, LaVella Todd, called the roll.

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

Absent: None

Corporate Secretary LaVella Todd declared a quorum.

Commissioner David Price led the Pledge of Allegiance.

ELECTION OF OFFICERS FY 2024-2025

Nominating Committee Chairperson Tracy Thomas presented the May 30, 2024, Nominating Committee Report. The proposed slate of officers for Fiscal Year 2024-2025 is as follows: Commissioner David Price serving as Chairperson; and Commissioner Semone James serving as Vice Chairperson. There were no further nominations for the officers' positions from the floor.

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Tony Mullen to close nominations for officers' positions.

Action: Motion Carried.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner DeShon Leek to approve the nominations of Commissioner David Price to serve as Chairperson and Commissioner Semone James to serve as Vice Chairperson of the Board of Commissioners for Fiscal Year 2024-2025.

Roll Call Vote:

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

Nays: None.

Action: Motion Carried.

Commissioner Semone James passed the gavel to Commissioner David Price.

Chairperson David Price stated that the Executive Committee consists of the Board Chairperson, the Board Vice Chairperson, the past Board Chairperson, plus a Board Member selected by the Board Chairperson and approved by vote of the Board Members. As the past Board Chairperson, Semone James, is now the Board Vice Chairperson. Chairperson David Price appointed Commissioner Sandra Zerkle as a past Board Chairperson to be on the Executive Committee. Commissioner Sandra Zerkle accepted the appointment as a past Board Chairperson for the Executive Committee.

Chairperson David Price nominated Commissioner Dale Schrader as the Board Member for the Executive Committee. Commissioner Semone James seconded the motion. Commissioner Dale Schrader accepted the appointment as the Board Member for the Executive Committee.

Roll Call Vote:

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

Nays: None.

Action: Motion Carried.

Chairperson David Price stated committee assignments will be sent out next week and he will be reaching out to board members regarding their preferences.

APPROVAL OF MINUTES

Motion by Commissioner Semone James, **Seconded** by Commissioner Beth Graham, to approve the Regular Board Meeting Minutes of May 21, 2024.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments.

COMMUNICATIONS

Electronic mail received from Elaine Fischhoff regarding Board of Water & Light and City of Lansing Joint COW Meeting - *Referred to Management. Received and Placed on File.*

Electronic mail received from Elaine Fischhoff regarding Clean Energy - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Commissioner Tracy Thomas presented the Nominating Committee Report:

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

Commissioner Tony Mullen presented the Human Resources Committee Reports:

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.

Roll Call Vote:

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

Commissioner Semone James presented the Committee of the Whole Report:

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 Chairperson Sandra Zerkle presented the Finance Committee Report:

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

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 2024-07-01

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

Nays: None

Action: Motion Carried

RESOLUTION 2024-07-02

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

Nays: None

Action: Motion Carried.

RESOLUTION 2024-07-03

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

Nays: None

Action: Motion Carried.

RESOLUTION 2024-07-04

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 approved by the COW, including authorization for the General Manager to execute the Amendment, and shall be forwarded to the Board of Commissioners for approval at the July 23, 2024 meeting.

Motion by Commissioner Tracy Thomas, Seconded by Commissioner Semone James, to approve the Return on Equity (ROE) Renewal at a meeting held on July 23, 2024.

Roll Call Vote:

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

Nays: None

Action: Motion Carried.

RESOLUTION 2024-07-05

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 Semone James, **Seconded** by Commissioner Tony Mullen to approve the Resolution for Code of Conduct and Ethics for Retirement Plan Fiduciaries at a Board meeting held on July 23, 2024.

Roll Call Vote:

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

Nays: None

Action: Motion Carried.

RESOLUTION 2024-07-06

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 Sandra Zerkle, **Seconded** by Commissioner Tony Mullen, to approve the Resolution for the Capital Project Exceedance: AE – Electric Annuals at a Board meeting held on July 23, 2024.

Roll Call Vote:

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

Nays: None

Action: Motion Carried.

RESOLUTION 2024-07-07

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 Semone James, **Seconded** by Commissioner David Price to approve the Resolution for Retirement Plan Committee Charter Approval at a Board meeting held on July 23, 2024.

Roll Call Vote:

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

Nays: None

Action: Motion Carried.

RESOLUTION 2024-07-08
Internal Audit Plan for FY 2025

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

Motion by Commissioner Sandra Zerkle, **Seconded** by Beth Graham to approve the Internal Audit Plan for FY2025 at a Board meeting held on July 23, 2024.

Roll Call Vote:

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

Nays: None

Action: Motion Carried.

MANAGER’S REMARKS

General Manager Dick Peffley spoke on the following items.

1. GM Peffley thanked the Board of Commissioners for the reappointment as Director and General Manager.
2. The State of the BWL address was given earlier in the day on Tuesday, July 23, 2024. It is the ninth year for the address and GM Peffley thanked the Commissioners that were able to attend.
3. Senior representatives from General Motors will be visiting on Tuesday, July 30, 2024 to talk about the nearby plant and the load out of the facility.
4. There are several events coming up and GM Peffley is looking forward to seeing Commissioners who can attend and understands Commissioners may not be able to attend all events.
5. The General Manager’s Roundtable will be held on Wednesday, July 24, 2024 at 11:30 am. The same speech will be given that was made at the State of BWL Address.
6. The BWL Employee Picnic will be held on Tuesday, July 30, 2024 at 7:05 pm at the Lansing Lugnuts stadium.
7. The Internship presentations will be on July 31, 2024 from 11:00 am to 2:30 pm at the REO Depot. The interns will present tabletop displays showcasing what they learned from their 13 week internship.
8. The BWL 5k walk/run will be on Saturday, August 10th with an 8:00 am start time.

COMMISSIONERS’ REMARKS

Commissioner Zerkle thanked GM Peffley for State of the BWL address and luncheon and for giving credit to the BWL employees for the successes of the BWL.

Commissioner Thomas thanked Commissioner Semone James for her leadership as the past Chairperson of the Board and congratulated Commissioner David Price on his upcoming service.

Commissioner Thomas also congratulated the three employees for their reappointments. Commissioner Thomas also thanked Amy Adamy and Kellee Christensen for representing the Board of Water & Light at events.

Commissioner Semone James thanked Commissioner Tracy Thomas, GM Peffley and the Corporate Secretary LaVella Todd for their support and advisement during her time as Chairperson. Commissioner James also thanked Commissioner Sandra Zerkle and Commissioner Price for being Vice-Chairperson during her first year and second year respectively as Chairperson. Commissioner James expressed that our Rules of Procedure state that we endeavor to rotate officers of the Board and she happily welcomed Commissioner David Price in serving as Chairperson and herself in serving as Vice-Chairperson. Commissioner James thanked Commissioners for their camaraderie and encouraged Commissioners to step up to leadership roles on the Board as they are able. Commissioner James expressed her appreciation to the Director of Internal Audit, Elisha Franco and looks forward to working with her and her new Internal Auditor Nicole Smith. Commissioner James also thanked the staff that have worked on the Board of Commissioners Roles & Responsibilities Handbook: Corporate Secretary LaVella Todd, Administrative Assistant Maria Koutsoukos, Associate Attorney Marie Mireles, Commissioner Brian Pillar and Director of Internal Audit Elisha Franco. Commissioner James stated that during her term as Chairperson that she always worked to create an inclusive environment with open lines of communication and expressed that she was confident that we would continue with Commissioner Price as Chairperson and herself as Vice-Chairperson. She encouraged the Board of Commissioners to work with new Commissioners as they come onto the Board.

Chairperson Price commented that the support from other Commissioners and BWL staff is necessary for successful leadership.

MOTION OF EXCUSED ABSENCE

There were no absences.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chairperson David Price adjourned the meeting at 6:05 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 08-02-24
Approved by the Board of Commissioners: 09-__-24
Official Minutes filed (electronically) with Lansing City Clerk: 09-__-24



**LANSING BOARD OF WATER AND LIGHT
BOARD OF COMMISSIONERS**

**SPECIAL BOARD MEETING MINUTES
August 27, 2024**

Pursuant to Section 1, 1.2 of the Board of Water & Light's Rules of Procedures, Board of Water & Light's Chairperson David Price has called a special meeting of the Board of Commissioners on Tuesday, August 27, 2024 at 5:30 p.m. The meeting was held at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI.

Acting Chairperson Sandra Zerkle called the meeting to order at 5:30 p.m. Acting Chairperson Zerkle stated that public speaking cards were located in the alcove near the front door for those members of the public that would like to speak and speakers will have 3-minutes each to share their comments. Acting Chairperson Zerkle stated that communications received electronically and through postal mail would be listed on the September 2024 Regular Board Meeting agenda to be noted as received and placed on file.

Corporate Secretary Todd called the roll.

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

Absent: Commissioners Semone James and David Price; and Non-Voting Commissioner Stuart Goodrich (Delhi Township)

The Corporate Secretary declared a quorum.

Commissioner DeShon Leek led the Pledge of Allegiance.

PUBLIC COMMENT ON AGENDA ITEMS

Brian Jackson, Lansing, MI, ratepayer and 4th Ward City Council Member, spoke against the rate increases as being misleading and the bond that was approved was not supporting clean energy projects but being used for the RICE plant. Mr. Jackson stated he had asked at a previous BWL meeting at what percentage were the clean energy goals and was instructed to write in a request for the information. Mr. Jackson stated that he would like leadership to go in the direction of state law, safety and people's future.

George Graf, Reid Machinery, Lansing, MI spoke about the number of meters and feeds at Reid Machinery being discrepant, the new water main on the property, the receipt of a bill for a nonfunctioning meter and requested resolution for the problem.

MEETING PURPOSE:

Consider a Resolution for a Rate Schedule Rate Increases for Electric, Water, Steam, and Chilled Water. Rate Schedules to be Effective October 1, 2024, and October 1, 2025.

Acting Chairperson Zerkle stated that questions, comments, and concerns regarding the rate increases and rate schedule for electric, water, steam, and chilled water utility services would be received before putting forward the Resolution.

COMMISSIONERS' REMARKS/COMMENTS

Commissioner Thomas commented that customers' concerns were valid but also his fiduciary responsibilities are to act in the Board of Water & Light's best interests protecting and enhancing the Board of Water & Light as owned by the city of Lansing and to exercise reasonable care and good faith in his actions and decisions at meeting legal and regulatory requirements. The rate increase is proposed to support the Board of Water & Light's obligations to maintain and upgrade infrastructure while keeping up with the inflation, to meet clean energy goals, and to comply with state law. For the Board of Water & Light to continue its mission of delivering safe and reliable utility services that customers expect he will be voting accordingly.

Commissioner Mullen commented that all the Commissioners are also customers, and nobody wants rate increases but BWL has to keep up with the demands of service and the proposed rates are still well below inflation. In addition, BWL has a goal of replacing 8 miles of water main every year which can't be accomplished at the current rate. When looking at other municipalities in the state of Michigan, you can see what happens when rates aren't increased. It is understood that some people can't afford the increases. The majority of the calls, comments and discussions though haven't been about the increases as much as about the RICE plant and the health concerns of burning natural gas. Commissioner Mullen stated that if BWL was to go 100% renewable the rates would need to be doubled. BWL doesn't have the technology to keep the lights on 24/7 with battery capacity if the wind doesn't blow or the sun doesn't shine. BWL has to have something in place while continuing to meet goals of green production. No one wants to see climate change but lights need to be kept on so he will be voting yes on the resolution.

Commissioner Thomas additionally commented that expectations for hardship cases are that management will come up with strategies to help out and to encourage management to look for resource fairs to allow those in situations to obtain assistance in paying their bills.

Commissioner Schrader commented that he will be voting no on the resolution but not because of the RICE plant as it is a necessary first step in the clean energy process even

though there are some environmental concerns. He will be voting no as he thinks the rate changes should be voted on for only one year.

Acting Chairperson Zerkle stated that two meetings have been held explaining what has been proposed for the rates, why they were proposed, and the number of ways money has been saved on projects in the last year and a half, and also the number of grants pursued in the process.

RESOLUTION #2024-08-01

2024 – 2025 Rate Increases for Electric, Water, Steam, and Chilled Water

WHEREAS, just and reasonable rates shall be established that enable the Lansing Board of Water & Light (BWL) to meet its mission of serving the Greater Lansing area by providing safe, reliable and affordable utility services; and

WHEREAS, BWL management has evaluated the rates for each utility relative to its mission, its Rate Making Principles and its financial plan and recommends the following changes to the rates for each utility:

I. Electric (Attachment A):

BWL management recommends an overall increase of 6.95% and 6.00%, to electric billings on October 1, 2024, and October 1, 2025, respectively, comprised of varying individual rate class increases; and

BWL management recommends the following specific changes to the electric rates:

- a) introduction of a Midsize Commercial Fire Pump Electric Service tariff; and
- b) the modification of the Standby Rate for Dispatchable Generation into separate Midsize and Large Commercial Standby tariffs; and
- c) the modification of the Midsize Commercial Electric Service tariff to include a tiered rate structure.

II. Water (Attachment B):

BWL management recommends an overall increase of 9.23% and 9.16%, to water billings on October 1, 2024, and October 1, 2025, respectively, comprised of varying individual rate class increases.

III. Steam (Attachment C):

BWL management recommends a 9.75% increase in steam billings on October 1, 2024, and October 1, 2025.

