



**COMMITTEE OF THE WHOLE MEETING  
LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS  
November 8, 2022 – 5:30 P.M.  
Board of Water & Light Headquarters - REO Town Depot  
1201 S. Washington Ave., Lansing, MI 48910**

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**AGENDA**

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Committee of the Whole Meeting Minutes of September 13, 2022 ..... **TAB 1**
- 2. Regular Board Meeting Schedule 2023 Resolution ..... **TAB 2**
- 3. City of Lansing Lien Ordinance ..... **TAB 3**
- 4. All-Source RFP (Request for Proposal) ..... **INFORMATION ONLY**

Other

Adjourn

**COMMITTEE OF THE WHOLE**  
**Meeting Minutes**  
**September 13, 2022**

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 13, 2022.

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

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen, and Tracy Thomas; and Non-Voting Members: Larry Merrill (Delta Township).

Absent: Commissioners David Price; and Non-Voting Members: Douglas Jester (East Lansing) and Maggie Sanders (Lansing Township)

The Corporate Secretary declared a quorum.

**Public Comments**

There were no public comments.

**Approval of Minutes**

**Motion** by Commissioner Beth Graham, **Seconded** by Commissioner Tracy Thomas, to approve the Committee of the Whole meeting minutes of July 12, 2022.

**Action:** Motion Carried.

**LBWL's Rules of Procedure**

Chairperson Zerkle and Attorney Mark Matus shared the City Council's request for minor changes to the LBWL's Rules of Procedure in section 10.2 AGENDA FOR REGULAR MEETINGS, Preparation of Agenda, and section 19.2.3 MISCELLANEOUS, News Media Regulations. In addition, Commissioner Merrill stated section 2.1 NOTICE OF MEETINGS, Publication of Dates, does not need to be amended but needs some care by the Corporate Secretary to post the Annual Board Meeting Schedule 10-days prior to January 1<sup>st</sup> to be consistent with the provisions of the Open Meetings Act.

Motion by Commissioner Beth Graham, Seconded by Commissioner Beth Graham, Seconded by Commission Tracy Thomas, to approve the minor changes to the LBWL's Rules of Procedure and return them to the City Council.

**LBWL's Rules of Procedure – Edited Version**

Chairperson Zerkle introduced the agenda item. Commissioner Tony Mullen shared concerns with this agenda item being presented and questioned the relevance of discussing the item any further in that the Board has already reviewed the Rules of Procedure this year and some of the changes being suggested in the edited version were already voted down. Secondly, Commissioner Mullen cautioned

the Board to make sure discussions are presented according to the Open Meetings Act as opposed to “round-robins” as Board action is supposed to be executed through resolutions. He also shared concerns regarding the time spent on answering questions on environmental matters. Commissioner Horwitt stated that because he was not in attendance during the Board’s previous discussion on the Rules of Procedure, he wanted to discuss the proposed changes in the edited version as suggestions, either now, or in the future.

Motion by Commissioner Semone James, Seconded by Commissioner Dusty Horwitt, to discuss the LBWL’s Rules of Procedure – Edited Version.

Commissioner Horwitt gave an overview of the suggested changes indicated in the LBWL’s Rules of Procedure – Edited Version. Additional comments were presented by Attorney Mark Mattus regarding the grammatical changes shared by Commissioner Horwitt. A lengthy discussion followed regarding the suggested grammatical changes to the Rules of Procedure – Edited Version.

Commissioner Leek requested a call to question.

**Roll Call Vote for call to question:**

**Yeas:** Commissioners Sandra Zerkle, Beth Graham, DeShon Leek, Tony Mullen, Tracy Thomas, Dusty Horwitt

**Nays:** None.

Vote to end discussion on item 3. LBWL’s Rules of Procedure – Edited Version passes.

**Healthcare Review / PUBLIC ACT (PA) 152 Resolution**

Michael Flowers, Human Resources Executive Director and Tracy Strudwick, Human Resources Manager, provided an overview of the Healthcare Review/PUBLIC ACT (PA) 152 and Resolution. Brief discussion followed.

**Motion** by Commissioner Beth Graham, Seconded by Commissioner Tracy Thomas, to forward the Healthcare Review / PA 152 Resolution to the full board for consideration.

