



BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
May 23, 2023 - 5:30 p.m.
1201 S. Washington Ave., Lansing, Michigan
REO Town Depot

AGENDA

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

1. Roll Call

2. Pledge of Allegiance

3. Approval of Minutes

- a. Regular Board Meeting Minutes of March 28, 2023
- b. Special Board Meeting Minutes of April 11, 2023
- c. Special Board Meeting Minutes of April 20, 2023

4. Public Comment on Agenda Items

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment.*

5. Communications

- a. Electronic mail from Nicole Frieseman re: Utility Bill
- b. Electronic mail from Jonathon Brock re: Utility Bill
- c. Electronic mail from Chris Hammond re: Contact Information
- d. Electronic mail from Melinda Quimby re: Power Shut-off
- e. Electronic mail from Kara Tripi re: Light Post Banner Installation
- f. Electronic mail from Heather Douglas re Economic Benefits of Renewable Energy

6. Committee Reports

- a. Committee of the Whole Meeting (May 9, 2023)-Sandra Zerkle, Chairperson
- b. Finance Committee Meeting (May 9, 2023)-Dusty Horwitt, Chairperson

7. Manager's Recommendations

8. Unfinished Business

9. New Business

- a. Retirement Plans and Retirement Plan Committee Modification

10. Resolutions/Action Items

- a. Procurement Policy Resolution
- b. FY24 Rules and Regulations Resolution
- c. Disposition of Real Property Resolution
- d. Travel and Expense Policy Resolution
- e. Drinking Water State Revolving Fund (DWSRF) Bond Resolution
- f. FY2024-2029 Budget and Forecast Resolution
- g. Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use Resolution
- h. Retirement Plan Committee Charter and Appointments Resolution
- i. Resolution Honoring Douglas Jester
- j. Resolution Honoring Larry Merrill
- k. Resolution Honoring Maggie Sanders

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

Agenda posted on web site and building 05-19-23

2023 Board Meetings Notice/Schedule Posted in the Lansing State Journal January 3, 2023



**MINUTES OF THE BOARD OF COMMISSIONERS MEETING
LANSING BOARD OF WATER AND LIGHT**

March 28, 2023

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters at REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, March 28, 2023.

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

Corporate Secretary LaVella Todd called the roll.

Present: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Larry Merrill (Delta Township)

Absent: Commissioner Tony Mullen and Non-Voting Commissioners Douglas Jester (East Lansing) and Maggie Sanders (Lansing Charter Township)

Corporate Secretary Todd declared a quorum.

Commissioner Zerkle led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Graham, **Seconded** by Commissioner Thomas, to approve the Board Meeting Minutes of January 24, 2023.

Action: Motion Carried. The minutes were approved.

PUBLIC COMMENTS ON AGENDA ITEMS

Kenneth Page, Lansing Board of Water & Light retiree, spoke regarding resolving a retirement benefit tax issue.

COMMUNICATIONS

Electronic mail received from Marni Holmes regarding tree trimming - *Referred to Management. Received and Placed on File.*

Electronic mail received from Laurie Douglass regarding customer request - *Referred to Management. Received and Placed on File.*

Communication received from Frank and Elaine Knox regarding winter outages prevention - *Referred to Management. Received and Placed on File.*

Communication received from Kenneth Page regarding retirement plan - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Chairperson Semone James presented the Human Resources Committee Report for Human Resources Committee Chairperson Tony Mullen:

HUMAN RESOURCES COMMITTEE Meeting Minutes March 16, 2023

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Commissioners: Beth Graham, DeShon Leek, Tracy Thomas, Semone James (Alternate), Sandra Zerkle (Alternate).

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Thursday, March 16, 2023.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:02 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Beth Graham, DeShon Leek (arrived at 5:06 p.m.), Tracy Thomas; Sandra Zerkle (Alternate) and Semone James (Alternate) (arrived at 5:04 p.m.).

Absent: None.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Thomas, **Seconded** by Commissioner Zerkle, to approve the HR Committee meeting minutes of November 15, 2022.

Action: Motion Carried. The minutes were approved.

Salary Review for Appointees

Human Resources Executive Director Michael Flowers spoke on the salary review for appointees.

Performance Management Evaluation Questions for Appointees

A discussion was held regarding the continuation of the use of GoogleDocs for the performance management evaluation questions process. GoogleDocs was affirmed as preferred. The self-evaluations will be sent to the appointed employees by Human Resources Committee Chairperson Mullen within the next two weeks with a return request of the middle of April. The self-evaluations for the Commissioners will be sent to the Commissioners by the Human Resources Committee Chairperson Mullen in conjunction with Smiljana Williams, Ex. Assistant to General Manager Peffley in May with a return request of one month later.

A discussion was held on the planning and monitoring of Board expenditures by the Corporate Secretary, to meet organizational objectives, and the frequency of sharing the budget information with the Board of Commissioners. Commissioner James and Corporate Secretary Todd had proactively worked on the development of a budget and expense report for the Board of Commissioners. There was a discussion amongst the Commissioners as to the frequency of sharing the budget information with the Board of Commissioners. It was determined that the Corporate Secretary would present the budget and expense report quarterly and will be sent to the Board of Commissioners. A policy / procedure and resolution will be provided to the Human Resources Committee members at the next Human Resources Committee meeting for review and approval to send to the full Board of Commissioners.

Motion by Commissioner Mullen, **Seconded** by Commissioner Graham, to require the Corporate Secretary to compile and submit the expenditures of the Board of Commissioners, to the full Board of Commissioners, quarterly.

Action: Motion Carried.

Procedure for Future Hires and Contract Renewals

A discussion was held regarding the Human Resources Committee Chairperson Mullen, Board Chairperson James and the Human Resources Executive Director Flowers creating a policy and procedure for future hires and contract renewals for review, discussion, and approval by the Board of Commissioners.

Motion by Commissioner Graham, **Seconded** by Commissioner Leek, for Human Resources Committee Chairperson Mullen, Board Chairperson James, and Human Resources Executive Director Flowers to create a policy / procedure and resolution for future hires and contract renewals to be reviewed, discussed, and approval by the Board of Commissioners.

Action: Motion Carried.

Other

There was no other business.

Adjourn

HR Committee Chairperson Mullen adjourned the meeting at 5:31 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

Vice-Chairperson Sandra Zerkle presented the Committee of the Whole Report:

COMMITTEE OF THE WHOLE Meeting Minutes March 16, 2023

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 Thursday, March 16, 2023. Committee of the Whole Chair Sandra Zerkle called the meeting to order at 5:33 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, David Price, Tracy Thomas and Non-Voting Members Commissioners Douglas Jester (East Lansing) and Larry Merrill

Absent: Commissioner Maggie Sanders

The Corporate Secretary declared a quorum.

Public Comments

Ron Byrnes, IBEW Business Manager, spoke about the Public Comments section on the agenda. He requested Public Comment be placed at the end of the agenda for Committee Meetings also for comments or questions to be made on agenda items that are information only and not provided in the packet for the public.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole Meeting minutes of January 10, 2023.

Action: Motion carried. The minutes were approved.

North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP)

Environmental Services Manager, Lori Myott introduced NERC Compliance Supervisor, Ms. Caitlin Chavez who presented the NERC Compliance update. The update included information on compliance history, compliance engagement, upcoming changes to standards and future NERC strategy.

Erickson Groundwater Update

General Manager Peffley provided an update on Erickson groundwater stating that 23 monitoring wells have been installed in the last two years, additional data is needed and additional testing will be conducted. The readings are still good and a letter was sent to the 51 well owners participating in the study. All coal has been removed from the Erickson site and work is being done to remove the remaining ash by October 2023. by October 2023. by October 2023.

In response to Commissioner Mullen asking if the cooling towers at Eckert were gone, GM Peffley affirmed and added the conveyers are in the process of being removed. The grounds will be kept up on the site.

Other

Commissioner Mullen also asked about the steam that is rising out of the manholes in the city. GM Peffley responded that the steam represents leaks, steam is mainly used by industrial customers and the leaks are being repaired.

Commissioner Jester asked about the status of the RFP's. GM Peffley responded that 100 responses were received, 84 qualified, and were categorized into renewables, wind, solar, batteries, fossil fuel and gas. The Requests for Proposal were for 450 MW of energy and are in the process of being reviewed. A request for a grant from MPSC was made for the Delta Energy Plant.

Commissioner Zerkle thanked the Commissioners for the condolences on the passing of her mother.

Excused Absence

Motion by Commissioner Graham, **Seconded** by Commissioner James for an excused absence for Commissioner Maggie Sanders.

Action: Motion Carried.

Adjourn

Chairperson Zerkle adjourned the meeting at 6:09 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

Finance Committee Chairperson Dusty Horwitt presented the Finance Committee Report:

FINANCE COMMITTEE
Meeting Minutes
March 16, 2023

Finance Committee: Dusty Horwitt, Committee Chairperson; Semone James; David Price; and Sandra Zerkle; Alternates: Anthony Mullen, Tracy Thomas; Non-Voting: Douglas Jester, Larry Merrill, Maggie Sanders

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 Thursday, March 16, 2023.

Finance Committee Chairperson Dusty Horwitt called the meeting to order at 6:22 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dusty Horwitt, Semone James, David Price, and Sandra Zerkle

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner James, to approve the Finance Committee Meeting minutes of January 10, 2023.

Action: Motion Carried. The minutes were approved.

January YTD Financial Summary

CFO Heather Shawa presented the January YTD Financial Summary.

Capital Project Report

CFO Heather Shawa presented the Capital Project Report. Under the Remaining Planned Project Watch List, the projected cost for Electric is \$3,000,000 over budget which is mainly due to the pole replacement program. Any updated projections and costs will be placed on the agenda of the May Finance Committee Meeting. GM Peffley added that an assessment was made of pole replacements needed and there were more poles needing replaced than anticipated.

In response to Chairperson Horwitt, GM Peffley stated that the process to evaluate pole replacement starts with a device that measures the density of the pole starting at the base and at a certain density percentage the pole needs to be replaced. The process can be provided at a future COW meeting if required.

Capital Project Exceedance – Water Annuals Resolution

CFO Shawa requested approval by resolution for a Capital Project Exceedance on Water Annuals. The exceedance is due to supply chain costs and inflation in accordance with CSO projects with the City, and also increasing meter inventory ahead of time to avoid supply issues. GM Peffley added that the three major CSO projects of the City of Lansing have amounts 75% over budget due to supply chain costs and inflation for their projects.

