



**BOARD OF WATER AND LIGHT**

**November 17, 2020 - 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=efac46ef50bf8a3970e0de61fec6c4195>

**Event Number for Attendees for Regular Board Meeting:** 132 199 1884

**Event Password for Regular Board Meeting:** RTuAXyAV35

**2. Audio Conference for Regular Board Meeting:**

United States Toll +1-408-418-9388

**Access Code:** 132 199 1884

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**1. Roll Call**

**2. Pledge of Allegiance**


**3. Approval of Minutes**

- a. Regular Board Meeting Minutes of September 22, 2020

**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](mailto:mdenise.griffin@lbwl.com) (By the End of PC)
- Submitting written comments to 1201 S. Washington Ave., Lansing, MI 48910

**5. Communications**

- a. Electronic Mail from Randy Dykhuis re: Environmental Planning
- b. Electronic Mail from Elaine Fiscoff re: IRP
- c. Electronic Mail from Heather Douglas re: BWL Renewable Energy Percentage
- d. Electronic Mail from Fred Kapp re: Street Light Outage

## 6. Committee Reports

- a. Human Resources Committee Meeting (October 27, 2020) – Tony Mullen, Chair
- b. Committee of the Whole Meeting (October 29, 2020) - Tracy Thomas, Chair
- c. Human Resources Committee Meeting (November 10, 2020) – Tony Mullen, Chair
- d. Committee of the Whole Meeting (November 10, 2020) - Tracy Thomas, Chair
- e. Finance Committee Meeting (November 10, 2020) - David Lenz, Chair
- f. Pension Fund Trustees Meeting (November 17, 2020) – David Price, Chair

## 7. Manager's Recommendations

## 8. Unfinished Business

## 9. New Business

## 10. Resolutions/Action Items

- a. PA 152 Health Care Premium Resolution
- b. Amendment to Defined Contribution Plan and Trust 2 Resolution
- c. Regular Board Meeting Schedule 2021 Resolution
- d. Utility System Revenue Bond Amendment Resolution
- e. Acknowledgment of the Acceptance of Audited Financial Statements FY 2020 Resolution

## 11. Manager's Remarks


## 12. Commissioners' Remarks

## 13. Motion of Excused Absence

## 14. Public Comment

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## 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](mailto: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.



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

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**September 22, 2020**

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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, September 22, 2020. This meeting was publicly noticed for 5:30 p.m.

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

Present: Commissioners David Price, Beth Graham (arrived@ 5:36 p.m.), David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Stuart Goodrich (Delhi Township) (arrived@ 4:41 p.m.), Douglas Jester (East Lansing), and Larry Merrill (Delta Township)

Absent: Commissioner Deshon Leek

The Corporate Secretary declared a quorum.

Chairperson Price welcomed Commissioner Stuart Goodrich representing Delhi Township.

Chairperson Price led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

**Motion** by Commissioner Lenz, **Seconded** by Commissioner Thomas, to approve the Regular Board Meeting minutes of July 28, 2020.

**Roll Call Vote:**

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

**Nays:** None.

**Action:** Motion Carried.

**PUBLIC COMMENTS**

None.

**COMMUNICATIONS**

Electronic Mail received From Michael Braem regarding utility rates-*Referred to Management.*  
*Received and Placed on File*

**COMMITTEE REPORTS**

Commissioner Tracy Thomas presented the Committee of the Whole Report:

**COMMITTEE OF THE WHOLE**  
**Meeting Minutes**  
**September 08, 2020**

Due to public safety concerns resulting from the COVID-19 Pandemic, the Committee of the Whole meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI, on Tuesday, September 8, 2020.

Committee of the Whole Chair Tracy Thomas called the meeting to order at 5:39 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

Present: Commissioners Tracy Thomas, Beth Graham (arrived @5:40 p.m.), David Lenz, Deshon Leek, Anthony Mullen, David Price, Ken Ross, and Sandra Zerkle, and Non-Voting Members: Douglas Jester (East Lansing) and Larry Merrill (Delta Township)

Absent: None.

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

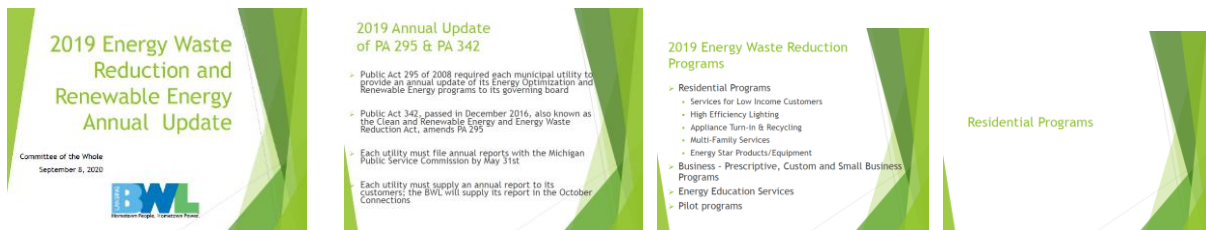
**Motion** by Commissioner Ross, **Seconded** by Commissioner Graham, to approve the Committee of the Whole meeting minutes of June 30, 2020.

A roll call vote was taken: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

**Action:** Motion Carried.

**Annual Energy Waste Reduction (EWR) Program Update**

General Manager Dick Peffley introduced Environmental Services and Reliability Compliance Manager, Ms. Lori Myott, who presented the annual energy waste reduction (EWR) program update. Ms. Myott introduced Ms. Aileen Gow, Energy Analyst, and Mr. Patrick Walters, Energy Specialist.



### Residential - Program Highlights

- Education in the Community
  - 40 local events reaching 5,648 residents
  - 31 presentations reaching 536 participants (mostly homebuyers)
  - Think! Energy (w/CE) & Bright Energy School programs:
    - Reached 21 schools, 41 teachers, 1,323 students and distributed \$2,625 grants
    - Hosted teacher workshop at RED Depot



### Residential - Program Highlights

- Pilot Programs
  - Affordable Housing Grants
    - \$17,391 for six home projects
  - Michigan Saves Financing
    - Partnership with Consumers Energy and Michigan Saves
    - Residential- 0% for \$1,000-\$30,000 loans >4 yrs.

### Residential - Program Highlights

- Low Income 2019**
- 188 Hometown Help energy assessments
  - Two Multifamily properties
  - 13,760 items installed, recycled or distributed
    - 9,560 LED Bulbs/Fixtures
    - 1,875 Energy Kits (2 LED bulbs and 1 nightlight)
    - 106 Refrigerators
    - 41 Room Air Conditioners
    - 2,158 Other

"I don't see you as a flood because the Foundation Help program is very much operational. Our non-residential energy audits will be available in the near future. We are looking for other ways to help other people and we will be in touch with you."

*Deborah, David and Christy Miller*

### Residential - Program Highlights

- Key Community Partners
  - Allen Neighborhood Center;
  - Capital Area Housing Partnership;
  - City of Lansing Neighborhood Initiatives;
  - Cristo Rey Community Center;
  - Habitat for Humanity Capital Region;
  - Multiple other nonprofit organizations that serve our vulnerable populations.

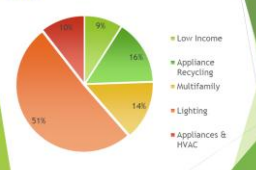
"I would highly recommend this program. The specialist that came to do the inspection was knowledgeable, professional, polite and personable. Thank you!"

*Jim Williams, Lansing*

"Thank you for replacing my old furnace! This house is now very 'comfortable'!"