**Action:** Motion Carried

**Response to Public Questions Resolution**

Motion to accept Response to Public Questions Resolution by Commissioner Semone James, Seconded by Commissioner Horwitt, to the full board for consideration.

**Roll Call Vote for Motion:**

**Yeas:** Commissioners Beth Graham, DeShon Leek, Tracy Thomas, Dusty Horwitt, Semone James, Sandra Zerkle; Non-voting Commissioners: Merrill.

**Nays:** Commissioner Tony Mullen

Response to Public Questions Resolution passes.

**Other**

Parking space changes – no discussion.

Environmental questions – referenced in above.

**Motion** by Commissioner Semone James, Seconded by Commissioner Beth Graham, to excuse Commissioners Douglas Jester and Maggie Sanders from tonight’s meeting.

**Action:** Motion Carried

**Reflection**

Commissioner Thomas requested reflection upon and well wishes for Commissioner David Price and his spouse considering his recent surgery.

**Adjourn**

Chairperson Zerkle adjourned the meeting at 6:26p.m.

Respectfully Submitted  
Sandra Zerkle, Chairperson  
Committee of the Whole

**Proposed Resolution**  
**Regular Board Meeting Schedule 2023**

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 2023 as follows, unless otherwise notified or as a result of date conflicts with rescheduled City Council meetings:

**2023**  
**Lansing Board of Water & Light Board of Commissioners**  
**Regular Board Meeting Schedule**

Tuesday	January 24
Tuesday	March 28
Tuesday	May 23
Tuesday	July 25
Tuesday	September 26
Tuesday	November 14

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, 2023.

**Motion** by Commissioner \_\_\_\_\_, **Seconded** by Commissioner \_\_\_\_\_, to approve the Resolution for the 2023 Regular Board Meeting Schedule at a Board meeting held on November 15, 2022.

**Action:** Motion Carried.

1           ORDINANCE NO. \_\_\_\_\_

2           **An ordinance of the City of Lansing, Michigan, to amend the Lansing Codified**  
3 **Ordinances by amending Chapter 1050 by adding sections 1050.02 through 1050.10 for the**  
4 **purpose of creation of a lien process for the collection of delinquent board of water and light**  
5 **utility charges.**

6           **The City of Lansing ordains:**

7           Section 1. That chapter 1050 of the Lansing codified ordinances of the city of Lansing,  
8 Michigan be amended to read as follows:

9           CHAPTER 1050. - UTILITIES GENERALLY

10          **1050.02 – Definitions**

11          As used in this chapter, the following terms shall have the definitions given:

12           (a)       **"Charges for electric services" means the rates, fees, rentals, tariffs, and all other**  
13 **charges for furnishing such service and all repairs, maintenance and alterations**  
14 **of such service which the city determines to be the responsibility of the service**  
15 **customer, but shall not include any late fees associated with non-payment.**

16           (b)       **"Charges for water services" means the rates, any assessments, fees, tariffs and**  
17 **rentals due or to become due, respectively, and all other charges for furnishing**  
18 **water service including but not limited to steam and chilled water, and all repairs,**  
19 **maintenance and alterations of such service, which the city determines to be the**  
20 **responsibility of the service customer, but shall not include any late fees associated**  
21 **with non-payment.**

22          **1050.03 - Lien as Security for Collection of Electric Service Charges**

23           **Except as otherwise provided or limited by state law, the city shall have as security**  
24 **for the collection of all charges for electric services as authorized by the Revenue Bond Act**  
25 **of 1933, MCL 141.101 et. seq., as amended, a lien upon the premises to which such electric**  
26 **services were supplied. Such liens shall become effective immediately upon the distribution**  
27 **or supplying of such electric service or services to such premises.**

28          **1050.04. – Placement on Tax Rolls**

1           (a) Upon determination by the Board of Water and Light that there are charges for  
2 electric services which are delinquent for six months or more on June 30 of each year, notice  
3 shall be sent to the owner or party in interest whose name appears on the City's real property  
4 tax assessment records indicating the amount owed. Notice shall be by first class mail at the  
5 address shown on the city's real property tax assessment records. After 30 days, any unpaid  
6 amount shall be reported and certified to the City Assessor unless a payment agreement is  
7 reached between the owner or party in interest and the Board of Water and Light.

