



**BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
May 24, 2022 - 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 22, 2022
- b. Special Board Meeting Minutes of April 26, 2022
- c. Special Board Meeting Minutes of May 3, 2022

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 Gerald Williams re: Recent Power Outage
- b. Electronic mail from Aaron Jackson re: Smart Meter Installation
- c. Electronic mail from Dana Perrien re: Smart Meter Installation
- d. Electronic mail from Jessica Melendez re: Water Bill

6. Committee Reports

- a. Human Resources Committee Meeting (March 31, 2022)-Tracy Thomas, Chairperson
- b. Human Resources Committee Meeting (April 26, 2022)-Tracy Thomas, Chairperson
- c. Committee of the Whole Meeting (May 10, 2022)-Sandra Zerkle, Chairperson
- d. Finance Committee Meeting (May 10, 2022)-Tony Mullen, Chairperson

7. Manager's Recommendations

8. Unfinished Business

9. New Business

10. Resolutions/Action Items

- a. Return on Equity (ROE) Renewal
- b. DB Investment Policy Statement Resolution
- c. VEBA Investment Policy Statement Resolution
- d. Retirement Plan Committee Appointment Change Resolution
- e. Drinking Water State Revolving Fund Resolution
- f. FY 2023-2028 Budget and Forecast Resolution

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 05-19-22

2022 Board Meetings Notice/Schedule Posted in the Lansing City Pulse January 5, 2022



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

March 22, 2022

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, March 22, 2022.

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

Interim Corporate Secretary, Maria Koutsoukos, called the roll.

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

Absent: Commissioner Douglas Jester (East Lansing) and Brian Ross (DeWitt Township)

Interim Corporate Secretary Koutsoukos declared a quorum.

The meeting attendees recited the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Graham, **Seconded** by Commissioner Mullen, to approve the Board Meeting Minutes of January 25, 2022.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments on agenda items.

COMMUNICATIONS

Electronic mail received from Randy Dykhuis regarding groundwater contamination at Erickson - *Referred to Management. Received and Placed on File.*

Electronic mail received from Catherine Church regarding residential electrical lines - *Referred to Management. Received and Placed on File.*

Electronic mail received from Maxine Shepard regarding residential bill - *Referred to Management. Received and Placed on File.*

Electronic mail received from Victor Diaz regarding Earth Day celebration - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

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

SPECIAL COMMITTEE OF THE WHOLE Meeting Minutes February 15, 2022

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, February 15, 2022.

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

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen, David Price and Tracy Thomas, and Non-Voting Members: Douglas Jester (East Lansing) and Larry Merrill (Delta Township)

Absent: Commissioner Brian Ross (DeWitt Township)

The Interim Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Chairperson Zerkle made an amendment to the agenda adding General Manager Peffley's updates on a recent outage in East Lansing and groundwater contamination at the Erickson station.

GM Peffley stated that a defective fuse on a pole in East Lansing caused the pole to catch fire on February 11, 2022 and it affected 3,000 customers. Power was restored to two thirds of the customers quickly and the pole was replaced within four hours, restoring power to the remaining one third of the customers.

GM Peffley also updated the meeting attendees on the groundwater contamination at the Erickson station. Elevated levels of boron were found in the water at six private wells in the area. Boron levels aren't currently regulated as it is a naturally occurring element, but some of the current levels are considered unsafe for children. BWL provided the owners of the private wells with bottled water and Culligan machines and will provide a permanent water filter solution or a paid hookup to the city system in the near future. Wells were drilled at the Erickson station and in the aquifer upstream from the

gradient to determine the baseline boron level in the area and BWL's effect on the boron level. Sample testing will continue for the 60 homes on the well water in the area.

Commissioner Graham asked if the increased boron levels were more prevalent toward the river. GM Peffley responded that the levels are higher on the southeast side of the plant and river water affects the ground in various ways. The well being drilled in the aquifer will help determine the accurate level of boron for the BWL.

Chairperson Zerkle asked whether moving up the closing date of the Erickson plant and the coal pile affected the amount of contamination. GM Peffley responded that cleaning the coal ash containment pond was separate from the boron levels. GM Peffley added that policy on moving the company forward with new generating assets would be provided in COW meetings.

Commissioner Horwitt asked if there was any ongoing risk to be addressed if additional homeowners are found to be affected by groundwater boron levels. GM Peffley responded that BWL is working with the state to determine from where any extra boron could be appearing.

Meeting Purpose: Approve Amendments to Rules of Procedure and Governance Policy

Chairperson Zerkle opened the floor for discussion of, or approval of forwarding to the full Board for consideration, the suggested amendments to the Rules of Procedure and Governance Policy.

Commissioner Mullen encouraged the Board of Commissioners to vote no on passing the amendments to the full board for approval as the process was not serving the purpose of the Board providing utility services. Commissioner Mullen asked for the reason for the current request for amendments to the Rules of Procedure and Governance Policy instead of waiting for the regularly scheduled COW meeting.

Motion by Commissioner Mullen, **Seconded** by Commissioner Price, to forward the amendments to the Rules of Procedure and Governance Policy to the full Board for consideration.

A discussion followed regarding the merits of amending the Rules of Procedure and Governance Policy and a quantitative and qualitative analysis of the amendments being proposed. Commissioner Price recommended voting down the motion and reviewing the substantive and technical amendments separately.

Commissioner Mullen requested a call of the question.

Roll Call Vote for the call of the question:

Yeas: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, Deshon Leek, Tony Mullen, David Price, and Tracy Thomas

Nays: None.

Roll Call Vote for the Motion:

Yeas: Commissioner Semone James

Nays: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Deshon Leek, Tony Mullen, David Price, and Tracy Thomas

Action: Motion Failed.

Chairperson Zerkle requested that the Interim Corporate Secretary highlight the edits in both the Rules of Procedure and Governance Policy and send the edits alone in documents for review by the Board. Commissioner Mullen and Commissioner Price requested edits be separated into substantive changes and technical changes to be voted on at the next COW meeting to be held in March. After receiving the edits, the Commissioners will provide to the Interim Corporate Secretary the edited items they would like discussed at the COW meeting.

Commissioner Jester suggested presenting the technical amendments and making a motion for them to be discussed first, and then voting on the amendment of each one successively resulting in a document that can be moved forward to the Board for consideration.

Commissioner Mullen asked whether the Board meetings need to be made available virtually to the public. Lansing City Attorney Jim Smiertka responded that he would ask Assistant City Attorney Lisa Hagen to provide the information pertaining to that requirement to the Commissioners.

Other

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

Action: Motion Carried

Adjourn

Chairperson Zerkle adjourned the meeting at 6:54 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

Finance Committee Chairperson Tony Mullen presented the Finance Committee Report:

FINANCE COMMITTEE Meeting Minutes February 22, 2022

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, February 22, 2022.

Finance Committee Chairperson Tony Mullen called the meeting to order at 5:30 p.m. and asked the Interim Corporate Secretary to call the roll.

Present: Commissioners Tony Mullen, Beth Graham, Semone James, David Price and Sandra Zerkle. Also, present: Commissioners Tracy Thomas and Non-Voting Commissioners Douglas Jester (arrived @ 5:36 p.m.) and Larry Merrill (Delta Township)

Absent: None

The Interim Corporate Secretary declared a quorum.

Public Comments

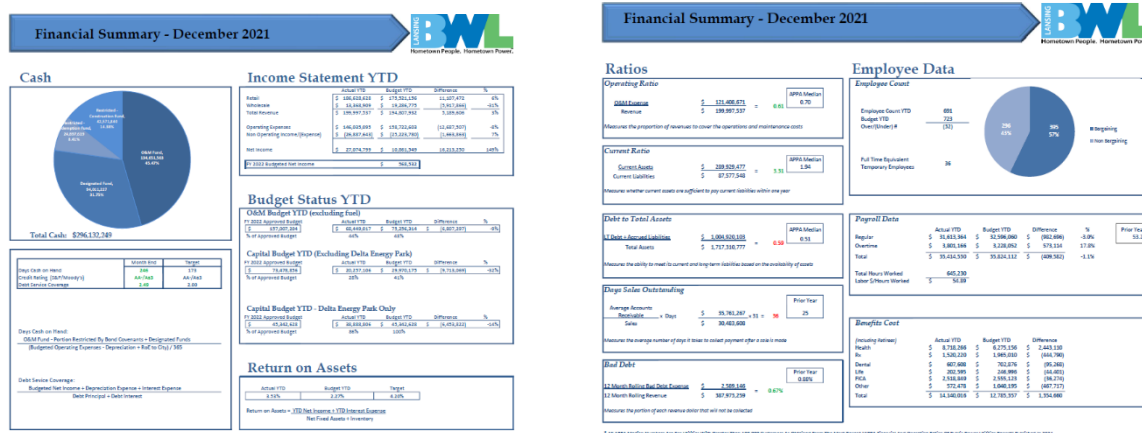
There were no public comments.

Approval of Minutes

Motion by Commissioner James, **Seconded** by Commissioner Graham to approve the Finance Committee meeting minutes of January 11, 2022.

Action: Motion Carried.

December YTD Financial Summary



CFO Heather Shawa gave a review of the December 2022 Year-to-date Financial Summary. CFO Shawa reported that Total Cash decreased from the prior month due to the semi-annual Return on Equity payment and the use of bond proceeds for the continued construction of Delta Energy Plant (DEP). Days Cash on Hand remains strong. Retail sales is 6% above budget due to increased residential and commercial consumption and this off sets the under budget of industrial sales which is due to the GM chip shortage. Wholesale revenue is under budget due to the delay in commercial operation for DEP and an unplanned outage at Erickson. Operating expenses and budget are down due to depreciation associated with the delay of commercial operation of DEP and under budget departmental spending which includes outside consulting services. Capital budget is under budget due to some delay in the supply chain resulting in project schedule changes. Two of the five ratios are below target. Debt to Total Assets is driven by the debt incurred with the Delta Energy Plant. Days Sales Outstanding is affected by giving longer payment plans to customers and non-shutoff plans during the pandemic. Employee count and payroll data are consistent with previous data. The increase in overtime is due to the broken poles and train incident. Benefit costs are over budget due to medical costs for increased claims but will be offset by a stop loss payment for three large claims.

Commissioner Zerkle commended the decrease in bad debt ratio and asked if the employee benefit costs increased due to overtime and filling in for COVID absences. CFO Shawa responded that at the beginning of the pandemic non-emergency medical treatments were deferred and BWL's health care consultant advised that the benefits costs would increase when the non-emergency medical treatments were allowed. CFO Shawa added that the costs weren't expected to decrease for about a year. GM Peffley added that there would be two more pandemic relief fairs held, on March 9th at Grier

Community Center and March 15th at Letts Community Center, that would bring in additional funding to decrease the costs.

Commissioner James asked why budgeted positions were not being filled by the temporary employees. CFO Shawa responded that as vacancies occur the hiring process begins and with turnover there is an average of 25 openings ongoing. CFO Shawa added that some positions are contract positions for specific projects. GM Peffley added that employees have about two weeks to try out a job which slows down the process. Chairperson Mullen asked whether a presentation could be presented on how benefits are provided to BWL employees. CFO Shawa responded that would be an excellent Human Resources Committee topic.