Motion by Commissioner Price, **Seconded** by Commissioner Zerkle, to forward the Resolution for the Capital Project Exceedance: AW – Water Annuals to the full Board for consideration.

Action: Motion Carried.

Capital Project Exceedance – Common Annuals Resolution

CFO Shawa requested approval by resolution for a Capital Project Exceedance on Common Annuals. The exceedance is due to expansion of the fleet for the water distribution department to complete the goal of 8 miles of water main replacement.

Motion by Commissioner James, **Seconded** by Commissioner Price, to forward the Resolution for the Capital Project Exceedance: AW – Common Annuals to the full Board for consideration.

Action: Motion Carried.

Retirement Plan Committee (RPC) Updates

CFO Shawa presented the Retirement Plan Committee updates. In response to Commissioner Zerkle, CFO Shawa responded that for the 17 participants for which the DB and VEBA documentation needed for payment, the deadline has been extended to March 10, 2023. Human Resources is continuing to work with the participants.

Drinking Water State Revolving Fund (DWSRF) Update

CFO Shawa presented the DWSRF update. The BWL was awarded \$32 million in loan funding specific to water structure with a loan forgiveness portion of up to \$20 million in the award. The funding is expected to be received within the next year. The funding will be used for the water tower, for water main replacement, and for a piece of equipment for the water treatment plant on Wise Road. Two resolutions will be presented for approval at the May Finance Committee meeting. One resolution will be a notice of intent to issue revenue bonds with a 45- to 60-day public comment period, and the second will be a resolution allowing the CFO to enter into and issue the bonds.

Internal Auditor RPC Audit Report

Internal Auditor Macciocca reported that he had completed the draft audit of the Retirement Planning Committee, provided a draft conclusion and stated that management would respond within 30 days. In developing the report, it was found that the Retirement Plan Committee is highly functioning and competent in the performance of its duties, and its activities as a fiduciary are in the best interest of its stakeholders. There are four recommendations under consideration:

- Provide to the Board more frequent and in-depth updates on Plan and Fund account activity and balances.
- Draft and adopt a formal Retirement Plan Committee Charter.
- Remove indemnification and hold harmless protections for negligent behavior and actions of the Board, the General Manager, and the RPC to include all corresponding governing members.
- Increase the RPC from three (3) members to seven (7) members.

In response to Commissioner Merrill inquiring about the third recommendation, Mr. Macciocca stated that there are protections for the fiduciaries as long as the fiduciaries hold to the standard of being competent and not negligent. The recommendation is to remove the protections for negligent behavior.

Other

Commissioner Price invited the meeting attendees to attend the St. Patrick's Day event Breakfast with Bagpipes at 9:00 am at the Lansing Brewing Company at which the Glen Erin Pipe Band will be playing.

Commissioner Jester expressed appreciation for the continuing high reliability of the distribution system.

GM Peffley stated that he would put a package together regarding a praise letter placed in the City Pulse, a meeting about the outage with the State Journal Editorial Board and the Detroit Free Press. No primary wires were downed during the outage and BWL sent crews to help other utilities.

Commissioner Leek congratulated the staff on the new BWL commercial.

Adjourn

Chairperson Dusty Horwitt adjourned the meeting at 6:54 p.m.

Respectfully submitted,
Dusty Horwitt, Chairperson
Finance Committee

MANAGER'S RECOMMENDATIONS

There were no Manager's Recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION 2023-03-01

Capital Project Exceedance: AG – Water Annuals

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

WHEREAS, the previously approved budget for Capital Project AW – Water Annuals was \$9,372,000; and

WHEREAS, the projected final total cost for Capital Project AW – Water Annuals is \$12,090,735, should the project be completed; and

WHEREAS, BWL staff and management reviewed the project cost in detail, which includes but is not limited to the rationale and circumstances for the increased budget projection; and

WHEREAS, BWL staff and management recommends that the Capital Project AW – Water Annuals projected spending be approved; and

RESOLVED, the BWL Board of Commissioners approve projected spending for Capital Project AW – Water Annuals with a projected final total cost of \$12,090,735.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt, to approve the Resolution for the Capital Project Exceedance: Water Annuals at a Board meeting held on March 28, 2023.

Action: Motion Carried.

RESOLUTION 2023-03-02

Capital Project Exceedance: Common Annuals

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

WHEREAS, the previously approved budget for Capital Project AG – Common Annuals was \$6,022,711; and

WHEREAS, the projected final total cost for Capital Project AG – Common Annuals is \$8,148,939, should the project be completed; and

WHEREAS, BWL staff and management reviewed the project cost in detail, which includes but is not limited to the rationale and circumstances for the increased budget projection; and

WHEREAS, BWL staff and management recommends that the Capital Project AG – Common Annuals projected spending be approved; and

RESOLVED, the BWL Board of Commissioners approve projected spending for Capital Project AG – Common Annuals with a projected final total cost of \$8,148,939.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Beth Graham, to approve the Resolution for the Capital Project Exceedance: AG – Common Annuals at a Board meeting held on March 28, 2023.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager Peffley reported on the following:

1. During the 2023 Ice Storm, BWL was the leader in restorations and lack of outages. The news media reported multiple positive stories on the BWL's preparedness and quick restorations. BWL's efforts since the 2013 Ice Storm are showing positive results. BWL has taken what was learned from the 2013 Ice Storm and incorporated the CRT recommendations. Tree trimming plays a big part in this success. It may have been difficult when BWL first started trimming, but it has clearly been worth the time and investment.
2. BWL hosted another Community Resource Fair on Tuesday, March 21 at the Alfreda Schmidt Community Center. The fair helps connect BWL residential customers and greater Lansing area residents who are behind on bills to information on resources and financial assistance per available funding and eligibility. There were 175 individuals that attended (and two dogs). To date, BWL has connected customers to \$2.6 million in BWL utility assistance – this doesn't include other financial relief attendees may have received on their rent, mortgage, childcare etc. This also does not include monies collected at the March 2023 fair, as this information won't be available for a few months.
3. Since the first week of March, the Delta Energy Park (DEP) units have been dispatched for operation. However, there is a restriction on running the units in cold weather due to concerns that the colder temperatures will have an adverse impact on the compressor blades. The Plant team is working with Siemens to have a final fix before next Fall.
4. During the first week of March, the BWL completed a seven-day surveillance audit to determine if the BWL was following the ISO 55000 standards. The ISO 55000 standards are considered internationally to represent the best practices for an organization regarding the management of their assets throughout their lifecycle. The audit found 3 non-conformances (2 minor, 1 major). Nonconformances were related to the completion of the documentation processes related to work in the plant. A major non-conformance occurs when it impacts multiple departments, whereas a minor non-conformance only impacts a single department. The findings by the audit team are considered as an opportunity to continue to improve the care of these assets. The recommended corrective actions will be completed within 60 days.
5. Appreciation was expressed by council members and the city attorney for the information provided at the Joint City Council and BWL Commissioners Committee meeting.

COMMISSIONERS' REMARKS

Commissioner Thomas and Chairperson James commended the BWL on the prevention of winter power outages since the winter storm in 2013 and the community resource fairs. Chairperson James also commended the BWL staff on the commercials produced.

EXCUSED ABSENCE

Motion by Commissioner Price, **Seconded** by Commissioner Horwitt, to excuse Commissioner Tony Mullen, Commissioner Douglas Jester and Commissioner Maggie Sanders from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

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

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 04-07-23

Approved by the Board of Commissioners: 05-__-23

Official Minutes filed (electronically) with Lansing City Clerk: 05-__-23



**LANSING BOARD OF WATER AND LIGHT
BOARD OF COMMISSIONERS
SPECIAL BOARD MEETING MINUTES
April 11, 2023**

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 4:00 p.m. on Tuesday, April 11, 2023.

Chairperson Semone James called the meeting to order at 4:01 p.m.

The Corporate Secretary called the roll.

Present: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Larry Merrill (Delta Township), and Maggie Sanders (Lansing Township).

Absent: Commissioner Tony Mullen, and Non-Voting Commissioner Douglas Jester (East Lansing),

The Corporate Secretary declared a quorum.

PUBLIC COMMENT

There were no public comments.

MEETING PURPOSE:

Chairperson James stated that the purpose of this Special Board meeting is to discuss an attorney-client communication/memorandum provided from the BWL General Counsel and discussion of such content is most appropriate in closed session. Discussion concerning this communication/memorandum is permitted to occur in closed session as allowed by the Open Meetings Act, specifically MCL 15.268 (h).

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Tracy Thomas, to go into closed session for the purpose of reviewing the contents of the attorney-client communication/memorandum as permitted by the Open Meetings Act, MCL 15.268(h).

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Chairperson Semone James declared a quorum to go into Closed Session, welcomed Non-Voting Commissioners to join the Closed Session, and asked General Counsel Mark Matus, Executive Director of Human Resources Michael Flowers, Lansing City Attorney Jim Smiertka, and Deputy City Attorney Lisa Hagen-Lawrence to join the Closed Session.

The Special Board Meeting went into closed session at 4:03 p.m.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to return to open session.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Special Board Meeting reconvened to open session at 4:50 p.m.

Motion by Commissioner David Price, **Seconded** by Commissioner Tracy Thomas to amend the agenda to include the Resolution 2023-00-00 for authorization of Management to negotiate and execute a Severance Agreement and Release of Claims by resignation, with Internal Auditor Frank Macciocca.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

RESOLUTION #2023-04-01

**Authorization of Management to Negotiate and Execute
Severance Agreement and Release of Claims**

WHEREAS, the Board of Commissioners convened for a Special Board meeting on April 11, 2023, to consider written legal advice from BWL General Counsel and outside counsel regarding a personnel matter in closed session;

RESOLVED, that being fully apprised in the premises, Management is hereby authorized to negotiate and execute a Severance Agreement and Release of Claims, by resignation, with Internal Auditor Frank Macciocca.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt, to approve the Resolution for Authorization of Management to Negotiate and Execute a Severance Agreement and Release of Claims at a Special Board meeting held on April 11, 2023.

Action: Motion Carried.

COMMISSIONERS' REMARKS/COMMENTS

There were no Commissioner remarks.

PUBLIC COMMENT

There were no public comments.

EXCUSED ABSENCE

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Dusty Horwitt, to excuse Commissioners Tony Mullen and Douglas Jester from tonight's meeting.