*Neil Foster*

### Residential Summary 2009-2019



### Business Programs

### Business - Program Highlights

- Nonprofit Facility Grants
  - \$107,439 in grants for eighteen organizations

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| Allen Neighborhood Center           | Eta's Place                         |
| Bethlehem Lutheran Church           | Eve                                 |
| Capital Area District Library       | Grace Lutheran Church               |
| Central Free Methodist Church       | Haven House                         |
| Community Baptist Church            | Habitat for Humanity Capital Region |
| Cristo Rey Community Center         | Michigan Ministries                 |
| Disability Network Capital Area     | Montesort Children's School         |
| Educational Child Care Center (ECC) | Reach Out Christian Church          |
|                                     | West Side Church                    |
|                                     | Walker Bible Baptist Church         |



### Business - Program Highlights

#### HWC Upgrades

- Liquid Web
- 4 Computer Room at Units (CSC) & Optimizers replaced & older units
- Accounts for 15%-20% of all kWh usage at building
- \$91,168 incentive
- 1,066,024 kWh lifetime savings



### Business - Program Highlights

#### Lighting

- LEPFA - Lansing Center
- Lighting upgrades in a couple of the main conference rooms
- 125,006 kWh saved
- \$9,000 incentive



### Business - Program Highlights

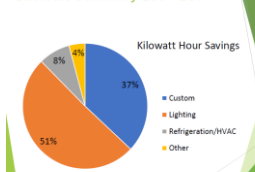
#### Million kWh Club

New Members For 2019	
Liquid Web	Farm Bureau
New Genetics	Auto Owners
State of Michigan - Multiple Buildings	

Previous Members	
General Motors (x3)	Quality Dairy
Alchley Brewer	Danmer Properties LLC
SOA, OMB	Lansing School District
Peckham Vocational Ind.	MMU Cooley Law School
Sparrow Hospital	Achity Capital
Board of Water & Light	Jackson National Life
Meijer, Inc.	Liquid Web (x2)
Lansing Mall	East Lansing Public Schools

### Business Summary 2009-2019



### Energy Waste Reduction Summary

Program Portfolio	2019 Goals		2019 Actual	
	Grand Final Year kWh Savings	Program Budget	Grand Final Year kWh Savings	Program Budget
Low Income Services	\$61,485	\$247,059	651,726	\$247,059
Residential Programs	\$374,105	\$395,496	6,133,792	\$929,679
Business Services	\$5,405,560	\$2,794,661	17,313,675	\$2,268,810
<b>Total Program Portfolio</b>	<b>21,771,150</b>	<b>\$3,937,316</b>	<b>24,099,190</b>	<b>\$3,377,548</b>
Program Administration		\$400,000		\$294,763
Evaluation (ENBY)		\$400,000		\$182,771
<b>ANNUAL TOTALS</b>	<b>21,771,150</b>	<b>\$4,737,316</b>	<b>24,099,190</b>	<b>\$3,855,083</b>

### Environmental Equivalency

The amount of electricity saved through EWR programs is equivalent to:

- 18,770,846 kWh of coal burned
- 1,355,987 gallons of gasoline consumed

Greenhouse gas emissions avoided by:

- 3.7 million tonnes of CO2 equivalent
- 5,794 tonnes of plastic material (weight of appliances)

### Renewable Energy

### Renewable Energy 2019 Summary

- BWL was required to meet the state's 12.5% renewable energy portfolio law.
- With planned developments and the ability to carry-forward renewable energy credits, the BWL will not need any additional renewable energy to meet compliance with PA 342.
- BWL is also slated to achieve our 30% clean energy goal by 2020.

### 2019 Updates

- First full calendar year of Delta Solar - 37,568 MWh
- Community Solar - named project of the year by Michigan Energy Innovation Business Council
- Net Metering Solar program update
  - Added 25 new Residential customers (250% increase over 2018)
  - Total number of customers: 47 Residential and 5 Commercial
  - Total Net Metering Capacity is 335.26 kW as of 12/31/2019

### Net Metering Program



### Current Renewable Energy Portfolio

- EDL landfill gas - 11.2 MW
- Evelon Wind in Gratiot County - 19.2 MW
- Solar (Cedar street and RED office building) - 160 kW
- Delta Solar - 24 MW

### Planned Projects

Project Name	Capacity (MW)	Year
Delta Solar	24	2019
EDL Landfill Gas	11.2	2019
Evelon Wind	19.2	2019
Solar (Cedar Street)	0.16	2019
Solar (RED Office Building)	0.16	2019

Commissioner Ross asked whether the consumers are educated about the solar panel energy program before making the purchase as a customer complained that there wasn't a significant reduction in energy cost. GM Peffley responded that the contractors don't interact with the utility until the solar panel contract is signed by the customer. The customer requests a permit from BWL but that is after the purchase. At energy events BWL encourages prospective solar customers to contact the BWL first.

Commissioner Thomas asked about the results for the schools in the energy program and asked why Holt and Waverly schools weren't in the Million kWh Club. Ms. Myott responded that it depends on whether the school's projects meet the kWh amount. Ms. Gow responded that Holt School is under Consumers Power.

Commissioner Price asked for an explanation of how BWL works with Michigan Saves and what types of improvements are eligible. Ms. Myott responded that loans are purchased for renovation so that the customer has 0% interest for a four-year period. Michigan Saves promotes the program and works with financial institutions to help finance the projects. Ms. Gow responded that windows, furnaces, air

conditioners, and building shell improvements are eligible. Consumers Energy contributes 60/40 with BWL. Ms. Gow also noted that the program may be phasing out as Consumers Energy will no longer be contributing to it.

Commissioner Graham asked whether new buildings being built were notified about energy reduction programs. Ms. Gow responded that anyone doing a new build is encouraged to contact BWL's commercial to make sure that what is being installed is the most efficient. Mr. Walters responded that there is a new construction program for commercial buildings.

Commissioner Zerkle asked whether Central Methodist Church received one of the grants and, if more difficulty occurs when obtaining contracts, what plans are in place to overcome the issues. Ms. Myott responded that the church received one of the grants and that a five-year plan is being constructed as the next couple of years are expected to be challenging.

Commissioner Lenz asked how non-profit grant recipients were selected. Ms. Gow responded that applicants need to be 501c3 organizations and the first applicants that qualify according to the guidelines are selected. There is a \$5,000 cap on the grant.