8           (b) Those charges which are delinquent for six months or more on June 30 of each  
9 year having been reported and certified by the Board of Water and Light to the City  
10 Assessor, shall be entered as a lien against the premises to which the services were rendered  
11 on the next tax roll. Upon placement upon the tax roll, the charge shall be a lien against the  
12 premises to which the electric services were supplied or furnished, for all identified  
13 delinquent charges for electric service, as defined, until paid. Such lien shall be of the same  
14 character and effect as created for City taxes, and shall be collected in the same manner as  
15 the City taxes on such tax roll.

16 **1050.05. – Enforcement**

17           Any balance remaining delinquent and unpaid after the expiration of the time limited  
18 in the Treasurer's warrant for the collection of taxes levied in such tax roll shall be returned  
19 to the County Treasurer to be collected in the same manner as the lien created by City taxes  
20 on the delinquent tax roll of the City.

21 **1050.06. – Protection of Landlord, Notice of Lease and Security Deposit**

22           If the owner of a premises which receives electric services provided by the Board of  
23 Water and Light leases the premises to a tenant who is responsible under the lease for the  
24 payment of the charges for electric services, and such property owner notifies the Board of  
25 Water and Light, in writing, of such fact, including a true copy of the lease of the affected  
26 premises executed by the owner or his/her designated agent and the tenant, then the charges  
27 for electric services provided to such leased premises shall not become a lien against the  
28 premises after the date such notice is received by the Board of Water and Light. Immediately  
29 after the filing of such notice, the Board of Water and Light shall render no further service

1 to the premises until it receives from the tenant, or an individual or entity acting on behalf  
2 of the tenant, a cash deposit or surety bond, in an amount set by resolution of city council, as  
3 security for the payment of the electric charges. Deposits shall be refunded to the tenant, or  
4 to the individual or entity that paid the deposit on behalf of the tenant, upon a customer's  
5 completion of 12 consecutive months of good credit history or upon the termination of utility  
6 service with the account in good standing.

7 **1050.07. – Lien as Security for Collection of Water, Steam and Chilled Water Service**  
8 **Charges**

9 Except as otherwise provided or limited by State law, the City shall have as security  
10 for the collection of all charges for water services, including but not limited to steam and  
11 chilled water services, as authorized by the Municipal Water Liens Act of 1939, MCL 123.161  
12 et seq., and Revenue Bond Act of 1933, MCL 141.101 et seq., as amended, a lien upon the  
13 premises to which such water services were supplied. Such lien shall become effective  
14 immediately upon the distribution or supplying of such water service or services to such  
15 premises, but shall not be enforceable for more than three years.

16 **1050.08. – Placement on Tax Rolls**

17 (a) Upon determination by the Board of Water and Light that there are charges for  
18 water services which are delinquent for six months or more on June 30 of each year, notice  
19 shall be sent to the owner or party in interest whose name appears on the City's real property  
20 tax assessment records indicating the amount owed. Notice shall be by first class mail at the  
21 address shown on the city's real property tax assessment records. After 30 days, any unpaid  
22 amount shall be reported and certified to the City Assessor unless a payment agreement is  
23 reached between the owner or party in interest and the Board of Water and Light.

24 (b) Those charges which are delinquent for six months or more on June 30 of each  
25 year having been reported and certified by the Board of Water and Light to the City  
26 Assessor, shall be entered as a lien against the premises to which the services were rendered  
27 on the next tax roll. Upon placement upon the tax roll, the charge shall be a lien against the  
28 premises to which the electric services were supplied or furnished, for all identified  
29 delinquent charges for electric service, as defined, until paid. Such lien shall be of the same



1 character and effect as created for City taxes, and shall be collected in the same manner as  
2 the City taxes on such tax roll.

3 **1050.09. – Enforcement**

4 Any balance remaining delinquent and unpaid after the expiration of the time limited  
5 in the Treasurer's warrant for the collection of taxes levied in such tax roll shall be returned  
6 to the County Treasurer to be collected in the same manner as the lien created by City taxes  
7 on the delinquent tax roll of the City.