IV. Chilled Water (Attachment D):

BWL management recommends a 2.0% and 1.5% increase to chilled water billings on October 1, 2024, and October 1, 2025, respectively.

WHEREAS, notice of the proposed rate increases was communicated to all customers by public notice on August 2, 2024, and a public hearing was held on August 20, 2024, to receive comments on the proposed increases; and

WHEREAS, the Board of Commissioners has considered the comments of the public as well as recommendations made by BWL management; and

WHEREAS, the Board of Commissioners has considered the need for additional investment to support the continued capital, operation and maintenance costs of the BWL's production and delivery of safe, reliable and affordable utility services; and

WHEREAS, the Board of Commissioners has considered the need for additional investment to support the renewable energy requirements.

THEREFORE, it is:

RESOLVED, that the electric, water, steam, and chilled water rate schedules, detailed in Attachments A –D, be adopted and made effective for electric, water, steam, and chilled water utility services on October 1, 2024, and October 1, 2025.

Motion by Commissioner Tony Mullen, Seconded by Commissioner Beth Graham to accept the resolution for the 2024-2025 Rate Increases for Electric, Water, Steam and Chilled Water at a Special Board Meeting held on August 27, 2024.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Deshon Leek, Tony Mullen, Tracy Thomas, Sandra Zerkle

Nays: Commissioner Dale Schrader

Motion Carried.

MANAGER'S REMARKS/COMMENTS

General Manager Peffley recognized the Commissioners for the tough job they had with this resolution, the six months of preparation, and not taking lightly the scheduled rates proposals. BWL is committed to working with customers with plans and arrangements in obtaining money from organizations in resource fairs.

PUBLIC COMMENT

Brian Jackson, Lansing, MI, 4th Ward City Council member, spoke to recognize and appreciate the work needed to make the serious decisions as customers will be affected. Mr. Jackson stated that he would like the Board to be informed on renewables, staying away from fossil fuels, and becoming educated on these items. Mr. Jackson stated that

most people didn't know what a RICE plant was, how it works, how it would be paid for, and how the issued bond would be paid for. Mr. Jackson added that a natural gas plant was approved and now a RICE plant has been approved. He added that a simple Google search would provide information that a natural gas plant was not cleaner than coal.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Tony Mullen, **Seconded by** Commissioner Beth Graham for excused absences for Commissioners Semone James, David Price and Stuart Goodrich

Action: Motion Carried.

ADJOURNMENT

Acting Chairperson Zerkle adjourned the meeting at 5:57 p.m.

Filed with Lansing City Clerk:
09-04-24 Unofficial Minutes
09- -24 Official Minutes

Lansing City Council
124 W Michigan Avenue
10th Floor City Hall
Lansing, MI 48933

August 5, 2024

Dear Councilmembers:

We write to bring your attention to some serious concerns regarding the Lansing Board of Water & Light's (LBWL) "clean energy" plan.

First, we want to ensure that the council is aware that the LBWL's planned gas-burning reciprocating internal combustion engine (RICE) plant does not qualify as "clean energy" under Michigan law. At the City Council's Committee of the Whole meeting on July 8, the LBWL's General Manager Dick Peffley implied that the RICE plant would produce clean energy consistent with state law, echoing documents from the LBWL [describing the gas plant as "clean energy."](#) But as the General Manager subsequently clarified verbally at an LBWL Finance Committee meeting on July 16, there is currently no legal sense in which the proposed RICE plant (costing \$170 million) can be considered "clean energy" in Michigan. At the same meeting, the LBWL provided written materials that continued to [inaccurately describe the RICE plant as "clean energy."](#) In 2023, Michigan enacted a new law setting standards for utilities to produce clean and renewable electricity. The new law [requires](#) clean energy sources to emit no greenhouse gasses (the RICE plant would emit such gasses), OR to be a combined cycle plant (which the RICE is not), OR to have 90% effective carbon capture and storage (CCS). As LBWL noted in their air permit application for the RICE plant, CCS would double the cost of the plant and so is unaffordable. Thus, the RICE plant should not be considered "clean energy" and should not be included in a "clean energy plan." To include it will mislead the public into thinking that the LBWL is doing more to invest in renewable energy than is actually the case and may reduce the sense of urgency for the LBWL to increase its use of renewable energy which currently produces only 13 percent of the LBWL's electricity; 87 percent comes from coal and gas.

Another concern relates to statements about the planned LBWL battery storage facility. General Manager Peffley has stated that the 160 MW battery is a [4-hour battery](#). However, the batteries available at utility scale can be [drawn down variably \(much like our phone batteries\) and so do not have a 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](#). In addition, chemical batteries are not the only electricity storage technologies that should be carefully analyzed by LBWL prior to selecting technologies for implementation. There are several [options](#) for cost-effective thermal storage and for storage using technologies other than chemical batteries, [including from Michigan companies](#).

Such misinformation undermines confidence in the decision-making capacities at LBWL, especially when, more than a year after announcing its \$750 million electricity expansion plan, the utility has not shared with the public a detailed written account of the plan. This confidence is

further eroded when considering that the capital expense of the RICE plant dominates LBWL's "clean energy plan," despite RICE units not being clean energy resources. The capital expense understates the total cost of the RICE plant because this expense does not include costs for the gas needed to run the plant or transmission costs when the gas is delivered via pipeline. [Recent economic analyses](#) show that building new intermittent "[peaking](#)" gas plants (such as the RICE) are among the most expensive ways to produce electricity, and given Michigan's new requirement that utilities produce 100 percent of their retail sales from clean sources by 2040, such a facility is likely to be a [stranded asset](#) by then. Expenditures on new fossil fuel resources will also continue to impede LBWL's announced objective for achieving Michigan's 50% renewable energy standard by 2030.

Furthermore, LBWL policies and plans should be helping to build the local economy through increasing local employment, improving the local environment, and supporting local businesses. Multiple studies (see [here](#), [here](#), and [here](#)) indicate that serious losses ensue when we add centralized fossil fuel infrastructure in a state like Michigan, where we import both the fossil fuel technologies and the fuel used to operate them. Typical economic and employment multipliers are frequently much better when local utilities [invest in energy efficiency and local renewable energy](#), and when customer costs for utility services are declining rather than increasing.

In short, the RICE plant is not clean energy and is an unwise investment for the Lansing area. That LBWL has signaled it will raise rates to pay for this wasteful expenditure is deeply worrisome. No rate increases should be authorized until LBWL has provided the public with a clear and coherent plan for its electricity expansion that meets required renewable and clean energy goals.

LBWL should invest in less expensive resources, such as wind energy, cost-effective [distributed energy resources](#) for both supply and demand management, and alternative storage technologies to complement its growing solar energy portfolio. 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,

Capital Area Friends of the Environment
Randy Dykhuis (President)
Marshall Clabeaux
Heather Douglas
Elaine Fischhoff
Dusty Horwitt
Tom Stanton
<https://www.517cafe.org/>
mi.517.cafe@gmail.com

cc: Mayor Andy Schor
Lansing Board of Water & Light Board of Commissioners

Delhi Charter Township Board of Trustees
Delta Township Board of Trustees
DeWitt Charter Township Board of Trustees
East Lansing City Council
Lansing Township Board of Trustees
Meridian Township Board

8/13/24

To whom this concerns,

My name is Allison and I am a Lansing native. My family and local friends have serious concerns about the repeated rate increases, especially since BWL is now proposing yet another that will be discussed on 8/20/24.

Most Lansing families are already struggling to survive in our current financial climate. Please consider the fact that just because you continue to raise the rates, families will not necessarily be able to keep paying more. Your company is contributing to homelessness and unsafe homes for families with little children and elderly residents. Your company is lining corporate pockets with the panic and anguish of real people who matter.

Please, please, please, drop this proposed rate increase for the sake of our community that is already struggling.

Sincerely,

Allison R.C.
Resident of Delta Twp.
Wife & mother of 2
Insurance Claims Assoc.

RECEIVED

AUG 21 2024

BOARD OF WATER & LIGHT

From: [Clarissa Potter](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] BWL Proposed Rate Increase
Date: Tuesday, August 13, 2024 7:15:37 PM

Hello,

I'm writing out of concern over another rate increase being proposed by Lansing Board of Water and Light. I am unable to make the hearing so I am emailing you instead.

BWL just finished with a 2 year increase, causing bills to go up as recently as November of 2023. Less than a year later, and they are trying to get another increase approved. This cannot stand. They are draining their clients dry. Many people are already having to choose between rent, food, or bills. Between most jobs in this area paying well below the cost of living and inflation, the last thing anyone needs is yet another utility increase.

Please consider your city residents here. We are barely surviving. Don't let another monopoly giant continue to exploit us out of greed and a lack of regulations protecting us. This is not the way to save our community, it's a way to harm.

Thank you,

Clarissa Potter

From: [John Harris](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] BWL rate increase
Date: Tuesday, August 13, 2024 8:39:33 PM

STOP this nonsense! You can't just keep raising rates for public NECESSITIES. People are struggling and getting VERY pissed, with an out of control increase of food, gas, utilities, housing, taxes, insurance, EVERYTHING.
Do the right thing and STOP this now.

John Harris, Founder/Commander
JAH Consulting
Vulture Team SAR/R

August 13, 2024

Dear LBLW Commissioners,

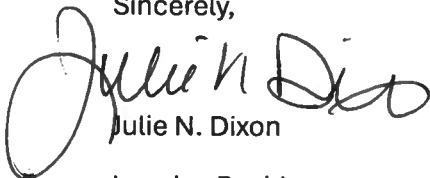
I am writing to voice my concern with the proposed LBWL rate increases for 2024 and 2025.

While these proposed changes appear to be a small dollar amount for the average customer, they don't feel small to someone that is already barely getting by. Nearly 25 percent of Lansing residents live below the poverty line. Nearly 35 percent of children under 18 live in poverty. It's already challenging for these residents to make ends meet. With these rate increases for both electricity and water, LBWL is asking them to find another \$20 per month in budgets that are already stretched and strained. Access to clean, safe, and affordable water is a fundamental right, not a privilege that is extended only to those who can afford it. Combined with 5 to 6 percent annual increases from the city of Lansing in sewer rates, disadvantaged, under-employed, and unemployed residents will be forced to make risky trade-offs as they consider such key expenses as medicines, electricity, water, and food and struggle to provide for their families when their income is limited. Associated late payment penalties or shut-off fees combined with these expenses only make the problem worse.

Additionally, the proposed rate increases are far higher than the current inflation rate as measured by the Consumer Price Index. According to the Bureau of Labor Statistics (<https://www.bls.gov/opub/ted/2024/consumer-prices-up-3-0-percent-from-june-2023-to-june-2024.htm>), from June 2023 through June 2024, the CPI increased by three percent. Energy-related inflation was measured at just one percent. At the same time, LBWL is asking for a seven percent increase for electricity and nine percent for water. By asking for rate increases for each of the next two years, LBWL is locking in increases when the price of gas is falling and may go lower. Given the much we do not yet know, how can LBWL justify a two-year rate schedule? Rates for 2024 and 2025 should be considered separately. There have been no justifiable reasons for these newest requested rate increases or detailed plans on how these funds will be spent and where.

Board of Commissioners, I implore you to hear your constituents' voices. We cannot afford to shoulder the costs of another round of rate hikes. Please vote NO on this request.

Sincerely,



Julie N. Dixon

Lansing Resident

RECEIVED

AUG 21 2024

BOARD OF WATER & LIGHT

From: [Anne Kingery](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] Lansing board of water and light concerns
Date: Wednesday, August 14, 2024 9:51:53 AM

Good morning,

I am a Lansing resident who is concerned about the upcoming price increases for LBWL utilities.

We are a family of four living on Lansings west side, and frankly our bills have become unmanageable, with LBWL as the biggest culprit.

We are on a plan that averages your usage and that number is \$445 a month. We simply cannot afford an increase.

I am writing and sending a letter to Lansing Board of Water and Light for their upcoming meeting next week that addresses this.

I beg of you to consider the residents of this city, many who have chosen to move here or stay here, because it's an affordable place to live, who cannot afford their utilities.

My family has considered multiple times moving elsewhere with this as a leading factor, and i'm aware of others who have moved or will due to this same reason.

Please consider this, please look to the Lansing community facebook pages, the comments that will be made at the LBWL meeting August 29, and consider that the people of this city cannot afford an increase.

Thank you for your time,
Anne Kingery

To whom it may concern:

I am writing this letter today as a long time Lansing resident and LBWL consumer.

We have had outrageously high bills at our home in Lansing over the last 4 years. This summer, our bill in June was close to \$500. So I called to speak with customer service at board of water and light about what the issue is and the fact we just cannot keep affording these extremely high utility bills and continue to pay our other bills.

They offered me a payment plan for a year, that takes your averages and creates an amount. That amount is \$445. \$445 is an outrageously high bill for water and electric usage. We keep our air conditioning set at 74. We turn off lights and appliances. We cannot afford this any longer. I beg of you to consider the residents that use this company when you propose these price increases. We simply CANNOT afford a higher bill. We have considered moving to a different city that doesn't utilize BWL because of this, and I personally know many others who feel the same way.

thank you for your consideration,
Anne Kingery

August 14, 2024

RECEIVED

AUG 21 2024

BOARD OF WATER & LIGHT

Hello,

Aug. 14, 2024

My name is Isaac and I live and work in Lansing.

