



**BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS**  
**REGULAR BOARD MEETING**  
**January 23, 2024 - 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. Special Board Meeting Minutes of October 19, 2023
- b. Regular Board Meeting Minutes of November 14, 2023

**4. Public Comment on Agenda Items**

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

**5. Communications**

- a. Electronic mail from Carla Hayward re: Instructions, Dividends Proceeds and BWL Bill Scrutiny

**6. Committee Reports**

- a. Executive Committee Meeting (November 16, 2023)-Semone James, Chairperson
- b. Committee of the Whole Meeting (January 16, 2024)-David Price, Chairperson
- c. Finance Committee Meeting (January 16, 2024)-Sandra Zerkle, Chairperson

**7. Manager's Recommendations**

**8. Unfinished Business**

**9. New Business**

**10. Resolutions/Action Items**

- a. Capital Project Exceedance: PE-20230 Eckert 13 & 15 Cutover Resolution
- b. Revised Defined Benefit Plan Statement of Investment Policies, Procedures and Objectives Resolution

c. Internal Audit Plan for FY 2024 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 01-18-24

2024 Board Meetings Notice/Schedule Posted in the Lansing State Journal January 3, 2024



**LANSING BOARD OF WATER AND LIGHT  
BOARD OF COMMISSIONERS  
SPECIAL BOARD MEETING MINUTES  
October 19, 2023**

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Thursday, October 19, 2023.

Chairperson Semone James called the meeting to order at 5:04 p.m.

The Corporate Secretary called the roll.

Present: Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: J. R. Beauboeuf (East Lansing).

Absent: Commissioners Brian Pillar (Meridian Township) and Robert Worthy (Delta Township).

The Corporate Secretary declared a quorum.

Commissioner Dale Schrader led the Pledge of Allegiance.

Anne Brown, Senior Field Representative from Congresswoman Elissa Slotkin's office, presented Lansing Board of Water and Light with a resolution from Michigan's 7<sup>th</sup> Congressional District paying tribute for the effort put forth during the August 2023 storms. The resolution will be placed in Congressional Record.

**PUBLIC COMMENT**

Loretta Stanaway, spoke regarding the termination of the previous Internal Auditor and the lack of oversight in the City of Lansing.

**MEETING PURPOSE:**

**Approval of Hiring of New Internal Auditor**

Chairperson Semone James stated that she called for this Special meeting to consider the approval of Hiring the New Internal Auditor.

**RESOLUTION #2023-10-01**

**Appointment of the Charter Position of Internal Auditor**

The Board's Rules of Administrative Procedures 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 1<sup>st</sup> of each year or as soon thereafter as may be appropriate.

RESOLVED, That the Board of Commissioners hereby appoints Elisha Franco to the Charter position of Internal Auditor for the remainder of fiscal year 2023-2024, or, until a successor is appointed, whichever last occurs:

FURTHER RESOLVED, That Elisha Franco shall be extended an employment contract which shall be effective from November 6, 2023, and expire on June 30, 2024, or until a successor is appointed, whichever later occurs.

FURTHER RESOLVED, That the Chairpersons of the Board of Commissioners and the Human Resources Committee are authorized to jointly execute said employment contract and related documents.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Semone James, to approve the appointment of the Internal Auditor for the remainder of Fiscal Year 2023-2024 at a Special Board Meeting held on October 19, 2023.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader and Sandra Zerkle

Nays: Commissioner Tracy Thomas

**Action:** Motion Carried.

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

There were no Manager's remarks.

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

There were no Commissioners' remarks.

#### **PUBLIC COMMENT**

Elaine Fischhoff, Lansing, MI spoke regarding BWL's water shutoff policy even though payment had been sent and asked that the policy be reviewed.

#### **EXCUSED ABSENCE**

**Motion** by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle to excuse Commissioners Brian Pillar and Robert Worthy from tonight's meeting.

**Action:** Motion Carried.

#### **ADJOURNMENT**

Chairperson James adjourned the meeting at 5:19 p.m.



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

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**November 14, 2023**

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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, on Tuesday, November 14, 2023. This meeting was publicly noticed for 5:30 p.m.

Chairperson Semone James called the meeting to order at 5:50 p.m.

Corporate Secretary, LaVella J. Todd, called the roll.

The following Commissioners were present: Chairperson Semone James; Commissioners DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle. Also Present: Non-Voting Commissioners Robert Worthy (Delta Township) and Brian Pillar (Meridian Township)

Absent: Commissioners Beth Graham and J. R. Beauboeuf (East Lansing)

The Corporate Secretary declared a quorum.

Commissioner Brian Pillar led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

**Motion** by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to approve the Regular Board Meeting minutes of September 26, 2023.

**Action:** Motion Carried.

**PUBLIC COMMENTS**

There were no public comments.

**COMMUNICATIONS**

Electronic Mail received From MAN Energy Solutions USA Inc. regarding RFP Bid. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Dusty Horwitt regarding Recognition of BWL Board Service. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Liz Murphy regarding Utility Charges. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Duane Beswick regarding Overhead Street Lights. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Debra Outwater regarding Storm Outage Costs and Commissioner Representation. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Randy Dykhuis regarding Water Rates and Legislation. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Dawn Fleming regarding Water Rates Affordability. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Dawn Fleming regarding Water Shutoffs. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Randy Dykhuis regarding Neighborhood Meeting to be held on November 9 Regarding Groundwater Contamination Concerns. *Referred to Management. Received and Placed on File.*

## **COMMITTEE REPORTS**

Human Resources Chairperson Tony Mullen presented the Human Resources Committee Reports:

### **HUMAN RESOURCES COMMITTEE MEETING**

#### **Meeting Minutes**

**October 3, 2023**

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Tracy Thomas; Alternates: Commissioners Beth Graham, Sandra Zerkle; Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Pillar, Robert Worthy

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 5:30 p.m. on Tuesday, October 3, 2023.

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order at 5:33 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Semone James, DeShon Leek and Tracy Thomas; Voting Alternate Commissioners Beth Graham and Sandra Zerkle. Also present: Commissioner David Price, Executive Director of Human Resources, Michael Flowers, Senior Human Resources Generalist, Lisa Benson, and Senior Human Resources Generalist, Dan Barnes. There was a quorum for the October 3, 2023, HR Committee meeting.

Absent: None.

#### **Public Comments**

There were no public comments.

### **Approval of Minutes**

**Motion** by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the minutes from the August 15, 2023 HR Committee Meeting.

**Action:** Motion carried.

### **Interview Candidates for the Charter Appointed Position of Internal Auditor**

The Human Resources (HR) Committee interviewed three 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."

Chairperson Mullen and HR Executive Director, Michael Flowers discussed with the Commissioners the process for interviewing the three candidates.

The HR Committee members presented the three candidates with hypothetical situational questions as well as questions about previous experiences in particular work areas. Upon conclusion of each interview the HR Committee completed the rating of each candidate and deliberated on each candidate. Chairperson Mullen recessed the HR Committee between each interview. The meeting reconvened at the arrival of the next interviewing candidate.

Once the interviews were completed, a motion was offered upon conclusion of deliberations to recommend Ms. Elisha Franco to the full board to review and approve as Internal Auditor for the remainder of the fiscal year 2023-2024.

**Motion** made by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek to recommend Ms. Elisha Franco for the Charter appointed position of Internal Auditor by Resolution and forward to the full Board for consideration.

#### **Roll Call Vote:**

Yeas: Commissioners Semone James, DeShon Leek, Tracy Thomas

Nays: Commissioner Tony Mullen

**Action:** Motion carried.

A Special Board meeting will be called on October 19, 2023 to be held at 5:00 p.m. prior to the Joint City of Lansing and Board of Water & Light Committee of the Whole meeting to approve the appointment of the Charter position of Internal Auditor.

The Commissioners discussed that the candidate will be given an offer of employment.

### **Other**

There was no other business.

### **Adjourn**

The meeting was adjourned at 9:32 p.m.

Respectfully Submitted,  
Tony Mullen, Chairperson  
Human Resources Committee

**HUMAN RESOURCES COMMITTEE MEETING**  
**Meeting Minutes**  
**November 7, 2023**

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Tracy Thomas; Alternates: Commissioners Beth Graham, Sandra Zerkle; Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Pillar, Robert Worthy

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Tuesday, November 7, 2023.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Chairperson Tony Mullen; Commissioners Semone James, DeShon Leek and Tracy Thomas. Also present: Commissioners Beth Graham (Alternate) and Sandra Zerkle (Alternate); and Non-Voting Commissioners Brian Pillar (Meridian Township) and Robert Worthy (Delta Township).  
Absent: None.

The Corporate Secretary declared a quorum.

**Public Comments**

There were no public comments.

**Approval of Minutes**

**Motion** by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the HR Committee meeting minutes of October 3, 2023.

**Action:** Motion Carried. The minutes were approved.

**2023 PA 152 Healthcare Premium Sharing**

Executive Director of Human Resources, Michael Flowers introduced Human Resources Manager, Tracy Strudwick who presented the 2023 PA 152 Healthcare Premium Sharing information and requested approval of the 2023 PA 152 Healthcare Premium Sharing Resolution.