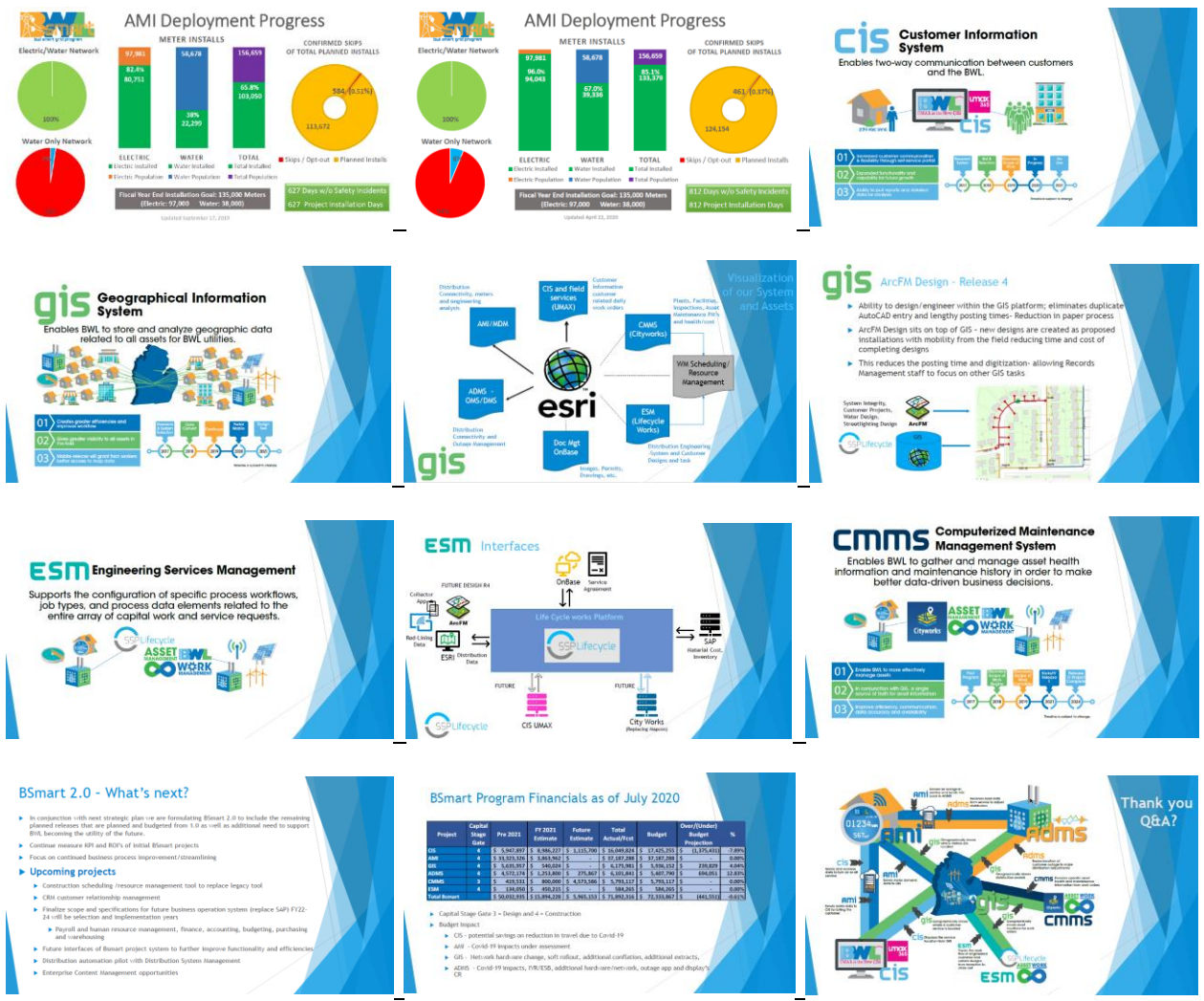
Commissioner Ross asked whether a portfolio of 222 MW of renewables by 2022 was correct. Ms. Myott confirmed. Commissioner Ross asked what amount of credit would be taken for the renewables. Ms. Myott responded that solar is 60% credit and wind is low and about 20% credit. GM Peffley responded that initially Pegasus wasn't going to be commissioned, so BWL switched to Ranger Solar. Pegasus was then negotiated for a lower cost and both Ranger Solar and Pegasus were kept. Pegasus started running September 10, 2020 and Ranger is ahead of schedule. GM Peffley will send the exact values to the Commissioners.

Commissioner Lenz asked where the BWL stands on the app project that monitors energy usage and when BWL would be rolling out the program to the customers. Ms. Myott responded that she would follow up as there isn't a specific date set yet for the app capability and it is part of the AMI program.

**BSmart Program Update**

Corporate Secretary M. Denise Griffin, on behalf of GM Peffley, introduced Enterprise Business Program Manager, Kellee Christensen, who provided information on the BSmart Program. Ms. Christensen highlighted the Advance Metering Infrastructure (AMI), Advanced Distribution Management System (ADMS), Geographical Information System (GIS), Customer Information System (CIS), and Enterprise Service Bus (ESB).





GM Peffley provided updated renewable portfolio numbers and stated that there will be 225 MW of wind and solar online at close of business next year. The daily average load of energy is 265 MW.

**Other**

There was no other business.

**Adjourn**

Commissioner Thomas adjourned the meeting at 6:41 p.m.

Respectfully Submitted  
 Tracy Thomas, Chair  
 Committee of the Whole

Commissioner David Lenz presented the Finance Committee Report:

**FINANCE COMMITTEE  
 Meeting Minutes  
 September 8, 2020**

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.

Finance Committee Chair David Lenz, called the September 8, 2020, 6:00 P.M. Finance Committee meeting to order at 6:51 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

Present: Commissioners David Lenz, Beth Graham, David Price, and Ken Ross. Also, present: Commissioners Deshon Leek, Tracy Thomas, and Sandra Zerkle; and Non-Voting Commissioners Douglas Jester (East Lansing) and Larry Merrill (Delta Township).

Absent: None.

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 July 21, 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) Proposed Internal Audit Charter, 2) Redlined Internal Audit Charter, 3) Resolution

### Baker Tilly External Audit Report and Resolution

Chief Financial Officer (CFO) Heather Shawa introduced external auditor Jodi Dobson, Partner at Baker Tilly Virchow Krause, LLP. Ms. Dobson presented and highlighted the external audit report which included an audit overview, observations and recommendations, and required communications to the governing body. BWL received an unmodified or clean opinion which is the highest level of assurance provided.

Ms. Dobson's presentation was as follows:







**Motion** by Commissioner Price, **Seconded** by Commissioner Ross to forward to the Board Meeting for consideration the Acceptance of the Resolution for the 2020 Audited Financial Statements.

**Motion** Carried by the following Roll Call Vote:

Yeas: Commissioners Lenz, Graham, Price, and Ross

Nays: None

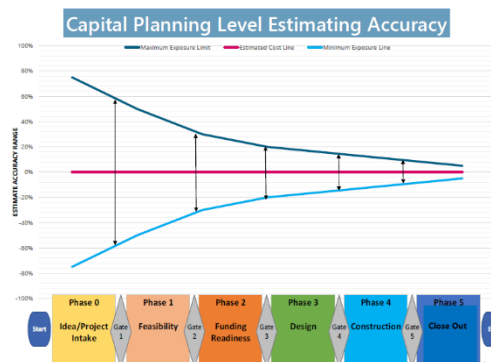
### July YTD Financial Summary

CFO Heather Shawa gave a review of the July 2020 Financial Summary. Ms. Shawa reported the following: revenue was \$34.6 million compared to budget of \$33.1 million; operating expenses were \$21.6 million compared to budget of \$25.7 million; and Net Income was positive at \$9.3 million compared to budget of \$3.5 million.

Commissioner Lenz commented that BWL is doing an outstanding job of maintaining revenues as the audited financial statements and July financial summary includes the shutdown of General Motors and COVID19.

### Capital Project Exceedance (CPE) Revision

CFO Ms. Shawa presented the Capital Project Exceedance Revision.



Chair Lenz commented that the resolution is going to change the benchmark point of when projects are monitored, allow the projection of more accurate project budgets, and provide tighter control on project costs.

Commissioner Zerkle questioned when the Capital Project Exceedance (CPE) Budget is brought to the Board. She also asked when is staff asked for the ideas for that particular Budget. CFO Shawa responded that the staff is asked for ideas in November and the CPE Budget is presented to the Board in May. Currently a project is brought forward as an exceedance based on the project intake phase. General Manager Peffley responded that during the early phases there may be an overestimate of costs and then the amount requested and received is spent. The resolution will narrow down the project amount requested to ensure capital funds are available for all of the necessary utility priorities.

Commissioner Ross commented on the inefficiencies in the CPE budget process. Previously there were transparencies in the budget process of the top 80% of the projects by dollar volume which hasn't carried through this year. Commissioner Ross added that in the amendment of the exceedance approval there are some key terms that are not defined. General Manager Peffley responded that transparency and tracking in the top 80% of the projects can be reinstated at the

Chair's request at a Finance Committee meeting. CFO Shawa responded that she can have the capital project information of line items by project sent out to the Finance committee. CFO Shawa also responded that there are guidelines within an operational capitalization policy which defines annual and planned projects and can be sent to the committee.