I am extremely concerned about this upcoming rate increase proposal. I do not understand why BWL continues to drain our pockets when you all know we have no other options for electricity and water in the city. The corporate greed is sad and very apparent.

Please pay attention to all of the voices asking for you to hear them. Please do not move forward with this increase.

Thank you,

Isaac R.

Husband and Father
Healthcare Professional

RECEIVED

AUG 21 2024

BOARD OF WATER & LIGHT

From: [Julia Ousley](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] Board water light
Date: Wednesday, August 14, 2024 9:15:06 PM

Sir first excuse my language cause I'm pissed off to no end with board of water and light they have changed how they do their billing that we don't even understand stand it 2) our apartment complex is younger than I am and I'm 62 it has no insulation at all and even when I put insulation board up on my patio window my electric for heat with new furnace is 200 or more on a 650 square ft apartment I call that bullshit. I quit using my heat after first yr living there and I been there 8 yrs. And I have health issue with heart lungs seizure and diabetes I'm disabled and live on less than 1,000 a month and for the last 8 yr they have increased my fees to the point I can't afford to cook without watching on off peak is so I'm in dark which with my eyesight I don't see well and I'm in the dark most of the time people of lansing are fed up and will leave lansing bet on it people can not afford more increase people are going homeless because rent going up power going up. My social security don't go up like you all want your freaking ass increases is bullshit I demand it go on the NOVEMBER BALLOT FOR VOTERS TO DECIDE AND WHAT VOTER SAY GOES AND NO CHANGING FROM BOARD . OR CITY WE AT OUR COMPLEX DONT EVEN SEE A BLW PERSON COME READ OUR METER AND WE KNOW WHEN THEY SUPPOSED TO COME AND WHEN WE HAVE QUESTION ABOUT OUR BILL AND WANT A SUPERVISOR WE CAN NEVER TALK TO A SUPERVISOR. SO MAYBER WE HAVE AN AUDIT ON THE BOOKS AND 42YR OF SECURITY DEPOSIT THEY NEVER PAID BACK I CALLED BEING CURIOUS THEY SAID I WOULD NOT QUIFIY CAUSE WHERE I LIVE I DIDNT PUT SECURITY DEPOSIT DOWN .. NO BS I HAVE RENTED DIFFERENT PLACES IN LANSING SINCE 1982 I HAD MY FIRST KID SO I DONT THINK BWL KNOW WHAT THEY TALKING ABOUT.

STOP YOUR DAMN INCREASES OUR YOU WILL HAVE PEOPLE PROTESTING IT ALL CAUSE DAMN ELECTION YR AND MAYBE IT TIME TO PUT ALL NEW IN CITY HALL THAT WORK FOR THE PEOPLE CAUSE I KNOW I COULDNT GET THE HELP 5 YRS AGO FROM YOU ,THE MAYOR OFFICE OR ANY OTHER OFFICE DOWN THERE..

From: [Kathy Gray](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] BWL increase
Date: Wednesday, August 14, 2024 4:54:09 PM

Dear Mr. Swope,

I am writing to you about the proposed BWL rate increase for consumers. This increase is totally unacceptable, even if it MIGHT be only \$10.00. As a retiree on a fixed income, who is also caregiver to my 93 year old mother with no compensation, it is becoming more and more difficult to afford utilities, mortgage payments, grocery increases, gas increases, trash and recycle pickup, and car payments; not to mention property tax increases. You have adult children that are forced to live with their parents these days also because of all these increases and no increase in wages. It's not that the adult children want to live with their parents, they can't afford not to. As BWL seems to be the only option that some of us have, depending on where we live, it is outrageous these companies have a monopoly on what we can choose from. I worked 35 years for the State of Michigan before I retired and now in order to afford all these increases some of us are going to be forced to go back to work just so we can survive.

I am asking for you to consider those that are struggling to afford necessities when making a decision to allow or deny this increase. I am asking you to please deny the increase.

Thank you for your consideration in this matter. Have a blessed day.

Sincerely,

Rev. Kathy Gray
Lansing, MI



Lansing City Council
124 W. Michigan Ave.
10th Floor City Hall
Lansing, MI 48933

August 15, 2024

Re: BWL's Energy Planning

City Councilmembers,

Producing and delivering electricity at a utility-scale is a delicate balancing act of three equally important and competing elements: (1) Reliability - the production and delivery must reliably coincide with total electric demand at any given moment; (2) Sustainability – electricity production should strive to minimize its use of natural resources and impact on the environment; and (3) Affordability – Electricity is an integral part of our daily lives and our economy and keeping costs down matters. When any one of these three elements is treated as paramount over the others, the balance is lost.

For example, by favoring the Sustainability element over the other two elements, Reliability and Affordability will suffer and the overall balance between the three elements can be lost, resulting in customers suffering less reliable electricity at a higher price. This scenario will play out when any one element is treated as paramount over the others, and the BWL therefore strives to understand the market factors, forecasts, and regulatory requirements applicable to all elements, not simply the one that a particular group may favor as being paramount over the others.

The Reliability of power generation resources is equivalent to its capacity factor. The Energy Information Association (EIA) has assigned the following capacity factors to electric generation resources in Michigan: Solar 21%; Wind 32%, Natural Gas 58.7%, Coal 52.5%, and Nuclear 81%. Renewable energy resources naturally have lower reliability ratings because they depend on wind and sunshine, which are not within a utility's control. In addition to being assigned an overall lower capacity factor, these resources also receive less credit during the season in which they are least productive. For example, Michigan's regional electric system operator, the Midcontinent Independent System Operator (MISO), awards solar a 50% capacity credit in three seasons, but in winter only a 5% capacity credit. Fossil-fuel fired and nuclear resources, on the other hand, can be directly dispatched by a utility to meet demand consistently in all seasons and are therefore considered more reliable with higher capacity factors and capacity credits assigned.

As to Affordability, renewable resources enjoy a lower cost per Kilowatt-hour (kWh) when the sun shines, or the wind blows, but the Affordability advantage is eroded because the only method of harnessing that electricity beyond its immediate production is to store it immediately after it is generated so it can be delivered when needed. Such storage currently means utility-scale batteries or some other costly mechanism such as building a pump storage facility. Utilities and



environmentalists alike look forward to advances in technology that will allow renewable energy to be stored at a lower cost in sufficient quantities that will meld Reliability, Sustainability, and Affordability into a cohesive balance.

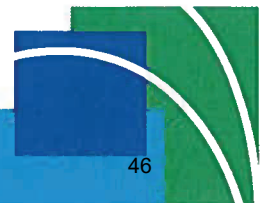
Long-term storage technology, however, has not yet arrived at a competitive scale and cost, nor is it on the immediate horizon. Current long-term storage solutions that can dispatch for 10 to 12 hours are currently still only being deployed at small volumes and in certain locations in the country. Moreover, the suggestion that energy storage technologies are currently ready to replace dispatchable resources such as natural gas plants have not been borne out. When the BWL launched its All-Sources Request for Proposals (RFP) in 2023, it cast the broadest net possible, seeking any and all generation resources to add at least 475 MW of electricity to its portfolio over the coming years. The door was open to any vendor to submit a proposal for *any* energy generation resource that would fit BWL's needs. All storage proposals received were of four-hour duration and all were lithium-ion technology except for one. The BWL is currently pursuing storage options as a valuable new resource and though its discharge can be controlled to address different circumstances, it is by no means capable of managing a significant portion of the BWL's load for any significant period.

These are the reasons why, in a nutshell, utilities continue to build reliable peaking plants that run on natural gas to support Reliability as they build out renewable and storage capacity.

Regarding natural gas, it continues to supplant coal as the dominant fuel of electricity production in Michigan because of lower emissions, more efficient operation, and its reliable and economical supply chain. Nonetheless, when the new renewable and clean energy legislation took effect in Michigan in February 2024, the new definition of clean energy effectively excluded fossil fuel generation, including natural gas, until carbon capture becomes viable. The new law also pushes utilities – technologies permitting – to a carbon-free future in 2040. The BWL began its journey to a renewable future long ago in 2007 when it became the first utility in Michigan to adopt a renewable energy standard. Today renewable energy represents 21% of its retail sales and 375 MWs of additional solar and wind are currently in negotiation because of the All-Sources RFP. Much of this new generation will be sited in the Lansing region using local labor for both construction and long-term maintenance.

The BWL is also well on its way to meeting the targets set by the new legislation with the ultimate goal being a fossil-free future. These new resources will require significant future investments which will be submitted to the BWL's Board of Commissioners for approval at open meetings consistent with, the latest round of new generation resources.

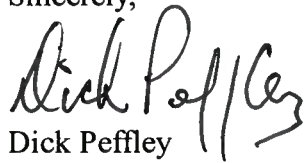
Of course, renewable energy resources are not the only means of reducing the carbon footprint of utilities and their surrounding community. Energy waste reduction is an additional tool to reduce generation and has been part of the BWL's toolbox since 2009. The Hometown Energy Savers® program offers all BWL customers a wide variety of programs and rebates to help them reduce their energy usage and their carbon footprint, which also reduces the amount of electricity the utility must generate, further lowering emissions.



BWL has also recently launched its first demand response program, Peak Power Partner, which allows customers with smart thermostats to participate directly in reducing their electric demand on hot and humid summer days and reducing the need to build future resources to meet peak electric loads.

The goal of eliminating fossil fuels from the repertoire of energy production is shared not only by those with a single-minded agenda to immediately eliminate fossil fuel use, but also by utilities such as the BWL. The time will come when that goal can be achieved without sacrificing Reliability or Affordability in favor of Sustainability, but it is not here yet. In the meantime, the BWL will continue to look out for the best interests of *all* customers with an eye towards new technology options and continued focus on a balanced approach to providing utility services.

Sincerely,



Dick Peffley
General Manager

cc: Mayor Andy Schor
Lansing Board of Water & Light Board of Commissioners
Delhi Charter Township Board of Trustees
Delta Township Board of Trustees
DeWitt Charter Township Board of Trustees
East Lansing City Council
Lansing Township Board of Trustees
Meridian Township Board
Capital Area Friends of the Environment



From: [Erica Touchette](#)
To: [Clerk, City](#)
Subject: [EXTERNAL]
Date: Thursday, August 15, 2024 5:47:34 PM

Chris Swope!!

Stressed out citizen here! Another increase in our bills? We already can't afford it now! This is crazy! At what point does it stop? At what point does LBWL make enough money on its customers!!! It's either I pay the bill or put food on my table and gas in my vehicle to get back n forth to work to pay for these bills! For the love of god stop! We will have more ppl living on the streets than in houses because they couldn't afford it either! Enough is enough! It's pure greed at this point!

-Pissed off citizen!

From: [Cathy Barnes](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] BWL Rate Increases
Date: Friday, August 16, 2024 12:33:55 PM

I, unfortunately, do not know if I will be able to attend the public BWL meeting next week due to another commitment, however, I wanted to express my concern about the financial impact that another BWL rate increase would impose not just to myself but other families who are struggling just to get by.

I am on a fixed monthly income and last month alone, my electric charges jumped from \$81 a month to \$142 which is almost doubled. I try to conserve as much electricity as possible during the day by keeping my thermostat turned up to 75-76 during the extreme heat but no matter what I do I can't seem to get ahead. I am assuming this increase was due to the summer commodity charges that went into effect 6/1/24.

I was previously on the budget plan which ended in July. My budgeted amount was \$125 per month for electric, water and sewage. Due to an issue that BWL had with my water meter, I was notified in October that I had not been billed for water usage for the past year and a half. The meter was replaced in November, but I never received a bill for water usage until January/February which left me with a \$480 balance due. I was told I could make additional payments on my bill (which I did) which resulted in a credit balance on my monthly statements going forward because I paid more than the monthly budgeted amount. My past due balance, however, kept rising instead of decreasing which was extremely confusing. I spoke with the billing manager on several occasions because the math just wasn't adding up. In July, I received a budget bill settlement statement due of \$589.70 and was shocked!! I again spoke with the billing supervisor and expressed my concern over their statements and the gentleman did acknowledge that their billing statements were confusing and they had received several complaints and were working to improve them for consumers. I was offered a payment plan on top of my future charges but I said absolutely not. I had to withdraw money from my retirement account just to cover that bill. I also took myself off the budget plan moving forward.

This month's statement arrived and I was hit with another bill of \$231.90 (\$142 was for electricity only). Yikes!! I feel like the rich just keep getting richer and us middle-class are struggling to get by. It's getting out of control.

I hope you will consider voting against another rate increase at this time. With insurance rates, food and everything else going up we can barely afford to eat as it is.

Thank you for listening.

Cathy Everling
Lansing, MI

Subject: Webform submission from: Email BWL Commissioners > Body Content
Submitted on Thu, 08/22/2024 - 7:38 AM
Submitted values are:

Select a Commissioner:

All Commissioners

Name

Dawn Fleming

Address

Lansing, Michigan

Message

I attended BWL Commissioners' meeting regarding rate hikes. Citizens were allotted three minutes to comment, but a slick salesman was allowed to give a PowerPoint presentation, trying to obtain a contract.

I rehearsed my comments, which took 3 minutes, 5 seconds. The important points were that the proposed rate hikes are not due to renewable energy requirements. They are due to the proposed fossil-fuel RICE plant, which is for a proposed GM factory. Under the Inflation Reduction Act, the Federal government provides significant Production Tax Credits (PTC) for renewable energy projects. BWL never addressed these opportunities.