Capital Project Summary

Finance Manager, Scott Taylor, presented the Capital Project Summary.

| Report as of December 31, 2021 | | | | | | | | | | | |
|---|-----------------------------|---------------|---------------|------------------------|--------------------|----------------|------------|-----------------------------|-------------------------------|------------|---------------------------|
| Projects Sorted by the Current Projection (Highest to lowest costs) | | | | | | | | | | | |
| Project Name | Current Phase | FY 22 | | Designed Budget Amount | Current Projection | Total Project | | Project Period | | | |
| | | Budget | Projected | | | \$ Variance | % Variance | Total Cost Incurred To-Date | % Total Cost Incurred To-Date | Start Date | Projected Completion Date |
| Top Ten Planned Projects | | | | | | | | | | | |
| Advanced Metering Infrastructure | Phase 4 - Construction | \$ 873,373 | \$ 1,399,322 | \$ 37,187,288 | \$ 37,716,559 | \$ 529,305 | 1.42% | \$ 37,011,834 | 98.13% | 6/6/2014 | 6/30/2022 |
| Stanley Substation | Phase 1 - Feasibility | \$ 804,904 | \$ 357,113 | TBD | \$ 34,920,108 | \$ - | 0.00% | \$ 74,399 | 0.21% | 3/15/2021 | 12/9/2027 |
| Wise Substation - Rebuild | Phase 3 - Design | \$ 8,554,408 | \$ 2,510,951 | TBD | \$ 25,781,285 | \$ - | 0.00% | \$ 1,028,437 | 3.99% | 2/1/2020 | 6/30/2024 |
| Rundle Substation | Phase 2 - Funding Readiness | \$ 500,000 | \$ 735,417 | TBD | \$ 24,429,851 | \$ - | 0.00% | \$ 142,518 | 0.58% | 3/15/2021 | 10/25/2025 |
| South Reinforcement - Transmission Line | Phase 3 - Design | \$ 2,980,991 | \$ 2,318,539 | TBD | \$ 20,821,628 | \$ - | 0.00% | \$ 3,168,088 | 15.14% | 9/20/2017 | 11/29/2024 |
| LGR Substation | Phase 1 - Feasibility | \$ 49,438 | \$ 403,657 | TBD | \$ 17,987,179 | \$ - | 0.00% | \$ 102,032 | 0.57% | 3/15/2021 | 6/9/2026 |
| Customer Information System | Phase 4 - Construction | \$ 1,550,764 | \$ 3,479,838 | \$ 17,425,255 | \$ 16,069,659 | \$ (1,355,596) | -7.78% | \$ 13,570,568 | 84.45% | 4/30/2019 | 6/30/2022 |
| Dye Dry Chemical Handling | Phase 3 - Design | \$ 714,061 | \$ 1,199,816 | TBD | \$ 13,707,307 | \$ - | 0.00% | \$ 581,991 | 4.25% | 8/17/2020 | 8/31/2026 |
| REG OM Hot Water Service | Phase 1 - Feasibility | \$ - | \$ 155,375 | TBD | \$ 9,702,660 | \$ - | 0.00% | \$ 2,137 | 0.02% | 11/15/2021 | 2/28/2025 |
| ESRI Implementation | Phase 4 - Construction | \$ 300,000 | \$ 555,492 | \$ 6,520,417 | \$ 6,875,503 | \$ 355,086 | 5.45% | \$ 6,524,003 | 94.89% | 7/1/2015 | 6/30/2022 |
| Total Top Ten Planned Projects | | \$ 14,327,939 | \$ 13,115,521 | | \$ 308,111,722 | | | \$ 43,206,007 | | | |
| Project Watch List - Projects \$150k and 10% over the Designed Budget Amount (Outside of Top Ten Planned Projects) | | | | | | | | | | | |
| Total Project Watch List | | \$ - | \$ - | | \$ - | | | \$ - | | | |
| Remaining Planned | | | | | | | | | | | |
| Electric | | \$ 19,695,033 | \$ 12,848,394 | | | | | | | | |
| Water | | \$ 2,317,000 | \$ 1,974,072 | | | | | | | | |
| Steam | | \$ - | \$ 482,671 | | | | | | | | |
| Chilled Water | | \$ - | \$ - | | | | | | | | |
| Common | | \$ 3,096,404 | \$ 3,440,263 | | | | | | | | |
| Total Remaining Planned | | \$ 25,110,437 | \$ 18,765,401 | | | | | | | | |
| Annual | | | | | | | | | | | |
| Electric | | \$ 15,592,000 | \$ 16,394,377 | | | \$ 702,377 | 4.48% | | | | |
| Water | | \$ 9,234,050 | \$ 8,457,262 | | | \$ (776,788) | -8.41% | | | | |
| Steam | | \$ 1,746,132 | \$ 1,437,606 | | | \$ (308,526) | -17.67% | | | | |
| Chilled Water | | \$ 50,000 | \$ 50,000 | | | \$ - | 0.00% | | | | |
| Common | | \$ 5,818,294 | \$ 5,625,494 | | | \$ (192,800) | -3.31% | | | | |
| Total Annual | | \$ 32,040,480 | \$ 31,964,640 | | | \$ (75,840) | -0.24% | | | | |
| Grand Total | | \$ 73,478,856 | \$ 63,845,570 | | | \$ (9,633,286) | -13.11% | | | | |

Note:
 For projects that are in Stage Gates 1-3, the **Expected Total Project Cost** are high level estimates that can have a significant margin error.
 For projects that are in Stage Gates 4-5, the **Expected Completion Date** is subject to change as organizational priorities or project plans are reassessed.
 Variances highlighted in red are over the \$200k and 15% thresholds.

The top ten largest projects are portrayed in the top section of the Capital Project Summary. The summary is put together to determine if any of the projects are nearing budget exceedance. If the project reaches the \$200,000 and 15% threshold, it is brought to the Board with a Capital Exceedance resolution. Some projects are running a little over and some a little under due to shifting in the time of the projects. Mr. Taylor noted that the total projection is \$10 million under budget.

Commissioner James asked why eight of the projects are under budget. Mr. Taylor stated that for the Stanley Substation there is a delay in obtaining easements resulting in a delay in spending in construction. GM Peffley added that a delay in construction resulting in a delay of spending may cause an overbudget as delays are usually more expensive. Commissioner Zerkle commented that the incomplete projects would be placed in the 2023 budget and that there would be carryover to the next budget. CFO Shawa added that when a project is in Phase 3 – Design the budget is locked in and Phase 4 and Phase 5 are where capital exceedance requests are considered if needed.

Retirement Plan Committee (RPC) Updates

CFO Heather Shawa presented the Retirement Plan Committee (RPC) investment and administrative activity updates. Quarterly meetings were held with advisor ACG for the DB and VEBA plans and the quarterly performance reports as of December 31, 2021 were reviewed. Public Act 202 of 2017 was discussed which established uniform assumptions of retirement systems. One change being recommended is reducing the rate of return and discount rate from 7% to 6.85% for the VEBA plan. Mr. Taylor and actuarial Mark Miller are running the numbers to determine the impact of a 6.85% rate and a 6.5% rate. An update to the investment policy statement will be provided if needed and brought to the Board. The quarterly meeting with Nationwide will be held the first week of March. A voluntary correction program (VCP) was sent to the IRS and compliance statements were received. Notification needs to be sent on or before June 26, 2022 to 46 affected participants that the overpayments they rolled over were not eligible for tax free rollover treatment.

Drinking Water State Revolving Fund (DWSRF)

Mr. Taylor introduced BWL Water Principal Engineer, Mr. Michael Lehtonen, who presented information on the Drinking Water State Revolving Fund (DWSRF). DWSRF is a State of Michigan program to assist water suppliers in meeting the requirements of the Safe Water Drinking Act through low interest loans. Eligible projects are new projects that improve reliability, water quality or compliance with an enforcement action, and replacement or upgrade of existing assets that are past the end of useful life. The program offers low interest 20-year loans for 1.85% or 30-year loans for 2.125% with a potential principal forgiveness of 4% - 30% for a Disadvantaged Community. There is a high likelihood that funds from the Federal Infrastructure Bill will be administered through this program. BWL participated in SRF through the City of Lansing's Combined Sewer Overflow (CSO) projects prior to 2008 and currently is self-funding CSO projects. BWL applied to DWSRF for the funding of three CSO projects but was ranked 61 out of 109 projects where the cut off range was 53. To better understand the scoring criteria, BWL met with EGLE and plans to add more diverse projects to maximize points. Mr. Lehtonen provided project plan updates and the project plan schedule for 2022 to submit to EGLE.

Commissioner Zerkle asked whether the 20-year loan was being considered and whether any funds from the Federal Infrastructure Bill would lower the loan. CFO Shawa responded that the 20-year loan was the preferable loan to consider and federal funding would be applied to the loan.

Commissioner Thomas asked whether the next meeting would be virtual or in person and for the length of the meeting. CFO Shawa responded that the EGLE consultant would determine the meeting specifics.

Commissioner Zerkle asked whether any of the drinking water funding could be used for the Erickson water issue. GM Peffley responded that if it is deemed that the increased boron levels were from the coal ash pond that would pertain to the electric part of utility service and not water.

CFO Shawa stated that updates will be provided in the monthly executive highlights and a resolution to adopt a project plan, which is due under EGLE by July 1, 2022, will be provided in the May 2022 Finance Committee meeting. If EGLE approves the loan for the project plan it will be brought before the Board again for approval.

Commissioner Mullen asked if there was additional funding available through the Federal Infrastructure plan. CFO Shawa responded that as more federal funding is going to water infrastructure at this time, the DWSRF funding proposal was updated to include replacing aging water mains, water production facilities and supply wells, plus building a 2-3 million gallon elevated storage or reservoir tank.

Commissioner Jester commented on the federal investment and jobs act in the infrastructure bill called Justice40 that states 40% of spending on climate and energy is to go to communities that have a combination of low income and low education. He stated that there will be a competitive advantage for BWL for making proposals that target those parts of the community. CFO Shawa responded the BWL is working with the City of Lansing and the community response cabinet on grant writing.

Internal Auditor Status Report

Interim Internal Auditor Brian Schimke presented the Internal Auditor Status Report and requested approval of the Internal Audit Plan.

Proposed (Revised) FY 2022 Audit Plan

1. Planned Audits

- Time Recording, Payroll Processing, Payment of Overtime and Review Access to Employee Master File (Human Resources: Last Audit - October 2017)
- Manage Mobile Devices (Information Technology: Last Audit - October 2017)

2. Alternate Audits

- Enterprise Information Management/Records Retention Management (Legal: Last Audit - March 2014)
- Outage Management System (Operations: Last Audit - April 2015 [Prior OMS System])

**Please note – Alternate audits may only be implemented if there is ample time left in the fiscal year to commence or if circumstances prevent IA from commencing a planned audit.*



Proposed (Revised) FY 2022 Audit Progress Report

Audit Engagements and Activities in Audit Plan Completed, Active, Scheduled to Start, or Changed.

1. Payroll Audit – Audit Status: Active, commenced preliminary work back on 08/23/2021
2. Mobile Devices Audit – Audit Status: Scheduled to start after receiving approval of the proposed (revised) FY22 Audit Plan

**Please note: A FY22 Audit Plan has NOT been approved, however, IA was given permission to engage in audit work related to the FY22 Payroll Audit.*



Other Items Internal Audit's Addressing

1. FY22 IIA Required Peer Review

- Required to be completed every five years to maintain compliance with IIA standards. The last Peer Review was completed in FY2017

2. Working on completing FY22 Goals

- Established to improve the efficiency and efficacy of Internal Audit

3. Composing an Audit Universe for Board of Commissioners

- Will provide the Commissioner's with a comprehensive list of previous audits and breadth of the universe



Commissioner Mullen asked if additional help would be required or obtained to complete the audits. Mr. Schimke responded that additional help was requested for the extensive cybersecurity audit and that he has plenty of templates and guidance from previous audits to complete the proposed planned and alternate audits.

Commissioner Jester inquired whether the outage management system audit would include looking at the capacity of the system during a large outage. Mr. Schimke responded that he would review the

audit that was completed during the ice storm and conduct an audit with those issues and measures in mind. He added that a third party may be required to conduct a simulation.