Commissioner Zerkle asked about the procedure included in the resolution regarding the General Manager revising the procedure. Chair Lenz stated the resolution states that the General Manager will report excessive exceedances. Commissioner Ross commented that there should be definitions added and recognition of additional reporting; and the Board should not manage the projects but should be given the necessary tools for effective oversight, and for those reasons he will be voting no.

**Motion** by Commissioner Price, **Seconded** by Commissioner Graham to forward the Capital Project Exceedance Revision Resolution to the full Board for consideration.





**Motion** Carried by the following Roll Call Vote:

Yeas: Commissioners Lenz, Graham, and Price

Nays: Commissioner Ross

## **Internal Audit Status Report**

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

 <b>Internal Audit Status Report</b>  Presented by: Wesley Lewis, Director of Internal Audit Finance Committee Meeting September 8, 2020	<b><u>Overview</u></b> <ul style="list-style-type: none"><li>• Status Report</li><li>• Other Items</li></ul>	<b><u>Status Report</u></b> <b><u>FY 2020 Audit Engagement in Progress:</u></b> <ol style="list-style-type: none"><li>1. Energy Risk Management</li></ol> <b><u>FY 2021 Audit Engagements (Beginning Stages):</u></b> <ol style="list-style-type: none"><li>1. MPPA and MISO Billings</li><li>2. IT - Cybersecurity Process</li><li>3. IT - Vulnerability Assessments</li><li>4. PCards</li></ol> <small>Note: A request for proposal (RFP) was sent out to several IT audit consultant vendors for bids for #2 and #3 above. Once received, the bids will be evaluated by the vendor selection committee, then the best vendor will be selected.</small>
	 Finance Committee Meeting 9/8/2020 2	 Finance Committee Meeting 9/8/2020 3
<b><u>Other Items</u></b> <ol style="list-style-type: none"><li>1. Internal Audit Outreach With Other BWL Departments</li><li>2. Update on Ongoing Education and Certification of IA Staff</li></ol>		
 Finance Committee Meeting 9/8/2020 4		

## **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

GM Peffley recommended that management should bring a semi-annual update to the Finance Committee Meeting on the state of the capital projects, with the Chair's permission and as in depth as the Chair prefers at the time.

### UNFINISHED BUSINESS

None.

### NEW BUSINESS

None.

### RESOLUTIONS

#### **RESOLUTION 2020-09-01**

#### **Fiscal Year 2020 Audited Financial Statements of the Enterprise Fund and Pension Fiduciary Funds**

RESOLVED, that the fiscal year 2020 Audited Financial Statements of the Board of Water and Light have been reviewed and are hereby accepted as presented.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2020 Audited Financial Statements of the Board of Water and Light and the report on auditing procedures with the State Treasurer as required by the Uniform Budgeting and Accounting Act (Public Act 2 of 1968, as amended) no later than December 31, 2020.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2020 Audited Financial Statements of the Board of Water and Light with the City of Lansing no later than October 2020.

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**Motion** by Commissioner Lenz, **Seconded** by Commissioner Graham, to accept the 2020 audited financial statements.

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

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

**Nays:** None.

**Action:** Motion Carried.

#### **RESOLUTION 2020-09-02**

#### **Capital Project Exceedance Approval Revision**

RESOLVED, that Board of Water and Light Policy 15-02 "Capital Project Exceedance Approval" is hereby amended as follows:

RESOLVED, that any approved capital project that is expected to exceed its total budget amount by both 15% and \$200,000 or more must have the exceedance approved by the Commissioners prior to completion of the project; and

RESOLVED, that in the case of "planned" capital projects the total budget amount is the project's designed budget amount; and

RESOLVED, the General Manager shall report the expected exceedance to the Commissioners as soon as reasonably possible; and

RESOLVED, this policy applies to the aggregate total budget amounts for electric, water, steam, and chilled water "annual" capital projects and to the individual total designed budget amounts for "planned" capital projects; and

RESOLVED, the General Manager shall establish and implement procedures overseeing capital project costs consistent with this policy.

This resolution supersedes Resolutions 200-3-2, 2001-6-16 and 2015-07-05.

**Staff comments:**

In the existing Policy, a project's Total Budget Amount can be based on the initiation (Intake) phase of a project. This amount is usually based on historical or industry estimates of similar projects and does not capture issues that can significantly affect the cost of a project.

When the capital budget/forecast is developed, a project's cost that is shown in the budget reflects the quality of information know at that time. For any project, it would reflect where the project is in its lifecycle: Initiation (Intake), Feasibility, Design, Construction/Commissioning, or Close-out stage.

It is recognized by the Project Management Profession that projects in the Initiation (Intake) phase can have a margin of error that can range from 50% to 200% of the actual completion cost. As a project matures through the design phase, the margin of error reduces to 5 to 15%.

The recommendation to use the design cost as the basis for reporting a project's exceedances aligns with the existing BWL policy of reporting an exceedance when a planned project's expected completion cost is in excess of 15% and \$200,000 of the designed cost

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**Motion** by Commissioner Lenz, **Seconded** by Commissioner Mullen, to accept the Resolution for the Capital Project Exceedance Approval Revision.

Commissioner Ross stated that he would be voting no due to three concerns. The first two concerns are dealt with in the recommendation GM Peffley mentioned earlier, management bringing forward a periodic report and Commissioner Ross is hoping it includes transparency and the budget process - clear indications of what items are being approved, when and in what amount. The third concern is that definitions of planned capital projects and annual capital projects need to be included in the policy so that if the definition is changed the policy will need to be changed.

Commissioner Zerkle asked whether the procedures would be presented in a Finance Committee meeting by the end of the year opposed to waiting until March as was discussed in a previous meeting. GM Peffley responded that was still the plan.

**Roll Call Vote:**

**Yeas:** Commissioners David Price, Beth Graham, David Lenz, Tony Mullen, Tracy Thomas, and Sandra Zerkle.

**Nays:** Commissioner Ross

**Action:** Motion Carried.

**MANAGER'S REMARKS**

General Manager Dick Peffley provided information on the following items:

1. There are signs placed throughout the city thanking BWL employees and additional signs are available for delivery to those who would like to set one outside.
2. A notification was on social media of emergency steam work being conducted on South Street. It wasn't an emergency problem but that is the name of the REO backup system steam work project as the Eckert plant is closing.

**COMMISSIONERS' REMARKS**

Commissioner Ross stated that a member of the public spoke at the recent City Council meeting regarding a sign that was to be placed at the Sunken Garden. Commissioner Ross asked whether BWL committed to place a sign. GM Peffley responded that he would look into whether the commitment was made.

Commissioner Ross stated that in a recent meeting there was a presentation on renewable energy and it was said that about 225 MW's worth of renewable power would be on line by 2021. Commissioner Ross stated that at the time of the meeting, the number for the credit value was not provided and Mr. Peffley indicated that he would follow up with the numbers, but Denise built into the minutes a 60% solar credit value and a 20% wind credit value. Commissioner Ross asked what sub-credit would be able to be taken with the creditable amount for wind being 60% and solar power 20%. GM Peffley responded that he would calculate the mix and send it out by the end of the week.

Commissioner Ross requested that the Integrated Resource Plan (IRP) process and Strategic Plan process be placed on a future agenda for discussion, examination and for the asking of questions in order to have an effective strategic planning session. Commissioner Ross would also like questions and answers to the process to be posted. With this information the Commissioners will be better equipped to fulfill their role. Commissioner Price responded that a meeting has been scheduled at the end of October with Commissioner Thomas for a discussion on the Strategic Plan, of which the IRP is a part.

