



BOARD OF WATER AND LIGHT

March 23, 2021 - 5:30 p.m. via WebEx Meetings

REO Town Depot, 1201 S. Washington Ave., Lansing, Michigan

REGULAR BOARD MEETING AGENDA

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

Due to public safety concerns resulting from the COVID-19 Pandemic, this meeting will be conducted via WebEx Conferencing and all Board members will participate virtually. Instructional options to be in attendance are as follows:

1. Event Address for Attendees for Regular Board Meeting:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ee6377d6a2307cb37ed0eb7b417d37375>

Event Number for Attendees for Regular Board Meeting: 132 087 2728

Event Password for Regular Board Meeting: 7y5kGCBve5i

2. Audio Conference for Regular Board Meeting:

United States Toll +1-408-418-9388

Access Code: 132 087 2728

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1. Roll Call

2. Pledge of Allegiance


3. Approval of Minutes

- a. Regular Board Meeting Minutes of January 26, 2021
- b. Special Board Meeting Minutes of March 16, 2021

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.*

Options for Public Comment (PC) participation include:

- Raising your hand by clicking on the hand  icon button in the Participants panel
- Submitting written comments by email to mdenise.griffin@lbwl.com (By the End of PC)
- Submitting written comments to 1201 S. Washington Ave., Lansing, MI 48910

5. Communications

6. Committee Reports

- a. Human Resources Committee Meeting (February 16, 2021) - Tony Mullen, Chairperson
- b. Executive Committee Meeting (February 25, 2021) - David Price, Chairperson
- c. Committee of the Whole Meeting (March 9, 2021) - Tracy Thomas, Chairperson
- d. Finance Committee Meeting (March 9, 2021) - David Lenz, Chairperson
- e. Human Resources Committee Meeting (March 16, 2021) - Tony Mullen, Chairperson

7. Manager's Recommendations

8. Unfinished Business

9. New Business

10. Resolutions/Action Items

- a. Salary Adjustment – Charter Appointed Employee
- b. Corporate Sustainability 2021 Resolution
- c. BWL 2021 External Auditor Recommendation 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.

Options for Public Comment (PC) participation include:

- Raising your hand by clicking on the hand  icon button in the Participants panel
- Submitting written comments by email to mdenise.griffin@lbwl.com (By the End of PC)
- Submitting written comments to 1201 S. Washington Ave., Lansing, MI 48910

15. Adjournment

In compliance with the order from the Director of the Michigan Department of Health and Human Services and the order from the Ingham County Health Department, in an effort to protect the health and safety of the public, to mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State's health care system and other critical infrastructure, it is crucial that all Michiganders take steps to limit in person contact, particularly in the context of large groups. Therefore, the above meeting will be conducted via audio/video conference in accordance with the Open Meetings Act, as amended by Public Act 228 of 2020 effective on October 16, 2020. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meeting using the website or phone number and the meeting ID provided above.

Persons with disabilities who need an accommodation to fully participate in this meeting should contact the Office of the BWL Corporate Secretary at (517) 702-6033 or mdenise.griffin@lbwl.com, or utilize TTY by dialing 7-1-1. A 24-hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

Agenda posted on web site/building 3-19-21

2021 Board Meetings Notice/Schedule Posted in the Lansing City Pulse January 6, 2021



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

January 26, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Regular Board of Commissioners meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI on Tuesday, January 26, 2021. This meeting was publicly noticed for 5:30 p.m.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e317c6291b98ce01fcd4a1fd90b4915c1>

Event Number for Attendees: 132 713 3991 Event Password: qT8UtMmbq22

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 713 3991

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

The Corporate Secretary, M. Denise Griffin, called the roll.

The following Commissioners were present via audio/video:

Chairperson David Price remotely, Lansing, MI	
Stuart Goodrich remotely, Holt, MI (arrived @5:45 pm)	Beth Graham remotely, Lansing, MI
Douglas Jester remotely, East Lansing, MI (arrived@ 5:32 p.m.)	Deshon Leek remotely, Lansing, MI
David Lenz remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tony Mullen remotely, Lansing, MI	David Price remotely, Lansing, MI
Ken Ross remotely, Charlotte County, Florida	Sandra Zerkle remotely, Lansing, MI

Absent: None

Corporate Secretary Griffin declared a quorum.

Chair Price led the Pledge of Allegiance.

Chair Price requested a motion to amend the agenda to add a late item, the City of Lansing newly implemented required Annual Ethics Training, which will allow the Board to consider a resolution that the Board will endeavor to be compliant with obtaining the City of Lansing’s required ethics training and that the Rules of Procedure will be amended to include the annual ethics training as an annual event.

Motion by Commissioner Thomas, **Seconded** by Commissioner Graham, to amend the agenda to add the late item, the City of Lansing Annual Board Ethics Training.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

APPROVAL OF MINUTES

Motion by Commissioner Graham, **Seconded** by Commissioner Zerkle, to approve the Regular Board Meeting minutes of November 17, 2020.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

COMMUNICATIONS

There were no communications.

COMMITTEE REPORTS

Chairperson Price presented the Executive Committee Report:

EXECUTIVE COMMITTEE

**Meeting Minutes
December 17, 2020**

Due to public safety concerns resulting from the COVID-19 Pandemic, the Executive Committee meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI on Thursday, December 17, 2020.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e5163781865ac93f5e8568649b58191d7>

Event Number for Attendees: 132 573 1544 Event password: zmdV5HErx32

Audio conference: United States Toll +1-408-418-9388 Access code: 132 573 1544

Executive Committee Chair David Price called the December 17, 2020 Executive Committee meeting to order at 5:00 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

The following Commissioners were present via audio/video:

David Price remotely, Lansing, MI (Board Chairperson)	Tracy Thomas remotely, Lansing, MI (Vice Chairperson)
Sandra Zerkle remotely, Lansing, MI (Past Chairperson)	Anthony Mullen remotely, Lansing, MI (Member)
Beth Graham remotely, Lansing, MI	Deshon Leek remotely, Lansing, MI
David Lenz remotely, Lansing, MI	Ken Ross remotely, Charlotte Co., FL (arrived @5:06 p.m.)
Douglas Jester remotely, East Lansing, MI	Larry Merrill remotely, Delta Township, MI
Stuart Goodrich remotely, Holt, MI (arrived @5:31 p.m.)	

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

None.

Governance

Participation from Commissioners

Items to revisit

Onboarding information for Commissioners

Chair Price introduced Commissioner Merrill to present the Governance seminar. Chair Price noted that the last governance seminar was held in the fall of 2014 and due to circumstances in the past year an update of the role of governance was deemed necessary. Commissioner Mullen requested that the Commissioners keep the goals of the governing process as simple as possible--select the goals and the steps to accomplish the goals.

Commissioner Larry Merrill opened the floor and asked the Commissioners to speak concerning the following questions from the Governing Excellence presentation:

- From what sources—public sector organization, private businesses, individuals, readings, education, experiences—do you derive guidance on your roles and responsibilities?
- What are the similarities and differences between your “mental models” and your actual roles and responsibilities?

Chair Price responded that his experience is from the non-profit sector as an executive director, as a board president, treasurer and member; and that as a Commissioner he governs on the board in the manner that he would expect if he was the customer that is being represented. Chair Price added that the differences between governing in the non-profit sector and at BWL as a public entity which add some difficulty include the political aspect and having three employees instead of one to set and carry out policy.

Commissioner Graham responded that her experience as president of a realtor’s association was different as there was one executive officer to whom the governing body reported and the governing body didn’t interact with any of the company business. The governing body was similar in taking care of the concerns of the membership for the betterment of the association.

Commissioner Lenz responded that his experience was different with a nonprofit membership driven organization as the board members were nominated and elected by the members.

Commissioner Jester responded that his experience has been with non-profits, member organizations and municipal boards. He stated that there were procedural differences between those boards and the BWL board in that substantive discussion is held only in the committee meetings of the BWL. Commissioner Jester added that the concerns of the other boards were mainly with policy of the organization while BWL is a fiduciary board where more time is spent with governance, oversight and financials.

Commissioner Ross responded that his experience has been with local government boards, a small municipality board, nonprofit boards and a for profit board. Commissioner Ross added that the BWL board is different in that it has both voting and non-voting members, different term lengths of members, and a high volume of material with technical subject matter for the Commissioners to review. Commissioner Ross also added that the BWL is different in that it is a public body subject to the Open Meetings Act and FOIA.

Commissioner Zerkle responded that her experience has been with labor committees with only one speaker. Commissioner Zerkle added that rules and procedures for the BWL were provided through the BWL Corporate Secretary.

Commissioner Thomas responded that his experience has been in education where everyone on the board had a specialty. Commissioner Thomas added that the education boards were similar to BWL as public boards with transparency and that the BWL was different from other public boards where a couple members may be the deciding members.

Commissioner Goodrich responded that his experience has been on a municipal board where he led the meeting. Commissioner Goodrich added that the BWL board is different in that he has less of a say in what transpires.

Commissioner Larry Merrill brought up for discussion and asked for the Commissioners' input concerning the following questions:

- Is there anything the Board of Commissioners doesn't do regarding the functions of Board Governance by seeing to it that LBWL achieves what it should and avoids imprudent risks and unacceptable outcomes?
- Does the LBWL achieve what it should through its vision, mission, values, strategic goals and objectives; through measurements of goals and objectives; through monitoring and evaluation; through policy compliance; through CEO effectiveness and board effectiveness; through adequate and efficiently used resources of competent staff and competent board?
- Does the BWL assure reliable service, competitive rates, convenience, information, lower cost and transparent operations, participation in decision-making, involvement in the regulatory process, and whatever else the customer deems valuable?
- Whether there is a difference between the corporate policies developed and adopted for governance of the BWL for affective administrative and executive management and the policies of the managing director. In response to Commissioner Merrill's question on the appropriate division of authority between the Board and the General and whether there needs to be more clarity Chair Price said that there needs to be clarification and a restatement of the governance policy.
- Whether the Board should only review and approve the corporate strategic plan or should the Board provide input and develop it also? Chair Price said that the Board should be an integral part of the strategic plan rather than just take what is given to be reviewed.

- How is the General Manager held accountable for outcomes from the Board's approval process? Commissioner Merrill stated that the fiduciary role in the review and approval process as representatives of the utility's owners will need further conversation.
- Are the rate payers the owners of Lansing Board of Water and Light? Chair Price stated that the Lansing City Charter governs the Lansing Board of Water and Light and all the rate payers are not within the City of Lansing. Chair Price added that owners have a direct influence in governance and he doesn't think the rate payers do.
- To whom is the Board accountable? Commissioner Merrill stated that according to the Lansing City Charter 5-201 "the board shall be responsible to the Mayor and the City Council for the provision of these services in a manner consistent with the best practices." Commissioner Goodrich asked whether a member of the city council should be a member of the BWL Board. Commissioner Merrill responded that the city charter created a separate board for BWL and it is different than the other city boards and commissions. In further discussion Commissioner Merrill noted that BWL has a resolution, 2017-07-06, which states that BWL is owned by the rate payers. Chair Price responded that there are rate payers outside of the Lansing city limits and restated that owners have a direct influence in governance and he doesn't think the rate payers do and this should be further discussed.
- Whether the Board acts as an oversight committee for the General Manager or acts and directs as an instrument of the City of the Lansing to speak on behalf of the owners. Commissioner Lenz responded that the Board balances the responsibilities between acting as an oversight committee and as an instrument of the City of Lansing. Commissioner Zerkle responded that since the unpaid Board only meets every other month it would be difficult to be involved in items such as the strategic planning process, other than providing input, and have management responsibilities. Commissioner Mullen responded that the Board has the responsibilities to provide a good return on investment to the City of Lansing as owners, to rate payers, and to management and employees. Commissioner Price responded that representing the City of Lansing isn't exclusive from the management and employees carrying out the policies and plans that are passed by the Board.
- Whether the role of the Board of Commissioners as fiduciary is adequately described with reviewing the financial position, asset condition, legal and regulatory environment compliance, technology changes, energy prices, competitors actions, and environment and climate impacts; identifying stakeholder concerns; setting strategic direction; providing resources through rate making; delegating authority to staff; proscribing unacceptable outcomes; and monitoring, evaluating and providing additional input. Chair Price responded that the description is accurate as the Board deals with complicated issues and indicates how the Board should operate. Commissioner Jester responded that it doesn't seem that the Board provides resources but rather determines what is done with the resources. Commissioner Merrill responded that when the Board sets rates and approves the budget it is providing resources.

