



**BOARD OF WATER AND LIGHT**

**May 25, 2021 - 5:30 p.m. via WebEx Meetings**

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

**REGULAR BOARD MEETING AGENDA**

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

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

**1. Event Address for Attendees for Regular Board Meeting:**

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ec28985d811f30b5b049a27ea080e4a42>

**Event Number for Attendees for Regular Board Meeting: 132 644 2247**

**Event Password for Regular Board Meeting: R7qqmtu5VM8**

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

**United States Toll +1-408-418-9388**

**Access Code: 132 644 2247**

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**1. Roll Call**

**2. Pledge of Allegiance**

**3. Approval of Minutes**

- a. Regular Board Meeting Minutes of March 23, 2021

**4. Public Comment on Agenda Items**

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

Options for Public Comment (PC) participation include:

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

**5. Communications**

- a. Electronic mail from Lindsey Hampton re: LIEAF program

**6. Committee Reports**

- a. Committee of the Whole Meeting (May 11, 2021) – Tracy Thomas, Chairperson
- b. Finance Committee Meeting (May 11, 2021) - David Lenz, Chairperson
- c. Human Resources Committee Meeting (May 18, 2021) - Tony Mullen, Chairperson

## 7. Manager's Recommendations

## 8. Unfinished Business

## 9. New Business

## 10. Resolutions/Action Items

- a. FY2021-2022 Electric, Water, Steam, Chilled Water Services Rules and Regulations
- b. Investment Policy Statements of the DC Plans
- c. Fiscal Year 2022-2027 Budget and Forecast Resolution

## 11. Manager's Remarks

## 12. Commissioners' Remarks

## 13. Motion of Excused Absence

## 14. Public Comment

*Members of the public are welcome to speak to the Board on any Board of Water and Light subject.*

Options for Public Comment (PC) participation include:

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

## 15. Adjournment

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

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

Agenda posted on web site/building 5-20-21

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



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

**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	David Price remotely, Lansing, MI
Ken Ross remotely, Charlotte County, Florida	Sandra Zerkle remotely, Lansing, MI

Absent: None

Corporate Secretary Griffin declared a quorum.

Chair Price led the Pledge of Allegiance.

**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.

### Initiative's Purpose and Commitment

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

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

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

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

**Corporate Sustainability & Climate Response – Resolution**

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

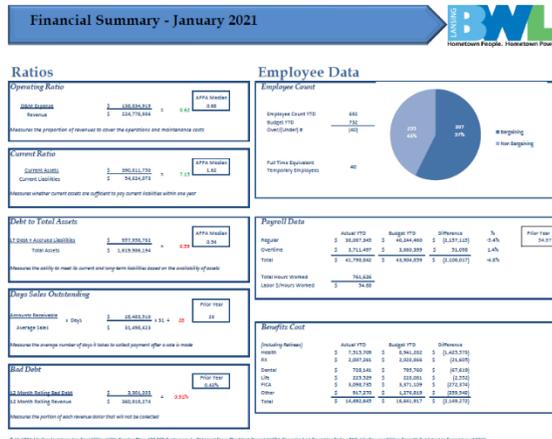
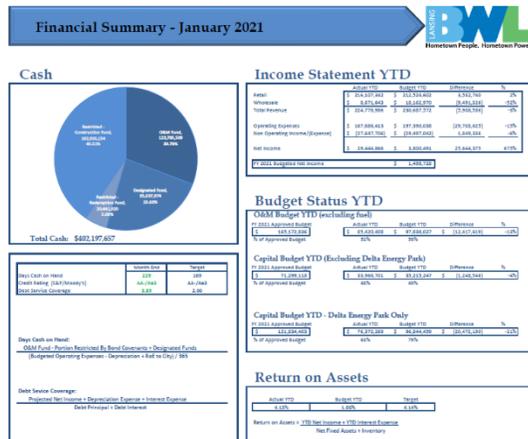
Yeas: Commissioners Lenz, Price, Ross

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 Schmie, 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.
<b>Total Internal Audit Budget, Excluding Employee Benefits</b>	<b>\$329,170</b>	<b>\$313,000</b>	<b>\$16,170</b>	<b>5.17%</b>	



Finance Committee Meeting  
3/9/2021

Preliminary

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, March 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.

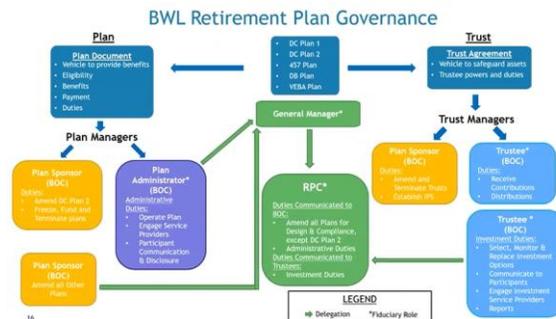
Mr. Matus stated that all employees are part of DC Plan 1 and that the DC Plan 2 is for the three appointed employees. Currently only the Corporate Secretary is part of the DC Plan 2. GM Peffley’s contributions to DC Plan 1 exceeded the cap on the plan causing a loss in his investment. So, basically,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

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**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.

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**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.

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**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.

Submitted on Wed, 04/07/2021 - 11:37 AM

**Select a Commissioner:**

All Commissioners

**Name**

Lindsey Hampton

**Message**

I believe that BWL should join the LIEAF program so that its poorest customers can receive state help. People can't always know they can go to St. Vincent De Paul for help, and they shouldn't be forced to go to a religious institution that may discriminate against them for assistance. I've worked in companies that deal with Michigan aid, and even though the State of Michigan has its flaws, everyone knows they can turn to the government for help. I can't imagine how many of your customers probably did exactly that, only to find out that they couldn't get help with their BWL bills. In the article about this, someone is quoted as saying it's better for BWL customers this way, but it seems obvious to me that it's better for BWL's profit margins. I thought BWL was committed to doing better.

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**COMMITTEE OF THE WHOLE**  
**Meeting Minutes**  
**May 11, 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, May 11, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ebc65b57b270f4406eb04c5dfd3387498>

Event Number for Attendees: 132 169 7679      Event password: NqSimdxR332

Audio conference: United States Toll +1-408-418-9388      Access code: 132 169 7679

Committee of the Whole Chair Tracy Thomas called the meeting to order at 5:36 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	Beth Graham remotely, Lansing, MI
Douglas Jester remotely, East Lansing, MI	DeShon Leek remotely, Lansing, MI
David Lens remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tony Mullen remotely, Lansing, MI	David Price remotely, Lansing, MI
Ken Ross remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI

Absent:

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Graham, to approve the Committee of the Whole meeting minutes of March 9, 2021.

Commissioner Ross requested a correction be made to the March 9, 2021 minutes to reflect the following amendment to the motion for the proposed Resolution for the 2021 Corporate Sustainability & Climate Response: ***“Commissioner Price asked for a second on the motion for the Amendments and there was none.”***

A roll call vote was taken to approve the Committee of the Whole meeting minutes of March 9, 2021 with the amendment.

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

Nays: None

**Action:** Motion Carried.

### **Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary and Resolution**

General Manager Dick Peffley introduced General Counsel Mark Matus who presented a summary of the updates to the Electric, Water, Steam, and Chilled Water Services Rules and Regulations. Mr. Matus highlighted areas of the substantive changes, non-substantive changes, plus the fees and charges.

Under general provisions, a recorded easement will be required for all four of the utility services where a property needs to be crossed for the connection of service. Customer Service updated their terms for bill payment from 15 days to 21 days. Clarifications were made for when there is a sharing of a residency with a customer receiving service from BWL in that there is a responsibility for any charges incurred.

