



**LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE MEETING
September 12, 2023 – 5:30 P.M.
REO Town Depot - Board of Water & Light Headquarters
1201 S. Washington Ave., Lansing, MI 48910**

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

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Committee of the Whole Meeting Minutes of July 11, 2023 **TAB 1**
- 2. Storm Update..... **INFORMATION ONLY**
- 3. Rate Increase Article in the Lansing State Journal..... **TAB 2**
- 4. Annual IT Report-Out..... **INFORMATION ONLY**
- 5. Resolution Honoring Dusty Horwitt..... **TAB 3**
- 6. Outgoing Commissioner Parting Gifts..... **DISCUSSION**
- 7. Commissioner Safety Training on September 26, 2023 **INFORMATION ONLY**

Other

- a. Lansing Board of Water & Light/City of Lansing Joint Committee of the Whole Meeting
Thursday, October 19, 2023 at 5:30 p.m.

Adjourn

COMMITTEE OF THE WHOLE
Meeting Minutes
July 11, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, July 11, 2023.

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

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen, David Price, and Tracy Thomas; Non-Voting Commissioner Douglas Jester (arrived @5:34 p.m.)

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

Brian Jackson, Lansing, MI, spoke about the All Purpose RFP that is on the agenda for tonight and asked who vets the applicants and selects the contractors for an alternate energy source.

Heather Douglass, Lansing, MI, MSU Department of Philosophy, spoke about the All Source RFP that is on the agenda tonight and inquired about the criteria used to weight and evaluate the proposals and asked that the incredible threat of climate change be taken into consideration.

Andrew Sarpolis, Lansing, MI, Sierra Club, spoke about the All Source RFP that is on the agenda tonight and the concern of climate change effects.

Approval of Minutes

Motion by Commissioner Beth Graham, **Seconded** by Commissioner David Price, to approve the Committee of the Whole Meeting minutes of May 9, 2023.

Action: Motion carried. The minutes were approved.

Customer Satisfaction Survey Results

General Manager Dick Peffley introduced Mr. Bernie Porn from EPIC-MRA who presented the employment satisfaction survey results from the survey that was conducted for residential customers April 21-24, 2023 and for business customers May 1-5, 2023. An 87% positive result is the highest percentage received from residential customers for the survey. A comparable result of 89% was received from business customers.

Commissioner Sandra Zerkle and Commissioner Dusty Horwitt expressed concern on how customers could be made more aware of assistance programs that are available. Mr. Porn responded that the information is provided but just may not be accessed by the customers.

All Source RFP

Paul Eory, Strategy & Planning Manager presented the All Source Request for Proposal (RFP). The acquisition of Ultium as a customer, shutting down Eckert and coal production, and the prospective of DTE ceasing the use of coal at their Belle River plant, has increased the capacity of energy to be provided to customers. Offers were received and evaluated for compliance and economics – affordability, reliability and sustainability, and location.

General Manager Dick Peffley summarized the information provided and gave a prospective of how BWL will proceed. To reach carbon neutrality in the next ten years, capital outlays of \$750 million spanning multiple locations will consist of 160 MW of battery, an additional 240 MW of wind added for a total of 328 MW, an additional 260 MW of solar added for a total of 374 MW, and 112 MW of rice engines to complement wind and solar. Also, continued work on the demand and response program, energy waste reduction, compliance with MISO, and the need for a combined cycle plant will be evaluated.

Commissioner Douglas Jester commented on the recent DTE IRP proposed settlement which includes the conversion of Belle River from coal to gas in 2025, 2026.

Commission Dusty Horwitt commented on the RFP process with consideration of Board suggestions throughout the remainder of the RFP process. General Manager Dick Peffley stated Management is open to suggestions from the Board and can provide RFP updates as a standing agenda item at Committee of the Whole meetings going forward.

Fraud Prevention Policy

General Counsel Mark Matus presented the Fraud Prevention Policy. A resolution will be prepared for the revised version of the Fraud Prevention Policy for the next board meeting.

Diversity, Equity & Inclusion Update

Vernon Woodley, Diversity, Equity & Inclusion Specialist, presented the Diversity, Equity and Inclusion update.

Commissioners Tracy Thomas, Sandra Zerkle, Semone James, and Dusty Horwitt commended the DEI team on their work notably during a presentation at the 2023 APPA National Conference in June.

Board of Commissioners Expenditures Resolution

Commissioner Tony Mullen presented the Board of Expenditures Resolution and requested the resolution be forwarded to the full Board for consideration.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to forward the resolution for Board of Commissioners Expenditures as presented to the full Board for consideration.

Action: Motion Carried.

Remote Work Agreement for All Contracted Employees Resolution

Chairperson Sandra Zerkle requested that the Remote Work Agreement for All Contracted Employees Resolution be sent to the next Human Resources Committee for discussion.

Motion by Commissioner David Price, Seconded by Commissioner DeShon Leek to move the resolution to the Human Resources Committee for review.

Action: Motion Carried.

Human Resources Committee Chairperson, Tony Mullen, stated the next HR Committee meeting can take place in September. Further discussion followed regarding the agenda items placed on the board and committee meeting agendas.

Other

Commissioner Tracy Thomas requested that only required meeting attendees be allowed behind the dais during meetings due to safety concerns. Commissioner Tony Mullen asked if any rules or procedures addressed this. General Manager Dick Peffley responded that it can be addressed by Security.

General Counsel Mark Matus read the Fraud Prevention Policy Resolution prepared for the Regular Board Meeting and requested the resolution be forwarded to the full Board for consideration.

RESOLVED, the Fraud Prevention Policy as amended and presented by Management on July 11, 2023 is approved for immediate implementation.

Motion by Commissioner David Price, Seconded by Commissioner Semone James to forward the Resolution for the Fraud Prevention Policy to the full Board for consideration.

Action: Motion Carried

Commissioner Tracy Thomas asked if there had been any discussion about increases in the proposed contracts. Commissioner Tony Mullen responded that it is scheduled to be discussed with Chairperson Semone James.

Adjourn

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

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

Commissioners,

I want to make you aware of a news article from the Lansing State Journal that was published today, noted below.

This customer was one of 2,280 who were reclassified in November 2022 during our rate hearings from a now defunct Rate 3 classification to the new Midsize Commercial Rate. As was provided to the reporter, the estimated revenue from the Rate 3 customers who moved to the Midsize Commercial Rate for the first year was estimated to be \$2.2M, which was necessary to reflect the actual cost of service more accurately for that class of customers.

While the headline is sensationalized, the story itself accurately reflects BWL's position.

If we find that this class of customers is being unfairly burdened, the next rate strategy review in 2024 could review it.

Thanks,

-Dick

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LSJ - <https://www.lansingstatejournal.com/story/news/local/2023/08/24/bwl-lansing-service-fees-increase-electricity-small-businesses/70602146007/>

BWL raises service fees by 233% for some businesses. Here's why *Local businesses say BWL service fees are hurting expansion plans*



Mike Ellis

Lansing State Journal



LANSING — Michelle McKnight opened her Lansing salon in fall the 2020. Despite the challenges of opening a small business during the pandemic, she's had success and would like to expand her shop in an adjacent space.

She said she can't afford to do that because of substantial increases in service fees on her Lansing Board of Water & Light electric bill.

McKnight rents space in Potter's Mill, a building at 701 E. South St. on the Red Cedar River that houses about 20 small businesses run by "creators, artists, and makers," according to the Potter's Mill website.

McKnight owns Head Space Beauty Lounge and is among a group of business owners who said they were caught off guard by a spike in service fees that accompanied a planned 9% hike in electric costs over two years.

She was paying a \$36 a month in service fees for 1,000 square-foot space, plus whatever electricity she used. When BWL's board OK'd two years worth of rate hikes that will be complete Nov. 1, the city-owned utility also "reclassified" some businesses to a different service fee. For McKnight, that meant a more than 233% increase in her monthly service from \$36 to \$120. On an annual basis, that raised her service fee from \$432 to \$1,440.

Her building uses a three-phase power, more common in industrial and commercial buildings than the single-phase power typically used in homes and businesses. It comes with more reliable power and a significantly higher service fee.