Commissioner Zerkle asked which audits could be completed by June. Mr. Schimke responded he would conduct the payroll audit first, then the Enterprise Information Management Records Retention Management, and then the mobile management devices audit. Additional preparation will be conducted with the IT department for the mobile management devices audit.

Mr. Schimke stated that preliminary work has been started with an audit engagement letter for the payroll audit and requested approval for the proposed audit plan.

Chairperson Mullen recommended putting the prepared audit information into the Commissioners' dashboard in Smartsheet. Commissioner Price added that a lot of the audit information has already been placed in the Commissioners' dashboard Smartsheet but may need some fine tuning.

Commissioner Jester inquired about the audit universe to be provided. Mr. Schimke responded that the information would be provided from previous audits as a comparison and explanation of and for current audits being conducted.

Commissioner Zerkle asked if older audits would be updated and if information could be provided of the reasons why updates were completed or not. Mr. Schimke responded that a baseline of audits and the importance of each proposed audit would be provided for ease of review.

Motion by Commissioner Zerkle, **Seconded** by Commissioner James to forward the proposed Internal Audit Plan to the full Board for consideration.

Action: Motion Carried.

Other

Commissioner Zerkle inquired about the rate of return and would like a presentation to be given to the Commissioners by the City of Lansing. She also asked to be provided the amount that would be given at each rate of return and an explanation of the results. CFO Shawa responded the information would be provided to the Commissioners.

Commissioner Merrill requested information on the benchmarking of national averages of percentage of revenue return for utilities be provided and that he would like to see BWL toward the average rather than on the high end of the average of revenue return.

Commissioner Mullen and Commissioner Zerkle requested information on the amount of the payment in lieu of taxes, if it was a reasonable amount, and if a lower amount would be better for the customer rate payers.

GM Peffley stated that he spoke with the mayor regarding an increase in the rate on the Return on Equity proposal and requested that the item be discussed at the March 8, 2022 COW meeting. CFO Shawa stated that the information on the Return on Equity proposal would be provided to the Commissioners as soon as it was received back from the City of Lansing.

Adjourn

Chairperson Tony Mullen adjourned the meeting at 6:52 p.m.

Respectfully submitted
Tony Mullen, Chairperson
Finance Committee

Chairperson David Price presented the Executive Committee Report:

EXECUTIVE COMMITTEE Committee Report March 3, 2022

The Executive Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Thursday, March 3, 2022.

Executive Committee Chair David Price called the March 3, 2022 Executive Committee meeting to order at 12:00 p.m. and asked the Interim Corporate Secretary Maria Koutsoukos to call the roll.

Present: Commissioners David Price, DeShon Leek, Anthony Mullen and Sandra Zerkle; also present Commissioner Semone James.

Absent: None

The Interim Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Zerkle, **Seconded** by Commissioner Leek, to approve the Executive Committee meeting minutes of February 25, 2021.

Action: Motion Carried.

Review Proposed Changes to Governance Policy and Rules of Procedure

The Executive Committee members reviewed the substantive and technical amendments to the Governance Policy and the Rules of Procedure which will be forwarded to the COW Meeting to debate and consider for approval. The technical amendments are format and grammar changes, and the substantive amendments are changes that affect how the Board operates.

The technical and substantive changes were reviewed as to whether the changes were to be voted on as technical or substantive changes. The Interim Corporate Secretary was instructed to prepare for the March 8, 2022 COW meeting one document for the Governance Policy and one document for the Rules of Procedure, color code the technical changes and substantive changes within the documents, and add page numbers. The Interim Corporate Secretary will also provide a copy of the current Governance Policy and Rules of Procedure at the COW meeting.

Other

There was no other business.

Excused Absence

None.

Adjourn

Chairperson Price adjourned the meeting adjourned at 1:26 p.m.

Respectfully submitted,
David Price, Chairperson
Executive Committee

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

COMMITTEE OF THE WHOLE Committee Report March 8, 2022

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 8, 2022.

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

Present: Commissioners Sandra Zerkle, Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price and Tracy Thomas, and Non-Voting Members: Larry Merrill (Delta Township), Douglas Jester (East Lansing), and Brian Ross (DeWitt Township)

Absent: Commissioner Dusty Horwitt

The Interim Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Thomas, **Seconded** by Commissioner Graham, to approve the Committee of the Whole Meeting minutes of January 11, 2022.

Action: Motion carried. The minutes were approved.

Motion by Commissioner Leek, **Seconded** by Commissioner Graham, to approve the Special Committee of the Whole Meeting minutes of February 15, 2022.

Action: Motion carried. The minutes were approved.

Approval of Amendments to Governance Policy and Rules of Procedure

The Committee of the Whole reviewed the amendments to the Governance Policy and Rules of Procedure and made the following recommendations.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to strike in Governance Policy 1) b. and 1) c., require modifications if necessary, and to leave the language as stated in the current document.

Action: Motion carried.

Motion by Commissioner Price, **Seconded** by Commissioner Leek, to strike in Governance Policy 2) a., the replacement of BWL with City of Lansing, and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to strike in Governance Policy 2) b., the deletion of attempt to, and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Leek, to strike the insertion of Governance Policy 2) c. and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Mullen, to strike in Governance Policy 2) b. i., the deletion of must and insertion of should, and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Graham, **Seconded** by Commissioner Price, to strike the insertion of Governance Policy 2) e. and 2) f. and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Mullen, to strike the deletion of Governance Policy 2) b. i., 2) b. ii., 2) b. iii., and 2) b. iv. and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Zerkle, **Seconded** by Commissioner Price, to strike in Governance Policy 3) a., the deletion of full and exclusive, and to strike replacing BWL with Board of Commissioners, and to leave the language as stated in the current document.

Action: Motion Carried.

Motion by Commissioner Zerkle, **Seconded** by Commissioner James, to strike in Governance Policy 3) e., and modifications if necessary, and to leave the language as stated in the current document.

Action: Motion carried.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to approve the Resolution to amend the Governance Policy and to forward to the full Board for consideration.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner James, to amend in Rules of Procedure 1.2.1, two Voting Members to four Voting Members.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner Graham, to strike, in Rules of Procedure 1.2.2, delivered personally and insert provided; to strike, left at his or her place of residence or business; and to insert, acknowledgement of notice is required from each member of the Board and may be in the form of an electronic communication.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Leek, to strike in Rules of Procedure 1.5.1, two Voting Members and insert four Voting Members.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner Graham, to strike in Rules of Procedure 1.5.2, the provisions for, and insert, Section 1.2.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner James, to accept the amendments in Rules of Procedure 1.6.2.

Before voting on the changes to Rules of Procedure 1.6.2, Commissioner Merrill stated that he opposed the change from may to shall in the first sentence as shall is a definite action and may is a permissive action. Commissioner Merrill read from Robert's Rules of Order which states that a section in an organization's rules of procedure authorizing by whom special meetings shall be called, shall specify the board chairperson or specify a number of members nearly equal to a quorum and the number of days of notice required. Both Commissioner Mullen and Commissioner Merrill stated that there is a provision to recuse one's self from voting if there is a conflict of interest.

Commissioner Price withdrew his motion.

City attorney Mr. Jim Smiertka responded that the Open Meetings Act states that Non-Voting Members can be in closed sessions of meetings, but if there is a conflict of interest the non-voting member may be privy to confidential information. If there is a conflict of interest as stated in the ethics ordinance, a two thirds vote of the members will remove the non-voting member from the closed session. Mr. Smiertka added that the word shall indicates a mandatory action and the word may indicates a permissive action, and that allowing Non-Voting Members to vote to go into closed sessions needs to be removed.

Motion by Commissioner Price, **Seconded** by Commissioner Leek, to strike in Rules of Procedure 1.6.2, no, and to insert, a; to strike, any, and to insert, a; to insert, unless; to strike the deletion of shall, and to strike the insertion of may; to strike, which the non-voting member or the municipality(s) the represent has; to insert, the closed meeting poses a conflict of interest to the non-voting member or the municipality the non-voting member represents; to strike the insertion of, or a financial interest other than as a citizen of the municipality; to strike, conflict of interest; to strike determined and insert

resolved; to insert vote; and to strike, before the main question shall be voted on, and if the non-voting member is recused, they shall be prohibited from voting on or participating in the closed session.

Action: Motion Carried.

Motion by Commissioner Graham, **Seconded** by Commissioner Price, to strike in Rules of Procedure 2.1, at the regularly scheduled meetings in November of each year, the Board shall name the newspaper in which the notice shall be published.

Action: Motion Carried.

Motion by Commissioner Graham, **Seconded** by Commissioner James in Rules of Procedure 3.1 and 3.2, to insert, or the majority of serving Voting Members of the Board.

Action: Motion Carried.

General Counsel Mark Matus noted that using, Members of the Board serving, rather than, Members of the Board appointed, was preferable.

Motion by Commissioner Leek, **Seconded** by Commissioner James, to strike in Rules of Procedure 5.1.2, and Non-voting Members.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to strike in Rules of Procedure 5.3, not participate in discussion or any decision regarding the issue and shall refrain from discussing the issue with any Board member or staff; and to insert, and shall recuse themselves from all discussions, deliberations and decisions related to the issue with any other Board Member or BWL staff.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to strike in Rules of Procedure 5.3, not participate in discussion or any decision regarding the issue and shall refrain from discussing the issue with any Board member or staff; and to insert, and shall recuse themselves from all discussions, deliberations and decisions related to the issue with any other Board Member or BWL staff.

Action: Motion Carried.

Motion by Commissioner Graham, to strike in Rules of Procedure 6, the insertion of Paragraph I, A Commissioner can hold the position of Board Chairperson or Board Vice Chairperson for not more than two (2) years, in a five-year period of time. A Commissioner can serve as Board Chairperson or Board Vice Chairperson multiple times while serving as a Member of the Board of Commissioners as long as it is not more than two (2) consecutive years or two (2) years within a five-year period of time.

Commissioner Price made an amendment to the motion on the floor to strike the insertion of Paragraphs I, II and III in Rules of Procedure 6.

Commissioner Thomas and Commissioner Leek spoke in support of the insertion of Paragraph II, A Commissioner who serves as Chairperson or Vice Chairperson of the Board cannot serve as the Chairperson of a Standing Committee other than the Executive and Board Pension Fund Trustees Committees, in Rules of Procedure 6.

Commissioner Price made an amendment to the motion on the floor to strike only the insertion of Paragraphs I and III and to insert Paragraph II in Rules of Procedure 6. I) A Commissioner can hold the position of Board Chairperson or Board Vice Chairperson for not more than two (2) years, in a five-year period of time. A Commissioner can serve as Board Chairperson or Board Vice Chairperson multiple times while serving as a Member of the Board of Commissioners as long as it is not more than two (2) consecutive years or two (2) years within a five-year period of time; III) The Chairperson shall not appoint the Nominating Committee Chairperson. The Nominating Committee Chairperson position and committee will be determined solely by those formally sharing interest and finally be consensus or vote in the Committee of the Whole Meeting leading up to the election process; II) A Commissioner who serves as Chairperson or Vice Chairperson of the Board cannot serve as the Chairperson of a Standing Committee other than the Executive and Board Pension Fund Trustees Committees.

Action: Motion Carried (Yeas 6: Commissioners Graham, James, Leek, Price, Thomas, Zerkle) (Nays 1: Commissioner Mullen, would like all three paragraphs stricken)

Motion by Commissioner Price, **Seconded** by Commissioner James, to strike in Rules of Procedure 8.1, the insertion of, the Secretary shall be known as the Corporate Secretary and the Director of Corporate Governance.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner Graham, to insert in Rules of Procedure 8.2, Exit Interviews – Unless otherwise determined by the Board of Commissioners, an exit interview shall be offered by the Chairperson of the Human Resources Committee in accordance with the Board of Water & Light exit interview procedure two weeks prior to the departure or retirement of a Charter position.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner James, to insert of in Rules of Procedure 9.1.2, Committees shall have no authority to exercise the collective powers and duties of the Board of Water & Light Commissioners except as expressly authorized by an adopted resolution of the Board of Water & Light Commissioners.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to strike in Rules of Procedure 9.2.1, the insertion of, and Environmental; and to strike in Rules of Procedure 9.2.5, the insertion of The Environmental Committee paragraph.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner Leek, to strike in Rules of Procedure 9.2.2 and 9.2.4, oversight, and to strike, recommendations to the Board of Commissioners related to.

Action: Motion Carried.

Motion by Commissioner Graham, **Seconded** by Commissioner Leek, to strike in Rules of Procedure 9.2.3, at its annual organizational meeting; to leave in, endeavor to; and to insert, pursuant to Section 6 Annual Organization.

Action: Motion Carried.

Motion by Commissioner Graham, **Seconded** by Commissioner Leek, to accept the technical changes in Rules of Procedure 9.4 through 9.8.

Action: Motion Carried.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to strike in Rules of Procedure 9.10, the deletion of two thirds, and to leave the language as stated in the current document.

A discussion was held whether an affirmative vote of two thirds or an affirmative vote of the majority would be the correct terminology in 9.10 Discharge of Consideration. It was determined that Rules of Procedure 9.10 Discharge of Consideration was already addressed in Robert's Rules of Order and didn't need to be included in the Rules of Procedure. Commissioner Price withdrew his motion.

Motion by Commissioner James, **Seconded** by Commissioner Graham, to strike Rules of Procedure 9.10 Discharge of Consideration from the document.

Action: Motion Carried.

A discussion was held on Rules of Procedure 10.1.3 Preparation of Agenda regarding whether all requested agenda items would be addressed with the suggested strikes and insertions. Rules of Procedure 10.1.4 Changes to the Agenda states that Voting Members determine what can be on the agenda. It was also determined that any items that weren't placed on an agenda could be addressed under Other Business on the agenda.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to insert in Rules of Procedure 10.1.3, the Board Chairperson with the assistance of the Corporate Secretary in consultation with the Committee Chairperson, and the General Manager within eighteen (18) hours prior to; to strike three days preceding; to strike, for informational purposes only; and to strike, however, the agenda is subject to unilateral change by the General Manager before the meeting.

Action: Motion Carried.

A discussion was held on Rules of Procedure 12.5 Ex Parte Communications. General Counsel Mark Matus will review the premise of ex parte communications as it pertains to the BWL and respond back to the Commissioners.

Commissioner Merrill inquired whether a transcript of a hearing under Rules of Procedure 12.8 Transcript had the same record retention schedule as minutes of a meeting. General Counsel Mark Matus will reply back to the Commissioners about BWL's record retention policy for minutes and transcripts and the requirements of Michigan state law. The Board of Commissioners will vote on Rules of Procedure 12.8 at the next Board meeting.

Commissioner Mullen was excused from the meeting at 8:00 p.m.

Motion by Commissioner James, **Seconded** by Commissioner Thomas, to insert in Rules of Procedure 13.1 Attendance, the Corporate Secretary shall submit official documented attendance in a report to each Commissioner annually and to the Mayor and City Council before the reappointment of a Commissioner.

Commissioner James withdrew the motion to insert in Rules of Procedure 13.1 Attendance, the Corporate Secretary shall submit official documented attendance in a report to each Commissioner annually and to the Mayor and City Council before the reappointment of a Commissioner.

Motion by Commissioner Price, **Seconded** by Commissioner James, to insert in Rules of Procedure 19.6 Hiring Consultants, however, if a majority of voting members of the Board present at a regular or special Board meeting, as expressed by a vote of the members, believe that there could be a conflict of interest between the Board and Management of the BWL, the in-house counsel shall be recused. The Board shall then request that outside legal counsel be hired.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner Price, to strike in the second paragraph of Rules of Procedure 19.7.1, Executive Committee, and insert Board.

Action: Motion Carried.

Motion by Commissioner James, **Seconded** by Commissioner Leek, to approve the Resolution to amend the Rules of Procedure and to forward to the full Board for consideration.

Action: Motion Carried.

Return on Equity (ROE)

General Manager Dick Peffley reported that BWL and the City of Lansing have discussed a two-year \$25 million Return on Equity agreement with a rate that is about 6.0%. The previous two year's rates were 6.55% and 6.76%. CFO Heather Shawa stated that the City of Lansing presents its budget at the end of March and BWL will present its budget to the Commissioners in May with a revenue forecast.

Commissioner James commended GM Peffley and CFO Shawa on providing information to the Commissioners.

Commissioner James inquired about a longer term for the Return on Equity agreement. GM Peffley responded that as there is an expected increase in income in the next couple of years, which would result in a larger payment amount at the same percentage rate, a two year agreement is preferred.

Commissioner Merrill asked for a comparison of Return on Equity agreements with other utilities and national benchmarking. GM Peffley responded that the agreement will be based on a percentage amount rather than a flat amount as a percentage is easier to justify in the budget, and that is what other utilities are doing. CFO Shawa responded that BWL benchmarking was in line with the median for utilities of BWL's customer base size and at 6% BWL would be at the \$25 million agreement. GM Peffley responded that BWL would bring a ROE recommendation to the Board for approval.

Cyber Security Update

Chief Information Officer, Rod Davenport, provided a brief cyber security update. The conflict between Russia and Ukraine is causing an increased risk in cyber security events. Although no events have occurred, the environment is being watched.

Other

GM Peffley stated that an update on the ground water issue will be provided to the Commissioners by the end of this week. He added that the first of the two pandemic relief fairs would be held on Wednesday, March 9th at the Grier Community Center and the second on Tuesday, March 15th at Letts Community Center.

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

Action: Motion Carried

Adjourn

Chair Zerkle adjourned the meeting at 8:35 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

Human Resources Committee Chairperson Tracy Thomas presented the Human Resources Committee Report:

HUMAN RESOURCES COMMITTEE Committee Report March 17, 2022

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Thursday, March 17, 2022.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order at 5:00 p.m. and asked the Acting Corporate Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, DeShon Leek, Semone James and David Price. Also present: Commissioners Sandra Zerkle, Executive Director of Human Resources and Labor Relations, Michael Flowers, Global Business Resource Group, William Brewer and Dawn Plenar were also in attendance.

Absent: none

HR Chair Thomas made a motion to move agenda item 5 – Status of Search Process for Director Internal Auditor to follow approval of minutes. Seconded by Commissioner Leek.

Action: Motion Carried

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Price. Seconded by Commissioner Leek to approve the minutes from the October 26, 2021, Human Resources Committee Meeting.

Action: Motion Carried

Motion by Commissioner Price. Seconded by Commissioner Leek to approve the minutes from the October 27, 2021, Human Resources Committee Meeting.

Action: Motion Carried

Motion by Commissioner Price. Seconded by Commissioner Leek to approve the minutes from the January 20, 2022, Human Resources Committee Meeting.

Action: Motion Carried

Status of Search Process for Director Internal Auditor

Mr. Flowers asked Mr. Brewer to give the Board of Commissioners an update on the search for Internal Auditor position. Mr. Brewer stated that the status for Internal Auditor is a slow but steady process. Placed the job posting on various venues such as LinkedIn, Glass door, Facebook to garner interest in this position. Mr. Brewer will update the Board of Commissioners in a few weeks.

Commissioner's Comments:

Commissioner Zerkle asked about our pay scale compared to others that are posting for same position.

Mr. Brewer stated that if there are concerns regarding pay, he would reach out to the committee.

Commissioner Zerkle asked if there was a timeline for this position as we have been without an Internal Auditor for a year or so.

Mr. Brewer stated that only a few more weeks might be needed. Mr. Brewer wants to fully vet the candidates that he has.

Commissioner Leek asked if the economy/war has any impact.

Mr. Brewer stated that a lot of things are factors in this research. Covid, the Great Reshuffling, Inflation, as well as the war.

Commissioner James wanted to know if stating that this position is a 1-year contract, does that have any impact to the candidate pool/applicants.

Mr. Brewer stated that this does not seem to be of any issue.

Commissioner Thomas asked about poaching someone from another company.

Mr. Brewer stated that they have done that before as potential candidates are passively looking.

Status of Search Process for Corporate Secretary

Commissioner Thomas shared in full transparency that candidate number 2 was a student of his 25+ years ago.

Mr. Brewer sent the candidates resumes, videos and tabulations to the committee earlier this week.

At this time, please refer to the candidates by their numerical number (1-6). Once the reviews are discussed tonight, the next step is to invite the passing candidates to a face-to-face interview.

Commissioner James would like to know that once the committee reviews the scores/assessments, if a candidate does not have a certain score, do they move on or not?

HR Chair Thomas would like the committee to have a discussion around each candidate as well as to look at scores.

Commissioner Price wants to know if there is a limit of how many candidates can move forward for a face-to-face interview.

HR Chair Thomas stated that there should not be a limit and that the committee can move forward with face-to-face interviews with as many as needed.

Mr. Brewer also gave the committee a brief overview of the video interviewing process.

Review Tabulation of Current Candidates' Interviews and Selection for Next Round

The HR Committee spent some time discussing **Candidate 1**.

Commissioner Price makes a motion to move Candidate 1 forward in the process. Seconded by Commissioner Leek. **Motion declined**

The HR Committee spent some time discussing **Candidate 2**.

Commissioner Price makes a motion to move Candidate 2 forward in the process. Seconded by Commissioner Thomas. **Motion declined**

The HR Committee spent some time discussing **Candidate 3**.

Commissioner Price make a motion to move candidate 3 forward in the process. Seconded by Commissioner Leek. **Motion passes**

The HR Committee spent some time discussing **Candidate 4**.

Commissioner Leek makes a motion to move Candidate 4 forward in the process. Seconded by Commissioner Price. **Motion passes.**

The HR Committee spent some time discussing **Candidate 5**.

Commissioner Price makes a motion to move Candidate 5 forward in the process. Seconded by Commissioner Leek. **Motion passes.**

The HR Committee spent some time discussing **Candidate 6**.

Commissioner Price make a motion to move Candidate 6 forward in the process. Seconded by Commissioner Leek. **Motion passes.**

Next Steps

Four candidates will be moving forward in the process. Mr. Brewer will conduct reference and background checks of those 4 candidates. Once those assessments are back, the face-to-face interviews will be scheduled.

Face to Face interviews to be held on March 31st, 2022, starting at 4pm. Each face-to-face interview will take about 30 to 45 minutes with a buffer time in between to assess each candidate.

Other

This process will be repeated in April for the Director Internal Auditor position.

Will there be a special board meeting to introduce the new candidate to the Board of Commissioners?

HR committee stated that this is a crucial meeting and should be offered.

Mr. Brewer wanted to review the timeline with the Commissioners.

Commissioner Price makes a motion to excuse Commissioner Dusty Horwitt. Seconded by Commissioner Leek. **Motion passes.**

Adjourn

HR Committee Chairperson Thomas adjourned the meeting at 6:21 p.m.

Respectfully Submitted,
Tracy Thomas, Chairperson
Human Resources 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

RESOLUTION 2022-03-01 **Internal Audit Plan for FY 2022**

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Plan for FY 2022.

Motion by Commissioner Mullen, **Seconded** by Commissioner Graham, to approve the Resolution for the Internal Audit Plan for FY 2022.

Action: Motion Carried.

RESOLUTION 2022-03-02 **Commissioner Governance Policy Amendment**

WHEREAS, the Lansing Board of Water & Light (BWL) is established by City Charter as an administrative board with executive, policy making and management authority over the operation of utility services of the City; and

WHEREAS, pursuant to Section 5-105 of the Lansing City Charter BWL Board of Commissioners developed and adopted a Commissioner Administrative Rules of Procedure, which has been approved by Lansing City Council, which Procedure identifies how the Board conducts business to fulfill its governance and policymaking responsibilities for the operation of the BWL; and

WHEREAS, the Board further adopted a Commissioner Governance Policy on July 25, 2017, as superseded by Resolution 2019-01-01, to better define the understanding between individual Board members on day-to-day dealings; and

WHEREAS, the Board desires to update the Commissioner Governance Policy with technical changes to provide clarity, as well as several substantive amendments, and these changes are set forth in Attachment A.

NOW, THEREFORE, BE IT RESOLVED, the Commissioner Governance Policy is amended as set forth in Attachment B incorporating the changes set forth in Attachment A.

This Resolution supersedes Resolution 2019-01-01 which amended Resolution 2017-07-06 which established and adopted the Commissioner Governance Policy.

Motion by Commissioner Zerkle, **Seconded** by Commissioner James, to approve the Commissioner Governance Policy Amendment Resolution.

Action: Motion Carried. (Yeas: Commissioners Price, Graham, Horwitt, James, Leek, Thomas, and Zerkle; Nays: Commissioner Mullen)

Commissioner Horwitt inquired about the ability of the Commissioners to share information with the community. Chairperson Price responded that Commissioners can always state their own opinion and state it as such.

RESOLUTION 2022-03-03
Rules of Procedure Amendment

WHEREAS, the Lansing Board of Water & Light (BWL) is established by City Charter as an administrative board with executive, policy making and management authority over the operation of utility services of the City; and

WHEREAS, pursuant to Section 5-105 of the Lansing City Charter the BWL's Board of Commissioners developed and adopted a Commissioner Administrative Rules of Procedure, which has been approved by Lansing City Council, which Procedure identifies how the Board conducts business to fulfill its governance and policymaking responsibilities for the operation of the BWL; and

WHEREAS, the Board desires to update their Rules of Procedure with technical changes to provide clarity, as well as several substantive amendments, and these changes are set forth in Attachment A.

NOW, THEREFORE, BE IT RESOLVED, the Rules of Procedure are amended as set forth in Attachment B which incorporates the changes set forth in Attachment A.

Motion by Commissioner Zerkle, **Seconded** by Commissioner James, to approve the Amendments to the Rules of Procedure Resolution.

Action: Motion Carried. (Yeas: Commissioners Price, Graham, Horwitt, James, Leek, Thomas, and Zerkle; Nays: Commissioner Mullen)

MANAGER'S REMARKS

General Manager Richard Peffley provided information on the following items:

1. In May, there will be a Customer Service Conference, for which BWL was a finalist for the Excellence Award. Kellee Christensen, Enterprise Business Program Manager, will be receiving a distinguished leader award. At the APPA Conference in Nashville in June, Amy Adamy, Breina Pugh and Deanna Sparks will be giving a presentation on the pandemic relief fairs.
2. Delta Energy Plant became operational on March 16, 2022 and was under budget even with COVID impediments. Six miles of gas line has been completed and also 20,000 hours of operator training
3. The REO Plant has completed ISO 55000 Certification and is now compliant.
4. BWL doesn't have any investment in the Russian economy and therefore there are no impacts due to the Russia/Ukraine conflict.
5. GM Peffley will be in a hockey tournament in Las Vegas and it will be one of the very few times he will be off the BWL grid.

COMMISSIONERS' REMARKS

Commissioner Horwitt requested an update on the Erickson groundwater issue and GM Peffley responded that he would send an update to the Commissioners on March 23rd. About half of the private well owners accepted temporary bottled water service.

Chairperson Price asked if EPA had an order or directive to BWL to test the wells and GM Peffley responded that they hadn't.

Commissioner Thomas congratulated GM Peffley and the BSmart program for their accomplishments. He also thanked the HR Department and Dawn Plenar for their help with the two employees hiring process.

EXCUSED ABSENCE

Motion by Commissioner James, **Seconded** by Commissioner Graham, to excuse Commissioner Douglas Jester and Commissioner Brian Ross from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chairperson Price adjourned the meeting at 6:02 p.m.

Maria Koutsoukos, Interim Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 03-23-22
Approved by the Board of Commissioners: 05-__-22
Official Minutes filed (electronically) with Lansing City Clerk: 07-__-22



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

**SPECIAL BOARD MEETING MINUTES
April 26, 2022**

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 Tuesday, April 26, 2022.

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

The Interim Corporate Secretary called the roll.

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

Absent: Non-Voting Commissioner Douglas Jester (East Lansing)

The Interim Corporate Secretary declared a quorum.

The Commissioners recited the Pledge of Allegiance.

PUBLIC COMMENT

There were no public comments.

MEETING PURPOSE:

Approval of Hiring of New Corporate Secretary

Chair Price stated that he called for this Special meeting to consider the approval of Hiring the New Corporate Secretary.

RESOLUTION #2022-04-01

Appointment of the Charter Position of Corporate Secretary

WHEREAS, the Board's Rules of Procedure specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate; and

WHEREAS, due to the January 2022 vacancy of the Corporate Secretary position, the Board's need to fill the position promptly, an offer of employment is being extended for the position of

Corporate Secretary prior to July 1st and to conform with its Rules of Procedure, the Board anticipates a reappointment after July 1st.

RESOLVED, that the Board of Commissioners hereby appoints LaVella J. Todd to the Charter position of Corporate Secretary for a one year term.

FURTHER RESOLVED, that LaVella J. Todd shall be extended an employment contract which shall be effective from May 9, 2022, and expire on May 8, 2023, or until such new date as may be set forth in an amended contract or a successor is appointed, whichever later occurs.

Motion by Commissioner Thomas, Seconded by Commissioner James, to approve the Resolution for the Appointment of LaVella J. Todd in the Charter Position of Corporate Secretary.

Action: Carried Unanimously.

MANAGER'S REMARKS/COMMENTS

There were no Manager's remarks.

COMMISSIONERS' REMARKS/COMMENTS

Commissioner Mullen thanked the Interim Corporate Secretary for the work accomplished while searching for the permanent Corporate Secretary.

Commissioner Thomas thanked the Interim Corporate Secretary for bridging the gap, thanked the Human Resources Executive Director Mr. Michael Flowers, thanked Mr. Bill Brewer of Global Business Resource Group, and Executive Assistant Smiljana Williams.

Commissioner James also thanked CFO Heather Shawa.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

Chair Price adjourned the meeting at 5:37 p.m.



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

**SPECIAL BOARD MEETING MINUTES
May 3, 2022**

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 Tuesday, May 3, 2022.

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

The Interim Corporate Secretary called the roll.

Present: Commissioners David Price, Semone James, DeShon Leek, Tony Mullen, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Douglas Jester (East Lansing), Larry Merrill (Delta Township), and Brian Ross (DeWitt Township).

Absent: Commissioners Beth Graham, and Dusty Horwitt

The Interim Corporate Secretary declared a quorum.

The Commissioners recited the Pledge of Allegiance.

PUBLIC COMMENT

There were no public comments.

MEETING PURPOSE:

Approval of Hiring of New Internal Auditor

Chair Price stated that he called for this Special meeting to consider the approval of Hiring the New Internal Auditor.

RESOLUTION #2022-05-01

Appointment of the Charter Position of Internal Auditor

WHEREAS, the Board's Rules of Procedure specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate; and

WHEREAS, due to the July 2022 vacancy of the Internal Auditor position, the Board's need to fill the position promptly, an offer of employment is being extended for the position of Internal

Auditor prior to July 1st and to conform with its Rules of Procedure, the Board anticipates a reappointment after July 1st.

RESOLVED, that the Board of Commissioners hereby appoints Frank Macciocca to the Charter position of Internal Auditor for a one year term.

FURTHER RESOLVED, that Frank Macciocca shall be extended an employment contract which shall be effective from May 9, 2022, and expire on May 8, 2023, or until such new date as may be set forth in an amended contract or a successor is appointed, whichever later occurs.

Motion by Commissioner Thomas, Seconded by Commissioner James, to approve the Resolution for the Appointment of Frank Macciocca to the Charter Position of Internal Auditor.

Action: Carried Unanimously.

MANAGER'S REMARKS/COMMENTS

GM Peffley reported that correspondence was received from Lansing City Council Member Adam Hussein regarding receiving calls from customers having difficulty accessing recent outage information. A response will be sent to Adam Hussein as the Communication Team is at a conference receiving an award.

Commissioner Mullen asked whether the system worked and if the customers were receiving busy signals. GM Peffley responded that BWL is unable to confirm what occurred yet.

Commissioner Zerkle asked for confirmation that the Smartmeters registered 90% of the outage issues, which provides a good reason for the installation of the Smartmeters. GM Peffley responded that was correct and that even if customers don't call, BWL is notified of every power outage.

Commissioner Jester asked whether the text messaging feature is for both inbound and outbound communication. GM Peffley responded that he would look into the features and provide a response to the Commissioners. Commissioner Mullen responded that the text messaging was similar to other notification systems like Nixle.

Commissioner Thomas commented that a sample of seven people and a couple of relatives contacted him and they were able to access the outage information. GM Peffley responded that the outage lasted an hour and forty minutes and that an error occurred during routine testing.

COMMISSIONERS' REMARKS/COMMENTS

Commissioner Thomas thanked the HR Committee and the executive staff that contributed to the Internal Auditor interviews. He noted that the candidate that was selected also had the equivalent of CISA certification.

Commissioner Mullen thanked Brian Schimke for keeping up with the Interim Internal Auditor duties.

Chairperson Price thanked Commissioner Thomas for his work with the HR Committee.

PUBLIC COMMENT

There were no public comments.

EXCUSED ABSENCE

Motion by Commissioner Thomas, Seconded by Commissioner James, to excuse Commissioners Beth Graham and Dusty Horwitt from tonight's meeting.

Action: Motion Carried.

ADJOURNMENT

Chair Price adjourned the meeting at 5:44 p.m.

Submitted on Wed, 04/06/2022 - 5:12 PM

Select a Commissioner:

David Price

Name

Gerald Williams

Street Address

Lansing, Michigan

Message

I want to thank the BWL for the very prompt and effective restoral of our power last Wednesday when the power transformer in a neighbor's backyard blew up. Your workers responded quickly and worked very diligently to remove the destroyed equipment, put in a new pole and transformer and transfer the wires and cables to the new pole. In all aspects of the work, they displayed great competence and skill in accomplishing the job. As a former Commissioner, I know how important it is to appreciate the individual workers who keep the power flowing day-in and day-out. Again, thank you.

Sincerely, Gerald Williams

Submitted on Mon, 04/25/2022 - 12:03 PM

Submitted values are:

Select a Commissioner:

Deshon Leek

Name

Aaron T. Jackson

Street Address

Lansing, Michigan

Message

Mr. Leek

I'm Aaron Jackson, I'm contacting you about the electronic meters that are being installed, I have refused access to my house for very privet reasons. I have been notified that my service will be stopped in two days if I continue to refuse the meter, or make contact with someone.

The best way to contact me is at

517-721-1119

Submitted on Tue, 04/26/2022 - 10:05 AM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Dana Perrien

Street Address

Lansing, Michigan

Message

I am writing to you regarding the Lansing Board of Water and Light, as you are the governing body and should be aware of the new and creative ways they come up with to screw over their customer base.