Commissioner Goodrich commented that on boards he has previously served, the board hires the manager and just observes the manager take care of the business operations. Commissioner Goodrich also commented to the limitation on powers of boards and said he didn't think the General Manager had been given enough authority. Chair Price and Commissioner Merrill expressed disagreement and stated that the General Manager has been given adequate authority.

- Whether the Board members govern well, whether existing board policies are up-to-date and understandable, and whether board members are compliant or there is a need for increased training. Commissioner Ross responded that because of the technical subject matter there is a need for increased training in the governance process, the mechanics of decision making and the committee structures. Chair Price added that in addition to the board member orientation packet formal hands-on training should be provided. Commissioner Jester commented that the information that was provided by the Corporate Secretary when he was appointed as a Commissioner was very helpful. He added that he needed to become familiar with the rhythm of the governing process. Commissioner Graham agreed with Commissioner Jester's comments and added that it would be helpful to attend a governing process training session.

Commissioner Merrill asked for clarification or follow up of the following statements in board policies:

- Whether the Board has delegated oversight responsibility to any committee or is the committee responsible for some level of monitoring and reporting back to the board.
- The authority and accountability of respective management and staff is inseparable from the authority and accountability of the three employees.
- An individual Commissioner cannot make decisions or recommendations, nor issue directives that are binding on the General Manager, Director of Internal Audit and Corporate Secretary.
- The Board will conduct a self-evaluation every two years with the next evaluation to be conducted in 2020. Chair Price responded that the self-evaluation is in the planning stages and will be sent in the beginning of 2021, and a 360-degree evaluation will be sent to the Board employees.

Commissioner Thomas commented that for the last five years a protocol has been in place that the Chair speaks on behalf of the board to media. He also asked to be part of the process in the self-evaluation planning stages. Commissioner Merrill asked that the spokesperson role also apply to instances in speaking with the staff.

Commissioner Merrill asked for follow up on the following items:

- protocol for placing an item on the agenda
- whether a succession plan is in place for executives
- whether communication from staff is shared equally with the commissioners
- the procedure for dealing with problems/conflicts efficiently, coherently and sensitively

Commissioner Merrill asked whether the issues that have been raised should be addressed.

Commissioner Price stated that the objective for the governance seminar was to get all the Commissioners on the same page, to review what is in the governance policies, to make some enhancements, and to address what is lacking.

Commissioner Zerkle commented that the input from the advisory commissioners is valued and the non-voting status is not a reflection of importance.

Commissioner Goodrich commented that he appreciated the information from Commissioner Merrill and that the information was valuable for this board.

Commissioner Ross commented that the input from the advisory Commissioners is valuable and that he really appreciated this governance meeting that was conducted by advisory Commissioner Larry Merrill. Commissioner Ross added that he didn't think the Board had fundamental problems but does have opportunity for continuous improvement and refinement.

Chair Price commented that the advisory Commissioners were a direct result from the ice storm. Chair Price added that he didn't know why the term lengths were set as they are.

Other

There was no other business.

Excused Absence

None.

Adjourn

Chairperson Price adjourned the meeting adjourned at 7:12 p.m.

Respectfully submitted,
David Price, Chair
Executive Committee

Commissioner Tracy Thomas presented the Committee of the Whole Report:

**COMMITTEE OF THE WHOLE
Meeting Minutes
January 12, 2021**

Due to public safety concerns resulting from the COVID-19 Pandemic, the Committee of the Whole (COW) meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI, on Tuesday, January 12, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ec2515cbd377187c68417cca1db6b6365>

Event Number for Attendees: 132 470 7852 Event password: Wb3epf5ZC85

Audio conference: United States Toll +1-408-418-9388 Access code: 132 470 7852

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

The following Commissioners were present via audio/video:

(COW Chairperson) Tracy Thomas remotely, Lansing, MI	
Stuart Goodrich remotely, Holt, MI (arrived @5:40 pm)	Beth Graham remotely, Lansing, MI
Douglas Jester remotely, East Lansing, MI	Deshon Leek remotely, Lansing, MI
David Lenz remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tony Mullen remotely, Lansing, MI	David Price remotely, Lansing, MI
Ken Ross remotely, Charlotte County, Florida	Sandra Zerkle remotely, Lansing, MI

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Graham, **Seconded** by Commissioner Leek, to approve the Committee of the Whole meeting minutes of November 10, 2020.

A roll call vote was taken:

Yeas: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Strategic Plan 2021 – Resolution

Executive Director of Strategic Planning, Ms. Brandie Ekren, reviewed the proposed revisions to the BWL Mission, Vision and Values for the 2021 Strategic Plan and the proposed priorities, goals and strategies for the 2021-2025 Strategic Response.

Commissioner Zerkle asked why the vision statement doesn't state that BWL is continuing to improve carbon neutrality products rather than will provide carbon neutrality products. Ms. Ekren responded that carbon neutrality is a goal rather than a current condition.

Commissioner Merrill asked whether the Priorities in the 2021-2025 Strategic Response were listed in order of importance and if they were, Financial Stability should be the most important. He added that a strong financial position should be attained rather than a viable financial position and that the BWL has a legal responsibility for the financial stability of the utility but not for the other priorities.

Commissioner Zerkle commented that the priorities may change every day and that importance shouldn't be placed on any of the priorities.

Commissioner Price commented that without the Financial Stability as the most important priority the other four priorities aren't achievable.

Commissioner Mullen commented in disagreement that if financial stability isn't placed first that other four Priorities will fail. If any of the others fail, such as climate and environment, businesses won't move into the area. Therefore, all of the 2021-2025 Strategic Priorities are interdependent and rely on the others for success.

Commissioner Leek agreed with Commissioner Mullen that each of the 2021-2025 Strategic Priorities are important and one should not be ranked over the other.

Chair Price made a motion that the resolution for the Strategic Priorities reflect that Financial Stability Priority be the first priority and interdependent with the other four priorities. Commissioner Graham seconded the motion.

Commissioner Jester recommended rewording the Financial Stability Priority to sustaining a financially viable organization to enable the achievement of the other priorities.

Upon conclusion of the discussion regarding the wording of the Resolution, the Motion by Chair Price and the Second by Commissioner Graham that was on the floor was withdrawn by the offeror. The resolution as recommended by Ms. Ekren met the needs for 2021-2025 Strategic Plan.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to forward the Resolution for the Strategic Plan 2021 to the full Board for consideration.

Ms. Ekren added that she would like to make a few small grammatical edits to the Resolution before it was approved by the Board.

A roll call vote was taken:

Yeas: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Capital Portfolio Process Update

Chief Financial Officer, Ms. Heather Shawa, introduced Finance Manager, Mr. Scott Taylor, and Interim Manager and Senior Operations Advisor, Ms. Kellie Elford, to provide the Capital Portfolio Process Update.

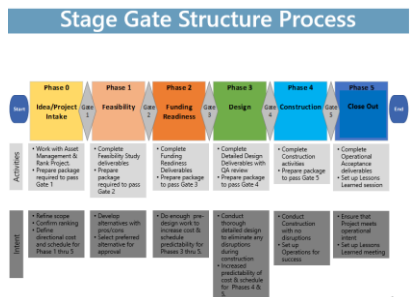
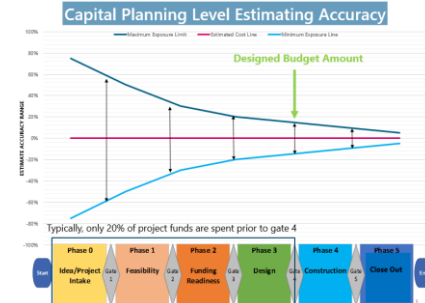
Presentation Updates

- Resolution Highlights
- Project Definitions – Annual and Planned
- Designed Budget Amount Highlight
- Management System Governance Additions – GM and Board of Commissioners
- Capital Process Governance Structure Additions – GM and Board of Commissioners
- Draft Reporting Proposal
 - Top 10 Planned Projects
 - Designed budget amounts
 - Project phase and completion date
 - Variances
 - Summary of other planned and annual projects

Capital Project(s) Terms

Annual Project – A project which occurs every year and takes a relatively short period of time to complete, typically less than a few months.

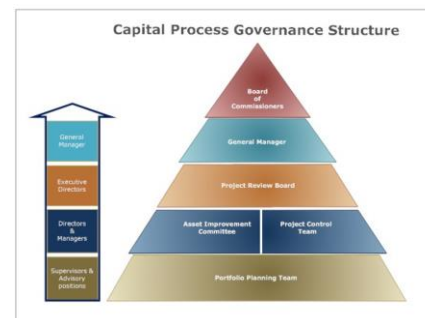
Planned Project – A planned project is different from an Annual Project in its uniqueness, duration, complexity, scale, and critically. Planned projects typically include many different types of assets, or systems, and require a more detailed, in-depth cost tracking to support proactive cost management. Planned projects includes IT, OT and other larger scale, integrated projects.



Management System Governance

The Management System is the glue that makes the Capital Projects Process work well. It consists of teams / committees that meet as needed to support the Capital Projects.

Issues/Committee	Purpose	Business Owner Responsibility
Portfolio Planning Team - PPT (Scheduled to meet every Thursday)	Evaluate Capital Projects and determine whether they meet the criteria for portfolio approval and package as required. If they exceed the criteria, the PPT provides guidance to the AC.	Complete all of the requirements within the phase prior to the gate. Submit all required data and the information to the Board for review and approval. Submit the information to the Board for review and approval.
AC (Scheduled to meet every Tuesday)	The AC performs the same function as the PPT, but only for the projects submitted to the AC by the PPT.	Review the information submitted for each "gate" or "phase" on the Project Health Report, also an abbreviated version of the information submitted to the Board for review and approval. Provide recommendations to the Board for review and approval.
Project Approval Committee - PAC (Scheduled to meet every Tuesday)	Review the information submitted for each "gate" or "phase" on the Project Health Report, also an abbreviated version of the information submitted to the Board for review and approval. Provide recommendations to the Board for review and approval.	Review the information submitted for each "gate" or "phase" on the Project Health Report, also an abbreviated version of the information submitted to the Board for review and approval. Provide recommendations to the Board for review and approval.
Project Review Board - PRB (Scheduled to meet every Tuesday)	Evaluate Changes, Review Project Status, Risks, Opportunities and Cost Implications. Review the information submitted to the Board for review and approval. Provide recommendations to the Board for review and approval.	Review the information submitted for each "gate" or "phase" on the Project Health Report, also an abbreviated version of the information submitted to the Board for review and approval. Provide recommendations to the Board for review and approval.
General Manager - GM	Final Decision maker regarding Capital Budget and Portfolio Recommendations to Board. Final Decision maker regarding Capital Project execution's Recommendations to Board.	Provide answers to any questions that the Board may have of the business owner.
Board of Commissioners - BOC	Review and Approve of Capital Project Recommendations per Board Resolution.	Provide answers to any questions that the Board may have of the business owner.



Mr. Taylor highlighted the budget and costs amount in the Capital Project Exceedance Approval (previously approved) Resolution and the project terms and definitions. Ms. Elford described the stages of a project and the approval steps for managers and directors, followed by the approval process for the executive staff and Board of Commissioners.

Commissioner Zerkle asked when the deadline is set for the teams to have a project placed in the budget. Mr. Taylor responded that a continual process is encouraged and the structured process for the six-year forecast includes an initial submission by November, followed by a multi-step review process and review board. Projects that emerge during the year that are critical will also be reviewed.

Commissioner Zerkle asked why projects were on the report in Phases 2 and 3 instead of in Phase 4 after the construction has been approved. Mr. Taylor responded that the projects are entered in Phase 1 as

soon as costs start accruing. GM Peffley responded that Phase 4 is where the Board of Commissioners review the project, but the previous Phases are for the processes leading up to the Commissioners' review.

