



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

March 25, 2025

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 25, 2025. This meeting was publicly noticed for 5:30 p.m.

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

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

The following Commissioners were present: Chairperson David Price, Semone James, DeShon Leek, Tony Mullen, Dale Schrader, and Sandra Zerkle. Also Present: Non-Voting Commissioners Stuart Goodrich (Delhi Township), and Robert Worthy (Delta Township).

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

The Corporate Secretary declared a quorum.

Commissioner Schrader led the Pledge of Allegiance.

Chairperson Price recognized Director of Internal Audit Elisha Franco for her five year's of service and presented her with a certificate.

APPROVAL OF MINUTES

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to approve the Regular Board Meeting minutes of January 28, 2025.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

COMMUNICATIONS

Electronic Mail received From Randy Joy re: Accounts Payables Election. *Referred to Management. Received and Placed on File.*

Electronic Mail received From Patricia Balassone re: Public Comment. *Received and Placed on File.*

COMMITTEE REPORTS

Committee of the Whole Chairperson Semone James presented the Committee of the Whole Meeting Report:

COMMITTEE OF THE WHOLE Meeting Minutes March 11, 2025

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 11, 2025.

Committee Chairperson Semone James called the Committee of the Whole Meeting to order at 5:30 p.m. and asked the Acting Corporate Secretary to call the roll.

Present: Commissioners Chris Harkins, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing), and Commissioner Robert Worthy (Delta Township)

Absent: Commissioner Beth Graham and Non-Voting Commissioner Stuart Goodrich (Delhi Township)

Acting Corporate Secretary Maria Koutsoukos declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to approve the Committee of the Whole Meeting minutes of January 14, 2025. **Action:** Motion carried. The minutes were approved.

Enterprise Risk Management and Risk Register Update

Director of Strategic Planning & Development Kellee Christensen presented the Risk Management and Risk Register update. Ms. Christensen reviewed the Enterprise Risk Management structure, insurance, consultation, and claims; and also, the BWL FY2024-25 Insurance Program, claim investigations, and claim recovery activity.

Commissioner Mullen asked whether a claim would be filed if a telephone pole and power lines were taken down due to an accident. Ms. Christensen responded that access to data is not as readily available, due to a change in privacy laws, making it difficult for BWL to file a damage claim.

Commissioner Leek asked the status of the claim for the turbine at Delta Energy Plant. GM Peffley responded that it is ongoing.

Commissioner Harkins asked how the claim investigation numbers compared to similar utilities. Ms. Christensen responded that she didn't have information about similar utilities but BWL works to mitigate losses and filing a claim as quickly as possible. GM Peffley added that crews are out every day and BWL pays out very little.

Commissioner Worthy asked if there is a uniform agreement for standard work when there is reciprocal work completed. GM Peffley responded there is a mutual aid agreement for those utilities that are part of the agreement.

Commissioner Beauboeuf asked if claims for insurance were always investigated prior to a settlement and if there were claims about errors or omissions regarding employment. Ms. Christensen responded that if damage is done and known an investigation isn't needed for insurance. GM Peffley responded that he would follow up with legal and provide the information to the Commissioners in an email regarding the claims regarding employment.

Business Planning Analyst Leah Bucio presented the Risk Registry update. Ms. Bucio reviewed the risk register categories: compliance, financial, operational, reputational, and strategic. She also reviewed departmental risk assessments and mitigation plans.

Commissioner Mullen asked if there was a mitigation plan for recurring incidents. Ms. Christensen responded that information is collected and if there is an increase in the same incidents, there will be emphasis on the safety information that is presented.

2021 Strategic Plan Accomplishments

Business Planning Analyst Leah Bucio presented the 2021 Strategic Plan Accomplishments. Ms. Bucio provided a strategic plan refresher of five strategies in the areas of customer & community, workforce engagement & diversity, climate & environment, operational resiliency & continuous improvement, and financial stability. The FY26 Strategic Plan will be effective July 1, 2025.

Commissioner Zerkle asked whether the decrease in the open hours of the call center had been reevaluated recently. GM Peffley responded that he received requests to keep the call center open after it was closed during COVID, and walk-in traffic has improved since it has been reopened.

Commissioner Schrader asked whether new solar customers are classified residential customers and whether the customers reduce their electricity rates. Ms. Christensen responded that most solar customers are residential but there are also commercial customers. Rebates are given and the rebate process is on the BWL website. Additionally, an education seminar is being recommended. Ms. Christensen affirmed that electricity rates are reduced and stated that some customers send energy back and get credited for it. GM Peffley added that the rate is tracked and his solar array makes 50% of its power for the year in the summer and in January,

1% of the power was made. Solar aligns better than wind with peak power usage but more credit is given by the government for wind.

