



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

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

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

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

Corporate Secretary Todd called the roll.

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

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

The Corporate Secretary declared a quorum.

Commissioner DeShon Leek led the Pledge of Allegiance.

**PUBLIC COMMENT ON AGENDA ITEMS**

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

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

#### **MEETING PURPOSE:**

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

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

#### **COMMISSIONERS' REMARKS/COMMENTS**

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

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

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

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

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

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

### **RESOLUTION #2024-08-01**

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

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

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

#### **I. Electric (Attachment A):**

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

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

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

#### **II. Water (Attachment B):**

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

#### **III. Steam (Attachment C):**

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

#### **IV. Chilled Water (Attachment D):**

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

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

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

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

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

THEREFORE, it is:

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

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

Roll Call Vote:

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

**Nays:** Commissioner Dale Schrader

Motion Carried.

### **MANAGER'S REMARKS/COMMENTS**

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

### **PUBLIC COMMENT**

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

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

### **MOTION OF EXCUSED ABSENCE**

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

**Action:** Motion Carried.

### **ADJOURNMENT**

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

Filed with Lansing City Clerk:  
09-04-24 Unofficial Minutes  
09- 26-24 Official Minutes