Commissioner Mullen asked if the information on the reports could be provided in laymen's terms. GM Peffley responded that information can be provided in any manner that the Commissioners would like. Commissioner Lenz commented that the report contains basic information and is provided for oversight for the Commissioners and so that they are aware of how the projects are monitored before the Commissioners' review.

Other

Commissioner Mullen asked about the prohibitive cost of stopping the shut off of water, whether there is not only the fiduciary responsibility the BWL has to pay bills, but also whether there is a fiduciary responsibility to the City of Lansing to do something more and say this is what the BWL has done to help. Management will follow up with a response.

GM Peffley informed the Commissioners that the IRP goal of 50% clean energy and carbon neutrality was not specifically outlined in the 2021-2025 Strategic Plan. While the IRP goals are supported by the 2021-2025 Strategic Plan, there is an opportunity to update the current environmental sustainability resolution. The plan is to propose an updated resolution that addresses environmental sustainability in March in the form of a climate control resolution that emphasis the IRP goals of 50% clean energy and carbon neutrality.

Adjourn

Commissioner Thomas adjourned the meeting at 7:08 p.m.

Respectfully Submitted
Tracy Thomas, Chairperson
Committee of the Whole

Commissioner David Lenz presented the Finance Committee Report:

FINANCE COMMITTEE Meeting Minutes January 12, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Finance Committee meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI on Tuesday, January 12, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ec2515cbd377187c68417cca1db6b6365>

Event Number for Attendees: 132 470 7852 Event password: Wb3epfSZC85

Audio conference: United States Toll +1-408-418-9388 Access code: 132 470 7852

Finance Committee Chair David Lenz, called the January 12, 2021, 6:00 p.m. Finance Committee meeting to order at 7:20 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

The following Commissioners were present via audio/video:

David Lenz remotely, Lansing, MI (Member)	Beth Graham remotely, Lansing, MI (Member)
David Price remotely, Lansing, MI (Member)	Ken Ross remotely, Florida (Member)
Stuart Goodrich remotely, Holt, MI	Douglas Jester remotely, East Lansing, MI
Deshon Leek remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tracy Thomas remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to approve the Finance Committee meeting minutes of November 10, 2020.

Motion Carried by the following Roll Call Vote:

Yeas: Commissioners Lenz, Graham, Price, and Ross

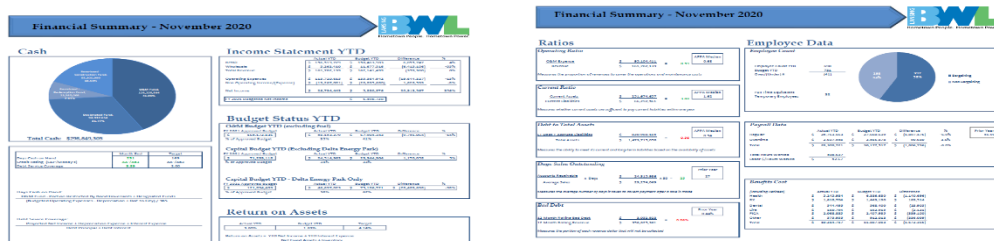
Nays: None

Tabled Items from July 21, 2020: REMAINED ON THE TABLE

1) Current Internal Audit Charter, 2) Proposed Internal Audit Charter, 3) Resolution

November YTD Financial Summary

CFO Heather Shawa gave a review of the November 2020 YTD Financial Summary.



Chief Financial Officer Heather Shawa reported that Total Cash decreased as expected as bond proceeds were spent down for Delta Energy. Days Cash on Hand ended the month at 231. Debt Service Coverage was solid at 3.89. FYTD net income was \$26.8M, compared to a budget of \$5.8M. Net income is over budget due to under budget department spend and higher than budgeted revenues, relative to fuel and purchased power costs. Budget Status YTD was 14% underspent, a large factor being \$5M due to the VEBA plan market response.

YTD Capital Budget, excluding Delta Energy Park (DEP), was a higher spend due to a shift in timing of a boiler back up project at REO. Delta Energy Park, due to COVID19 and some timing from a large construction manager invoicing, was a little under spend but is expected to increase. DEP series bonds price had nine times the offerings compared to bonds to be sold.

Chair Lenz asked what the estimate of the COVID19 impact was on the DEP budget. Ms. Shawa and GM Peffley responded that the impact was \$10M and the project is still budgeted at \$495M.

YTD RoA is 3.60%, which is greater than budgeted YTD RoA of 1.69%, due to over budget net income, as a result of the factors noted above. Debt to Total Assets was a little high, as expected, due to bond issuance and the Bad Debt Ratio is high largely because the allowance was increased at the end of the year. The other three Ratios are beating the benchmark.

Employee count YTD is 690 and the budgeted YTD is 731. In Payroll Data the Labor \$/Hours Worked metric has remained in line with year prior. Overall YTD benefits costs are underbudget, due to BWL experiencing lower than expected medical claims.

Commissioner Goodrich asked how many positions are open that would be filled if there were qualified applicants. Ms. Shawa responded that there are about 25 positions for which HR is actively recruiting. GM Peffley responded that journeyman/lineworker and IT positions are more difficult to fill.

Bi-Annual Internal Audit Management Response Report Out

Finance Manager, Mr. Scott Taylor, presented the Bi-Annual Internal Audit Management Response Report Out. Mr. Taylor stated there are two open items and six items that have closed on the report. The first open item is a recommendation to standardize and centralize storage of purchasing documentation. The reason it is still open is that the training for this item is rolling out this January. The second open item is the development of a BWL Performance ERM Status Report. The reason it is still open is the remaining action of finalizing the measures of the report and it is expected to be completed by the end of February 2021.

Internal Control Program Overview

CFO Shawa introduced Ms. Elisha Franco, Senior Internal Control Analyst, who presented the Internal Control Program Overview. Ms. Franco described the function of the Internal Control Department as a means by which an organization's resources are directed, monitored and measured to prevent and detect fraud and protect the organization's resources. Ms. Franco explained the differences between the internal control function and the internal audit function. Ms. Franco provided the 2020-2021 work plan of reviewing remote work logs, customer projects, reconnection fees, and Fleet fuel operations.

Commissioner Thomas asked whether the Senior Internal Control Analyst position was a new position. Ms. Franco responded that it was a vacant position before she filled it.

Commissioner Ross asked Ms. Franco to provide insight to how internal control interacts with the internal auditor. Ms. Franco responded that internal control and internal audit meet biweekly and internal control provides information to management.

Chair Lenz asked if internal control has its own monthly schedule of items to monitor. Ms. Franco responded that there are quarterly items to be reviewed every year and additional items can be added by management. Chair Lenz also asked if additional staffing will be needed to conduct the reviews. Ms. Franco responded that currently staffing is sufficient.

Internal Audit Status Report

Internal Auditor, Mr. Wesley Lewis, presented the Internal Auditor Status Report.

Audit Progress Report

Audit Engagements and Activities in Audit Plan Currently Underway and/or Scheduled to Start

1. **Energy Risk Management** – The final audit report was issued on 12/3/2020.
2. **MPPA and MISC Billing** – This audit was kicked off and is in progress. This includes the documentation of information received and selection of a sample of transactions for testing. *Estimated Time of Completion: February 2021*
3. **Unbilled Accounts Receivable** – This audit was kicked off and is in progress. Initial meetings are taking place, along with information requests. *Estimated Time of Completion: February 2021*
4. **Purchase Card Usage and Control** – This audit was kicked off and is in progress. This includes initial meetings, documentation of information received, and selection of a sample of transactions for testing. *Estimated Time of Completion: March 2021*
5. **Cybersecurity Process and IT Vulnerabilities** – We initially selected Moss Adams as our outside IT Audit consultant to conduct this engagement for us. Unfortunately, after trying to negotiate contract terms with them, we reached an impasse. Thus, we decided to move on to the runner-up bidder, which was BDO. BDO adjusted their bid to \$62,000, which is even less than our budget. Purchasing is in the process of finalizing and onboarding them now. *New Estimated Start Time: January 2021 New Estimated Time of Completion: March 2021*



Finance Committee Meeting
1/12/2021

3



Finance Committee Meeting
1/12/2021

4



Finance Committee Meeting
1/12/2021

5

Audit Progress Report (Cont'd)

Audit Engagements and Activities in Audit Plan Currently Underway and/or Scheduled to Start (Cont'd)

6. **Corporate Governance - Strategic Plan and Ethical Advocate System (includes Hotline)** - *Estimated Start Time: April 2021 Estimated Time of Completion: June 2021*
7. **Other Audit Activities** – (Ongoing)

Note: Estimated Start and Completion Times of All Engagements Listed Above Are Subject to Change.

Other Items

1. Update on Ongoing Education and Certification of IA Staff

Commissioner Zerkle asked if additional audit personnel have been approved recently. Mr. Lewis responded that IT audit consultants were approved last year for a vulnerability and cyber-securities audit.

Other

There was no other business.

Adjourn

Chair David Lenz adjourned the meeting at 8:08 p.m.

Respectfully submitted
David Lenz, Chair
Finance Committee

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 2021-01-01

2021-2025 Strategic Plan: Strategic Foundation Statements (Mission, Vision and Values) & Priorities

Strategic Foundation Statements





Mission

The mission of the BWL is to provide a safe, reliable and affordable utility experience through public ownership, climate consciousness and innovative strategies.

Vision

The vision of the BWL is a commitment to being the “Utility of the Future” while supporting community growth. The BWL will provide carbon neutral utility products, services and programs with exceptional customer service that are financially accessible to all customers. This will be accomplished by utilizing evolving, cutting-edge technology, as well as partnering with the Greater Lansing region and a highly skilled, diverse workforce.

Values

Value	Meaning	Key Attributes
Integrity 	We provide safe, reliable and affordable service in an ethical and conscientious manner. This responsibility includes our impact on the planet and people we serve.	<ul style="list-style-type: none"> • Accountable • Well-being • Transparent • Sustainable
Innovation 	We evolve operations by mitigating business and environmental risks with foresight and agility.	<ul style="list-style-type: none"> • Creativity • Visionary • Impactful • Insightful
Inclusion 	We celebrate and value differences. As a corporate citizen that is publicly owned, contributions from our employees and customers are instrumental to our success.	<ul style="list-style-type: none"> • Community • Collaborative • Respectful • Balanced
Initiative 	We are goal oriented and results driven.	<ul style="list-style-type: none"> • Dependable • Proactive • Resilient • Leadership

2021-2025 Strategic Priorities

Priority 1: Customer and Community

Goal: Enhance the customer utility experience and enrich the community we serve

Strategy 1: Measure, monitor and respond to customer feedback and expectations

Strategy 2: Provide innovative and cost-effective utility products, services and programs that leverages technology

Strategy 3: Support community engagement that includes education, volunteerism and sponsorships

Strategy 4: Promote economic development and regional partnerships that create growth and synergy

Priority 2: Workforce Engagement and Diversity

Goal: Maintain a workforce that embraces safety, is agile, diverse, engaged and prepared to support the BWL's success

Strategy 1: Cultivate a Generative Safety Culture

Strategy 2: Attract, develop and retain a highly skilled, diverse and culturally intelligent workforce

Strategy 3: Cultivate employee engagement that promotes a positive work environment, professional development and career growth with emphasis on succession planning

Priority 3: Climate and Environment

Goal: Maintain a leadership role in providing energy solutions that support a sustainable planet

Strategy 1: Enhance and promote policies, practices and standards that support carbon reduction and a healthy eco-system

Strategy 2: Increase renewable energy portfolio and energy waste reduction

Strategy 3: Support emerging beneficial electrification opportunities

Strategy 4: Enhance sustainable water operations

Strategy 5: Educate customers on BWL's sustainable practices

Priority 4: Operational Resiliency and Continuous Improvement

Goal: Apply principles of operational resilience and continuous improvement to all organizational assets, such as equipment, people, and knowledge.