BWL's CFO prepared a presentation, with charts and graphs, to convince Commissioners rate hikes are necessary. I wanted to address concerns regarding some misleading information, but wasn't given time.

One chart listed proposed renewable energy projects on the left and RICE plant costs on the right. The RICE plant will cost more than all renewable energy projects together! That includes several projects in the "discussion phase", misleadingly added to pad renewable energy numbers.

If GM needs the RICE plant, it should foot the bill. Why should citizens pay business costs for a \$51-billion corporation that paid stockholders over \$10 billion in 2023? Bad enough we would suffer the health and environmental effects of another fossil-fuel plant. If BWL doesn't build the RICE plant, it won't need rate increases.

Another graph showed historically BWL kept rate increases below inflation. The graph showed an increasing line representing inflation, and below a similar line representing rate increases. However, the last point on the rate line, representing the hike for October 2024, shot up—almost vertically. No accident the CFO didn't continue the line with proposed increases for future years. It would be exponential! Rate hikes would contribute to significant inflation in Lansing.

A third slide showed the cost of "vegetation" removal, the word BWL uses for valuable trees that

line our streets, give oxygen, shade sidewalks, and provide habitat for birds. BWL paid Wright Tree Service (WTS) and others over \$10 million dollars in 2022! It might be a good investment to keep tree limbs off power lines if WTS knew how to trim trees instead of butchering them. Many trees will die soon, as trees cannot endure massive limb removal. BWL could save millions by reducing this environmentally irresponsible program.

The BWL Vision Statement includes “customer service”, “environmentally conscious” and “innovative technology solutions.” BWL Values include “contribute to the health of our community by providing clean energy...and promoting sustainable initiatives.”

The Commissioners’ FIRST question should be, “Does this support our Mission and Values?”

Increasing customer rates to fund a dirty fossil-fuel burning plant is antithetical to BWL’s Vision and Values. It is not “environmentally conscious.” Does not “implement innovative technology.” Does not provide “clean energy”. And is not “sustainable”. BWL can avoid rate hikes by foregoing the RICE plant, reducing the “Vegetation Removal’ program, and taking a deep look at its budget, including salaries of executives.

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

Submitted on Sun, 08/18/2024 - 8:20 AM

Submitted values are:

Select a Commissioner:

Beth Graham

Name

Jim Swisk

Street Address

Lansing, Michigan

Message

Just another reason to move out of Lansing!

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

Submitted on Mon, 08/19/2024 - 1:15 PM

Select a Commissioner:

All Commissioners

Name

Cheryl Brand

Street Address

LANSING, Michigan

Message

Dear BWL Commissioner:

I am writing today to ask you to reject the large rate increases for water and electricity that have been proposed by BWL management.

BWL has provided almost no justification for the increases, 7% for electricity and 9% for water, first in October 2024 and again in October 2025. With this lack of information, rate-payers have no knowledge of how the money raised by the increases will be used. Because these rate increases happen in each of the next two years, BWL will have almost \$75 million more revenue by the end of the second year. We believe you owe your customers an explanation about the ways this new revenue will be used.

During the presentation at the Finance Committee meeting in July, there were verbal comments about the need for additional revenue to pay for the Clean Energy Plan and meet increased costs due to inflation. I find both rationales problematic.

According to the Bureau of Labor Statistics, the inflation rate for energy from June 2023 to June 2024 was 1%, far less than the 7% that BWL is proposing. It was stated at the July Finance Committee meeting that the much higher increase was due to past inflation, during the years that BWL kept prices below the rate of inflation. If that were the case, I would expect to see an impact on BWL's bottom line. But there is no evidence that BWL is suffering because expenses are rising. At the end of FY2023, BWL's revenue over expense was more than \$15 million. At the end of FY2022, it was almost \$12 million. It does not appear to me that inflation is a reasonable explanation for the size of this increase.

It was further stated at the July Finance Committee meeting that BWL needed additional revenue to fund their Clean Energy Plan. However, it is unclear which projects BWL considers as part of its clean energy plan. BWL's General Manager said verbally at an LBWL Board meeting that the gas plant is not clean energy and will no longer be part of the plan. But a document presented at the same meeting continued to list the plant as part of the Clean Energy Plan, and the plant's construction is apparently proceeding. At \$170 million, the plant accounted for more than 50% of the \$300 million-plus cost of the projects planned thus far in the Clean Energy Plan. With the gas plant no longer in the plan, it is not clear why such a large rate increase is needed

for a much smaller expenditure on renewable energy projects. Rather it appears that the LBWL is asking rate-payers to foot the bill for the fossil-fuel plant.

As a solar panel owner, you are buying back “clean” energy from me, as well as many other solar customers. It is most frustrating for me to purchase clean energy in an effort to decrease my dependence and expense of the Board, while you buy back the excess at 0.0526 per kWh and then raise the rates 2, 3 or 4 times since 2023.

I am also very concerned about the 9% increase in water rates. With almost 25% of Lansing’s residents and 35% of children under 18 living below the poverty line, water insecurity is a very real issue in our community. Access to clean, safe, and affordable water is a fundamental right, not a privilege that is extended only to those who can afford it.

Combined with 5 to 6 % annual increases in sewer rates, I am worried that disadvantaged, under-employed, and unemployed individuals will be forced to make risky trade-offs as they consider such key expenses as medicines, electricity, water, and food as they struggle to provide for their families when their income is limited. Associated late payment penalties or shut-off fees combined with these expenses only make the problem worse. At the very least, BWL should implement a no-shutoff policy for water, especially given the scale of these increases.

I strongly urge you to vote against the large rate increases that BWL management has proposed.

Sincerely,

Cheryl Brand

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

Submitted on Mon, 08/19/2024 - 5:05 PM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Street Address

Lansing, Michigan

Message

Dear BWL Commissioners:

Please reject the large rate increases for water and electricity starting October 2024 and altogether eliminate the electric and water requests proposed to start October 1, 2025.

BWL has provided almost no justification for any of the increases, 7 percent for electricity and 9 percent for water in each 2024 and again in 2025. The presentation today offered only bald conclusionary predictions for the next two years regarding BWL's ability to produce and buy energy and process water, the nature and degree of demands expected for each, the applicable regulatory constraints, the rate of inflation, and the degree of capital improvement progress it will achieve. No underlying facts or assumptions are stated.

Nor has any justification been provided for asking for a 2nd year of such large increases. A second year of increases is particularly questionable in view of the volatile nature of the energy sector due to proposed major legislation and regulation changes; expected and unexpected energy hardware/technology improvements and innovations; major changes in demand due to cannabis industry growth, proliferation of data centers, and accelerating electrification; radical developments in energy delivery with microgrids, distributed energy resources aka DER, smart meters, virtual power plants, and leaps in the efficiency and reduced costs of batteries and other energy storage methods, to name a few.

In the absence of any underlying data, assumptions, and/or reasoning, I and every other one of your customers has no way of knowing exactly how the money raised by the increases will be spent and whether all the choices being made are with an eye to making electricity and water as affordable for Lansing residential customers as possible. Can you tell me why the electric increases are 7% -- which is more than twice the 3 % in each 2018, 2019 and 2020 when BWL

was building its largest and most recent gas plant or three times the 2% raise in 2023. Are either or both the Delta gas plant repairs or the next new plant a reason for the increases?

Because these rate increases are proposed to happen in each of the next two years, BWL will have almost \$75 million more revenue by the end of the second year. I believe you owe your customers an explanation about each and every way this new revenue will be used.

During the Finance Committee meeting last month, management verbally commented that additional revenue was needed to pay for the Clean Energy Plan and meet increased costs due to inflation. I find both rationales problematic.

According to the Bureau of Labor Statistics, the inflation rate for energy from June 2023 to June 2024 was one percent and the overall rate is now and expected to continue to be less than 3% -- not anywhere near the 7 percent rate increase that BWL proposes. If BWL was worried about high inflation, why were its increases only 2 or 3 % from 2018 to 2023 given inflation reached its 40-year peak of 8.9% in June 2022? Additionally, if inflation is a problem, why isn't it reflected in BWL's bottom line. Because it isn't. At the end of June 2024, BWL's revenue over expense was more than \$15 million. At the of June 2023, it was almost \$12 million. Inflation can't be a reasonable explanation for a 7% increase beginning in October 2024 and another 7% in 2025.

Additional revenue to fund their Clean Energy Plan was also offered at that July meeting as a reason for the electric rate increases. However, which projects does BWL consider part of its clean energy plan for purposes of the rate increases? BWL management verbally acknowledged at a recent Board meeting, after being pressed on the point by Councilperson Brian Jackson, that the gas plant is not clean energy and, therefore, is no longer a part of the plan. But a document presented at the same meeting continued to list the plant as part of the Clean Energy Plan, and the plant's construction is apparently proceeding. Further, on page 102 of the Board's meeting packet for today, the Renewable Energy Plan Surcharge (REP) monthly charge is stated as \$0 but will become a positive charge at some point in the future for an amount to be set solely at BWL's discretion. It's not clear whether those yet to be determined future renewable energy plan charges are included in the 7% increase or not. At \$170 million, the RICE plant accounted for more than 50 percent of the \$300 million-plus cost of the projects planned thus far in the Clean Energy Plan. With the gas plant no longer in the plan, it is not clear why such a large rate increase is needed for a much smaller expenditure on renewable energy projects. Rather it appears that the LBWL is asking ratepayers to foot the bill for the fossil-fuel plant.

Nor is there any explanation of what, if any, is the impact of BWL's contract to supply electricity to the new Delta Township Ultium battery plant that will produce batteries for GM's line of electric cars. You can't overlook the irony of BWL using a fossil-fueled natural gas aka methane plant—if not the new RICE (6 reciprocating internal combustion engines) plant -- to generate the electricity for the Ultium plant to produce batteries to power electric cars intended to reduce

the amount of greenhouse gases being spewed into the atmosphere, warming our planet, and producing extreme weather events killing more and more people each year. Evidently BWL doesn't understand that it is responsible for creating, at best, a carbon neutral situation. The carbon emissions of its RICE gas plant will, hopefully, be offset by the carbon emissions saved by the electric cars run on batteries instead of an internal combustion engines. But BWL misses the opportunity to build renewable energy facilities to provide the electricity for that plant which would result in a large positive reduction of the amount of greenhouse gases being added because both facilities would essentially be carbon emission free.

Lastly, with respect to electric rates, BWL is apparently changing its approach to rate setting based on changes to how it evaluates its generation, purchase, transmission, delivery, billing, administrative and fee structure. Could this Board explain to me the terms introduced in BWL's presentation:

Advanced Metering Infrastructure (AMI),
cost based customer charges,
dynamic pricing,
standby service
Minimum sizing
Lansing Energy Tomorrow Projects
Carbon intensity

Other questions:

Why aren't there projections for the anticipated costs for vegetation management after 2023?

Are increases or decreases planned or expected?

Are the cyber resiliency and technology investment costs already incurred and with what impact on 2024 net revenues?

Are there expenses incurred for lobbying the Legislature and if so, how much?

What are the costs of BWL's community contributions and/or sponsorship of events.?

To what extent could power purchases be reduced by BWL owned renewable energy generating sources?

What number of miles of water mains remain to be replaced or is this a serial project that will never end?

Given that BWL pumps its water out of its own wells thereby creating a \$0 cost commodity resulting in only operational expenses for water, what is an actual comparison of the changes in those costs over time versus the CPI inflation rates? Have they actually risen much less than inflation over time?

What is the potential for BWL to increasing rely on renewable electric sources to reduce or plateau electric rates in the future?

Since BWL currently generates only 13% of its electricity from renewables, is it merely buying RECs to achieve a current 21% renewables of retail sales?

How much renewable facilities does BWL intend to build/acquire by 2030 and how much of the 50% requirement will be met by purchasing RECS?

What is the definition of “carbon intensity” and what reduction in carbon emissions does each “intensity” unit correspond to? Or does it have anything to do with carbon emissions?

Is the RICE plant the last gas plant BWL will build? If not, how many more?

How does BWL intend to avoid its gas plants becoming stranded assets?

If rates should be reviewed annually, why is BWL asking for rates set for each of 2 years into the future?

Why aren't BWL's customers given the information at no cost necessary to assess the integrity of BWL's rate requests?

Why aren't BWL's customers given an opportunity to provide input regarding proposed rate increases more than 1 week before the Board is expected and must approve those rates?

Why aren't BWL's customers given an opportunity to provide input regarding proposed rate as part of the process of setting those rates?

Why aren't BWL's customers and its Board given the benefit of an independent expert assessment of the reasonableness of BWL's rate increase proposals similar to the review provided by the MPSC and the Attorney General's Special Litigation Division?

Utility Financial Solutions which apparently produced BWL's proposed rate increases and the supporting materials states that its electric rate setting process “lays out a strategy for how rates should be implemented over the next 3 to 5 years. What is the strategy that UFS provided to BWL for the 3 to 5 year period beginning in October 2024?

I am also very concerned about the 9 percent increase in water rates. With almost 25 percent of Lansing's residents and 35 percent of children under 18 living below the poverty line, water insecurity is a very real issue in our community. Access to clean, safe, and affordable water is a fundamental right, not a privilege that is extended only to those who can afford it. Water is a basic human essential. Without water a human being cannot survive. Without water it is extremely difficult to maintain health and avoid a multitude of diseases.