**Motion** by Commissioner Tracy Thomas, **Seconded** by Commissioner DeShon Leek to forward the 2023 PA 152 Healthcare Premium Sharing Resolution to the full Board for consideration.

**Action:** Motion Carried.

**Other**

There was no other business.

**Adjourn**

Meeting adjourned at 5:10 p.m.

Respectfully Submitted,  
Tony Mullen, Chairperson  
Human Resources Committee



Committee of the Whole Chairperson David Price presented the Committee of the Whole Meeting Report:

**COMMITTEE OF THE WHOLE**  
**Meeting Minutes**  
**November 7, 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, November 7, 2023.

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

Present: Chairperson David Price; Commissioners Beth Graham, Semone James, DeShon Leek, Tony Mullen, Dale Schrader, Tracy Thomas and Sandra Zerkle; Non-Voting Commissioners J.R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township), and Robert Worthy (Delta Township)  
Absent: None.

The Corporate Secretary declared a quorum.

**Public Comments**

There were no public comments.

**Approval of Minutes**

**Motion** by Commissioner Sandra Zerkle, **Seconded** by Commissioner Tracy Thomas, to approve the Committee of the Whole Meeting minutes of September 12, 2023.

**Action:** Motion carried. The minutes were approved.

**Energy Waste Reduction (EWR) Programs**

Patrick Walters, Energy Program Manager, presented on the energy waste reduction programs. Mr. Walters summarized the program goals and results, the residential and business programs and carbon neutrality programs.

Commissioner Price asked for the cost of a separate meter and a new hardwire charger at the first level for electric vehicle programs. Kellee Christensen, Director of Strategic Planning & Development, responded that the separate meter was developed to reduce the cost of rewiring a house with a larger panel. The price could run between \$500 and \$1500 depending on the state and where the home is. Customers can charge during off-peak hours and measure the usage.

Commissioner Leek asked whether BWL or a third party installed the separate meter. Ms. Christensen responded that a licensed electrician would acquire a permit and the meter would be installed after inspection.

Commissioner Graham commented that when selling a house, it would be helpful to point out the energy efficiencies available and provide the information to new buyers. Mr. Walters responded that BWL works through community members such as realtors, churches, contractors and trade allies to provide the information.

Commissioner Mullen asked what was being measured with the energy waste reduction program goal budget and final results. Mr. Walters responded that expenses and incentives for the programs are measured and GM Peffley added that the final results indicated that BWL was under budget. Commissioner Mullen also asked whether information on energy savings is provided to the City Council. GM Peffley responded that the information is not sent to the City Council separately.

Commissioner Zerkle commented that the information is provided in the packet and is also posted on the BWL website. Commissioner Zerkle asked if energy efficiency information can be gathered for and provided to the customers. GM Peffley responded that the Communications Department would put together a response and provide it next week.

#### **Regular Board Meeting Schedule 2024**

**Motion** by Commissioner Tracy Thomas, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Regular Board Meeting Schedule 2024 to the full Board for consideration.

**Action:** Motion Carried.

#### **PA 95 – How Does It Work for Our Customers**

General Manager Dick Peffley presented information on PA-95, assistance programs to help customers with bill paying, 211 reconnection fees, and time of use rates. The goal of PA-95 is to have enough funding to suspend shut-offs and BWL will monitor to ensure the funding is returned to help in the BWL service territory.

In response to Commissioner Thomas asking the length of time of the opt in, GM Peffley responded one year.

Commissioner Leek asked how long after the LIEAF funds are collected would it be evident that the community is being helped and Commissioner Zerkle asked how the assistance program information was tracked. GM Peffley responded that bill payment assistance and accounting records would indicate whether the community is being helped.

Commissioner Leek asked what qualifies a customer for assistance. Deanna Sparks, Customer Operations Manager, responded that the state sets the requirements and the agencies that provide the assistance would qualify the customer based on the requirements.

In response to Commissioner Schrader asking about the deposit required for utility service, GM Peffley responded that the deposit can be waived for a first-time late payment and deposits will be returned after one year of on time payments.

Commissioner James asked whether a customer can be notified of assistance programs prior to falling behind in payment and whether BWL could change the requirement of a deposit and

reconnection fee for those with limited income or a lower credit rating. GM Peffley responded that payment plans can be arranged before a disconnection is made and the agencies that assist can help with the deposit and reconnection fees. GM Peffley added that deposits are based on energy consumption. Ms. Sparks responded that whether a deposit is requested is based on the results of a credit check and the energy usage of the last twelve months.

In response to Commissioner Mullen asking how he could determine whether the off-peak savers rate would save him money, GM Peffley responded that the BWL's Energy Department could assist him with that information.

Commissioner Thomas commented that each Board Member could send the rate information to 100 people they know and to use utilities during off-peak hours.

Commissioner Schrader commented that 211 has a 24-hour operator that can assist with preventing shutoffs and asked what the amount in payments was that the 7,000 customers in April 2023 were behind. GM Peffley responded about \$1 million and that the information in uncollected debt can be highlighted in the financial reports and sent to the Commissioners.

In response to Commissioner Pillar asking if PA 95 offered eligible customer support for electric and water service and when the decision would be made to continue to opt in or to opt out, GM Peffley responded electric only and in July 2024.

In response to Commissioner James asking about re-opting into PA 95, GM Peffley responded that BWL had planned on a two-year pilot unless there was a disadvantage.

### **Commissioners' Handbook for Roles and Responsibilities**

Commissioner James led the discussion on the Commissioners' Handbook for Roles and Responsibilities which is being created for the roles, responsibilities, and requirements of the governing body. Supporting governing documents will be added to the handbook, including the Rules of Procedure and Governance Policy.

Commissioner Price suggested creating a narrated Commissioners' Roles and Responsibilities PowerPoint presentation and signing off on receipt of the Commissioners' Roles and Responsibilities.

### **Other**

A discussion was held on reviewing the Board of Commissioners' Self-Evaluation document. HR Executive Director, Michael Flowers will provide the APPA Board of Commissioners' Self-Evaluation form and the Executive Committee will review the Self-Evaluation form.

Commissioner Thomas asked if the Self-Evaluation form would be sent to the Committee of the Whole after being reviewed by the Executive Committee. It was affirmed that the Self-Evaluation form would go to the Committee of the Whole after being reviewed by the Executive Committee.

## **Adjourn**

Chairperson Price adjourned the meeting at 6:53 p.m.

Respectfully Submitted,  
David Price, Chairperson  
Committee of the Whole

Finance Committee Chairperson Sandra Zerkle presented the Finance Committee Meeting Report:

### **FINANCE COMMITTEE Meeting Minutes November 7, 2023**

Finance Committee: Sandra Zerkle, Committee Chairperson; Beth Graham; David Price; and Dale Schrader; Alternates: Semone James, Tracy Thomas; Non-Voting: Commissioners J.R. Beauboeuf, Brian Pillar, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at BWL Headquarters, REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, November 7, 2023.

Finance Committee Chairperson Sandra Zerkle called the meeting to order at 6:59 p.m. and asked the Corporate Secretary to call the roll.

Present: Chairperson Sandra Zerkle; Commissioners Beth Graham, David Price, and Dale Schrader, Alternate: Commissioner Semone James; also present: Non-Voting Commissioner Robert Worthy (Delta Township)  
Absent: None.

The Corporate Secretary declared a quorum.

## **Public Comments**

There were no public comments.

## **Approval of Minutes**

**Motion** by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to approve the Finance Committee Meeting minutes of September 12, 2023.

**Action:** Motion Carried. The minutes were approved.

## **Baker Tilly External Audit Report and Resolution**

Chief Financial Officer (CFO) Heather Shawa introduced external auditor Aaron Worthman, Partner and CPA at Baker Tilly US, LLP. Mr. Worthman presented and highlighted the external audit report which included an audit overview, observations and recommendations, and required communications to governing body. Mr. Worthman reported that there were no deficiencies in internal controls and that the BWL and all three pension plans received unmodified audit opinions, which is the highest level of assurance.

Commissioner Bob Worthy asked how many utilities Baker Tilly audits and Mr. Worthman responded that he completes 20 audits a year and the group completes about 100.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to forward the Resolution for the FY2023 Audited Financial Statements to the full Board for consideration.

**Action:** Motion Carried.

### **September YTD Financial Summary**

Chief Financial Officer (CFO) Heather Shawa gave a review of the September 2023 Year-To-Date Financial Summary. CFO Shawa reported the following: the Days Cash on Hand is low due to the storm restoration in August which was not budgeted and is expected to be low for the remainder of the fiscal year. CFO Shawa added the Days Cash on Hand was also affected by payouts for the Clean Energy Program which will be reimbursed in January with bond proceeds. BWL policy states that if Days Cash on Hand goes below the target value, a budget is prepared for recommendation that states the budget is back on target.

Commissioner Price asked if any recovery is available for the storm costs and CFO Shawa responded that a request for just under \$7 million has been submitted to FEMA and the recovery process time is usually two years.

Commissioner James asked if Representative Slotkin was looking into reimbursement for the storm. GM Peffley responded that the state has funding available and it is a work in progress.