Strategy 1: Identify and respond to opportunities for continuous improvement that balance performance, cost and risk

Strategy 2: Apply industry benchmarks and standards reflecting best practices

Strategy 3: Identify, mitigate and monitor barriers to providing utility services

Priority 5: Financial Stability

Goal: Maintain a financially viable organization

Strategy 1: Continue to refine our rate structure for existing and new customers

Strategy 2: Sustain fiscal and fiduciary responsibility through planning, analysis, policies, practices and internal controls

Strategy 3: Pursue opportunities and adopt practices that enhance BWL's competitiveness

Strategy 4: Identify, evaluate and implement revenue diversification opportunities

Motion by Commissioner Thomas, **Seconded** by Commissioner Mullen, to approve the Resolution for the 2021-2025 Strategic Plan: Strategic Foundation Statements (Mission, Vision and Values) & Priorities.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Commissioner Zerkle asked if there was a release date scheduled for the 2021-2025 Strategic Plan. GM Peffley responded that a press release will be sent out within a couple days. Ms. Brandie Ekren responded

that a refined document should be ready with two weeks.

RESOLUTION 2021-01-02
City of Lansing Annual Board Ethics Training

WHEREAS, the City of Lansing (COL) has various boards and commissions that are either advisory or have decision making authority; and

WHEREAS, all City boards and commissions are subject to the City of Lansing ethics ordinance, conflict of interest policies, and hold meetings that may be subject to the Open Meetings Act, 15.261 *et seq*;

NOW, THEREFORE, BE IT RESOLVED that, on an annual basis, every Board member of the Board of Water and Light Board of Commission shall obtain training on the ethics ordinance, conflicts of interest, and the Open Meetings Act as Adopted by the COL Resolution #2020-190.

BE IT FURTHER RESOLVED that the Office of the Lansing City Attorney shall coordinate such training, and it may take place in person, or via alternative method, at the discretion of the City Attorney;

BE IT FURTHER RESOLVED that each year, at the Annual Business Meeting a resolution reaffirming this annual training requirement shall be presented to the Board of Commissioners for consideration, and upon passage shall be submitted to the City of Lansing for compliance confirmation in accordance with COL Resolution #2020-190;

BE IT FURTHER RESOLVED that the BWL Rules of Procedure shall indicate the annual training requirements and issues such as allowing for the suspension of duties of a member if the annual training is not completed;

Motion by Commissioner Thomas, **Seconded** by Commissioner Graham, to approve the Resolution for the City of Lansing Annual Board Ethics Training.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager Dick Peffley provided information on the following items:

1. Delta Energy Plan bond closing has been completed and went smoothly.
2. BWL received Moody's periodic rating review which was half of a page of good news regarding BWL's fiscal responsibility,
3. BWL has been working with the Allen Neighborhood Association on a new micro grid demonstration and BWL may get the naming rights.
4. BWL just started the six-month Clean Energy campaign which runs on local and cable stations. The first two months of the campaign consist of clean energy commercials, the next two months are

the Green Wise commercials, and the last two months are the Peffley Solar I Hometown People Hometown Power commercials.

COMMISSIONERS' REMARKS

Chair Price commented that the links to the commercials on YouTube have been included in the BWL weekly update.

Commissioner Leek commended Mr. Patrick Walter of the BWL and Sean Eagan from the State of Michigan Department of Labor for the webinar that was presented on COVID19 Relief, in which there were 250 participants.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chair Price adjourned the meeting at 5:54 p.m.

M. Denise Griffin, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 01-28-21

Approved by the Board of Commissioners: - -21

Official Minutes filed (electronically) with Lansing City Clerk: - -21



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

**SPECIAL BOARD MEETING MINUTES
March 16, 2021**

The Board of Commissioners of the Lansing Board of Water and Light (BWL) met via WebEx (BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) on Tuesday, March 16, 2021. The meeting was Publicly Noticed for 5:50 p.m.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ed6ca7a6c0cfaf6f7323609f75a027689>

Event Number for Attendees: 132 601 2112 Event Password: C3m2MMYB4js

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 601 2112

Chairperson David Price called the meeting to order at 6:38 p.m.

Corporate Secretary Griffin called the roll.

The following Commissioners were present via audio/video:

David Price remotely, Lansing, MI	Stuart Goodrich remotely, Holt, MI
Beth Graham remotely, Lansing, MI	Douglas Jester remotely, East Lansing, MI
DeShon Leek remotely, Lansing, MI	David Lenz remotely, Lansing, MI
Tony Mullin remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Ken Ross remotely, Charlotte County, FL	Tracy Thomas remotely, Lansing, MI
Sandra Zerkle remotely, Lansing, MI	

Absent: None

The Corporate Secretary declared a quorum.

Chair Price led the Pledge of Allegiance.

PUBLIC COMMENT

A written comment was received from Ms. Rosemary Sullivan, BWL Retiree, Lansing, MI regarding the transition to Nationwide Insurance.

MEETING PURPOSE:

**Consider a Resolution to Approve and Adopt Restated:
DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust.**

Commissioner Price stated that he called for this Special Board meeting to consider the approval of and adoption of restated DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust and would like to put forward a Resolution.

RESOLUTION 2021-03-01

Lansing Board of Water & Light Retirement Plans

WHEREAS, the Lansing Board of Water & Light (the “Board”) maintains the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the “DC Plan 1”), the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the “DC Plan 2”), and the Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the “457 Plan”); and

WHEREAS, the Board desires to amend and restate the DC Plan 2; and

WHEREAS, the Board desires to amend and restate the Trust Agreement for the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the “DC Trust 1”), the Trust Agreement for the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the “DC Trust 2), and the Trust Agreement for the Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the “457 Trust”); and

WHEREAS, the Board has received and reviewed copies of the proposed DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust; and

WHEREAS, the Board desires to approve and adopt the restated DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust.

NOW THEREFORE, it is:

RESOLVED, that the restated DC Plan 2 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated DC Trust 1 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated DC Trust 2 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated 457 Trust is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that any member of the Board of Commissioners, on behalf of the Board, is authorized to execute the restated DC Plan 2, DC Trust 1, DC Trust 2, 457 Trust and any other documents that are necessary to implement the foregoing resolutions.

Motion by Commissioner Mullen, **Seconded** by Commissioner Thomas, to approve and adopt Restated: DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried

Motion by Chair Price, **Seconded** by Commissioner Leek to recess the Special Board Meeting for the Commissioners to attend the Special Pension Fund Trustees meeting for the purpose of the Trustees to approve and adopt the Restated DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust Resolution.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

CHAIR PRICE RECESSED THE SPECIAL BOARD MEETING AT 6:44 P.M. FOR THE ALLOWANCE OF A SPECIAL PENSION FUND TRUSTEES MEETING.

CHAIR PRICE RECONVENED THE SPECIAL BOARD MEETING AT 6:48 P.M.

SPECIAL PENSION FUND TRUSTEE COMMITTEE REPORT

Chair David Price presented the Pension Fund Trustee Meeting Report:

**SPECIAL PENSION FUND TRUSTEES MEETING MINUTES
March 16, 2021**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met via WebEx at the BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 16, 2021. The meeting was Publicly Noticed for 5:55 p.m.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ed6ca7a6c0cfaf6f7323609f75a027689>

Event Number for Attendees: 132 601 2112 Event Password: C3m2MMMyB4js

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 601 2112

Board Trustee David Price called the meeting to order at 6:44 p.m.

Corporate Secretary Griffin called the roll.

The following Trustees were present via audio/video:

David Price remotely, Lansing, MI	Beth Graham remotely, Lansing, MI
DeShon Leek remotely, Lansing, MI	David Lenz remotely, Lansing, MI
Tony Mullin remotely, Lansing, MI	Ken Ross remotely, Charlotte County, FL
Tracy Thomas remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

None.

MEETING PURPOSE:

**Consider a Resolution to Approve and Adopt Restated:
DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust.**

Chair Trustee Price stated that he called for this Special Pension Fund Trustee meeting to consider the approval of and adoption of restated DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust and would like to put forward a Resolution.

RESOLUTION #2021-03-02

Lansing Board of Water & Light Retirement Plans

WHEREAS, the Lansing Board of Water & Light (the "Board") maintains the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the "DC Plan 1"), the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the "DC Plan 2"), and the Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the "457 Plan"); and

WHEREAS, the Board desires to amend and restate the DC Plan 2; and

WHEREAS, the Board desires to amend and restate the Trust Agreement for the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the "DC Trust 1"), the Trust Agreement for the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the "DC Trust 2), and the Trust Agreement for the Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the "457 Trust"); and

WHEREAS, the Board has received and reviewed copies of the proposed DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust; and

WHEREAS, the Board desires to approve and adopt the restated DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust.

NOW THEREFORE, it is:

RESOLVED, that the restated DC Plan 2 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated DC Trust 1 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated DC Trust 2 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated 457 Trust is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that any member of the Board of Commissioners, on behalf of the Board, is authorized to execute the restated DC Plan 2, DC Trust 1, DC Trust 2, 457 Trust and any other documents that are necessary to implement the foregoing resolutions.

Motion by Trustee Mullen, **Seconded** by Trustee Zerkle, to approve and adopt the Resolution for the Restated DC Plan 2, DC Trust 1, DC Trust2, and 457 Trust.

Roll Call Vote:

Yeas: Trustees David Price, Beth Graham, Deshon Leek, David Lenz, Anthony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle

Nays: None.

Action: Motion Carried.

Other

None.

Adjourn

There being no further business, the Special Pension Fund Trustees meeting adjourned at 6:48 p.m.

Motion by Commissioner Mullen, **Seconded** by Commissioner Ross, to have Chair Price as the Chairperson of the Board sign the DC 1 Trust, DC 2 Trust and 457 Trust Documents Agreements on behalf of the Board of Commissioners.

Roll Call Vote:

Yeas: Commissioners David Price, Beth Graham, Deshon Leek, David Lenz, Anthony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle

Nays: None.

Action: Motion Carried.

MANAGER'S REMARKS/COMMENTS

General Manager Dick Peffley responded to Commissioner Thomas' request for the total contribution amount to the General Manager's pension fund stating that \$490 of interest was added to his \$2,775 contribution totaling \$3,265.

COMMISSIONERS' REMARKS/COMMENTS

There were no Commissioners' remarks.

PUBLIC COMMENT

Ms. Rosemary Sullivan, Lansing, BWL retiree spoke thanking the Commissioners for holding the Special Board Meeting a week early.

MOTION OF EXCUSED ABSENCE

There were no excused absences.

ADJOURNMENT

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

Filed with Lansing City Clerk:
03- -21-Unofficial Minutes
03 - -21 Official Minutes

HUMAN RESOURCES COMMITTEE

Meeting Minutes

February 16, 2021

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met via WebEx (BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:30 p.m. on Tuesday, February 16, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=eee4960e38d5408d2864c3c44a1306f8f>

Event Number for Attendees: 132 164 4144 Event Password: jKyaAjP7q82

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 164 4144

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

The following Commissioners were present via audio/video:

Tony Mullen remotely, Lansing, MI	Deshon Leek remotely, Lansing, MI
Tracy Thomas remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI
Douglas Jester remotely, East Lansing, MI	Beth Graham remotely, Lansing, MI
Larry Merrill remotely, Delta Township, MI	David Price remotely, Lansing, MI
Ken Ross remotely, Charlotte County, FL	David Lenz remotely, Lansing, MI
Stuart Goodrich remotely, Holt, MI (arrived at 6:03pm)	

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Thomas, **Seconded** by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of November 10, 2020.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Mid-Year Personnel Evaluation – Charter Appointed Employees

HR Committee Chair Mullen opened the floor for the charter appointed employees' mid-year personnel evaluations. Chair Mullen suggested conducting a mid-year discussion every year and requested that it be discussed at the February 25, 2021 Executive Committee meeting.

Corporate Secretary

Corporate Secretary M. Denise Griffin requested a closed session via MS Teams for the purpose of receiving her contractual mid-year personnel evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Thomas, **Seconded** by Commissioner Zerkle, to enter into closed session via MS Teams to discuss the contractual mid-year personnel evaluation of Corporate Secretary M. Denise Griffin.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried

The Human Resources Committee went into a MS Teams closed session at 5:35 p.m.

Motion by Commissioner Zerkle, **Seconded** by Commissioner Leek, to reconvene into open session via WebEx.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to WebEx open session at 5:59 p.m.

Motion by Commissioner Leek, **Seconded** by Commissioner Zerkle to adjust the salary of the Corporate Secretary to align her salary to an equitable and appropriate pay rate at the Director II level.