Combined with 5 to 6 percent annual increases in sewer rates, I am worried that disadvantaged, under-employed, and unemployed individuals will be forced to make risky trade-offs as they consider such key expenses as medicines, electricity, water, and food as they struggle to provide for their families when their income is limited. Associated late payment penalties or shut-off fees combined with these expenses only make the problem worse. At the very least, BWL should implement a no-shutoff policy for water, especially given the scale of these increases.

LBWL's current water bill assistance consists of offering a flexible payment plan for customers with low incomes, families with active members in the U.S. military, and senior customers 65 and older. BWL does not have a no water shut off policy. But it could voluntarily adopt one along the lines of the program proposed in the Michigan Legislature.

Stephanie Chang (D), state Senator for Senate District 3; Donovan McKinney (D), state

Representative for House District 14 and Rosemary Bayer (D) state Senator for Senate District 13 introduced statewide water affordability legislation that includes a program at the state level preserving flexibility for water providers to maintain or start their own program, a sustainable and reasonable funding mechanism, and water shutoff protections . These bills would result in households at or below 200 % of the federal poverty limit receiving water bills they can afford, and water providers being reimbursed for the gap and for arrearages. The result would benefit all ratepayers who won't see price increases as a result of bad debt or the high cost of shutting off and restarting water. BWL should institute such a program.

Please reject the large rate increases for water and electricity starting October 2024 and eliminate altogether the requests starting October 2025.

Sincerely,

Elaine Dierwa Fischhoff
Lansing, MI

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

Submitted on Tue, 08/20/2024 - 9:36 PM

Select a Commissioner:

All Commissioners

Name

Donna Rose

Street Address

Lansing, Michigan

Message

I will try and get right to the point. The BWL increases proposed for our water charges are too high. I realize clean water is expensive to produce, but right now our citizens just cannot afford another penny out of pocket for anything else. I am a senior citizens who is 68 years old. I am still working because I am afraid my fixed income and savings if I don't work won't be able to keep up with rising prices, like utilities and property taxes. Inflation has really hurt some of us. I can see a slight increase, but not as much as 9% or more. I don't understand why BWL couldn't have received some of the millions of dollars provided for COVID Recovery for the purpose of environmental rules regarding water and/or electricity. Thank you for considering my viewpoint.

Sincerely,

Donna Rose

From: [Lorie Benjamin](#)
To: [Clerk, City](#)
Subject: [EXTERNAL] BWL rate increase
Date: Tuesday, August 20, 2024 4:26:15 PM

I'm just a resident that is retired and wants to state that I feel the rate increase they are requesting is too high. I know everything has gone up but reading if these new increases are approved that from 2018 to now the increase will amount to 26%. This is just a ridiculous increase!
I doubt my comments being known will matter because once again they always get all their rate increases they request. Just remember when you become a retired person you yourself might not be able to pay your bill!

Lori Benjamin
Lansing

Subject: Webform submission from: Email BWL Commissioners > Body Content
Submitted on Tue, 08/20/2024 - 5:04 PM

Select a Commissioner:

All Commissioners

Name

Tamara Arend

Street Address

Lansing, Michigan

Message

Lansing Board of Water & Light : When you have your head person say they have empathy on the cost increases etc I and others call bull pucky as this is playing the people and surely is not an honest reply.

You're proposed rate increase is nothing but another attack on the people as you have noticed more people are home during 1 p.m. & 8 p.m. the peak hours you've increased should be covering any kind of increases you wanted.

You also have refused to enroll in the shut off protection and cancelled the senior rates so lets look at this and who you have been directing these increases at.

This would be the home bound, low income, disabled, handicap, elderly and seniors as pretty and the ones who work at home such as day cares, home schools, new mothers & fathers, family care givers. Just as it's a target on these individuals. They can't afford these rates and more increases you're proposing now ASK DO YOU REALLY CARE?

You also know that funding is not out there for shut offs how can we see this as anything else but trying to push the ones mentioned above out of their homes as they can be red tagged if it don't have water, heat and Lights which can lead them to lose their homes. It seems this is a common theme happening.

Also finding it very odd that when people charge their Ev's this is not on peak hours so who is paying for the increases during these hours? Actually it's the one who are at home during peak hours. You have the ability to play the customers and citizens of Lansing just like the rates for electric and Water it was so easy to manipulate the citizens years ago where they couldn't really find things out not they can and get all info that pertains to these rates.

Peak hours LBW&L is 1-8 pm 7 hours.

Lets look around

Consumers energy peak hours is 2-7p.m. 4 hours.

DTE peak hours are 3-7 p.m. 4 hours

PG&E Time-of-Use (Peak Pricing 4-8 p.m. Every Day 4 hrs

Great Lakes Energy 3-8p.m. 5 hrs

Baraga Muni. 5-8p.m. 3 hrs

HomeWorks Tri-County Electric Cooperative 5-10 p.m. 5 hrs

Cherryland Electric Co-op 2:00 p.m. – 6:00 p.m 4 hrs

Midwest Energy 3 p.m. and 9 p.m. 6 hrs

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

Submitted on Wed, 08/21/2024 - 9:46 AM

Select a Commissioner:

All Commissioners

Name

Todd Schulz

Street Address

Okemos, Michigan

Message

Hello,

I saw and read recent coverage about the BWL's proposed rate increases with disappointment. Hiking rates 13 percent (electric) and 18 percent (water) over two years is simply outrageous and the sign of poor fiscal management. And using the state's new renewable energy standards is a weak excuse for poor planning and allocation of the resources BWL enjoys, including rate hikes just recently implemented. As a new Lansing resident preparing to go pay a nearly \$12,000 property tax bill (separate I understand) this is extremely disheartening and contributes to making the city unaffordable as a place to live and work. Please reconsider this proposal, vote no and make a new plan. Thank you.

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

Submitted on Thu, 08/22/2024 - 4:21 PM

Select a Commissioner:

All Commissioners

Name

Mike Smalligan

Street Address

Lansing, Michigan

Message

I support a rate increase in line with annual inflation not to exceed 5%, but primarily to incentivize reduced consumption of power and water. However, if BWL raises rates on its customers, we also need to raise our expectations of our utility. I expect BWL to invest more in clean energy instead of building more fossil fuel plants. I expect clean energy to not cause other serious harms like deforestation or species loss. I expect solar sited in the right place like restoring urban brownfields and creating pollinator habitat. I expect BWL to lower its GHG emissions and not buy low-quality carbon offsets as a PR gimmick. I expect BWL to clean up its huge coal fly ash mess at Erickson. I expect BWL to help the City of Lansing separate combined sewer overflows that are dumping millions of gallons of raw sewage into the Grand River and Lake Michigan every time it rains in Lansing. I expect BWL to help its customers reduce their energy consumption. I expect BWL to do more to help its low-income customers who can't afford any rate increase (yes, I do Pennies for Power). I expect BWL to invest in forest protection and land management to protect water quality in its wellhead protection areas. I expect BWL to plant trees all over in Lansing and not just butcher them because someone planted them under a power line years ago. I expect BWL to be a leader in providing clean energy and clean water for the people of Lansing. I expect BWL to hold real hearings and actually listen to public input instead of ignoring your customers a week before hiking rates 9% anyway. If BWL is going to charge its customers more, please do better work with our money.

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

Submitted on Mon, 08/26/2024 - 4:08 PM

Select a Commissioner:

All Commissioners

Name

Katherine Alaimo

Street Address

East Lansing, Michigan

Message

Dear BWL Commissioners:

I am writing to urge you to: 1) reject the large rate increases for water and electricity that have been proposed by BWL management, and 2) deny approval of the proposed BWL RICE plant. There has not been adequate information provided to justify either. I am especially concerned that BWL has stated that the rate increases are needed to fund a Clean Energy Plan, but the majority of the money raised will be used for the RICE plant, which is not clean energy at all, but is instead powered by natural gas. We need to be moving forward as a community toward innovative renewable and non-polluting energy sources. It does not appear that BWL is taking advantage of the numerous Federal and State financial support available to support new infrastructure for clean energy. The rate increases will be a significant burden to all Lansing area residents, especially lower-income residents, without benefit.

Thank you for your earnest consideration of my comments.

Sincerely,

Katherine Alaimo

East Lansing resident and BWL customer

August 26, 2024

Lansing Board of Water & Light Commissioners

1201 South Washington Avenue

Lansing, MI 48910

RE: Letter to BWL Concerning Rate Increase and Natural Gas Plant

Dear Lansing BWL Board of Commissioners,

As an elected official in the Capital Area region, I am writing to express significant concerns regarding the Lansing Board of Water & Light's (LBWL) proposed rate increases and their plan to build more natural gas infrastructure in the form of Reciprocating Internal Combustion Engine (RICE) units. These developments raise critical issues that affect the economic and environmental future of our communities in the greater Lansing area.

LBWL claims that this rate increase is essential to fund its "Clean Energy Plan," but the details provided do not substantiate the need for such a considerable financial burden on our residents. The utility's plan to rely on natural gas through the construction of new RICE units is particularly concerning for several reasons:

1. **Federal and State Financial Support:** Substantial federal funding is available through the Inflation Reduction Act, along with state programs aimed at supporting renewable energy projects. These incentives are specifically designed to offset costs associated with the transition to clean energy, making it more affordable for ratepayers. However, LBWL has not clearly demonstrated how it plans to leverage these funds to mitigate the rate increase. This raises questions about the necessity of such an increase, especially when cost-effective alternatives may exist.
2. **Compliance with Michigan's Clean Energy Standards:** Michigan's updated clean energy legislation, which took effect in February 2024, calls for a significant reduction in fossil fuel use, aiming for a carbon-free energy portfolio by 2040. The construction of new gas-fired RICE units appears short-sighted in this context. By investing in infrastructure that may soon become obsolete, LBWL risks creating stranded assets that future ratepayers will have to bear. This strategy is particularly concerning for the Capital Area region, where we must consider the long-term impacts on our community's economic resilience and environmental health.
3. **Transparency and Modeling:** LBWL's decision-making process lacks transparency, particularly regarding how these proposed RICE units align with Michigan's clean energy goals. The utility must rerun its modeling analysis to ensure compliance with state standards and explore alternative energy solutions that prioritize sustainability and cost-efficiency. Consistent with standard practice for government agencies, it must share this analysis in writing with the public and provide the public with an opportunity to comment before moving forward. The Capital Area region deserves a clear and accountable

approach to energy planning, one that considers the full range of available resources and regulatory frameworks.

Given these concerns, we urge the Board to:

- **Delay the approval of the rate increase scheduled for August 27th** until LBWL provides a comprehensive plan detailing how the proposed gas plant aligns with Michigan's clean energy requirements and how federal and state financial support will be utilized to minimize costs.
- **Rerun and make public their modeling analysis** to fully account for Michigan's clean energy standards and consider alternative strategies that better serve the long-term interests of the Capital Area region.

This decision will have profound and lasting implications for our region's energy future. It is essential that we approach it with the thoroughness and foresight it demands, ensuring that we do not lock ourselves into outdated technologies that could burden future generations in the Capital Area.

Thank you for your attention to this critical matter.

Emily Dievendorf, State Representative, District 77

Brian T. Jackson, Lansing City Council, Ward 4

Ryan Kost, Lansing City Council, Ward 1

Dana Watson, East Lansing City Council

Myles Johnson, Ingham County Board of Commissioners, District 5

Robert Pena, Ingham County Board of Commissioners, District 8

Chris Trubac, Ingham County Board of Commissioners, District 3

Myles Johnson
Ingham County Commissioner, District 5
Mjohnson@ingham.org
08/26/2024

Lansing Board of Water & Light Commissioners
1201 South Washington Avenue
Lansing, MI 48910

RE: Letter to BWL concerning rate increase

Dear Members of the Board,

I am writing to express my deep concern regarding the proposed rate increase by the Board of Water and Light. As the Ingham County Commissioner for South Lansing, I have the privilege of representing a diverse community, many of whom are already facing significant financial challenges.

While I understand the need for maintaining and upgrading our essential infrastructure, I believe it is crucial that we find ways to do so that do not disproportionately affect those who are least able to bear the burden. I urge the Board to explore alternative solutions that can address the utility's financial needs without placing an undue hardship on South Lansing's working families and seniors.

I respectfully ask that the Board reconsider this rate increase or at least ensure that any decision made takes into account the voices and needs of all Lansing residents, particularly those in our more economically challenged neighborhoods. I'd like for the board to consider gradually increasing the rates.

Thank you for your attention to this matter. I look forward to continuing to work together to ensure that our community remains a great place for all its residents.

Sincerely,
Myles Johnson
Ingham County Commissioner, District 5

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

Submitted on Sun, 08/25/2024 - 1:46 PM

Select a Commissioner:

All Commissioners

Name

Hon. Ryan Kost

Street Address

Lansing, Michigan

Message

25th August 2024

BWL Commissioners

1201 S Washington Ave

Lansing, MI 48910

Dear Commissioners,

I am writing to you as the representative of the people of the 1st Ward to request your rejection of the current rate increases. Families in our ward are struggling, and it is not the right time to impose further financial burdens. Seniors on fixed incomes, young individuals just starting out, working-class individuals with stagnant wages, and people with disabilities and limited income cannot afford these hikes.

In comparison to Phoenix, Arizona, one of the driest places on earth, our water rates in Lansing are significantly higher, despite ample water supplies. A 9.23% increase in water rates in 2024 and a 9.16% increase in 2025 are simply too much. While I understand that costs rise, it is difficult to justify higher rates when the water tower being funded in Ward 1 does not even feature the name of Lansing but instead BWL.