Commissioner Mullen asked what wasn't being addressed. Commissioner Ross stated that the managements' 60-page IRP was just received, into which several pages of documents of studies, reports, surveys and community engagement summaries feed, and none of this information has been reviewed or discussed regarding what will happen with the IRP. Commissioner Mullen responded that he has received discussion and answers from Ms. Ekren.

Chair Price stated that the IRP will be on the agenda at the next Committee of the Whole meeting and questions can be asked with discussion following.

Commissioner Zerkle commented that a presentation was given on the IRP a couple months ago. She added that BWL's first responders include the executive staff and they should be included in those to get the vaccines first as soon as it is offered.

Commissioner Thomas commented that there was a presentation given on the IRP and also agreed with Chair Price for scheduling additional discussion at the next Committee of the Whole meeting. Commissioner Thomas noted that what has been previously discussed is on the Commissioner dashboard. Commissioner Thomas also thanked GM Peffley and his staff for providing opportunities to tour the Delta Energy Plant.

Chair Price congratulated Executive Director Steve Serkaian for being elected as President of the Greater Lansing Arts Council.

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

**Motion** by Commissioner Ross, **Seconded** by Commissioner Graham, to excuse Commissioner Deshon Leek from tonight's meeting.

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

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

**Nays:** None.

**Action:** Motion Carried.

#### **PUBLIC COMMENTS**

Mr. Randy Dykhuus expressed his agreement with Commissioner Ross regarding attention given to and examination of the IRP and requested consideration for ample public input.

#### **ADJOURNMENT**

Chair Price adjourned the meeting at 6:12 p.m.

M. Denise Griffin, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 9-25-20

Approved by the Board of Commissioners: 11- -20

Official Minutes filed (electronically) with Lansing City Clerk: 11- -20

Submitted on Tue, 10/20/2020 - 11:15 AM

**Select a Commissioner:**

All Commissioners

**Name**

Randy Dykhuis

**Street Address**

418 N Sycamore Street  
Lansing, Michigan. 48933

**Email Address**

[randy@dykhuis.net](mailto:randy@dykhuis.net)

**Message**

The Lansing Environmental Action Team would like to offer input about the IRP's focus on becoming carbon neutral. BWL management presents it as their goal without grappling with associated challenges and uncertainties. We offer this analysis by Andrew Sarpolis of the Sierra Club. Please click on this link to read the document.

<https://drive.google.com/file/d/1wfoHXZZaw7W2lCOjbZdys8MW1lSKMxHG/view?usp=sharing>.

Thank you for your thoughtful attention.



Submitted on Fri, 10/16/2020 - 8:06 AM

**Select a Commissioner:**

All Commissioners

**Name**

Elaine Fischhoff

**Street Address**

2536 WINDBREAK LN  
LANSING, Michigan. 48910

**Email Address**

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

**Message**

It's my understanding that the Board has already been presented with the IRP and now is in the process of providing feedback and guidance for purposes of developing the 2020 Strategic Plan.

A strategic plan begins with a vision statement. In such statement, BWL should acknowledge the accelerating pace of climate change and its critical role in addressing greenhouse gas emissions. That existential threat should require BWL, as an energy provider, to also include a commitment to minimize carbon and other climate-changing substances at an increasing pace that is practicable and maximizes efficiency while assuring reliable and affordable energy, as well as maintaining BWL's positive rating from most of its customers.

BWL should acknowledge that a transition from centralized fossil fuel-generation to lower carbon renewable, distributed generation is foundational.

BWL should declare that it will be changing from one-way electricity flowing from a central plant to a customer toward two-way energy information, storage, and delivery between customers and BWL to benefit all.

BWL should declare that it will be changing from steady and increasing loads toward flat and declining loads, as customers choose self-generation and utilize beneficial energy efficiency programs.

BWL should declare that it will be changing from separate fuels for treatment of thermal, lighting, and transportation energy toward convergence through the strategic electrification of resources.

BWL should declare that it will be changing from the traditional planning method to meaningful innovation planning as BWL moves toward better distributed and carbon free energy solutions for its customers.

From: Douglas, Heather [<mailto:dougl239@msu.edu>]  
Sent: Thursday, October 29, 2020 6:29 AM  
To: MDenise Griffin <[MDenise.Griffin@lbwl.com](mailto:MDenise.Griffin@lbwl.com)>  
Cc: Douglas Jester <[djester@5lakesenergy.com](mailto:djester@5lakesenergy.com)>  
Subject: Comment to LBWL

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Dear Board members and staff of LBWL,

First, I would like to thank the staff of LBWL for making available the electricity production mix for 2019. This kind of information should be made publicly available, as we all learn to track the sources of energy and their environmental impacts.

Second, I would like to note that LBWL does not appear to be meeting the minimum requirements for renewable energy generation set by the State of Michigan— under Public Act 342, each utility (including municipal utilities) should have at least 10% of their electricity generated by renewable sources by 2015, 12.% by 2019, and 15% by 2021. The data provided me by LBWL shows that in 2019 the utility only produced 8.5% of its electricity from renewable sources.

In short, it seems that LBWL is well behind the demands of PA 342. I would encourage the Board to address this shortcoming as quickly as possible. LBWL should not be behind the minimum legal standards. Rather, it should be out front, leading the way, particularly as renewable sources are now actually less expensive than fossil fuel sources. Continued neglect of renewable sources is a burden not just to the environment but to the consumer and ratepayer.

Best,

Heather Douglas  
East Lansing Resident, LBWL consumer

(This communication included a spreadsheet.)

Submitted on Sun, 11/08/2020 - 7:37 PM

**Select a Commissioner:**

Larry Merrill (Non-Voting)

**Name**

Fred Kapp

**Street Address**

5005 Applewood Dr  
Lansing, Michigan. 48917

**Email Address**

[fredkapp@yahoo.com](mailto:fredkapp@yahoo.com)

**Message**

Hello Larry Merrill,

The street lights are still not working. It was bad enough when the kids were out on Halloween but my neighbors say that two persons are walking through the and entering cars that were unlocked on Saturday Nov 7th around 3 am. Three neighbors told me they called BWL and were told 2-3 weeks for repairs.

Can you tell me the status please? Thank you for your time.

Thanks, Fred

## HUMAN RESOURCES COMMITTEE

### Meeting Minutes

October 27, 2020

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, October 27, 2020.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e7ca10a2642bf510c451dbe02041824cb>

Event Number for Attendees: 132 620 4526 Event Password: qiN4RQwC9K3

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 620 4526

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, Holt, MI
Tracy Thomas, remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI (arrived 6:16 p.m.)
Stuart Goodrich remotely, Delhi Township	Beth Graham remotely, Lansing, MI
David Lenz remotely, Lansing, MI (arrived @5:43)	Michigan Larry Merrill remotely, Delta Twn, MI
David Price remotely, Lansing, MI	Ken Ross remotely, Lansing, MI

Absent: None

The Corporate Secretary declared a quorum.

#### **Public Comments**

None.

#### **Approval of Minutes**

**Motion** by Commissioner Tracy Thomas, **Seconded** by Commissioner Deshon Leek, to approve the Human Resources Committee meeting minutes of September 08, 2020.