CFO Shawa reported that retail income was above budget but wholesale income was under due to low market pricing. Operating expenses were over budget due to the storm. There is not a recommendation to adjust the fiscal year net income yet, but a net income has not been missed yet. The Debt to Total Assets is low due to debt for Delta Energy Plant but BWL has a bond resolution for the clean energy program to be approved at the November Regular Board Meeting. Days Sales Outstanding is a comparison to sales at this time last year. Bad Debt is a reserve for uncollectable debt and is a comparison to this time last year.

Commissioner James asked where BWL is on the Return on Equity to the City. CFO Shawa responded that BWL is in the positive and has paid the City more than what was expected.

### **Capital Project Report**

CFO Shawa reported on the Capital Projects which are factored into the Days Cash on Hand forecast. Variances are affected by material and labor cost increases.

### **Third Supplemental Utility System Revenue Bond Resolution Executive Summary**

Scott Taylor, Accounting, Finance and Planning Director and Jeff Aronoff, Principal and Managing Director at Miller Canfield presented the third supplemental utility system revenue bond executive summary. Mr. Taylor requested approval of the bond resolution.

Commissioner Schrader asked if the value of a bond decreases as the interest rate increases. Mr. Aronoff replied that the tender is a mechanism that allows the purchaser to become a new buyer of the bonds.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to forward the Resolution for the Third Supplemental Utility System Revenue Bond to the full Board for consideration.

**Action:** Motion Carried.

**Retirement Plan Committee (RPC) Update**

CFO Shawa presented the RPC update. Investment activity included the DB and VEBA International Equity Fund Manager change, VEBA portfolio rebalancing, and a DB asset allocation change to reduce overall portfolio risk. Administrative activity included approval by the RPC to review DB and VEBA plan operational compliance, documentation and governance by March 2024; and transitioning custodial services to Northern Trust by February 1, 2024.

**Other**

Finance Committee Chairperson Sandra Zerkle reported that the Corporate Secretary and Board of Commissioners monthly and quarterly expense reports were reviewed and approved and sent to the full Board.

**Adjourn**

Chairperson Sandra Zerkle adjourned the meeting at 7:55 p.m.

Respectfully Submitted,  
Sandra Zerkle, Chairperson  
Finance Committee

Chairperson Semone James presented the Pension Fund Trustees Meeting Report:

**PENSION FUND TRUSTEES COMMITTEE  
Meeting Minutes  
November 14, 2023**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met at the BWL Headquarters in the REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:00 P.M. on Tuesday, November 14, 2023.

Trustee and Board Chairperson Semone James called the meeting to order at 5:00 p.m.

Corporate Secretary LaVella Todd called the Roll:

The following Trustees were present: Chairperson Semone James; Commissioners DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle. Also present: Commissioners Brian Pillar (Meridian Township) and Bob Worthy (Delta Township) (arrived at 5:09 p.m.)

Absent: Trustee Beth Graham

The Corporate Secretary declared a quorum.

## **Public Comments**

There were no public comments.

## **Approval of Minutes**

**Motion** by Trustee David Price and **Seconded** by Trustee Tracy Thomas to approve the minutes from the November 15, 2022 Pension Fund Trustees Meeting.

**Action:** Motion Carried.

## **Pension Fund**

Chief Financial Officer (CFO) Heather Shawa provided an overview of the information from the Pension Memo and Pension Dashboard.

Mr. Scott Taylor, BWL Accounting, Finance and Planning Director, introduced the financial advisory panel. The Panel provided financial plan information followed by a question and answer session.

- 1) Nathan Burk, Director and Senior Consultant with Asset Consulting Group (ACG); ACG assists in investment allocation, evaluation of investment managers, reporting of investment performance and investment policy statements for the DB and VEBA plans.
- 2) Mark Miller, Founder and Principal Consultant with Benassist Retirement Consulting, LLC; Mr. Miller provides actuarial evaluation reports, assists with required annual state filing requirements, and performs calculations for DB employee benefits at retirement.
- 3) Dori Drayton, Principal Financial Advisor with CAPTRUST; CAPTRUST assists with fund line up selection and monitoring, investment performance reporting, fee benchmarking and fiduciary compliance for the DC plans.
- 4) Michael Burkhart, Executive Relationship Manager with Nationwide; Nationwide is the 401 and 457 Plans administrator and provides personalized resources to help employees and retirees reach their financial goals.

Mr. Nathan Burk gave a capital market update for 2023. Mr. Burke stated that interest rates have been increased by the Federal Reserve Bank to keep inflation in check and there was a positive effect on risk asset equities in the fiscal year period. Mr. Burke noted that bonds and real estate were affected by decreasing modestly. The portfolio for VEBA plan was up almost 10% which was better than the policy index and the 6.5% target rate of return. The portfolio for the DB plan was up 8.6% which was better than the policy index and the 6% target rate of return. BWL outperformed a majority of its peers and with less fees.

Mr. Mark Miller spoke about the actuarial work for the DB and VEBA plans funding. He noted that the funded status for the DB plan is 111% which is 5% higher than 2022. The average for DB funded plans in Michigan is 74% and BWL is in the top 5% out of 672 Michigan plans. The funded status for the VEBA plan is 146% which is the same as 2022. The average for VEBA funded plans in Michigan is 48% and BWL is in the top 9% out of 340 Michigan plans.

Ms. Dori Drayton spoke about the roles of CAPTRUST in investment management, fiduciary process, plan fees, and participant choices for the 401(a) and 457(b) plans.

Mr. Michael Burkhardt provided information about the retirement services that Nationwide furnishes.

Commissioner Zerkle and Commissioner Price expressed appreciation for the presentations.

**RESOLUTION #2023-11-01**

**ACCEPTANCE OF 2023 AUDITED FINANCIAL STATEMENTS FOR DEFINED BENEFIT PENSION PLAN, DEFINED CONTRIBUTION PENSION PLAN, AND RETIREE BENEFIT PLAN**

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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*Staff comments:* All three Plans received clean audit reports.

Motion by Trustee David Price, Seconded by Trustee Tony Mullen to approve the Resolution for the Acceptance of 2023 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 14, 2023.

**Action:** Motion Carried.

**Other**

There was no other business.

**Excused Absence**

**Motion** by Trustee Semone James, **Seconded** by Trustee Tony Mullen, for an excused absence for Trustee Beth Graham.

**Action:** Motion Carried.

**Adjourn**

There being no further business, the Pension Fund Trustees meeting adjourned at 5:39 p.m.

Respectfully Submitted,  
Semone James, Chairperson  
Pension Fund Trustees Committee

**Approved by the Trustees on November 14, 2023**

**MANAGER'S RECOMMENDATIONS**

There were no General Manager recommendations.



## UNFINISHED BUSINESS

There was no unfinished business.

## NEW BUSINESS

There was no new business.

## RESOLUTIONS

### **RESOLUTION 2023-11-02**

#### **2023 PA 152 Healthcare Premium Sharing Resolution**

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the “Public Funded Health Insurance Contribution Act”, Public Act 152 of 2011 (the “Act”) limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, the Act took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, the Act contains three options for complying with the requirements of the Act;  
WHEREAS, the three options are as follows:

- 1) Section 3 - “Hard Caps” Option - limits a public employer’s total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - “80%/20%” Option - limits a public employer’s share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- 3) Section 8 - “Exemption” Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2024 through December 31,2024;

RESOLVE that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2024 through December 31,2024.

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**Motion** by Commissioner Tracy Thomas, **Seconded** by Commissioner Tony Mullen, to approve the PA 152 Health Care Premium Sharing Resolution at a Board meeting held on November 14, 2023.

**Action:** Motion carried.

**RESOLUTION 2023-11-03**

**Regular Board Meeting Schedule 2024**

In accordance with the Lansing Board of Water & Light’s Rules of Administrative Procedure, a schedule of dates, places, and times for each regular meeting of the Board of Commissioners for the calendar year shall be adopted in November.

RESOLVED, that regular meetings of the Lansing Board of Water & Light’s Board of Commissioners are hereby set for calendar year 2024 as follows, unless otherwise notified or as a result of date conflicts with rescheduled City Council meetings:

**2024**

**Lansing Board of Water & Light Board of Commissioners**

**Regular Board Meeting Schedule**

Tuesday	January 23
Tuesday	March 26
Tuesday	May 28
Tuesday	July 23
Tuesday	September 24
Tuesday	November 19

Meetings will be held in the Lansing Board of Water & Light REO Town Depot located at 1201 S. Washington Ave., Lansing, MI at 5:30 p.m.

RESOLVED FURTHER, that a notice of the meeting schedule shall be published in a newspaper of general circulation in Ingham County the week of January 1, 2024.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to approve the 2024 Regular Board Meeting Schedule at a Board meeting held on November 14, 2023.

**Action:** Motion Carried.

**RESOLUTION 2023-11-04**

**FY2023 Audited Financial Statements of the Enterprise Fund  
and Pension Fiduciary Funds Resolution**

RESOLVED, that the fiscal year 2023 Audited Financial Statements of the Board of Water and Light have been reviewed and are hereby accepted as presented.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2023 Audited Financial Statements of the Board of Water and Light with the City of Lansing no later than November 2023.