When comparing our rates to other cities, such as Traverse City where they pay 10.02 cents per KWH, this proposal would place us well above that rate, with the continuation of peak hours. I would support higher rates if we were aggressively pursuing clean energy, but the unfortunate reality is that we are still heavily reliant on fossil fuels. We must act now to address climate change and ensure a better future for the next generation. We do not have the luxury of time to wait.

I urge all of you to reject these rate increases. Instead, let's thoroughly consider what is truly necessary and how we can progress towards a more affordable and environmentally cleaner future. It is not impossible if we think big and take bold action.

Sincerely,

Ryan Kost

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

Submitted on Sat, 08/24/2024 - 12:49 PM

Select a Commissioner:

Semone James

Name

SOVANN KEO

Street Address

LANSING, Michigan

Message

I had called about my elderly father about 2 to 3 years ago about him being on a senior plan. I was told back then he was already on it. [REDACTED] I just recently called to check the status of my father bill being so high & double check his senior discount & was told he never was on a senior discount plan. I ask to speak to a supervisor, but she stated the meter reading was accurate. I'm aware of news with meter reading being not accurate. With my elderly parents being on a budget I was unaware they were now never on the senior plan, however when I called to enroll my father on there about 2 to 3 yrs ago I was informed he would be all set. He has dementia now for 3 years it has progressed. I am asking is there anything that bwl can please do to help get my parents on the senior plan. I was always aware they were on it.

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

Submitted on Sun, 09/01/2024 - 6:16 PM

Select a Commissioner:

All Commissioners

Name

Florence Baerren

Street Address

Lansing, Michigan

Message

Does this Board have any idea how many people are struggling to pay their bills now? This rate increase has become an added burden to people. My guess is that this Board lives a life where the rate increase will not impact their lives. If looking to the future couldn't the rate increase have been delayed until the economy cools a little more. I am going to recommend to the Charter Commission that there are other ways of appointing people and maybe get some people on this Board who understand financial struggles.

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

Submitted on Sun, 09/08/2024 - 6:05 PM

Select a Commissioner:

Deshon Leek

Name

Mike Barron

Street Address

LANSING, Michigan

Message

Hi I'm a resident at [REDACTED] in Lansing mi . Three weeks ago my power was shut off and my lights over 331 from a check bouncing back in June . But my bill went from 139,to 420, to 749, to 1058 ,1159 then to 1687. Numbers are estimates but are close to original charges I had churches and other donors help em pay my bills so first check back in April was for 1500 ,then in May 1300 , June 1200 Aug 331 . And then my account was disconnect . I live in a one bedroom house no way my bill jumps 650 a month each month and then I told a check didn't clear and I wasn't notified until two months later . I married a child and got into bad accident I can't afford this mistake and when my bill was shut off it's wasn't due till the 29 th . Shut off was way before then . I have no income coming in and I should be paid ahead of someone else's bills wasn't put on my bill . Clearly that's what's happening . And I made sure each payment was over what I owed so I would gain a extra amount in the account . But ur saying I still owe you which I don't someone need d s to help em figure this out I can't even switch the utilities out of the landlords name because of the bill . It's not my bill I was paying in the landlords bill not mine you need to look back at the payment and figure out what's going on because the this ain't correct someone is messing up my account all the checks given cleared the bank I asked the people whom gave them to me . I need the 331 waved because of bwl clerical error or I'm going to bring this to the city's attention I'm being rail loaded here and I'm getting mad u can't do this to me I'm disabled and so is my child we need power and if I got to start a go fund me I'm going to bring so much negative publicity to bwl someone will get fired over this my husband is in a cpap machine and needs it it's a matter of life and death this is going to cause my house to be red tagged this isn't right my husband needs his machine and if he dies because bwl shitt my power off over a error it's going to be big problems and someone is going to be in trouble for not fixing this error .

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

Submitted on Mon, 09/16/2024 - 10:56 AM

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Street Address

Lansing, Michigan

Message

LBWL has extensive rebates and a program to avoid shut-offs for electric service. There are no comparable programs for water -- i.e. rebates for installing WaterSense certified devices and a program to avoid water shut-offs. Water is essential for life and health. It is a more critical commodity for human beings than electricity. LBWL is raising its water rates 9% this year and another 9% again next year. In the interests of its reputation and that of its customers/owners, LBWL should create rebate and shut-off programs.

Elaine Fischhoff

LBWL customer and Lansing resident

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

Submitted on Fri, 09/20/2024 - 3:35 PM

Submitted values are:

Select a Commissioner:

J.R. Beauboeuf (Non-Voting)

Name

Nicholas Weil

Street Address

East Lansing, Michigan. 48823

Message

Hello, I am reaching out to ask for assistance regarding an issue that has been mired in BWL Risk Management bureaucracy. Over two months ago, a contracted vegetation management crew came to my home and removed a downed branch from the service line. Their mismanagement of the situation caused damage to my roof and electrical mast. I have been dealing with Susan Sims in BWL Risk Management who had said my claim was recommended for settlement. However, every time I follow up, I am told that more critical projects are being dealt with and that my case will be handled later. I have not gotten any update this week after my weekly inquiry on 9/16. I would really like to move forward with the repairs to my home and am very worried that further damage will occur due to the delay in addressing my submission. Please advise if anything can be done to expedite my claim.

HUMAN RESOURCES COMMITTEE
Meeting Minutes
September 10, 2024

Human Resources (HR) Committee: Commissioner Tracy Thomas, Committee Chairperson; Commissioners Beth Graham, DeShon Leek and Sandra Zerkle; Alternates: Tony Mullen, Dale Schrader; Non-Voting Members: Commissioners J. R. Beauboeuf, Stuart Goodrich and 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, on Tuesday, September 10, 2024.

HR 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 members were present: Commissioners Tracy Thomas, Beth Graham, DeShon Leek, and Sandra Zerkle; also present: Alternates: Commissioners Dale Schrader; and Non-Voting Commissioner Robert Worthy
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioneeth Graham, **Seconded** by Commissioner Sandra Zerkle, to approve the HR Committee meeting minutes of July 16, 2024.

Action: Motion Carried.

2025 PA 152 Healthcare Premium Sharing Update

General Manager Peffley introduced Executive Director of Human Resources, Michael Flowers, who presented the 2025 PA 152 Healthcare Premium Sharing update. Mr. Flowers reviewed the options within PA 152, the alternatives of the Blue and the Green options, and the affordability provisions.

Commissioner Zerkle asked whether anything needed to be done to opt out of PA 152. Mr. Flowers responded that as BWL employees now pay 20% premium sharing, opt out is no longer necessary, and recommended staying with the 80%/20% - which is \$124.19 for an employee in the Blue Option, rather than opting out - which is \$189.00, or the hard cap - which is \$299.38.

Commissioner Schrader asked if employee participation in PA 152 was mandatory. Mr. Flowers responded that the mandate is that there is a percentage to be paid, which is directed by the Commission - which is stipulated in the bargaining unit contract. Employees are allowed to opt out and receive \$189.00 per paycheck, but they need to show proof of coverage someplace else.

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Sandra Zerkle to forward the PA 152 Healthcare Premium Sharing resolution to the full Board for approval.

Action: Motion Carried.

Other

Mr. Flowers introduced the new Human Resources Manager, Dan Barnes, who has worked in many areas of Human Resources including security.

Adjourn

Meeting adjourned at 5:13 p.m.

Respectfully Submitted,
Tracy Thomas, Chairperson
Human Resources Committee

COMMITTEE OF THE WHOLE

Meeting Minutes

September 10, 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, September 10, 2024.

Committee Chairperson Semone James called the meeting to order 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, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle; and Non-Voting Member Robert Worthy (Delta Township)

Absent: Commissioner Tony Mullen; and Non-Voting Members J. R. Beauboeuf (East Lansing) and Stuart Goodrich (Meridian Township)

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham to approve the Committee of the Whole Meeting minutes of July 16, 2024.

Action: Motion carried. The minutes were approved.

Global Internal Audit Standards

Director of Internal Audit, Elisha Franco, presented the Global Internal Audit Standards. Ms. Franco reviewed the purpose of internal auditing and role as a governing body, in management, and in independent assurance. Ms. Franco stated that the Board, management and internal audit work together to achieve organizational objectives and reported on three principles and nine standards in Domain III in the Global Internal Audit Standards that work toward an effective internal audit function. Ms. Franco stated that the Institute of Internal Auditors (IIA) is an international professional association that is the internal audit profession's leader in the standards, certification, education, research and technical guidance. Members of IIA work in internal auditing, risk management, government, internal controls, information technology, education and security. The IIA creates and releases standards for which internal audit functions are to adhere. Under the oversight of the Board, internal audit reviews the organizational processes, operations and goals, and provides senior management with the information needed to make informed decisions on critical issues. The standards crafted by the IIA are a primary mechanism for ensuring an organization's internal audit provides essential service efficiently. The Board approved the current internal audit charter in 2019 which contains a commitment to adhere to the 2017 standards. In January 2024 the IIA released an updated version called the Global Internal Audit Standards which will replace the 2017 standards and take effect in January 2025. The standards apply to businesses of all sizes, industries and regions. Ms. Franco provided the principles and standards that are relevant to the Board of Commissioners, senior management and the internal audit

function and stated that it is considered best practice within the internal audit profession to adopt and adhere to current standards.

Commissioner Thomas commented that Ms. Franco and her assistant Nicole Smith did a great job on narrating the training presentation.

Commissioner Price asked how often an external evaluation of the internal audit function occurs. Ms. Franco responded that the standards require a review to be completed every five years.

Chairperson James commented that the board was presented with why the board should adopt these standards, but if we don't have an internal auditor that's certified, why are we required? Ms. Franco responded that she has been requested by the board to obtain CIA certification through the IIA which means she would have to adhere to the IIA guidance and standards. Additionally, she does have a staff member that has IIA certification and is required to adhere to those standards. Ms. Franco added that it is best practice to have the latest and updated standards, and the 2017 professional standards are in the current charter. Chairperson James asked for when the new standards needed to be adopted. In response to Chairperson James, Ms. Franco responded that January 2025 is the deadline when the new IIA standards go into effect which includes creating and putting in place a strategic plan and manual for the Internal Audit department.

Commissioner Price commented that the standards were not what was being adopted but adopting a charter which references the standards. Ms. Franco responded that the updated charter states agreement with adopting and using the new standards.

Commissioner Leek asked what the penalty or repercussion would be if the charter and standards weren't adopted. Ms. Franco responded that there wouldn't be a penalty, but the current audit charter states that an external assessment is to be completed every five years, and BWL wouldn't be in compliance if the most updated standards weren't adopted. Commissioner Leek asked if the charter is approved would it need to go to City Council and the City Charter. Ms. Franco responded that the internal audit charter is just a governing document for the BWL's Internal Audit Department.

Chairperson James commented that the current internal audit reports aren't provided to the city of Lansing and commented on whether it was being recommended. Chairperson James asked if the recommendation was for an external audit assessment to be performed. Ms. Franco affirmed that an external audit assessment is being recommended.

Commissioner Thomas asked whether there was any cost or penalty connected to the Board depending on charter approval. Ms. Franco responded no; we would go by the standards put in place in the 2019 audit charter. If we had an external assessment, with certifications I'm being asked and with the staff member having those certifications, we should be in best practice to have the certifications obtained and to update the standards. Commissioner Thomas asked if the decision about the charter could be moved to December 2025 (2024) considering his fiduciary responsibility. Ms. Franco responded that the recommendation is for the internal audit department to be up to date.

Chairperson James asked Ms. Franco to explain in steps the recommendation as it relates to best practices and certification and if there would be a reason that the Board would choose not to update the standards. Ms. Franco responded that it is recommended that best practice standards that are available be used and does not know of a reason that the Board would choose not to adopt the new standards.

Commissioner Schrader asked what was specifically different between the previous charter and standards and the current charter and standards that are being recommended. Ms. Franco responded that the information will be provided in the upcoming internal audit charter presentation.

Commissioner Thomas asked whether the certification of the assistant would be needed and would it be determined by the standards as Ms. Franco is the Director of Internal Audit. Ms. Franco responded that the standards were released in January 2024 and are required to be adopted by January 2025.

Commissioner James asked Ms. Franco if Internal Auditor Nicole Smith was present, and if Ms. Franco could allow her to come to the table to answer some questions and provide information. Chairperson James commented that Ms. Franco stated that it was a best practice to adopt the standards and asked Ms. Smith for her thoughts. Ms. Smith responded that the new standards are required for all internal auditors and go into effect January 9, 2025. The standards can be adopted now as they were released January 9, 2024. Ms. Smith stated that she has been certified through the IIA since March of 2010, she is a Certified Government Auditing Professional, and Certified Fraud Examiner. Ms. Smith stated that with those certifications she is required to complete ongoing continuous training and if she doesn't her certifications will be revoked. By working in the internal audit department and working on the audits, it is a requirement for the current required standards that will go into effect on January 9, 2025 to be utilized.

Commissioner Leek asked again about whether there would be repercussions if the standards weren't adopted. Ms. Smith responded that since it is required, if there is an external audit and the standards weren't adopted, her certifications could be revoked, Commissioner Leek stated that there was a repercussion then. Ms. Smith stated that it would not look good if an external audit is performed, the report made by the external auditor would be a public entity report, there is reputational risk, potential liability and possible financial liability, and BWL would want to be on the preventative side. Commissioner Leek asked whether there were 2019 standards as currently 2017 standards are adopted. Ms. Franco responded that there were no new standards in 2019.