Action: Motion Carried.

ADJOURNMENT

Chairperson James adjourned the meeting at 4:56 p.m.

Filed with Lansing City Clerk:
04-14-23-Unofficial Minutes
05-__-23-Official Minutes



**LANSING BOARD OF WATER AND LIGHT
BOARD OF COMMISSIONERS
SPECIAL BOARD MEETING MINUTES
April 20, 2023**

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Thursday, April 20, 2023.

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

The Corporate Secretary called the roll.

Present: Commissioners Semone James, Beth Graham, Dusty Horwitt, David Price, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Larry Merrill (Delta Township), and Maggie Sanders (Lansing Township).

Absent: Commissioners DeShon Leek, Tony Mullen, and Non-Voting Commissioner Douglas Jester (East Lansing),

The Corporate Secretary declared a quorum.

Commissioner David Price led the Pledge of Allegiance.

PUBLIC COMMENT

There were no public comments.

MEETING PURPOSE:

Chairperson James stated that the purpose of this Special Board meeting is to discuss a written attorney-client communication provided from the General Counsel and discussion of such content is most appropriate in closed session. Discussion concerning this communication is permitted to occur in closed session as allowed by the Open Meetings Act, specifically MCL 15.268 (h).

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dusty Horwitt, to go into closed session for the purpose of reviewing the contents of the written attorney-client communication as permitted by the Open Meetings Act, MCL 15.268(h).

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, David Price, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Chairperson Semone James declared a quorum to go into Closed Session, welcomed Non-Voting Commissioners to join the Closed Session, and asked General Counsel Mark Matus, Executive Director of Human Resources Michael Flowers, and Lansing City Attorney Jim Smiertka to join the Closed Session.

The Special Board Meeting went into closed session at 5:34 p.m.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Beth Graham, to return to open session.

The Special Board Meeting reconvened to open session at 6:15 p.m.

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price to amend the agenda to add a resolution pertaining to the employment of the Internal Auditor.

RESOLUTION #2023-04-02
Authorization of Management to Execute
Severance Agreement and Release of Claims

WHEREAS, the Board of Commissioners convened for a Special Board meeting on April 20, 2023, to discuss a written attorney-client communication provided from the General Counsel regarding a personnel matter in closed session;

RESOLVED, that being fully apprised in the premises with regard to the employment of Internal Auditor Frank Macciocca (Appointee),

- (a) Management is directed to suspend Appointee without pay effective midnight April 12, 2023,
- (b) The offer to execute the previously provided severance agreement will remain open until, but must be received by the BWL on or before Close of Business on May 3, 2023,
- (c) If Appointee fails to execute the severance agreement by the deadline his employment shall be terminated for cause effective midnight May 3, 2023,
- (d) Management is authorized to provide Appointee with written notice of this resolution and the grounds for termination.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle to approve final version of resolution for Authorization of Management to Execute a Severance Agreement and Release of Claims at a Special Board meeting held on April 20, 2023.

Action: Motion Carried.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, David Price, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

COMMISSIONERS' REMARKS/COMMENTS

There were no Commissioner remarks.

PUBLIC COMMENT

There were no public comments.

EXCUSED ABSENCE

Motion by Commissioner Beth Graham, **Seconded** by Commissioner David Price, to excuse Commissioners Tony Mullen, DeShon Leek, and Douglas Jester from tonight's meeting.

Action: Motion Carried.

ADJOURNMENT

Chairperson James adjourned the meeting at 6:22 p.m.

Submitted on Fri, 03/31/2023 - 1:08 PM

Select a Commissioner:

All Commissioners

Name

nicole frieseman

Address

Lansing, Michigan

Message

Hello, my name is Nicole Frieseman. My address is xxxx xxxxxx xx lansing, MI 48910. Account number xxxxxxxx. I have recently sent a letter discussing my account and that I am actively working on getting it in good standing. My husband has had 6 shoulder surgeries and this last one has put us in bit of a financial bind. I have applied for an ser with DHS. I've also contacted cacs, salvation army, true north and St Vincent. I'm just waiting for the determination letter to get appointments. I have also actively called almost every church in Lansing to see about getting some assistance. Sycamore creek church has committed to pay \$150. Also Lansing church of Nazarene said they would pay the last \$50 I owe and redeemer church said they would pay \$50 when I contacted you and explained my situation. I am still actively contacting for any extra assistance I can get. I am also trying to get any extra of jobs to get money to work on paying off my debt to BWL. I am seeking any jobs available for me to do from home to be able to get in a better financial position. My husband gets disability and we will be able to make payment to get caught up. We have 2 kids in the home that do those school online and we cannot get our services shut off and put in bad position. We are not looking for handouts, just dedication dedicated family willing to do anything to provide for our family. If there is any other programs or resources that you know of that might possibly help us feel free to let me know. You can contact me at 517-410-2342. Please leave a message with contact information if I'm unable to answer. Thank you so much for your time.

Submitted on Sun, 04/16/2023 - 11:55 PM

Select a Commissioner:

All Commissioners

Name

Jonathon Brock

Address

Lansing, Michigan

Message

I am reaching out to the board for help getting a billing issue resolved. I initially reported the billing error in January to the call center. Since January I have called and spoke to call center reps on 8 different occasions. Each time I am told that yes there was an error on my bill and a supervisor would be reaching out shortly with a solution. My bill has never been fixed and I have never received a call from a supervisor.

I have continued to pay my bills monthly with the exception of the charge made in error on the January bill. The amount of the error is approx \$240. I am now receiving past due notices and late fees on my bill due to the error which i have refused to pay

Please help me get this resolved. I am very frustrated at the time and effort I have spent trying to get a simple billing error resolved

Submitted on Mon, 04/17/2023 - 1:54 PM

Select a Commissioner:

All Commissioners

Name

Chris Hammond

Email Address

c.hammond@fi.com

Message

Hello - do the commissioners have a preferred point of contact for investment managers?

Submitted on Thu, 05/04/2023 - 12:25 PM

Select a Commissioner:

All Commissioners

Name

Melinda Quimby

Address

Lansing, Michigan

Message

My power was shut off today and not only do I have 2 people in the home that have to have medical devices ie.. breathing apparatuses. But there is an Ser that was filed with dhs and I never received my 3 notices. Now I have called several times asking to speak to a manager and have been told that I would have to wait for a call back well I am not in a position to wait for a call back as this is a medical emergency and I need my power back on. This is crazy that u guys do not follow protocol with your stuff and then say that you offer no type of help! You guys do not want to help anyone and it is ridiculous. I am a single mother just out of a abusive relationship and have been having a hard enough time as it is and I can not even get an answer as to why I was shut off tho u didn't follow your own protocol

Submitted on Mon, 05/08/2023 - 1:42 PM

Select a Commissioner:

David Price

Name

Kara Tripi

Address

Lansing, Michigan

Message

Hi David,

I oversee the Executive MBA program at MSU. I have been trying to install light post banners at 3535 Forest Rd (I started this process in May 2022) for over a year and have had the run around from the City of Lansing. On March 22, I was notified by Nick Montry that the city had approved the banners and pulled the permits but was waiting on BWL. Today I was informed that Nick Montry is no longer in his position as Engineering Technician Supervisor.

Can you please tell me how I can move this project along with BWL? Thank you in advance for your assistance.

Sent: Wednesday, May 10, 2023 7:02 PM

Subject: Letter on the economic benefits of renewables for LBWL board and Lansing city governance

Dear Colleagues,

Please find attached the letter below from several Lansing area groups on the economic benefits of renewable energy for LBWL commissioners. It is also potentially relevant for the Lansing City Council and the Lansing Mayor.

I hope it is helpful in deliberating over the energy future for the Lansing area. Please let me know if you have any questions.

Sincerely,

Heather Douglas

Heather Douglas
Associate Professor
Department of Philosophy
368 Farm Lane, Room 503
Michigan State University
East Lansing, MI 48824

Office: 510 South Kedzie Hall

Email: dougl239@msu.edu

[The Rightful Place of Science: Science, Values, and Democracy](#)

[Socially Engaged Philosophy of Science at MSU](#)

Series Editor, [Science, Values, and the Public](#) (University of Pittsburgh Press)

[Greenhouse, the household energy ghg calculator](#)

Michigan State University occupies the ancestral, traditional, and contemporary Lands of the Anishinaabeg – Three Fires Confederacy of Ojibwe, Odawa, and Potawatomi peoples, and resides on Land ceded in the 1819 Treaty of Saginaw. <https://aiis.msu.edu/land/>

May 9, 2023

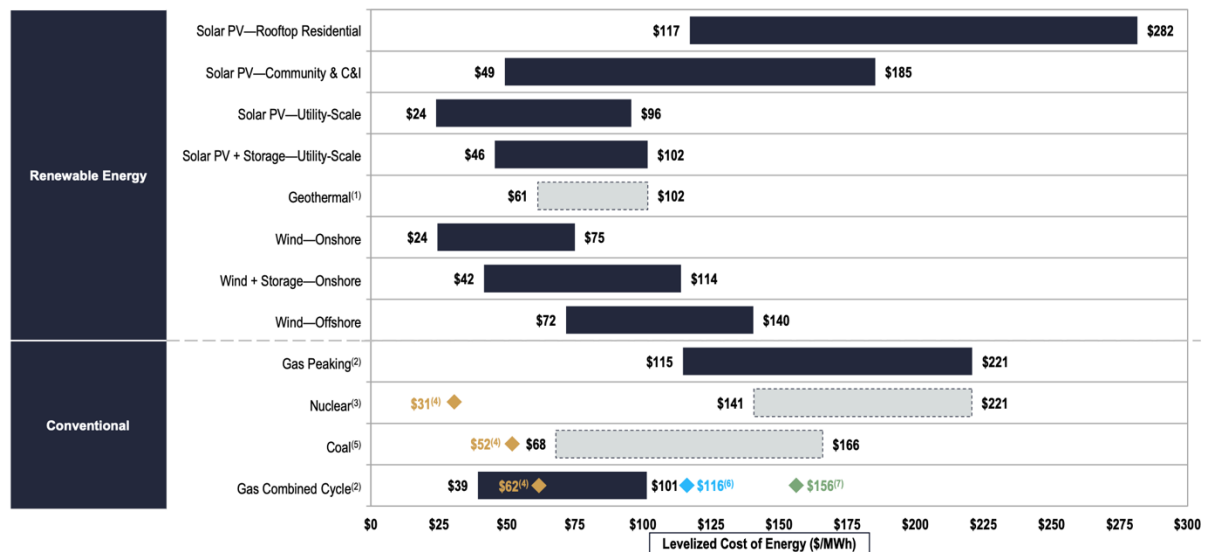
Dear LBWL Commissioners,

We write to share information about the economic effectiveness of the various options of our energy futures and the economic risks of continuing to rely upon fossil fuels.