Chairperson James asked the Director of Internal Audit Elisha Franco to summarize the revision to the security deposit rule and positive results for the community. Ms. Franco shared that previously, a late fee resulted in the security deposit being held on file. The revision states that the security deposit would be held if there was a shut off and if there were no further shut offs in a 12-month period then the security deposit would be returned. She further shared that over approx. \$3.2 million dollars in security deposits were released back to customer's accounts due to this guideline change. The funds are recorded as a liability on BWL's books and held in escrow. The goal of the security deposits is to return them to the customer accounts, rather than retaining the money on BWL's books.

Commissioner Zerkle commented that the security deposit would be put in the BWL general ledger.

Commissioners Schrader and Chairperson James commended the implementation of the revised security deposit rule. GM Peffley added that a deposit is not required to turn power back on if there is a utility service interruption.

Commissioner Zerkle thanked the BWL staff for their work on the strategic plan and their helping of customers.

Chairperson James asked what could be done so that rate payers could be informed of all the good things the BWL is offering and doing for the community. GM Peffley responded that the communication plan is being rolled out and includes a series of two to three minute slots on television stations in which he speaks of the progress BWL is making.

Chairperson James commended GM Peffley on the Bright Ideas campaign and all the strategic plan accomplishments.

Commissioner Harkins asked whether the grants mentioned in the accomplishments are finalized or yet to be allocated. Assistant General Manager (AGM) Heather Shawa responded that it was a combination of both.

All Commissioners gave a round of applause to management and staff for the outstanding 2021 Strategic Plan Accomplishments.

Amending Appointment to Michigan Public Power Agency - Commissioner and Alternate

The upcoming retirement of Chief Operations Officer Dave Bolan was acknowledged and all Commissioners and meeting attendees gave a round of applause for his 38-years of outstanding service to the BWL and City of Lansing.

Chief Operations Officer Dave Bolan presented the amending appointment to MPPA Commissioner and Alternate resolution.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen to forward the Resolution for Amending Appointment to Michigan Public Power Agency – Commissioner and Alternate to the full Board for approval. **Action:** Motion Carried.

RPC Update

AGM Shawa presented the Retirement Plan Committee update. Both the DB and VEBA Plans are positioned to achieve their target returns. State Street GTC Retirement Income Builder (RIB) Series of funds was approved by the RPC to be added. The DB Plan monthly pension payment processing plan successfully transitioned to Northern Trust. RPC approved the FY25 Q2 ASA reimbursement of \$2,227,776 in the VEBA Plan. Legislative changes and change to the normal retirement age are being updated in the Defined Contribution & Deferred Compensation Plans. The updated 401(a) Plan 2 documents will be forwarded to the Board for approval. RPC plans to vote on the approval of the 401(a) Plan 1 and 457 Plan documents at its March 17th meeting. AGM Shawa and Chairperson James congratulated Scott Taylor on his new role as Chief Financial Officer. The Director of Accounting, Finance & Planning position will be replaced by the Manager of Accounting, Finance & Planning on the RPC.

Commissioner Leek asked what other changes were made to the RPC charter. AGM Shawa responded that summary plan descriptions for covered plans have been added based on recommendations from outside counsel.

Commissioner Price asked whether the RPC membership listing of two voting members of the Board of Commissioners was correct. Ms. Shawa responded that it should be one voting member and one alternate. Chairperson James and CFO Taylor responded that it is two voting members of the Board, but one is a voting member of the committee and one is an alternate in case of a tie.

Commissioner Mullen asked the process for selecting the two voting members. Chairperson James and AGM Shawa stated that commissioners were selected in committee and the resolution states the Board can add to, reappoint, and remove the Commissioners and members on the RPC. Commissioner Price added that an internal audit report on the RPC recommended additional members of two Commissioners, a BWL retiree, and an IBEW Local Union 352 employee. Commissioner Mullen asked what could be done if a Commissioner wanted to be on the RPC, and what was the length of service for the members. Commissioner Price stated that the resolution should be reviewed.

The Corporate Secretary or Assistant to the Corporate Secretary will provide Commissioner Mullen with the RPC Charter resolution.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner David Price to forward the Resolution for the RPC Membership Change to the full Board for approval. **Action:** Motion Carried.

DC Plan 2 Plan Document Update

Chief Financial Officer Scott Taylor presented the DC Plan 2 Plan Document update. The update is due to the regulatory and legislative changes of the Secure Act of 2019, Cares Act of 2020, and

the Secure Act of 2019. There are no benefit changes in the plan. The main changes are in the plan document, along with some adoption agreement elections.

Commissioner Harkins commented that the legislative changes are from a few years ago and asked what is the regular process of updating the documents. CFO Taylor responded that the regulatory changes often don't have full guidance right away and have a multi-year time frame to adopt them.

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price to forward the Resolution for the DC Plan 2 Plan Document to the full Board for approval.

Action: Motion Carried.

DEI Landscape Update

Diversity, Equity & Inclusion Specialist Vernon Woodley presented the DEI Landscape update. Most of the recent executive orders only apply to the federal government. EO 14173 directs all federal agencies to investigate DEI discrimination in private industry and encourages the private sector to end illegal DEI discrimination preferences. Mr. Woodley emphasized that BWL has no illegal DEI discrimination or preferences practices. Opportunities at BWL are open to all qualified employees. BWL offers DEI learning opportunities in the areas of New Hires, Management, Emerging Leaders, Executive Team, and Continual Learners Lunch & Learn events.

Commissioner Mullen commented that BWL needs to make sure that BWL's DEI process continues, is strong and that the people hired are representative of the City of Lansing.

Commissioner Beauboeuf commented that the DEI program questions focus on a nuance when it is said there is compliance and there isn't a special program that targets a certain group. If there is a program that is for everyone but it benefits one group over another, it is illegal. Everyone has to be invited equally to participate, and the program needs to be analyzed to ensure compliance for the receiving of grant funding,

Chairperson James commented that GM Peffley gave her assurance that there isn't any concern about losing grant funding. GM Peffley confirmed and added that there aren't any pending employment suits. GM Peffley added that BWL's volunteer resignation rate is 25% of other companies of the same size and that very few people leave unhappy.

Commissioner Mullen commented that the end results are whether BWL has a diverse workforce. Mr. Woodley responded that a variety of events are celebrated and a DEI orientation workshop is conducted for all new employees.

Commissioner Zerkle commented that she had attended several of the DEI events and that DEI isn't about pushing one person ahead but that all employees are equally valuable and included.

Resolution Honoring Tracy Thomas

Chairperson James presented the resolution honoring Tracy Thomas to the Committee.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen to forward the Resolution Honoring Tracy Thomas to the full Board for approval. **Action:** Motion Carried Unanimously

Chairperson James acknowledged Commissioner Thomas' 16 years of service to the BWL and citizens of Lansing, commenting that Commissioner Thomas did a great job serving the Board, representing the community, was complimentary of the staff and he will be missed.

Other

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James for excused absences for Commissioners Beth Graham and Stuart Goodrich.

Action: Motion Carried.

Adjourn

Chairperson James adjourned the meeting at 6:55 p.m.

Respectfully Submitted,
Semone James, Chairperson
Committee of the Whole

Finance Committee Chairperson Tony Mullen presented the Finance Committee Meeting Report:

FINANCE COMMITTEE Meeting Minutes March 11, 2025

Finance Committee: Tony Mullen, Committee Chairperson; Semone James; David Price; and Dale Schrader; Alternates: Beth Graham, Sandra Zerkle; Non-Voting: Commissioners J. R. Beauboeuf, Stuart Goodrich, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, March 11, 2025.

Finance Committee Chairperson Tony Mullen called the meeting to order at 7:00 p.m. and asked the Acting Corporate Secretary to call the roll.

Present: Commissioners Semone James, Tony Mullen, David Price, and Dale Schrader; Also Present: Commissioners Chris Harkins, DeShon Leek, Sandra Zerkle; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Commissioner Robert Worthy (Delta Township)

Absent: None

Acting Corporate Secretary Maria Koutsoukos declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve the Finance Committee Meeting minutes of January 14, 2025.

Action: Motion Carried. The minutes were approved.

Financial Summary YTD

Assistant General Manager Heather Shawa presented the YTD Financial Summary. Days Cash on Hand fluctuates due to the timing of new energy contracts and is currently positive. Credit ratings from Moody and from S&P were affirmed with a stable outlook. Total revenue variance is due to wholesale which is affected by market pricing and some recent outages. Non-Operating expense is affected by wholesale fuel costs. Net Income is positive primarily due to investment income. Capital and new energy products indicate an underspend due to timing and some schedule changes in planned capital. The Debt to Total Assets is underperforming against the benchmark due to outstanding revenue bonds and additional issuance of bonds but will reduce back to industry benchmark as the bonds are paid back. Benefits Cost is currently under budget due to lower than anticipated claims. Increased health costs will be presented in the budget in May.

Chairperson Mullen commented that the Budget YTD is what is expected currently in the annual budget and the Actual YTD is what is realized currently, so BWL is doing better than what is expected.

Commissioner James requested that the target heading be renamed Target YTD.

Commissioner James asked the difference in vacancy ratios between bargaining and non-bargaining employees. AGM Shawa responded that BWL would follow up with that information. GM Peffley responded that the contractual ratio is based on headcount and it is representative.

Commissioner Schrader asked what the effect of a Canadian power shut off would be on the wholesale electricity market. GM Peffley responded that the Canadian power shut off wouldn't affect BWL negatively, but the 25% increase on other companies would benefit BWL and make BWL more attractive in the wholesale market to customers in Northern Michigan. The market will continue to grow for BWL.

Capital Project Report

AGM Shawa presented the Capital Project Report. Currently there is nothing on the watch list from the top ten planned projects. There are two items on the project watch list due to repairs required for damage found during inspections and inventory control ordering for long lead times. Some inventory arrived early but it will have a positive impact on next year's budget.

Regulatory Account Approval for Other Post Employment Benefit Plan

CFO Scott Taylor presented the regulatory account approval for Other Post Employment Benefit Plan (OPEB). Approval is requested for a proposed change in accounting for OPEB expense in the VEBA plan due to changes that occurred in expense which affects rate setting. There isn't any impact on the plan itself. GASB 62, a regulatory accounting standard, allows for deferred

accounting treatment with gradual changes over a period of time for certain regulated operations. The application of GASB Statement 62 will be effective Fiscal Year 2026.

Commissioner Harkins asked if there had been consideration of paying down further the target rate of return plan of 6.5% and whether there were other durations considered than the 25-year amortization plan. CFO Taylor responded that historically plans were higher in the 7% and 8% range but have taken the approach of being more conservative. Mr. Taylor added that BWL's plans are at 6.5% and 6.0%, are well funded, and the RPC and ACG advisors state that those are the appropriate targets for BWL right now. Mr. Taylor also responded that the 25-year amortization period was considered an appropriate length of time to level out expenses, but it can be reset if needed. GM Peffley responded that the Commissioners can make an appointment with CFO Taylor to further explain the plan.

Chairperson Mullen commented that information is provided well and readily by the BWL staff in appointed meetings.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James to forward the Resolution for the Application of GASB Statement 62 to OPEB Plan Expense to the full Board for approval.

Action: Motion Carried.

Approval of Payments Requested by Board Appointed Employees Resolution

Commissioner James requested that the process be reviewed thoroughly since there will be a change in the way the Board operates.

Chairperson Mullen presented the information for the resolution for the approval of appointee expenditures. The budget for the three appointed employees are presented together every year with the annual budget, and there have been questions about the expenses of the employees. The current procedures states the employees will sign off on the expenses and there is a set amount that can be approved. There was a question on who should approve the expenses of the appointed employees and the response received was the Finance Committee Chairperson and one other Finance Committee Member. A resolution should be formalized that states what the procedure will be going forward, and will include that the Finance Committee Chairperson and one another Board Member, not on the Finance Committee, who will be appointed by the Chairperson of the Board, will approve the appointed employees expense report. Commissioner Mullen also requested three separate presentations from the appointed employees, similar to the one the General Manager currently presents every year, be part of the procedure. A discussion followed.

Commissioner James stated that in the Credit Card Policy Resolution 2023-07-06 it was resolved that each appointed employee is allotted a specified expense amount and each month a purchasing card report is to be presented to the Finance Committee Chairperson and the second named voting Finance Committee member. The resolution also states that the appointed employees shall report their non purchasing card related expenditures to the Board of Commissioners consistent with other BWL procedures including procedures in the Travel & Expense Policy and procedures in their employment contracts.

Chairperson Mullen requested that the procedure state that purchases by the appointed employees are to be approved or signed off by the Board of Commissioners as a signing off procedure is stated for managers and directors.

Commissioner Price requested that the Credit Card Policy be amended, update it with the procedures Chairperson Mullen requested, and rename it the Appointees Purchasing Power Policy to encompass both purchasing card and non-purchasing card expenses.

Chairperson Mullen stated that the resolution would be returned to General Counsel Mark Matus for amendment.

Presentation of Appointed Employees' Department Budgets to Finance Committee Resolution

Commissioner Harkins asked if the budgets to which were being referred were the prospective budgets and Chairperson Mullen affirmed.

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price to forward the Resolution for the Appointee Budget Approval to the full Board for approval.

Action: Motion Carried.

Internal Audit Status Report

Director of Internal Audit Elisha Franco presented the Internal Audit Status Report. Ms. Franco gave an overview of the Remittance/Cash Receipts Audit update; the remaining FY2025 Audit Plan; the AuditBoard update; and the acquiring of Plante Moran to consult with and assist with the internal audit strategic plan, quality assurance and improvement plan, organizational risk management and manual.

Internal Audit Department Assessment Results

Director of Internal Audit Elisha Franco presented the Internal Audit Assessment results. Ms. Franco reviewed the current state of internal audit practices and procedures, which includes issue priority; the gap analysis, which identifies areas for improvement with the internal audit function; and the implementation of AuditBoard.

Commissioner James asked about the selection of Plante Moran as the consultant and Ms. Franco responded that Plante Moran is on contract with the BWL for auditing services. Commissioner James also asked if there should be a separation between internal audit and management. Ms. Franco responded that she confirmed the independence between the service Plante Moran is providing for the Internal Audit Department and the service being provided for management. Commissioner James asked about the contract negotiated and if the statement of work can be provided to the Commissioners. Ms. Franco responded that she can negotiate cost within her budget and will provide the statement of work to the Commissioners.

Other

There was no other business.

Adjourn

Chairperson Tony Mullen adjourned the meeting at 8:13 p.m.

Respectfully submitted,
Tony Mullen, Chairperson
Finance Committee

Commissioner Sandra Zerkle presented the Human Resources Committee Meeting Report for Chairperson Beth Graham in her absence:

HUMAN RESOURCES COMMITTEE Meeting Minutes March 18, 2025

Human Resources (HR) Committee: Commissioner Beth Graham, Committee Chairperson; Commissioners Chris Harkins, DeShon Leek and Sandra Zerkle; Alternates: Tony Mullen, Dale Schrader; Non-Voting Members: Commissioners J. R. Beauboeuf, Stuart Goodrich and Robert Worthy.

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 18, 2025.

HR Committee Chairperson Beth Graham called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Beth Graham, Chris Harkins, DeShon Leek, and Sandra Zerkle; also present: Alternate Commissioner Dale Schrader; Commissioner Semone James; and Non-Voting Commissioner Robert Worthy (Delta Township)
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Sandra Zerkle, to approve the HR Committee meeting minutes of September 10, 2024.

Action: Motion Carried.

Market Analysis Review for Appointees

Executive Director of Human Resources, Michael Flowers, presented the process for going through a market analysis for the three appointed employees' salaries and position descriptions, including the placement in pay grades, reviewing any movements in the markets, and a comparison with similar industries. Recommendations for the appointed employees are brought to the Human Resources Committee Chairperson and members, and then to the full Board for approval.

Commissioner Leek asked whether the current volatility of the market has been experienced before and what was done for the point system in that situation. Mr. Flowers responded that projection and what makes sense is evaluated.

Commissioner Harkins asked for a general timeline for the market analysis and position descriptions. Mr. Flowers stated that a market analysis takes one to four weeks to obtain. Mr. Flowers added that a structured compensation philosophy is in place that has been followed for the last couple of years.

Commissioner Zerkle commented that it is requested by the HR Committee to have the evaluation process completed by July 1 and Mr. Flowers responded that the schedule will be presented in the next agenda item.

Performance Management Evaluation Questions for Appointees

Mr. Flowers presented the timeline and process that will be followed for the performance evaluations to be in place by July 1, and to be ready for the committee meeting for the reappointment of the appointees and extension of their contracts. The first step is sending the self-evaluations to the appointed employees and receiving those evaluations back from them. The second step is sending the returned self-evaluations to the Commissioners to review and to complete the appointed employees' performance evaluations, and the third step is to send the completed performance evaluations to the HR Committee Chairperson and Mr. Flowers to compile prior to the HR Committee Meeting in May and then for the Board Meeting in May. Mr. Flowers added that communication will be sent to the Commissioners when the self-evaluations have been sent to the appointed employees and additional communications will be sent for each subsequent step.

Commissioner Zerkle asked if Chief of Staff Smiljana Williams would be the point person this year also for the collection and distribution of the information to be sent to the Commissioners prior to the finalization of the information. Mr. Flowers affirmed.

Commissioner Schrader asked when the appointees can expect the self-evaluation questions. Mr. Flowers asked Chairperson Graham when she wanted the self-evaluations sent out. Mr. Flowers added, for example, he could send the self-evaluations on March 19 with a requested return date of April 2nd. Chairperson Graham responded that sending out the self-evaluations by March 24th with a return date of two weeks is reasonable.

Commissioner James requested copies of the current contracts of the appointed employees be sent to the Commissioners as the Commissioners are bound by the contract. Chairperson Graham asked when copies of the contracts should be sent and Commissioner James responded that copies should be sent right after the contracts have been signed. Chairperson Graham responded that copies of the current contracts will be sent to the Commissioners with the self-evaluations.

Mr. Flowers proposed the schedule of sending the self-evaluations on March 24th, receiving back the appointed employees self-evaluations on April 7th, allow a couple days to review the

compilation, and then sending the completed self-evaluations, along with copies of the contracts, to the Commissioners on April 10th.

Commissioner James requested confirmation that the Board will receive on April 10th the self-evaluations, etc. and are to return them by May 2nd in order to be ready for the May 13th Committee meeting. Chairperson Graham and Mr. Flowers affirmed that was what was being proposed. Commissioner James suggested the return date be April 28th. Chairperson Graham responded that the interviews could be conducted on May 6th, and the HR Committee would meet on May 13th.

Commissioner Zerkle asked if that would be enough time to put the contracts together. Mr. Flowers responded that there are usually only minor adjustments needed.

Commissioner Harkins asked what was done previously for the scheduling of the appointed employees re-appointment items. Commissioner James and Mr. Flowers responded that Commissioners' schedules have fluctuated and the schedule is determined annually by the Commissioners.

Commissioner Zerkle requested the wage averages of the three appointed employees be sent to the Commissioners. Mr. Flowers responded that the pay grade and amount for the appointees can be provided to the Commissioners.

Mr. Flowers proposed that the final schedule will be to send out the appointee self-evaluations and an email notification to Commissioners on March 24th with a request to return by April 7th. Upon compilation by Mr. Flowers, a copy of each contract, salary, and pay grade for the appointed employees will also be sent along with the self-evaluations and performance questions to the Commissioners on April 10th. The completed performance evaluations will be sent to the HR Committee Chairperson and Mr. Flowers by April 28th. On May 6th, a special meeting will be held and on May 13, an HR Committee Meeting will be held.

Commissioner James asked if a copy of the evaluations can be sent to the Commissioners. Mr. Flowers responded that he would send them.

Commissioner James asked whether the special meeting on May 6th would be a special HR or COW Meeting. Commissioner Zerkle responded it would be an HR Committee meeting. Commissioner James asked whether there would be closed sessions at the May 6th meeting. Mr. Flowers responded that there will be closed sessions to discuss the evaluations.

Commissioner Harkins asked if the meeting to be held on May 6th was to be voted on or was it a set date. Chairperson Graham responded that May 6th is the day that is being proposed to conduct the evaluation part of the process. Commissioner James added that the special meeting allows the Chairperson to meet with the appointed employees to negotiate their contracts.

Motion by Commissioner Chris Harkins, **Seconded** by Commissioner Sandra Zerkle to distribute the self-evaluations to the appointed employees on March 19th; for the self-evaluations to be

due back to Michael Flowers on April 7th; for the existing contracts, the compiled evaluations and the performance evaluation questions to be sent to the Commissioners on April 10th; for the latter to be due back to Michael Flowers and the HR Committee Chairperson on April 28th; for a special HR Committee Meeting to be held on May 6th; and for discussion to be held at an HR Committee Meeting on May 13th.

Action: Motion Carried.

Commissioner Worthy asked if there was a process for modifying the appointed employee job descriptions. He noted that the General Manager's job description doesn't include responsibility for chilled water. Chairperson Graham responded that Mr. Flowers can make the modification.

Other

There was no other business.

Adjourn

Meeting adjourned at 5:41 p.m.

Respectfully Submitted,
Beth Graham, Chairperson
Human Resources Committee

Commissioner Zerkle commented that she has attended some city council meetings in the past few months and several of the council members stated that questions aren't asked during the Regular Board Meetings. Commissioner Zerkle added that she stated that Commissioners ask questions of the staff during Committee Meetings when the information is presented.

Chairperson Price thanked Commissioner Zerkle for her excellent point and affirmed that the Commissioners ask questions and have open discussions during the Committee Meetings where the real work is done, and at the Regular Board Meetings the resolutions are approved after the work has been done.

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 2025-03-01

Amending Appointment to Michigan Public Power Agency – Commissioner and Alternate

WHEREAS, David Bolan is the Michigan Public Power Agency (MPPA) Commissioner on behalf of the Lansing Board of Water & Light (BWL), along with Lynn McKinstry and Constance Carantza, who serve as First and Second Alternate Commissioners, respectively; and

WHEREAS, David Bolan will retire from his position with the BWL effective March 31, 2025; and

WHEREAS, Lynn McKinstry will retire from her position with the BWL effective May 30, 2025; and

WHEREAS, Roberto Hodge has been appointed to serve as the successor Chief Operations Officer after David Bolan's retirement; and

WHEREAS, Julie Spoering serves as the BWL's Analyst of Bulk Power; and

WHEREAS, it is necessary and in the best interest of the BWL to name a replacement MPPA Commissioner on behalf of the BWL.

WHEREAS, it is necessary and in the best interest of the BWL to name a replacement for the BWL's First Alternate on behalf of the BWL.

NOW, BE IT RESOLVED, that Roberto Hodge is named the MPPA Commissioner on behalf of the BWL.

NOW, BE IT RESOLVED, that Julie Spoering is named as the BWL's First Alternate MPPA Commissioner.

FURTHER RESOLVED, that Constance Carantza will remain as the Second Alternate Commissioner.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Sandra Zerkle to approve the Amending Appointment to Michigan Public Power Agency – Commissioner and Alternate Resolution at a Board meeting held on March 25, 2025.

Action: Motion Carried.

RESOLUTION 2025-03-02

Retirement Plan Committee Appointment Change and Revised Charter Approval

WHEREAS, the Lansing Board of Water & Light (the "Sponsor") sponsors the (a) Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions; (b) Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light; (c) Lansing Board of Water and Light Defined Contribution Plan and Trust 1; (d) Lansing Board of Water and

Light Defined Contribution Plan and Trust 2; and (e) Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (collectively the “Plans”); and

WHEREAS, the Sponsor created a formal committee effective September 27, 2016, the name of which is the “Retirement Plan Committee” (the “Committee”), to which the Sponsor delegated discretionary authority and responsibility for the discharge of certain duties, and the Sponsor appointed the following individuals to serve on the Retirement Plan Committee: Chief Financial Officer, Executive Director of Human Resources, and the Manager of Finance. Each Retirement Plan Committee member is appointed to serve on the Committee until his or her resignation or removal from the Committee; and

WHEREAS, the Sponsor appointed the Director of Accounting, Finance, and Planning to replace the Manager of Finance on the Committee effective May 24, 2022; and

WHEREAS, the Sponsor also appointed one voting member of the Board who shall also serve as a voting member of the Committee; one voting member of the Board who shall not serve as a voting member of the Committee except at Committee meetings at which the BWL Board of Commissioners’ voting member of the Committee is not present, or to break a tie vote; one BWL retiree to be chosen by the retirees according to a selection process determined by the retirees who shall serve as a voting member of the Committee; and one IBEW Local Union 352 bargaining employee to be chosen by the IBEW Local Union 352 according to a selection process determined by the IBEW Local 352 who shall serve as a voting member of the Committee effective May 23, 2023; and

WHEREAS, due to a recent organizational change, the Sponsor has decided to replace the appointment of the Director of Accounting, Finance, and Planning on the Committee with the appointment of the Manager of Accounting, Finance, and Planning; and

WHEREAS, the Sponsor approved the Retirement Plan Committee Charter on July 23, 2024; and

WHEREAS, the Committee has revised its Charter and recommends it for approval by the Sponsor.

THEREFORE, it is:

RESOLVED, that the Sponsor replaces the appointment of the Director of Accounting, Finance, and Planning on the Committee with the appointment of the Manager of Accounting, Finance, and Planning on the Committee.

FURTHER RESOLVED, that the Sponsor approves the revised Retirement Plan Committee Charter.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen to approve the Resolution for Retirement Plan Committee Appointment Change and Revised Charter Approval at a Board meeting held on March 25, 2025.

Action: Motion Carried.

RESOLUTION 2025-03-03

Restated DC Plan 2

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the “DC Plan 2”); and

WHEREAS, the Sponsor uses the Internal Revenue Service preapproved prototype plan documents of Nationwide Retirement Solutions, Inc. (“Nationwide”), the third party administrator for the DC Plan 2; and

WHEREAS, Nationwide migrated to a new plan document service provider, Actuarial Systems Corporation, while at the same time adding provisions related to the SECURE Act of 2019, the CARES Act of 2020 and the SECURE 2.0 Act of 2022, with provisions being mapped from the previous plan document and adoption agreement to ensure consistent operation of DC Plan 2 under the new documents; and

WHEREAS, the Sponsor desires to amend and restate the DC Plan 2 effective January 1, 2025; and

WHEREAS, the Sponsor has received and reviewed copies of the proposed DC Plan 2 Adoption Agreement, Basic Plan Document and Summary Plan Description (collectively “Plan Documents”); and

WHEREAS, the Sponsor desires to approve and adopt the restated DC Plan 2 Plan Documents.
NOW THEREFORE, it is:

RESOLVED, that the restated DC Plan 2 Plan Documents are hereby approved and adopted, effective January 1, 2025;

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

Motion by Commissioner Semone James, **Seconded** by Commissioner Dale Schrader, to approve and adopt Restated DC Plan 2 at a Board Meeting held on March 25, 2025.

Action: Motion Carried.

RESOLUTION 2025-03-04

Resolution Honoring Tracy Thomas

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

WHEREAS, Tracy Thomas was appointed as an At-Large Commissioner of the Board of Water & Light on July 12, 2008, to represent the City of Lansing; and

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

WHEREAS, Tracy has served 4 terms which encompassed 16 years and has served as Board Vice-Chairperson, Human Resources Committee Chairperson, Nominating Committee Chairperson and as a member of the Executive Committee; and

WHEREAS, Tracy is a retired administrator of Waverly Community Schools; and holds a bachelor of science degree in Secondary Education and a master's degree in K-12 Educational Administration from Michigan State University, East Lansing, Michigan; and has been involved in numerous leadership positions in the community; and

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

NOW THEREFORE BE IT RESOLVED, that the members of the Board of Commissioners, hereby honor and commend Tracy Thomas for his years of distinguished service in Regular Board Meeting this 25th day of March, 2025. We sincerely wish Tracy continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson

Semone James, Vice Chairperson

J. R. Beauboeuf

Stuart Goodrich

Beth Graham

DeShon Leek

Tony Mullen

Dale Schrader

Robert Worthy

Sandra Zerkle

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Semone James, to approve the resolution of tribute for the outgoing Commissioner Tracy Thomas at a Board meeting held on March 25, 2025.

Action: Motion Carried Unanimously.

RESOLUTION 2025-03-05

Application of GASB Statement 62 to OPEB Plan Expense

WHEREAS, pursuant to Resolution #2003-8-3, the Board of Commissioners requires management to receive Board approval before any deferrals under Financial Accounting Standards Board Statement 71, now Governmental Accounting Standards Board Statement 62 (GASB Statement 62); and

WHEREAS, the Lansing Board of Water & Light (BWL) can experience large fluctuations in actual and forecast annual Other Post Employment Benefit (OPEB) expense which may have an adverse effect on the stability and predictability of rates; and

WHEREAS, the application of GASB Statement 62 allows the BWL to establish a regulatory asset account and amortize the OPEB expense over an extended period resulting in a more consistent annual expense that supports more stable and predictable rates.

THEREFORE, it is:

RESOLVED, that the Board of Commissioners, as the regulatory body of the BWL, approve, pursuant to GASB Statement 62, the establishment of a regulatory asset for the annual OPEB expense and an amortization period of twenty-five years, effective beginning in fiscal year 2026.

Staff Comments:

Although additional applications of GASB 62 occur infrequently, we have many existing applications of this accounting treatment that have been previously approved and are disclosed in our annual financial statements. These include such items as environmental remediation, fuel cost adjustments and contribution in aid of construction as well as others.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to approve the Resolution for Application of GASB Statement 62 to OPEB Plan Expense at a Board meeting held on March 25, 2025.

Action: Motion Carried

RESOLUTION 2025-03-06
Appointee Budget Approval

WHEREAS, it is the practice of the Lansing Board of Water & Light (BWL) for each department to annually submit for approval its proposed budget (both Operation and Maintenance (O&M) as well as Capital) for the upcoming fiscal year to management, an approval process which is a widely adopted business protocol; and

WHEREAS, following management approval, the budget (O&M and Capital) is presented to the Board of Commissioners (Board) for final approval by June 1 as required by the Lansing City Charter; and

WHEREAS, the individual budgets for (1) the Board, (2) the Internal Auditor, and (3) the Corporate Secretary are part of the annual budget submitted to the Board for approval; and

WHEREAS, the General Manager's expenditures are, except for the three individual budgets previously noted, the overall annual budget of the BWL, which is approved by the Board and subject to periodic status reports to the Board; and

WHEREAS, because the Appointees report directly to the Board, it is prudent and consistent with BWL business protocols for Appointees to present their individual budgets and the proposed budget developed for the Board to the Finance Committee for review and comment prior to submittal to the full Board for final approval.

THEREFORE, it is:

RESOLVED, that each Board Appointee, or their designee, will present their department budgets during the appropriate Finance Committee meeting as follows: (a) the Internal Auditor will present the budget for Internal Audit expenses, (b) the Corporate Secretary will present the budgets for the Board and Corporate Secretary, and (c) the General Manager will present the budgets for the BWL as a whole; and once approved by the Finance Committee, the entire budget submittal shall be presented to the full Board for final approval by June 1.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Dale Schrader, to approve the Resolution for Appointee Budget Approval at a Board meeting held on March 25, 2025.

Action: Motion Carried.

MANAGER'S REMARKS

Assistant General Manager Heather Shawa remarked on the following:

1. In February, BWL received the prestigious Diamond Safety Award, a national recognition for safety excellence, from the American Public Power Association (APPA).
2. BWL's REO Cogeneration Plant received the 2024 LM6000 Best Practice Award, for implementing key improvements and eliminating oil contamination from fuel-gas pipeline, to ensure compliance with emissions limits.
3. Thank you for your support at the Charter Commission meeting on March 18.
4. On March 19, we held our Ethnic Taste Fest. The event featured 25 dishes from various cultures prepared and served by our employees. We successfully raised \$1,031, which will be donated to our Pennies for Power Program.
5. Dave Bolan's retirement celebration is this Thursday at 3:00 p.m. at Depot. I hope you can join us in celebrating Dave's 38 years of service at BWL.
6. Our next Community Resource Fair is on April 1 from 2-6pm at Gier Community Center.
 - This is our 11th resource fair.

COMMISSIONERS' REMARKS

There were no public comments.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to excuse Commissioners Beth Graham and Commissioner Chris Harkins from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chairperson Price adjourned the meeting at 5:51 p.m.

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 04-03-25

Approved by the Board of Commissioners: 05-20-25

Official Minutes filed (electronically) with Lansing City Clerk: 05-21-25