**Motion** by Commissioner Sandra Zerkle, **Seconded** by Commissioner David Price, to approve the Resolution for the acceptance of the Fiscal Year 2023 Audited Financial Statements of the Enterprise Fund and Pension Fiduciary Funds at a Board meeting held on November 14, 2023.

**Action:** Motion Carried.

**RESOLUTION 2023-11-05**

**Third Supplemental Utility System Revenue Bond Resolution**

**RESOLUTION #2023-11-05**

**Lansing Board of Water and Light**

**THIRD SUPPLEMENTAL UTILITY SYSTEM REVENUE BOND RESOLUTION**

A RESOLUTION TO AUTHORIZE:

- Utility System Revenue Bonds to finance clean energy projects and related electric system improvements;
- Utility System Revenue Refunding Bonds to produce net present value savings by refunding some or all of the Prior Bonds;
- The solicitation of tender offers and the repurchase of the Series 2019B Bonds;
- Chief Financial Officer to sell Utility System Revenue Bonds and Utility System Revenue Refunding Bonds without further resolution;
- Other matters relative to issuance, sale and delivery of the Utility System Revenue Bonds and Utility System Revenue Refunding Bonds.

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

WHEREAS, the Board operates facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the “System”); and

WHEREAS, the Board issues bonds payable from revenues of the System under the provisions of Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”), and an Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended and supplemented from time to time (as amended and supplemented, the “Bond Resolution”), and all terms not defined herein shall have the meanings set forth in the Bond Resolution; and

WHEREAS, the Board has determined that it is necessary for the public health, safety and welfare of the City and the users of the System to acquire and construct System improvements including, but not limited to, clean energy projects including a natural gas reciprocating engine,

battery storage, solar and wind energy improvements, energy waste reduction improvements and enhancements to improve demand response for customers, as well as construction, improvement and renovation of transmission and distribution lines and related System facilities, including all equipment and any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the “Clean Energy Project”); and

WHEREAS, issuance of revenue bonds as permitted by Act 94 in one or more series in an amount not-to-exceed Three Hundred Twenty-Five Million Dollars (\$325,000,000) (the “Clean Energy Bonds”) represents the most practical means to finance the Clean Energy Project and the funding of any required bond reserve funds, capitalized interest and costs of issuance of the Clean Energy Bonds; and

WHEREAS, on Tuesday, October 3, 2023, the Board published a “Notice to Electors of the City of Lansing of Intent to Issue Revenue Bonds for Clean Energy Projects and related System Improvements and Right to Petition for Referendum” in the *Lansing State Journal*; and

WHEREAS, PFM Financial Advisors, LLC (the “Municipal Advisor”), has advised the Board that it may be able to accomplish a net savings of debt service costs by refunding (including by repurchase, as applicable) all or a portion of the Board’s outstanding Utility System Revenue Refunding Bonds, Series 2013A, dated April 17, 2013 (the “Series 2013A Bonds”) and Utility System Revenue Refunding Bonds, Series 2019B dated December 19, 2019 (the “Series 2019B Bonds”, together with the Series 2013A Bonds, the “Prior Bonds”) through the issuance of one or more series of refunding bonds in an aggregate principal amount of not-to-exceed \$258,700,000 (the “Refunding Bonds” and, together with the Clean Energy Bonds, the “Series 2024 Bonds”); and

WHEREAS, the Municipal Advisor has advised the Board determines that it is in the best interest of the Board to authorize: (i) the extension of an invitation to the holders of all or a portion of the Series 2019B Bonds to tender such Series 2019B Bonds to the Board (the “Invitation”) for repurchase, cancellation or private purchase (such Series 2019B Bonds actually repurchased and cancelled by the Board pursuant to a tender or private purchase, collectively, the “Repurchased Bonds”), (ii) the repurchase and cancellation by the Board of the Repurchased Bonds, and (iii) the issuance of the Refunding Bonds to provide funds to pay all or a portion of the costs of repurchasing and cancelling the Repurchased Bonds; and

WHEREAS, Section 24(a) of the Bond Resolution authorizes the issuance of Additional Bonds of equal standing and priority of lien with the Outstanding Bonds if the actual or augmented Net Revenues of the System for the fiscal year of the System ending not more than 15 months prior to the sale of Additional Bonds shall be equal to at least 125% of the maximum Aggregate Debt Service Requirement in any current or future fiscal year on the Outstanding Bonds and on the Additional Bonds then being issued; and

WHEREAS, in order to take advantage of the most favorable market for sale of the Series 2024 Bonds, the Board wishes to authorize the Chief Financial Officer to sell the Series 2024 Bonds at negotiated sale without further resolution of the Board.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in the Bond Resolution, and whenever used in this Third Supplemental Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “Additional Bonds” means any Additional Bonds of equal standing with the outstanding Senior Lien Bonds issued pursuant to Section 24 of the Bond Resolution adopted on March 27, 2018.
- (b) “Bond Resolution” means the Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended on March 26, 2019 and November 17, 2020, and supplemented on November 19, 2019 and July 20, 2023 and by this Third Supplemental Resolution, and any other resolution which amends or supplements the Bond Resolution.
- (c) “Bonds” or “Senior Lien Bonds” means the outstanding portion of the Board’s Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B, Utility System Revenue Bonds, Series 2021A, the Utility System Revenue Bonds, Series 2021B, the Series 2024 Bonds, and any Additional Bonds of equal standing hereafter issued.
- (d) “Chief Financial Officer” means the Board’s Chief Financial Officer.
- (e) “Clean Energy Bonds” means all or any series of the Bonds issued pursuant to this Third Supplemental Resolution to finance the Clean Energy Project.
- (f) “Clean Energy Project” means the System improvements including, but not limited to, clean energy projects including a natural gas reciprocating engine, battery storage, solar and wind energy improvements, energy waste reduction improvements and enhancements to improve demand response for customers, as well as construction, improvement and renovation of transmission and distribution lines and related System facilities, including all equipment and any appurtenances and attachments thereto and any related site acquisition or improvements.
- (g) “Escrow Agreement” means, for purposes of this Third Supplemental Resolution, one or more escrow agreements described in this Third Supplemental Resolution to provide for payment of principal of and interest on the Prior Bonds being refunded.
- (h) “Escrow Fund” means, for purposes of this Third Supplemental Resolution, one or more escrow funds established pursuant to the Escrow Agreement to hold the cash and investments necessary provide for payment of principal of and interest on the Prior Bonds being refunded.
- (i) “Prior Bonds” means, for purposes of this Third Supplemental Resolution, the Utility System Revenue Refunding Bonds, Series 2013A, dated April 17, 2013, and the Utility System Revenue Refunding Bonds, Series 2019B, dated December 19, 2019.
- (j) “Refunding Bonds” means, for purposes of this Third Supplemental Resolution, all or any series of Refunding Bonds issued pursuant to this Third Supplemental Resolution.

- (k) “Series 2024 Bonds” means collectively the Clean Energy Bonds and the Refunding Bonds issued in one or more series pursuant to this Third Supplemental Resolution.
- (l) “System” means the complete facilities of the Board for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, and all additions, extensions and improvements thereto existing or hereafter acquired by the Board.
- (m) “Third Supplemental Resolution” means this Third Supplemental Utility System Revenue Bond Resolution.

Section 2. Necessity and Statement of Purpose of Clean Energy Project. It is hereby determined to be a necessary public purpose of the Board to acquire and construct the Clean Energy Project.

Section 3. Costs; Useful Life of Clean Energy Project. The total cost of the Clean Energy Project is estimated to be not-to-exceed \$325,000,000 including the payment of capitalized interest and all legal, engineering, financial and other expenses incident thereto, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Clean Energy Project is estimated to be not less than thirty (30) years.

Section 4. Conditions Permitting Issuance of Additional Bonds. Pursuant to Section 24(a) of the Bond Resolution, the Board hereby determines that the Series 2024 Bonds shall be issued as Additional Bonds of equal standing and priority of lien with the Outstanding Bonds only if, after giving effect to the refunding of Prior Bonds, the actual or augmented Net Revenues of the System for the fiscal year of the System ending not more than 15 months prior to the sale of each series of the Series 2024 Bonds shall be equal to at least 125% of the maximum Aggregate Debt Service Requirement in any current or future fiscal year on the Outstanding Bonds and on the Series 2024 Bonds then being issued.

The Board hereby determines that the Board is not in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

Section 5. Series 2024 Bonds Authorized. The Series 2024 Bonds are authorized to be issued in one or more series as provided in this Section.

Clean Energy Bonds: The City, acting by and through the Board, shall borrow the sum of not-to-exceed Three Hundred Twenty-Five Million Dollars (\$325,000,000) and shall issue the Clean Energy Bonds therefor in one or more series in order to pay costs of acquiring and constructing all or a portion of the Clean Energy Project, including payment of all legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Clean Energy Bonds, and capitalized interest in the amount to be determined at the time of sale of the Clean Energy Bonds. The remaining cost of the Clean Energy Project in excess of \$325,000,000, if any, shall be defrayed from funds on hand and legally available for such use, or from an additional series of Bonds to be issued upon approval of a future resolution. The Clean Energy Bonds shall be designated as the “UTILITY SYSTEM REVENUE BONDS, SERIES 2024” or such

other series designation as determined at the time of sale by the Chief Financial Officer to reflect the sequence and the year of sale or delivery of the series or to otherwise distinguish the series from other series of Bonds.

Refunding Bonds: If, upon the advice of the Municipal Advisor, refunding all or a portion of the Prior Bonds will accomplish debt service savings, then in order to pay costs of the refunding, including the payment of the costs of legal, financial and other expenses incident thereto and incident to the issuance and sale of the Refunding Bonds, the City, acting by and through the Board, shall borrow the sum of not-to-exceed Two Hundred Fifty-Eight Million Seven Hundred Thousand Dollars (\$258,700,000), and issue the Refunding Bonds therefor in one or more series. The Refunding Bonds shall be designated as the "UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2024" or such other series designation as determined at the time of sale by the Chief Financial Officer to reflect the sequence and the year of sale or delivery of the series or to otherwise distinguish the series from other series of Bonds.

Combined Series of Bonds: The Chief Financial Officer is authorized to determine whether any series of the Clean Energy Bonds could be combined in a series with Refunding Bonds and designated as the "UTILITY SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2024" or such other series designation as determined at the time of sale by the Chief Financial Officer to reflect the sequence and the year of sale or delivery of the series or to otherwise distinguish the series from other series of bonds. Whether issued as one or more series of bonds, the Clean Energy Bonds and the Refunding Bonds are referred to collectively or separately in this Third Supplemental Ordinance as the "Series 2024 Bonds."

The Series 2024 Bonds shall be payable solely out of the Net Revenues of the System, and City Council shall not be requested to pledge the full faith and credit of the City for payment of the Series 2024 Bonds. The Series 2024 Bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94.

Section 6. Series 2024 Bond Details. The Series 2024 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 or integral multiples thereof and shall be numbered in consecutive order of registration or authentication from 1 upwards. The Series 2024 Bonds shall be dated as of the date of delivery thereof or such other date as determined at the time of sale of the Series 2024 Bonds, and shall mature as serial bonds or term bonds on such dates as shall be determined at the time of sale of the Series 2024 Bonds.

The Series 2024 Bonds shall be subject to optional and mandatory redemption prior to maturity at the times and prices as finally determined at the time of sale of the Series 2024 Bonds.

The Series 2024 Bonds shall bear interest at a rate or rates to be determined on sale thereof, payable on July 1, 2024, or such other date as provided at the time of sale of the Series 2024 Bonds, and semi-annually thereafter on January 1st and July 1st of each year.

The Series 2024 Bonds shall be executed by the manual or facsimile signature of the Chairperson and the Corporate Secretary of the Board. No Series 2024 Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Series 2024 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the Chief Financial Officer upon payment of the purchase price for the Series 2024 Bonds.

Section 7. Registration and Transfer. U.S. Bank Trust Company, National Association, Detroit, Michigan is hereby appointed to act as bond registrar, paying agent and transfer agent (the "Transfer Agent") for the Series 2024 Bonds. The Chief Financial Officer is hereby authorized to execute one or more agreements with the Transfer Agent on behalf of the Board. The Board reserves the right to replace the Transfer Agent at any time, provided written notice of such replacement is given to the registered owners of record of bonds not less than sixty (60) days prior to an interest payment date. Principal of and interest on the Series 2024 Bonds shall be payable by check or draft mailed by the Transfer Agent to the registered owner at the registered address as shown on the registration books of the Board maintained by the Transfer Agent. Interest shall be payable to the person or entity who or which is the registered owner of record as of the fifteenth (15th) day of the month prior to the payment date for each interest payment. The date of determination of the registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Board to conform to market practice in the future.

The Series 2024 Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"), and the Chief Financial Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Series 2024 Bonds in book-entry-only form and to make such changes in the form of the Series 2024 Bonds within the parameters of this resolution as may be required to accomplish the foregoing. Notwithstanding the foregoing, if the Series 2024 Bonds are held in book-entry-only form by DTC, payment of principal of and interest on the Series 2024 Bonds shall be made in the manner prescribed by DTC.

The Series 2024 Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this section by the person or entity in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond shall be surrendered for transfer, the Board shall execute, and the Transfer Agent shall authenticate and deliver a new bond of the same series in like aggregate principal amount, maturity and interest rate. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. Notwithstanding the foregoing, if Bonds are held by DTC in book-entry-only form, the transfer of Bonds shall be made in the manner prescribed by DTC.

Section 8. Creation of Clean Energy Bonds Construction Fund. There shall be established and maintained a separate depository fund designated as the CLEAN ENERGY BONDS CONSTRUCTION FUND which shall be established by the Chief Financial Officer in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94. If the Clean Energy Bonds are issued in more than one series or otherwise at the discretion of the Chief Financial Officer, separate accounts may be established within the Clean Energy Bonds Construction Fund. Monies deposited in the Clean Energy Bonds Construction Fund shall be applied solely in payment of the cost of the Clean Energy Project and any costs of engineering, legal, issuance and other expenses incident thereto. Any unexpended balance remaining in the Clean Energy Bonds Construction Fund after completion of the Clean Energy Project may, in the discretion of the Board, be used for meeting requirements, if any, of the Bond Reserve Account,



or for further improvements, enlargements and extension to the System. Any balance remaining after such expenditure shall be paid into the Redemption Fund.

Section 9. Clean Energy Bond Proceeds. From the proceeds of sale of the Clean Energy Bonds there first shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest, if any, received on delivery of the Clean Energy Bonds, and the Board may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of the next maturing interest. All or a portion of any premium received upon delivery of the Clean Energy Bonds may be deposited in either the Redemption Fund or the Clean Energy Bonds Construction Fund, as determined by the Chief Financial Officer.

The capitalized interest shall next be deposited in the Redemption Fund, and the Board may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of interest on the Clean Energy Bonds.

There shall next be deposited in the Bond Reserve Account an amount, if any, designated at the time of sale of the Clean Energy Bonds as necessary to cause the amount on deposit in the Bond Reserve Account to be equal to the Reserve Requirement.

The remaining proceeds of sale of the Clean Energy Bonds shall be deposited to the Construction Fund.

Section 10. Refunding Bond Proceeds. From the proceeds of sale of the Refunding Bonds there first shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest, if any, received on delivery of the Refunding Bonds, and the Board may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of the next maturing interest on the Refunding Bonds. All or a portion of any premium received upon delivery of the Refunding Bonds may be deposited in either the Redemption Fund or the Escrow Fund, as determined by the Chief Financial Officer in consultation with Bond Counsel.

There shall next be deposited in the Bond Reserve Account an amount, if any, designated by the Chief Financial Officer at the time of sale of the Refunding Bonds.

After any deposit to the Bond Reserve Account, proceeds of the Refunding Bonds shall next be deposited as follows:

- (a) Proceeds of sale of Refunding Bonds issued to refund any Prior Bonds other than Repurchased Bonds shall be deposited in the Escrow Fund and held in cash and investments in Government Obligations or Municipal Obligations not redeemable at the option of the issuer. U.S. Bank Trust Company, National Association, Detroit, Michigan, is hereby appointed to act as escrow trustee (the "Escrow Trustee") under the Escrow Agreement. The Escrow Trustee shall hold the Escrow Fund in trust pursuant to the Escrow Agreement which shall irrevocably direct the Escrow Trustee to take all necessary steps to call such Prior Bonds being refunded for redemption as specified in the Escrow Agreement. The Chief Financial Officer is hereby authorized to execute and deliver the Escrow Agreement, to transfer any moneys as she may deem necessary from the Redemption Fund, or other fund or account of the Board, to the Escrow Fund, and to purchase, or cause to be

purchased, escrow securities consisting of Government Obligations, including, but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), or Municipal Obligations, for deposit in the Escrow Fund. The Chief Financial Officer is directed to deposit to the Escrow Fund, from Refunding Bond proceeds and other moneys as necessary, an amount which, together with investment proceeds to be received thereon, will be sufficient, without reinvestment, to pay the principal of and interest on such Prior Bonds being refunded as they become due or upon call for redemption.

- (b) Proceeds of the sale of Refunding Bonds issued to repurchase Repurchased Bonds shall be deposited and applied in accordance with the instructions for settlement of the tender and repurchase of the Repurchased Bonds.

The remaining proceeds of the Refunding Bonds shall be deposited in a fund which may be established to pay costs of issuance of the Series 2024 Bonds and the costs of refunding the Prior Bonds. Any moneys remaining after payment of costs of issuance and costs of refunding the Prior Bonds being refunded shall be transferred to the Redemption Fund and used to pay interest on the Refunding Bonds.

Section 11. Bond Form. The Series 2024 Bonds shall be in substantially the following form with such revisions, additions and deletions as the Board may deem advisable or necessary to comply with the final terms of the Series 2024 Bonds established upon sale thereof:

BOND No.

R-

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTIES OF INGHAM AND EATON

CITY OF LANSING  
LANSING BOARD OF WATER AND LIGHT

UTILITY SYSTEM REVENUE [AND] [REVENUE REFUNDING BOND, [SERIES]  
[FEDERALLY TAXABLE]

Interest Rate                      Date of Maturity                      Date of Original Issue                      CUSIP

Registered Owner: Cede & Co.