Commissioner Ross asked whether a tenant that moves out of an apartment where the primary tenant is a delinquent customer would be able to establish service at another residence. Mr. Matus responded that the tenant that moves would be able to establish service and that he would review the language in the rules and regulations.

Commissioner Zerkle asked whether it is made clear to tenants requesting service that not only is the tenant in whose name the service is placed there is a responsibility for charges but also all other tenants. Mr. Matus responded that the BWL rules and regulations are not law but how BWL operates and the rules apply when the tenant would like to become a customer at the residence. He added that it was placed in writing in the rules and regulations for clarification.

Commissioner Mullen asked whether each utility being separate was in the rules and regulations. Mr. Matus responded that it was in the rules and regulations indirectly and that the rules and regulations are terms and conditions for BWL service for customers.

Commissioner Ross asked if and when a delinquent customer would be allowed to request the extended outage credit if an outage occurred while the customer was delinquent. Mr. Matus responded that when the customer makes an application for the extended outage credit the customer's account needs to be current.

Commissioner Zerkle asked what is meant by the term customer choice. Mr. Matus responded that a customer can select which contractor the customer would like to install service in their facility. BWL will inspect the installation but the customer pays the costs. This was written in the rules and regulations to clarify the language. Commissioner Zerkle also asked what a curb feed box is. GM Peffley responded that in water service there is a main running down the center of the road with a line hooked to it which runs to the curb and sidewalk, and the curb feed box holds the shut off valve and this line runs into the house.

Mr. Matus added that three customers have installed chilled water service and that is the reason for the update to the chilled water service rules and regulations.

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to forward the Resolution for the FY 2021-2022 Rules and Regulations for Electric, Water, Steam, and Chilled Water Services to be effective July 1, 2021 to the full board for consideration.

A roll call vote was taken:

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

Nays: None

**Action:** Motion Carried.

**Other**

There was no other business.

**Adjourn**

Commissioner Thomas adjourned the meeting at 6:14 p.m.

Respectfully Submitted  
Tracy Thomas, Chairperson  
Committee of the Whole

# FINANCE COMMITTEE

## Meeting Minutes

May 11, 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, May 11, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ebc65b57b270f4406eb04c5dfd3387498>

Event Number for Attendees: 132 169 7679

Event password: NqSimdxR332

Audio conference: United States Toll +1-408-418-9388 Access code: 132 169 7679

Finance Committee Chair David Lenz, called the May 11, 2021, 6:00 p.m. Finance Committee meeting to order at 6:25 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

The following Commissioners were present via audio/video:

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

Absent:

The Corporate Secretary declared a quorum.

### Public Comments

None.

### Approval of Minutes

**Motion** by Commissioner Price, **Seconded** by Commissioner Graham, to approve the Finance Committee meeting minutes of March 9, 2021.

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

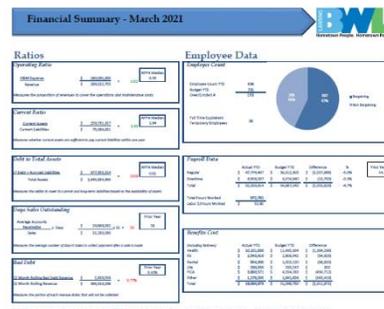
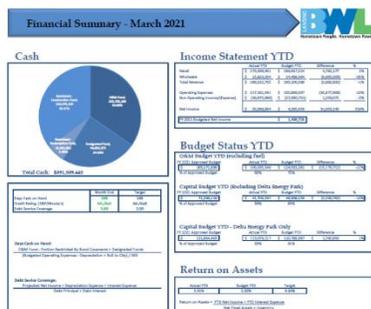
Yeas: Commissioners Lenz, Graham, Price, Ross

Nays: None

**Action:** Motion Carried.

### March YTD Financial Summary

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



Chief Financial Officer Heather Shawa reported that Total Cash was \$391.5 million which was an increase of \$1.6 million from last month. Days Cash on Hand ended the month at 244 and along with Debt Service Coverage remained strong.

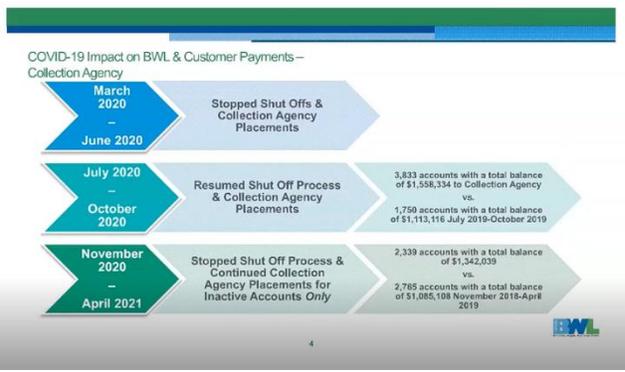
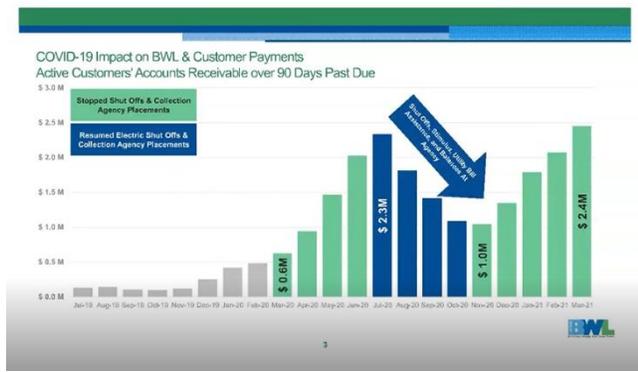
CFO Shawa stated that at the last Finance Committee meeting, the Commissioners asked for a comparison of the financial summary for March 2020 and March 2021 which will be provided in the COVID-19 presentations. CFO Shawa noted that YTD Income Statement and fiscal year end projections will be updated on the April dashboard.

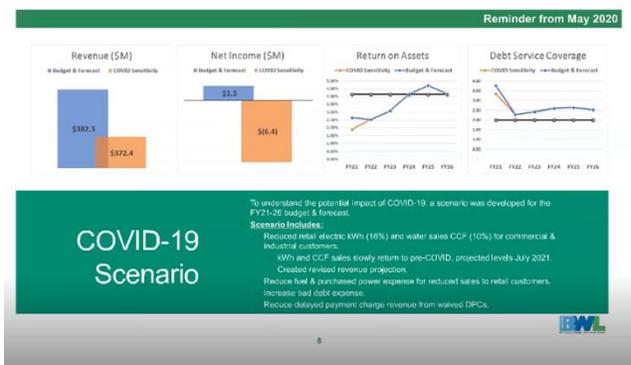
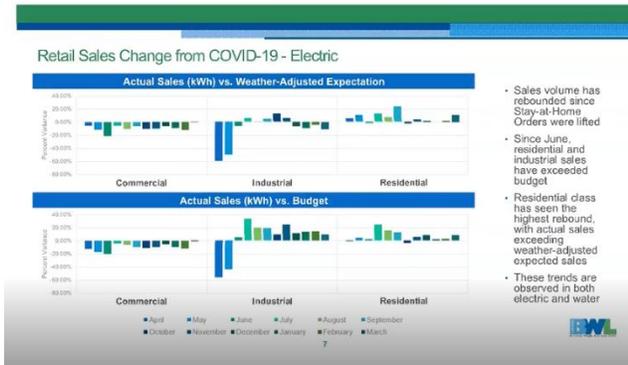
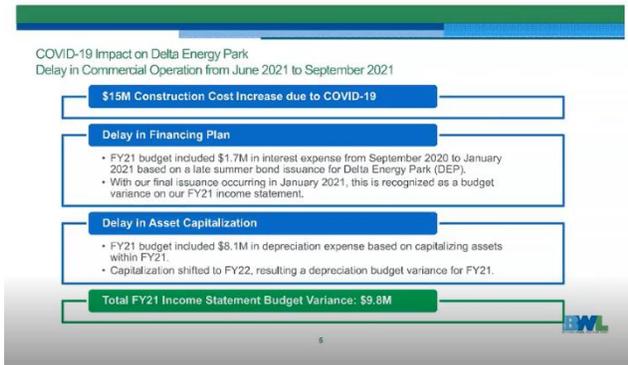
Two of the five ratios are within benchmarks. Debt to Total Assets was a little high, as expected, due to bond issuance and the Bad Debt Ratio is high largely because the allowance was increased at the end of the year. Days Sales Outstanding is underperforming by one day.