8 **1050.10. – Protection of Landlord, Notice of Lease and Security Deposit**

9 If the owner of a premises which receives electric services provided by the Board of  
10 Water and Light leases the premises to a tenant who is responsible under the lease for the  
11 payment of the charges for water services, and such property owner notifies the Board of  
12 Water and Light via written affidavit, of such fact, including a true copy of the lease of the  
13 affected premises executed by the owner or his/her designated agent and the tenant, then the  
14 charges for water services provided to such leased premises shall not become a lien against  
15 the premises after the date such notice is received by the Board of Water and Light.  
16 Immediately after the filing of such notice, the Board of Water and Light shall render no  
17 further service to the premises until it receives from the tenant, or an individual or entity  
18 acting on behalf of the tenant, a cash deposit or surety bond, in an amount set by resolution  
19 of city council, as security for the payment of the electric charges. Deposits shall be refunded  
20 to the tenant, or to the individual or entity that paid the deposit on behalf of the tenant, upon  
21 a customer's completion of 12 consecutive months of good credit history or upon the  
22 termination of utility service with the account in good standing.

23 Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules  
24 inconsistent with the provisions hereof are hereby repealed.

25 Section 3. Should any section, clause or phrase of this ordinance be declared to be invalid,  
26 the same shall not affect the validity of the ordinance as a whole, or any part thereof other than the  
27 part so declared to be valid.





# Lien Ordinance for Collection of Unpaid Utility Bills

Presented by: BWL Legal Services  
Yolanda Bennett, Esq.

## Legal Authority

**Lansing City Charter (§506-2):** “Upon the request of the Board, the **City Council shall provide by ordinance for the collection of unpaid charges for public utility services** furnished by the Board of Water and Light and for the imposition and enforcement of liens upon property served by the Board of Water and Light.”

**State Law:** 1) Revenue Bond Act, MCL 141.121 (PA 94 of 1933) and 2) Municipal Water Lien Act, MCL 123.162 (PA 178 of 1939).

Fiscal Year	Class	Electric	Water	Total
2019	Residential	1,137,192	202,797	
	C&I	249,452	33,281	
	Total	\$1,386,644	\$236,078	\$1,622,722
2020	Residential	1,283,776	249,124	
	C&I	344,307	33,041	
	Total	\$1,628,083	\$282,165	\$1,910,248
2021	Residential	1,272,456	306,467	
	C&I	164,752	37,556	
	Total	\$1,437,208	\$344,023	\$1,781,231
2022	Residential	1,011,973	277,494	
	C&I	205,321	38,707	
	Total	\$1,217,294	\$316,201	\$1,533,495
2019-2022	Residential	4,705,397	1,035,882	
	C&I	963,832	142,585	
	4-Year Total	\$5,669,229	\$1,178,467	\$6,847,696

## Bad Debt Collection

The BWL wrote off approximately **\$6,847,696** in uncollectable utility bills between **FY2019 - FY2022**.

# Pros & Cons of a Lien Ordinance

## ► Pros:

By placing a lien on the property where the utility service was provided, the debt can be collected like delinquent taxes when the property is sold.

Recovery of bad debts through lien placement enhances the BWL's ability to cover its operational costs which in turn helps maintain lower utility rates.

## ► Cons:

Maturing the Collection Cycle Process.

Customer and Landlord awareness of ordinance and changes to BWL Rules and Regulations.

# Lien Administration

- ▶ General Public Notice of utility lien ordinance on the BWL website, with utility bill, and by publication in a local newspaper.
- ▶ Final notice sent to the property owner that the uncollected amount, if not paid by a certain date, may become a lien on the property.
- ▶ Uncollectable Water and Electric charges that remain unpaid by a certain date will be sent to the COL for inclusion on its tax roll.
- ▶ Uncollectable charges become a lien on the property.

## Multi-Unit Tenant Protection

**Exceptions:** The utilities may not be disconnected for landlord non-payment, but the property will be liened.

## Landlord Protection

**Exception:** A landlord is not liable for a tenant's unpaid utility bill if the landlord provides to BWL's Customer Service Department written notice and a copy of a valid lease.



# WHAT'S CHANGING VS. WHAT'S STAYING THE SAME:

## UNCHANGED:

1. Service Deposit structure: The BWL will continue to follow current process, in line with the BWL Rules and Regulations.
2. Shutoff process: The BWL will continue to provide a late notice, collection call, shutoff notice, and accept payment arrangements prior to service shutoff and collection efforts.

## CHANGE:

Adding liens as an extra tool in the Collection Cycle Process toolbox:

The BWL will continue to work with customers to avoid collections (including liens) and restore service.

Questions?