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

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

**Nays:** None.

**Action:** Motion Carried.

#### **PA 152 Health Care Premium Resolution**

HR Committee Chairperson Tony Mullen introduced General Manager (GM) Dick Peffley who introduced Lynette Keller, Executive Director of Human Resources, to present information regarding the PA 152 Health Care Premium resolution. Ms. Keller reviewed and discussed the public employer contribution to BWL's medical benefit plan regarding the 2011 Public Act 152's employer caps on healthcare cost and the affordability requirement of the Patient Protection & Affordability Care Act. Ms. Keller stated that BWL has three options:

- Comply with PA 152 and limit expenditures on health care cost based on a schedule of dollars provided in the Act using the Hard Cap as updated annually every April;
- Limit expenditures on health care cost based on an 80/20 percentage split, requiring a majority vote

- Exempt itself entirely from the Act & choose some other percentage of Premium sharing, requiring a 2/3 vote.

Ms. Keller explained that BWL's Blue Plan Option and Green Plan Option, which are alternatives to PA 152, are an 80/20 cost share. The Blue Plan Option is the traditional option. The Green Plan Option was added in 2020 for non-bargaining unit employees and has been added for 2021 for bargaining unit employees. The illustrative rates for the plan options indicate that the Blue Plan Option exceeds the hard cap set and the Green Plan doesn't, which attests the Green Plan is a more affordable plan for participants.

Chair Mullen asked why a participant would select the Blue Plan Option instead of the Green Plan Option if they can save \$800 in the Green Plan Option with premium costs. Ms. Keller responded that it is a matter of participant choice as the Blue Plan Option offers a lower deductible of \$250 in comparison to the \$1000 deductible in the Green Plan Option.

The recommendation is that the Board select option 2 and limit expenditures on health cost based on an 80/20 percentage split in premium sharing contribution, requiring a majority vote for all active employees' medical benefits, effective January 1, 2021. Ms. Keller requested that the proposed Resolution be forwarded to the full Board for approval.

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#### Proposed Resolution

##### PA 152 - Health Care Premium Sharing

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

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

WHEREAS, the Act contains three options for complying with the requirements of the Act;

WHEREAS, the three options are as follows:

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

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2021 through December 31, 2021;

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

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2021 through December 31, 2021.

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**Motion** by Commissioner Deshon Leek, **Seconded** by Commissioner Tracy Thomas, to forward the proposed resolution for PA 152 Health Care Premium Sharing to the full Board for consideration.

**Roll Call Vote:**

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

**Nays:** None.

**Action:** Motion Carried.

**Retirement Plan Committee (RPC) Update**

HR Chair Mullen introduced GM Peffley who spoke about the Retirement Plan Committee updates. GM Peffley delegated operational oversight of the 401a and 457b retirement plans to the RPC. GM Peffley stated that a retirement plan packet will be sent to each employee with an explanation of corrected errors from the Enterprise Software System (SAP) and that no action is necessary by employees. Participants that were underfunded will receive a credit, but no reimbursement will be required from participants that were overfunded. CFO Ms. Heather Shawa and Ms. Keller were present to answer questions.

Chair Mullen asked whether the costs to the BWL would be out of pocket. GM Peffley responded that the costs were \$2.5 million to BWL and \$500,000 to International City Management Association Retirement Corporation (ICMA-RC). The full error is approximately \$3 million

Chair Mullen asked how many employees currently employed at the Board were affected. CFO Shawa responded that approximately a little over 1,200 participants, including retirees, were affected and there are 1,400 plan participants. Chair Mullen asked whether an average dollar average per person has been figured. CFO Shawa responded that calculations are being made, what process are underway, and that the information will be made available.

Commissioner Ross inquired about the low and high dollar range amount for the 1,200 employees affected, whether there would be tax implications for the Board or employees, and if there was any insurance coverage available to cover the costs. CFO Shawa responded that the dollar amount range of the error includes pay codes for some participants, ICMA-RC allowance for some participants, and a combination of both for some participants. CFO Shawa stated that the data will be provided and should be ready for the next Human Resources Committee meeting. CFO Shawa responded that the current information available is that the minimum is \$2.43 and the maximum is about \$43,000, that there are no individual tax impacts which can't be adjusted through the employee's payroll deduction, and there is no insurance coverage.

Commissioner Graham inquired how the errors were found and whether there were costs incurred with Plante Moran for the corrections. CFO Shawa responded that Plante Moran noticed during the review of BWL's updating of documents and procedures that how the administrative allowance was to be distributed to participant's accounts was not being done. CFO Shawa also responded that Plante Moran had given a fixed price for services to be rendered and no additional costs to Plante Moran were incurred.

Commissioner Leek asked whether participants were immediately notified of the error. CFO Shawa responded that participants are being notified of the error and a formal mailing will be sent out next week. Each participant will be given specific information regarding their plan. ICMA-RC has a dedicated phone line set for any questions, plus BWL Benefit Analyst, Ms. Donna Ford, and Senior Benefits Administrator, Mr. Mark Dykema, will be available for retirees and employees respectively.

Commissioner Thomas asked for an estimate of the total cost along with the \$2.5 million and \$500,000. GM Peffley responded that including internal labor, outside counsel, and a compliance review, an estimate of additional costs would be \$100,000. Commissioner Thomas commented that it was bad news, but wanted to know the numbers for all parts involved.

Commissioner Merrill asked where the liability will be covered in BWL's funds and would any of it be covered in excess funding in the pension plan, whether it would be fully expensed to operations, or whether there will be an adjustment to prior year balance to offset the liability. CFO Shawa responded that the current plan is to cover it with operating funds. In the November 2020 Finance Committee meeting and the annual Trustees meeting, a funding procedure update in the VEBA plan will be presented. CFO Shawa added that it would be covered in the current 2020 fiscal year.

### **Personnel Matter**

Closed Session (Personnel Matter)....MCL 15.268 (h) & MCL 15.243 (g). Internal Auditor Wesley Lewis requested to go into closed session to discuss a personnel matter.

**Motion** by Commissioner Deshon Leek, **Seconded** by Commissioner Tracy Thomas to go into closed session as requested by Internal Auditor Wesley Lewis for the purpose of discussing a Personnel Matter regarding Mr. Wesley Lewis, as permitted by the Open Meetings Act, specifically MCL 15.268(h) and MCL 15.243(g).

Roll Call Vote:

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

**Nays:** None.

**Action:** Motion Carried.

**Motion** by Commissioner Deshon Leek, **Seconded** by Commissioner Tracy Thomas to designate Yolanda Bennett as the Board's attorney and as the Secretary for the purpose of taking notes in the closed session to avoid any potential conflict of interest between Board Appointed Employees.

Roll Call Vote:

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

**Nays:** None.

**Action:** Motion Carried.

*The Human Resources Committee Meeting went into closed session at 6:16 p.m.*

Commissioner Zerkle arrived at the HR Committee meeting remotely from Lansing, MI at 6:16 p.m.

**Motion** by Commissioner Deshon Leek, **Seconded** by Commissioner Tracy Thomas, to return to 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 Meeting reconvened to open session at 7:37 p.m.*

Chair Mullen opened the floor for discussion regarding processes in the future for governance issues. A lengthy question and answer and discussion period followed. Commissioner Merrill suggested that Chair Price to appoint a policy committee to put together a comprehensive set of

guidelines and roles and responsibilities of committees, board members and officers. In conclusion it was determined that Commissioner Price, Chair Mullen, General Manager Peffley and Internal Auditor Wesley Lewis would meet for an informal discussion and a report would be brought back to the Body (Board).

**Other**

None.

**Adjourn**

**Motion** by Commissioner Zerkle to adjourn the meeting.

Chair Mullen adjourned the meeting at 8:00 p.m.