Commissioner Ross asked about the difference in the actual YTD net income and budgeted YTD net income. CFO Shawa responded that Mr. Paul Eory would elaborate on that in the COVID-19 presentation.

Employee count YTD is 696 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, but are medical claims are expected to increase with removal of COVID-19 restrictions.

CFO Shawa introduced Finance and Planning Supervisor, Mr. Paul Eory, who presented an overview of COVID-19’s impact on the BWL from March 2020 to March 2021. Mr. Eory reported on customer payments, Delta Energy Park construction, financial and operational levers, retail sales impact, and the financial status YTD through March 2021. Customer payments have reduced due to the COVID-19 pandemic. Delta Energy park has delayed commercial operation, resulting in FY 2021 income statement budget variances. Various financial and operational levers have provided BWL flexibility in responding to the COVID-19 pandemic. Retail sales have rebounded since initial stay at home orders but are still trending below weather adjusted expectation. Through March 2021, BWL’s fiscal year 2021 income statement has largely been affected by COVID-19, through unpredicted high investment returns, slowed down spending, and the delay in Delta Energy park financing and capitalization.





### Financial Status Fiscal Year 2021-Q3

FY 2021-Q3 Budget to Actual				
	Budget	Actual	Variance	Variance %
Electric Retail - MMW	1,539,879	1,543,719	3,840	0.25%
Electric Wholesale - MWh	589,674	376,633	(193,041)	(33.99%)
Water - CCF	6,285,368	6,811,526	526,158	8.39%
Steam - MLB	531,854	550,885	19,031	3.58%
Chilled Water - MTHR	7,676	7,232	(443)	(5.77%)
Operating Revenue	\$293,105,568	\$289,222,755	\$(3,882,813)	(1.33%)
Operating Expense	\$250,830,397	\$217,161,491	\$(33,677,906)	(13.43%)
Operating Income	\$42,266,190	\$72,061,264	\$29,795,074	70.52%
Non-Operating Income / (Expense)	\$(37,930,731)	\$(36,872,660)	\$1,258,071	3.32%
Net Income	\$4,335,459	\$35,388,604	\$31,053,145	716.33%

There are four significant factors contributing to the year-to-date net income variance:

- Departmental spend across BWL is being slowed or otherwise deferred by COVID. \$11.7M under budget.
- Budgeted OPEB/VEBA cost was set roughly at the same time the investment market bottomed out (March/April 2020), so budgeted cost estimates/investment returns were very conservative. With investment returns exceeding budget, we are \$6.9M under OPEB/VEBA budget YTD.
- Delay in Delta Energy Park (DEP) capitalization delayed recognition of \$6.1M in depreciation expense for the plant.
- The delay in DEP construction also deferred the third phase of bond issuance 5 months, leading to an interest expense budget variance of \$1.7M on our FY21 income statement.

### In Summary

- Customer payments have reduced due to the COVID-19 Pandemic.
- Delta Energy Park has delayed commercial operation, resulting in FY2021 income statement budget variances.
- Various financial & operational levers have provided BWL flexibility in responding to the COVID-19 Pandemic.
- Retail sales have rebounded since initial stay at home orders but are still trending below weather adjusted expectation.
- Through March 2021, our fiscal year 2021 income statement has largely been affected by COVID-19, through unpredicted high investment returns, slowed down spending, and the delay in Delta Energy Park financing and capitalization.

Commissioner Ross asked about the supply chain disruption in the perspective of utilities and Delta Energy Park construction. GM Peffley responded that most of the supplies for Delta Energy Park have been received but the travel bans are affecting the subject matter experts who are in Sweden. The subject matter experts are communicating through laptops, which is slower but all three of the turbines have been run. The plant is scheduled to start running in early fall. CFO Shawa responded that there haven't been any issues to date with the supply chain but there are starting to be extended lead times for some parts which will be ordered ahead of time.

Commissioner Thomas asked what was saved with employees working at home rather than in the office. GM Peffley responded that the information will be gathered and put together for an upcoming meeting. CFO Shawa responded that information can be provided at the next Finance Committee meeting.

### **Retirement Plan Committee (RPC) Updates**

CFO Shawa stated there will be a standing agenda item for Retirement Plan Committee updates and any investment actions that have been taken since the last Finance Committee meeting. Administration actions will be presented at the next Human Resources Committee meeting.

CFO Shawa reported the following investment activity updates:

- VEBA Small/Mid-Cap Fund Manager Change of approximately \$23.5M and 10% of VEBA plan assets from Aristotle to Atlanta Capital
- VEBA Rebalancing of \$6.5M and 3% of portfolio from large cap equity to real assets, \$3.5M has been completed already and \$3M is expected to take place next quarter
- DB Plan Distributions

Commissioner Lenz asked from where the money comes if \$3.5M million is generated and \$5M is paid out. CFO Shawa responded that both the DB and VEBA are fully funded and there won't be any shortfall.

CFO Shawa introduced Accounting and Finance Manager, Mr. Scott Taylor and Ms. Dori Drayton, Senior Vice President at CapTrust, as the financial advisor for the DC, 401, and 457 Plans. Mr. Taylor reviewed the recommendations for the investment policy statements for the DC Plans. With the transition of the plans from Plante Moran Financial Advisors to CapTrust, restating and reorganizing changes are being made to these statements for the retirement plans. One of the benefits of transitioning to CapTrust is more robust reporting and monitoring capabilities of accounts.

Commissioner Ross asked whether the Committee as an investment fiduciary is a delegation by the Board. Ms. Drayton responded that there are general fiduciary duties for the governing body and in addition there are investment fiduciary responsibilities as defined in Public Act 314. Commissioner Ross also asked whether there is an adequate framework in the governance and delegation to the committee who provides the information to be reviewed. Ms. Drayton responded that there was adequate governance and flow of information. Commissioner Ross also asked what deviations are normal under the policy goals and objectives section. Ms. Drayton responded by stating that the investment policy statement says that an investment advisor will be utilized to serve the plan. She then said that if, for example, it was determined that instead of using an advisor, an internal team would be assigned to the role, that would create a technical deviation. This part of the policy would allow time to update the policy to reflect the desire for this change without resulting in a technical violation. Commissioner Ross asked what degree of detail in transparency will be provided and how it will be provided. CFO Shawa responded that the recommendation for a standing reoccurring agenda item will provide updates. In addition, the Retirement Plan Committee takes minutes at the meetings, the financial advisors provide advice and counsel, quarterly performance reporting of the plans, and a pension fund trustees meeting is held annually.

Mr. Taylor added that there is an annual dashboard that is provided at the annual Trustees meeting, of which one page is dedicated to the 401 and 457 plans, which can be reviewed as to whether the information can be provided more frequently.