Principal Amount:

The City of Lansing, Counties of Ingham and Eaton, State of Michigan (the “City”), acting through the governing body of the Lansing Board of Water and Light (the “Issuer”), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, only from the Net Revenues of the System as hereinafter provided, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [interest payment date] and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of [transfer agent], or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the “Transfer Agent”). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record at the registered address.

For the prompt payment of principal and interest on this bond, the revenues received by the Issuer from the operations of the Issuer’s facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the “System”) after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the “Net Revenues”), are irrevocably pledged and a statutory first lien thereon has been created to secure the payment of the principal of and interest on this bond, when due; however, the pledge of Net Revenues and the statutory lien are on a parity with the pledge of Net Revenues and statutory lien in favor of the Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B, the Utility System Revenue Bonds, Series 2021A and the Utility System Revenue Bonds, Series 2021B.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$[principal amount]. This bond is issued for the purposes of [financing costs of improvements to the System,] / [making a deposit to a bond reserve account,] / [ refunding certain outstanding bonds] / [repurchasing certain outstanding bonds of the Issuer tendered for such purpose], and paying the costs of issuing the bonds, pursuant to an Amended and Restated Utility System Revenue Bond Resolution adopted by the Issuer on March 27, 2018, as amended and supplemented from time to time, including by a Third Supplemental Utility System Revenue Bond Resolution adopted by the Issuer on [date of resolution] (collectively, the “Bond Resolution”). This bond is issued under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”).

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Bond Resolution. Reference is hereby made to the Bond Resolution and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94, for a more complete description of the pledges and covenants securing the bonds of this issue, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds of this issue with respect thereto and the terms and conditions upon which the bonds of this issue are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Bond Resolution, the provisions of the Bond Resolution or any resolution or agreement amendatory thereof or supplemental thereto, may be modified or amended by the Issuer, except in specified cases, only with the consent of the registered owners of at least fifty-one percent (51%) of the principal amount of the bonds of the System then outstanding.

Bonds of this issue [maturing in the years [date], inclusive,] shall not be subject to redemption prior to maturity.

[Insert optional and mandatory redemption provisions if applicable]

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly authorized in writing and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Bond Resolution, and upon the payment of the charges, if any, therein prescribed. [The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption under the Bond Resolution and ending at the close of business on the date of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.]

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO

PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The Issuer has covenanted and agreed, and covenants and agrees, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds of this issue and any other bonds payable from the Net Revenues as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Bond Resolution.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, acting through the Lansing Board of Water and Light, has caused this bond to be signed in its name with the facsimile signatures of the Chairperson and Corporate Secretary of the Lansing Board of Water and Light, and a facsimile of the City's corporate seal to be printed hereon, all as of the Date of Original Issue.

LANSING BOARD OF WATER AND LIGHT By  
[definitive Bond to be signed at delivery]  
Chairperson

(City Seal)

Countersigned:

By [definitive Bond to be signed at delivery]

Its: Corporate Secretary

[STANDARD FORMS OF CERTIFICATE OF AUTHENTICATION  
AND ASSIGNMENT TO BE INSERTED ON BOND]

Section 12. Municipal Advisor. The Board hereby requests that PFM Financial Advisors, LLC continue to serve the Board as Municipal Advisor for the Series 2024 Bonds.

Section 13. Bond Counsel. The Board hereby requests that Miller, Canfield, Paddock and Stone, P.L.C., Lansing, Michigan, continue to serve the Board as bond counsel for the Series 2024 Bonds. The Board acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. has represented from time to time, and currently represents, various underwriters, financial institutions, and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Series 2024 Bonds.

Section 14. Tax Covenant. Any series of Series 2024 Bonds may be issued on a tax-exempt basis or a taxable basis. The Board hereby covenants that it shall not invest, reinvest or accumulate any moneys deemed to be proceeds of a tax-exempt series of Series 2024 Bonds pursuant to the Internal Revenue Code of 1986, as amended, in such a manner as to cause such tax-exempt Series 2024 Bonds to be “arbitrage bonds” within the meaning of the Internal Revenue Code. The Board hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on such tax-exempt Series 2024 Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the non-arbitrage and tax compliance certificate to be delivered by the Board on the date of delivery of such tax-exempt Series 2024 Bonds.

Section 15. Negotiated Sale of Bonds; Appointment of Senior Managing Underwriter. Based on the advice of the Municipal Advisor, it is hereby determined to be in the best interest of the Board to sell the Series 2024 Bonds by negotiated sale in order to enable the Board to select and adjust terms for the Series 2024 Bonds, to enter the market on short notice at a point in time which appears to be most advantageous, and thereby possibly obtain a lower rate of interest on the Series 2024 Bonds, to achieve sale efficiencies so as to reduce the cost of issuance and interest expense.

The Chief Financial Officer is hereby authorized to select one or more managing underwriters and to name additional co-managers and/or to develop a selling group in consultation with the Municipal Advisor. By adoption of this resolution the Board assumes no obligations or liability to the underwriter for any loss or damage that may result to the underwriter from the adoption of this resolution, and all costs and expenses incurred by the underwriter in preparing for sale of the Series 2024 Bonds shall be paid from the proceeds of the Series 2024 Bonds, if issued, except as may be otherwise provided in the Bond Purchase Agreement for Series 2024 Bonds.

Section 16. Bond Ratings and Bond Insurance. The Chief Financial Officer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor. If the Municipal Advisor recommends that the Board consider purchase of municipal bond insurance, then the Chief Financial Officer is hereby authorized to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which bonds, if any, shall be insured, and the Chief Financial Officer is hereby authorized to execute an

agreement with the insurer relating to procedures for paying debt service on the insured bonds and notifying the insurer of any need to draw on the insurance and other matters.

Section 17. Official Statement. The Chief Financial Officer is authorized to approve circulation of a Preliminary Official Statement describing the Series 2024 Bonds and, after sale of the Series 2024 Bonds, to prepare, execute and deliver a final Official Statement.

Section 18. Continuing Disclosure. The Chief Financial Officer is hereby authorized to execute and deliver, prior to delivery of the Series 2024 Bonds, a written continuing disclosure undertaking as necessary in order to enable the underwriter or bond purchaser to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The continuing disclosure undertaking shall be in substantially the form which she shall, in consultation with bond counsel, determine to be appropriate.

Section 19. Sale of Series 2024 Bonds. The Chief Financial Officer is authorized, in consultation with the Municipal Advisor, to accept an offer to purchase the Series 2024 Bonds without further resolution of this Board. This authorization includes, but is not limited to, determination of original principal amount of the Series 2024 Bonds; the prices at which the Series 2024 Bonds are sold; the date of the Series 2024 Bonds; the schedule of principal maturities and whether the Series 2024 Bonds shall mature serially or as term bonds; provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Series 2024 Bonds; application of the proceeds of the Series 2024 Bonds, and, if necessary to meet the requirements of the bond underwriters or purchasers, deposit to the Bond Reserve Account from funds on hand or proceeds of the Series 2024 Bonds. Approval of the matters delegated to the Chief Financial Officer under this resolution may be evidenced by her execution of the Bond Purchase Agreement for the Series 2024 Bonds or other offer to purchase the Series 2024 Bonds, or Sale Order, or the Official Statement.

The maximum interest rate on the Series 2024 Bonds shall not exceed 6.0%. The first maturity of principal on the Series 2024 Bonds shall occur no earlier than July 1, 2024. Each series of the Series 2024 Bonds will mature in not to exceed thirty (30) annual installments. The Refunding Bonds shall not be sold unless there shall be net present value savings after payment of costs of issuance of the Series 2024 Bonds and costs of refunding the Prior Bonds being refunded. In making such determinations the Chief Financial Officer is authorized to rely upon data and computer runs provided by the Municipal Advisor.

Section 20. Verification Agent. The Chief Financial Officer is hereby authorized, at her discretion, to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the Prior Bonds being refunded as they become due or upon call for redemption.

Section 21. Tender Agent and Solicitation to Tender the Series 2019B Bonds. Upon the recommendation of the Municipal Advisor and with the approval of the Underwriter (hereby selected to serve as Dealer Manager for the Invitation (the "Dealer Manager")), the Chief Financial Officer is hereby authorized to approve the selection of a tender, information and repurchase agent (the "Tender Agent") to issue the Invitation for the tender, repurchase and cancellation of the Repurchased Bonds. The Chief Financial Officer is further authorized, upon the recommendation of the Municipal Advisor, Dealer Manager and the Tender Agent, to take

the following actions relating to such tender: (a) approve and deliver any and all notices, solicitations and disclosures (including, but not limited to, one or more Invitations to tender, a tender offer disclosure statement, if necessary, and related informational statements); (b) negotiate, execute and deliver any and all agreements; (c) file any and all documents with State or federal agencies; (d) seek any and all approvals; (e) approve the selection of which portion or all of the Series 2019B Bonds tendered that will be repurchased and cancelled; and (f) take all other actions necessary or appropriate to accomplish the repurchase and cancellation of the Repurchased Bonds.