Commissioner Mullen noted there were two recommendations upon approval of the salary adjustment: the first recommendation was that the adjustment be given in two parts - the first half of the adjustment be given right away and the second half in June 2021; the second recommendation was that the full salary adjustment be given right away. Commissioner Zerkle recommended that the Chair of the Board, the Chair of the HR Committee and the Corporate Secretary participate in a discussion and bring back a proposal. Commissioner Price commented that the dollar amount had already been suggested. Commissioner Mullen asked the Corporate Secretary if she required further discussion and the Corporate Secretary replied in agreement with Commissioner Price that the proposal was acceptable.

Commissioner Price requested an amendment to the motion to state the salary adjustment amount and Chair Mullen requested that the amendment include that the adjustment be given in two parts, before the next board meeting and in June 2021.

Motion by Commissioner Leek, **Seconded** by Commissioner Zerkle to adjust the salary of the Corporate Secretary to align her salary to an equitable and appropriate pay rate of the Director II level top salary, with an increase in salary to be given in two parts, the first increase to be given before the next Board meeting and second part of the increase to be given in June 2021

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

General Manager

General Manager Richard Peffley requested a MS Teams closed session for the purpose of receiving his contractual mid-year personnel evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Leek, **Seconded** by Commissioner Zerkle, to enter into a MS Teams closed session to discuss the contractual mid-year personnel evaluation of General Manager, Richard Peffley.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee went into a MS Teams closed session at 6:08 p.m.

Motion by Commissioner Leek, **Seconded** by Commissioner Mullen, to reconvene into WebEx open session.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to WebEx open session at 6:15 p.m.

Chair Mullen stated that it was brought to his attention that GM Peffley was not receiving the full employer contribution to his 401k retirement plan for the last couple of years. The recent voluntary correction program issued for the retirement plans corrected GM Peffley's 401k retirement plan. To avoid further shortfalls GM Peffley will be added to the small 401a plan for appointed employees.

Commissioner Leek asked how the error was discovered. GM Peffley replied that the deductions and contributions allowed in the 401k plan which has a cap, along with salary increases, was reducing his total compensation. The whole percentage amount of his salary that he selected was not being placed in the 401k plan due to the cap. The contributions can be placed in the small 401a plan which doesn't have the same limits.

Motion by Chair Mullen for the HR Committee make a change to GM Peffley's employment contract to add him to the small 401a plan. Chair **Mullen Removed** his motion from the floor and will request from BWL General Counsel Mark Matus a memorandum explaining the 401k and 401a plan or to present at the next meeting. Mr. Matus will also send information to the Board prior to the next HR meeting.

Commissioner Thomas inquired whether the shortfall had been corrected for the years 2018-2021. Chair Mullen replied that the years 2018-2020 have been corrected, but for 2021 the request is to add GM Peffley to the 401a plan.

Commissioner Zerkle commented that the Board members are the pension overseers. Chair Mullen replied that the Board delegated authority to the General Manager who delegated authority to the Retirement Plan Committee for all the retirement plans except the small 401a.

Commissioner Lenz asked if this was discovered during the issues related to the VEBA funding from a couple months ago. Chair Mullen replied that GM Peffley has been aware of the issue and just brought it forward. Commissioner Price added for further explanation that there is a structural problem with the 401k with a cap that limits the amount of contribution, and the dollar amount of the percentage of salary that GM Peffley is deducting to contribute exceeds the cap on the 401k.

Commissioner Lenz asked whether the 401k plan contribution percentage was met, was more added retroactively than what the plan allows for, and was that a concern since there is a cap. Chair Mullen replied he would request that information from Mr. Matus as well.

Internal Auditor

Internal Auditor, Wesley Lewis, requested a MS Teams closed session for the purpose of receiving his contractual mid-year personnel evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Zerkle, **Seconded** by Commissioner Leek, to enter into a MS Teams closed session to discuss the contractual mid-year personnel evaluation of Internal Auditor, Wesley Lewis.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee went into MS Teams closed session at 6:38 p.m.

Motion by Commissioner Zerkle, **Seconded** by Commissioner Thomas, to reconvene into WebEx open session.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to WebEx open session at 7:53 p.m.

Chair Mullen stated that Internal Auditor Wesley Lewis requested to return to open session. Chair Mullen offered three suggestions in consideration of Mr. Lewis' future employment.

Commissioner Zerkle requested, that before a decision is made, the Executive Committee put the procedural items together that aligned expectations between Mr. Lewis and Board.

Commissioner Thomas expressed concern over the relationship between the Internal Auditor and Management.

Motion by Commissioner Zerkle, **Seconded** by Commissioner Leek, to refer to the Executive Committee the matter of putting procedural information together as a process for the three employees in order to help the Board and employees when situations arise.

Roll Call Vote:

Yeas: Commissioners Deshon Leek, Sandra Zerkle.

Nays: Commissioners Tony Mullen, Tracy Thomas

Action: Motion Fails.

There was continued discussion regarding possible steps that could be taken on how to deal with the current situation. It was suggested that there be a HR committee meeting on February 23, 2021 to discuss the continued employment of the current Internal Auditor. **(The proposed meeting was not officially noticed, and never occurred.)**

Commissioner Lenz commented that there is a different understanding of what the Internal Auditor, Commissioners and Management think the audit charter says, and that is creating insecurities and non-cooperation by all involved. After further discussion, it was suggested that any recommendations on how to proceed with this matter be emailed to HR Chair Mullen before the next committee meeting.

Other

None.

Adjourn

Chair Mullen adjourned the meeting at 8:20 p.m.

Respectfully Submitted,
Tony Mullen, Chair
Human Resources Committee

EXECUTIVE COMMITTEE
Meeting Minutes
February 25, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Executive Committee meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI on Thursday, February 25, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e4f99152a7a98ddb28e4417f8f25e2ac>

Event Number for Attendees: 132 560 7332 Event password: dHvnSTK4Z54

Audio conference: United States Toll +1-408-418-9388 Access code: 132 560 7332

Executive Committee Chair David Price called the February 25, 2021 Executive Committee meeting to order at 5:30 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

The following Commissioners were present via audio/video:

David Price remotely, Lansing, MI (Board Chairperson)	Tracy Thomas remotely, Lansing, MI (Vice Chairperson)
Sandra Zerkle remotely, Lansing, MI (Past Chairperson)	Anthony Mullen remotely, Lansing, MI (Member)
Beth Graham remotely, Lansing, MI	Deshon Leek remotely, Lansing, MI
David Lenz remotely, Lansing, MI (arrived @ 6:27 p.m.)	Ken Ross remotely, Charlotte County, FL
Stuart Goodrich remotely, Holt, MI (arrived @5:42 p.m.)	Larry Merrill remotely, Delta Township, MI

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Zerkle, **Seconded** by Commissioner Thomas, to approve the Executive Committee meeting minutes of December 17, 2020.

Roll Call Vote:

Yeas: Commissioners David Price, Anthony Mullen, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Personnel Issue

Chair Price stated that an attorney-client privileged memorandum has been provided to the Executive Committee and it is appropriate to go into Closed Session for the purpose of reviewing the contents of the attorney-client privileged memorandum as permitted by the Open Meetings Act, specifically MCL 15.268(h) and MCL 15.243(g).

Motion by Commissioner Thomas, **Seconded** by Commissioner Zerkle, to go into Closed Session for the purpose of reviewing the contents of the attorney-client privileged memorandum as permitted by the Open Meetings Act, specifically MCL 15.268(h) and MCL 15.243(g).

Roll Call Vote:

Yeas: Commissioners David Price, Anthony Mullen, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The following individuals were invited into the closed session: Executive Committee and other Commissioners, BWL General Counsel Mark Matus, BWL Corporate Secretary M. Denise Griffin, and Miller Canfield Chief Diversity Officer, Michelle Crockett.

The Special Committee of the Whole Meeting went into closed session at 5:34 p.m.

Motion by Commissioner Mullen, **Seconded** by Commissioner Thomas to return to open session.

Roll Call Vote:

Yeas: Commissioners David Price, Anthony Mullen, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Special Committee of the Whole Meeting reconvened to open session at 6:29 p.m.

Board Self-Evaluation Review

Chair Price reported that the Board is doing well in most categories and briefly reviewed the results.

The Executive Committee would like to continue the discussion on Governance policy, how committees are structured, how committees are attended, and how training will be structured.

Other

There was no other business.

Excused Absence

None.

Adjourn

Chairperson Price adjourned the meeting adjourned at 6:35 p.m.

Respectfully submitted,
David Price, Chair
Executive Committee

COMMITTEE OF THE WHOLE
Meeting Minutes
March 9, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Committee of the Whole (COW) meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI, on Tuesday, March 9, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=eb4523814816b781d6e68fc662d442021>

Event Number for Attendees: 132 820 5250 Event password: ugPEpxWT833

Audio conference: United States Toll +1-408-418-9388 Access code: 132 820 5250

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

The following Commissioners were present via audio/video:

(COW Chairperson) Tracy Thomas remotely, Lansing, MI	Stuart Goodrich remotely, Delhi Township, MI
Douglas Jester remotely, East Lansing, MI (@5:54 P.M.)	Deshon Leek remotely, Lansing, MI
David Lenz remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tony Mullen remotely, Lansing, MI	David Price remotely, Lansing, MI
Ken Ross remotely Charlotte County, Florida	Sandra Zerkle remotely, Lansing, MI

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner Zerkle, to approve the Committee of the Whole meeting minutes of January 12, 2021.

A roll call vote was taken:

Yeas: Commissioners Thomas, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Diversity, Equity & Inclusion (DEI) Program Update

General Manager Peffley introduced Executive Assistant Ms. Smiljana Williams who introduced the Diversity, Equity & Inclusion (DEI) Committee: Ms. Marie Mireles, BWL Associate Attorney; Mr. Malcomb Hardy, BWL Utility Designer; Mr. Jeff Schwarz, Purchasing & Warehouse Department Supervisor; Mr. Alex Newman, Project Engineering Department Project Manager; and DEI Executive Sponsor, MS. Brandie Ekren, Strategic Planning & Development Executive Director. Ms. Williams provided information on the purpose and commitment of the DEI program to be an inclusive environment where all employees are respected and valued; where there are equal opportunities to

develop, advance and be heard; where there is equitable treatment and elimination of discrimination in all forms and at all organizational levels; where the fundamental value and dignity of all people is acknowledged; and where an environment is created and maintained that respects diverse traditions, heritages, and experiences. Ms. Mireles provided information on the strategic plan initiative which included strategy and education, marketing and communication, plus measuring success and accountability. The strategy and education focus is on developing tactics that accomplish goals of the strategic plan and developing foundational and educational tactics. Mr. Malcomb Hardy provided information on marketing and communication which included awareness and cultural sensitivity, celebrating diversity and inclusion, and encouraging dialogue, and how these goals are accomplished. Mr. Jeff Schwarz provided information on measuring success and accountability which included developing a baseline assessment for initiative maturity, benchmarking and goal setting, defining and measuring success based on surveys and points of contacts, ensuring alignment with the corporate strategic plan and balanced scorecard, and providing feedback and insight to support a diverse, equitable and inclusive environment. Mr. Alex Newman provided information on the Employee Resource Groups (ERGs) which champion efforts for governing instruments; support workforce engagement, inclusion and diversity by working to improve corporate culture, to enhance employee retention, and to foster employee connectivity; and give valuable insight to internal focus groups. Ms. Brandie Ekren provided an update for the path ahead for the DEI Initiative.



Initiative's Purpose and Commitment

Purpose

- ▶ Support the BWL's mission and values by promoting shared, authentic values of inclusion, equity, respect and understanding of those we work with throughout our organization and community. Therefore, at the BWL we will treat all people with dignity and fairness first. We will value diverse opinions and worldviews and we will meet people where they are on their diversity and inclusion journey.

Commitment

- ▶ Inclusive environment where all employees are respected and valued;
- ▶ Equal opportunity to develop, advance and be heard.
- ▶ Equitable treatment and elimination of discrimination in all its forms, at all organizational levels.
- ▶ Acknowledge and honor the fundamental value and dignity of all people, including our customers and those with whom we do business .
- ▶ Creating and maintaining an environment that respects diverse traditions, heritages and experiences.



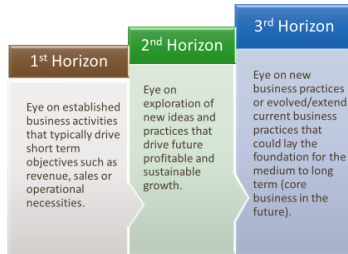
Commissioner Price suggested that Corporate Counsel begin the process to provide training in Diversity, Equity and Inclusion for the BWL Board.

Commissioner Zerkle asked if there was numerical data that could be provided from the DEI report. Ms. Ekren responded that the DEI Committee is in the process of developing the report and is working with HR Executive Director Ms. Lynette Keller. Commissioner Zerkle also asked if the ways that outreach was conducted would be included in the report. Ms. Ekren responded that community outreach is a measurable goal that will be included in the report. GM Peffley added that outreach is tracked and developed, and a hiring practice report was furnished to the DEI committee.

Corporate Sustainability & Climate Response – Resolution

Executive Director of Strategic Planning, Ms. Brandie Ekren, introduced Ms. Lori Myott, Manager of Compliance and Environmental Services; Ms. Natalie Mooney, Environmental Stewardship Administrator; and Mr. George Stojic, former Executive Director of Strategic Planning and Development. Ms. Ekren reviewed the Corporate Sustainability & Climate Response presentation as it relates to short- and long-term planning.

SUSTAINABILITY = CORPORATE SUSTAINABILITY
Corporate Sustainability focuses on **long-term** value to both internal and external stakeholders while making **short-term** decisions...



Such short- and long-term planning is supported by 3 key pillars: economic growth, environmental stewardship and social development.

Ms. Myott spoke about the next major steps for climate response and carbon neutrality: creating and publishing an annual report; tracking and sharing progress with the employees and the public from year to year to create a culture in which decisions are evaluated based on a balance of environmental, economic and social factors; and moving towards greater sustainability as a benefit to customers, community and employees without compromising safety, affordability or reliability.

Ms. Ekren stated that the desired outcomes before December 2021 are to formalize the Corporate Sustainability program, by developing an annual sustainability report for July 2022 publication; by executing the Strategic Plan with progress tracking; by formalizing the Climate Response Strategy which addresses desired program outcomes and tactics; by developing a preliminary Carbon Neutrality Plan that is intended to be enhanced as time progresses; and to provide an update in Fall of 2021. Ms. Ekren requested replacement of the current 2013 environmental stewardship and sustainability resolution with a Corporate Sustainability resolution that includes a climate response. The proposed resolution formalizes BWL's commitment for carbon neutrality and includes BWL's mission, vision and values; how the BWL measures, monitors and determines success; emphasis on Corporate Sustainability; reminder of existing environmental stewardship and sustainability policy and identification of opportunities for enhancement given climate change and the desire to be the utility of the future.

Commissioner Zerkle asked whether this resolution refers to rate changes when new meters have been installed and creating space for electric vehicles and electric meters. Ms. Ekren responded that this is included in the climate response section.

Motion by Commissioner Price, **Seconded** by Commissioner Leek, to forward the Resolution for the 2021 Corporate Sustainability & Climate Response to the full Board for consideration.

Commissioner Ross offered amendments that he feels would work towards having a portfolio with complete renewability.

First amendment, where it states in the resolution that the BWL will provide carbon neutrality, Commissioner Ross requested to amend the language to “The BWL will provide carbon neutral, AND EVENTUALLY TOTALLY RENEWABLE, products” and to add prior to the last paragraph, “FURTHER RESOLVED, the BWL sets a long term goal of achieving a totally renewable energy portfolio when economically and technologically feasible.

Second amendment, to replace the addition prior to the last paragraph to “FURTHER RESOLVED, AFTER ACHIEVING CARBON NEUTRALITY, THE BWL SETS A LONG TERM GOAL OF ACHIEVING A TOTALLY RENEWABLE ENERGY PORTFOLIO WHEN ECONOMICALLY AND TECHONOLOGICALLY FEASIBLE, IN A SAFE, RELIABLE AND AFFORDABLE MANNER.”

Commissioner Jester spoke to recommend the adoption of the amendment and noted the difference between achieving carbon neutrality and achieving a totally renewable energy portfolio. Commissioner Jester stated that carbon neutrality is a balance of offsets with carbon emissions to achieve net zero carbon emissions, and a totally renewable energy portfolio consists of only renewable energy resources.

Commissioner Mullen spoke to wait on the second amendment as complete renewable energy is not feasible for some people. Commissioner Thomas added that the aspiration is for economical utilities.

Commissioner Price asked if the long-term goal was to have net zero carbon emissions or a totally renewable energy portfolio. GM Peffley discussed whether complete renewable energy was feasible for every customer.

Commissioner Lenz added that when moving toward renewables with current technology, energy needs to be converted from outside of the Lansing area as Lansing doesn't have enough wind generation ability. He asked if this changed BWL's business model and does it turn BWL into more of a power distributor rather than a power generator. GM Peffley replied that energy in the form of Returned Energy Credits (REC's) are purchased from outside sources currently and that BWL will remain a power generator. GM Peffley added that there will always be a backup power source when BWL has enough of a renewable energy portfolio. Ms. Ekren added that the business model will be impacted which is part of the reason for the corporate sustainability plan.

Mr. George Stojic stated that the goal to fight climate change includes cost effectiveness, reducing carbon emissions to net zero, and to use every tool to achieve the goal.

Commissioner Price stated that he would vote no to the amendments for complete carbon neutrality as that isn't the end goal. He stated that the end goal is zero carbon emissions and not achieving 100% renewable energy.

Commissioner Jester responded in agreement to Commissioner Lenz' comment on a need for local renewable energy sources to add more reliability to BWL customers. Commissioner Jester stated that there is a need for energy storage for generation and distribution as a power source as other power sources such as natural gas has not been totally reliable. GM Peffley agreed with Commissioner Jester that relying 100% on renewable energy/natural gas is not the end goal.

Commissioner Price asked for a move on the motion for the Amendments. There was no support for the amendments and the motion died.

A roll call vote was taken on the Resolution as originally presented:
Yeas: Commissioners Thomas, Leek, Lenz, Mullen, Price, Ross, Zerkle
Nays: None
Action: Motion Carried.

Other

Motion by Commissioner Price, **Seconded** by Commissioner Ross for an excused absence for Commissioner Graham.

A roll call vote was taken on the original motion:
Yeas: Commissioners Thomas, Leek, Lenz, Mullen, Price, Ross, Zerkle
Nays: None
Action: Motion Carried.

Adjourn

Commissioner Thomas adjourned the meeting at 7:25 p.m.

Respectfully Submitted
Tracy Thomas, Chairperson
Committee of the Whole

FINANCE COMMITTEE

Meeting Minutes

March 9, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Finance Committee meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI on Tuesday, March 9, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=eb4523814816b781d6e68fc662d442021>

Event Number for Attendees: 132 820 5250 Event password: ugPEpxWT833

Audio conference: United States Toll +1-408-418-9388 Access code: 132 820 5250

Finance Committee Chair David Lenz, called the March 9, 2021, 6:00 p.m. Finance Committee meeting to order at 7:32 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

The following Commissioners were present via audio/video:

David Lenz remotely, Lansing, MI (Member)	Ken Ross remotely, Port Charlotte, FL (Member)
David Price remotely, Lansing, MI (Member)	Sandra Zerkle remotely, Lansing, MI (Alternate)
Stuart Goodrich remotely, Holt, MI	Douglas Jester remotely, East Lansing, MI
Deshon Leek remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tracy Thomas remotely, Lansing, MI	

Absent: Commissioner Beth Graham

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner Ross, to approve the Finance Committee meeting minutes of January 12, 2021.

Motion Carried by the following Roll Call Vote:

Yeas: Commissioners Lenz, Price, Ross

Nays: None

Action: Motion Carried.

Tabled Items from July 21, 2020:

1) Current Internal Audit Charter, 2) Proposed Internal Audit Charter, 3) Resolution

Motion by Chair Lenz, **Seconded** by Commissioner Price, to remove the tabled items from the table and dissolve the items.

Roll Call Vote:

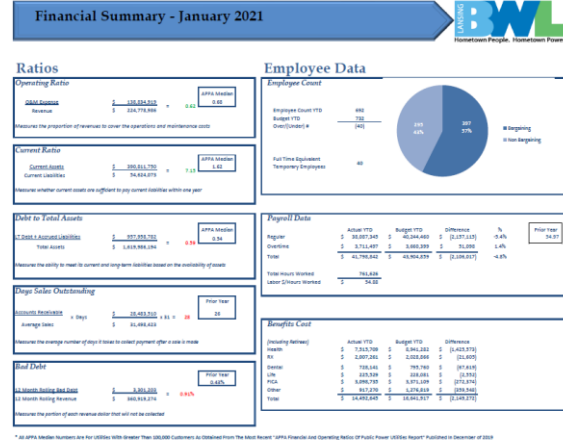
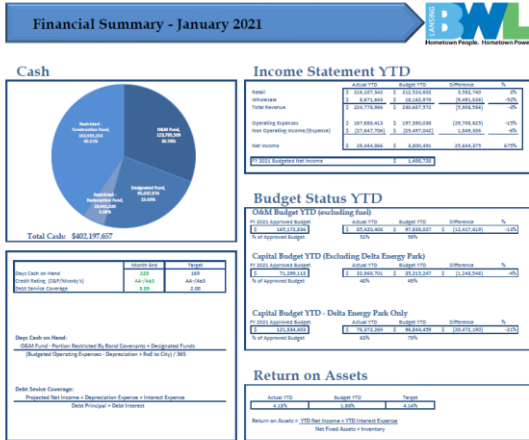
Yeas: Commissioners Lenz, Price, Ross

Nays: None

Action: Motion Carried.

January YTD Financial Summary

CFO Heather Shawa gave a review of the January 2021 YTD Financial Summary.



Chief Financial Officer Heather Shawa reported that Total Cash increased as expected as bond proceeds were received for 2020-2021 A and B Series issuance. Days Cash on Hand ended the month at 229. FYTD net income was \$29.4M, compared to a budget of \$3.8M. O & M department budget spend is under budget; \$12M of it is due to COVID-19 impact; \$6M in variance is due to depreciation from Delta Energy Park being brought on line later.

Chair Lenz commented that GM Peffley mentioned that there was a lot of income generated from selling power to other parts of the country and asked what the impact was on income. CFO Shawa replied that \$2.7 M was the impact in February 2021

YTD Capital Budget, excluding Delta Energy Park (DEP), was in line with budget. Delta Energy Park, due to COVID19 and some timing from a large construction manager invoicing, was a little under spend but is expected to increase.

YTD RoA is 4.13%, and the target was 4.14%. Two of the five ratios are within benchmarks. Debt to Total Assets was a little high, as expected, due to bond issuance and the Bad Debt Ratio is high largely because the allowance was increased at the end of the year. Days Sales Outstanding is underperforming by two days.

Chair Lenz asked CFO Shawa to provide the normal value of the total Bad Debt amount prior to COVID-19. CFO Shawa responded that the normal 12-month value is \$1.2M to \$1.5M and during COVID-19 it has doubled, but that was projected to happen

Employee count YTD is 692 and the budgeted YTD is 732. In Payroll Data the Labor \$/Hours Worked metric has remained in line with year prior. Overall YTD benefits costs are underbudget, due to BWL experiencing lower than expected medical claims.

GM Peffley commented that the delay in the Delta Energy Park, that CFO Shawa mentioned, has been re-planned to have Delta Energy Park start on its original schedule. Just the equipment that

is needed to run the units with a simple cycle is being worked on. The units will run for a day to be entered into the capacity market. The rest of the plant, such as efficiencies, will be worked on after that.

Commissioner Zerkle commented on the payment plan for customers during COVID-19 and would like to see it kept in place for at least the rest of the year. GM Peffley replied that BWL would work with its customers through the rest of the pandemic.

Commissioner Ross commended GM Peffley and CFO Shawa on the financial strategy associated with getting the Delta Energy Park units up and running and saving the rate payers money. Commissioner Ross asked for what length of time customers will have the benefit of the capacity of the coal plants. GM Peffley replied that one of the Eckert units has been extended to May. The capacity from the DEP simple cycle units will offset the loss of the Eckert units. It will take approximately one year for the new plant to run completely efficiently with trained employees. Erickson station is expected to be shut down by 2023.

Commissioner Jester commented that he would like to discuss the capacity market with GM Peffley. Commissioner Jester noted that for low income customers there is a movement in other states for investor owned utilities to adopt a percentage of income payment plan that caps the customer's bill according to their income. He suggested that this be discussed during the next rate making cycle. Commissioner Jester added that he sent the Commissioners information from Ms. Jan Beecher regarding water rates, that could be applied to electricity rates for low income customers.

Commissioner Leek asked how much it will cost to decommission the old coal plant and what will be the savings once it has been decommissioned. GM Peffley replied that since the Eckert station is still a transmission distribution station and three more substations have to be built before the property can be left, it will be about seven years before it is decommissioned. Executive Director of Operations Mr. Dave Bolan stated that the cost of taking the station to a dry state and putting safety measures in place will be about \$1.2M and the savings will be about \$1.5 million.

Commissioner Thomas commented in response to Commissioner Zerkle that with the COVID-19 relief plan families will be receiving money that can be used to pay at least part of their utility bills.

Commissioner Lenz commented in response to Commissioner Jester and asked how the process to provide alternative rates to low income people would occur. CFO Shawa replied that increased rates are forecasted and included in the budget. A separate rate hearing process is held with public comments and with rates needing to be approved by the Board of Commissioners. GM Peffley replied that, in collaboration with the city, BWL is working on housing initiatives to help with utility bills.

Commissioner Ross responded to Commissioner Jester's comments regarding the low-income rate making process. The low-income rate making process would need to be a deliberative process and suggested considering whether Ms. Jan Beecher would be available to donate time to talk about the rate making process to the Commissioners. The rate making process is a systematic, regimented process where facts and figures are developed with public comment and management.

Commissioner Lenz commented that whether there will be continually increased unpaid utility bills depending on how COVID-19 plays out will have to be looked at seriously. CFO Shawa replied that when management provides a rate recommendation, an RFP is made for a consultant to review for a cost of service analysis.

Investment Policy Statement (IPS) for DC Plans

CFO Shawa reported that all the pension plans have investment policy statements (IPS) and it is a fiduciary process to review all IPS. The review is conducted annually by the Retirement Plan Committee with the plan investment advisor. CFO Shawa introduced Ms. Dori Drayton, Senior Vice President at CapTrust, as the financial advisor for the DC, 401, and 457 Plans. With the CapTrust review of the policies, some opportunities for improvement of the statements were identified and the revisions will be brought to the Finance Committee in May 2021.

External Auditor RFP Bid Award and Resolution

Chair Lenz presented a substitute resolution for the External Auditor RFP Bid Award Resolution. The substitute resolution includes the name of who was granted the bid.

Motion by Commissioner Lenz, **Seconded** by Commissioner Price, to accept the substitute External Auditor RFP Bid Award Resolution.

Roll Call Vote:

Yeas: Commissioners Lenz, Price, Ross

Nays: None

Action: Motion Carried.

CFO Shawa reported that the RFP was submitted and would like to recommend Baker Tilly as the Internal Auditor for the next five years from June 1, 2021 to June 30, 2025. Key evaluation areas were the approach to audit quality, the plan based on organization industry efficiency and peer reviews, team knowledge and experience, qualifications specific to BWL industry, value added services, and also, scope and pricing. Internal audit also participated in the evaluation process team. CFO Shawa added that, per the charter, the City Council of Lansing will need to approve the recommendation of the external auditor.

Motion by Commissioner Lenz, **Seconded** by Commissioner Price, to forward the substitute External Auditor RFP Bid Award Resolution to the full board for approval.

Roll Call Vote:

Yeas: Commissioners Lenz, Price, Ross

Nays: None

Action: Motion Carried.

Internal Audit Status Report

Internal Auditor, Mr. Wesley Lewis, presented the Internal Auditor Status Report.

Audit Progress Report

Audit Engagements and Activities in Audit Plan Currently Underway and/or Scheduled to Start

1. **Purchase Card Usage and Control – Audit Status: Reporting Stage**
2. **Unbilled Accounts Receivable – Audit Status: Reporting Stage**
3. **MPPA and MISO Billings** – This audit is in progress. The focus is on audit testing of a selected sample vendor invoice transactions. **Estimated Time of Completion: March 2021**
4. **Cybersecurity Process and IT Vulnerabilities** –Unfortunately, after trying to negotiate contract terms with BDO, we reached an impasse and had to move on from them too. Thus, we are in contact with another IT Audit Consultant that submitted an initial bid. **New Estimated Start Time: TBD New Estimated Time of Completion: TBD**
5. **Corporate Governance – Strategic Plan and Ethical Advocate System (Includes Hotline) – Update:** a) **Strategic Plan** – Due to the revamping of the current process into a new one, which has resulted from the January 2021 approval of the new plan by the Board, and through concurring discussions with the process owner, IA determined that it would make sense to postpone the audit engagement to a future fiscal period. B) **Ethical Advocate** – The same situation applies to this audit engagement. The new process went live in September 2020 and replaced the General Manager’s Hotline.
6. **Other Audit Activities - Ongoing**

Note: Estimated Start and Completion Times of All Engagements Listed Above Are Subject to Change.



Chair Lenz asked how long it is expected for the cybersecurity process and IT vulnerabilities audit to take. Mr. Lewis responded that is expected to take approximately six weeks depending on how much information can be provided to the audit team.

Preliminary FY 2022 Budget

Proposed FY 2022 Internal Audit Budget

Account Description	FY 2022 Proposed Budget	FY 2021 Approved Budget	FY22:FY21 Incr/(Decr)	FY22:FY21 Incr/(Decr) %	Explanation
Salaries	\$221,670	\$216,000	\$5,670	2.63%	Wesley Lewis, Internal Auditor and Brian Schinke, Principal Auditor (both are non-bargaining). The proposed increase pertains to the achievement of a professional development goal for the Principal Auditor. Note: This number is an estimate and does not include employee benefits. The HR Department owns the employee benefits part of this process and will provide the final numbers of both areas.
Supplies	2,500	2,000	500	25.00%	This is for anticipated supplies needs for the audit staff.
Travel and Conferences	12,000	12,000		0.00%	This includes anticipated CPE seminars, conferences, and webinars (including virtual) needed for audit staff to maintain compliance with the requirements of professional organizations.
Consulting Fees	85,000	75,000	10,000	13.33%	This is for anticipated assistance and resources needed from outside audit contractors to execute possible special audit engagements and other projects. This includes a mandatory peer review engagement (a once every 5 year engagement required by the Institute of Internal Auditors) and a possible audit engagement of the Board of Commissioners corporate governance process.
General Outside Services	8,000	8,000		0.00%	This includes professional membership annual dues, licenses, and certifications for the audit staff.
Total Internal Audit Budget, Excluding Employee Benefits	\$329,170	\$313,000	\$16,170	5.17%	



Commissioner Thomas asked what the consultant fees were prior to 2019. Mr. Lewis responded that \$60,000 was proposed in 2019 and that he increased the amount to \$75,000 due to the new cybersecurity process audit. Commissioner Thomas asked if Mr. Lewis had additional staff to help with the audits. Mr. Lewis replied that external consultants will be contracted. Commissioner Thomas also asked if Mr. Lewis had the same number of staff as the previous Internal Auditor and more consultants. Mr. Lewis replied he had the same number of staff as the previous Internal Auditor and consultants that are available for additional auditing.

Commissioner Lenz stated that the resolution for the budget isn't needed and doesn't need to be approved.

Commissioner Ross commented that a consultants' pool and resources have been available to the Internal Auditor for the past years. The consultants are available to expand the Internal Auditor's capacity.

Commissioner Price commented that a Principal Auditor was hired full time under the last Internal Auditor. GM Peffley commented that the previous Principal Auditor was also hired as part of the succession plan for the previous Internal Auditor.

Other

Motion by Commissioner Price, **Seconded** by Commissioner Ross, to approve the absence of Commissioner Beth Graham.

Roll Call Vote:

Yeas: Commissioners Lenz, Price, Ross

Nays: None

Action: Motion Carried.

Adjourn

Chair David Lenz adjourned the meeting at 8:45 p.m.

Respectfully submitted

David Lenz, Chair Finance Committee

HUMAN RESOURCES COMMITTEE

Meeting Minutes

March 16, 2021

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met via WebEx (BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:30 p.m. on Tuesday, February 16, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ed6ca7a6c0cfaf6f7323609f75a027689>

Event Number for Attendees: 132 601 2112 Event Password: C3m2MMMyB4js

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 601 2112

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

The following Commissioners were present via audio/video:

Tony Mullen remotely, Lansing, MI	Deshon Leek remotely, Lansing, MI
Tracy Thomas remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI
Stuart Goodrich remotely, Delhi Township, MI	Beth Graham remotely, Lansing, MI (arrived @6:26 pm)
Douglas Jester remotely, East Lansing, MI	David Lenz remotely, Lansing, MI (arrived @6:28pm)
Larry Merrill remotely, Delta Township, MI	David Price remotely, Lansing, MI
Ken Ross remotely, Port Charlotte, FL	

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

Ms. Rosemary Sullivan, Lansing, BWL retiree spoke regarding transition from IRMC to Nationwide – asking for more time to review options – has not received enough of a response to provide information to retirees - two or three weeks is not enough time to make an informed decision on benefits – requesting an additional 30 days to make an informed decision on retirement benefits

GM Peffley responded that funds will automatically roll over from ICMA to Nationwide and if an employee or retiree does not like the Nationwide investments they have another 30 days to select another investment provider.

Commissioner Price commented that in the letter from Ms. Sullivan it was understood that retirees had until April 15, 2021 to make a decision to remain with Nationwide.

Commissioner Thomas asked if there was a test drive to determine how many retirees received the letter. GM Peffley responded that postal mail and email were sent out, there will be continued correspondence sent out, and that a poll was conducted to determine to what extent notification was received.

Approval of Minutes

Motion by Commissioner Thomas, **Seconded** by Commissioner Leek, to approve the Human Resources Committee meeting minutes of February 16, 2021.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Retirement Plan Committee (RPC) Plan Governance Presentation

Chair Mullen stated that at the last Human Resources Committee Meeting discussion occurred regarding the General Manager’s deferred compensation into the retirement fund and introduced BWL General Counsel, Mr. Mark Matus, to speak about the Retirement Plan Committee Plan Governance.

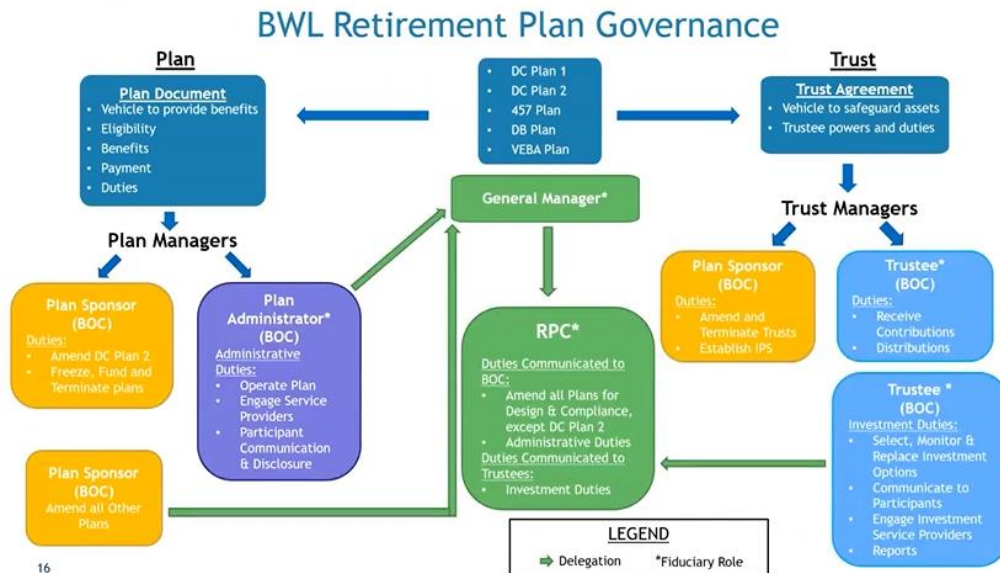
Mr. Matus stated that all employees are part of DC Plan 1 and that the DC Plan 2 is for the three appointed employees. Currently only the Corporate Secretary is part of the DC Plan 2. GM Peffley’s contributions to DC Plan 1 exceeded the cap on the plan causing a loss in his investment. So, basically, due to an administrative error during 2018 and 2019 there was a shortfall in the BWL’s employer contribution to the General Manager’s Plan 1 account, but it has since been corrected. Placing the General Manager in the DC Plan 2 is an option for the Board’s future consideration. Placing the GM in the DC Plan 2 will accommodate his investment choices so that he won’t incur a loss in his investment.