**Motion** by Commissioner Ross, **Seconded** by Commissioner Price, to forward the Resolution for the Investment Policy Statements for the DC plans to the full Board for consideration.

**Roll Call Vote:**

Yeas: Commissioners Lenz, Graham, Price, Ross

Nays: None

**Action:** Motion Carried.

**FY22 Operating Budget and FY22-27 Forecast Presentation**

GM Peffley remarked that the staff did an incredible job with minimal increases this year. This year’s budget allows the continuation of transitioning to being the utility of the future, provides funding to O&M for maintaining high quality of service, provides funding to replace obsolete systems, and paves the way to increase water main replacement from two miles a year to eight miles a year. More efficient use of the work force has been implemented and a double-digit rate advantage will be realized over the nearest competitor.

CFO Shawa spoke about the FY 22 Operating Budget and FY 22-27 Forecast. Ms. Shawa reported on the strategic objectives, the key budget and forecast assumptions, volume history and forecast by utility, operating budget and forecast, capital budget and forecast and subsequent steps.

**FY 2021 Key Accomplishments for BWL:**

- 90% completion of ISO Certification at REO Plant
- Issued Series 2021 A&B bonds
- Capacity Testing at Delta Energy Park
- Implemented Capital Projects Process (CPT)
- Adopted new Strategic Plan
- Continued BSmart deployments
- Transition to Nationwide for DC Plans
- Paused customer shutoffs due to COVID-19 Pandemic
- Continued cyber security resiliency
- Continued roll out and enhancements made in the organizational change management, performance management, and employee engagement processes
- Implemented cost-saving strategies to improve rate competitiveness and defer previously planned rate increases

**BWL's prior Strategic Plan, adopted in 2016, detailed the following goals and objectives:**

- Strategy 6 Goal: Maintain the financial stability of the BWL
  - All of the BWL's ongoing efforts and strategic initiatives require funding. The balance between providing this funding and its impact on rates requires a comprehensive financial plan and rate strategy.
- Strategy 6, Objective 1: Practice good financial stewardship
  - 1) Develop a Financial Plan that includes a rate strategy that provides financing for the BWL's capital program and replacement generation needs while maintaining competitive rates
    - FY2020 included the 3<sup>rd</sup> year of a 3-year rate strategy that has provided sufficient liquidity to fund initiatives and to provide stability through COVID-19
    - FY2021 rate increases were deferred due BWL's prudent measures in place in response to the COVID-19 Pandemic
  - 2) Maintain an above average bond rating for municipal utilities
    - Ratings reaffirmed during 2021 A&B bond issuances
  - 3) Identify cost savings through process improvement initiatives and return on investments with minimal impact on operations or employees
    - 100+ items received from workforce that continue to be vetted and implemented
  - 4) Commit to reviewing and consistently achieving targeted rate of return
    - Achievement of ROA targeted for FY2026 due to rate increase deferrals in FY2021 and FY2022

GM Peffley commented on the 90% completion of ISO Certification at REO Plant and stated it is the second ISO certification out of 2000 + utilities in the country.

Looking forward, the 2021-2025 Strategic Plan includes six key strategies that focus on our financial resiliency:

- Strategic Objectives
  - BWL Year in Review
  - 2016-2020 Strategic Plan: Financial Stability
  - 2021-2025 Strategic Plan
  - Target Metrics
  - Minimum Cash Reserve Requirement Policy
  - Budget & Forecast Cycle Focus
- Customer & Community Strategy 4 (SP Priority 1):
  - Promote economic development and regional partnerships that create growth and synergy
- Operational Resiliency & Continuous Improvement Strategy 1 (SP Priority 2):
  - Identify and respond to opportunities for continuous improvement that balance performance, cost and risk
- Financial Strategy 1 (SP Priority 3):
  - Continue to refine our rate structure for existing and new customers
- Financial Strategy 2 (SP Priority 3):
  - Sustain fiscal and fiduciary responsibility through planning, analysis, policies, practices and internal controls
- Financial Strategy 3 (SP Priority 3):
  - Pursue opportunities and adopt practices that enhance BWL's competitiveness
- Financial Strategy 4 (SP Priority 3):
  - Identify, evaluate and implement revenue diversification opportunities

- Strategic Objectives
  - BWL Year in Review
  - 2016-2020 Strategic Plan: Financial Stability
  - 2021-2025 Strategic Plan
  - Target Metrics
  - Minimum Cash Reserve Requirement Policy
  - Budget & Forecast Cycle Focus
- Maintain high credit rating
  - BWL is currently rated AA- (S&P) and Aa3 (Moody's) with stable outlooks
- Generate adequate return on assets (RoA)
  - Adequate RoA is essential to municipal utilities
    - Ensures current rate payers are not deferring costs to future generations and infrastructure is invested in to maintain exceptional levels of service
  - An appropriate RoA recovers two main items:
    - Interest expense
    - Inflationary increase of infrastructure replacement costs
  - Regular calculations required by the Board of Commissioners (Resolution 2016-07-08)
    - Return on Assets FY 2022-2027 Target: 4.20%
    - We are planning to reach this target in FY2026
- Ensure adequate liquidity
  - BWL must be able to pay current obligations
    - Minimum cash reserve requirement: 173 days
    - Debt service coverage minimum target: 1.00x

Commissioner Ross asked whether the target rate of return on assets of 4.2% was an aspirational goal for the Board. CFO Shawa responded that prior to the beginning of the COVID-19 pandemic BWL was on track to attain the 4.2% goal in 2024 and that it is a realistic and important goal for 2026. The 4.2% return on assets benefits customers with more reliable and quality service. GM Peffley added that the Finance Department provided all the numbers and his only concern was the competitiveness of rates and then balanced it with the capital work that would be done and the items on which he remarked at the beginning of this presentation.

To ensure adequate liquidity, the Board of Commissioners adopted a Minimum Cash Reserve Requirement Policy in 2018 (Resolution #2018-05-02)

- Strategic Objectives
  - BWL Year in Review
  - 2016-2020 Strategic Plan: Financial Stability
  - 2021-2025 Strategic Plan
  - Target Metrics
  - Minimum Cash Reserve Requirement Policy
  - Budget & Forecast Cycle Focus
- The policy bolsters financial strength, situational resilience, fiscal responsibility, and credit quality
- The minimum cash reserve requirement is determined using a risk-based calculation of the following key cash requirements:
  1. Net O&M Expense
  2. Return on Equity to the City
  3. Historical Plant in Service
  4. Debt Service
  5. Six-Year Net Capital Improvement Plan
- Each cash requirement is multiplied by its associated risk factor and summed to determine the minimum cash reserve requirement
- The calculation is applied to each of the BWL's four utilities individually and then aggregated to determine the overall BWL minimum cash reserve requirement
- In accordance with this policy, the Board will ensure that the proposed budget and forecast meets the minimum cash reserve requirements as defined in the policy

- Strategic Objectives
  - BWL Year in Review
  - 2016-2020 Strategic Plan: Financial Stability
  - 2021-2025 Strategic Plan
  - Target Metrics
  - Minimum Cash Reserve Requirement Policy
  - Budget & Forecast Cycle Focus

FY2020-2025 (Past): 3-yr Rate Strategy, Internal Cost Allocation Studies, Delta Energy Park, Financing Strategy

FY2021-2026 (Current): COVID-19 Response, Rate Mitigation Plan, DEP Third Phase Financing

FY2022-2027 (Upcoming): New Strategic Plan, COVID-19 Recovery, DEP Commissioning, Expanding Capital Investment

FY2023-2028 (Future): Rate Strategy, Rate Competitiveness, New billing system (BS) enhancements, Coal Plant Closures, Continue Strategic Plan Execution

- Expected operation of Delta Energy Park September 2021.
- Erickson is closed May 2023.
- New strategic plan is supported by this budget & forecast.
- Defined Benefit and Voluntary Post Employment Benefits (DB/VEBA) investment returns are meeting target.
- Total employee count is budgeted at 720 for FY 2022 and declines in each succeeding year through FY 2026 (650) due to natural attrition.
- For the second year in a row, FY22 rate increases have been deferred due to COVID-19.
- Water main replacements achieve 8 miles per year FY2026 & FY2027.
- Return on Equity to the city based on current 2-year agreement expiring June 2022.
- Major steam customer contract expires October 2022. Forecast assumes contract is renewed at current terms.

Note: Numbers presented throughout may not add up precisely to the totals provided due to rounding

- Sales Volume History and Forecast by Utility, FY 17-27

Electric - Consumption Volume (MWH)

Water - Consumption Volume (CCF)

Steam - Consumption Volume (M.LB)

Chilled Water - Consumption Volume (M.THR)

Legend: Residential, Commercial, Industrial, Wholesale, Other

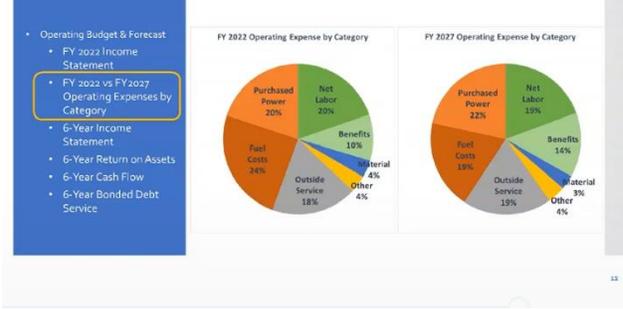
GM Peffley commented that the Erickson closure in May of 2023 will be two and a half years prior to what was previously stated as the cost of energy and the capacity market has changed. Exit strategies for employees are being worked on.

GM Peffley commented on the sales forecast and stated that it will be achieved as BWL is adding additional customers.

Operating Budget & Forecast

- FY 2022 Income Statement
- FY 2022 vs FY2021 Operating Expenses by Category
- 6-Year Income Statement
- 6-Year Return on Assets
- 6-Year Cash Flow
- 6-Year Bonded Debt Service

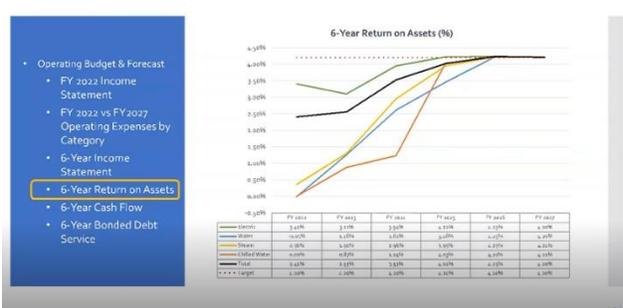
	2021	2022	2023	2024	2025	2026	2027
<b>FY 2022 Income Statement</b>							
Operating Revenue	\$ 324,618,687	\$ 48,726,507	\$ 12,163,076	\$ 6,197,218	\$ 392,517,511		
Operating Expenses	\$ 166,608,362	\$ 79,912,020	\$ 13,081,614	\$ 13,261,614	\$ 176,185,411		
<b>Total Operating Revenue</b>	\$ 324,618,687	\$ 48,726,507	\$ 12,163,076	\$ 6,197,218	\$ 392,517,511		
<b>Total Operating Expenses</b>	\$ 166,608,362	\$ 79,912,020	\$ 13,081,614	\$ 13,261,614	\$ 176,185,411		
<b>Total Non-Operating Income/Expense</b>	\$ (277,581,518)	\$ (41,749,473)	\$ (10,993,083)	\$ (5,853,873)	\$ (446,167,840)		
<b>Total Income</b>	\$ 48,417,899	\$ 2,529,012	\$ 1,179,987	\$ 209,458	\$ 126,352,670		
Return on Assets	3.41%	-0.61%	0.38%	0.00%	2.47%		
Target Return on Assets	4.20%	4.20%	4.20%	4.20%	4.20%		



Operating Budget & Forecast

- FY 2022 Income Statement
- FY 2022 vs FY2021 Operating Expenses by Category
- 6-Year Income Statement
- 6-Year Return on Assets
- 6-Year Cash Flow
- 6-Year Bonded Debt Service

	2021	2022	2023	2024	2025	2026	2027
<b>6-Year Income Statement</b>							
Operating Revenue	\$ 324,618,687	\$ 48,726,507	\$ 12,163,076	\$ 6,197,218	\$ 392,517,511		
Operating Expenses	\$ 166,608,362	\$ 79,912,020	\$ 13,081,614	\$ 13,261,614	\$ 176,185,411		
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Operating Budget & Forecast

- FY 2022 Income Statement
- FY 2022 vs FY2021 Operating Expenses by Category
- 6-Year Return on Assets
- 6-Year Cash Flow
- 6-Year Bonded Debt Service

	2021	2022	2023	2024	2025	2026	2027
<b>6-Year Cash Flow</b>							
Operating Revenue	\$ 324,618,687	\$ 48,726,507	\$ 12,163,076	\$ 6,197,218	\$ 392,517,511		
Operating Expenses	\$ 166,608,362	\$ 79,912,020	\$ 13,081,614	\$ 13,261,614	\$ 176,185,411		
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Target Return on Assets	4.20%	4.20%	4.20%	4.20%	4.20%		



Commissioner Merrill asked what the average number was for the return on assets at the end of the fiscal year historically. CFO Shawa responded that 4.2% was the goal for this fiscal year, last year was 4.14%, and in 2015 and 2016 it was just above 2% and increased in 2017, 2018 and 2019. She added that additional information could be researched and provided. Commissioner Merrill asked for the reason that the target for the return on asset for 2022 was 2.6% when 4.2% has been achieved previously. Mr. Taylor responded that bringing the new plant online will be about \$20M and will affect the return on assets. GM Peffley responded that there also be a rate hike.

Commissioner Price commented that 4.2% was adopted as a goal by resolution four years ago and replaced an unachievable goal of 6.17%.

Commissioner Jester asked if the cost of setting up on-bill financing and investments in electric vehicle infrastructure were included in the budget. GM Peffley responded that technology for on-bill financing will arrive in the fall and \$400,000 is being worked on for charging stations.

Commissioner Jester asked whether funds to be loaned would be BWL funds or third-party funds. CFO Shawa said that it hadn't been determined yet. GM Peffley added that Holland's on-bill financing that has been successfully implemented is being reviewed.

Mr. Taylor reported on the capital portfolio budget and forecast.

Capital Portfolio Budget & Forecast

- Capital Portfolio Spending by Utility and Location
- Capital Portfolio Major Projects
- Capital Portfolio Gates and Phases
- Capital Portfolio Spending by Project's Current Phase
- Capital Portfolio Spending by Phase

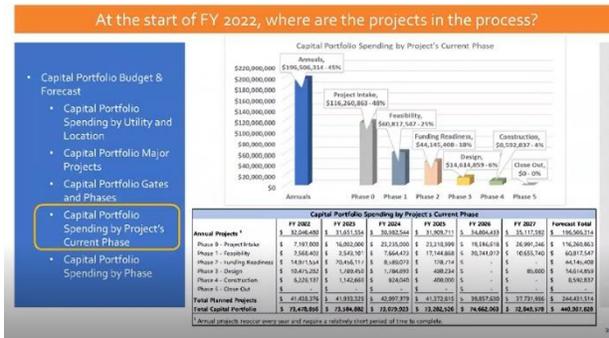
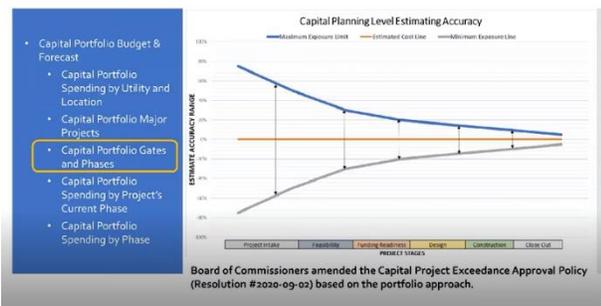
Year Capital by Utility and Location	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Forecast Total
<b>Utility</b>							
Electric	\$ 48,276,774	\$ 51,272,777	\$ 46,147,800	\$ 48,022,264	\$ 48,880,000	\$ 45,209,500	\$ 227,717,880
Water	\$ 12,261,111	\$ 12,998,881	\$ 15,771,151	\$ 14,500,000	\$ 17,068,000	\$ 16,708,000	\$ 83,312,644
Waste	\$ 1,746,182	\$ 1,799,888	\$ 1,843,537	\$ 1,912,539	\$ 1,974,244	\$ 1,914,253	\$ 9,339,799
Cable Water	\$ 20,000	\$ 24,000	\$ 28,000	\$ 34,000	\$ 40,000	\$ 47,000	\$ 214,000
Common	\$ 11,200,000	\$ 8,172,319	\$ 8,888,210	\$ 7,311,100	\$ 8,453,927	\$ 8,707,120	\$ 47,336,527
Capital Portfolio Funding Gap	\$ 78,789,916	\$ 73,844,882	\$ 73,079,901	\$ 73,283,124	\$ 74,802,000	\$ 73,848,174	\$ 400,971,848
Orto Energy Park	\$ 45,352,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,352,028
<b>Total Capital Portfolio</b>	<b>\$ 118,821,044</b>	<b>\$ 115,844,282</b>	<b>\$ 113,919,602</b>	<b>\$ 113,802,224</b>	<b>\$ 114,662,244</b>	<b>\$ 112,848,574</b>	<b>\$ 568,238,644</b>
<b>Location</b>							
East	\$ 895,800	\$ -	\$ -	\$ -	\$ -	\$ 795,800	\$ 1,691,600
Greenway	\$ 4,338,200	\$ 3,058,800	\$ 256,800	\$ -	\$ -	\$ -	\$ 7,653,800
WLD Area	\$ 1,400,000	\$ 1,600,000	\$ 1,400,000	\$ -	\$ 1,000,000	\$ -	\$ 5,400,000
Orto Energy Park	\$ 45,352,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,352,028
USD	\$ 48,762,700	\$ 45,118,882	\$ 32,647,802	\$ 32,210,048	\$ 36,591,148	\$ 41,852,253	\$ 200,048,042
Water Production	\$ 2,962,000	\$ 3,225,100	\$ 3,984,480	\$ 3,805,740	\$ 3,964,302	\$ 3,881,482	\$ 17,924,302
Cable Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 10,740,482	\$ 9,212,317	\$ 10,019,120	\$ 10,265,264	\$ 10,909,300	\$ 10,149,418	\$ 52,395,742
<b>Total Capital Portfolio</b>	<b>\$ 118,821,044</b>	<b>\$ 115,844,282</b>	<b>\$ 113,919,602</b>	<b>\$ 113,802,224</b>	<b>\$ 114,662,244</b>	<b>\$ 112,848,574</b>	<b>\$ 568,238,644</b>

Capital Portfolio Budget & Forecast

- Capital Portfolio Spending by Utility and Location
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Commissioner Lenz asked about the increase in the amount in REO plant spending. GM Peffley responded that the gas turbines are being rebuilt due to age. Commissioner Lenz asked what determined whether the turbines were to be rebuilt or replaced. GM Peffley responded that the rebuild refurbishes the turbines to like-new condition.



GM Peffley commented on the repetitive project of the replacing of two miles of pipe every year. There are 800 miles of pipe, which has a life of 100 years, and two miles a year was falling behind the lifespan of the pipe. The increase to eight miles a year will allow the replacing of the pipe within its lifespan.

Mr. Peffley commented on the model for the projects that will be done and stated it will keep unnecessary exceedances from being requested and better prices can be attained.

Commissioner Lenz asked if a presentation could be given in the future to demonstrate the difference between annual projects and planned projects and how the projects are monitored for project management efficiency. GM Peffley responded that could easily be done at a future meeting.

Commissioner Lenz asked what percent of the design budget is vendor-based versus internal. Mr. Taylor responded that he would send the figures by email to Commissioner Lenz.

Commissioner Ross and Commissioner Lenz commended GM Peffley, CFO Shawa and Mr. Taylor on the effort and presentation of the budget and forecast. CFO Shawa thanked the commissioners and said there was a team of 10 employees that worked on the budget and forecast.

**Motion** by Commissioner Price, **Seconded** by Commissioner Ross, to forward the FY22 Operating Budget and FY22-27 Forecast Resolution to the full board for approval.

**Roll Call Vote:**

Yeas: Commissioners Lenz, Graham, 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 Completed, Currently Underway, Scheduled to Start, or Changed
1. **Unbilled Accounts Receivable** – **Audit Status:** Completed, Audit Report Issued 3/17/2021
  2. **Purchase Card Usage and Control** – **Audit Status:** Completed, Audit Report Issued 3/30/2021
  3. **MPPA and MISO Billing** – Audit fieldwork is done. Now, this audit is in currently in issues discussion resolution with management. This has delayed the completion of the engagement. **New Estimated Time of Completion: May 2021**
  4. **Cybersecurity Process and IT Vulnerabilities** – BWL and BDO reached an agreement on terms and conditions in late March, and now BDO has engaged in conducting this audit engagement. **New Estimated Time of Completion: TBD (could be 4-6 weeks depending on how the engagement goes)**
  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.*



**FY 2022 Risk Assessment Process Update**

1. Initial input was received from Management during March and April 2021.
2. Follow-up with them has taken place.
3. IA has already started risk ranking business processes that are due for audit. This process will be done before mid-May 2021.
4. A preliminary audit plan will be ready to share with the Finance Committee for initial feedback mid-May 2021. This will be reviewed and tweaked as necessary.
5. IA will share the audit plan with the CFO toward the end of May for their review and feedback.
6. IA will present the audit plan to Senior Management during the second week of June 2021 for their review and feedback.
7. IA will present the audit plan to the Finance Committee for its consideration and approval during its July 2021 meeting.
8. The Finance Committee will present the audit plan as part of its report to the BOC for its consideration and approval during its July 2021 meeting.



Commissioner Lenz asked if there is an expected completion date for the audit that was delayed due to vendor issues. Mr. Lewis responded that the forecasted date is in the second week of June and if there are any changes he will keep the Commissioners informed.

**Other**

Chair Price stated that there will be a Fund Trustees meeting the same week as the Board meeting. The Pension Fund Trustees meeting will be held with the purpose of accepting the Investments Policy Statements for the DC Plans approved by the Board.

**Adjourn**

Chair David Lenz adjourned the meeting at 8:49 p.m.

Respectfully submitted  
David Lenz, Chair Finance Committee

## HUMAN RESOURCES COMMITTEE

### Meeting Minutes

May 18, 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, May 18, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ecbb071b695d2ff0afd75dc61559be7e4>

Event Number for Attendees: 132 881 6463 Event Password: DFsAw7rNS22

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 881 6463

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 (Member)	DeShon Leek remotely, Lansing, MI (Member)
Tracy Thomas remotely, Lansing, MI (Member)	Sandra Zerkle remotely, Lansing, MI (Member)
Stuart Goodrich remotely, Delhi Township, MI	Larry Merrill remotely, Delta Township, MI
David Price remotely, Lansing, MI	Ken Ross remotely, Lansing, MI

Absent: None

The Corporate Secretary declared a quorum.

#### **Public Comments**

None.

#### **Approval of Minutes**

**Motion** by Commissioner Thomas, **Seconded** by Commissioner Leek, to approve the Human Resources Committee meeting minutes of March 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) Administrative Updates: Nationwide Transition**

General Manager Peffley introduced CFO Heather Shawa to present the Retirement Plan Committee (RPC) Administrative updates. CFO Shawa introduced CAPTRUST advisor, Ms. Dori Drayton, who was available to answer questions. CFO Shawa reported that the transition to Nationwide became effective on April 29, 2021. Nationwide held 12 virtual workshops to assist participants with the transition and a BWL account representative was reserved the first two weeks of May. There was an overwhelming response with positive feedback for both of these. Ms. Shawa reported that updates to the 457 Plan document and adoption agreements were made to ensure and clarify alignment with IRS Code requirements and that all plan documents and adoption agreements will be made accessible in an updated Trustee resource. Ms. Shawa concluded with an update that an official request for reimbursement from ICMA-RC for applicable expenses/fees related to the Voluntary Correction Program had been made.

Commissioner Mullen asked if the reimbursements from ICMA have been completed or if there could be future disputes made. CFO Shawa responded that ICMA is required per agreement to reimburse and the full amount had been requested.

Commissioner Zerkle asked whether participants will pay for both ICMA and Nationwide fees if the Roth IRA account that participants had with ICMA are not available with Nationwide. CFO Shawa responded that participants will pay the fee for the Roth IRA product as it is outside BWL's plan. Human Resources Executive Director, Ms. Lynnette Keller, clarified that there is a post-tax election Roth option that is sponsored by the BWL 457 Plan and a Roth IRA that is outside of the plan.

### **Human Resources Department – A Year In Review**

GM Peffley gave the floor to Human Resources (HR) Executive Director, Ms. Lynnette Keller, to present the HR Department Year in Review. Ms. Keller reported alignment with HR Key Priorities to the Utility of the Future Vision and Strategic plan such that cultivating a generative safety culture; attracting, developing and retaining a highly skilled, diverse and culturally intelligent workforce; cultivating employee engagement that promotes a positive work environment, professional development, and career growth with emphasis on succession planning are the three main strategies in the strategic plan. Ms. Keller reported on the areas where HR contributed: some examples include recruiting and retention; safety and security; benefits and retirement; organizational development and training including ISO certification and the Leadership Academy; organizational change management including the training of 25 new Prosci certified change practitioners; employee engagement; technology upgrades including implementing the Pacycor Recruiting and Onboarding Systems; performance management including deployment of the Performance Review Application tool; compensation management including reviewing and updating all non-bargaining position descriptions; diversity, equity and inclusion; and internal improvements. The key priorities shared align with the utility of the future vision, and the strategic priority of engagement and diversity.



Commissioner Thomas commented that Ms. Keller's presentation was informative and that the portion that was presented regarding equity, inclusion, recruiting and retention were explained well, but did have some questions or concerns regarding the lack of information in regard to diversity. Commissioner Thomas suggestions to include the Word diversity in the wheel (see graphic above) to emphasize the important of the great work that was presented in the strategic plan.

Commissioner Zerkle requested definitions for some of the HR terminology, asked whether a quarterly or semi-annual report on the results of the diversity plans implemented would be provided, and what was being considered for employees as the COVID-19 mask restrictions have been lifted. GM Peffley responded that BWL is governed by MIOSHA and that employees who want to return to in-person work will start to return on May 24, 2021. The remainder of the employees will return in phases in July 2021.

MIOSHA requirements are being reviewed to ensure that there is adherence to their guidelines. GM Peffley also responded that definitions for the HR terminology will be provided.

**Appointed Employee Development Process**

Human Resources Committee Chairperson Tony Mullen stated that this document is a skeleton of what it could be and that this was the beginning of developing a process for Board Appointed Employee's development process. Attending Commissioners engaged in dialogue, suggested language and word-smithed the proposed process document.

**Other**

None.

**Adjourn**

Chair Mullen adjourned the meeting at 6:59 p.m.

Respectfully Submitted,  
Tony Mullen, Chair  
Human Resources Committee

Proposed Resolution  
Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services  
**FY22 RULES AND REGULATIONS**  
**Summary of Proposed Changes**

Subject: Board of Commissioners Update of Fiscal Year 2022 amendments to the Rules and Regulations for Utility Services, Including Fees and Charges and a draft resolution for approval.

Background: The Rules and Regulations set forth the terms and conditions of utility services and govern these issues:

- General Provisions
- Service Conditions
- Use of Service
- Metering
- Application of Rates
- Responsibility for Payment of Bills
- Dispute and Hearing Procedure
- Distribution System Extensions
- Services
- Fees and Charges
- Compliance
- Other individual Utility Issues

BWL staff periodically review the Rules and Regulations to recommend changes designed to promote clarity and consistency, address change in practice or procedure, address new issues, and ensure that fees and charges are adequate to cover actual costs.

Fiscal Year 2022 changes fall into three categories: (1) Substantive changes that may alter the meaning or effect of a rule; (2) Non-substantive changes designed to address grammar, clarity and consistency across utilities, but not to change the meaning, substance or effect of a rule; and (3) Fee and Charges increases to recover actual costs where they have increased since the last update in FY20.

**1. SUBSTANTIVE CHANGES**

**A. Across Utilities - Electric, Water, Steam and Chilled Water**

- Revision of Rule 2 – **General Provisions**
  - 2.1.H – Added language that as a condition of service, the BWL must have a recorded easement on the Customer’s Premises for access and installation, maintenance, removal, relocation of the electric distribution system and any other equipment reasonably related to the provision of service.
- Revision of Rule 4.3.B, **Customer Piping and Equipment**
  - Revised to clarify that only when the BWL’s planned or emergency work was not performed in accordance with industry standards will the BWL be responsible for repairs or restoration.
- Revision of Rule 4.6 or 4.7, **Disconnection of Service**
  - Revised to clarify that a Demolition Service Request form must be signed by the property owner for service to be permanently disconnected for demolition.
- Revision of Rule 7.1, **Responsibility for Payment of Bills**
  - Revised to indicate bills are mailed 21 days before the due date instead of 15 days.
  - Added language to clarify current and past practice that unpaid amounts incur a 5% late fee.

- Added language to clarify that a new service request cannot be added until a delinquent account is paid in full.
- Added language to clarify current and past practice that a family member of a deceased customer may place service in their name or the in the name of the Estate if a written request is made by the personal representative and supporting documentation is provided.
- Added language to clarify current and past practice that unpaid amounts accrued during the shared residency (i.e. an occupant who within the last 3 years has lived with a residential Customer whose account is delinquent and currently resides with the Customer) are considered the responsibility of the Customer and the occupant.