Section 22. Other Actions. In the event that the Chief Financial Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then the Director of Accounting, Finance, and Planning or another a person designated by the Chief Financial Officer is authorized to take the actions delegated to the Chief Financial Officer by this resolution. The officers, administrators, agents and attorneys of the Board are authorized and directed to take all other actions necessary and convenient to facilitate issuance, sale and delivery of the Series 2024 Bonds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient in accordance with this resolution, and to pay costs of issuance including but not limited to rating agency fees, bond insurance premiums, transfer agent fees, Escrow Trustee fees, verification agent fees, Municipal Advisor fees, bond counsel fees, costs of printing the preliminary and final official statements, and any other costs necessary to accomplish sale and delivery of the Series 2024 Bonds.

Section 23. Applicability of the Outstanding Bond Resolutions. Except to the extent supplemented or otherwise provided in this resolution, all of the provisions and covenants provided in the Bond Resolution shall apply to the Series 2024 Bonds issued pursuant to provisions of this resolution, such provisions of the Bond Resolution being made applicable to the Series 2024 Bonds.

Section 24. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

Section 25. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 26. Publication and Recordation. In accordance with the provisions of Section 6 of Act 94, this resolution shall be published once in full in the *Lansing State Journal*, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the minutes of the Board and such recording authenticated by the signatures of the Chairperson and Corporate Secretary of the Board.

Section 27. Effective Date. This resolution is hereby determined to be immediately necessary for the preservation of the public peace, property, health and safety of the City and the users of the System. In accordance with the provisions of Section 6 of Act 94, this resolution shall become effective immediately upon its adoption.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular



meeting held on Tuesday, November 14, 2023, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting: Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle and that the following Commissioners were absent: Beth Graham.

We further certify that Commissioner Dale Schrader moved adoption of said resolution, and that said motion was supported by Commissioner David Price.

We further certify that the following Commissioners voted for adoption of said resolution: Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle and that the following Commissioners voted against adoption of said resolution: None.

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

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Chairperson

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Corporate Secretary

41234592.3/101173.00042

**RESOLUTION 2023-11-06**

**Acknowledgement of Acceptance of 2023 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan**

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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*Staff comments:* All three Plans received clean audit reports.

**Motion** by Commissioner Semone James, **Seconded** by Commissioner David Price, to acknowledge the Resolution for the Acceptance of 2023 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 14, 2023.

**Action:** Motion Carried.

**MANAGER'S REMARKS**

GM Peffley remarked on the following:

1. The BWL was recognized by the Michigan Department of Labor & Economic Opportunity, Workforce Development, Industrial Engagement Division, State Apprenticeship Expansion Team, in partnership with the United States Department of Labor, Office of Apprenticeship at a Race to Talent Celebration Event on November 2, 2023, at The Graduate Hotel in East Lansing. The event recognized U.S. Department of Labor Registered Apprenticeship sponsors who have exemplary Apprenticeship Programs and BWL was recognized for its leadership and training model to develop highly skilled workers in Michigan. Also, Consumers Energy is working on an initiative to highlight National Apprenticeship Week in Michigan and has asked BWL to participate.
2. A Veterans Day breakfast event was held at the Depot on November 8. A thank you was expressed to the Commissioners who were part of the program and many Commissioners were in attendance. An overwhelmingly positive response was received from employees.
3. BWL's United Way campaign started on November 1 with an ice cream social. BWL has a proud tradition of giving back. Money can go to any number of worthy charities including Pennies for Power.
4. On Friday, November 17, BWL will host a tour and interview day for 1<sup>st</sup> STEP students. 22 students will tour BWL facilities in the morning. In the afternoon, they will interview with HR, managers, and mentors for the positions they submitted interest for. Students will continue with the process and 12 students will be onboarded mid-January.

Commissioner Zerkle commented on the Veterans Day event being a good project for the company.

#### **COMMISSIONERS' REMARKS**

Commissioner Thomas commended the BWL Executive Staff, DEI Team and participating Commissioners on the success of the Veterans Day breakfast event. Commissioner Thomas also congratulated Elisha Franco on her appointment as Internal Auditor.

Chairperson James also expressed commendations for the Veterans Day breakfast and welcomed Elisha Franco as Internal Auditor.

#### **MOTION OF EXCUSED ABSENCE**

**Motion** by Commissioner Tony Mullen, **Seconded** by Commissioner Sandra Zerkle, to excuse Commissioners Beth Graham and J. R. Beauboeuf from tonight's meeting.

**Action:** Motion Carried.

#### **PUBLIC COMMENTS**

There were no public comments.

## **ADJOURNMENT**

Chairperson James adjourned the meeting at 6:08 p.m.

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 11-20-23

Approved by the Board of Commissioners: 01- -24

Official Minutes filed (electronically) with Lansing City Clerk: 01- \_\_-24

**From:** Customer Service <[customerservice@LBWL.COM](mailto:customerservice@LBWL.COM)>

**Sent:** Sunday, November 19, 2023 9:42 PM

**Subject:** Webform submission from: Email BWL Commissioners > Body Content

Submitted on Sun, 11/19/2023 - 9:42 PM

Submitted values are:

**Select a Commissioner:**

Deshon Leek

**Name**

c/o Carla Hayward

**Street Address**

4054 Heathgate Dr

Lansing, Michigan. 48911

**Email Address**

[chattyadams12@gmail.com](mailto:chattyadams12@gmail.com)

**Message**

Hello Mr Leek could you please give me instructions on how to submit my remittance coupon the right way on the private side. I understand that there is a ledger that has a public side and a private, it is also my understanding that the people has share in BWL and I'd this is true where and when do the people receive dividends proceeds? Please enlight me also do BWL securitize customers bill( top portion is the bond) please enlighten me. Thank you for your time.

**EXECUTIVE COMMITTEE  
Meeting Minutes  
November 16, 2023**

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, November 16, 2023.

Executive Committee Chairperson Semone James called the November 16, 2023 Executive Committee meeting to order at 5:30 p.m. and asked the Corporate Secretary LaVella Todd to call the roll.

Present: Commissioners Semone James, DeShon Leek, David Price and Sandra Zerkle; also present: Internal Auditor, Elisha Franco; HR Executive Director, Michael Flowers and General Counsel, Mark Matus.

Absent: None

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Commissioner Sandra Zerkle, **Seconded** by Commissioner DeShon Leek, to approve the Executive Committee meeting minutes of March 3, 2022.

**Action:** Motion Carried.

**Review of 360 Board Evaluation**

The Executive Committee briefly discussed the 360 Board Self-Evaluation Questionnaire emailed by the Corporate Secretary to the full Board on November 9, 2023 and the Board Self-Evaluation Questionnaire: A Tool for Improving Governance Practice for Voluntary and Community Organizations emailed by the Corporate Secretary to the full Board on November 6, 2023 which HR Executive Director, Michael Flowers confirmed had been formatted to Survey Monkey in 2014 or 2015 or prior. The Each Executive Committee member shared comments and concerns regarding both documents.

Commissioner Price suggested the Executive Committee consider using the survey contained in the American Public Power Association (APPA) Governing for Excellence Book and followed on to read aloud several sections of the online survey to the Committee members. Commissioner Zerkle stated she had several issues with the 360 Self-Evaluation Questionnaire. Commissioner Price stated one of the reasons we do these surveys is to evaluate ourselves and the fact that its APPA gives it instant credibility. Commissioner Leek stated the APPA is the gold-standard and no one should have issues with it. Commissioner Price asked how we could get access to the survey.

Commissioner James shared her approval to move forward with utilizing the APPA Governing for Excellence Book's Survey.

General Counsel, Mark Matus shared he thought the Governing for Excellence Book Survey had been purchased for the Board of Commissioners by the former Corporate Secretary and suggested purchasing the latest version of the Book Survey to share with the full Board. Mr. Matus shared concern for following the Open Meetings Act and encouraged the Executive Committee to follow through with presenting its decision to move forward with the APPA Governing for Excellence Book Survey to the Committee of the Whole in January. Chairperson James recalled she had a copy of the book in her possession and requested the Corporate Secretary purchase the latest version of the Governing for Excellence Book and Survey for to distribute the full Board.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Semone James, to adopt the APPA Governing for Excellence Book Survey and forward the APPA Governing for Excellence Book Survey to the Committee of the Whole.

**Action:** Motion Carried.

HR Executive Director, Michael Flowers requested clarification on the next steps in the process now that the tool has been selected: how the survey will be distributed and administered, and how will the data be collected and shared. The Corporate Secretary was asked her opinion on how the next steps should be administered. Corporate Secretary Todd responded the responsibility of administering the Board Self-Evaluation Survey should go back to the HR Department like it has in the past due to the HR Department's experience in processing the Board Self-Evaluations as the information provided is confidential and the Survey Monkey will capture and tabulate the response data. Chairperson James requested a motion regarding the next steps as shared by the Corporate Secretary.

**Motion** by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek to direct the Corporate Secretary to order the latest version of the APPA Governing for Excellence Book and Survey, distribute a PDF copy of the APPA Governing for Excellence Survey to the full Board and HR Executive Director, Michael Flowers in preparation for presentation at the January 2024 Committee of the Whole meeting, and then to have the APPA Governing for Excellence Survey uploaded into Survey Monkey format and administered to the full Board thereafter.

**Action:** Motion Carried.

### **Other**

There was no other business.

### **Excused Absence**

None.

**Adjourn**

Chairperson James adjourned the meeting adjourned at 6:01 p.m.

Respectfully submitted,  
Semone James, Chairperson  
Executive Committee

## COMMITTEE OF THE WHOLE

### Meeting Minutes

January 16, 2024

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, January 16, 2024.

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

Present: Commissioners Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle; and Non-Voting Members J. R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township), and Robert Worthy (Delta Township)

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

#### **Public Comments**

There were no public comments.

#### **Approval of Minutes**

**Motion** by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the Committee of the Whole Meeting minutes of November 7, 2023.

**Action:** Motion carried. The minutes were approved.

#### **Board Self-Evaluation Survey**

Commissioner Semone James led the discussion on the governing Board self-evaluation survey that was brought forward from the November 16, 2023 Executive Committee Meeting. Chairperson Price commented that Human Resources Executive Director Michael Flowers would collect the data for the survey and provide it to the Commissioners. Commissioners will be sent the survey electronically within the next week and will have ten days to respond.

**Motion** by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to complete the Board self-evaluation survey sent electronically by Mr. Flowers and return it to Mr. Flowers within ten days of receipt upon which the data will be compiled and provided at the March 2024 Committee of the Whole Meeting for discussion.

**Action:** Motion Carried.

#### **Board of Commissioners' Roles & Responsibilities Handbook**

Commissioner James led the discussion on the Board of Commissioners' Roles & Responsibilities Handbook. The BOC Handbook was well received with the suggestion of adding source reference hyperlinks. Commissioner James thanked BWL staff, Associate Attorney II Marie Mireles, Associate Attorney II Yolanda Bennet, Corporate Secretary LaVella Todd, and Administrative Assistant Maria



Koutsoukos, who participated in preparing the handbook. Commissioners were asked to review the Roles & Responsibilities Handbook for further discussion at the March 2024 COW meeting.

**Other**

**Motion** by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle for an excused absence for Commissioner Beth Graham.

**Action:** Motion Carried.

**Adjourn**

Chairperson Price adjourned the meeting at 5:47 p.m.

Respectfully Submitted  
David Price, Chairperson  
Committee of the Whole

**FINANCE COMMITTEE**  
**Meeting Minutes**  
**January 16, 2024**

Finance Committee: Sandra Zerkle, Committee Chairperson; Beth Graham; David Price; and Dale Schrader; Alternates: Semone James, Tracy Thomas; Non-Voting: Commissioners J. R. Beauboeuf, Brian Pillar, Robert Worthy.

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, January 16, 2024.

Finance Committee Chairperson Sandra Zerkle called the meeting to order at 6:00 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners David Price, Dale Schrader, and Sandra Zerkle; Alternates: Semone James and Tracy Thomas

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

**Public Comments**

There were no public comments.

**Approval of Minutes**

**Motion** by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve the Finance Committee Meeting minutes of November 7, 2023.

**Action:** Motion Carried.

**November YTD Financial Summary**

CFO, Heather Shawa presented the November YTD Financial Summary.

Commissioner James asked why the Days Cash on Hand was in red even though it is in the positive. CFO Shawa responded that the Days Cash on Hand is below the targeted amount.

Chairperson Zerkle asked whether after receiving the grant of \$8 million for electric vehicle charging stations in the Lansing area, BWL would be in charge of providing and repairing the stations. CFO Shawa responded that grant was awarded to the city in a partnership, with BWL making sure the infrastructure is to BWL specifications.

Commissioner James asked whether hydrogen was being considered for energy. Executive Director of Operations, Dave Bolan responded that one of the pilot projects being worked on is small hydrogen technology fuel cells.

### **Capital Project Exceedance Request – Eckert 13 & 15 Cutover Resolution**

CFO Shawa requested approval of the Capital Project Exceedance for the Eckert 13 & 15 Cutover which was due to an extended schedule resulting in higher material and labor costs.

Commissioner DeShon Leek asked for an explanation of 13 & 15 Cutover. CFO Shawa responded that the numbers referred to circuits at the old John Beam building. Mr. Bolan added the circuits are to service the additional load at the building.

Commissioner Schrader requested that plain language information be provided as to why there is an exceedance when there is a request made. CFO Shawa responded that we can be sure to provide additional information and added that this exceedance was primarily due to increased labor costs.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Resolution for the Capital Exceedance Request Eckert 13 & 15 Cutover to the full Board for consideration.

**Action:** Motion Carried.

### **Bond Update**

CFO Shawa provided the clean energy bond issuance update. Closing is on January 31, 2024 and proceeds will be received then. Savings of \$4.7 Million are estimated to result from the partial refinancing of the 2013A and 2019B bonds.

### **Retirement Plan Committee (RPC) and DB Plan Investment Policy Statement (IPS) Updates**

Finance, Planning and Accounting Director, Scott Taylor presented the RPC updates. An asset allocation to reduce risk for the Defined Benefit Plan assets was recommended by the RPC for which there is a resolution requesting approval.

Commissioner Thomas commended the work on the Retirement Plan for the benefit of retirees.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Resolution for the DB Plan Investment Policy Statement Revision to the full Board for consideration.

**Action:** Motion Carried.

### **Bi-Annual Internal Audit Open Management Response Updates**

Internal Control Analyst, Cody Rochefort, presented the Bi-Annual Internal Audit Open Management Response updates. The RPC is working on a formal Retirement Plan Committee Charter and expects to complete it by June 2024.

### **FY24 Internal Audit Work Plan and Resolution**

Director of Internal Audit Elisha Franco presented the FY24 Internal Audit Work Plan and requested approval of the plan. The audit department will review the FY24 Rules & Regulations with a focus on fees and charges; complete a follow-up audit to conclude if opting into PA-95 is

a benefit to BWL customers; and examine the payroll process and documentation with a focus on FY24 3<sup>rd</sup> and 4<sup>th</sup> quarter transactions.

Commissioner James requested that Ms. Franco do a review of Commissioner resolutions that have been passed to date for the Board of Commissioners Roles & Responsibilities Handbook that is being created. Ms. Franco responded that she would conduct an informal audit and review the resolutions for the handbook on behalf of the Board.

Commissioner Schrader asked what was being examined in the payroll process. Ms. Franco responded that a new HRIS payroll system has been implemented, cash payroll is a high-risk area, and a payroll management review has not been completed since 2017.

**Motion** by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Resolution for the approval of the FY24 Internal Audit Work Plan to the full Board for consideration.

**Action:** Motion Carried.

**Review and Approval of Board of Commissioners Second Quarter Budget & Expense Report**

Finance Committee Chairperson, Sandra Zerkle reported that P-Card reports and expense reports have been approved by the Finance Committee Chairperson and Finance Committee Member, David Price and have been sent to all Commissioners.

**Other**

**Motion** by Commissioner Sandra Zerkle, **Seconded** by Commissioner David Price for an excused absence for Commissioner Beth Graham.

**Action:** Motion Carried.

**Adjourn**

Chairperson Sandra Zerkle adjourned the meeting at 6:44 p.m.

Respectfully submitted,  
Sandra Zerkle, Chairperson  
Finance Committee

**RESOLUTION 2024-XX-XX**

**Capital Project Exceedance: PE-20230 Eckert 13 & 15 Cutover**

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

WHEREAS, the previously approved budget for Capital Project PE-20230 Eckert 13 & 15 Cutover was \$1,882,818; and

WHEREAS, the projected final total cost for Capital Project PE-20230 Eckert 13 & 15 Cutover is \$2,180,905, should the project be completed; and

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

WHEREAS, BWL staff and management recommends that the Capital Project PE-20230 Eckert 13 & 15 Cutover projected spending be approved; and

RESOLVED, the BWL Board of Commissioners approve projected spending for Capital Project PE-20230 Eckert 13 & 15 Cutover with a projected final total cost of \$2,180,905.

**Motion** by Commissioner \_\_\_\_\_, **Seconded** by Commissioner \_\_\_\_\_, to approve the Resolution for the Capital Project Exceedance: PE-20230 Eckert 13 & 15 Cutover at a Board meeting held on \_\_\_\_\_.

**RESOLUTION 2024-XX-XX**  
**Revised Defined Benefit Plan Statement of**  
**Investment Policies, Procedures and Objectives**

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 asset allocation of the plan and, as a result of its most recent review, recommends the total target allocation to equity investments be reduced to 45% of the plan from the current target allocation of 55% and the total target allocation to fixed income investments be increased to 50% of the plan from the current target of 40%; 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.

Motion by Commissioner \_\_\_\_\_, Seconded by Commissioner \_\_\_\_\_ to approve the Resolution for Revised Defined Benefit Plan Investment Policy Statement.

Action: Motion Carried

**RESOLUTION 2024-XX-XX**  
**Internal Audit Plan for FY 2024**

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Plan for FY 2024.

**Motion** by Commissioner \_\_\_\_\_, **Seconded** by Commissioner \_\_\_\_\_ to approve the Internal Audit Plan for FY 2024 at a Board meeting held on \_\_\_\_\_, 2024.

**Action:**