As is clear from multiple economic analyses, among the least expensive form of electricity generation for new generation sources is currently renewable, specifically utility-scale wind and solar. For example, Lazard, a financial advising firm, recently released its annual analysis of levelized cost for energy production, which includes both building costs and fuel costs for the lifetime of the facility. Included in the report is this chart:

Levelized Cost of Energy Comparison—Unsubsidized Analysis

Selected renewable energy generation technologies are cost-competitive with conventional generation technologies under certain circumstances



Note that this chart shows that onshore wind and utility scale solar, even without federal tax breaks, is often less expensive (and substantially so) than the most cost-effective form of natural gas energy production. With federal incentives, they are even more inexpensive.

For more details see:

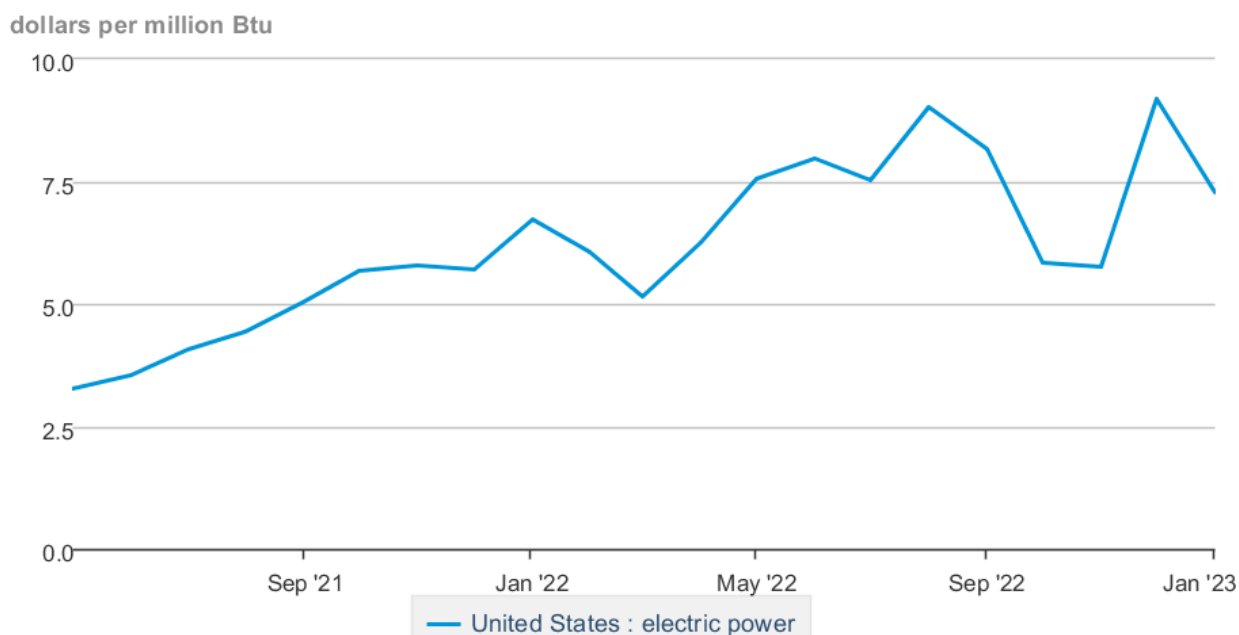
<https://www.lazard.com/research-insights/2023-levelized-cost-of-energyplus/>

https://www.eia.gov/outlooks/aeo/pdf/electricity_generation.pdf

This is a new development, one that has occurred in the past decade. It means that there is no longer a tension between doing right by future generations (and mitigating the impacts of climate change) and doing right by existing customers worried about rising electricity costs. The cheapest form of energy is now the best for the environment.

In addition, renewable generation sources insulate the utility and its customers from the harmful impacts of both inflation and volatile fossil fuel (especially natural gas) prices. As the natural gas market becomes globalized and conflicts such as the war in Ukraine create stronger demands for natural gas, prices have risen and become less stable. Below is the cost of natural gas in the U.S. for electricity generation in the past two years.

Average cost of fossil fuels for electricity generation (per Btu) for natural gas, monthly



Data source: U.S. Energy Information Administration

Renewable energy, generated locally with no fuel input costs, protects local consumers from global price shocks, even better than financial instruments to distribute risk. There are no fuel price instabilities for installed renewable energy sources.

Installed renewable electricity generation capacity is also a good hedge against inflation. The building and financing costs for new renewable capacity should be fixed up front, and will not rise in the future. The costs are known and stable, and because the fuel is free (the sun and the wind), inflationary forces should not act to raise further these fixed costs.

Renewable generation capacity also protects LBWL and its customers from the changing social cost of carbon. While the cost per ton of carbon has been low (\$10-20/ton), it is likely to rise, both from changing temporal discount rates and changing understandings of the problems climate change is producing.

See:

<https://knowablemagazine.org/article/society/2022/the-obscure-calculation-transforming-climate-policy>

<https://www.eenews.net/articles/epa-floats-sharply-increased-social-cost-of-carbon/>

The social cost of carbon will likely rise to over \$100/ton, with costs in the range of \$200-300/ton on the horizon. If utilities will be expected to begin paying any of that cost (e.g. through a carbon tax), this will negatively impact both LBWL and its customers. In addition, this price point will also mean an increased cost of any carbon offsets that the utility plans to buy to reach carbon neutrality. It should be expected that the carbon offset market will be subject to the same kind of volatility as fossil fuel prices.

Transitioning away from fossil fuels to renewable energy is challenging, both conceptually and technically. The intermittent nature of renewable energy is a well known challenge to tackle. Progress is being made in energy storage, moving beyond lithium ion batteries to iron-air batteries and other storage options. LBWL should develop plans for testing different options and taking seriously the possibility that even with battery storage, renewable energy may be the least expensive option for the utility.

For now at least, LBWL should maximize its renewable energy portfolio to meet summer peak demand solely with renewables, about 400 MW. This would not require LBWL to invest heavily in storage at this time, and the experimentation on the best available systems for local use can proceed in tandem with building up renewable capacity. LBWL should be alert to opportunities for low cost storage, such as iron phosphate batteries at existing facilities with transmission infrastructure.

Additional worries have been raised regarding the siting of renewable energy. The Lansing area has lots of options for solar, including all the commercial flat roofs in town (which could be used in partnership with LBWL), parking lots (with new technology is being developed for easier parking lot installation, which could also help to build out car charging infrastructure), and former industrial sites, including the Erickson power plant site.

See:

<https://e360.yale.edu/features/putting-solar-panels-atop-parking-lots-a-green-energy-solution>

<https://www.canarymedia.com/articles/ev-charging/want-faster-cheaper-ev-charger-installations-stop-digging>

Investing in renewables makes sense economically, and provides the best value for the LBWL customer.

Sincerely,

Lansing Environmental Action Team
Michigan Mosaic Energy Cooperative
Lansing Area League of Women Voters
Great Lakes Renewable Energy Association

(Compiled by Heather Douglas, Associate Professor, Michigan State University)

COMMITTEE OF THE WHOLE
Meeting Minutes
May 9, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 9, 2023.

Committee of the Whole Chair 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, Dusty Horwitt, Semone James, DeShon Leek, David Price, Tracy Thomas and Non-Voting Member Commissioner Larry Merrill

Absent: Commissioners Beth Graham and Tony Mullen, and Non-Voting Commissioners Doug 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 David Price, **Seconded** by Commissioner Semone James, to approve the Committee of the Whole Meeting minutes of March 16, 2023.

Action: Motion carried. The minutes were approved.

Procurement Policy Revision

Rochelle Parks, Manager, Procurement & Supply Chain, presented the Procurement Policy revisions made to enhance clarification and compliance. Ms. Parks requested approval of the policy revisions.

Commissioner Semone James requested an annual report of all contracts be sent to the Board of Commissioners and placed on the Commissioner Dashboard. General Manager (GM) Dick Peffley responded that an annual report of major contracts will be sent to the Commissioners. CFO Heather Shawa responded that contracts with open litigation, sole source contracts for \$15,000 and greater, contracts for 36 months or longer, and emergency purchase orders are currently reported. A discussion followed on the provision and content of the annual report to be provided.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James to forward the resolution for the Procurement Policy Revisions to the full Board for consideration.

Commissioner Semone James made a motion to amend the resolution to include an annual report with a list of contracts greater than \$15,000 be sent to the Board of Commissioners and

be placed on the Commissioner Board with the name of the supplier, the services provided, the contract term effective date through end date, the annual contract amount or value, and the total contract amount or value. CFO Heather Shawa stated that would be an amendment to the policy and the Board could accept the resolution for the Procurement Policy revisions. The motion to amend the resolution was withdrawn. General Counsel Mark Matus provided the language to amend the proposed Procurement Policy Section 1. Reporting - add a new item E. with the following language: A list and brief description of supplier contracts, i.e., Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value, Contract Term: (XX/XX/XXX through XX/XX/XXXX).

Motion by Commissioner David Price, **Seconded** by Semone James to amend the policy by adding Section 1. Reporting E. to provide a list and brief description of all supplier contracts with the Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value and Contract Term.

Action: Motion Carried.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James was restated to forward the resolution for the Procurement Policy Revisions as presented to the full Board for consideration.

Action: Motion Carried.

FY24 Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary

General Counsel Mark Matus introduced the staff that worked on the FY24 Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary and presented the summary of the changes to the electric, water, steam, chilled water services rules and regulations.

Chairperson Sandra Zerkle asked whether electricity being shut off during tree trimming would be considered a disconnect and if applicable fees would be applied and Mr. Matus responded that it wouldn't be considered a disconnect.

Commissioner Douglas Jester provided comment via electronic communication for consideration, stating "The proposed rules revisions include tightening up provisions for security deposits from customers returning to service after a disconnection. I do not believe there is any evidence to support that a security deposit improves payment performance and for customers having economic difficulties, a security deposit can delay restoration of service and/or create a financial hardship. With advanced meters, service turn-off and restoration are inexpensive and likely more useful than a security deposit. I recommend reconsideration of security deposit. It might be appropriate to differentiate between residential and business customers on this."

GM Peffley responded that if a security deposit is required for utility service due to customer's credit history, the security deposit will be credited to the customer's account after a year of good payment. The reconnect fee takes into consideration customer service and staff time involved to reconnect a service. This cost of service fee will be reassessed the next year and will be updated, and commercial/industrial and residential customers will be separated.

Commissioner James asked whether the fees for the poles were the same for all projects and whether the costs could be recouped. Director of Strategic Planning and Development, Kellee Christensen, responded that the costs are paid by the project developer.

Chairperson Zerkle asked whether allowing BWL to put in electrical service in a garage without going through the house to see if everything was up to code was still the practice. Carbon Neutrality Programs Manager, Anna Munie, responded that if an EV charger is installed in a garage, the entire house isn't gone through, and installation of a second meter hardwired to an EV charger is recommended and has a special rate.

Commissioner Dusty Horwitt asked whether the prepaying of level three chargers for residential customers was due to the higher electricity output and safety risk. Ms. Munie responded that BWL doesn't install three phase service for residential customers and that is the reason.

In response to Chairperson Sandra Zerkle's question, Mr. Matus responded that there are additional fees for lines down that aren't BWL lines.

In response to Commissioner Semone James and Commissioner Price's questions about the emergency response fee, Mr. Matus responded that the calculation was based on the cost of the overtime crew to address an emergency and the fee is for emergencies on non-BWL lines.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas to forward the resolution for the FY24 Rules and Regulations for the Electric, Water, Steam, Chilled Water Services as presented to the full Board for consideration.

Action: Motion Carried.

Property Disposition – Pine/Dell Dr. in Lansing

Mr. Matus presented information on property located at Pine/Dell Drive in Lansing, MI to be sold to the owners of the adjacent property and requested approval of the sale.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt, to forward the resolution for Property Disposition – Pine/Dell Dr. in Lansing as presented to the full Board for consideration.

Action: Motion Carried.

Travel and Expense Reimbursement Policy Revision

Director of Finance, Accounting & Planning Scott Taylor presented the revisions to the Travel and Expense Reimbursement Policy retitled Travel and Expense Policy and requested approval of the resolution. A discussion regarding meals and incidentals, and waiver outlined in the revised policy followed the presentation.

Motion by Commissioner Tracy Thomas, **Seconded** by DeShon Leek to forward the resolution for the Travel and Expense Policy as is to the full Board for consideration.

Action: Motion Carried.

Other

Commissioner Dusty Horwitt asked if an update to the All Source RFP would be provided. GM Peffley responded that an update would be provided in a future Special COW meeting.

Excused Absence

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price for an excused absences for Commissioners Beth Graham, Tony Mullen, Douglas Jester, and Maggie Sanders.

Action: Motion Carried.

Adjourn

Chairperson Zerkle adjourned the meeting at 7:24 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
May 9, 2023

Finance Committee: Dusty Horwitt, Committee Chairperson; Semone James; David Price; and Sandra Zerkle; Alternates: Anthony Mullen, Tracy Thomas; Non-Voting: Commissioners Douglas Jester, Larry Merrill, Maggie Sanders.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, May 9, 2023.

Finance Committee Chairperson Dusty Horwitt called the meeting to order at 7:40 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dusty Horwitt, Semone James, David Price, and Sandra Zerkle, Alternate: Tracy Thomas; also present: Commissioner DeShon Leek and Non-Voting Commissioner Larry Merrill.

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

Jan Simpson, St. Johns, Michigan, president of the BWL Retirees' Association, commended the BWL Retirement Plan Committee (RPC) and Human Resources for contacting more than six-hundred and seventy-nine participants in the DB and VEBA plans regarding any needed forms and substantiation documentation, leaving only five participants remaining. GM Peffley thanked Jan Simpson for her work.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to approve the Finance Committee Meeting minutes of March 16, 2023.

Action: Motion Carried.

March YTD Financial Summary

CFO Heather Shawa presented the March YTD Financial Summary. Commissioner Zerkle asked about employee vacancy postings and the cost of benefits claims. GM Peffley stated typically in a year, BWL hires about 40 to 45 employees; last year BWL hired 100 employees.

Retirement Plan Committee (RPC) updates

CFO Heather Shawa presented the RPC updates.

Commissioner Zerkle asked if the five participants that are still receiving benefits and hadn't provided the necessary substantiation documentation was because they hadn't received the proper information to return. CFO Shawa stated that the employees require some assistance locating the documentation and are receiving assistance from Human Resources.

Drinking Water State Revolving Fund (DWSRF) Bond Resolution

Accounting, Finance & Planning Director, Scott Taylor, presented the Drinking Water State Revolving Fund Bond and requested approval of the revenue bond issuance resolution. A notice of intent for the revenue bond issuance will be published in the Lansing State Journal upon approval of the bond resolution. Mr. Taylor reiterated that a resolution to authorize CFO Shawa to issue the revenue bonds will be presented to the Board in July 2023.

In response to Commissioner Zerkle's question, GM Peffley stated the bond revenue would be mainly used for the construction of a water tower at the corner of Wood Street and Lake Lansing Road and used for water main replacements.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Drinking Water State Revolving Fund (DWSRF) to the full Board for consideration.

Action: Motion Carried.

FY24 Operating Budget and FY24-29 Forecast Presentation

CFO Heather Shawa and Accounting, Finance & Planning Director, Scott Taylor, presented the FY24 Operating Budget and FY24-29 Forecast Presentation. Strategic objectives, key budget and forecast assumptions, sales volume history and forecast by utility, operating budget and forecast, capital budget and forecast, and next steps were presented. BWL was selected as Corporate Partner of the Year by United Way was noted.

Commissioner James asked what could improve the BWL credit rating from high to the best rating. CFO Shawa responded that cash metrics helped maintain BWL's credit rating during COVID, the City of Lansing's financial position as it relates to their OPEB is the biggest pressure, and the customer base used to be General Motors dependent but now there is diversity. Commissioner James asked how much the City's OPEB was underfunded and what was being done to get to the targeted funding status. GM Peffley responded that the amount was about \$500 million and that the mayor will increase some efficiencies and obtain grants and is hoping BWL will land a large customer. Commissioner James also asked what could be done regarding the reduced amount of the 6% rate on the Return on Equity (ROE) and being unable to give the amount forecasted due to Delta Energy Park delays and costs. GM Peffley responded that the first two quarters were strong, the fourth quarter is expected to be strong with additional revenue projected, and BWL is still in the positive by about \$1 million for the amount. Commissioner Zerkle added that BWL provides 20% of the City's budget.

Commissioner Horwitt asked what the response would be to a request for a greater than 6% ROE to the city. General Counsel Mark Matus responded that the percentage is determined by what is deemed acceptable and comparable to Returns of Equity for utilities in the country. CFO Shawa responded that business is growing to increase the amount provided to the city at the 6% rate rather than increasing the ROE rate.

In response to Commissioner Zerkle asking whether the current authorization for the substations would prevent the rolling blackouts during the summer GM Peffley stated the rolling blackouts would be driven by the energy shortage of an outside entity.

In response to Commissioner James asking why the 5% inflation rate wasn't used instead of 2.4%, Mr. Taylor responded that the lower rate is the forecast inflation rate published by the congressional budget office.

In response to Commissioner Zerkle's question of how a 50% rate increase for water over 4 years was justified, GM Peffley stated that there is no backup for water as there is for electric and the BWL needs to stay compliant with our cost of service objectives.

Commissioner Price asked how BWL's water rate compares with other municipalities in the state. GM Peffley responded that the water rates are in the middle of other municipalities and obtains its water from deep wells that incur greater pumping costs and chemical treatments, but BWL has good tasting and quality water.

Commissioner Horwitt asked if the water rates could be reduced with a combination of grants and the lower rate policy for the first two CCFs of water usage per month which is about 1500 gallons. GM Peffley affirmed and stated that a household of two should have no problem staying under 1500 gallons. GM Peffley will follow up on the water usage amount for a two-person household.

Commissioner James asked if BWL provides information on ways to conserve water and cost saving apparatus. GM Peffley responded that campaigns, mailers, and social media are provided to customers. CFO Shawa added that there is also information on the BWL website.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the FY2024-2029 Budget and Forecast to the full Board for consideration.

Action: Motion Carried.

Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use Resolution

Accounting, Finance & Planning Director, Scott Taylor, presented and requested approval of the resolution for the removal of the designation on funds for coal inventory fluctuation and release for unrestricted use.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use to the full Board for consideration.

Action: Motion Carried.

P-Card Administration

GM Peffley stated that the revising of the BWL employee purchasing card procedure was in progress, management review and training will be conducted, the completion date is set at July 1, 2023, and the information will be provided to the Commissioners when completed. Chairperson Horwitt stated that review and revision of the Board appointee purchasing card procedure will also be completed and requested assistance. GM Peffley stated that assistance would be provided.

Other

A copy of the Board of Commissioners budget for fiscal years 2024 through 2029 was provided for review.

Adjourn

Chairperson Dusty Horwitt adjourned the meeting at 9:28 p.m.

Respectfully submitted,
Dusty Horwitt, Chairperson
Finance Committee



Sec: xx - xx

LANSING BOARD OF WATER & LIGHT

POLICY

PROCUREMENT

EFFECTIVE: 7/1/2023

COMMISSION

POLICY

TYPE: COMMISSION

SCOPE: Procurement of materials and services. This Policy is applicable to all employees, including Board appointees, involved in procuring material or services.

PURPOSE: This Policy is intended to support the procurement of materials and services and the disposition of personal property used in the operation of the Lansing Board of Water & Light ("BWL") by applying business practices that provide for public confidence in the purchasing system and to maintain a high-quality purchasing program by means of fairness, ethical practices, open competition, impartiality, and supplier diversity to achieve the best value in purchase and disposal processes.

POLICY: All employees must comply with this Policy, the Lansing City Charter, applicable City of Lansing Ordinances, and applicable State and Federal laws regarding the procurement of materials and services and the disposition of personal property.

The BWL Board of Commissioners ("Board") delegated to the General Manager the authority to: (1) make all purchase and sale contracts necessary for the business of the BWL, (2) define procurement procedures, and (3) administer this Policy and Procurement Procedures.

The General Manager may delegate purchasing and disposal of personal property authority to specified BWL staff. The General Manager may also permit those designees to further delegate authority to other employees. All delegations of authority and controls required to ensure compliance with this Policy and the Procurement Procedures shall be documented. Only authorized employees may bind the BWL regarding the purchase of materials and services and the disposal of personal property. For purposes of this Policy, "authorized employees" means BWL employees acting within both the scope of their purchasing and signature authority.

1. REPORTING

The General Manager shall report the following items to the Board annually:

- A. Litigation pertaining to any particular contract covered by the Procurement Policy;
- B. Sole source contracts in an amount equal to or greater than \$15,000;
- C. Emergency procurements in an amount equal to or greater than \$15,000;
- D. Contracts with a term exceeding sixty (60) consecutive months without being competitively rebid.
- E. A list and brief description of supplier contracts, i.e., Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value, Contract Term: (XX/XX/XXX through XX/XX/XXXX).

2. POLICY EXCLUSIONS

Purchases as delineated below are excluded from this Policy by the nature of the material or service purchased:

- A. Advertisements
- B. Utility Bills, including gas, electric, water, sewage, local/cell phone service, and internet service
- C. Charitable Sponsorships

- D. Collective Bargaining Agreements
- E. Conferences, Seminars, Tuition, and Training
- F. Employment Contracts
- G. Federal Express, UPS, US Postal Service, and other similar shipping
- H. Intergovernmental or Inter-utility Agreements, including permits
- I. Legal Services
- J. Financial Services
- K. Real Property, including Easements
- L. Subscriptions, Publications, and Membership Dues
- M. Travel Expenses
- N. Workers Compensation Medical Payments and Medical Services
- O. Purchases made pursuant to the Energy Risk Management Program
- P. Software Licensing and Maintenance Agreements after the original purchase was competitively bid
- Q. OEM (Original Equipment Manufacturer) parts and services only available from the OEM or exclusive distributor specified by the OEM after the original purchase was competitively bid
- R. Materials where the BWL has standardized on one manufacturer, where the manufacturer or exclusive distributor specified by the manufacturer is the only source
- S. Damage Claims, Government Fees, Penalties, Licenses, and Taxes

3. SAFETY CONSIDERATIONS

The BWL recognizes its obligation to provide a safe environment for its employees and the general public. The BWL will meet this obligation, in part, by (1) purchasing safety engineered tools and equipment, (2) purchasing quality materials and (3) engaging suppliers with high-quality safety records.

4. ETHICS

Because all suppliers are entitled to equal and impartial bid consideration, all BWL purchases and the disposition of personal property must comply with both the letter and spirit of the City of Lansing's Ethics Manual.

5. INCLUSION

The BWL recognizes the importance of providing opportunities for companies that reflect the diversity of the BWL's ratepayers. Therefore, the BWL shall proactively support the growth, development, and use of a diverse pool of suppliers.

6. ENVIRONMENTAL CONSIDERATIONS

The BWL recognizes that the purchase and use of materials and services can have an impact on human health, our community, and the environment. Where practicable, the BWL will leverage its purchasing to reduce adverse social and environmental impacts and contribute to sustainable development in general. The BWL will strive to purchase products in a fiscally responsible manner with the highest environmental and social standards within its respective industry provided that the products meet acceptable use and performance needs.

7. LOCAL PREFERENCE

The BWL shall grant preference to businesses located in the BWL's service area in accordance with the "Local Preference" section as outlined in the Procurement Procedures.

8. RISK MANAGEMENT

The BWL shall mitigate risks in contracts through actions such as: limitations of liability, retainage, indemnities, warranties, terms of payment, incentive fee programs, termination, and insurance and bonding requirements. There are some risks that the BWL will not accept without additional approval of the General Manager or an Executive Director after review and approval of General Counsel (for B and C risks only). These risks are:

- A. Full payment in advance of the receipt of materials and services, except insurance payments; various licenses, including

software licenses; and equipment maintenance agreements;

B. Agreements under which the BWL assumes liability other than for its own acts or omissions; or

C. Acquisition of material or service which expressly excludes a warranty.

9. PURCHASE OF MATERIALS AND SERVICES

Purchasing Methods and Procedures General

The BWL shall use industry best practices for public and utility procurement, in the best interest of the BWL, to reflect current practices and technology changes. The amount of a purchase is determined by the total contract or purchase order dollar value for the entire duration of the contract or purchase order. No purchase shall be subdivided to avoid this Policy.

Competitive Purchases

The BWL has determined that competition secures the best value in purchases of materials and services. Therefore, unless otherwise specifically exempted by this Policy, all purchases of materials and services shall be through competitive methods with at least three suppliers where practicable. The BWL shall award the contract to the best-evaluated bid, proposal, or quotation.

Purchases Valued at \$100,000 or More

All materials and services with an estimated value of \$100,000 or more shall be purchased from the best-evaluated supplier after public notice on the BWL internet website or other public media. Notice may be waived at the discretion of the General Manager. The BWL and the selected supplier shall enter into a written contract to consummate the purchase. The Procurement Procedures detail the process for competitive sealed bids and proposals, including the appropriate method to determine the best-evaluated bid or proposal. Bid security may be requested but is not required.

Purchases Valued at \$15,000 or More but Less Than \$100,000

All materials and services with an estimated value of \$15,000 or more but less than \$100,000 shall be purchased from the best-evaluated supplier after the evaluation of competitive sealed bids, competitive sealed proposals, or competitive quotations. Quotations need not be sealed and no notice is necessary. The BWL and selected supplier shall enter into a written contract to consummate the purchase. The Procurement Procedures detail the process for competitive sealed bids, competitive sealed proposals, and competitive quotations, including the appropriate method to determine the best-evaluated bid, proposal, or quote. Bid security may be requested but is not required.

Special Requirements for Construction Contracts

(a) Performance and payment bonds are required on all construction contracts exceeding \$50,000 in an amount equal to 100% of the contract price. In addition, bid security may be required in an amount equal to 5% of the amount quoted for the contract. All bonds shall be issued and executed by a surety company authorized to do business in Michigan or otherwise secured in a manner and format satisfactory to the BWL. Noncompliance with bonding or security requirements shall require that the bid or proposal be rejected. Nothing contained in this Policy shall be construed to limit the authority to require additional bonds or security.

(b) Prevailing wages and fringe benefits shall be paid on all construction contracts, as determined by statistics compiled by the United States Department of Labor and related to the greater Lansing area by that Department in accordance with City of Lansing ordinance. Any person or business entity violating this requirement shall have thirty days to rectify the deficiency or will be deemed to be in material breach of contract.

Non-Competitive Purchases

The Board has determined that the following circumstances warrant an exemption from general competition and therefore, do not require competitive bidding or proposals:

A. Emergencies posing an apparent threat to public health, safety, or welfare;

B. Circumstances where the BWL has reasonably concluded and documented that only one source is available to supply the

requested material or service;

C. Excluded purchases that cannot be bid, such as those previously listed in the "Exclusions" section; and

D. Purchases under \$15,000. The Board has determined that the benefits of competition are outweighed by the administrative cost of the competitive bid process for these purchases.

Purchases exempted from the competition requirement shall, whenever possible, be made in a manner to ensure the BWL receives the best value.

Cancellation of Solicitations

The BWL may cancel a solicitation prior to full execution of a contract. In addition, the BWL may reject in whole or in part any or all bids or proposals, for good cause and when in the best interests of the BWL.

10. DISPOSITION OF PERSONAL PROPERTY

The BWL will attempt to achieve the best available return when disposing of personal property or minimal cost when disposing of non-saleable items. The BWL shall dispose of saleable personal property by fair and open competition whenever practicable. The BWL shall dispose of non-saleable items by the best available method.

11. AWARD APPEALS

A responsive supplier may appeal to the BWL regarding the award or the proposed award of a contract. The appeal shall be in writing and addressed to the General Manager.

The procedures for the processing and settlement of appeals, which includes an appeal to the Board, can be found in the Procurement Procedures.

A responsive supplier must comply with all appeal procedures before seeking Board review. The Board has final decision-making authority concerning appeals.

12. DEBARMENT

The BWL may bar a business from consideration for award if, within the past three (3) years, the supplier, contractor or an officer of the company, or an owner of a 25% or more share of the business has:

- A. Been convicted of a criminal offense incident to the application for or performance of a contract or subcontract;
- B. Been convicted of any offense which reflects on the supplier's business integrity, such as embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes;
- C. Failed to substantially perform a BWL contract or subcontract according to its terms, conditions, or specifications within specified time limits;
- D. Failed to comply with the solicitation process or violated the terms of a solicitation after bid or proposal submission;
- E. Been in the past or is currently in default to the BWL or the City of Lansing; or
- F. If, in the General Manager's discretion, it is in the best interests of the BWL to bar the contractor from consideration for award.

13. PURCHASING CARDS (P-Cards)

The General Manager may authorize the use of BWL-issued credit cards (P-Cards) for material and service purchases in accordance with this provision and applicable law. No employee may use a P-Card without delegated credit card authority from the General Manager or designee.

The total combined authorized credit limit of all BWL-issued P-Cards shall not exceed 5%, or some other amount established by state law, of the total budget of the BWL for the current fiscal year.

The General Manager or designee shall be responsible for the BWL's P-Card issuance, accounting, monitoring, and retrieval and generally for overseeing compliance with the P-Card Procedure.

Employees with delegated P-Card authority shall comply with BWL's P-Card Procedure, Procurement Procedures, and/or any other BWL policy or procedure referencing a P-Card.

ENFORCEMENT

Violation of this Policy may lead to disciplinary action, up to and including termination.

REFERENCES: Procurement Procedures; P-Card Procedure

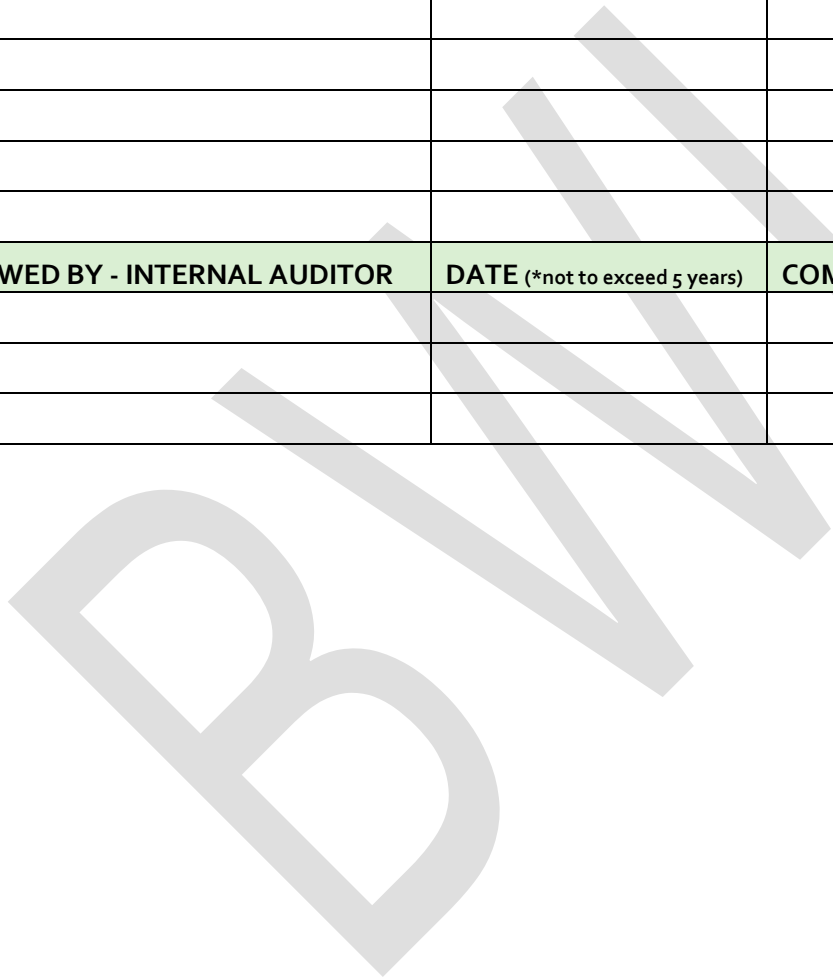
RESPONSIBLE AREA & DEPT NAME: 404 / Purchasing & Warehousing

EXECUTIVE DIVISION: CFO & Corporate Services

EXECUTIVE RECORD OF APPROVAL DATE: Click or tap to enter a date.

POLICY REVIEW: (This Policy **MUST** be reviewed at least every 4 years by responsible area (RA), unless specified otherwise).

REVIEWED BY	DATE	DUE DATE NEXT REVIEW
REVIEWED BY - INTERNAL AUDITOR	DATE (*not to exceed 5 years)	COMMENTS



RESOLUTION 2023-XX-XX
Procurement Policy

WHEREAS, Section 5-203.4 of the Lansing City Charter requires the Lansing Board of Water & Light (“BWL”) to adopt policies and procedures to assure fairness in procuring personal property and services and disposing of personal property; and

WHEREAS, the Board of Commissioners (“Board”) adopted a Procurement Policy (“Policy”) on December 1, 2015, which superseded the previously adopted Purchasing Policy dated July 27, 2010; and

WHEREAS, BWL staff has conducted a review of the Policy and determined revision and clarification to the terms of the Policy would enhance understanding and compliance with the Policy; and

NOW, THEREFORE, BE IT RESOLVED, that the Board adopt the Policy dated May 23, 2023 and made effective July 1, 2023 as presented.

FURTHER RESOLVED, that the Procurement Policy effective December 1, 2015 is superseded as of July 1, 2023.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to adopt the Procurement Policy at a Board meeting held on May 23, 2023

RESOLUTION 2023-XX-XX

FY24 Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services

RESOLVED, that Fiscal Year 2023-2024 Rules and Regulations for Electric, Water, Steam and Chilled Water Services be approved as presented by Management on May 23, 2023, to be effective July 1, 2023.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Rules and Regulations for FY24 at a Board meeting held on May 23, 2023.

RESOLUTION 2023-XX-XX
Disposition of Real Property

RESOLVED, that the Board of Commissioners hereby recommends that Lansing City Council grant the conveyance of certain real property titled to and occupied and maintained by the Board of Water and Light (“BWL”), specifically described on Exhibit A (“Property”); and

FURTHER RESOLVED, the General Manager of the Board of Water and Light is authorized to execute all documents to effectuate this disposition of the Property grant once approved by the Lansing City Council.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve the Resolution for the Disposition by Sale of Real Property at a Board meeting held on May 23, 2023.

Staff Comments: Greg and Mary Douglass own the parcel adjacent to the Property and have a license agreement with the BWL for an encroaching driveway and shed and they asked to purchase the Property. The Property is only .8 acres and is located in a flood zone, making it undesirable for develop. BWL has neither used nor does it intend to use the Property. An appraisal was obtained to establish the purchase price (\$3,000.00) and BWL has confirmed that neither the City of Lansing nor the Lansing School District has any need for the Property.

EXHIBIT A

LOT 11 OF PINE-DELL, A SUBDIVISION ON THE NE ¼ OF SECTION 11, T3N, R2W, DELHI TOWNSHIP, INGHAM COUNTY, MICHIGAN, SAID PLAT RECORDED IN L. 25 ON PAGES 10 & 11 OF INGHAM COUNTY PLATS.

Commonly known as v/l Pine Dell Drive, Lansing, Delhi Charter Township, Michigan

RESOLUTION 2023-XX-XX
Travel & Expense Policy

WHEREAS, the Board of Commissioners (“Board”) adopted a Travel & Reimbursement Policy (“Policy”) on March 27, 2018, with an effective date of May 1, 2018, which superseded the previously adopted Travel & Reimbursement Policy dated March 28, 2017; and

WHEREAS, BWL staff has conducted a review of the Policy and determined revision and clarification to the terms of the Policy would enhance understanding and compliance with the Policy;

WHEREAS, the Policy title was changed to Travel & Expense Policy to reflect the revisions and clarifications to the terms; and

NOW, THEREFORE, BE IT RESOLVED, that the Board adopt the Policy effective July 1, 2023, as presented.

FURTHER RESOLVED, that the Travel & Reimbursement Policy, effective May 1, 2018, is superseded by the Travel & Expense Policy as of July 1, 2023.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to adopt the Travel & Expense Policy at a Board meeting held on May 23, 2023.

Lansing Board of Water and Light

RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE REVENUE BONDS FOR WATER SUPPLY SYSTEM IMPROVEMENTS

- Notice of Intent to Issue Revenue Bonds in an amount not-to-exceed \$32,220,000 to finance water supply system improvements.
- Declaration of intent to reimburse expenditures from Revenue Bond proceeds.

WHEREAS, the City of Lansing (the “City”) provides in its City Charter that the Lansing Board of Water and Light (the “Board”) has general management over water, heat, steam and electric services and certain additional utility services of the City, and the Board operates facilities 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 (the “System”); and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”) permits the Board to issue revenue bonds payable solely from the net revenues derived from the operation of the System (the “Revenue Bonds”) in order to finance plants, works, instrumentalities, and properties used or useful in connection with utility systems such as the System; and

WHEREAS, the Board has determined that it is necessary for the public health, safety and welfare of the City and the users of the System to acquire and construct System improvements including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the “Project”) at a total estimated cost of Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000); and

WHEREAS, the issuance of revenue bonds as permitted by Act 94 in an amount not-to-exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000) (the “Revenue Bonds”) appears to be the most practical means to finance the Project; and

WHEREAS, the Board has been advised by the Michigan Department of Environment, Great Lakes and Energy that financial assistance to accomplish the acquisition and construction of the Project is available through the Drinking Water State Revolving Fund (“DWSRF”) loan program administered by the Michigan Finance Authority (the “MFA”), pursuant to which the MFA would purchase the Revenue Bonds from the Board; and

WHEREAS, the City has made application for participation in the DWSRF loan program; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Revenue Bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the Internal Revenue Service has issued Treasury Regulation § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, governing proceeds of debt used for reimbursement, pursuant to which the Board must declare official intent to reimburse expenditures with proceeds of such debt before making the expenditures.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Publication of Notice of Intent. The Board shall publish a notice of intent to issue the Revenue Bonds once as a display advertisement at least one-quarter (1/4) page in size in substantially the following form:

NOTICE TO ELECTORS OF THE CITY OF LANSING
OF INTENT TO ISSUE REVENUE BONDS FOR WATER SUPPLY SYSTEM IMPROVEMENTS
AND RIGHT TO PETITION FOR REFERENDUM

PLEASE TAKE NOTICE that the Lansing Board of Water and Light (the "Board") intends to authorize the issuance and sale of Revenue Bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, payable solely from revenues received by the Board from the operations of the City of Lansing's water supply, steam, chilled water and electric utility system (the "System").

The Revenue Bonds would be authorized in the maximum aggregate principal amount of not-to-exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000), for the purpose of paying costs of System improvements including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for the water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements. Costs financed with proceeds of the Revenue Bonds may include funding of required bond reserve funds, capitalized interest and costs of issuance.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE solely from the net revenues received by the Board from the operations of the System. The revenues will consist of rates, fees and charges billed to the users of the System, a schedule of which is presently on file at www.lbwl.com. The rates, fees and charges may from time to time be revised to provide sufficient net revenues to provide for the expenses of operating and maintaining the System, to pay the principal of and interest on the Revenue Bonds and any other bonds of the System, and to pay other obligations of the System. **The Revenue Bonds will not pledge the full faith and credit of the City. The Revenue Bonds will not be a general obligation of the City.**

The Board expects that all or a portion of the Revenue Bonds will be sold to the Michigan Finance Authority in connection with the Michigan Department of Environment, Great Lakes and Energy Drinking Water State Revolving Fund loan program.

The Revenue Bonds may be issued in one or more series and may be combined with bonds issued for other purposes, and each series will mature in not to exceed thirty (30) annual installments with interest at such interest rate or rates to be determined at public or negotiated sale but in no event to exceed such rates as may be permitted by law.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT VOTE OF THE ELECTORS UNLESS A VALID PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE REVENUE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK OF THE CITY OF LANSING WITHIN FORTY-FIVE (45) DAYS AFTER THE DATE OF PUBLICATION OF THIS NOTICE. If a valid petition is filed, the Revenue Bonds cannot be issued unless approved by a majority vote of the electors of the City voting on the question of their issuance. This notice is given pursuant to the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION may be obtained at the administrative offices of the Lansing Board of Water and Light, 1201 S. Washington Ave., Lansing, Michigan 48910.

LaVella J. Todd, Corporate Secretary
Lansing Board of Water and Light

2. Sufficiency of Notice. The Corporate Secretary is hereby directed to publish the notice of intent in The Lansing State Journal, a newspaper of general circulation in the City qualified under State law to publish legal notices, which is hereby determined to be the newspaper that will reach the largest number of persons to whom the notice is directed. The Board hereby determines that the notice of intent and the manner of publication directed is the method best calculated to give notice to the electors of the City and the users of the System of the Board's intent to issue the Revenue Bonds, the purposes of the Revenue Bonds, the source of payment of the Revenue Bonds, and the right of referendum relating thereto.

3. Declaration of Intent to Reimburse under Treas. Reg. § 1.150-2. The Board hereby makes the following declaration of intent for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

(1) The Board reasonably expects to reimburse itself for the expenditures described in (2) below with proceeds of debt to be incurred by the Board.

(2) The expenditures described in this paragraph (2) are to pay certain costs associated with the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof or which will be paid prior to the issuance of the debt from the funds of the System.

(3) As of the date hereof, the maximum principal amount of debt expected to be issued for reimbursement purposes, including reimbursement of debt issuance costs, is \$32,220,000, which debt may be issued in one or more series and/or together with debt for other purposes.

(4) A reimbursement allocation of the expenditures described in paragraph (2) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Board's use of the proceeds of the debt to be issued for the Project to reimburse the Board for a capital expenditure made pursuant to this Resolution.

(5) The expenditures for the Project are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).

(6) No proceeds of the borrowing paid to the Board in reimbursement pursuant to this Resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in paragraph (4) above.

4. 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 Revenue Bonds, including any bond anticipation notes which the Board might authorize in a future resolution. 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, the MFA and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Revenue Bonds.

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

I 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, May 23, 2023, 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.

I further certify that the following Members were present at said meeting: _____
_____ and that the following Members were absent:
_____.

I further certify that Member _____ moved for adoption of said resolution and that Member _____ supported said motion.

I further certify that the following Members voted for adoption of said resolution: _____
_____ and that the following Members voted against adoption of said resolution: _____.

Corporate Secretary

RESOLUTION 2023-XX-XX
Fiscal Year 2024-2029 Budget and Forecast

RESOLVED, that the Annual Operating and Capital Budget covering Fiscal Year 2024 is hereby approved as presented; and

RESOLVED, that the Operating and Capital Forecast for the Fiscal Years 2025-2029 is hereby accepted as presented; and

FURTHER RESOLVED, that the Corporate Secretary be directed to make the appropriate filings with the Lansing City Clerk's office in accordance with the Lansing City Charter regarding the above actions.

Staff Comments:

Staff recommends an operating and maintenance budget of \$378.4M and a capital budget of \$84.1M for Fiscal Year 2024.

The Operating and Capital Budget and Forecast for Fiscal Years 2024-2029 includes forecasted rate increases. The forecast rate increases are subject to revision and, in any case, prior to implementation, must be subject to the BWL's formal rate setting process as per Lansing City Charter, Section 5-205 which refers to the BWL's authority to set just and reasonable rates and defines the public hearing process.

In accordance with the provisions of the Lansing City Charter, Article 5, Chapter 2, Section 5-203.5 and Section 5-203.6, staff recommends the Finance Committee approve the budget and forecast for presentation and adoption by the Board at its May 23, 2023 board meeting.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Resolution for the Fiscal Year 2024-2029 Budget and Forecast at a Board meeting held on May 23, 2023.

RESOLUTION 2023-XX-XX
Removal of the Designation on Funds for Coal Inventory Fluctuation
and Release for Unrestricted Use

WHEREAS, the Lansing Board of Water & Light (“BWL”) previously operated facilities that required coal as a fuel for generation; and

WHEREAS, the BWL has maintained a fund for the designated purpose of meeting needs associated with coal inventory fluctuation which, as of March 31, 2023, had a balance of \$4,960,694; and

WHEREAS, the BWL, as of November 2022, no longer operates any facilities that require coal as a fuel for generation; and

WHEREAS, the BWL no longer has a need to purchase coal and no longer has an operational need for the designation of funds for coal inventory fluctuation.

NOW THEREFORE BE IT RESOLVED, that the designation on the funds maintained for coal inventory fluctuation is removed and the assets are released for unrestricted use.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Resolution for Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use at a Board meeting held on May 23, 2023.

Proposed Resolution
Retirement Plan Committee Charter and Appointments

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

WHEREAS, the Sponsor created a committee effective September 27, 2016, named “Retirement Plan Committee” (the “Committee”), to which the Sponsor delegated discretionary authority and responsibility for the discharge of certain Plan-related duties, and the Sponsor appointed the following individuals to serve on the Committee: Chief Financial Officer, Executive Director of Human Resources, and the Manager of Finance. Each Committee member is appointed to serve on the Committee until his or her resignation or removal from the Committee; and

WHEREAS, the Sponsor appointed the Director of Accounting, Finance, and Planning to replace the Manager of Finance on the Committee effective May 24, 2022; and

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

WHEREAS, the Sponsor resolves to implement the following recommendations of the RPC Audit;

THEREFORE, it is:

RESOLVED, that consistent with RPC Audit Recommendation # 1, the Committee shall submit quarterly to the Sponsor the custodian fund account statements for the quarterly period.

FURTHER RESOLVED, that consistent with RPC Audit Recommendation #2, the Committee shall draft and adopt a formal Charter to be approved by the Sponsor.

FURTHER RESOLVED, that consistent with RPC Audit Recommendation #4 to increase the size of the Committee to expand the breadth and depth of participation and strengthen accountability, the Sponsor appoints the following additional voting and non-voting members to serve on the Committee until his or her resignation or removal from the Committee or expiration of Board appointment, if applicable:

- one voting member of the Board who shall also serve as a voting member of the Committee;

- one voting member of the Board who shall not serve as a voting member of the Committee except at Committee meetings at which the BWL Board of Commissioners' voting member of the Committee is not present, or to break a tie vote;
- one BWL retiree to be chosen by the retirees according to a selection process determined by the retirees who shall serve as a voting member of the Committee;
- one IBEW Local Union 352 bargaining employee to be chosen by the IBEW Local Union 352 according to a selection process determined by the IBEW Local 352 who shall serve as a voting member of the Committee.

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

**RESOLUTION 2023-XX-XX
LANSING BOARD OF WATER & LIGHT
RESOLUTION HONORING DOUGLAS JESTER**

WHEREAS, it is a pleasure to extend this expression of our thanks and best wishes to Douglas Jester for his service as a Commissioner of the Board of Water & Light; and

WHEREAS, Douglas Jester was appointed as an Advisory Commissioner of the Board of Water & Light on November 6, 2017, to represent the City of East Lansing; and

WHEREAS, He last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Douglas is a Partner of 5 Lakes Energy, a strategy and policy consulting firm offering services respecting clean energy, environment and economic development; and has served as Senior Energy Policy Advisor to the Director of the State of Michigan Department of Energy, Labor, and Economic Growth; and has held various roles at the State of Michigan in environmental and economic regulation of electric power generation, management of Great Lakes fisheries and water quality, ecosystem simulation modeling, and valuation of environmental damages; and

WHEREAS, Douglas has also served the City of East Lansing, Michigan as Mayor and on the City's Environment Commission, Transportation Commission, Housing Services Corporation, Downtown Development Authority, Downtown Management Board, Local Development Finance Authority, and City Council; and

WHEREAS, on behalf of his colleagues, employees of the Board of Water & Light and the citizens of Lansing, we offer our sincere gratitude for the time, energy, and talent he devoted as a Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Douglas Jester for his years of distinguished service in Regular Board Meeting this 23rd day of May, 2023. We sincerely wish Douglas continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Dusty Horwitt

DeShon Leek

Larry Merrill

Tony Mullen

David Price

Maggie Sanders

Tracy Thomas

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the resolution of tribute for the outgoing Commissioner Douglas Jester at a Board meeting held on May 23, 2023.

**RESOLUTION 2023-XX-XX
LANSING BOARD OF WATER & LIGHT
RESOLUTION HONORING LARRY MERRILL**

WHEREAS, it is a pleasure to extend this expression of our thanks and best wishes to Larry Merrill for his service as a Commissioner of the Board of Water & Light; and,

WHEREAS, Larry Merrill was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2019 to represent Delta Township; and

WHEREAS, He last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Larry is co-director of Center for Local Solutions at Public Policy Associates; and

WHEREAS, Larry served as Executive Director of Michigan Townships Association for 19 years and the MTA's Deputy Executive Director for 15 years; and has served as a county administrator, emergency medical services director and emergency manager; and is a Certified Association Executive (CAE) and was elected to the Michigan Association Executive Hall of Fame; and has served the Grand Ledge Public Schools as a two-term school board member including three years as President; and

WHEREAS, on behalf of his colleagues, employees of the Board of Water & Light and the citizens of Lansing, we offer our sincere gratitude for the time, energy, and talent he devoted as a Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Larry Merrill for his years of distinguished service in Regular Board Meeting this 23rd day of May, 2023. We sincerely wish Larry continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Dusty Horwitt

Douglas Jester

DeShon Leek

Tony Mullen

David Price

Maggie Sanders

Tracy Thomas

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the resolution of tribute for the outgoing Commissioner Larry Merrill at a Board meeting held on May 23, 2023.

RESOLUTION 2023-XX-XX
LANSING BOARD OF WATER & LIGHT
RESOLUTION HONORING MAGGIE SANDERS

WHEREAS, it is a pleasure to extend this expression of our thanks and best wishes to Maggie Sanders for her service as a Commissioner of the Board of Water & Light; and,

WHEREAS, Maggie Sanders was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2022, to represent Lansing Charter Township; and

WHEREAS, She last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Maggie is the supervisor of the Charter Township of Lansing; and

WHEREAS, Maggie served as the Lansing Township Clerk for two years and currently serves on the Lansing Township Downtown Development Authority Board, the Lansing Township Economic Development Corporation, and the Capital Area Transportation Authority (CATA); and

WHEREAS, on behalf of her colleagues, employees of the Board of Water & Light and the citizens of Lansing, we offer our sincere gratitude for the time, energy, and talent she devoted as a Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Maggie Sanders for her year of distinguished service in Regular Board Meeting this 23rd day of May, 2023. We sincerely wish Maggie continued success in all her future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Dusty Horwitt

Douglas Jester

DeShon Leek

Larry Merrill

Tony Mullen

David Price

Tracy Thomas

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the resolution of tribute for the outgoing Commissioner Maggie Sanders at a Board meeting held on May 23, 2023.