Her plans to lease an adjacent 450-square-foot space to expand her studio would double that service fee to \$2,880.

"Nothing has changed with our service," she said. "For me as a business owner, I'm going to employ one more person and take more risk with expanding. But I can't make money if I'm paying an extra \$200 a month in service fees."

Potter's Mill has about 20 units. BWL spokesperson Amy Adamy said each unit in that building is facing the same situation. For that building alone, it would mean a service fee increase to BWL of more than \$20,100 a year.



Adamy said the utility consolidated its electric services into new commercial tiers last year during a broader rate increase. At Potter's Mill, it meant that units went into the "midsize commercial" category, with a higher service fee, going from \$36 a month to \$120 a month, Adamy said.

She said 2,820 customers went from an old Rate 3 category to the midsize commercial tier.

"The impact would vary based on their individual usage pattern," Adamy said in a statement. "The estimated revenue from the Rate 3 customers who moved to the Midsize Commercial Rate for the first year was estimated to be \$2.2 million, which was necessary to reflect the actual cost of service more accurately for that class of customers."

Adamy said the utility held public hearings in September before the rate changes and the categories were part of the hearings.

McKnight said BWL officials have contacted her since the State Journal began reporting on her concerns.

"I asked what is covered under the umbrella of a service fee and how our services have changed in cost in the last five years," McKnight said. "I was told a supervisor would be calling me back to answer that question."

Tracey Spaulding, a co-owner of Lansing Studio in Potter's Mill, said she too is seeing high bills, and rents two suites in the building with McKnight.

"We have two units in the building, when the switchover happened we reached out to BWL, the resounding answer is there is nothing we can do for you," Spaulding said.

U.S. Rep. Elissa Slotkin will be hosting a Friday roundtable discussion to talk about "junk fees" including McKnight's complaints.



McKnight said it would cost her around \$5,000 to have an electrician upgrade her current unit and another \$5,000 for the one she wants to expand into, costs she says her salon couldn't afford without passing on significant increases to customers.

Spaulding said the Lansing Studio offers space for photographers and events. They aim to keep prices affordable.

"We have two units in the building, when the switchover happened we reached out to BWL, the resounding answer is there is nothing we can do for you," Spaulding said. "We can jack up the rates and make it unaffordable or I could fold."

RESOLUTION 2023-XX-XX
LANSING BOARD OF WATER & LIGHT
RESOLUTION HONORING DUSTY HORWITT

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

WHEREAS, Dusty Horwitt was appointed as an At-Large Commissioner of the Board of Water & Light on October 11, 2021, to represent the City of Lansing; and

WHEREAS, He last served as a Voting member of the Committee of the Whole and Human Resources Committee, and Finance Committee Chairperson; and

WHEREAS, Dusty has worked for more than 15 years for environmental nonprofit organizations where he has focused on protecting people from pollution including greenhouse gas emissions and toxic substances associated with oil and gas drilling; and is a member of the Lansing Environmental Action Team and has testified about environmental issues multiple times before government panels including the U.S. House of Representatives Committee on Natural Resources, the U.S. Senate Committee on Energy and Natural Resources, and the New York City Council; and has written a chapter about hydraulic fracturing chemical disclosure for a scientific textbook published by Elsevier and has been quoted and cited about environmental issues in multiple news outlets including the New York Times, Wall Street Journal, and Marketplace (NPR); and

WHEREAS, Dusty also has experience as an attorney, reporter, and deputy press secretary on Capitol Hill in Washington, DC, and is a certified Energy Master after completing a course in home energy efficiency; has contributed to City Pulse as a freelance writer and has worked to illuminate the history of school integration in his hometown of Arlington, Virginia.; and

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

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Dusty Horwitt for his years of distinguished service in Regular Board Meeting this 26th day of September, 2023. We sincerely wish Dusty continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson	David Price, Vice-Chairperson	
J. R. Beaubouf	Beth Graham	DeShon Leek
Tony Mullen	Brian Pillar	Dale Schrader
Tracy Thomas	Robert Worthy	Sandra Zerkle

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the resolution of tribute for the outgoing Commissioner Dusty Horwitt at a Board meeting held on September 26, 2023.

Action: Carried unanimously.