Respectfully Submitted,  
Tony Mullen, Chair  
Human Resources Committee



## COMMITTEE OF THE WHOLE

### Meeting Minutes

October 29, 2020

Due to public safety concerns resulting from the COVID-19 Pandemic, the Committee of the Whole meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI, on Thursday, October 29, 2020.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e3f3f9071e512340673f503497ce5075d>

Event Number for Attendees: 132 320 0774 Event password: StV2CW7mEz7

Audio conference: United States Toll +1-408-418-9388 Access code: 132 320 0774

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:

Tracy Thomas 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 (arrived @5:41)

Larry Merrill remotely, Delta Township, MI

Tony Mullen remotely, Lansing, MI

David Price remotely, Lansing, MI

Ken Ross 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 David Price, **Seconded** by Commissioner Beth Graham, to approve the Committee of the Whole meeting minutes of September 8, 2020.

A roll call vote was taken:

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

Nays: None

**Action:** Motion Carried.

### **Strategic Foundation**

COW Chair Thomas introduced Ms. Brandie Ekren, Executive Director of Strategic Planning and Development, who presented the Strategic Plan Foundation information. COW Chair Thomas stated that the presentation will include clarity on the Integrated Resource Plan (IRP) and how it interacts with the strategic planning activities. The strategic landscape report, questions and comments regarding the IRP from fellow commissioners, and responses by Ms. Ekren have been filed and are available. Ms. Ekren introduced Planning & Development Manager, Steve Brennan, and Strategic Plan & Development

Analyst, Rechelle Smith. Ms. Ekren highlighted the strategic planning process and framework; basic components for a strategic foundation and points of clarity for the Integrated Resource Plan (IRP). Much of the meeting was focused on discussing the BWL's current foundational statements: Mission, Vision and Values.

Questions for each are summarized as follows:

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## Mission Statement Discussion

*The mission of the BWL is to provide safe, reliable, and affordable utility products and services to the Greater Lansing Region. Together, the BWL's Board, management, and employees will plan for sustainable growth, be responsible environmental stewards, and be active participants in the Lansing Community's economic and cultural initiatives.*

1. Does this still represent the mission of the BWL?
2. Are the key components of the mission still relevant?
3. Should and can it be enhanced or revised?

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## Vision Statement Discussion

1. Does this still represent the vision of the BWL?
2. Does the vision statement paint a picture of accomplishments to celebrate in the future?
3. Is it realistic or accomplishable?
4. Is it inspiring?
5. Should and can it be enhanced or revised?

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## Value Statements Discussion

1. Do the value statements reflect BWL culture?
2. Do the value statements illustrate how the BWL conducts business?
3. Do the value statements illustrate how the BWL treats its employees and the community?
4. Do the value statements relate to the BWL's mission?

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There was an abundant amount of discussion that resulted in a few key take ways for each:

### **Mission**

- Key components of safety, reliability, affordability sustainable growth, responsible stewardship and active participation in economic and cultural initiatives are still relevant for the mission.
- Needs to capture municipal ownership
- Climate and environment remain relevant as well, however prefer to also capture in vision
- Should be brief and straight to point.

### **Vision**

- Partnership journey with customers given anticipated industry changes
- Climate and carbon neutrality need to be captured
- Desires the vision to capture employees as well as customers.
- Prefer to be the utility of choice as opposed to circumstance

### **Values**

- Values remain same, but requiring some updating
- Being environmentally focused needs to be emphasized

Ms. Ekren stated that the next steps would summarize this discussion; to send a summary feedback of previous discussions; and also, to update priorities and strategies, and continue the discussion.

Ms. Ekren provided some points of clarity on the Integrated Resource Plan (IRP) and carbon neutrality. The IRP is for further planning of the electric generating side of the business and it involves a 20-year outlook that is updated every four to 5 years with new technologies, resources and costs. Future planning includes current information on energy storage.

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## Integrated Resource Plan – Clarity

### WHAT IT IS

- Primarily focused on the electric generating side of the business
- Operational tool for assessing customer energy needs based on a 20-year outlook
- A planning guide that is updated regularly to incorporate new technologies and resource costs
- Inclusive of both internal and external experts experienced in utility operations, energy forecast modeling and industry insights
- Recommends considerations for further planning

### WHAT IT IS NOT

- It is NOT the corporate strategic plan
- It does NOT establish the strategic focus and priorities of the organization
- It does NOT have the same function as an IRP for investor owned utilities
- It is NOT a policy document to be approved by the governing body
- It is NOT approved by the Public Service Commission

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Commissioner Jester commented that although, the IRP is not a policy document to be approved by the governing body but stated that they should have an expectation on the electricity supply side or in energy efficiency. Ms. Ekren responded that expectations are addressed in the corporate planning process in updating corporate strategies and goals. Beneficial electrification opportunities are addressed climate and revenue recovery interests. Commissioner Jester added that one of the conclusions from the IRP should be to the retiring of Erickson before 2025 and discontinuing Belle River before 2025. Ms. Ekren responded that the IRP does ask for those two items to be re-evaluated and it is something staff should consider. Board Chair Price suggested going to the BWL website and reviewing the strategic plan and IRP.

Ms. Ekren continued on and concluded the discussion with carbon neutrality and explaining that it doesn't mean carbon free but a net zero output. She highlighted the reasons for introducing carbon neutrality as technology allowing the balance of affordability and reliability, the expansion of BWL's clean energy planning, the setting of affordable goal that influence climate conscious behavior, and the incorporation of eco-strategy opportunities of additional utilities.

### Other

There was no other business.

### Adjourn

Commissioner Thomas adjourned the meeting at 7:02 p.m.

Respectfully Submitted  
Tracy Thomas, Chair  
Committee of the Whole

# **Human Resources Committee Meeting Report**

## **Tony Mullen, Chair**

The Human Resources Committee met via WebEx on **November 10, 2020.**

The Committee was presented with a Resolution for the 401 (a) Plan 2 Adoption Agreement and Defined Contribution Plan and Trust 2 Addendum. This resolution will authorize for the Administrative Allowance corrections to the Plan Adoption Agreement. That Resolution is being presented this evening for consideration.

There was discussion pertaining to the questions that were submitted by the Commissioners to the Administration regarding the administrative error that effected the 401a and 457b retirement plan.

Thank you and that concludes my Report.

*Tony Mullen, HR Chair*  
*11-17-20*

**Committee of the Whole Committee Report  
November 10, 2020 via WebEx  
Tracy Thomas, Chair**

The Committee of the Whole met on November 10, 2020 via WebEx.

The Committee of the Whole discussed the draft strategic foundation (mission, vision and values) considerations that were presented by Ms. Brandie Ekren, the Executive Director of Strategic Planning and Development. Ms. Ekren also presented the proposed 2021-2025 Strategic plan priorities and strategies, a roadmap for process completion and a document template.

Thank you, that completes my report.

Tracy Thomas, Chair Committee of the Whole

*November 17, 2020*

**Finance Committee Meeting Report**  
**November 10, 2020**  
**David Lenz, Chair**

The Finance Committee met on **November 10, 2020**.

Chief Financial Officer Heather Shawa presented the September Year-To-Date Financials, and provided an update on behalf of the Retirement Plan Committee.

The Committee was presented with a Resolution for the Utility System Revenue Bond Amendment. That Resolution is on the agenda this evening for consideration.

Internal Auditor Wesley Lewis presented a Status Report.

There was further discussion regarding the administrative error that affected the 401a and 457b retirement plan. It was determined this discussion would be continued, at a later date, to allow for a sufficient amount of time for the Administration to answer the submitted questions.

Thank you and that concludes my Report  
David Lenz, Finance Chair  
11-17-20

# **Pension Fund Trustees Meeting Report**

## **David Price, Chair**

The Pension Fund Trustees met via WebEx on **November 17, 2020**.

