



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

March 23, 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, March 23, 2021. This meeting was publicly noticed for 5:30 p.m.

Event Address for Attendees:
<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ee6377d6a2307cb37ed0eb7b417d37375>
Event Number for Attendees: 132 087 2728 Event Password: 7y5kGCBve5i
Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 087 2728

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: 50 p.m.)	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	Tracy Thomas 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.

APPROVAL OF MINUTES

Motion by Commissioner Thomas, **Seconded** by Commissioner Mullen, to approve the Regular Board Meeting minutes of January 26, 2021 and the Special Board Meeting minutes of March 16, 2021.

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

Commissioner Mullen presented the Human Resources Committee Report:

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

Chairperson Price presented the Executive Committee Report:

**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

Commissioner Tracy Thomas presented the Committee of the Whole Report:

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.



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

SUSTAINABILITY = CORPORATE SUSTAINABILITY

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



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 TECHNOLOGICALLY 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

Commissioner David Lenz presented the Finance Committee Report:

**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:

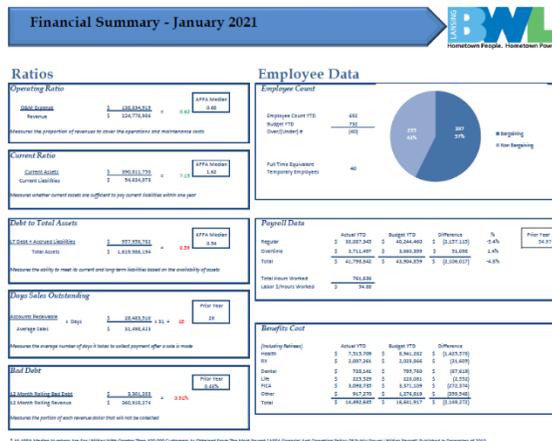
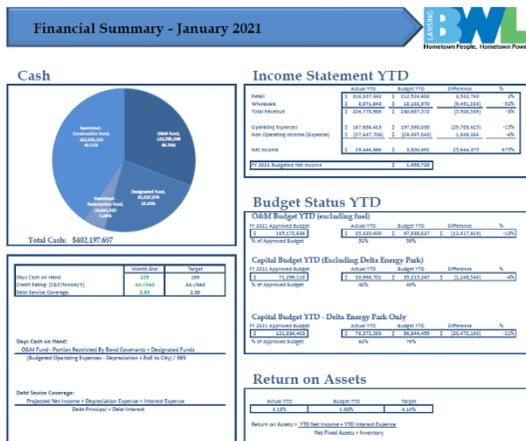
Yeas: Commissioners Lenz, Price, Ross

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. <i>Note:</i> 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

Commissioner Mullen presented the Human Resources Committee Report:

**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: C3m2MMYB4js

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.

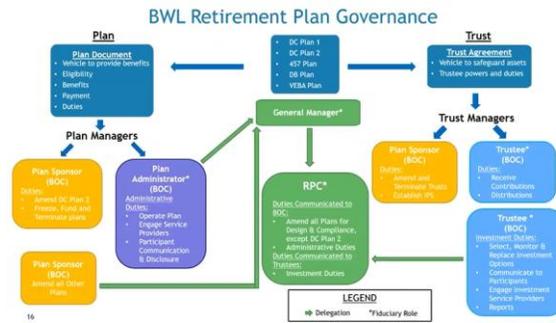
Mr. Matus stated that all employees are part of DC Plan 1 and that the DC Plan 2 is for the three appointed employees. Currently only the Corporate Secretary is part of the DC Plan 2. GM Peffley's contributions to DC Plan 1 exceeded the cap on the plan causing a loss in his investment. So, basically, 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

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 2021-03-03

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.

Motion by Commissioner Mullen, **Seconded** by Commissioner Thomas, to approve the Resolution for the Salary Adjustment for the Charter Position of Corporate Secretary.

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.

RESOLUTION 2021-03-04

Corporate Sustainability & Climate Response 2021 Resolution

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, MCL 117.4(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.

Motion by Commissioner Ross, **Seconded** by Commissioner Thomas, to approve the Corporate Sustainability & Climate Response 2021 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.

RESOLUTION 2021-03-05

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.

Motion by Commissioner Lenz, **Seconded** by Commissioner Mullen, to approve the Resolution for Lansing Board of Water & Light External Auditor Recommendation.

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 gave an update on how customers are being supported that have been economically impacted by COVID-19. BWL has received \$655,000 through the CARES Act which has been applied to customers' past due balances. BWL has also received a water restart grant of \$13,000 which has been applied to water customers' past due balances. A letter was sent to 13,000 customers that are

past due 30 days in utility bills, which accounts for \$1.5 million of BWL's uncollected debt, that they may be eligible for assistance under the COVID-19 Emergency Rental Assistance Relief Act.

Commissioner Mullen asked how the money was distributed to customers. GM Peffley replied that BWL reviewed the customers with the largest amounts owed and those in jeopardy of having their utilities turned off and distributed the money.

Commissioner Zerkle asked if this was the money the state legislature was holding up or has it been received and disbursed. GM Peffley replied that money received through the CARES Act was received months ago and has been applied to customers' bills. Customers will be able to apply for the money under the COVID-19 Emergency Rental Assistance Relief Act on April 1, 2021.

Commissioner Ross asked if a report could be provided on the COVID-19 impact from March 2020 to March 2021 as compared to previous years on the overall number of delinquencies and shutoffs. GM Peffley replied that a report will be prepared. He added that the chip shortage that has hit General Motors and the auto industry is hitting the Delta Energy Plant but BWL is working around it. Commissioner Ross asked if data could also be provided for supply issues that are pandemic related. GM Peffley replied that data would be provided.

COMMISSIONERS' REMARKS

Chair Price requested that the Trustee signature forms that have been sent and received be signed and returned as soon as possible.

Commissioner Thomas thanked the Diversity, Equity, and Inclusion team for the work they did and the presentation that was made. GM Peffley replied that Mr. Willard Walker of Public Policy Associates, Inc. reached out to BWL and requested that BWL help them with their journey.

Commissioner Graham thanked GM Peffley for quickly helping the family whose pipes had frozen and were flooding the neighbors' property. Commissioner Graham also asked if there was an interpreter available for the different nationalities in the Lansing area. GM Peffley replied that the family that was helped didn't speak English, but they were able to get through it. He added that BWL customer service has the capability to speak 250 languages with live people.

Commissioner Ross directed this comment to Chair Price and COW Chair Thomas and asked if a reacquaintance could be done of the reporting and duties of the Trustees, what has and hasn't been delegated, where oversight lies, governance issues, and on what the Trustees should be focused. Chair Price replied that it applies to all the Committees and that regular reporting and discussion can be arranged and be done in the next COW meeting.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chair Price adjourned the meeting at 5:58 p.m.