Like all Lansing residents, last year I received their letter informing me that I needed to either schedule to have my electric and water meters changed to smart meters or sign the opt out paperwork and pay the fees associated with opting out. Before making a decision, I had questions that I believe are valid questions for a municipally owned utility company to answer. Whats going to happen to all the meter readers if they are no longer needed, because laying off a bunch of people just doesn't seem like a positive economical effect for the city? How often does the smart meter send a signal to LBWL and who pays for the electricity needed to do that? It may seem like a small thing but the cost of meter reading was always factored into their billing so paying even more for them to not have to do meter reading any longer only seems like a way to get a rate increase without actually requesting one. Why is there a one time fee of \$190, except as a punitive measure, since it doesn't actually cost them anything not to change a meter? And since the cost of meter reading has always been factored into the billing, why is there a \$10 a month charge for reading the meter, especially since they also say they will only be reading the meter 4 times a year (quarterly) but they charge the fee every single month? The associate I spoke with said she did not have answers to those questions but she would be happy to forward my name and number to her supervisor who would give me a call back. I can't say I'm surprised that I never got that call back. In fact I never heard another word about it until the beginning of March of this year when I had a note left on my door threatening me that I needed to schedule an appointment to replace the meters immediately or they would shut off my service within a week. Call me weird, but I'd think there were far better ways to address the situation than to threaten someone who's bill is current with shutting off their

service, especially since the only reason this was not done months before was because people at LBWL decided it just wasn't necessary to answer questions. I did call and schedule the appointment, reluctantly, and explained to the associate making the appointment, my job is transportation for organ and tissue donations and I was on call the day she was scheduling the meter replacement. Which meant if I got a call, I'd have to call and reschedule the appointment. The reply to that was to again threaten me that if I did have to cancel and reschedule, my service could be shut off. Because I guess LBWL replacing meters is far more important than someone needing an organ. Fortunately, the meters were replaced. And I was told I may see a slight difference in my bills as the new meters are more accurate. Then, in the middle of April, I got my first bill since the meter replacement. There wasn't a "slight" increase. It was nearly THREE TIMES HIGHER. The following day I called LBWL to discuss the bill and why it was so much higher. I told the associate I had already gone thru the bill and checked information on the website and it looked to me like the LBWL had not done a single meter reading since May 11, 2021 and had been estimating my bill for the past 11 months and the difference was that their estimates were low. Which she said looked like the case to her as well. And I explained the problem was A) they took the old meters away so there was no way for me to dispute that and B) their own information stated that for people who did not have RF enabled meters, they would do a meter reading 4 times a year (quarterly) and estimate the other bills and not doing a single reading in 11 months was not 4 times a year (quarterly). At first she said that 4 times a year could mean they would come out January thru April and estimate the rest, but I pointed out that is not quarterly and just wouldn't make any sense. I also explained to her that I had been able to keep up on my LBWL payments throughout the coronavirus pandemic when many people couldn't, but there was absolutely no way I could pay a bill three times higher than usual before the due date, which meant on top of everything else I was going to have to pay a late fee. "Don't worry!" she explained, "we can put you on a payment plan for that so you won't have to pay a late fee!" Like not charging me a late fee on an amount that was only so large because LBWL wasn't doing what they said they would do and were paid for doing was just a huge gift to me. Now I need to say, none of this was the fault of the associate I spoke to, she was pleasant and understanding. The problem here is that as a company, LBWL continues to come up with ways to screw over their customer base, the residents of Lansing. There is a clear benefit for LBWL to go to smart meters but there seems to be less of a clear benefit to the customers. So I just don't think threatening customers and invoking arbitrary fee's for not doing it and not answering questions about the change over is the best way to go about getting customers to comply. But the bigger problem is LBWL not doing what they say they are going to do and creating hardships for people. Its just not reasonable to assume I'm the only person in Lansing who hadn't had a meter reading done in a year, despite LBWL saying they would do it quarterly. There are a lot of Lansing residents who have been struggling through the coronavirus pandemic and how many of them are the lack of meter readings going to catch up with and they are going to get hit with a bill they can't possibly pay and be stuck with no electricity or no water for no other reason than LBWL is not fulfilling their responsibility? Not doing meter readings for extended periods of time and then hitting customers with huge bills down the road just does not seem to me as an acceptable business practice, let alone a smart business practice. Or remotely fair. Coming up with completely arbitrary fee's just seems to me to be a way to get a rate increase without requesting a rate increase. At some point, LBWL needs to be accountable for their choices, just as everybody else is, and something done about them not doing things that they are paid to do.

Dana Perrien

Submitted on Thu, 04/28/2022 - 11:38 AM

Select a Commissioner:

All Commissioners

Name

Dana Perrien

Street Address

Lansing, Michigan

Message

I wanted to take a moment to follow up regarding an email I sent on Tuesday, April 26 about a problem with the Lansing Board of Water and Light.

I received a phone call the following day from Bob Perialas from the LBWL. And I would like to say from the outset, thank you to him. He seemed genuinely concerned about answering all of my questions and addressing all of my concerns. Being completely honest, as frustrated as I ~~was when I sent the email~~ Tuesday, I was just as pleased after my conversation with Mr Perialas. And the conversation lasted longer than maybe it should have because Mr Perialas took the time to listen to me explain that the email I sent was out of frustration because of two other problems I have had with LBWL over the last 6 or 7 years. He didn't try and downplay my concerns, nor did he try and make excuses. He listened to me, explained why the problem happened and how it was going to be fixed. And I thank him for taking the time and resolving the issue. I told Mr Perialas that as a child I grew up next door to a man who is now in a senior leadership position at LBWL and his son was one of my best friends and I have all the respect in the world for that man because I've known him to be a man of integrity so I have always respected the people who work for LBWL, its just that 3 bad experiences in the past several years left a bad taste in my mouth. But my conversation with Mr Perialas has resolved that.

Dana Perrien

Submitted on Mon, 05/02/2022 - 1:11 PM

Select a Commissioner:

All Commissioners

Name

Jessica Melendez

Street Address

Lansing, Michigan

Message

I don't know if you can help. My name is Jessica my water has been off for 4 weeks My bill is extremely high I know I've had a lot of extenuating circumstances and long story short I thought a 3rd party was taking care of my bill and had no idea it hadn't been paid in over a year. I'm am jumping through hoops with dhs state of emergency and all the people I'm told to contact for help hitting road blocks every step of the way of course customer service looks at ~~me like a low life and~~ someone who just waited to long to pay their bill or do anything about it so they won't even attempt to work with me. Not to mention I don't even know why my bills got so high to begin with. I just don't know what I'm supposed to do I can't live in a home without electricity or water and I can't walk away from my home either I have a 3 year old and 5 year old. I can't put the service in my husbands name while I'm paying off the debt that's in mine so I'm in a a no win situation

HUMAN RESOURCES COMMITTEE

Meeting Minutes

March 31, 2022

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 4:00 p.m. on Thursday, March 31, 2022.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order at 4:01pm and asked the Acting Corporate Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, Dusty Horwitz, DeShon Leek, David Price and Voting Alternate Commissioner Sandra Zerkle. Also, present: Commissioner Semone James, Executive Director of Human Resources and Labor Relations, Michael Flowers and Global Business Resource Group, William Brewer. **There was a quorum for the March 31, 2022, HR Committee meeting.**

Absent: None

Public Comments

There were no public comments.

Motion by Commissioner Thomas to remove the minutes from the agenda to allow for amendments to be made. **Seconded** by Commissioner Price. **Motion passes.**

Interview Candidates for the Charter Appointed Position of Corporate Secretary

The Human Resources (HR) Committee interviewed three candidates for the Charter Appointed position of Corporate Secretary, in accordance with Section 5-202.2 of the Lansing City Charter, which states: "The Board shall appoint a Corporate Secretary who shall report directly to the Board. The Corporate Secretary shall serve at the pleasure of the Board."

Mr. Brewer discussed with the Commissioners the process for interviewing the three candidates.

Commissioner Thomas covered with the committee the agenda, timing, importance of this position and the next steps for the Corporate Secretary role.

The HR Committee members presented the three candidates with hypothetical situational questions as well as questions about previous experiences in particular work areas. At the liberty of HR Committee Chair Thomas, the Human Resources Committee meeting recessed upon the conclusion of each interview to allow the interviewing candidate to exit. Upon conclusion of each interview, the Human Resources Committee completed the rubrics scoring and deliberated on each candidate. The meeting reconvened at the arrival of the next interviewing candidate.

Once all three interviews were completed, the following motion was offered upon conclusion of deliberations: to forward Ms. LaVella J. Todd for full board review for Corporate Secretary for fiscal year of 2022 with clarification from Mr. Matus (BWL General Counsel) on review of timing. Mr. Flowers will check with Mr. Matus and report back to HR Chair Thomas.

Motion made by Commissioner Price, **Seconded** by Commissioner Horwitt to submit by Resolution the selected candidate for the Charter appointed position of Corporate Secretary, to the full Board for consideration. **Motion passes.**

Should there be a special meeting in April for full board review? Before the COW meeting?
Yes, there should be a special meeting for full board review.

Still to be completed before position is offered will be:

Mr. Matus to review timing/contract

References checked

Background check completed

Other

None

Adjourn

Motion made by Commissioner Thomas, **Seconded** by Commissioner Leek, to adjourn the meeting.

Action: Motion Carried

Meeting adjourned at 7:01p.m.

Respectfully Submitted,
Tracy Thomas, Chair
Human Resources Committee

HUMAN RESOURCES COMMITTEE

Meeting Minutes

April 26, 2022

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 1:00 p.m. on Tuesday, April 26, 2022.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order at 1:00 p.m. and asked the Interim Corporate Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, Dusty Horwitt (arrived at 1:01 p.m.), DeShon Leek, David Price and Voting Alternate Commissioner Sandra Zerkle. Also, present: Commissioner Semone James, Executive Director of Human Resources and Labor Relations, Michael Flowers, Global Business Resource Group CEO, William Brewer, and CFO Heather Shawa. There was a quorum for the April 26, 2022, HR Committee meeting.

Absent: None

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner Leek to approve the minutes from the March 17, 2022 and March 31, 2022 HR Committee Meetings.

Action: Motion carried.

Interview Candidates for the Charter Appointed Position of Internal Auditor

The Human Resources (HR) Committee interviewed two candidates for the Charter Appointed position of Internal Auditor, in accordance with Section 5-202.2 of the Lansing City Charter, which states: "The Board shall appoint an Internal Auditor who shall report directly to the Board. The Internal Auditor shall serve at the pleasure of the Board."

Mr. Brewer discussed with the Commissioners the process for interviewing the two candidates.

The HR Committee members presented the two candidates with hypothetical situational questions as well as questions about previous experiences in particular work areas. HR Committee Chair Thomas recessed the Human Resources Committee meeting upon the conclusion of each interview to allow the interviewing candidate to exit. Upon conclusion of each interview, the Human Resources Committee completed the rubrics scoring and deliberated on each candidate. The meeting reconvened at the arrival of the next interviewing candidate.

Once both interviews were completed, a motion was offered upon conclusion of deliberations to recommend Mr. Frank Macciocca to the full board to review and approve as Internal Auditor for fiscal year of 2022-2023.

Motion made by Commissioner Price, **Seconded** by Commissioner Leek to recommend Mr. Frank Macciocca for the Charter appointed position of Internal Auditor by Resolution and forward to the full Board for consideration.

Action: Motion carried.

The Commissioner discussed that the candidate will be given a conditional offer of employment, references will be checked, a background check will be completed and a pre-employment physical will be required.

Other

There was no other business.

Adjourn

Motion made by Commissioner Price to adjourn the meeting, **Seconded** by Commissioner Leek.

Action: Motion Carried

The meeting was adjourned at 4:47 p.m.

Respectfully Submitted,
Tracy Thomas, Chair
Human Resources Committee

COMMITTEE OF THE WHOLE

Meeting Minutes

May 10, 2022

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 10, 2022.

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

Present: Commissioners Sandra Zerkle, Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price and Tracy Thomas, and Non-Voting Members: Larry Merrill (Delta Township), Douglas Jester (East Lansing), and Brian Ross (DeWitt Township)

Absent: Commissioner Dusty Horwitt

The Acting Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner James, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole Meeting minutes of March 8, 2022.

Action: Motion carried. The minutes were approved.

Chair Zerkle introduced and welcomed the new Corporate Secretary, Ms. LaVella Todd, and the new Internal Auditor, Mr. Frank Macciocca.

Energy Presentation

General Manager Dick Peffley provided a background of BWL's move toward carbon neutrality and presented market structure and requirements, current market conditions, technology comparison and the BWL portfolio on energy.

GM Peffley highlighted the following:

- 1) the regulatory framework and the MISO market footprint under market structure and requirements which includes delivering electricity to customers and reserving enough generation for peak demand;
- 2) the average cost of energy supply, recent market changes in energy prices, the costs of capacity and transmission under current market conditions which includes noting that energy, capacity and transmission prices are increasing, and that local energy and capacity avoids expensive transmission;

- 3) energy output and energy profiles under technology comparisons which includes intermittent energy, limited credit for capacity given by MISO, and external sourcing being needed due to size of land for solar and wind, and;
- 4) current and projected energy and capacity needs under the BWL portfolio which includes BWL experiencing an unprecedented load growth, and the acceleration of coal plant retirements requiring replacement.

GM stated that BWL's goal of carbon neutrality by 2040 will be met.

Vice Chair Zerkle asked whether there would be a rate increase with the recent market, energy, and technology changes. GM Peffley responded that there wouldn't be a rate increase for customers due to the changes but there will be a minimum increase in the electric rate discussed in the Finance Committee Meeting. Vice Chair Zerkle asked whether customers would incur any of the costs for the new plants. GM Peffley responded that BWL is looking into purchase power contracts to absorb the costs.

Commissioner Mullen asked what carbon neutrality means for the BWL. General Counsel Mark Matus responded that the BWL will capture as much carbon as is emitted for a net zero effect on the environment. Mr. Matus stated that there is emerging technology for the sequestration of gases from power plants, the filtering of carbon in the air and turning it into rock, and the purchasing of trees to capture carbon.

Commissioner Jester commented that storage technology will address some of the gaps and the price of energy on the grid is driven by gas prices.

Return on Equity (ROE)

CFO Shawa stated that the recommendation for the two-year extension, Amendment No. 6 to the Return on Equity agreement with the City of Lansing, requests a rate of 6.0% of gross revenue, excluding inner utility revenue, and that quarterly payments rather than biannual payments are being recommended. If an adjustment is needed, it will be made in the fourth quarter.

Motion by Commissioner Mullen, **Seconded** by Commissioner James to approve the resolution for the Return on Equity agreement with the City of Lansing.

Action: Motion Carried

Commissioner Merrill commented that return on equity agreements, payments in lieu of taxes, may cause some divisiveness between the municipality and the community of customers as the payment is a benefit to the municipality. Representing that payment is consistent to what other communities nationwide pay is necessary for the recognition of equity and fairness.

Rate Structures

Commissioner Jester introduced Ms. Janice Beecher, Director of Institute of Public Utilities at MSU, who presented on water affordability and pricing modes. Ms. Beecher provides continuing education to utility regulators, conducts research, and provides publications.

Ms. Beecher spoke about pricing models and shared a detailed supporting slide deck; household utility expenditures; trends for utilities; pressures on water utility costs, prices, and affordability; reasons for cost and price disparity; shifts in infrastructure funding and financing; and sustainable systems.

Commissioner Zerkle commended the BWL on providing assistance to customers that needed help paying bills.

Commissioner Merrill asked whether the BWL has considered a cost or fee structure based on income rather than usage, requested information regarding the Bolt v. City of Lansing court constraints on enterprise services prices, and whether Lansing Fire compensates the BWL for the extra capacity of the system to provide for fire protection through hydrant rental or other system of transfer. GM Peffley responded that a water rate recommendation will be provided during the Finance Committee meeting, new ideas are being explored comparable to what Ms. Beecher presented, and BWL has looked into access to funding. GM Peffley added that the City's fire protection is part of the rate for usage and additionally there is a distribution system similar to hydrant rental. GM Peffley responded that BWL is exploring enterprise services prices and usage rewards.

Commissioner James commended CFO Shawa and GM Peffley on the energy presentation. GM Peffley responded that a copy of the presentation would be sent to the Commissioners with an audio ?. Commissioner James also commended GM Peffley on the 100% renewable agreement with General Motors and would like information on how it will be met. GM Peffley responded that the 100% renewable was not in the request from General Motors due to an additional premium, but renewables will be negotiated and details provided to the Commissioners thereafter.

Commissioner James inquired about DEI training that is provided to regular BWL employees being provided to the two new appointed employees. GM Peffley responded that training is available and will be provided.

Other

Motion by Commissioner James, **Seconded** by Commissioner Graham for an excused absence for Commissioner Dusty Horwitt.

Action: Motion Carried.

Adjourn

Chair Zerkle adjourned the meeting at 7:05 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

FINANCE COMMITTEE Meeting Minutes May 10, 2022

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 10, 2022.

Finance Committee Chairperson Tony Mullen called the meeting to order at 7:15 p.m. and asked the Acting Corporate Secretary to call the roll.

Present: Commissioners Tony Mullen, Beth Graham, Semone James, David Price and Sandra Zerkle. Also, present: Commissioners Tracy Thomas and Non-Voting Commissioners Douglas Jester (East Lansing), Larry Merrill (Delta Township) and Brian Ross (DeWitt Township)

Absent: None

The Acting Corporate Secretary declared a quorum.

Chairperson Mullen requested a postponement of the Internal Audit Status Report.

Public Comments

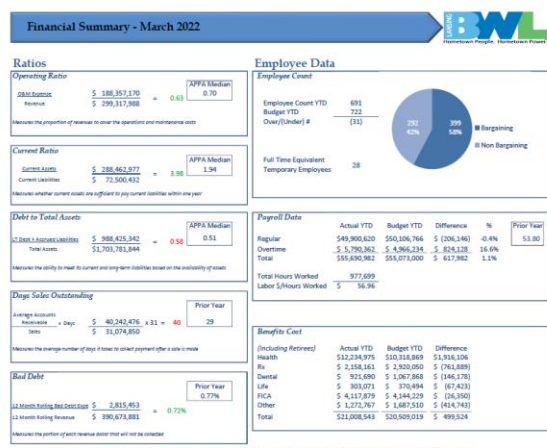
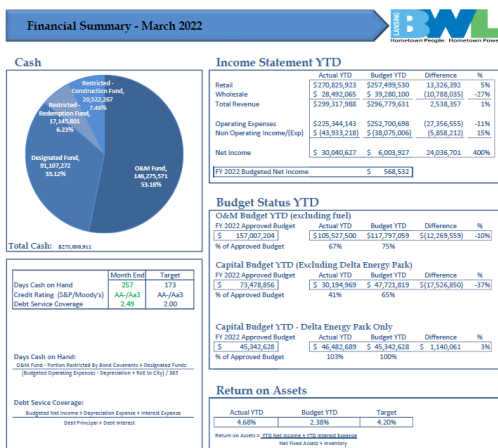
There were no public comments.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner James to approve the Finance Committee meeting minutes of February 22, 2022.

Action: Motion Carried.

March YTD Financial Summary



* All APFA Member Numbers are for Utilities with Grades 100-999 Customers as Obtained from The Most Recent "APFA Practice and Operating Metrics" Power Utilities Report Published in 2021.

CFO Heather Shawa gave a review of the March 2022 Year-to-date Financial Summary. Total Cash, Days Cash on Hand, and Debt Service Coverage are strong at \$275 million, 257 and 2.49 respectively. On the Income Statement YTD, Total Revenue is slightly over budget and positive at 1%, Operating Expenses is at 11% underspend, and Non-Operating Income/Expense is 15% overspend, resulting in a Net Income YTD of \$30 million compared to the Budget YTD of \$6 million. The FY 2022 Budget Net Income is just above \$568,000 and any known adjustments will be forecasted at the start of the fourth quarter in the April dashboard. Capital budget YTD is underspend due to labor constraints and supply chain impacts. Capital budget YTD on Delta Energy Park is near budget. The project is on track for closeout at the end of June 2022 and the first full month of depreciation will be indicated on the April dashboard.

Two of the five ratios are below target. Debt to Total Assets is driven by the debt incurred with the Delta Energy Plant. Days Sales Outstanding is affected by giving longer payment plans to customers and non-shutoff plans during the pandemic. Employee count and payroll data are consistent with previous data. The increase in overtime is due to the broken poles and train incident. Benefit costs are over budget due to medical costs for increased claims but will be offset by a stop loss payment for large claims.

Chairperson Mullen requested a presentation on depreciation at a future meeting. CFO Shaw responded that a presentation will be provided at the July Finance meeting.

Retirement Plan Committee (RPC) Updates

CFO Heather Shawa presented the Retirement Plan Committee (RPC) investment and administrative activity updates. The RPC has recently completed a periodic review of the DB and VEBA plans investment policy statements and recommended reducing the target return for the DB Plan from 6.5% to 6%, reduce the target return for the VEBA Plan from 7% to 6.5%, and revising certain language to better represent the role of the plan advisor as well as the delegations to the RPC. The final steps of the corrective action plan have now been completed for the VCP Submission to the IRS for our 401(a) plans. The required notifications have been sent to the affected participants. The RPC is reviewing the restatement of Nationwide's 401(a) prototype plan documents which are preapproved by the IRS. The IRS requires Plan Sponsors using preapproved plan documents to be restated every 6 years to incorporate all legislative and regulatory changes in the law. The updated 401(a) plan documents for DC Plan 2 will be brought to the Board for approval in July.

Commissioner Zerkle asked the reason for reducing the target return in the RPC investment goals. CFO Shawa responded the reduction follows the guidance of the state of Michigan for public pension plans. Director of Finance, Accounting and Planning, Mr. Scott Taylor, added that the liability for the DB plan is increased by \$1.7 million and by \$7.7 million for the VEBA plan.

Motion by Commissioner Price, **Seconded** by Commissioner James to forward the Revised Defined Benefit Plan Investment Policy Statement Resolution to the full Board for consideration.

Action: Motion carried.

Motion by Commissioner Price, **Seconded** by Commissioner James to forward the Revised VEBA Investment Policy Resolution to the full Board for consideration.

Action: Motion carried.

General Manager Recommendation for RPC Appointment Change

GM Peffley asked for approval of replacing the appointment of the Manager of Finance on the Retirement Plan Committee with the appointment of the Director of Finance, Accounting and Planning.

Motion by Commissioner Price, **Seconded** by Commissioner James to forward the Resolution for the Retirement Plan Committee Appointment Change to the full Board for consideration.

Action: Motion carried.

Drinking Water State Revolving Fund (DWSRF)

Director of Accounting, Finance and Planning, Scott Taylor, presented the program plan for the Drinking Water State Revolving Fund and requested approval of the presented resolution to adopt the final project plan for water system improvements and designate an authorized project representative. The plan was published on April 8, 2022, and a public hearing was held on May 9, 2022 at which the plan was explained. Mr. Taylor stated that this resolution is for approval to submit the plan for evaluation for funding, ranking and possible forgiveness, and then projects with which to move forward will be determined.

Chairperson Mullen commented that a proposal was made last year that was turned down and the Finance Team worked with DWSRF to construct a better plan.

Commissioner Thomas asked what the prospective outcome of receiving funding was. Mr. Taylor responded that a better than 50/50 chance was expected for being accepted for the borrowing program and 20-30% chance of receiving forgiveness through the grant.

Motion by Commissioner Price, **Seconded** by Commissioner James to forward the Resolution for Adopting a Final Project Plan for Water System and Improvements and Designating an Authorized Project Representative to the full Board for consideration.

Action: Motion carried.

Chairperson Mullen commented that he believes water is a human right and that payment has to be received whether from the customer or from funding. In addition, Chairperson Mullen stated that the administration works with those who cooperate with the BWL to keep their water from being shut off. GM Peffley responded that creative ideas and funding are being explored and if any payment is given water isn't shut off.

Commissioner James asked if rates based on income were being considered yet. GM Peffley responded that they weren't yet, but it is being studied, along with other options.

Commissioner Zerkle asked whether an explanation was given to customers regarding the beneficial use of Smartmeters. GM Peffley responded that Smartmeters indicate whether there is a waste of water which is beneficial to the customers and the more education given to the customers the better.

FY23 Operating Budget and FY23-28 Forecast Presentation

CFO Shawa presented the FY23 Operating Budget and FY23-28 Forecast. CFO Shawa highlighted strategic objectives, key budget and forecast assumptions, sales volume history and forecast by utility, and the operating budget and forecast. CFO Shawa covered FY 2022 accomplishments, target metrics, and the focus of the budget and forecast cycle under strategic objectives; plus, water main replacements, investment returns, rate changes and structure refinement, and Return on Equity under key budget and forecast assumptions. Director of Finance, Accounting and Planning, Scott Taylor highlighted the following items in the capital budget and forecast: the increase in the Water T&D portfolio in FY 2028 with the completion of the 8 mile per year water pipeline replacement; the addition to the Capital Forecast of the phase process where projects have reached the design and construction stage where the final budget amount of the project is determined; and the next steps in the process of the forecast including verifying department spend aligns with capital spend, verifying metrics hit planned targets, and requesting Board approval and submission of the forecast to the city. CFO Shawa requested approval of the resolution for the Fiscal Year 2023-2028 Budget and Forecast.

GM Peffley stated that the strategic objectives plan information would be continually provided to the employees to emphasize the importance of the implementation of the plan.

Commissioner Mullen asked for the definition of the terminology workforce engagement. CFO Shawa responded that workforce engagement included workforce development, the leadership academy, retention and recruiting career development, and the Gallup best practice and national benchmark for workforce development.

Commissioner Zerkle asked for information on COVID-19 recovery regarding health costs, lost worktime and costs for the next couple of years. GM Peffley responded that the workforce is back to the new normal which includes a work-from-home policy. CFO Shawa responded that the two key financial areas are supply chain disruptions and past due accounts. Finance is working on bringing the past due and uncollectable accounts to pre-pandemic numbers. GM

Peffley responded that he has requested a policy to be made by the executive staff for the purchasing of only American-made products when possible, to reverse the negative impact on the generating portfolio.

Commissioner Zerkle commented that income from electricity carries the BWL utility and asked why this transpires as rate increases have occurred for each type of utility service. GM Peffley responded that the customer base is smaller for the non-electric utility services and that electricity is also sold wholesale. GM Peffley added that the water rates for other utility companies in Michigan are higher than the rates of the BWL.

Commissioner Merrill asked whether the 9.5% increase in water rates would be the same for the wholesale and retail customer and when was the anticipated day for the increase to go into effect. CFO Shawa responded that input will be requested from Commissioners in July 2022, a public hearing will be held in September 2022, and the rate increase would go into effect on November 1, 2022. GM Peffley added that there are four industrial entities looking to enter the BWL service territory and that will also benefit the income for water service if any of them do.

Commissioner Jester asked about the prices for chilled water not being raised aggressively. CFO Shawa responded that the price increase for chilled water in the current forecast is the first increase since 2014. CFO Shawa added there are efficiency projects being planned, there are 19 customers for chilled water and the impact on them is not known yet.

Commissioner Price asked what the differential is between the rates for the closest competitor and BWL. GM Peffley responded that rates on residential for the closest competitor is 14% with a rate hike of greater than 2% and BWL. GM Peffley responded that the BWL was demonstrating the value of locating to the Lansing area.

Commissioner Zerkle asked whether electricity service could subsidize water service. GM Peffley responded that is against the law because classes of utility services can't be mixed.

GM Peffley noted that the BWL typically replaces a mile and a half of the water pipeline per year but due to the pandemic is a little delayed.

Commissioner Jester asked whether there is an opportunity for the water pipeline replacement to be coordinated with street repair that needs to be done. GM Peffley replied that BWL is working to coordinate with the CSO project and if the City is working on an area of road where the water pipeline needs to be repaired, BWL will repair that area of the pipeline.

Commissioner James asked how the ratings by the credit rating agencies could be improved. Mr. Taylor responded that the key items that the agencies review are days cash on hand and debt service coverage. The agencies also look at the area served, the overall makeup of utility service, and the diversity of customers serviced. GM Peffley responded that BWL is in the top 20% of utilities across the country. CFO Shawa responded that agencies look at the governing board, the support of steady increases, and City ratings.

Commissioner Zerkle asked if a presentation could be made relaying what will be done with the rate increase as the Commissioners could provide input on what customers would like. CFO Shawa responded that the presentation will be made at the July Finance Committee meeting.

Motion by Commissioner James, **Seconded** by Commissioner Price to forward the FY 2023-2028 Budget and Forecast Resolution to the full Board for consideration.

Action: Motion Carried.

Other

There was no other business.

Adjourn

Chairperson Tony Mullen adjourned the meeting at 8:42 p.m.

Respectfully submitted
Tony Mullen, Chairperson
Finance Committee

Proposed Resolution
Return on Equity (ROE) Renewal

WHEREAS, the City of Lansing has expressed a desire to continue the Agreement Between the City of Lansing and The Board of Water & Light dated June 30, 1992 (the Agreement), which has been subsequently extended by means of five Amendments thereto in 2001, 2012, 2013, 2018 and 2020, respectively;

WHEREAS, the Board of Commissioners Committee of the Whole (COW) considered the City of Lansing's request on May 10, 2022;

WHEREAS, the General Manager recommended the Agreement be extended by two (2) years at a rate of 6% of total operating revenues, excluding inter-utility sales, which would be memorialized as Amendment No. 6;

WHEREAS, the COW has considered the proposed Amendment No. 6, agreed with the General Manager's recommendation and approved the Amendment, including authorization for the General Manager to execute the Amendment, and the Amendment shall be forwarded to the Board of Commissioners for approval at the May 24, 2022 meeting.

RESOLVED, the proposed Amendment No. 6 to the Agreement Between the City of Lansing and The Board of Water & Light dated June 30, 1992 is approved by the COW, including authorization for the General Manager to execute the Amendment, and shall be forwarded to the Board of Commissioners for approval at the May 24, 2022 meeting.

Proposed Resolution
Revised Defined Benefit Plan Investment Policy Statement

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions (the “Defined Benefit Plan”); and

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of Defined Benefit Plan assets, periodically reviews the target rate of return for each plan and, as the result of its most recent review, recommends the target rate of return for the Defined Benefit Plan be reduced from 6.5% to 6%; and

WHEREAS, the Retirement Plan Committee also periodically reviews the investment policy statement, formally known as the Statement of Investment Policies, Procedures and Objectives, for the Defined Benefit Plan and, as the result of its most recent review, recommends revisions to the language within the Defined Benefits Plan’s investment policy statement; and

WHEREAS, the Retirement Plan Committee along with the General Manager recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee along with the General Manager, the Sponsor adopts and approves the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives.

Proposed Resolution
Revised VEBA Investment Policy Statement

WHEREAS, the Lansing Board of Water & Light (the "Sponsor") sponsors the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (the "VEBA"); and

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of VEBA assets, periodically reviews the target rate of return for each plan and, as the result of its most recent review, recommends the target rate of return for the VEBA be reduced from 7% to 6.5%; and

WHEREAS, the Retirement Plan Committee also periodically reviews the investment policy statement, formally known as the Statement of Investment Policies, Procedures and Objectives, for the VEBA and, as the result of its most recent review, recommends revisions to language within the VEBA's investment policy statement; and

WHEREAS, the Retirement Plan Committee along with the General Manager recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee along with the General Manager, the Sponsor adopts and approves the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives.

Proposed Resolution
Retirement Plan Committee Appointment Change

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

WHEREAS, due to a recent organizational change, the Sponsor has decided to replace the appointment of the Manager of Finance on the Committee with the appointment of the Director of Accounting, Finance, and Planning.

THEREFORE, it is:

RESOLVED, that the Sponsor replaces the appointment of the Manager of Finance on the Committee with the appointment of the Director of Accounting, Finance, and Planning on the Committee.

FURTHER RESOLVED, that the Sponsor now recognizes the following individuals as appointed to serve on the Committee: Chief Financial Officer (Committee Chair), Executive Director of Human Resources, and the Director of Accounting, Finance and Planning.

Proposed Resolution

A Resolution Adopting a Final Project Plan for Water System Improvements and Designating an Authorized Project Representative

WHEREAS, the Lansing Board of Water & Light (“BWL”) is seeking low interest funding to assist in its efforts to improve existing raw water supply, water treatment and distribution systems through the State of Michigan, Department of Environmental Quality’s (“EGLE”) Drinking Water State Revolving Fund (“DWSRF”); and

WHEREAS, as a requirement of the DWSRF Loan Program, municipalities applying for DWSRF loans are required to submit to EGLE an adopted Project Plan (“Project Plan”) describing the proposed improvement to existing water treatment and distribution systems program projects; and

WHEREAS, the purpose of the Project Plan is for raw water supply, water treatment plant and distribution system improvement projects located within the City of Lansing. The projects have several benefits, which include reducing potential safety hazards, as well as improvements to reliability, water quality, and flow efficiencies to ultimately increase public health protection; and

WHEREAS, the Project Plan for the majority of the water main replacement projects will be in partnership with the City of Lansing’s Combined Sewer Overflow project among other City of Lansing street rehabilitation projects. Raw water supply and water treatment projects will be done on BWL property; and

WHEREAS, the BWL authorized Hubbell, Roth, & Clark, Inc. to prepare a Project Plan, which recommends the construction of the following:

Water Treatment Plant Upgrades

- Dye WCP – convert ammonia system to aqueous form
- Dye WCP – chemical handling project
- Wise Rd WCP – new chemical building

Operational System Improvements

- Elevated storage tank – feasibility study and installation
- Well drilling to replace aging wells

Water Distribution Improvements

- Multiple location of water main replacement projects throughout BWL jurisdiction that includes approximately 14 miles of water main replacement.
- Raw water main extension to connect a recently drilled well

WHEREAS, the estimated total project cost of the projects listed above is \$46.2 Million; and

WHEREAS, a Public Hearing to receive public comment on the proposed Project Plan was held on May 9, 2022;
and

NOW THEREFORE BE IT RESOLVED that the Lansing Board of Water & Light formally adopts the Project Plan and agrees to implement the selected alternative.

BE IT FURTHER RESOLVED, that the Water Distribution Principal Engineer, a position currently held by Michael Lehtonen, P.E., is designated as the authorized representative for all activities associated with the projects referenced above, including the submittal of said Project Plan as the first step in applying to the State of Michigan for a Drinking Water State Revolving Fund Loan to assist in the implementation of the selected alternative.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve the Resolution for Adopting a Final Project Plan for Water System Improvements and Designating an Authorized Project Representative.

Yeas (names of Members voting Yes): _____

Nays (names of Members voting No): _____

I certify that the above Resolution was adopted by Board of Water & Light Board of Commissioners (the governing body of the applicant) on _____.

BY:

Name (please print or type)

Title

Signature

Date

Proposed Resolution
Fiscal Year 2023-2028 Budget and Forecast

RESOLVED, that the Annual Operating and Capital Budget covering Fiscal Year 2023 is hereby approved as presented; and

RESOLVED, that the Operating and Capital Forecast for the Fiscal Years 2024-2028 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 \$363.0M and a capital budget of \$71.8M for Fiscal Year 2023.

The Operating and Capital Budget and Forecast for Fiscal Years 2023-2028 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 24, 2022 board meeting.