Commissioner Thomas asked what was the total amount that needed to be paid for the ICMA plan error including interest. Mr. Matus responded that the total amount of the error was \$2, 775 for both years of 2018 and 2019 but he didn’t have the interest amount.

Commissioner Leek asked if it was a mistake that GM Peffley was not in the DC Plan 2. Mr. Matus responded that GM Peffley had declined participation in DC Plan 2 when it was made available to him.

GM Peffley gave the floor to CFO Heather Shawa who introduced BWL Associate Attorney Ms. Marie Mireles and Ms. Mindi Johnson from Foster Swift who presented the RPC/Plan Governance Overview presentation.

Ms. Mireles provided information on the fiduciary responsibilities of the Plan Administrator, Trustee, General Manager and RPC.



Commissioner Ross asked if all the functions that are being currently performed were also being performed prior to 2016 but are just not documented in the same way. He also asked if someone that has fiduciary responsibilities is able to delegate the fiduciary responsibilities and would the original fiduciary still have responsibility. He also asked if BWL's internal control environment had ever been evaluated to determine whether there were any gaps to be identified. Ms. Mireles replied that the fiduciary responsibility stays with the original fiduciary and they remain responsible for the oversight of the delegate. CFO Shawa replied that the RPC was formed to evaluate the internal control environment. Commissioner Ross stated that periodically the reviews need to be completed so that the Board has proper oversight and that the Board is fiduciarily responsible as a Board and not individually.

Commissioner Thomas asked if it was possible for a Commissioner to be a representative on the Retirement Plan Committee. Ms. Mindi Johnson responded that it is common for a board to govern and to serve as fiduciaries.

Commissioner Zerkle commented that the Board has operated as fiduciaries and been responsible as long as she has been on the Board and the Finance Department is to provide the Board of Commissioners with information. She stated that she has not received information regarding the transition of the benefits from ICMA to Nationwide, and being fiduciarily responsible, is concerned about not receiving information before signing the agreement.

Lansing Board of Water and Light Defined Contribution Plan and Trust

GM Peffley gave the floor to CFO Shawa to present the Plan Document and Addendum, plus the Adoption Agreement for the transition of retirement benefits plans from ICMA to Nationwide. The delegation of the duties requires new trust agreements and the transition of the plans to be approved and adopted by the Board and Trustees.

Trust Agreements and Executive Summary BWL Retirement Plans

Mr. Scott Taylor, Finance Manager, presented an executive summary of the plan documents, adoption agreements and trust agreements for the Lansing Board of Water and Light Defined Contribution Plan and Trust 1; Lansing Board of Water and Light Defined Contribution Plan and Trust 2; Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust. The Plan and Trust documents are before the Board and Trustees as the Board has amendment authority over Plan 2 for the appointed employees, and amendment authority over the three Trust agreements. The Plan and Trust documents remain the same but are being transitioned from ICMA to Nationwide. Mr. Taylor requested forwarding of the resolution for the Adoption of the DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust to the full Board for consideration.

Motion by Commissioner Zerkle, **Seconded** by Commissioner Leek, to forward the Resolution for the Adoption of the DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust to the full Board for consideration.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Motion by Chair Mullen, **Seconded** by Commissioner Zerkle, to recess to allow a Special Board Meeting to consider the Resolution for the Adoption of the DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

THE HUMAN RESOURCES MEETING RECESSED AT 6:37 P.M. FOR THE ALLOWANCE OF A SPECIAL BOARD MEETING AND A SPECIAL PENSION FUND TRUSTEES MEETING.

THE HUMAN RESOURCES MEETING RECONVENED AT 6:53 P.M.

Mid-Year Personnel Evaluation – Charter Appointed Employee

HR Committee Chair Mullen opened the floor for the charter appointed employee's mid-year personnel evaluation.

General Manager

General Manager Richard Peffley requested a MS Teams closed session for the purpose of receiving his contractual mid-year personnel evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Thomas, **Seconded** by Commissioner Zerkle, to enter into a MS Teams closed session to discuss the contractual mid-year personnel evaluation of General Manager, Richard Peffley.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee went into a MS Teams closed session at 6:55 p.m.

Motion by Commissioner Leek, **Seconded** by Commissioner Graham, to reconvene into WebEx open session.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Deshon Leek, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee reconvened to WebEx open session at 7:24 p.m.

Other

None.

Adjourn

Chair Mullen adjourned the meeting at 7:26 p.m.

Respectfully Submitted,
Tony Mullen, Chair
Human Resources Committee

PROPOSED RESOLUTION
Salary Adjustment for the Charter Position of Corporate Secretary

Whereas; After further consideration of the grade and salary structure adopted for non-bargaining employees at the Lansing Board of Water and Light; and in consideration of the Corporate Secretary's experience, education and years of service;

Whereas; A salary adjustment is appropriate to align the Corporate Secretary's salary to an equitable pay grade commensurate with top of the Director 002 level.

Whereas: A Salary Adjustment shall be implemented in two equal parts, with the first being effective February 16, 2021, and the second increase effective June 1, 2021.

FURTHER RESOLVED, That the Chair of the Board of Commissioners is authorized to execute any and all contractual amendments on behalf of the Board of Commissioners, which reflect adjustments recommended by the Human Resources Committee.

PROPOSED RESOLUTION: CORPORATE SUSTAINABILITY & CLIMATE RESPONSE

WHEREAS, The Lansing Board of Water & Light (“BWL”) is a municipally owned utility company organized under the Lansing City Charter as permitted by the Home Rule Cities Act, MCL117.4(f)(c), and governed by the Board of Commissioners (“Board”). The Board, per the Lansing City Charter, is delegated administrative, executive and policy-making authority over the operation of the BWL, which includes the full and exclusive management of water, heat, steam and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council.

WHEREAS, per the Lansing City Charter, the Board has appointed three individuals, Director (aka General Manager), Internal Auditor (aka Director of Internal Audit) and Secretary (aka the Corporate Secretary), who report directly to the Board and serve at the Board’s pleasure. The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which includes but is not limited to the operation and management of the BWL.

WHEREAS, it is the mission of the BWL to provide a safe, reliable and affordable utility experience through public ownership, climate consciousness and innovative strategies (“Mission”).

WHEREAS, the vision of the BWL is a commitment to being the “Utility of the Future” while supporting community growth. The BWL will provide carbon neutral utility products, services and programs that are financially accessible to all customers with exceptional customer service. This will be accomplished by utilizing evolving, cutting-edge technology, as well as partnering with the Greater Lansing region and a highly skilled, diverse workforce (“Vision”).

WHEREAS, industry and global discussions and reports have focused on harms, threats and dangers to the climate or planet. These harms, threats and dangers consequently impact the BWL’s Mission and Vision.

WHEREAS, the BWL plans to accomplish its Mission and Vision by operating under four fundamental values: (1) Integrity, (2) Innovation, (3) Inclusion and (3) Initiative (“Values”).

WHEREAS, the BWL utilizes a variety of corporate performance tools, methodologies and frameworks to measure success and effectuate strategic management, such as maturity scales and the Balanced Scorecard (aka Corporate Scorecard). These aid in measuring the BWL’s success of its Mission, Vision and Strategic Plan.

WHEREAS, the Balanced Scorecard’s core framework balances four perspectives for successful corporate performance: (1) Financial, (2) Customer and Stakeholder, (3) Internal Process and (4) Learning and Growth.

WHEREAS, fundamental to successful accomplishment of the BWL’s Mission and Vision through its Values includes a commitment to Corporate Sustainability, which includes a climate response strategy.

WHEREAS, the concept of Corporate Sustainability is focused on long-term value to both internal and external stakeholders through the focus of 3 key pillars for operations: Social Development, Environmental Stewardship and Economic Growth. These 3 pillars often support one another to form sub-areas of focus such as: Socio-Economic, Socio-Environment and Eco-Efficiency. (“Corporate Sustainability”)

WHEREAS, the BWL is an integral part of the Lansing community and has the skills and assets to lead in promoting the community's environmental and economic wellbeing today and in the future.

WHEREAS, in 2013 the BWL approved resolution 2013-03-01, entitled Environmental Stewardship and Sustainability Policy, which underscored its commitment to environmental stewardship and a desire to develop a company-wide culture of environmental sustainability. Resolution 2013-03-01 called for the development of innovative business practices and programs.

WHEREAS, the BWL successfully developed a number of programs and practices that supported environmental stewardship, examples of which include but are not limited to energy efficiency investments, water conservation, recycling, composting, pollution prevention, community outreach programs and expanding our renewable portfolio.

WHEREAS, the Board desires to formalize and expand its commitment to Corporate Sustainability, Environmental Stewardship and to develop a climate response strategy.

RESOLVED, the General Manager will develop a Corporate Sustainability program which includes procedures and methods for monitoring, measuring, promoting and improving Corporate Sustainability that emphasizes social development, environmental stewardship and economic growth.

FURTHER RESOLVED, the Corporate Sustainability program shall also include climate response measures, practices, investments and tactics that incorporate but are not limited to the following:

- 1) Eco-friendly vendors and materials.
- 2) Energy, water and material waste reduction.
- 3) Recycling materials, equipment and appliances.
- 4) Reducing paper usage.
- 5) Renewable energy sources.
- 6) Energy-efficient transportation.
- 7) Support electric transportation and heating (aka beneficial electrification).
- 8) Usage of "Green" cleaning products and practices.
- 9) Live vegetation "Greenery" within facilities.

FURTHER RESOLVED, the BWL shall set a short-term Clean Energy goal, which includes a combination of renewable energy and energy efficiency of 50% by 2030, or sooner.

FURTHER RESOLVED, the General Manager will also enhance the BWL's climate response strategy by developing a plan and tracking progress towards Carbon Neutrality.

FURTHER RESOLVED, the BWL sets a longer-term goal to reach Carbon Neutrality by 2040, or sooner.

FURTHER RESOLVED, resolution 2013-03-01, entitled Environmental Stewardship and Sustainability Policy is no longer operable and thus is replaced with this Corporate Sustainability & Climate Response Resolution.

PROPOSED RESOLUTION

Lansing Board of Water & Light External Auditor Recommendation

WHEREAS, Lansing City Charter Section 3-404.1 requires an independent audit of all accounts of the City government, including the Board of Water and Light (BWL), at the close of each fiscal year, and all such audits shall be made by a Certified Public Accountant designated by the City Council; and

WHEREAS, BWL staff engaged in its normal public procurement process for the purpose of soliciting and evaluating proposals from a variety of independent public accounting firms that have municipal utility audit experience to perform an audit of the BWL as required by Lansing City Charter Section 3-404 for fiscal years ending June 30 on the following respective years: 2021, 2022, 2023, 2024, and 2025; and

WHEREAS, based on the public procurement evaluation of the proposals received, the BWL staff recommends the firm of Baker Tilly to perform these BWL audits; and

RESOLVED, that the Board of Commissioners support BWL staff's recommendation; and

FURTHER RESOLVED, the Board of Commissioners recommends that Lansing City Council approve and designate Baker Tilly to perform the annual financial audit for each of the fiscal years ending June 30 on the following respective years: 2021, 2022, 2023, 2024, and 2025 in accordance with Lansing City Charter 3-404.1; and

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to submit this resolution on behalf of the Board of Commissioners to City Council requesting their approval of Baker Tilly as recommended by the Board of Commissioners.