Commissioner Thomas asked whether there would be a penalty if BWL was audited now or right after the standards went into effect. Ms. Smith responded that the standards don't go into effect until January 9, 2025, and that there is a grace period to comply to allow to plan and put the standards in place. Ms. Smith also responded that different types of requirements and certifications apply to be qualified or to meet the requirements to be a Director of Internal Audit or an Internal Auditor. Commissioner Thomas expressed concern whether BWL would be in trouble if audited. Ms. Smith responded that the standards within the charter are what BWL is to follow. Commissioner Thomas asked if the internal auditor with the credentials would be the qualification for the standards. Chairperson James added that a reason hasn't been given to delay agreeing to the standards and that

Ms. Smith has stated that it would affect her and the department. Chairperson James stated that Ms. Franco is recommending approval of the standards in the charter and is looking out for the best interests of the BWL and doesn't see any reason to delay.

Commissioner Zerkle commented that she didn't know how BWL would be affected if the audit charter with the new standards wasn't approved. Ms. Franco responded that it is a best practice, and if an external audit is performed, the most updated standards and guidelines would not be adhered to and there is no benefit to waiting. Commissioner Zerkle asked how it would be different than the procedure of auditing in the past. Ms. Franco responded that audits would be complying with the updated processes and standards.

Internal Audit Charter

Director of Internal Audit, Elisha Franco, presented the Internal Audit Charter. The new standards result in differences in three main areas: a mandate – which for BWL is in the Lansing City Charter; a commitment to adhere to the Global Internal Audit standards; and Board of Commissioner oversight.

Commissioner Thomas asked what the difference would be in approving the audit charter today or at a later time. Chairperson James asked Commissioner Thomas what the benefit would be for postponing approval. Commissioner Thomas responded that finding out if the assistant's credentials would benefit in the event of other audits. Chairperson James responded that the credentials are irrelevant, and that Ms. Franco is recommending that it is best practice to update the standards. Ms. Smith responded that it is required for internal auditors rather than a best practice.

Commissioner Schrader asked the differences between the previous charter and the updated charter and Ms. Franco responded by providing the differences.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James to forward the Internal Audit Charter Resolution to the full Board for approval.

Action: Motion Carried.

Retirement Plan Committee (RPC) Update

Chief Financial Officer Heather Shawa presented the Retirement Plan Committee update. As the real assets are at the allocation target of 15% for the VEBA Plan, the real asset redemption request has been withdrawn. A share class change with the Vanguard International Stock Index has been approved for the DC 401 (a) and 457 (b) Plans and communication will be sent to plan participants. In the 401(a) and 457(b) Plans a change in investment fee policy for a lower net fee. Drafts of summary plan descriptions, plan document updates, and administrative procedures updates for the DB and VEBA Plans are under review. A reimbursement for benefits has been approved for the VEBA Plan.

Motion by Commissioner Beth Graham, **Seconded** by Tracy Thomas to forward the Ratification of Trustees of Retirement Plans Resolution to the full Board for approval.

Action: Motion Carried.

Appointee Performance Evaluation Process

Chairperson James stated that currently the process starts in April with the meeting of the Chairperson of the Human Resources Committee and the Executive Director of Human Resources. An evaluation is performed and there is a negotiation of contracts. The negotiation of contracts may take place after July 1st. What is sought to be achieved as a best practice is to move the process back so that retroactive actions don't need to be taken. Chairperson James asked for input from Commissioner Thomas in moving the process to occur sooner and be more efficient.

Commissioner Thomas commented that it is the prerogative of the HR Chairperson to start the process. Commissioner Thomas provided a 2025 Appointed Employees Evaluation Timeline to the Commissioners.

Chairperson James stated the timeline hadn't been followed the last two years.

Commissioner Price commented that the timeline provided by Commissioner Thomas gives plenty of time for interviewing, hiring, and appointing. The timeline also allows for negotiating in July at the new year meeting.

Chairperson James commented that if the time is moved back the appointed employees would have an effective contract date of July 1st.

Commissioner Thomas commented that the HR Chairperson would work with the Executive Assistant on the first document in the timeline. A request was made to place the employee self-evaluations first on the timeline. Commissioner Thomas stated that when the timeline was followed the process was completed.

Commissioner Price asked Executive Director of Human Resources, Michael Flowers, whether it mattered if an appointed employee was employed on July 1 or after the Board Meeting in July. Mr. Flowers responded that there wasn't a required date.

Commissioner Zerkle asked if the contract start date could be moved to August 1 and then there wouldn't be a need for retroactive actions.

Commissioner James asked Mr. Flowers if his timeline was similar as contracts begin at the fiscal year. Mr. Flowers responded that contract payment can be made retroactively and is.

Commissioner Price commented that the resolution can be made for the May Board meeting with an appointment date of July 1, but that it didn't affect the employees as pay was provided retroactively.

Commissioner Thomas commented that there was no reason to fix the retroactive pay as employees haven't expressed a problem with it.

Chairperson James commented that she had only seen the process within the last two years.

Chairperson James thanked Commissioner Thomas for preparing the 2025 Appointed Employees Evaluation Timeline and further commented that the outline looked good and requested that it be added to the Board of Commissioners Roles and Responsibilities Handbook. Commissioner Price agreed, as well.

Other

Commissioner Zerkle commented that she is aware of the importance of each of the Committees and the Commissioners assigned to the committees need to be respected and trusted with decision making.

Commissioner Leek commented that at our last meeting, those Commissioners present had to vote on a very critical issue. Commissioner Leek also commented moving forward, if our Board of Commissioners' leadership can't attend, maybe the meeting could be changed or rescheduled. The names and length of service of Commissioners who are up for reappointment (to the Board of Commissioners) have been brought up at the city Charter (meeting) and it was noticed that leadership was not there. To avoid that situation, I would ask that the meeting be rescheduled if anything like that ever happening again.

Chairperson James stated that she had shared she was unable to attend, and that Commissioner Price had a prior commitment, and he couldn't attend, and that she had asked if the meeting could be rescheduled and was told no, we were moving forward. Commissioner James further commented that she agreed with Commissioner Leek that the meeting should have been rescheduled.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Tracy Thomas for excused absences for Commissioners Tony Mullen, J. R. Beauboeuf, and Stuart Goodrich.

Action: Motion Carried.

Adjourn

Chairperson James adjourned the meeting at 6:53 p.m.

Respectfully Submitted
Semone James, Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
September 10, 2024

Finance Committee: Tony Mullen, Committee Chairperson; Semone James; David Price; and Dale Schrader;
Alternates: Beth Graham, Sandra Zerkle; Non-Voting: Commissioners J. R. Beauboeuf, Stuart Goodrich, 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, September 10, 2024.

Acting Finance Committee Chairperson David Price called the meeting to order at 7:00 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Semone James, David Price, and Dale Schrader; Also Present: Commissioners Beth Graham (Alternate – sitting in for Commissioner Tony Mullen), Sandra Zerkle (Alternate), and Non-Voting Commissioners Bob Worthy (Delta Township)
Absent: Commissioners Tony Mullen and Stuart Goodrich (Delhi Township)

The Corporate Secretary declared a quorum.

Public Comments

Randy Dykhuis, Lansing, MI spoke about the Belle River Contracts and stated that since there were no end dates in the contracts would the contracts continue until Belle River no longer exists. Mr. Dykhuis inquired about the difference in the payments required in the Project Sales contract and in the Power Sales Contract whether there was service or not.

Approval of Minutes

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Beth Graham, to approve the Finance Committee Meeting minutes of July 16, 2024.

Action: Motion Carried.

June YTD Financial Summary

CFO Heather Shawa presented the June YTD Financial Summary. The fiscal year end audit with Baker Tilly is on track and will be presented in the November Finance Committee Meeting. Total revenue was 5% under budget at \$417.4 million compared to budget of \$440.9 million, due to wholesale being down. Operating expense were 4% under, which resulted in lower fuel costs. Net income was \$9.8 million compared to a budget of \$17.5 million due to the effects of the August 2023 storm, which was \$7 million in cost, and the new energy bond issuance cost. The FY 2024 capital budget was on track. The July and August YTD will be presented in November.

Belle River Contracts Update

Chief Operating Officer, Dave Bolan, presented the Belle River Contracts update. A Power Sales Contract, a Project Support Contract, and MPPA Bond Issuance for Natural Gas Conversion are part of BLW's participation in the Belle River Project. BWL's share of the bond issuance is expected to be \$22.5 million and has been included in the financial plan forecast. Approval of the resolution for modification of the contracts is being requested.

Commissioner Worthy asked what is the Board's position, as far as legacy costs and environmental remediation, with the ownership situation. Mr. Bolan responded that MPPA owns it and any cost that is part of the life of the plant is billed to the 11 participating cities.

GM Peffley commented that BWL is a partner until fossil fuels are no longer burned. The plant is a good asset for BWL as it provides 110 MW of transmission. MISO considers the plant necessary to run even when there is an abundance of solar and BWL is reimbursed the differential in service cost. Mr. Bolan added that Detroit Edison is the operating entity of the plant and MISO has it as a must run facility.

Acting Chairperson Price asked if at some time before 2039 that BWL wouldn't purchase power from the Belle River plant. Mr. Bolan responded that if the plant runs BWL has to purchase power or else find out if power would be taken by one of the other 11 cities, but none of the other cities can handle the portion of power.

Commissioner Schrader commented about the \$22 million commitment and asked if the plant doesn't run or is on standby, and renewables are used by BWL, is there a differential payment for that. GM Peffley responded that BWL dispatches its energy on the least cost source but if the government through MISO states that the energy is from a different cost source, the differential is paid. Mr. Bolan added that BWL receives capacity payments for 156 MW and can import renewable resources with differences in peak and off hour times of \$16 per MWH and \$6 or \$7 per MWH which can amount to a benefit of \$12 to \$13 million a year.

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Semone James to forward the Resolution for the Approval of Belle River Power Sales and Belle River Project Support Contract Modifications to the full Board for consideration.

Action: Motion Carried.

Internal Audit Status Update

Director of Internal Audit, Elisha Franco, presented the Internal Audit Status update. There were no questions or concerns following the presentation.

Other

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Semone James for an excused absence for Commissioner Tony Mullen.

Action: Motion Carried.

There was no other business.

Adjourn

Acting Chairperson David Price adjourned the meeting at 7:26 p.m.

Respectfully submitted,
David Price, Acting Chairperson
Finance Committee

RESOLUTION 2024-XX-XX
PA 152 Health Care Premium Sharing

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the “Public Funded Health Insurance Contribution Act”, Public Act 152 of 2011 (the “Act”) limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, the Act took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

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

WHEREAS, the three options are as follows:

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

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2025 through December 31, 2025;

RESOLVE that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2025, through December 31, 2025.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the PA 152 Health Care Premium Sharing Resolution at a Board Meeting held on _____.

Roll Call Vote:

Yeas: Commissioners

Nays:

Action: Motion

RESOLUTION 2024-XX-XX
Internal Audit Charter

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter as amended to which conforms to the Global Internal Audit Standards, promulgated by the Institute of Internal Auditors.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve the amendment to the Internal Audit Charter to which conforms to the Global Internal Audit Standards, promulgated by the Institute of Internal Auditors at Board meeting held on _____, _____.



INTERNAL AUDIT DEPARTMENT CHARTER

OFFICE OF THE INTERNAL AUDITOR

2024

ELISHA FRANCO,
DIRECTOR OF INTERNAL AUDIT

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CHARTER

This Charter defines the internal audit function at the Lansing Board of Water and Light (BWL) and the commitment to the professional practice of internal auditing by the Board of Commissioners (Board) and Senior Management. It grants Internal Audit the authority to carry out its mission as set forth by the Board.

MISSION & PURPOSE

The purpose of the internal audit function is to strengthen BWL's ability to create, protect, and sustain value by providing the Board of Commissioners (Board) and Senior Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances BWL'S:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

BWL'S internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board of Commissioners.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The BWL'S internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Director of Internal Audit will report periodically to the Board of Commissioners and Senior Management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

MANDATE

Authority

The BWL'S internal audit function mandate is found in the Lansing City Charter, which states under Section 5-202 that the Board shall appoint an Internal Auditor who shall report directly to the Board of Commissioners. The Internal Auditor shall serve at the pleasure of the Board.

The internal audit function's authority is created by its direct reporting relationship to the Board of Commissioners. Such authority allows for unrestricted access to the Board of Commissioners.

The Board of Commissioners authorizes the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of BWL and other specialized services from within or outside BWL to complete internal audit services.

Independence, Organizational Position, and Reporting Relationships

The Director of Internal Audit, who also serves as the Chief Audit Executive, will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The Director of Internal Audit will report functionally and administratively to the Board of Commissioners. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board of Commissioners, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

At least annually, the Director of Internal Audit will confirm to the Board of Commissioners the organizational independence of the internal audit function. Also, the Director of Internal Audit will disclose to the Board of Commissioners any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Director of Internal Audit, Board of Commissioners, and Senior Management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the organization.
- Significant changes in the Director of Internal Audit, Board of Commissioners and/or Senior Management.
- Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

BOARD OF COMMISSIONERS OVERSIGHT

To establish, maintain, and ensure that BWL'S internal audit function has sufficient authority to fulfill its duties, the Board of Commissioners will:

- Discuss with the Director of Internal Audit and Senior Management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the Director of Internal Audit has unrestricted access to and communicates and interacts directly with the Board of Commissioners.
- Discuss with the Director of Internal Audit and Senior Management other topics that

should be included in the internal audit charter.

- Participate in discussions with the Director of Internal Audit and Senior Management about the “essential conditions,” described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit service.
- Review and approve the internal audit charter at least every four years with the Director of Internal Audit to consider changes affecting the organization, such as the employment of a new Director of Internal Audit or changes in the type, severity, and interdependencies of risks to the organization.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function’s human resources administration and budgets.
- Review the internal audit function’s expenses.
- Provide feedback to Senior Management on the appointment and removal of the Director of Internal Audit, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Review and conduct annual performance review on the Director of Internal Audit.
- Receive communications from the Director of Internal Audit about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries with the Director of Internal Audit to determine whether scope or resource limitations are appropriate.

DIRECTOR OF INTERNAL AUDIT ROLES AND RESPONSIBILITIES

Ethics and Professionalism

The Director of Internal Audit will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization’s ethical expectations, as described in applicable policies and procedures.

Objectivity

The Director of Internal Audit will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Director of Internal Audit determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform

engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for BWL or third parties.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any BWL'S employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact, or appearance, to appropriate parties and at least annually, such as the Director of Internal Audit, Board of Commissioners, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The Director of Internal Audit has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Board of Commissioners and Senior Management. Discuss the plan with the Board of Commissioners and Senior Management and submit the plan to the Board of Commissioners for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Board of Commissioners and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in BWL'S business, risks, operations, programs, systems, and controls.
- Communicate with the Board of Commissioners and Senior Management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations.
- Follow up on engagement findings and communicate the results of internal audits to the Board of Commissioners and Senior Management for each engagement as appropriate. Also, the Director of Internal Audit will verify that effective and efficient corrective action plans have been implemented and communicated by Senior Management.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact BWL and communicate to the Board of Commissioners and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.

- Ensure adherence to BWL'S relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Board of Commissioners and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Director of Internal Audit cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Board of Commissioners.

Communication with the Board of Commissioners and Senior Management

The Director of Internal Audit will inform the Board of Commissioners when applicable to the following:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Board of Commissioners that could interfere with the achievement of BWL'S strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond BWL'S risk appetite.

Quality Assurance and Improvement Program

The Director of Internal Audit will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Director of Internal Audit will communicate with the Board of Commissioners and Senior Management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

SCOPE AND TYPES OF INTERNAL AUDIT SERVICES

The scope of internal audit services covers the entire breadth of the organization, including all of BWL'S activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board of Commissioners and management on the adequacy and effectiveness of governance, risk management, and control processes for BWL.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of BWL'S strategic objectives are appropriately identified and managed.
- The actions of BWL'S officers, directors, management, employees, and contractors or other relevant parties comply with BWL'S policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact BWL.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

APPROVED BY THE BOARD OF COMMISSIONERS

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter as amended to which conforms to the Global Internal Audit Standards promulgated by the Institute of Internal Auditors.

Approved by the Board of Commissioners on

Date



Global Internal Audit Standards Domain III Overview



The Institute of
Internal Auditors

The Purpose of Internal Auditing

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

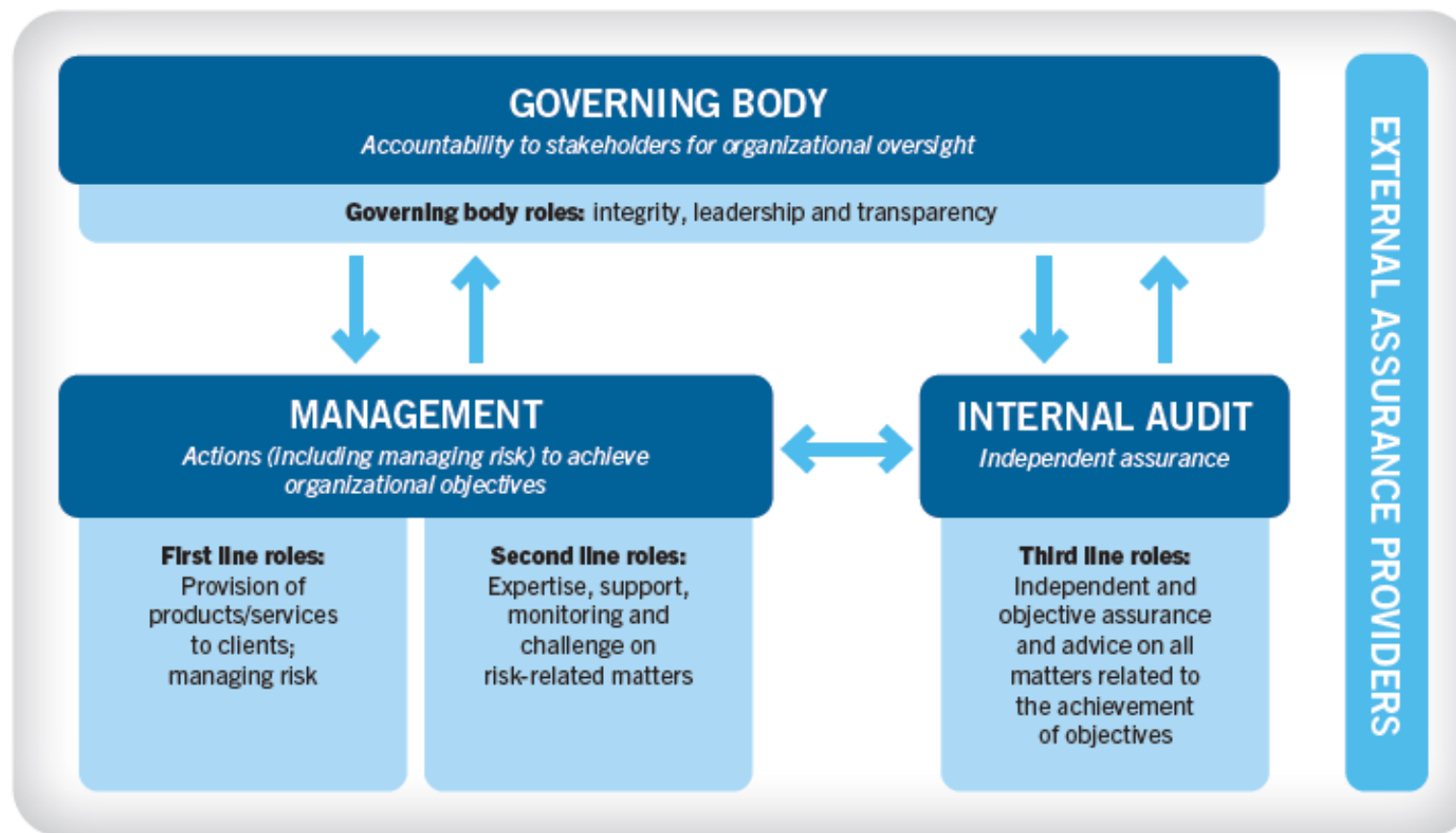
Enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Most effective when:

- Performed by competent professionals in conformance with the Global Internal Audit Standards™.
- Independently positioned with direct accountability to the board.
- Free from undue influence and committed to making objective assessments.

Internal Audit's Role in the Three Lines Model



KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication, coordination, collaboration

The Importance of Internal Auditing

An effective internal audit function will enhance:



The board's ability to exercise its oversight responsibilities.



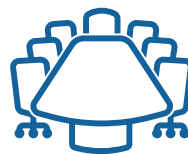
Senior management's ability to achieve organizational objectives.



The organization's ability to create, protect, and sustain value.

Thus, the board, senior management, and internal audit have a unique partnership in driving ***organizational success***.

All three parties must support each other to enable that success.



Domain III: Governing the Internal Audit Function

The table below depicts the three principles and nine standards of Domain III.

6. Authorized by the Board The board establishes, approves, and supports the mandate of the internal audit function.	7. Positioned Independently The board establishes and protects the internal audit function's independence and qualifications.	8. Overseen by the Board The board oversees the internal audit function to ensure the function's effectiveness.
6.1 Internal Audit Mandate	7.1 Organizational Independence	8.1 Board Interaction
6.2 Internal Audit Charter	7.2 Chief Audit Executive Qualifications	8.2 Resources
6.3 Board and Senior Management Support		8.3 Quality
		8.4 External Quality Assessment

Principle 6 – Authorized by the Board

The board establishes, approves, and supports the mandate of the internal audit function.

- ❖ Internal audit receives its mandate from the board (or applicable law or regulation in certain public sector environments).
- ❖ The mandate specifies the authority, role, and responsibilities and is documented in the internal audit charter.
- ❖ The mandate empowers internal audit to provide the board with objective assurance, advice, insight, and foresight.
- ❖ Internal audit carries out the mandate by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

Principle 7 – Positioned Independently

The board establishes and protects the internal audit function's independence and qualifications.

- ❖ Enabling independence of internal audit.
- ❖ Independence: freedom from conditions that impair the ability to carry out responsibilities in an unbiased manner.
- ❖ Internal audit can only fulfill the Purpose of Internal Auditing when the Director of Internal Audit reports directly to the board, positioned to enable internal audit to discharge its services and responsibilities without interference.

Principle 8 – Overseen by the Board

The board oversees the internal audit function to ensure the function's effectiveness.

- ❖ Essential to enable internal audit's effectiveness.
- ❖ Requires collaborative, interactive communication with the Director of Internal Audit to ensure that internal audit is sufficiently resourced to fulfill its mandate.
- ❖ Receive assurance regarding the quality and performance of the Director of Internal Audit and the internal audit function through the quality assessment and improvement program or an external quality assessment.

Summary

- ❖ An effective internal audit function enables good corporate governance and the organization's ability to create, protect, and sustain value.
- ❖ A partnership among the board, senior management, and the Director of Internal Audit is critical to achieving effective internal auditing.
- ❖ The Global Internal Audit Standards require much from the Director of Internal Audit that, if achieved, will result in an effective internal audit function.
- ❖ The board and senior management provide necessary support to the Director of Internal Audit and enable effective internal auditing.

Please contact Elisha Franco, Director of Internal Audit for questions and comments.

elisha.franco@lbwl.com



The Institute of
Internal Auditors

RESOLUTION 2024-XX-XX
Ratification of Trustees of Retirement Plans

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

WHEREAS, the Sponsor desires to ratify and confirm the current Trustees of the Plan and clarify the appointment, removal and resignation dates of new and former Trustees of the Plans.

THEREFORE, it is:

RESOLVED, that the following individuals are ratified and confirmed as the current Trustees of the Plans as of the date hereof:

- David J. Price
- Sandra Zerkle
- Tracy Thomas
- Anthony Mullen
- Beth Graham
- Deshon Leek
- Semone James; and
- Dale Schrader.

FURTHER RESOLVED, that the appointment and acceptance of the following individuals to serve as Trustees of the Plans is hereby approved, ratified and confirmed as of the date stated below:

- David J. Price, reappointment April 25, 2021
- Sandra Zerkle, reappointment April 25, 2021
- Tracy Thomas, reappointment April 25, 2021
- Anthony Mullen, reappointment April 25, 2021
- Beth Graham, reappointment April 25, 2021
- Deshon Leek, reappointment April 25, 2021
- Semone James, July 26, 2021; and
- Dale Schrader, August 14, 2023.

FURTHER RESOLVED, that the resignation or removal of the following individuals from the position of Trustees of the Plans is hereby approved, ratified and confirmed as of the date stated below:

- David Lenz, June 30, 2021
- Ken Ross, July 14, 2021; and

- Dusty Horwitt, July 19, 2023.

Motion by Commissioner _____, Seconded by Commissioner _____ to approve the Resolution for Ratification of Trustees of Retirement Plans at a Board meeting held on _____.

RESOLUTION 2024-09-XX

Approval of Modifications to Belle River Power Sales and Project Support Contracts

WHEREAS, the Michigan Public Power Agency (MPPA) and the Lansing Board of Water and Light (BWL) entered into the Belle River Power Sales Contract and the Belle River Project Support Contract (the Contracts) on December 1, 1982, as amended and restated from time to time; and

WHEREAS, the Belle River Project’s power plant, which is owned and operated by DTE, will be converted to burn natural gas; and

WHEREAS, pursuant to the Contracts, the BWL and other Project participants are required to contribute to the cost of the conversion in proportion to their share of the energy delivered under the Contracts, and

WHEREAS, the costs for conversion will be financed, at least in part, through a bond issuance by MPPA, and

WHEREAS, the participants in the Belle River Project have requested that the Contracts between MPPA and the participants be modified to allow for separate financing options for participants’ respective share of the conversion cost; and

WHEREAS, MPPA and the participants also desire to modify the Contracts to conform with today’s energy markets including existing market operation practices and tariff of the Midcontinent Independent System Operator; and

WHEREAS, it is appropriate and in the best interest of the BWL to approve such proposed contract modifications.

THEREFORE, it is:

RESOLVED, that the proposed modifications to the Belle River Power Sales Contract and the Belle River Project Support Contract are approved.

Motion by _____, **Seconded** by _____, to approve the Modification to Belle River Power Sales and Project Support Contracts at a Board meeting held on _____.

Action: _____.