The Trustees were provided the FY 2020 Audited Financial Statements for the Defined Benefit Plan and Trust for Employees' Pensions ("DB"), the Post-Retirement Benefit Plan and Trust ("VEBA"), and the Defined Contribution and 457 Deferred Compensation Plans and Trusts ("DC"). All Plans received clean audit reports. Earlier today the Audited Financial Statements were Accepted by Resolution, and now we have a Resolution for the Acknowledgment of the Accepted Financial Statements. That Resolution will be presented later this evening for consideration.

Thank you and that concludes my Report.

*David Price, Board Chairperson*  
*11-17-20*



Proposed Resolution  
PA 152 - Health Care Premium Sharing

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

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

WHEREAS, the Act contains three options for complying with the requirements of the Act;

WHEREAS, the three options are as follows:

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

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2021 through December 31, 2021;

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

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2021 through December 31, 2021.

Proposed Resolution  
Amendment to Defined Contribution Plan and Trust 2

WHEREAS, the Board of Water and Light (the "Sponsor") sponsors the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the "Plan"); and

WHEREAS, the Sponsor wishes to ensure consistency with the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 and to restate the Plan's Adoption Agreement to specify particular pay code categories that are included or excluded from "Earnings" as defined by the Plan.

THEREFORE, it is:

RESOLVED, that after its review, the Sponsor adopts and approves the attached restated Adoption Agreement, effective as stated therein; and

FURTHER RESOLVED, that the Chair of the Board is hereby authorized to execute the restated Adoption Agreement and related documents on behalf of the Sponsor.

Proposed Resolution  
2021 Regular Board Meeting Schedule

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

RESOLVED, that regular meetings of the Lansing Board of Water & Light's Board of Commissioners are hereby set for calendar year 2021 as follows, unless otherwise notified or as a result of date conflicts with rescheduled City Council meetings:

**2021**

**Lansing Board of Water & Light Board of Commissioners**  
**Regular Board Meeting Schedule**

Tuesday	January 26
Tuesday	March 23
Tuesday	May 25
Tuesday	July 27
Tuesday	September 28
Tuesday	November 16

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

RESOLVED FURTHER, that a notice of the meeting schedule shall be published in a newspaper of general circulation in Ingham County the week of January 1, 2021.

Proposed Resolution  
Resolution to Amend Utility System Revenue Bond Resolution

A RESOLUTION TO AUTHORIZE:

- An amendment to modify the interest rate parameter of variable rate Bonds to complete the Delta Energy Park.

WHEREAS, the City of Lansing, acting by and through the Lansing Board of Water and Light, from time to time issues its utility system revenue bonds payable from revenues of the water supply, steam, chilled water and electric utility system under the provisions of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, on March 27, 2018 the Board approved the Amended and Restated Bond Resolution (as amended on March 26, 2019, the “Bond Resolution”), which authorized issuance of utility system revenue bonds in order to finance the costs of various improvements, including Delta Energy Park, defined as the “Series 2019 Project” in the Bond Resolution; and

WHEREAS, in order to finance costs of the Series 2019 Project, the Bond Resolution authorized the utility system revenue bonds in an amount not-to-exceed \$500,000,000 (the “Series 2019 Bonds”), and authorized the Chief Financial Officer to sell the Series 2019 Bonds without further resolution of this Board at a maximum interest rate not-to-exceed 5.50% per annum; and

WHEREAS, on June 25, 2019 the Board delivered the \$319,875,000 Utility System Revenue Bonds, Series 2019A as the first series of the Series 2019 Bonds; and

WHEREAS, the Board intends to sell additional series of Series 2019 Bonds to finance costs to complete the Series 2019 Project, with such series designation as determined at the time of sale by the Chief Financial Officer to reflect the sequence and the year of sale or delivery of such series of Series 2019 Bonds, currently anticipated to be January 2021 (the “Series 2021 Bonds”); and

WHEREAS, based on the advice of PFM Financial Advisors LLC (the “Municipal Advisor”), if the Board sells a portion of the Series 2021 Bonds as variable rate Bonds, the Board may obtain more favorable prior redemption provisions and reduce interest expense; and

WHEREAS, standard interest rate provisions for variable rate Bonds, such as the default rate formula or post-tender rate mode formula, provide that the interest rate shall not exceed the maximum rate permitted by law; and

WHEREAS, the Board wishes to amend the maximum interest rate provision of the Bond Resolution to avoid any ambiguity and correct and supplement the Bond Resolution to facilitate sale of Series 2021 Bonds as variable rate Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in the Bond Resolution.

Section 2. Amendment to Maximum Interest Rate. Section 33 of the Bond Resolution is hereby deleted and replaced with the following:

Section 33. Sale of Series 2019 Bonds. The Chief Financial Officer is authorized, in consultation with the Municipal Advisor, to accept an offer to purchase the Series 2019 Bonds without further resolution of this Board. This authorization includes, but is not limited to, determination of original principal amount of the Series 2019 Bonds; the prices at which the Series 2019 Bonds are sold; the date of the Series 2019 Bonds; the schedule of principal maturities and whether the Series 2019 Bonds shall mature serially or as term bonds; provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Series 2019 Bonds; and application of the proceeds of the Series 2019 Bonds. Approval of the matters delegated to the Chief Financial Officer under this resolution may be evidenced by her execution of the Bond Purchase Agreement for the Series 2019 Bonds or other offer to purchase the Series 2019 Bonds, or a certificate of award of sale, or the Official Statement.

The maximum interest rate of the Series 2019 Bonds sold as fixed rate Bonds shall not exceed 5.50% per annum. The maximum interest rate of the Series 2019 Bonds sold as variable rate Bonds shall not exceed the maximum rate permitted by law, and in the case of any variable rate Bonds issued initially in a fixed rate mode, such initial fixed rate shall not exceed 5.50%. The purchase price for the Series 2019 Bonds, exclusive of any original issue discount or premium, shall not be less than 97% of the principal amount of the Series 2019 Bonds, plus accrued interest, if any. In making such determinations the Chief Financial Officer is authorized to rely upon data and computer runs provided by the Municipal Advisor.

Section 3. Amending Resolution. The Board hereby determines that this resolution is adopted for the purpose of amending and supplementing the Bond Resolution in order to cure an ambiguous provision and correct and supplement a provision contained in the Bond Resolution, and does not have a material, adverse effect on the interests of the Registered Owners of the Bonds. Therefore, pursuant to the provisions of Section 28(a) of the Bond Resolution, this resolution can be adopted without the consent of or notice to the Registered Owners of any of the Outstanding Bonds.

Section 4. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph

headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 5. Conflicting Resolutions; Effective Date. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded. This resolution shall become effective immediately.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on \_\_\_\_\_, \_\_\_\_\_, 2020, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting \_\_\_\_\_ and that the following Commissioners were absent \_\_\_\_\_.

We further certify that Commissioner \_\_\_\_\_ moved adoption of said resolution, and that said motion was supported by Commissioner \_\_\_\_\_.

We further certify that the following Commissioners voted for adoption of said resolution \_\_\_\_\_ and that the following Commissioners voted against adoption of said resolution \_\_\_\_\_. We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Secretary

**RESOLUTION 2020-11-XX**

**ACKNOWLEDGMENT OF THE ACCEPTANCE OF 2020 AUDITED FINANCIAL STATEMENTS FOR  
DEFINED BENEFIT PENSION PLAN, DEFINED CONTRIBUTION PENSION PLAN, AND RETIREE  
BENEFIT PLAN**

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

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Staff comments: All three Plans received clean audit reports.

**Motion** by Trustee \_\_\_\_\_, **Seconded** by Trustee \_\_\_\_\_ to accept the 2020 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan.