



**BOARD OF WATER AND LIGHT**  
**REO Town Depot**  
**1201 S. Washington Ave., Lansing, Michigan**  
**November 19, 2019 - 5:30 p.m.**  
**BOARD MEETING AGENDA**

- 1. Roll Call**
- 2. Pledge of Allegiance**
- 3. Approval of Minutes**
  - a. Regular Board Meeting Minutes of September 24, 2019
- 4. Public Comment**

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.
- 5. Communications**
  - a. Electronic Mail from Violet Polzin re: Smart Meter Program
  - b. Electronic Mail from Cheryl Haskell re: BWL Service and Payment
  - c. Electronic Mail from Wendy Larson re: Streetlights
  - d. Electronic Mail from Steve Rall re: Natural Gas Plant
- 6. Committee Reports**
  - a. Human Resources Committee Meeting (November 5, 2019)-Tracy Thomas, Chair
  - b. Committee of the Whole Meeting (November 5, 2019)-Tony Mullen, Chair
  - c. Finance Committee Meeting (November 5, 2019)-Ken Ross, Chair
  - d. Trustee Meeting (November 19, 2019)-David Price, Chair
- 7. Manager's Recommendations**
- 8. Unfinished Business**
- 9. New Business**
- 10. Resolutions/Action Items**
  - a. Delegation of Authority: Retirement Plan Design & Administrative Decision
  - b. Payment for Eligible Defined Benefit Plan Participants
  - c. 2020 Regular Board Meeting Schedule
  - d. First Supplemental Utility System Revenue Bond
- 11. Manager's Remarks**
- 12. Commissioners' Remarks**
- 13. Motion of Excused Absence**
- 14. Public Comment**

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



## MINUTES OF THE BOARD OF COMMISSIONERS MEETING

### LANSING BOARD OF WATER AND LIGHT

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September 24, 2019

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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, September 24, 2019.

Chairperson David Price called the meeting to order at 5:30 p.m.

Present: Commissioners David Price, Beth Graham, David Lenz, Anthony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Michael Froh (Meridian Township) and Larry Merrill (Delta Township)

Absent: Commissioner Joseph E. Graves and Non-Voting Commissioner Douglas Jester (East Lansing)

The Corporate Secretary declared a quorum.

Commissioner Thomas led the Pledge of Allegiance.

**Motion** by Commissioner Ross, **Seconded** by Commissioner Mullen to amend agenda to add a late item communication.

#### APPROVAL OF MINUTES

**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Mullen, to approve the Regular Board Meeting minutes of July 23, 2019.

**Action:** Motion Carried

#### PUBLIC COMMENTS

Mitchell Shapiro, telecom analyst, spoke regarding the Smart Meter Program opt out.

#### COMMUNICATIONS

Electronic Mail received From or Re:

- Michael Braem regarding the Smart Meter Program-*Referred to Management. Received and Placed on File*
- Mary Patenge regarding the Smart Meter Program-*Referred to Management. Received and Placed on File*

A donation thank you letter from Safe Haven for Cats in memory of Wendy Ailing-*Received and Placed on File.*

Late Item: Notice of resignation from BWL Commissioner Joseph E. Graves Jr.- Accepted, Received and Placed on File

## COMMITTEE REPORTS

Commissioner Tracy Thomas presented the Human Resources Committee Report:

### HUMAN RESOURCES COMMITTEE Meeting Minutes September 10, 2019

The Human Resources 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 5:00 p.m. on Tuesday, September 10, 2019.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Tracy Thomas, Beth Graham, Joseph Graves Jr. and Sandra Zerkle. Also present: Commissioners Anthony Mullen, David Price, and Ken Ross; and Non-Voting Commissioners Michael Froh (Meridian Township) and Larry Merrill (Delta Township).

Absent: None

#### Public Comments

None

#### Approval of Minutes

**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Graves, to approve the Human Resources Committee meeting minutes of June 25, 2019.

**Action:** Motion Carried.

#### PA152 Health Care Premium Sharing Resolution

Human Resource Committee Chairperson Tracy Thomas introduced Michael Flowers, Executive Director of Human Resources. Mr. Flowers reviewed and discussed BWL's options regarding Public Act 152's requirements associated with capping the amount a public employer may pay for health care insurance.

#### Public Act 152, 2011

- The BWL has three options:
  - Comply with PA 152 and limit expenditures on health care cost based on a schedule of dollars provided in the Act using the Hard Cap as updated annually; or
  - Limit expenditures on health care cost based on a 80/20 percentage split, requiring a majority vote; or
  - Exempt itself entirely from the Act & choose some other percentage of Premium sharing, requiring a 2/3 vote

#### Alternatives Utilizing Option 3 to Opt-Out of Act 152, 2011 – Various Premium Sharing Options

Benefit Plan	2020 PA 152 Cap	2020 Annual Benefit Cost (Employee Portion Only)	Difference	14%	16%	18%	20%	Hard Cap
Single	\$8,918.87	\$4,187.48	\$4,731.39	\$42.56	\$48.75	\$54.85	\$60.94	\$42.43
Emp + 1	\$14,288.37	\$14,229.25	\$59.12	\$81.36	\$100.88	\$123.4	\$153.11	\$127.89
Family	\$18,596.96	\$21,791.13	\$3,194.17	\$110.44	\$136.58	\$163.57	\$179.83	\$137.88

The Union contract states that effective November 1, 2012 premium sharing for applicable insurance premium for hospital, medical and surgical, and prescription drug insurance plans will be approved and directed by the Board of Commissioners as prescribed by Public Act 152 of 2011.

#### Affordable Care Act (ACA)

Affordability provision for 1-1-20 in the Act stipulates Health Insurance premiums cannot exceed 9.78% of the employees income. This chart shows the maximum safe premium sharing while still complying with the affordability provision of the ACA. In 2020, entities must add Opt Out/Waiver pay in affordability calculations. Under ACA guidelines, it is required that entities count dollars paid for waivers as a lost cost to employees. Therefore the Opt Out/Waiver amount must be added to any premiums being paid by the employees to calculate affordability.

Lowest Paying Positions	Hourly Salary Rate	Annual Salary	Monthly Salary	Monthly Premium Allowed (\$75%)	Monthly Total Opt-Out/Waiver Premium (20%)	Maximum Opt Out/Waiver (C)	Monthly Emp'd Premium Sharing @ 20% (D)
Out-Caller	\$21.09	\$49,115	\$3788.85	\$2841.64	\$593.09	\$200.00	\$133.08
Collection Clerk	\$22.24	\$48,843	\$3791.77	\$2843.82	\$598.08	\$200.00	\$133.08
Admin. IT Security	\$23.62	\$48,022	\$3678.96	\$2758.21	\$534.63	\$200.00	\$132.03
Designer 1	\$22.56	\$45,026	\$3468.73	\$2593.29	\$518.63	\$200.00	\$132.03

\*PA 152 State Hard Cap Numbers for 2020 finalized and reflected in chart above.

If a <b>C</b>, then plan is not affordable. This plan passes affordability test.

The recommendation is that the Board select option 3 and exempt itself from the requirements of PA 152 of 2011 for all active employees' medical benefits, effective January 1, 2020 with an increase from 18% to 20% in premium sharing contribution. Mr. Flowers noted that the plan

needs to meet the Affordable Care Act (ACA) affordability provision for 1/1/20 where health insurance premiums cannot exceed 9.78% of the employee’s income, which it does. The Administration presented a proposed Resolution and asked that the Committee forward the Resolution to the full Board for consideration.

Commissioner Zerkle inquired if exempting is necessary and if there won’t be an increase beyond 20% as long as the Affordable Care Act is met. Mr. Flowers responded that exempting was necessary for the proposed benefits plan and affirmed the latter.

Commissioner Price inquired whether there will be a further need to vote on the plan after the board adopts the increase to 20%. Mr. Flowers responded that it will need to be brought to the board next year also after the contract negotiations with the union to ensure that the affordability under the ACA is met.

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**Proposed Resolution**

**To Amend Employee Contribution to Medical Benefit Plans**

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

WHEREAS, Public Act 152 of 2011 took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, Public Act 152 of 2011 created a “hard cap” for medical benefit plan years beginning January 1, 2012, such that a public employer may not pay more than the statutory caps for medical benefit plans, and;

WHEREAS, by a 2/3 vote of its governing body each year, a public employer may exempt itself from the requirements of Public Act 152 of 2011 prior to each benefit plan year, and;

WHEREAS, the Board of Commissioners have met each year and passed a resolution exempting the Lansing Board of Water & Light from the “hard cap” of Public 152 of 2011 and established premium sharing amounts for the applicable benefit plan years, as follows:

<b>Date</b>	<b>Resolution No.</b>	<b>Premium Sharing</b>	<b>Effective Date</b>
July 24, 2012	(#2012-07-01)	10% All Active Employees	January 1, 2013
July 23, 2013	(#2013-07-02)	12% All Active Employees	January 1, 2014
September 23, 2014	(#2014-09-03)	12% All Active Employees	January 1, 2015
July 28, 2015	(#2015-07-12)	12% All Active Employees	January 1, 2015
November 17, 2015	(#2015-11-02)	12% - Union Employees 14% - Non-Union Employees	January 1, 2016 - 12% Union July 1, 2016 – 14% Non-Union
November 15, 2016	(#2016-11-06)	14% All Active Employees	January 1, 2017
September 26, 2017	(#2017-09-01)	16% All Active Employees	January 1, 2018
September 25, 2018	(#2018-09-01)	18% All Active Employees	January 1, 2019







and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council.

WHEREAS, the Lansing City Charter states the Board shall appoint three individuals who report directly to the Board and serve at the Board's pleasure; being a Director (also known as the General Manager), an Internal Auditor (also known as the Director of Internal Audit) and a Secretary (also known as the Corporate Secretary). The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which include but are not limited to the operation and management of the BWL.

WHEREAS, the Lansing City Charter further outlines the responsibilities and authority of the Board, which includes the compensation and benefits of BWL employees, and by virtue of this responsibility and authority the Board is the Plan Sponsor of the Lansing Board of Water and Light Health Care Plan (the "Plan").

WHEREAS, the Board's role as the governing body for the BWL includes certain fiduciary duties such as acting in the BWL's best interest, protecting and enhancing the BWL for the benefit of its rate payers, exercising reasonable care, loyalty and good faith in actions and decisions, meeting legal and regulatory requirements, and assuring the General Manager, Director of Internal Audit and Corporate Secretary have adequate support and resources to effectuate their roles.

WHEREAS, in July of 2017, the Board approved a Governance policy which, among other things, adopted and established the General Manager's principal role to manage and operate the BWL and establish administrative and operational directives, standards guidelines and procedures that support Board approved corporate policies, strategies, projects and budgets.

WHEREAS, management of the Plan's benefit design and administration are necessary for the General Manager to manage and operate the BWL by maintaining a qualified workforce.

WHEREAS, The Board as Plan Sponsor of the Plan desires to further clarify and delegate authority to the General Manager to oversee and manage the Plan's benefit design and administration on its behalf.

RESOLVED, the General Manager is authorized to oversee and manage the Plan's benefit design and administration on behalf of the Board.

FURTHER RESOLVED, the General Manager may further delegate this authority for operational efficiency.

FURTHER RESOLVED, all benefit plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board.

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**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Graves, to forward the amended proposed resolution for Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions to full Board for consideration.

**Action:** Motion Carried.

**Other**

None

**Adjourn**

**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Graves, to adjourn the meeting.

**Action:** Motion Carried

Meeting adjourned at 5:42 p.m.

Respectfully Submitted,  
Tracy Thomas, Chair  
Human Resources Committee

Commissioner Tony Mullen presented the Committee of the Whole Report:

**COMMITTEE OF THE WHOLE  
Meeting Minutes  
September 10, 2019**

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, 2019.

Committee of the Whole Chair Tony Mullen called the meeting to order at 5:50 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Tony Mullen, Beth Graham, Joseph Graves Jr., David Price, Ken Ross, Tracy Thomas, and Sandra Zerkle and Non-Voting Members: Michael Froh (Meridian Township) and Larry Merrill (Delta Township)

Absent: Commissioners David Lenz and Douglas Jester (East Lansing)

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole meeting minutes of July 16, 2019.

**Action:** Motion Carried.

**Update on BWL's Energy Waste Reduction (EWR) Program**

General Manager Dick Peffley introduced Environmental Services and Reliability Compliance Manager, Ms. Lori Myott, and Energy Analyst, Ms. Aileen Gow, who oversees BWL's Residential and Non-Profit Energy Waste Reduction Programs.

## 2018 Energy Waste Reduction and Renewable Energy Annual Update

Committee of the Whole  
September 10, 2019



### Million Kilowatt Hour Club

New Members for 2018	
Liquid Web	Meijer, Inc
East Lansing Public Schools	Lansing Mall
Previous Members	
General Motors	Quality Dairy
Ashley Ryder	Demmer Properties LLC
State of Michigan DMB	Lansing School District
Peckham Vocational Ind.	General Motors
Sparrow Hospital	WMU Cooley Law School
Board of Water & Light	Ashley Capital
Jackson National Life	GM Delta Lighting & Pumps

## 2018 Annual Update of PA 295 & PA 342

- Public Act 295 of 2008 requires each municipal utility to provide an annual update of its Energy Optimization and Renewable Energy programs to its governing board
- Public Act 342, passed in December 2016, also known as the Clean and Renewable Energy and Energy Waste Reduction Act, amends PA 295
- Each utility must file annual reports with the Michigan Public Service Commission by May 31st
- Each utility must supply an annual report to its customers; the BWL will supply its report in the August Connections

## 2018 Energy Waste Reduction Programs

- Services for Low Income Customers
- Residential Programs
  - High Efficiency Lighting
  - Appliance Turn-in & Recycling
  - Multi Family Services
  - Energy Star Products/Equipment
- Business Prescriptive & Custom Incentives
- Energy Education Services
- Pilot programs

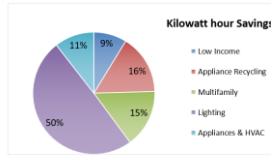
## Program Highlights

- Education in the Community
  - Attended 63 local events
  - Did 34 presentations to community groups
  - Think! Energy (school program with Consumers Energy)
- Pilot Programs
  - Non Profit Grants
  - Affordable Housing Grants
  - Michigan Saves Low Interest Financing
    - Partnership with Consumers Energy and Michigan Saves
    - Residential- 0% for \$1,000-\$30,000 loans for up to 4 years
    - Business- 0% for \$2000-\$250,000 for 2 years

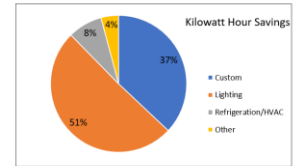
## Energy Waste Reduction Summary

Program Portfolio	2018 Goals		2018 Actual	
	Strat First Year kWh Savings	Program Budget	Gross First Year kWh Savings	Program Budget
Low Income Services	592,565	\$239,347	580,074	\$239,247
Residential Programs	3,456,215	\$1,017,889	4,445,113	\$988,174
Business Services	15,279,703	\$2,379,299	16,819,280	\$1,156,979
<b>Total Program Portfolio</b>	<b>19,488,483</b>	<b>\$3,632,435</b>	<b>21,844,468</b>	<b>\$3,384,400</b>
Program Administration		\$488,718		\$124,518
Evaluation (EM&V)		\$780,964		\$204,819
<b>ANNUAL TOTALS</b>	<b>19,488,483</b>	<b>\$4,422,107</b>	<b>21,844,468</b>	<b>\$3,813,737</b>

## Residential Summary 2009-2018



## Business Summary 2009-2018



## Challenges and Opportunities

- Challenges
  - LED lighting saturation in market place
- New Opportunities
  - Specialty LED bulbs market
  - Smart Meter Pilot
  - Partner with Consumers Energy on Low Income and Houses for Worship Programs

## Low Income 2018

- 250 Hometown Help energy assessments
- 4 Multifamily properties
- 13,731 items installed or distributed
  - 9,436 LED Bulbs
  - 2,266 Energy Kits
  - 123 Refrigerators
  - 18 Room Air Conditioners

## Low Income 2018 Cont.

- Two Multifamily Landlords co-paid \$13,295 to replace 94 refrigerators w/Energy Star units
- Community Partners
  - Habitat for Humanity Capital Region
  - Capital Area Housing Partnership
  - Cristo Rey Community Center
  - City of Lansing – Baker Neighborhood Initiative
  - Local nonprofit organizations that serve vulnerable populations

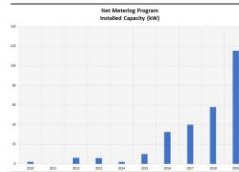
## Renewable Energy 2018 Results

- PA 342 requires all electric utilities have 10% in 2018; 12.5% in 2019 and 15% renewables in 2021
- The BWL is in compliance with both the renewable energy generation and its inventory of RECs
- With planned developments and the ability to carry forward renewable energy credits, the BWL will not need any additional renewable energy to meet compliance with PA 342

## 2018 Updates

- Delta Solar Park online with 24 MW of solar capacity
- East Lansing Solar Park (12/28/2018)
  - Installed capacity is 345 kW
  - Project is fully subscribed
  - Website: <https://micocommunitysolar.org/>
- The Net Metering Solar program update
  - Added 10 new Residential customers
  - Total number of customers: 23 Residential and 4 Commercial
  - Total New Metering Capacity is 160.65 kW as of 12/31/2018

## Net Metering Program



## Current Renewable Energy Portfolio

- Purchase Energy and RECs
  - Granger landfill gas – 11.2 MW
  - Tower Kleber Hydro – 2.2 MW
  - Exelon Wind in Gratiot County—19.2 MW
- BWL Owned
  - Solar (Cedar street and REO office building)

## Planned Projects

- Solar
  - Currently reviewing proposals for utility scale solar project
- Pursuing and Evaluating Wind Options
- Goals
  - Achieve 20% renewable goal by 2020

## Renewable Energy Challenges

- Community Acceptance
- Generation Dispatchability
- Storage Limitations

Ms. Myott reported that BWL implements its energy waste reduction and renewable energy programs under Public Act 295. Public Act 295 requires that municipal utilities update their governing board every year on their accomplishments for the previous year. Ms. Myott gave an update on BWL's Energy Waste Reduction (EWR) Program. Ms. Myott stated that the BWL offers a variety of programs and highlighted the different programs and information given to the community. Ms. Myott noted that the LED program is the most popular with customers.

Commissioner Zerkle inquired whether BWL was still providing seminars in neighborhoods for low income customers and Ms. Myott responded that Ms. Aileen Gow will provide information.

Commissioner Ross noted the success in large business in energy reduction and inquired about the opportunities for communities with a lot of rentals and low income, and the challenges of getting landlords to invest in energy saving technology. Commissioner Ross also asked if there is a network of utilities communicating about what programs are working. Ms. Gow responded that the Michigan Public Service Commission, who legislates the energy programs, has a state-wide group just for low income that meets monthly and shares a large amount of information. Ms. Gow also stated that a recent program was started in a high rental area with a copay for

landlords and it has been very successful. Refrigerators are replaced for rentals for 25% and homeowners for free. GM Peffley responded that the MMEA also reviews these types of programs.

Commissioner Graves commented that it was good that these programs were being implemented in the community especially for low income and stated that it was important to determine whether there was a return on investment. GM Peffley responded that 50% of Lansing's population is rental and landlords observe the investment with the refrigerators and a smaller electric bill.

Commissioner Graham commented that she was part of the rental property association and landlords discuss the program positively at the monthly meetings.

Commissioner Mullen asked what percentage of renewable energy was in retail sales and Ms. Myott responded that the BWL is currently at 15% and was required to meet 10% by the end of 2018.

Commissioner Zerkle inquired whether the BWL could work with the city to get a higher percentage of multi dwellings to participate in the programs as a large amount of low income units could use the energy savings with a new refrigerator. Ms. Gow responded that BWL contractors have worked with almost every property manager they can find and have also worked with the Lansing Housing Commission.

Commissioner Ross inquired about the effect of projects in townships currently compared to the past. GM Peffley responded that if wind projects become difficult to license in Michigan more solar projects will be considered.

#### **Wholesale Water Service Agreement with Charter Township of Lansing – West Side Water**

GM Peffley introduced Strategic Planning and Development Executive Director, Ms. Brandie Ekren, who reviewed the updates to the West Side Water Wholesale Water Service Agreement with Charter Township of Lansing. Ms. Ekren reported the following conditions in the agreement:

- Most of the general conditions remain the same.
- Allows for the full cost of service recovery based on an industry standard methodology.
- No requirement that there be a mutual agreement to terminate.
- Lansing Township provides the BWL with annual 10-year forecasts of demand.
- Provisions for how to handle requests for water in excess of planned demands.
- Establishes an operating committee and a contract administration committee.
- Language is included that is related to water efficiency and conservation.

Commissioner Zerkle asked that when there isn't a requirement for a mutual agreement to terminate is there a time frame of notice that needs to be given. Ms. Ekren responded that a standard notice requirement is required. Ms. Zerkle also asked what percentage Delta customers pay in comparison with what Lansing customers pay for water services. Ms. Ekren replied that she didn't have that information but any adjustments are factored into the cost of service.

Commissioner Ross asked whether BWL passed rates which govern the water contracts or do the contracts include a rate schedule. Ms. Brandie responded that there is a difference between a wholesale and retail agreement. In a wholesale agreement BWL negotiates a contract with the



township and the Commissioners approve the rates yearly. In retail agreements BWL contracts with individual customers and is handled during the normal rate making process.

Commissioner Froh inquired whether, outside of a long-term agreement where the savings would be realized with conservation, there has been any discussion of incentivizing savings for customers for going above and beyond attempts to reduce consumption. Mr. Peffley responded that on a wholesale agreement it is difficult to realize an incentive as the customer could bring on a new subdivision that would increase their water flow.

Commissioner Ross commented that this is a water service agreement and not a franchise agreement and therefore the dynamic of adding on fees doesn't apply.

Commissioner Mullen asked whether the water service will be billed along with the electric bill and whether water would be provided to communities further west than Lansing Township. Ms. Ekren responded that the township with whom the water service agreement is made will do the metering, invoicing, and billing. GM Peffley responded that Grand Ledge has made an initial contact with BWL but nothing further.

### Corporate Planning; Industry Updates and Considerations

GM Peffley reported that corporate planning will be a reoccurring agenda item to educate the Commissioners on the IRP, sustainability, and strategic planning so that they are able to answer questions out in the public. A flyer will be sent out every couple of weeks to the Commissioners also with updated information. Ms. Ekren presented industry considerations and introduced Planning & Development Manager, Steve Brennan, and Senior Rate Analyst, Paul Eory, to present updates on IRP and modeling.

**INDUSTRY TRENDS & CONSIDERATIONS**

- Investment in "clean" and "renewable" energy that supports W&S's health and promotes environmental sustainability
- Power supply
- Infrastructure needs for electricity and water
- Customer expectations and preferences
- Business competitiveness and economic development
- Technology and communication advancements
- Shifting regulatory compliance standards
- Industry business model evolution

**CURRENT ACTIVITIES UNDERWAY**

- Clear energy planning & goals
- Integrated resource planning
- Risk management principles and certification
- Enterprise risk management efforts
- District master plan review of steam and chilled water
- Public power branding
- Investment in technologies
- Inclusion, equity & diversity efforts
- Rate design strategies & efforts
- Business development & marketing efforts
- Implementation of 2016 Strategic Plan

**INTEGRATED RESOURCE PLAN: INDUSTRY INSIGHT & MODELING**

**GOAL:** Review industry data reports and provide to current state of utility resources as well as industry trends. Main areas of focus will be modeling energy and capacity markets as well as supply side resources and demand side resources. This research will be used to help provide direction on how BWL can provide clean, affordable and reliable electric service over the next 20 years.

**TARGET:** Integrated demand side management & Distributed Energy Resources (DER) Fuel Procurement, Renewable Electrification, Storage, etc. Transmission configurations

**DELIVERABLES:** Description of methods, assumptions and risks. Modeling of strategies of the following characteristics: environmental attributes, cost (affordability), reliability (diversity of supply vs. local needs)

**Industry Insight**

**Industry Insight & Modeling Value**

- What costs and direction are desirable or unacceptable, taking into consideration operational needs, regulatory, sustainability and stakeholder feedback.
- Rate changes
- Fuel mix
- Renewables
- Energy Efficiency
- Service regions
- Customer are important because asset choices can dramatically change economics/benefits
- Several options could have similar outcomes but different risk profiles.
  - Environmental Risk
  - Economic Risk
  - Reliability Risk

**BASE MODEL & QUESTIONS TO CONSIDER**

**Base Model**

- Minimum clean energy targets
  - 15% 2025
  - 40% 2030
- Belle River retires 2020
- Full computer-based optimization of resources gives the above assumptions

**Candidate Resources**

- Energy efficiency (EE)
- Demand response (DR)
- Customer-owned solar (OC)
- Utility-scale solar
- Li-ion Batteries
- Wind Energy
- Hydro Energy
- Electric vehicle encouragement program (EV)
- Combined heat & power (CHP)
- Internal Combustion Engines (ICE)
- Combustion Turbines (CT)

**Modeling Objectives**

**Software Modeling Purpose**

- Create a baseline understanding of technology capabilities, especially related to reliability, affordability and environmental impacts
- Drives the discussion to goals and trade-offs
- Modeling gives each resource type an equal chance of being in the least cost, least risk portfolio

**New Software Model: Ascend Analytics' PowerSimm Planner**

**Computing**

- ABB's Strategist model built using typical week averages
- One modeling result would take 24x history of computing time
- New model can run hundreds of simulations in less time
- More detail in modeling

**Simulations**

- Simulations based on chronological hourly dispatch
- Simulate weather and its impact on load, renewable, and market prices of gas and power
- Meaningful variation in load prices is correlated to identify probability of outcomes
- Highlights value of flexibility

**Risk Valuation**

- With hundreds of simulations, the software can calculate the risk premium of each study
- Lays out the playing field between portfolios of different risk characteristics
- Considers probability of the riskier outcomes

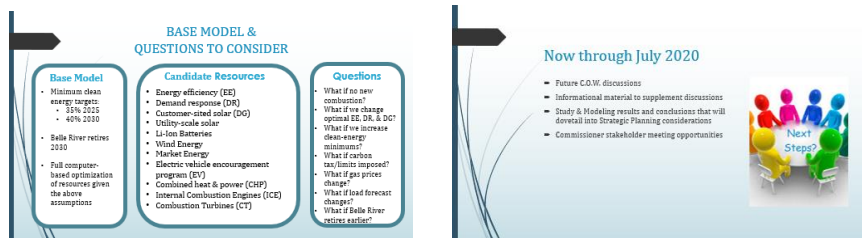
**Demand-Side**

- New software better integrates demand-side technologies, including energy efficiency, demand response and customer-sited renewables
- Flexibility of resources important to modeling

**Risk Premium: Illustrates Value of Future Risks**

**Modeling Results**

**Modeling Results**



Commissioner Zerkle inquired whether BWL is working with other APPA public power utilities in Michigan. GM Peffley responded that utilities contribute information through MPPA and MMEA.

Commissioner Thomas commented on being able to watch TV with Water & Steam Distribution Manager, Mr. Alando Chappell with the Boys and Girls Club and Electric Transmission & Distribution Director, Mr. Wayne Lynn on Turning Point and how they are helping inform the community.

Commissioner Zerkle inquired whether BWL would need to produce more electricity with the Belle River closing in 2030 or if BWL would have the capacity of selling more. GM Peffley responded that BWL has 11% ownership with Belle River which is in the amount of 150 megawatts and BWL's intent by 2030 is to have renewables in place.

Commissioner Ross asked what the minimum clean energy targets is defined as. Mr. Eory responded that minimum clean energy targets are defined as renewables and energy efficiency which is respectively 20% and 10% in 2020. Commissioner Ross asked if 30% of the generation portfolio would be renewables and 10% would be energy efficiency in 2030. GM Peffley affirmed. Commissioner Ross also asked about obtaining additional 1% efficiency every year and if it compounded. GM Peffley responded that 1% efficiency has been achieved every year and he doesn't have any concerns about meeting the goals for 2030 and 2040.

Commissioner Price asked if one of the outputs would be carbon footprint or made to do that. Mr. Eory affirmed.

Commissioner Ross inquired about the IRP, modeling and assumptions not being available or transparent, and if the software is standard. Mr. Eory responded that the software is starting to be deployed in Michigan and is mostly used by a few larger companies. Commissioner asked about the availability of the information. Mr. Eory responded that assumptions have been bundled and documented and the new model has templates that can be used and turned into white papers. Ms. Ekren responded that this model software allows more granular data and the information is readily visible.

Ms. Zerkle also asked about the providing of parking meters and charging stations for an increase in electrical vehicles in the future. GM Peffley responded that BWL is working with local developers to place charging stations around town.

Commissioner Price recommended that Commissioners attend the Strategic Planning meetings that would be held with customers and members of the public. Corporate Secretary Griffin will send an email to Commissioners of the meeting times when they are scheduled. Commissioner Zerkle recommended that these meetings be held separate from Committee of the Whole meetings to encourage longer discussions and also asked if the Internal Auditor would be contributing input to these meetings as he may audit some of the processes that are approved.



Internal Auditor Mr. Wesley Lewis responded that he and Ms. Ekren discussed the regulatory changes that are taking place and will be attending the meetings.

**Other**

**Motion** by Commissioner Graham, Seconded by Commissioner Ross, to excuse Commissioners David Lenz and Douglas Jester from tonight's meeting.

**Action:** Motion Carried

**Adjourn**

Commissioner Mullen adjourned the meeting at 6:47 p.m.

Respectfully Submitted  
Tony Mullen, Chair  
Committee of the Whole

Commissioner Ken Ross presented the Finance Committee Report:

**FINANCE COMMITTEE  
Meeting Minutes  
September 10, 2019**

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, 2019.

Finance Committee Chair Ken Ross called the meeting to order at 7:14 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Ken Ross, Tony Mullen, and David Price. Also present: Beth Graham, Joseph Graves Jr., Tracy Thomas, and Sandra Zerkle; and Non-Voting Commissioners Michael Froh (Meridian Township) and Larry Merrill (Delta Township).

Absent: Commissioner David Lenz

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to approve the Finance Committee meeting minutes of July 16, 2019.

**Action:** Motion Carried.

**Baker Tilly External Audit Report and Resolution**

Committee Chair Ross introduced external auditor Beth Ryers, Firm Director at Baker Tilly Virchow Krause, LLP. Ms. Ryers presented and highlighted the external audit report which included an audit overview, observations and recommendations, and required government communications. BWL received an unmodified or clean opinion which is the highest level of assurance provided.

Ms. Ryers' presentation was as follows:

Board of Water and Light – City of Lansing  
Finance Committee Meeting - 2019 Audit Presentation  
September 10, 2019

### Board of Water and Light – City of Lansing

## Agenda

- Audit overview
- Observations and Recommendations
- Required Communication to Governing Body

### Board of Water and Light – City of Lansing

## Audit Overview

- Audit performed in accordance with Generally Accepted Auditing Standards
- Audit objective – reasonable assurance that financial statements are free from material misstatement
- Financial statements of BWL received an **Unmodified Opinion**

### Board of Water and Light – City of Lansing

## Audit Overview

Financial Statements Include

- Auditors' report
- Management discussion and analysis
- Enterprise fund statements
- Consolidated pension trust statements
- Notes
- Required supplemental information
- Additional information

### Board of Water and Light – City of Lansing

## Audit Overview

- Audit assesses internal controls
- Internal control means by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources
- Controls must meet the goal and objectives of Operations, Reporting and Compliance

### Board of Water and Light – City of Lansing

## Audit Overview

Controls reviewed in key transaction areas

- Disbursements
- Payroll
- Billings
- Cash and investments
- Capital assets
- Information technology
- Financial reporting

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Enterprise Fund

- Reported net income of \$32,400,000
- Bond coverage was met in 2019
- There were no material weaknesses reported
- Implemented GASB 89

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Enterprise Fund

Operating Revenues – Four-year Comparison (in thousands)

	2016	2017	2018	2019
Water	\$ 38,771	\$ 38,738	\$ 41,324	\$ 42,851
Electric	803,618	812,835	895,391	891,251
Steam	1,283	14,464	22,012	16,760
Child Water	8,228	3,333	4,322	4,322
Operating Revenue	\$ 855,899	\$ 873,330	\$ 963,052	\$ 955,234

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Enterprise Fund

Operating Expenses – Four-year Comparison (in thousands)

	2016	Revised 2017	2018	2019
Production	\$ 176,368	\$ 205,513	\$ 220,124	\$ 244,277
Transmission and Distribution	23,365	23,940	27,823	28,879
Administrative and General	66,207	71,418	75,859	75,859
Regulatory Equity	23,284	21,842	20,942	21,111
Depreciation	61,162	62,330	65,220	65,112
Operating Expenses	\$ 320,386	\$ 385,042	\$ 425,978	\$ 475,038

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Enterprise Fund

Operating Income – Four-year Comparison (in thousands)

	2016	Revised 2017	2018	2019
Water	\$ 4,089	\$ 4,638	\$ 3,221	\$ 1,738
Electric	23,365	21,139	22,291	28,472
Steam	2,087	1,236	1,479	1,861
Child Water	2,271	3,025	3,881	3,054
Operating Income	\$ 22,812	\$ 20,038	\$ 21,882	\$ 34,932

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Enterprise Fund

Future Debt Service Requirements (in thousands)

	2020	2021	2022	2023	2024
Principal	\$ 7,609	\$ 7,392	\$ 12,242	\$ 11,774	\$ 12,230
Interest	31,443	30,845	30,489	29,938	29,360

Debt service after 2024 includes remaining principal payments of \$974,401,000 and interest payments of \$434,619,000 through 2046.

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Pension Plans

- Separate financial statements issued for each pension plan
- All three plans received unmodified audit opinions

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Future accounting standards

- GASB Statement No. 84, Fiduciary Activities effective for fiscal year 2020
- GASB Statement No. 87, Leases – effective for fiscal year 2021
- GASB Statement No. 91, Conduit Debt Obligations – effective for fiscal year 2022

### Board of Water and Light – City of Lansing

## Observations and recommendations

### Future accounting standards

- GASB Statement No. 84, Fiduciary Activities effective for fiscal year 2020
- GASB Statement No. 87, Leases – effective for fiscal year 2021
- GASB Statement No. 91, Conduit Debt Obligations – effective for fiscal year 2022

### Board of Water and Light – City of Lansing

We appreciate the help of the Board of Water and Light General Accounting & Finance Teams in preparing for and assisting in the audit!





## Discussion

Jodi Dobson, Partner  
D: 608 240 2469  
[Jodi.Dobson@bakertilly.com](mailto:Jodi.Dobson@bakertilly.com)

Bethany Ryers, Firm Director  
D: 608 240 2382  
[Bethany.Ryers@bakertilly.com](mailto:Bethany.Ryers@bakertilly.com)

Jeff Hurda, Senior Accountant  
D: 608 240 6794  
[Jeff.Hurda@bakertilly.com](mailto:Jeff.Hurda@bakertilly.com)

Commissioner Ross inquired about the number of staff that were working onsite. Ms. Ryers responded that 4-5 people were on site. Commissioner Ross congratulated Ms. Shawa and her staff for an audit well done.

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to forward to the Board Meeting the Acceptance of the Resolution for the 2019 Audited Financial Statements.

**Action:** Motion Carried.

### July YTD Financial Summary

CFO Heather Shawa gave a review of the July 2019 Year-to-date Financial Summary. Ms. Shawa reported the following: operating cash is budgeted at \$32.3 million and it is now near \$32.1 million; Net Income is budgeted just above \$4 million and it is now a little under \$8 million. Ms. Shawa noted that as July and August are typically slower months financial factors are typically under budget. Ms. Shawa also reported that credit on VEBA of approximately \$1 million was not known at the time of the budget.

### Internal Audit Report & Revised Internal Audit Work Plan



#### Internal Audit Status Report

Presented by:  
Wesley Lewis, Director of Internal Audit  
Finance Committee Meeting  
September 10, 2019

#### Overview

- FY 2019 Audit Plan Progress Report
- Background for Revised FY 2020 Audit Plan
- Proposed FY 2020 Audit Plan
- Revised Internal Audit Department Charter
- Other Items



#### FY 2019 Audit Plan Progress Report

##### Engagements Completed:

1. Customer Arrangements Audit (FY18 carryover)
2. Contract Signature Authority Compliance Audit (FY18 carryover)
3. Physical Security Audit (FY18 carryover)
4. COBIT Compliance Follow-up Audit
5. Change Management Follow-up Audit
6. Metering Services Audit
7. Vegetation Management Audit
8. Accounts Payable Audit
9. Surprise Cash Counts (2)
10. Employee Time Reporting Reviews (2)
11. Cybersecurity Policies Audit



#### FY 2019 Audit Plan Progress Report, cont'd

##### Engagement in Progress:

1. Procurement Audit (summarizing and reporting stage)

##### Engagement Deferred:

1. Project Engineering Audit (terminated and now deferred to FY 2021)



#### Proposed, Revised FY 2020 Audit Plan - Background

##### Basis for Plan:

1. The Predecessor Internal Auditor held meetings with Senior Management and Staff to discuss risks and potential audit topics in FY 2019.
2. Risk assessments for each of 100-plus auditable activities at BWL.
3. Consideration of rotational audits, audit areas with risk/scoping assessments, first-time audits, etc.
4. Identified more than 30 potential audits to perform in FY 2020 and beyond.
5. After the Predecessor Internal Auditor left and I came on board in July 2019, we followed-up with Senior Management on the proposed plan and determined that some of the needs of the business had changed since the initial plan was agreed upon. Thus, as a result of discussions with Senior Management, we made some revisions to the initial plan.



#### Proposed, Revised FY 2020 Audit Plan - Background

##### Top Six Engagements for FY 2020\* (as discussed and agreed with Senior Management, then priority-ranked by Internal Audit in order of importance and estimated timeframes):

1. **Cash Management and Treasury Audit (First Time Audit)**
  2. **Work Management (WM) (New Process and First Time Audit)**
  3. **Customer Projects (Last Audited in March 2015 and to be executed at the same time as the WM Audit)**
  4. **Energy Risk Management (Last Audited in June 2013)**
  5. **IT - Vulnerability Assessments (First Time Audit) Estimated start is Q4 2020.**
  6. **CFO - Fixed Assets (Last audited in May 2012) Estimated start is Q4 2020.**
- \* This plan is subject to change. Items that could change and alter the plan include staffing efforts, upgrade in audit technology and related training, ISO certification for Internal Audit, and special engagements.*



Proposed, Revised FY 2019 Audit Plan Hours

Planned Audit	Estimated Hours
Cash Management and Treasury (First Time Audit)	450
Work Management (First Time Audit)	450
Customer Projects	300
Energy Risk Management	300
IT Vulnerability Assessments (First Time Audit)	450
CFO - Fixed Assets	300
<b>Other Engagements and Projects:</b>	
Special Engagements	450
Consulting - Topics TBD	300
Periodic Reviews (cash count, time reporting, P-Card expense, etc.)	200
Continuous Audit Involvement (BSMART, Org Change Mgt, ISO 9001, etc.)	300
<b>Total Required Hours</b>	<b>3,500</b>



Footer

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Proposed, Revised FY 2020 Audit Plan Hours, Cont'd

Available Resources:

Resource	Position	Available Hours
Wesley Lewis	Director of Internal Audit	1,200
XXXXXX	Principal Internal Auditor	1,800
YYYYYY	Accounting Interns	500
<b>Total Hours</b>		<b>3,500</b>



Footer

8

Proposed Revised FY 2020 Audit Plan, Cont'd

- Questions?
- Recommend Approval of FY 2020 Audit Plan



Footer

9

Proposed Revised Internal Audit Department Charter

- Adds clarity and eliminates ambiguity regarding Internal Audit's rights and responsibilities.
- Promotes transparency and accountability of the Internal Audit function.
- Meets the requirements of the Institute of Internal Auditors International Audit Standards

We recommend approval of the revised Internal Audit Department Charter.

Footer

10

Other Items

1. Current Technology Upgrades
  - Internal Audit Management Software System
  - Information Analytics Tool, with Artificial Intelligence
2. Staffing
3. ISO Certification for Internal Audit



Footer

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Commissioner Zerkle inquired as to why the plan was revised. Mr. Lewis responded that there were some risks or requirements identified in April that no longer apply.

Commissioner Ross summed up that there were three additional factors that created the need to re-evaluate the existing audit plan:

- A new internal auditor at mid-year who assessed the existing audit plan and reviewed the risk rating methodology
- The number of work hours were decreased in the audit department due to succession and departure of staff
- An analysis of risk rate needed to be done to determine which items needed to be addressed first

Commissioner Zerkle asked if another Assistant Internal Auditor would be hired and Mr. Lewis affirmed. She commented that Mr. Lewis' goal was to conduct six audits and the usual goal was three or four. Mr. Lewis responded that additional audits have been planned in case circumstances arise where an audit can't be completed

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to accept the Revised Internal Audit Work Plan for FY 2020 and forward it to the full Board for acceptance.

**Action:** Motion Carried.

**Internal Audit Charter and Resolution**

Internal Auditor Wesley Lewis requested approval for the Internal Audit Charter Resolution.

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**Proposed Resolution**

**Internal Audit Charter Approval**

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter as amended to which conforms to the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors.

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Commissioner Ross commented that it was the previous Internal Auditor's preference to have a high level but brief document. The new charter is similar but with more detail.

Commissioner Zerkle asked if the Principle Internal Auditor would be considered a BWL employee and Mr. Lewis affirmed.

Commissioner Ross asked Mr. Lewis to provide an update on his CISA certification process. Mr. Lewis responded he has started studying for the exam and plans to sit for the exam in January or February in 2020.

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to adopt the Internal Audit Charter by Resolution and forward it to the full Board for consideration.

**Action:** Motion Carried.

**Other**

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to excuse Commissioner David Lenz from tonight's meeting.

**Action:** Motion Carried

**Adjourn**

Chair Ken Ross adjourned the meeting at 8:00 p.m.

Respectfully submitted  
Ken Ross, Chair  
Finance Committee

**MANAGER'S RECOMMENDATIONS**

None.

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

None.

**RESOLUTIONS**

**RESOLUTION 2019-09-01**

**To Amend Employee Contribution to Medical Benefits Plan**

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

WHEREAS, Public Act 152 of 2011 took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, Public Act 152 of 2011 created a "hard cap" for medical benefit plan years beginning January 1, 2012, such that a public employer may not pay more than the statutory caps for medical benefit plans, and;

WHEREAS, by a 2/3 vote of its governing body each year, a public employer may exempt itself from the requirements of Public Act 152 of 2011 prior to each benefit plan year, and;

WHEREAS, the Board of Commissioners have met each year and passed a resolution exempting the Lansing Board of Water & Light from the “hard cap” of Public 152 of 2011 and established premium sharing amounts for the applicable benefit plan years, as follows:

<b>Date</b>	<b>Resolution No.</b>	<b>Premium Sharing</b>	<b>Effective Date</b>
July 24, 2012	(#2012-07-01)	10% All Active Employees	January 1, 2013
July 23, 2013	(#2013-07-02)	12% All Active Employees	January 1, 2014
September 23, 2014	(#2014-09-03)	12% All Active Employees	January 1, 2015
July 28, 2015	(#2015-07-12)	12% All Active Employees	January 1, 2015
November 17, 2015	(#2015-11-02)	12% - Union Employees 14% - Non-Union Employees	January 1, 2016- 12% Union July 1, 2016 – 14% Non-Union
November 15, 2016	(#2016-11-06)	14% All Active Employees	January 1, 2017
September 26, 2017	(#2017-09-01)	16% All Active Employees	January 1, 2018
September 25, 2018	(#2018-09-01)	18% All Active Employees	January 1, 2019

RESOLVE that the Board by at least 2/3 vote desires to exempt itself from the requirements of Public Act 152 of 2011 for the upcoming benefit plan year, effective January 1, 2020 through December 31, 2020.

FURTHER RESOLVE that the Board desires to increase premium sharing from 18% to 20% for all active employees for medical benefits effective January 1, 2020.

**Motion** by Commissioner Ross, **Seconded** by Commissioner Thomas, to accept the Resolution to amend the PA 152 Health Care Premium Sharing Resolution.

**Action:** Motion Carried

**RESOLUTION 2019-09-02**

**Delegation of Authority: Health Care Plan  
Benefit Design and Administrative Decisions**

WHEREAS, The Lansing Board of Water & Light (BWL) is a municipally owned utility organized under the Lansing City Charter as permitted by the Home Rule Cities Act, MCL 117.4(f)(c), and governed by the Board of Commissioners (“Board”). The Lansing City Charter, Article 5, Chapter 2, delegates to the Board administrative, executive and policy-making authority over the operation of the BWL, which includes the full and exclusive management of water, heat, steam and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council.

WHEREAS, the Lansing City Charter states the Board shall appoint three individuals who report directly to the Board and serve at the Board’s pleasure; being a Director (also known as the General Manager), an Internal Auditor (also known as the Director of Internal Audit) and a Secretary (also known as the Corporate Secretary). The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which include but are not limited to the operation and management of the BWL.

WHEREAS, the Lansing City Charter further outlines the responsibilities and authority of the Board, which includes the compensation and benefits of BWL employees, and by virtue of this

responsibility and authority the Board is the Plan Sponsor of the Lansing Board of Water and Light Health Care Plan (the "Plan").

WHEREAS, the Board's role as the governing body for the BWL includes certain fiduciary duties such as acting in the BWL's best interest, protecting and enhancing the BWL for the benefit of its rate payers, exercising reasonable care, loyalty and good faith in actions and decisions, meeting legal and regulatory requirements, and assuring the General Manager, Director of Internal Audit and Corporate Secretary have adequate support and resources to effectuate their roles.

WHEREAS, in July of 2017, the Board approved a Governance policy which, among other things, adopted and established the General Manager's principal role to manage and operate the BWL and establish administrative and operational directives, standards guidelines and procedures that support Board approved corporate policies, strategies, projects and budgets.

WHEREAS, management of the Plan's benefit design and administration are necessary for the General Manager to manage and operate the BWL by maintaining a qualified workforce.

WHEREAS, The Board as Plan Sponsor of the Plan desires to further clarify and delegate authority to the General Manager to oversee and manage the Plan's benefit design and administration on its behalf.

RESOLVED, the General Manager is authorized to oversee and manage the Plan's benefit design and administration on behalf of the Board.

FURTHER RESOLVED, the General Manager may further delegate this authority for operational efficiency.

FURTHER RESOLVED, all benefit plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board.

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**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Lenz, to accept the Resolution for the Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions.

**Action:** Motion Carried

**RESOLUTION 2019-09-03**

**Fiscal Year 2019 Audited Financial Statements**  
**Of the Enterprise Fund and Pension Fiduciary Funds**

RESOLVED, that the fiscal year 2019 Audited Financial Statements of the Board of Water and Light have been reviewed and are hereby accepted as presented.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2019 Audited Financial Statements of the Board of Water and Light and the report on auditing procedures with the State Treasurer as required by the Uniform Budgeting and Accounting Act (Public Act 2 of 1968, as amended) no later than December 31, 2019.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2019 Audited Financial Statements of the Board of Water and Light with the City of Lansing no later than October 15, 2019.

**Motion** by Commissioner Ross, **Seconded** by Commissioner Lenz to approve the FY 2019 Audited Financial Statements of the Enterprise Fund and Pension Fiduciary Funds.

**Action:** Motion Carried

**RESOLUTION 2019-09-04**  
**Internal Audit Charter Approval**

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter as amended to which conforms to the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors.

**Motion** by Commissioner Mullen, **Seconded** by Commissioner Graham to approve the Internal Audit Charter.

**Action:** Motion Carried

**MANAGER'S REMARKS**

General Manager Dick Peffley provided information on the following items:

- The Delta Energy Plant project is on schedule and running smoothly. There are about 250 people working on site, a majority of the ground work is completed and it is expected that steel construction will begin in about a month.
- GM Peffley requested that the Finance Department investigate whether it is appropriate to give the DV pensioners an increase which hasn't happened since 12 years ago.
- The BWL Golf 4 Charity event held on August 23, 2019 raised money for wounded warriors. There were more than 72 teams that participated. The proceeds go to the Guardian Angels Medical Service Dogs, Inc., Pennies for Power and the Michigan State Women's basketball team. Service dogs cost about \$40,000 dollars each and over \$100,000 have been raised for the program. Pennies for Power receives 10% of the proceeds from the golf charity event and the Michigan State Women's basketball team receives another 10% of the proceeds.

GM Peffley introduced BWL General Counsel Mark Matus to give recent litigation updates. Mr. Matus reported the following:

- BWL settled with Lansing Township regarding a matter that began with 2013 assessments.
- A settlement was reached with the Environmental Protection Agency (EPA) regarding a notice of a violation that was received in 2015 regarding the Erickson plant.
- An amicable resolution was reached with the Environmental Protection Agency regarding a notice of violation that was received in 2018 regarding the Eckert station's mercury monitoring system.

Commissioner Ross asked if the contents of the settlements are public. Mr. Matus responded that the information will be available to the public. Mr. Matus added the following:

- The settlement with the Lansing Township was for \$75,000, and that Lansing Township wanted to offset their drain assessment which would have been in the millions of dollars.
- The settlement with the EPA for Erickson was for \$175,00 and a transportation electrification mitigation project of support for plugin vehicles and charging stations.



- The settlement with the EPA for Eckert was for \$17,500 and a renewable energy resource mitigation project for a school.

Commissioner Zerkle inquired about GM employees laid off, possible layoff of State of Michigan employees, parts suppliers being laid off and requests for assistance with their bills. GM Peffley responded that BWL Customer Service Representatives have been instructed that if customers call and identify themselves as being laid off or on strike, the customers will be provided an extended payment plan to avoid shutoff and will be directed to areas where they can receive funding.

Commissioner Froh commented on the strike issue and large customers asked what is in place in respect to the lost revenue. GM Peffley responded that the Finance Department is putting together a plan for the instance of the strike running long.

### **COMMISSIONERS' REMARKS**

Commissioner Froh recommended the viewing of an excellent public relations video regarding the 600 years of combined experience among employees that have been at the BWL for a long time. Commissioner Froh also commented on the Smart Meter public comments regarding the transmission times and inquired how many times per day that transpires. GM Peffley responded that in a normal state, about 95% of the time or not during a storm, the meter transmits twice a day for 20 seconds and it is less wattage than a cell phone.

Commissioner Zerkle wished Commissioner Graves well.

Commissioner Ross commented on the process leading up to the rules and regulations and rates for the upcoming year. The integration of Smart meters into the system and the roll out plan had been discussed and Commissioner Ross suggested the creation of a document or materials that provide facts about the specific type of Smart Meter units provided by BWL. Commissioner Price responded that the information is on the BWL website.

### **MOTION OF EXCUSED ABSENCE**

**Motion** by Commissioner Ross, **Seconded** by Commissioner Thomas, to excuse Commissioner Jester from tonight's meeting.

**Action:** Motion Carried

### **PUBLIC COMMENTS**

Mary Patenge spoke regarding the Smart Meter Program opt out.

### **ADJOURNMENT**

Chair Price adjourned the meeting at 6:03 p.m.

**From:** Beth Graham [<mailto:beth@bgappraise.com>]  
**Sent:** Monday, October 21, 2019 3:48 PM  
**To:** MDenise Griffin <[MDenise.Griffin@lbwl.com](mailto:MDenise.Griffin@lbwl.com)>  
**Subject:** Customer concern over water bill

Violet Polzin, 900 West

Jeremy! I am the property manager at 900 West. We have found the water meters to be faulty. Normally our bills range from \$250-350 and there was one building that was over \$5,000 for one month! Getting someone to come out is very hard but finally we got an answer about that meter (it was programmed wrong). We are currently working on the others but our usage is significantly higher in multiple buildings. I wish I would of saw this post earlier. I would of definitely joined the meeting. Is there anything that can be done to get someone out faster to audit and make sure the meters are reading correctly?

Thanks,

Beth L Graham RAA PMN e-Pro  
Certified Residential Appraiser

Submitted on Sat, 11/02/2019 - 4:03 PM

**Select a Commissioner:**

David Lenz

**Name**

CHERYL E HASKELL

**Address**

LANSING, Michigan

**Message**

Mr. Lenz,

Thank you for investment of time and effort on behalf of Ward I BWL customers. The matter being presented is worthy of your attention and investigation; specifically:

Spring/Summer 2019 a guest stayed with me while his father attended to Grandmother's business in Romania. This young man's medical condition required sustained-comfortable temperature and sleeping apparatus. Oftentimes, he did not sleep at night. Subsequently, electric use exceeded senior citizen rate and my BWL bill exceeded ability to remit entire amount.

September 10, 2019, BWL's Collin was contacted and arrangement made to remit \$200 payment, remainder paid by mid-October. BWL's automated system was used to process \$200 debit card.

Sept 16 approximately 9 am, electricity disrupted. BWL's "Outage" automated system stated outage resulted from "damaged equipment" power restored by 3 pm.

At 3:15 I contacted BWL's customer service; Supervisor Michelle informed me that disconnect resulted from nonpayment, that restoration of power required: \$348 payment, deposit \$198, reconnect fee \$60. She confirmed 9/10 arrangement with Collin, but claimed .20 cents remitted, not \$200.

After facts were restated; specifically, BWL acknowledged 9/10 contact with Collin, its automated system restated amount entered - \$200, and confirmed payment processed. 9/16, its "outage" system responded - specifically to my address: 1715 Bailey, "outage caused by damaged equipment in area . . . ."

The Supervisor agreed to reconnect service at that time with \$348 payment - current amount due, stipulated deposit and reconnect fees remitted October 25.

The following morning, I spoke directly with Michelle at BWL's Hage Drive building. After restating reason for excessive bills, as well as my inability to pay an additional \$258 for deposit and reconnect fees, Supervisor Michelle stated, "Oh, you will pay the reconnect fee (\$60), but I will take off the deposit."

Although the \$60 reconnect fee did not display on October's statement; the \$348 payment - \$148 more

than anticipated, resulted in two NSF fees @ \$31 each. Although, I have "Bounce Protection - fees are imposed.

This incident was disruptive and disturbing to me, as well as my medically and psychologically challenged guest. I was insulted, the Supervisor implied that I attempted to scam BWL by promising \$200 payment, but inputting .20 - not rational but very, very insulting to me.

I have had problems keeping account current in past, but never-ever intentionally and am working to bring account current in an effort to qualify for equalized monthly payments in the amount of \$126 that will be automatically remitted by Dart Bank Direct Bill Payment, each month.

On behalf of all BWL customers, please investigate this egregious incident and mandate Supervisor Michelle required to take sensitivity training, as well as logical thinking.

Respectfully,

Cheryl E. Haskell

Submitted on Sun, 11/03/2019 - 9:36 AM

**Select a Commissioner:**

Douglas Jester (Non-Voting)

**Name**

Wendy Larson

**Address**

East Lansing, Michigan

**Message**

Hi Doug,

Can you help me with a question related to streetlights in our neighborhood in East Lansing? We live in Shaw Estates, and as bulbs burn out they are being replaced with harsh white bulbs that completely change the character of our streets. Instead of the soft golden light we are used to, it feels like walking in a Walmart parking lot. I actually feel less safe when I walk under these lights with my dog at night because it is so blinding that I feel exposed and I can't see the area around me. My neighbor tells me that after they replaced the bulb in front of her house, she has to keep the shades down because the light can trigger migraines.

I realize that it may seem like a small matter compared to larger issues, but it is important in terms of the quality of our neighborhood. I'm all for LED lights but they do come in much softer colors. We now have a disturbing mixture of bright white and golden lights including the two lights at our entrance on Harrison. I would like to find out how we can replace the harsh white bulbs with softer colors that match the other ones so we have some uniformity.

I've called BWL a few times to ask about this but never can get past the recording. Should I bring this up with the city instead? Any help you can provide would be greatly appreciated!

Thanks so much,  
Wendy Larson

**Received:** Tuesday, November 12, 2019 11:00 AM

**To:** BWL COMMISSIONERS

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

Submitted on Tue, 11/12/2019 - 11:00 AM

**Message**

From: Steve Rall

Lansing, MI

email: [steverall@sbcglobal.net](mailto:steverall@sbcglobal.net)

Can We Trust the Board of Water and Light? What does history tell us?

It is clear that global warming is not a benign and gentle change but a full-fledged emergency, a crisis that our best scientists have been trying to warn us about for decades. But the BWL continues in a lethargic “business as usual.”

Case in point: In 2008 it was clear that the Lansing Board of Water and Light needed to add new generation as the aging Erickson and Moores River coal plants were in need of being replaced. So how did the LBWL respond? Build another coal plant!

They brought in industry “modeling” software and developed multiple scenarios and then presented to the public their conclusion—a one billion dollar (\$1,000,000,000) coal plant. A citizens advisory committee was formed with leaders from the community including our former esteemed State Attorney General Frank Kelly as its chair. We sat through public meetings where “industry experts” came with their dog and Power Point shows. Luckily, that committee eventually realized that it was more like the fox in the hen house than dogs and ponies.

Change is difficult for most of us. For the Board of Water and Light, coal was what they knew. Many in the community were asking back then for our public municipal power plant to move totally away from fossil fuel generation to a mix of renewable energy and energy efficiency. But LBWL didn’t know anything else. Asking them to change to entirely new technologies was just out of the question.

Environmental experts, health advocates and those of us who were deeply concerned about the effect of greenhouse gases on our children and grand children struggled to convince the LBWL. So a partial victory was achieved when the Citizens Advisory Committee agreed that the one billion dollar coal plant was “a boondoggle” as one member described it. What to do? Let’s go with “cleaner” natural gas, they concluded. “Natural” gas sounds good. Coal is natural, too. Duh! But green house gases are not natural. They are human made— serious pollutants, affecting our health and the health of those who have to live the 30-50 years while a “fracked” gas plant continues to burn up our money and pollute our environment. The LBWL promoted the Reo gas plant as a “bridge” to a green, renewable energy future. But what we weren’t told was that the fracking process that produces the natural gas and transports it to power plants has serious pollution problems of its own, and in some estimates makes it nearly equal to coal in its overall effect on the environment. So what did we get? A shiny new polluting gas plant and refurbished train depot.

Well, through a similar process that brought us the Reo plant, the LBWL has broken ground on a huge new natural gas plant or what we like to refer to as a “fracked gas plant”— hundreds of millions of dollars for 30+ years of continuous pollution when we need to be fossil free by 2030.

Now they are asking for input on the new Integrated Resource Plan (IRP). They’ve been asked by the City Council to form a citizens committee. What good can this accomplish now that they’ve already broken ground on a new fossil fuel plant.

Can we trust the LBWL? The LBWL was presented with other greener options—smaller plant, newer technologies that were not included in their so-called scenarios like battery storage, distributed energy

resources, substantial promotion of roof-top solar. Besides, now that they know how to do natural gas—why not a huge one? What happened to the “bridge to a greener future?”

LBWL sells electricity. The more they sell the better they can sell us on their success. Ask LBWL how much they have spent on their slick TV public relations campaign. Do they sell “success” at the expense of ratepayers and the health of our children and grandchildren—let alone the health of our planet?

Harvest Park in Dimondale, which includes the new marijuana processing facility, will need a lot of electricity. As leaders in moving to our energy future, did LBWL promote and assist Harvest Park in moving to net zero carbon pollution from the beginning or did the LBWL let them know that with the new fracked gas plant, LBWL will be able to provide them with all the electricity they’ll need? I contacted Harvest Park and they did not respond to these questions. This sounds too much like “business as usual.” I contacted McLaren with the same result.

Can we trust the LBWL this time? Remember the ice storm? Recent flooding? Heat waves? The hacking of the LBWL computer system and ransom payment? And little has been reported about the Sierra Club’s law suit against the LBWL for multiple violations of the Clean Air Act which led to court required early retirement of the Moores River and Erickson plants.

A friend recently invested \$20,000 in solar on their property. They are able now to supply enough of their own electricity, with the comfort of knowing they are reducing the need for fracked gas electricity from the LBWL. Their home is still connected to the grid in case they need more. They are also connected so that they can sell back to grid what they don’t need. It’s a win-win for all. In this case, if electricity generation is spread out and shared throughout the region, it reduces the need for a massive central power plant. This notion of distributed generation protects us from a major shutdown of a central power plant through outside attack or a grid “blackout.”

Could the hundreds of millions of dollars for this new fracked gas plant be better spent on helping home owners and businesses move more quickly to solar or other renewable sources?

Five hundred million dollars, the estimated cost of the new gas plant, would provide solar for 25,000 residences and when connected to the grid would reduce the need for the huge central power station significantly. This would reduce electric bills of those moving to solar and the difference could be the means to pay back the LBWL for their investment in the community and that payback would provide funds to provide solar for additional residences and continue to expand this kind of distributed and renewable generation.

Not everyone can go totally solar or wind. But isn’t it more reasonable, instead of spending millions of dollars for a gas plant, to promote and help finance individual homeowners and businesses to become energy producers? In general, what we spend on solar energy, we earn back in savings over the life of the investment. The “fuel” for solar energy is free and does not pollute. On the other hand, the hundreds of millions we will spend on an eventual 30 year old obsolete fracked gas plant will be lost forever.

But they’re already breaking ground for the new gas plant? What can we do to stop it? One small step is to demand that LBWL not build gas-fired “peaker” plants. Across the country plans for these small gas generators are being mothballed for less expensive battery storage efforts which provide backup for hot summer days when air conditioners call for more electricity. It’s a step, a small step that the LBWL can take now. They can also reduce the size of the \$500 million, 300 megawatt planned facility. Contracts can be renegotiated, plans changed.

In my thinking, the climate crisis takes precedence. If an asteroid is coming in our direction, it’s going to be difficult to argue that we can’t afford to try to stop it. In the case of our gas plant, there are less expensive and more practical approaches to our future energy needs—distributive generation, ramping up renewable generation and what is now being called “waste reduction technology” formerly called energy efficiency or energy optimization. And, it will add to a planet wide effort to reduce the climate crises that we are already experiencing in Lansing, in our country, and across the planet.

## HUMAN RESOURCES COMMITTEE

### Meeting Minutes

November 5, 2019

The Human Resources 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 5:00 p.m. on Tuesday, November 5, 2019.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Tracy Thomas, Anthony Mullen, and Sandra Zerkle. Also present: Commissioners David Price and Ken Ross; and Non-Voting Commissioner Doug Jester (E. Lansing) (arrived 5:13 p.m.) and Larry Merrill (Delta Township) (arrived @5:02 p.m.)

Absent: Commissioner Beth Graham

#### **Public Comments**

None

#### **Approval of Minutes**

**Motion** by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of September 10, 2019.

**Action:** Motion Carried.

#### **Delegation of Authority: Retirement Plan Design and Administrative Decisions**

Mr. Michael Flowers, Executive Director of Human Resources, introduced Mr. Scott Taylor, Finance Manager, who explained the Delegation of Authority for the Administrative Decisions in the Retirement Plan Design. Mr. Taylor stated that there are investment board responsibilities and administrative board responsibilities in the retirement plan. Administrative decisions consist of determining plan qualifications for employees, making and authorizing benefit payments, handling enrollments, authorizing loans, hiring the plan administrator and monitoring performance, hiring the plan actuary, hiring the plan auditor and tax reporting. The proposed resolution is for official delegation for the authority to make the administrative decisions. The resolution also includes authority for benefit design changes and formally calls for any changes to be communicated to the board at the next available meeting. The resolution on the agenda for the lump sum payment for DB plan participants is considered a plan design change. Mr. Taylor noted that the resolution doesn't delegate authority to terminate or freeze the plan.

Commissioner Mullen inquired why the finance area was conducting the discussion about the administrative decisions. Mr. Taylor responded that the retirement plan committee, of which he is a spokesperson, advises on the decisions for the management.

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Proposed Resolution

**Delegation of Authority: Retirement Plan Design and Administrative Decisions**

WHEREAS, the Board of Water and Light is the “Sponsor” of 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 wishes to delegate certain administrative and plan design authority over the Plans to the General Manager who may further delegate to the Retirement Plan Committee or any successor of the Committee performing the same duties (the “Committee”).

THEREFORE, it is:

RESOLVED, that the Sponsor expressly delegates to the General Manager, and at the discretion of the General Manager the Committee, authority to perform administrative functions such as the authority to appoint and remove the Plan Administrators; facilitate administration of the Plans and communications to participants and Plan Administrators; engage consultants and services; alter the Plans’ design to address changes in business needs and industry practices and take all actions necessary to carry out the terms of the Plans. To the extent the General Manager or Committee has performed such functions prior to this express delegation, those actions are hereby approved. The Sponsor does not delegate to the General Manager or the Committee authority to freeze or terminate the Plans, and all Plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board.

FURTHER RESOLVED, that the Sponsor indemnifies and holds harmless the General Manager and each member of the Committee from and against all liability of any kind, including, without limitation, court costs, attorneys’ fees and other expenses that arise from any legal or administrative proceeding of any kind that is brought by any person, entity or government agency in connection with the General Manager’s or the Committee’s discharge of its duties relating to the Plans; provided, however, that this indemnification shall not apply with regard to any proceeding in which the General Manager or a Committee member is found to have been grossly negligent or to have violated a law or committed a crime.

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**Motion** by Commissioner Zerkle, Seconded by Commissioner Mullen, to forward the proposed resolution for Delegation of Authority: Retirement Plan Design and Administrative Decisions to the full Board for consideration.

**Action:** Motion Carried.

**Payment for Eligible Defined Benefit Plan Participants**

Executive Director of Human Resources, Mr. Michael Flowers, presented the resolution for the payment for eligible defined benefit plan participants.

Commissioner Zerkle expressed appreciation for the extra pension that will be given to retirees from long ago with this resolution. General Manager Dick Peffley noted that the payment is less than 1% draw down on the fund.

Commissioner Mullen asked why there wasn't a standard cost of living adjustment as the pension amount for the long-ago retirees isn't that much. GM Peffley responded that the benefit plan is reviewed annually and the fund balances are taken into serious consideration.

Commissioner Ross provided some key facts regarding the fund balance: the fund balance is currently at 112% and the overall financial impact would be approximately \$485,000; the resolution will bring the fund balance to 111%; because there is a taxable issue the payout will be deferred to 2020; and the BWL is not obliged contractually to provide in any given year an extra benefit.

Commissioner Zerkle asked for confirmation that the money is being taken from the defined benefit fund which is currently 12% overfunded and GM Peffley affirmed.

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Proposed Resolution

**Payment for Eligible Defined Benefit Plan Participants**

RESOLVED, that a lump sum payment be made to Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions ("Defined Benefit Plan") participants eligible to receive plan payments as of November 19, 2019, equal to \$65 for each year retired prior to July 1, 2019, rounded up to the nearest whole year.

Staff Comments: This resolution is intended to exclude participants not currently receiving pension payments such as active participants and terminated vested participants.

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**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Mullen, to forward the proposed resolution for Payment for Eligible Defined Benefit Plan Participants to the full Board for consideration.

**Action:** Motion Carried.

**Other**

**Motion** by Commissioner Mullen, **Seconded** by Commissioner Zerkle to excuse Commissioner Graham from tonight's meeting.

**Action:** Motion Carried

**Adjourn**

**Motion** by Commissioner Zerkle, Seconded by Commissioner Mullen, to adjourn the meeting.

**Action:** Motion Carried

Meeting adjourned at 5:16 p.m.

Respectfully Submitted,  
Tracy Thomas, Chair  
Human Resources Committee

# COMMITTEE OF THE WHOLE

## Meeting Minutes

### November 5, 2019

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, November 5, 2019.

Committee of the Whole Chair Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Tony Mullen, David Lenz, David Price, Ken Ross, Tracy Thomas, and Sandra Zerkle and Non-Voting Members: Michael Froh (Meridian Township), Douglas Jester (East Lansing), and Larry Merrill (Delta Township)

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

### **Public Comments**

Commissioner Price introduced Mr. Deshon Leek the new anticipated 3<sup>rd</sup> Ward.

### **Approval of Minutes**

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole meeting minutes of September 10, 2019.

**Action:** Motion Carried.

### **Corporate Planning: Update on Approved 2016 Strategic Plan**

General Manager Peffley introduced Strategic Planning & Development Executive Director, Ms. Brandie Ekren who presented an update on the approved 2016 Strategic Plan.

**Strategy 5: Workforce**  
Goal: Maintain a strong and diverse workforce

**Progress**

- Developed organizational change management program, which includes industry certifications
- Highlighted job development and compensation structure
- Provide additional benefits opportunities (health care, childcare programs, identity protection, etc.)
- Development of Diversity Inclusion and Equity program, which includes committee and strategic outcomes
- Increased investment in P3 LEEP and college internship program
- Transitioning employees impacted by the closure of Eckert and deployment of AMI into other positions
- Formed cadasters on replacement and succession planning, which includes critical position identification and succession
- Development of Learning Management Program

**Strategy 6: Financial Stability**  
Goal: Maintain the financial stability of the BWL

**Progress**

- Implementation of 3 year rate strategy
- Engaged stakeholders to identify and implement cost saving opportunities
- Continued credit rating of A+/A1
- On target to meet Rate of Return goal
- Engaged workforce to identify and implement cost saving opportunities
- Evaluating Organizational Efficiency and Strength by Executive Team

**Strategy 7: BWL Leadership**  
Goal: Continuous improvement

**Objectives**

- Increase organizational efficiency and strength
- Refine safety practices
- Enhance the team culture
- Lead in clean energy and demand response
- Ensure regulatory compliance
- Develop new leaders

**Progress**

- Conduct Strategic process of Department Safety coverage
- Improve safety assessment
- Increase Executive Reserve capacity and increase regulatory response of organizational resources
- Monthly Executive Reserve
- Conduct Strategic process of Executive Reserve
- Increase efforts that support organizational success with P3
- Implementing of Learning Academy Program for current and emerging leaders
- Investment in Clean Energy projects and programs for portfolio growth
- Advanced Management and operational Alignment with strategic vision and goals
- Developing an Executive digital management program which includes regulated risk assessment and risk response
- High level of operational readiness to handle regulatory compliance
- Identify and address customer concerns through feedback including Customer Challenge Plan Experiences and Recommendations
- Development of Learning Academy Program for current and emerging leaders

Commissioner Zerkle asked if the 86% approval rating was based on the last survey taken and GM Peffley affirmed and stated that the next survey will be sent out this weekend. Ms. Ekren stated that the last survey was geared towards customer satisfaction and that the next one is geared towards the integrated resource plan.

Commissioner Jester asked who was formalizing the survey process. GM Peffley stated that it was a combination of Ms. Ekren’s group, Mr. Serkaian’s group, and Mr. Bernie Porn from EPIC MRA. Commissioner Jester asked if the board could get a copy of the survey in advance and GM Peffley affirmed. Commissioner Jester asked for the schedule for the customer information system. Ms. Ekren and GM Peffley responded that it will be the second quarter in 2021.

Commissioner Zerkle asked for a brief explanation of the Hometown Leaders Campaign and the Greenwise Program. Ms. Ekren responded that the Hometown Leaders Campaign was put together by Communications. It consists of billboards, advertisements, and social media. The Greenwise Program is an opportunity for customers to invest directly into renewable energy. The Greenwise Program came into existence in 2001 and has been updated to be more attractive and marketable to customers. GM Peffley stated that the Hometown Leaders Campaign is one of BWL’s most successful campaigns. Commissioner Jester asked Ms. Ekren to address organizational resilience. Ms. Ekren recommended that organizational resilience be presented as a future agenda topic as it includes training, investing in infrastructure, training employees, and updating policies.

Commissioner Zerkle inquired about new technology training for the Erickson plant employees transitioning from the Erickson plant to the new plant. GM Peffley responded that the transition will be from the Eckert station and the operating staff are working at REO. At the beginning of the year, the staff will start formal training for the Delta Energy plant.

**Corporate Planning: BWL’s Clean Energy Journey**

Strategic Planning & Development Executive Director, Ms. Brandie Ekren presented BWL’s Clean Energy Journey. Ms. Ekren highlighted three critical points: sustaining the environment and natural resources is foundational to the BWL; the BWL Clean Energy Journey began long before it was required by law; and the commitment to the planet and cleaner energy future will continue.

**Clean Energy Journey**  
Sustaining the environment and natural resources is foundational to the BWL. The BWL's clean energy journey began long before it was required by law. The commitment to the planet and a cleaner energy future continues.

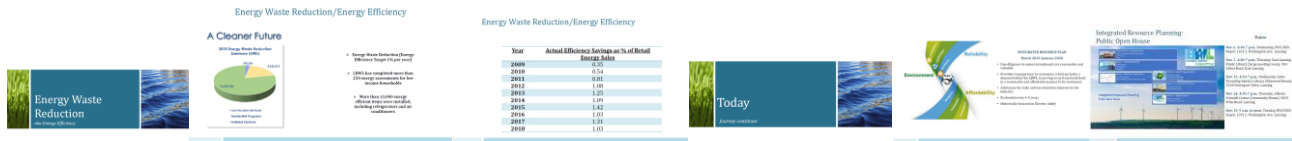
**Mission Statement**  
The mission of the BWL is to provide safe, reliable, and affordable utility products and services to the Greater Lansing Region. Together, the BWL's board, management, and employees will plan for sustainable growth, be responsibly invested and involved, and actively participate in the Lansing Community's economic and cultural activities.

**Vision Statement**  
The future of the Lansing Region of Michigan is to be safe, reliable, and affordable utility products and services to the Greater Lansing Region. Together, the BWL's board, management, and employees will plan for sustainable growth, be responsibly invested and involved, and actively participate in the Lansing Community's economic and cultural activities.

**Value Statements**  
The BWL's commitment to providing safe, reliable, and affordable utility products and services to the Greater Lansing Region is foundational to our success. We are committed to being a responsible and engaged member of the community, and to providing a safe and secure environment for our employees and customers.

**Our Commitments**

- 2007**: Commitment to providing safe, reliable, and affordable utility products and services to the Greater Lansing Region.
- 2008**: Commitment to being a responsible and engaged member of the community, and to providing a safe and secure environment for our employees and customers.
- 2014**: Commitment to providing safe, reliable, and affordable utility products and services to the Greater Lansing Region.
- 2015**: Commitment to being a responsible and engaged member of the community, and to providing a safe and secure environment for our employees and customers.
- 2016**: Commitment to providing safe, reliable, and affordable utility products and services to the Greater Lansing Region.
- 2017**: Commitment to being a responsible and engaged member of the community, and to providing a safe and secure environment for our employees and customers.



Commissioner Froh asked where BWL stood with the 2016 goals for 20% renewables by 2020. Ms. Ekren responded that BWL is on pace to meet that goal. GM Peffley responded that 20% renewable energy and 10% energy efficiency are the parts of the 30% clean energy goal. GM Peffley added that wind development energy in Tuscola County is expected by the end of the year.

Commissioner Ross asked for a definition of the terms future clean energy goals of 20% and 40%, renewable components and efficiency components. Ms. Ekren responded that clean energy is a combination of energy fuel source and the consumption of energy, energy efficiency and waste reduction. The goal for 2020 is 20% renewable and 10% energy efficiency. Commissioner Ross asked if 100 Mega Watt (MW) of power was generated what would 20% entail. GM Peffley responded that 20 MW would be renewable which would be a combination of wind, solar, natural gas and a small piece of hydro. Commissioner Ross asked whether the 20% of generation in the renewable portfolio would be from BWL or purchased. GM Peffley responded that purchase power agreements are made only when the 30% tax credits can't be captured. GM Peffley also responded that Renewable Energy Credits (REC) are not being used, at this time. Ms. Ekren responded that the energy efficiency annual goal is set at investing 1% in qualified programs. GM Peffley responded that 40% in renewable energy by 2030 is scheduled and it will be a mix of renewables and energy efficiency. Commissioner Ross also asked about informing the customers about future intentions and the rate strategy, obtaining feedback, and to see if the BWL is on target for 100% renewable energy. GM Peffley responded that BWL is ahead of the target for 100% renewable energy and that goals are provided to the customers.

Commissioner Mullen asked if the BWL is listening to customers regarding the IRP as 80% of revenue is from commercial and residential customers. Ms. Ekren responded that she has been meeting with commercial industrial account customers and interest groups and offered to resend the information regarding stakeholder engagement. GM Peffley stated that increasing the commercial industrial part of the company will keep the residential rates lower.

Commissioner Lenz asked if the commercial industrial customers have the option to buy power from other utilities. GM Peffley responded that there is an exclusive agreement in Lansing and East Lansing but not in Delta Township.

Commissioner Lenz asked if paid energy assessments were offered for non-low-income customers and GM Peffley affirmed and stated that the assessments were offered to landlords and informed them of the benefits of investing in the program. Ms. Ekren stated that there was a double benefit in that low-income tenants will have affordable utility bills and energy efficiency will be addressed.

Commissioner Zerkle asked if energy efficiency evaluations were conducted on larger customers. GM Peffley responded that BWL had a full-time engineer at General Motors whose responsibility was to find energy savings for them. Commissioner Zerkle asked if small non-profits could request an energy evaluation and GM Peffley responded in the affirmative.

Commissioner Jester asked about bill repayment programs. Ms. Ekren responded that the programs are being evaluated. CFO, Heather Shaw responded that the programs are being evaluated for commercial industrial systems.

Commercial Ross asked if installing energy efficient windows would allow a percentage to be paid off. Ms. Ekren responded that that is on bill financing which is currently being evaluated, but a rebate or incentive could be offered. Ms. Ekren explained that bill financing is designed to allow the customer to invest in renewable generation.

Commissioner Jester stated that important strategies of bill payment programs are a split incentive for landlords and tenants, the credit enhancement for people who don't have the credit for a personal loan and the guarantee of a net savings after the energy efficiency benefits.

Commercial Zerkle commented that after the Smartmeters are installed and customers are educated on how to wisely use the meters and to save water and electricity, there will need to be an evaluation on the effectiveness of the education.

Commissioner Ross asked, regarding the last IRP process which included public meetings, how the open house with stations will work in capturing feedback. Ms. Ekren responded that the model was created for those who do not have an opportunity to give feedback during public meetings and to eliminate the utility company lecturing to the public in the process. Each station will give instruction to those who give feedback.

#### **Regular Board Meeting Schedule for 2020**

Committee of the Whole Chair Mullen presented a proposed Resolution setting the BWL Board of Commissioners 2020 Regular Board Meeting Schedule as directed by Section 1.1.2 of the BWL's Rules of Procedure.

**Motion** by Commissioner Price, **Seconded** by Commissioner Lenz to forward the 2020 Regular Board Meeting Schedule Resolution to the full board for consideration.

**Action:** Motion Carried

#### **Other**

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas to excuse Commissioner Graham from tonight's meeting.

**Action:** Motion Carried

#### **Adjourn**

Commissioner Mullen adjourned the meeting at 6:36 p.m.

Respectfully Submitted  
Tony Mullen, Chair  
Committee of the Whole

# FINANCE COMMITTEE Meeting Minutes November 5, 2019

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, November 5, 2019.

Finance Committee Chair Ken Ross called the meeting to order at 6:45 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Ken Ross, David Lenz, Tony Mullen, and David Price. Also present: Commissioner Tracy Thomas, and Non-Voting Commissioner Larry Merrill (Delta Township).

Absent: None

The Corporate Secretary declared a quorum.

## Public Comments

None.

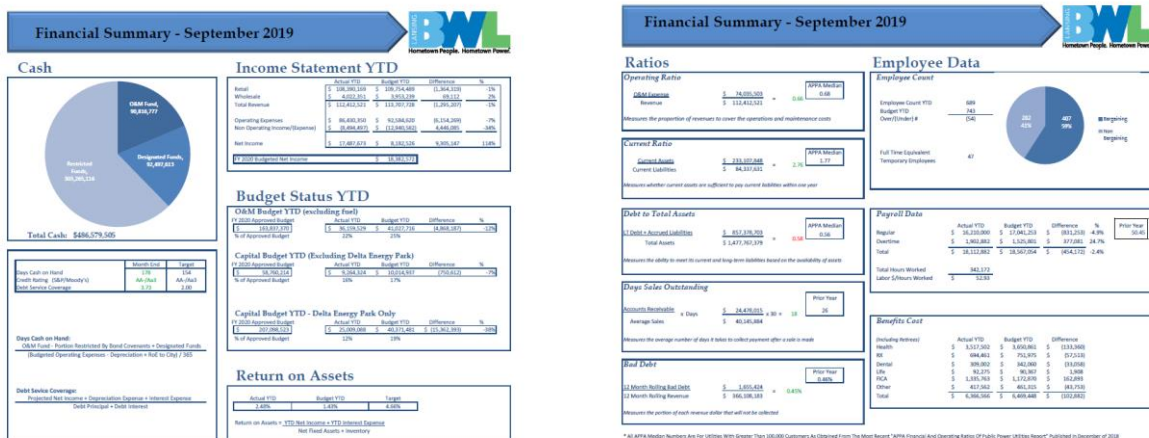
## Approval of Minutes

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to approve the Finance Committee meeting minutes of September 10, 2019.

**Action:** Motion Carried.

## September YTD Financial Summary

Chief Financial Officer (CFO), Heather Shawa presented the following:



Cash on hand for YTD is \$178 million which are well above the target in the budget, as is the Debt Service Coverage. The Income Statement Q1 results for Total Revenue are under budget \$1.3 million. The YTD budgeted Net Income is \$8 million and the current Net Income is well over that. The FY 2020 Budgeted Net Income of \$18.3 million is expected to be achieved or



exceed slightly. The Budget Status YTD for Capital Projects is on track and the Delta Energy Park spend is trending up toward budget. Return on Assets for quarter one is well over net income budget. Ms. Shawa reported that four of the five ratios are on track and that Debt to Total Assets will level out throughout the year. Employee Data is consistent with prior months. Payroll Data and Benefits Cost is tracking in line with budget as well.

Commissioner Lenz asked from where the operating expenses savings are realized. Ms. Shawa responded that some of it is timing in budgeting an expense compared to when the expense is realized. Ms. Shawa responded that there was a positive VEBA adjustment that was reported for the last financial summary which has a cumulative effect that will be carried out for the rest of the fiscal year. Ms. Shawa also responded that the Non-Operating Income under budget is unrealized gains.

Commissioner Lenz asked if temporary or full time equivalent employees are budgeted or projected out for the year. Ms. Shawa responded that there is a labor budget and outside services are budgeted.

### **First Supplemental Utility System Revenue Bond Resolution**

Ms. Shawa reported that due to historical market lows the BWL is in a very good position to refund the 2011 Series bonds for the REO plant. Ms. Shawa introduced bond counsel from Miller Canfield, Mr. Bill Danhof and Mr. Jeff Aronoff. Ms. Shawa introduced Finance Manager, Mr. Scott Taylor, to review the bond resolution authorizing the CFO to carry out refunding of the bonds. Mr. Taylor explained the bond issuance process as tax exempt revenue bonds that are 30 years from maturity and have a 10-year call feature. The 10-year call feature means the point at which the bond can be refinanced. Tax exempt means a favorable borrowing rate, and revenue bonds means payment is made by the revenues of our system. In 2011, \$250 million in bonds were issued to fund the REO plant and in 2021 these bonds will be 10 years old. Due to a 2017 tax law change, the ability to advance refinance the debt with tax exempt bonds can't be done as has been done in the past, but taxable money is able to be borrowed now and set aside to pay the debt when it is callable in 2021. Mr. Taylor noted that it is not always a good idea to do an advance refunding but the rates are very low right now. The tax savings would be for the remaining 20 years. The plan is for a December bond issuance unless market conditions change or otherwise, which would then lead to a January issuance. Mr. Taylor requested approval of the board of the bond resolution.

Commissioner Mullen questioned why the BWL would not wait until 2021 to refinance with the tax exempt status and a better interest rate since interest rates are trending down. Mr. Taylor responded that that was taken into consideration, but experts believe there is more room for the rates to go up than down, and there will be a major re-election before the tax exemption refunding would take place.

Commissioner Ross asked what the approximate differential basis points between taxable and nontaxable municipal bonds and what is being issued. Mr. Taylor responded that about 30 basis points was reported. Commissioner Ross also asked what the increase in cost would be to

customers. Mr. Taylor responded that it will be a net savings to customers as it is to the BWL. Commissioner Ross asked what the difference would be of issuance on a tax-free basis as they used to be. Mr. Taylor responded that savings will be realized as proposed and another 10-year call action will be included which will allow converting to tax exempt debt again. Commissioner Ross noted that there is a trade for a slightly higher premium and the flexibility to choose when to refinance. Commissioner Ross asked what the refinancing bond issuance costs would be and what the return would be over the refinancing period. Mr. Taylor responded that the refinancing bond issuance costs would be approximately \$1.5 million and the return would be over \$2 million dollars a year in average cash flow savings.

Commissioner Mullen asked whether the resolution requires that an action be taken and Ms. Shawa responded that the resolution authorizes a transaction but does not obligate a transaction.


Commissioner Ross noted that recently a resolution was passed authorizing Phase Three funding and asked why it doesn't make sense to roll Phase Three into this resolution. Mr. Taylor responded that there were some efficiencies as costs overlapped when combining the resolutions, but one would have to be delayed or the other brought forward and the risk of market rate changes on the one delayed and the additional interest costs on the one brought forward would affect the savings realized.

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to forward the First Supplemental Utility System Revenue Bond Resolution to the full Board for consideration.

**Action:** Motion Carried.

**Internal Auditor Status Report**

Internal Auditor, Mr. Wesley Lewis, presented the Internal Auditor Status Report.



**Internal Audit Status Report**

Presented by:  
Wesley Lewis, Director of Internal Audit  
Finance Committee Meeting  
November 5, 2019


**Overview**

- FY 2019 Audit Plan Progress Report
- Update on FY 2020 Audit Plan
- Other Items

**FY 2019 Audit Plan Progress Report**

Engagement in Progress:

1. Procurement Audit – Final audit report to be issued soon.




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**Update on FY 2020 Audit Plan**

1. Cash Management and Treasury Audit (First Time Audit) – Kicked off on 9/30/2019 and is in progress.
2. Fixed Assets (Last audited in May 2012) – Kicked off on 10/21/2019 and in progress.
3. Work Management (W/M) (First Time Audit) – Scheduled kickoff is 1/20/2020.
4. Customer Projects (Last Audited in March 2015 and to be executed at the same time as the W/M Audit) – Scheduled kickoff is 1/20/2020.
5. Energy Risk Management (Last Audited in June 2013) – Scheduled kickoff is 4/6/2020.
6. IT Vulnerability Assessments (First Time Audit) – Scheduled kickoff is 5/29/2020.


\* As previously reported, this plan, along with all dates, are subject to change.




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**Other Items**

1. Current Technology Upgrades
  - Internal Audit Management Software System
  - Information Analytics Tool, with Artificial Intelligence
2. Staffing
3. ISO Certification for Internal Audit
4. CISA Exam Progress



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Commissioner Ross asked for an explanation of the information analytics tool with artificial intelligence. Mr. Lewis responded that the information analytics tool is different from data analytics in that it includes artificial intelligence which will look at the data sets, conform to the structure of the data and look for red flags or anomalies. Commissioner Ross asked for a future presentation on the value and return on investment of the software.

Commissioner Price inquired when the onboarding date would be for the Internal Auditor Assistant and Mr. Lewis responded mid-December.

Commissioner Lenz questioned if the technology upgrades for the software are industry standard and if there was a change in the way data is being analyzed. Mr. Lewis responded that the software upgrade is enhancing the data analysis and different companies utilize different tools.

Commissioner Thomas asked when and how often the CISA Exam is offered. Mr. Lewis responded that the exam is offered at any time.

**Other**

None

**Adjourn**

Motion by Commissioner Mullen to adjourn the meeting. Chair Ken Ross adjourned the meeting at 7:20 p.m.

Respectfully submitted  
Ken Ross, Chair  
Finance Committee

## **Trustees Meeting (November 19, 2019)**

The Committee Report/Minutes are not available due to the meeting being held immediately prior to the current Board Meeting.

Proposed Resolution

**Delegation of Authority: Retirement Plan Design and Administrative Decisions**

WHEREAS, the Board of Water and Light is the “Sponsor” of 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 wishes to delegate certain administrative and plan design authority over the Plans to the General Manager who may further delegate to the Retirement Plan Committee or any successor of the Committee performing the same duties (the “Committee”).

THEREFORE, it is:

RESOLVED, that the Sponsor expressly delegates to the General Manager, and at the discretion of the General Manager the Committee, authority to perform administrative functions such as the authority to appoint and remove the Plan Administrators; facilitate administration of the Plans and communications to participants and Plan Administrators; engage consultants and services; alter the Plans’ design to address changes in business needs and industry practices and take all actions necessary to carry out the terms of the Plans. To the extent the General Manager or Committee has performed such functions prior to this express delegation, those actions are hereby approved. The Sponsor does not delegate to the General Manager or the Committee authority to freeze or terminate the Plans, and all Plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board.

FURTHER RESOLVED, that the Sponsor indemnifies and holds harmless the General Manager and each member of the Committee from and against all liability of any kind, including, without limitation, court costs, attorneys’ fees and other expenses that arise from any legal or administrative proceeding of any kind that is brought by any person, entity or government agency in connection with the General Manager’s or the Committee’s discharge of its duties relating to the Plans; provided, however, that this indemnification shall not apply with regard to any proceeding in which the General Manager or a Committee member is found to have been grossly negligent or to have violated a law or committed a crime.

Proposed Resolution  
**Payment for Eligible Defined Benefit Plan Participants**

RESOLVED, that a lump sum payment be made to Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions ("Defined Benefit Plan") participants eligible to receive plan payments as of November 19, 2019, equal to \$65 for each year retired prior to July 1, 2019, rounded up to the nearest whole year.

Staff Comments: This resolution is intended to exclude participants not currently receiving pension payments such as active participants and terminated vested participants.

Proposed Resolution  
**2020 Regular Board Meeting Schedule**

In accordance with the Lansing Board of Water & Light's Rules of Administrative Procedure, a schedule of dates, places, and times for each regular meeting of the Board of Commissioners for the calendar year shall be adopted in November.

RESOLVED, that regular meetings of the Lansing Board of Water & Light's Board of Commissioners are hereby set for calendar year 2020 as follows, unless otherwise notified or as a result of date conflicts with rescheduled City Council meetings:

**2020**  
**Lansing Board of Water & Light Board of Commissioners**  
**Regular Board Meeting Schedule**

Tuesday	January 28
Tuesday	March 24
Tuesday	May 26
Tuesday	July 28
Tuesday	September 22
Tuesday	November 17

Meetings will be held in the Lansing Board of Water & Light REO Town Depot located at 1201 S. Washington Ave., Lansing, MI at 5:30 p.m.

RESOLVED FURTHER, that a notice of the meeting schedule shall be published in a newspaper of general circulation in Ingham County the week of January 1, 2020.

Proposed Resolution  
**Lansing Board of Water and Light**  
**FIRST SUPPLEMENTAL UTILITY SYSTEM REVENUE BOND RESOLUTION**

A RESOLUTION TO AUTHORIZE:

- Net present value savings by refunding all or part of the Series 2011A Bonds through issuance of Refunding Bonds;
- Chief Financial Officer to sell Refunding Bonds without further resolution;
- Other matters relative to issuance, sale and delivery of the Refunding Bonds.

WHEREAS, the City of Lansing, acting by and through the Lansing Board of Water and Light, issues bonds payable from revenues of the water supply, steam, chilled water and electric utility system (the "System") under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and an Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended on March 26, 2019 (the "Bond Resolution"); and

WHEREAS, all terms not defined herein shall have the meanings set forth in the Bond Resolution; and

WHEREAS, currently the Board has outstanding the Utility System Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), the Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, and the Utility System Revenue Bonds, Series 2019A; and

WHEREAS, the Board's municipal advisor, PFM Financial Advisors, LLC (the "Municipal Advisor"), has advised the Board that it may be able to accomplish a net savings of debt service costs by refunding all or a portion of the outstanding Series 2011A Bonds (the "Prior Bonds") through the issuance of one or more series of refunding bonds in an aggregate principal amount of not-to-exceed \$270,000,000 (the "Refunding Bonds"); and

WHEREAS, the Board's bond counsel, Miller, Canfield, Paddock and Stone, P.L.C., has advised that under existing law, as most recently amended by the Tax Cuts and Jobs Act signed into law on December 22, 2017 (the "2017 Tax Act"), interest on bonds issued to advance refund the Series 2011A Bonds will not be excludable from gross income for federal income tax purposes; and

WHEREAS, Section 24(b) of the Bond Resolution authorizes the issuance of Additional Bonds of equal standing and priority of lien with the Outstanding Bonds for the purposes of refunding a part of the Outstanding Bonds and paying costs of issuing such Additional Bonds, if after giving effect to the refunding the maximum amount of Aggregate Debt Service in each future fiscal year shall be less than the Aggregate Debt Service in each future fiscal year prior to giving effect to the refunding; and



WHEREAS, in order to take advantage of the most favorable market for sale of the Refunding Bonds and purchase of securities to be escrowed for payment of the Prior Bonds to be refunded, the Board wishes to authorize the Chief Financial Officer to sell the Refunding Bonds at negotiated sale without further resolution of the Board; and

WHEREAS, the conditions and requirements of the Bond Resolution for the issuance of refunding bonds as Additional Bonds of equal standing and priority of lien with Outstanding Bonds have been met for the issuance of the proposed Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in the Bond Resolution, and whenever used in this Bond Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “Additional Bonds” means any Additional Bonds issued pursuant to Section 24 of the Bond Resolution of equal standing with the outstanding Bonds.
- (b) “Bond Resolution” means the Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended on March 26, 2019, and supplemented by this First Supplemental Utility System Revenue Bond Resolution, and any other resolution which amends or supplements the Bond Resolution.
- (c) “Bonds” or “Senior Lien Bonds” means the outstanding portion of the Utility System Revenue Bonds, Series 2011A, the Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, and the Utility System Revenue Bonds, Series 2019A, the Refunding Bonds, and any Additional Bonds of equal standing hereafter issued.
- (d) “Chief Financial Officer” means the Board’s Chief Financial Officer.
- (e) “Escrow Agreement” means, for purposes of this First Supplemental Utility System Revenue Bond Resolution, one or more escrow agreements described in this Resolution to provide for payment of principal of and interest on the Prior Bonds being refunded.
- (f) “Escrow Fund” means, for purposes of this First Supplemental Utility System Revenue Bond Resolution, one or more escrow funds established pursuant to the Escrow Agreement to hold the cash and investments necessary provide for payment of principal of and interest on the Prior Bonds being refunded.
- (g) “Prior Bonds” means, for purposes of this First Supplemental Utility System Revenue Bond Resolution, the Series 2011A Bonds.

- (h) “Refunding Bonds” means, for purposes of this First Supplemental Utility System Revenue Bond Resolution, all or any series of refunding bonds issued pursuant to this First Supplemental Utility System Revenue Bond Resolution.
- (i) “System” means the complete facilities of the Board for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, and all additions, extensions and improvements thereto existing or hereafter acquired by the Board.

Section 2. Conditions Permitting Issuance of Additional Bonds. Pursuant to Section 24(b) of the Bond Resolution, the Board hereby determines that the Refunding Bonds shall be issued as Additional Bonds for the purpose of refunding all or a portion of the Prior Bonds and paying costs of issuance of the Refunding Bonds, only if, after giving effect to the refunding, the maximum amount of Aggregate Debt Service in each future fiscal year shall be less than the Aggregate Debt Service in each future fiscal year prior to giving effect to the refunding.

The Board hereby determines that the Board is not in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

Section 3. Refunding of Prior Bonds; Refunding Bonds Authorized; Applicable Law. If refunding all or a portion of the Prior Bonds will accomplish debt service savings, then the City, acting by and through the Board, shall borrow the sum of not-to-exceed Two Hundred Seventy Million Dollars (\$270,000,000) as finally determined upon the sale thereof, and issue the Refunding Bonds therefor in one or more series for the purpose of paying costs of refunding all or a portion of the Prior Bonds, including the payment of the costs of legal, financial, bond insurance (if any), underwriter’s discount, and other expenses incident thereto and incident to the issuance and sale of the Refunding Bonds. The Refunding Bonds shall be payable solely out of the Net Revenues of the System. City Council shall not be requested to pledge the full faith and credit of the City for payment of the Refunding Bonds. The Refunding Bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94.

Section 4. Refunding Bond Details. The Refunding Bonds shall be designated as the “UTILITY SYSTEM REVENUE REFUNDING BONDS” with any additional or revised designations for each series as determined at the time of sale by the Chief Financial Officer to reflect the date of sale or delivery of the Refunding Bonds, to show that the Refunding Bonds are federally taxable bonds, as applicable, and/or to otherwise distinguish the Refunding Bonds from other series of Bonds issued by the Board. The Refunding Bonds shall be issued as fully registered bonds registered in the denomination of \$5,000 or integral multiples thereof and shall be numbered in consecutive order of registration or authentication from 1 upwards. The Refunding Bonds shall be dated as of the date of delivery thereof or such other date as determined at the time of sale

of the Refunding Bonds, and shall mature as serial bonds or term bonds on such dates as shall be determined at the time of sale of the Refunding Bonds.

The Refunding Bonds shall be subject to optional and mandatory redemption prior to maturity at the times and prices finally determined at the time of sale of the Refunding Bonds, as finally determined at the time of sale of the Refunding Bonds.

The Refunding Bonds shall bear interest at a rate or rates to be determined on sale thereof, payable on July 1, 2020, or such other date as provided at the time of sale of the Refunding Bonds, and semi-annually thereafter on January 1st and July 1st of each year.

The Refunding Bonds shall be executed by the manual or facsimile signature of the Chairperson and the Corporate Secretary of the Board. No Refunding Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Refunding Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the Chief Financial Officer upon payment of the purchase price for the Refunding Bonds.

Section 5. Registration and Transfer. U.S. Bank National Association, Lansing, Michigan is hereby appointed to act as bond registrar, paying agent and transfer agent (the "Transfer Agent") for the Refunding Bonds. The Chief Financial Officer is hereby authorized to execute one or more agreements with the Transfer Agent on behalf of the Board. The Board reserves the right to replace the Transfer Agent at any time, provided written notice of such replacement is given to the registered owners of record of bonds not less than sixty (60) days prior to an interest payment date. Principal of and interest on the Refunding Bonds shall be payable by check or draft mailed by the Transfer Agent to the registered owner at the registered address as shown on the registration books of the Board maintained by the Transfer Agent. Interest shall be payable to the person or entity who or which is the registered owner of record as of the fifteenth (15th) day of the month prior to the payment date for each interest payment. The date of determination of the registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Board to conform to market practice in the future.

The Refunding Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"), and the Chief Financial Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Refunding Bonds in book-entry-only form and to make such changes in the form of the Refunding Bonds within the parameters of this resolution as may be required to accomplish the foregoing. Notwithstanding the foregoing, if the Refunding Bonds are held in book-entry-only form by DTC, payment of principal of and interest on the Refunding Bonds shall be made in the manner prescribed by DTC.

The Refunding Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this section by the person or entity in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the bond

for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond shall be surrendered for transfer, the Board shall execute and the Transfer Agent shall authenticate and deliver a new bond of the same series in like aggregate principal amount, maturity and interest rate. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. Notwithstanding the foregoing, if Bonds are held by DTC in book-entry-only form, the transfer of Bonds shall be made in the manner prescribed by DTC.

Section 6. Refunding Bond Proceeds. From the proceeds of sale of the Refunding Bonds there first shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on delivery of the Refunding Bonds, and the Board may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of the next maturing interest on the Refunding Bonds. Notwithstanding the foregoing, at the discretion of the Chief Financial Officer, all or a portion of any premium received upon delivery of the Refunding Bonds may be deposited in the Bond Reserve Account or the Escrow Fund in consultation with Bond Counsel.

There shall next be deposited in the Bond Reserve Account an amount, if any, designated by the Chief Financial Officer at the time of sale.

There shall next be deposited in the Escrow Fund from the proceeds of sale of the Refunding Bonds cash and investments in Government Obligations or Municipal Obligations not redeemable at the option of the issuer. U.S. Bank National Association, Lansing, Michigan, is hereby appointed to act as escrow trustee (the "Escrow Trustee") under the Escrow Agreement. The Escrow Trustee shall hold the Escrow Fund in trust pursuant to the Escrow Agreement which shall irrevocably direct the Escrow Trustee to take all necessary steps to call the Prior Bonds being refunded for redemption as specified in the Escrow Agreement. The Chief Financial Officer is hereby authorized to execute and deliver the Escrow Agreement, to transfer any moneys as she may deem necessary from the Redemption Fund, or other fund or account of the Board, to the Escrow Fund, and to purchase, or cause to be purchased, escrow securities consisting of Government Obligations, including, but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), or Municipal Obligations, for deposit in the Escrow Fund. The Chief Financial Officer is directed to deposit to the Escrow Fund, from Refunding Bond proceeds and other moneys as necessary, an amount which, together with investment proceeds to be received thereon, will be sufficient, without reinvestment, to pay the principal of and interest on the Prior Bonds being refunded as they become due or upon call for redemption.

The remaining proceeds of the Refunding Bonds shall be deposited in a fund which may be established in the Escrow Agreement to pay costs of issuance of the Refunding Bonds and the costs of refunding the Prior Bonds. Any moneys remaining after payment of costs of issuance and costs of refunding the Prior Bonds being refunded shall be transferred to the Redemption Fund and used to pay interest on the Refunding Bonds.

Section 7. Bond Form. The Refunding Bonds shall be in substantially the following form with such revisions, additions and deletions as the Board may deem advisable or necessary to comply with the final terms of the Refunding Bonds established upon sale thereof:

BOND NO.

R-

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTIES OF INGHAM AND EATON

CITY OF LANSING  
LANSING BOARD OF WATER AND LIGHT  
UTILITY SYSTEM REVENUE REFUNDING BOND, [SERIES]  
[FEDERALLY TAXABLE]

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner: Cede & Co.

Principal Amount:

The City of Lansing, Counties of Ingham and Eaton, State of Michigan (the "City"), acting through the governing body of the Lansing Board of Water and Light (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, only from the Net Revenues of the System as hereinafter provided, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [interest payment date] and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of [transfer agent], or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record at the registered address.

For the prompt payment of principal and interest on this bond, the revenues received by the Issuer from the operations of the Issuer's facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the "System") after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), are irrevocably pledged and a statutory first lien thereon has been created to secure the payment of the principal of and

interest on this bond, when due; however, the pledge of Net Revenues and the statutory lien are on a parity with the pledge of Net Revenues and statutory lien in favor of [the Utility System Revenue Bonds, Series 2011A], the Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, and the Utility System Revenue Bonds, Series 2019A.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$[principal amount]. This bond is issued for the purpose of refunding certain outstanding bonds pursuant to an Amended and Restated Utility System Revenue Bond Resolution adopted by the Issuer on March 27, 2018, as amended and supplemented from time to time, including by a First Supplemental Utility System Revenue Bond Resolution adopted by the Issuer on [date of resolution] (collectively, the “Bond Resolution”). This bond is issued under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”).

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Bond Resolution. Reference is hereby made to the Bond Resolution and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94, for a more complete description of the pledges and covenants securing the bonds of this issue, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds of this issue with respect thereto and the terms and conditions upon which the bonds of this issue are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Bond Resolution, the provisions of the Bond Resolution or any resolution or agreement amendatory thereof or supplemental thereto, may be modified or amended by the Issuer, except in specified cases, only with the consent of the registered owners of at least fifty-one percent (51%) of the principal amount of the bonds of the System then outstanding.

Bonds of this issue [maturing in the years [date], inclusive,] shall not be subject to redemption prior to maturity.

[Insert optional and mandatory redemption provisions if applicable]

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly authorized in writing and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Bond Resolution, and upon the payment of the charges, if any, therein prescribed. [The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption under the Bond Resolution and ending at the

close of business on the date of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.]

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The Issuer has covenanted and agreed, and covenants and agrees, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds of this issue and any other bonds payable from the Net Revenues as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Bond Resolution.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, acting through the Lansing Board of Water and Light, has caused this bond to be signed in its name with the facsimile signatures of the Chairperson and Corporate Secretary of the Lansing Board of Water and Light, and a facsimile of the City's corporate seal to be printed hereon, all as of the Date of Original Issue.

LANSING BOARD OF WATER AND LIGHT

By [definitive Bond to be signed at delivery]  
Chairperson

(City Seal)

Countersigned:

By [definitive Bond to be signed at delivery]

Its: Corporate Secretary

[STANDARD FORMS OF CERTIFICATE OF AUTHENTICATION  
AND ASSIGNMENT TO BE INSERTED ON BOND]



Section 8. Municipal Advisor. The Board hereby requests that PFM Financial Advisors, LLC continue to serve the Board as Municipal Advisor for the Refunding Bonds.

Section 9. Bond Counsel. The Board hereby requests that Miller, Canfield, Paddock and Stone, P.L.C., Lansing, Michigan, continue to serve the Board as bond counsel for the Refunding Bonds. The Board acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. has represented from time to time, and currently represents, various underwriters, financial institutions, and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Refunding Bonds.

Section 10. Taxable or Tax-Exempt Bonds; Tax Covenant. The Board anticipates advance refunding all or a portion of the Prior Bonds and therefore issuing the Refunding Bonds on a federally taxable basis in accordance with the current provisions of the 2017 Tax Act. If, due to market conditions and/or changes in law, the issuance of any series of Refunding Bonds on a tax-exempt basis will provide greater net present value savings than the issuance of Refunding Bonds on a federally taxable basis, the Chief Financial Officer is authorized to effectuate the sale and issuance of such series of Refunding Bonds on a tax-exempt basis.

In the event that any series of Refunding Bonds is issued on a tax-exempt basis, the Board shall not invest, reinvest or accumulate any moneys deemed to be proceeds of such tax-exempt Refunding Bonds pursuant to the Internal Revenue Code of 1986, as amended, in such a manner as to cause such tax-exempt Refunding Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code. The Board hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on such tax-exempt Refunding Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the non-arbitrage and tax compliance certificate to be delivered by the Board on the date of delivery of such tax-exempt Refunding Bonds.

Section 11. Negotiated Sale of Bonds; Appointment of Senior Managing Underwriter. Based on the advice of the Municipal Advisor, it is hereby determined to be in the best interest of the Board to sell the Refunding Bonds by negotiated sale in order to enable the Board to select and adjust terms for the Refunding Bonds, to enter the market on short notice at a point in time which appears to be most advantageous, and thereby possibly obtain a lower rate of interest on the Refunding Bonds, to achieve sale efficiencies so as to reduce the cost of issuance and interest expense, and to take advantage of the most favorable market for purchase of securities to be escrowed for payment of the Prior Bonds to be refunded.

The Chief Financial Officer is hereby authorized to select a managing underwriter and to name additional co-managers and/or to develop a selling group in consultation with the Municipal Advisor. By adoption of this resolution the Board assumes no obligations or liability to the underwriter for any loss or damage that may result to the underwriter from the adoption

of this resolution, and all costs and expenses incurred by the underwriter in preparing for sale of the Refunding Bonds shall be paid from the proceeds of the Refunding Bonds, if issued, except as may be otherwise provided in the Bond Purchase Agreement for Refunding Bonds.

Section 12. Bond Ratings and Bond Insurance. The Chief Financial Officer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor. If the Municipal Advisor recommends that the Board consider purchase of municipal bond insurance, then the Chief Financial Officer is hereby authorized to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which bonds, if any, shall be insured, and the Chief Financial Officer is hereby authorized to execute an agreement with the insurer relating to procedures for paying debt service on the insured bonds and notifying the insurer of any need to draw on the insurance and other matters.

Section 13. Official Statement. The Chief Financial Officer is authorized to approve circulation of a Preliminary Official Statement describing the Refunding Bonds and, after sale of the Refunding Bonds, to prepare, execute and deliver a final Official Statement.

Section 14. Continuing Disclosure. The Chief Financial Officer is hereby authorized to execute and deliver, prior to delivery of the Refunding Bonds, a written continuing disclosure undertaking as necessary in order to enable the underwriter or bond purchaser to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The continuing disclosure undertaking shall be in substantially the form which she shall, in consultation with bond counsel, determine to be appropriate.

Section 15. Sale of Refunding Bonds. The Chief Financial Officer is authorized, in consultation with the Municipal Advisor, to accept an offer to purchase the Refunding Bonds without further resolution of this Board, if, after giving effect to the refunding, the maximum amount of Aggregate Debt Service in each future fiscal year shall be less than the Aggregate Debt Service in each future fiscal year prior to giving effect to the refunding. This authorization includes, but is not limited to, determination of original principal amount of the Refunding Bonds; the prices at which the Refunding Bonds are sold; the date of the Refunding Bonds; the schedule of principal maturities and whether the Refunding Bonds shall mature serially or as term bonds; provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Refunding Bonds; application of the proceeds of the Refunding Bonds, and, if necessary to meet the requirements of the bond underwriters or purchasers, deposit to the Bond Reserve Account from funds on hand or proceeds of the Refunding Bonds. Approval of the matters delegated to the Chief Financial Officer under this resolution may be evidenced by her execution of the Bond Purchase Agreement for the Refunding Bonds or other offer to purchase the Refunding Bonds, or a certificate of award of sale, or the Official Statement.

The Refunding Bonds shall not be sold unless there shall be net present value savings equaling not less than 10% of the Prior Bonds being refunded after payment of costs of

issuance of the Refunding Bonds and costs of refunding the Prior Bonds being refunded. The maximum true interest cost of the Refunding Bonds shall not exceed 5.0%. The first maturity of principal on the Refunding Bonds shall occur no earlier than July 1, 2020, and the final date of maturity shall occur no later than July 1, 2041. In making such determinations the Chief Financial Officer is authorized to rely upon data and computer runs provided by the Municipal Advisor.

Section 16. Verification Agent. The Chief Financial Officer is hereby authorized, at her discretion, to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the Prior Bonds being refunded as they become due or upon call for redemption.

Section 17. Other Actions. In the event that the Chief Financial Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then a person designated by the Chief Financial Officer is authorized to take the actions delegated to the Chief Financial Officer by this resolution. The officers, administrators, agents and attorneys of the Board are authorized and directed to take all other actions necessary and convenient to facilitate issuance, sale and delivery of the Refunding Bonds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient in accordance with this resolution, and to pay costs of issuance including but not limited to rating agency fees, bond insurance premiums, transfer agent fees, Escrow Trustee fees, verification agent fees, Municipal Advisor fees, bond counsel fees, costs of printing the preliminary and final official statements, and any other costs necessary to accomplish sale and delivery of the Refunding Bonds.

Section 18. Applicability of the Outstanding Bond Resolutions. Except to the extent supplemented or otherwise provided in this resolution, all of the provisions and covenants provided in the Bond Resolution shall apply to the Refunding Bonds issued pursuant to provisions of this resolution, such provisions of the Bond Resolution being made applicable to the Refunding Bonds.

Section 19. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

Section 20. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 21. Publication and Recordation. In accordance with the provisions of Section 6 of Act 94, this resolution shall be published once in full in the *Lansing State Journal*, a newspaper of general circulation in the City qualified under State law to publish legal notices,

promptly after its adoption, and shall be recorded in the minutes of the Board and such recording authenticated by the signatures of the Chairperson and Corporate Secretary of the Board.

Section 22. Effective Date. This resolution is hereby determined to be immediately necessary for the preservation of the public peace, property, health and safety of the City and the users of the System. In accordance with the provisions of Section 6 of Act 94, this resolution shall become effective immediately upon its adoption.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on Tuesday, November 19, 2019, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting \_\_\_\_\_ and that the following Commissioners were absent \_\_\_\_\_.

We further certify that Commissioner \_\_\_\_\_ moved adoption of said resolution, and that said motion was supported by Commissioner \_\_\_\_\_.

We further certify that the following Commissioners voted for adoption of said resolution \_\_\_\_\_ and that the following Commissioners voted against adoption of said resolution \_\_\_\_\_.

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

\_\_\_\_\_  
Chairperson

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