## **B. Electric**

- Revision of Rule 1, **Definitions**
  - Revised definition of “Service Location” to clarify it is the point at which the BWL has agreed to deliver electric power to the Customer.
- Revision of Rule 5.4, **Multiple Occupancy Buildings**
  - Added language that the BWL may impose a meter mislabel fee (new fee) if the building owner has not complied with the requirements of this Rule 5.4.
- Revision of Rule 6.1, **General, Application of Rates**
  - For purposes of time-of-use rates, added language to identify the holidays the BWL recognizes for application of such rates.
- Addition of Rule 7.5, **Extended Outage Credit**
  - Added language to address the extended outage credit currently called the Electric Catastrophic Storm Outage Credit which provides that Customers can receive a \$25.00 credit for an electric outage of more than 120 consecutive hours when a catastrophic condition (results in an official state of emergency or results in an interruption for 10% or more of the BWL’s customers) plus an additional credit of \$5 per day thereafter until service is restored. (Resolution 2014-01-01). The credit will now be applicable to Customers with no past due balance who experience an electric outage solely attributable to BWL-owned equipment for 120 consecutive hours or more. Application must be made within 6 months of the first day of the outage. The credit of \$5 per day after the initial 120 hours is being deleted. This revision to Rules and Regulations for Electric would supersede Resolution 2014-01-01.
- Deletion of Rule 11.7.C, **Commercial and Industrial Underground Services**
  - Deleted because the BWL no longer installs secondary commercial services and language describing the charge is not needed.
- Deletion of Rule 11.8.C, **Multi-Dwelling Structure Services**
  - Removed because the BWL no longer installs secondary commercial services and language describing the charge is not needed.
- Revision of Rule 13.2, **Authorized Attachments**
  - Added language that the maximum number of tangent communication cables or fiber line attachments shall be 5 per pole.
- Revision of Rule 14.1, **General, Parallel Power Sources**
  - Revision of Customer generating systems sizing to help with planning for the BWL’s electric distribution system and future Rate changes that will align with systems up to 150 kW AC.
- Addition of Rule 14.4, **Operation**
  - Added language that imposes a new requirement that Customer generating systems with an AC nameplate capacity of 20 kW or higher have a dedicated generation meter owned and maintained by the Customer, or the Customer must provide the BWL with a generation report within 24 hours of request by the BWL.

## **C. Water**

- Revision of Rule 5.4, **Multiple Occupancy Buildings**
  - Added language that the BWL may impose a meter mislabel fee (new fee) if the building owner has not complied with the requirements of this Rule 5.4.
- Revision of Rule 11.4.A, **Domestic Water Service**
  - Added language to correspond to new curb box fill fee which applies when the curb stop has been closed by the BWL and is subsequently opened by an unauthorized Person requiring the BWL to again close the curb stop and fill the curb box with soil to prevent its operation.
- Revision of Rule 11.5.A, **Fire Service**
  - Revision to limit when a detector check by-pass meter will be installed, owned and maintained by the BWL. It will not be installed when the BWL has determined the by-pass meter is not warranted or is impractical. Such meters are often redundant because flow in a fire service is already monitored by the fire department.

#### **D. Chilled Water**

- Revision of Rule 4.3, **Customer Piping and Equipment**
  - Revision to specifically define the connection point of Customer Piping.
  - Revisions to clarify and define responsibilities of the Customer to install and maintain Customer Pumps and to install and maintain all connections to BWL equipment.
  - Revision to clarify how Customer Piping may be configured – as either a Direct Connection or an Indirect Connection subject to review and approval by the BWL.
- Revision of Rule 4.5, **Improper Use and Tampering**
  - Added language to address the intentional disabling of Customer Pumps to defeat circulation, constituting a disruption to chilled water service which may result in disconnection and the imposition of reconnection and tampering fees. Shutdowns for maintenance and refurbishment of Customer Piping are permissible.
- Revision of Rule 5.2, **Sizing, Installation, and Ownership**
  - Added language to clarify metering equipment will be installed within Customer Piping and Customer is responsible for all connections to metering equipment.
- Addition of Rule 9, **Customer Choice Program**
  - Added language to align with the BWL authorizing customer choice contractors to install chilled water service piping and chilled water mains. Language is consistent with Rule 9 of Rules and Regulations for Water.
- Revision of Rule 11.3.B (formerly Rule 10.3.B), **Chilled Water Service**
  - Revision to specify the Customer will install the master isolation valves on Customer Piping at its expense and is responsible for ownership and maintenance.

#### **E. Steam**

No substantive revisions

## **2. NON-SUBSTANTIVE CHANGES**

### **A. Across Utilities - Electric, Water, Steam and Chilled Water**

- Revision of Rule 2, **General Provisions**
  - 2.1.A – Revised language to include correct link to Rate Schedules and all contact information for Utility Services.
  - 2.2.A - Revised language to clarify that all types of consumption and demand data collected for all utilities are included.
- Revision of Rule 6.2, **Resale**

- Revised language to clarify BWL must approve the resale of the utility service.
- Revision of Rule 9 or 10, **Easements**
  - Added language consistent with new Rule 2.1H which permits the BWL to place other equipment on the Customer's premises for the provision of service.
- Revision of Rule 9 or 10, **Non-Standard Equipment**
  - Added language to clarify that non-standard equipment the BWL elects to provide is subject to availability and lead times.

## **B. Electric**

- Revision of Rule 1, **Definitions**
  - Revised definition of "Multi-Dwelling Structure" for consistency with definition of "Residence."
- Revision of Rule 5.2, **Installation and Ownership**
  - Added language to clarify which metering enclosures the BWL will provide and which the Customer must provide.
- Revision of Rule 5.7, **Primary Rate Meter Installations**
  - Added language to clarify primary rate metering equipment should be installed on the exterior of the building for communications capability.
- Revision of Rule 6.8A, **Cogeneration and Small Power Production Facility**
  - Removed Rate references as the Rate numbers because they might change.
- Revision of Rule 10.5, **Refunds of Deposit (for Distribution Line Extensions)**
  - Added language to clarify the BWL will not refund any portion of a deposit **for a Distribution Line Extension** attributable to revenue from Customers intended to receive service as part of the extension project.
- Revision of Rule 11.7.A and Addition of Rule 11.7.B, **Commercial and Industrial Underground Services**
  - Revision to clarify who installs, owns and maintains underground secondary service conductors for commercial and industrial buildings.
- Revision of Rule 11.7.F, **Commercial and Industrial Underground Services**
  - Revision to clarify cabinets and enclosures up to 3000 Amperes can be purchased from the BWL.
- Addition of Rule 11.8.B, **Multi-Dwelling Structure Services**
  - Added language to be consistent with Rule 11.7.B. to clarify who installs, owns and maintains underground secondary service conductors for multi-dwelling structures.

## **C. Water**

- Revision of Rule 4.3, **Customer Piping and Equipment**
  - Added language to clarify the Customer's responsibility to connect their plumbing to our Meter.

## **D. Chilled Water**

- Revision of Rule 1, **Definitions**
  - Added definition of "Advanced Metering Infrastructure" to ensure consistency with other utility services.
  - Added definition of "Customer Pumps" to ensure consistency between the Rules and Regulations and the chilled water connection standards.
  - Added definition of "Direct Connection" to ensure consistency between the Rules and Regulations and the chilled water connection standards.
  - Added definition of "Indirect Connection" to ensure consistency between the Rules and Regulations and the chilled water connection standards.
  - Added definition of "Meter" to ensure consistency between the Rules and regulations and the chilled water connection standards.

- Revised definition of “Service Location” to be more accurate and to clarify it must be within 5 feet from the outside of the building.
- Revised definition of “Service Valves” to clarify the Service Valves will be owned by the BWL but may not be installed by the BWL as per Rule 9, these valves may be installed by a customer choice contractor.
- Revision of Rule 3.2, **Availability of Service**
  - Added language to describe the characteristics of chilled water service.
- Revision of Rule 4.1, **General, Use of Service**
  - Added language to clarify what may be operated by personnel authorized by the BWL only.
- Revision of Rule 10.5 (formerly Rule 9.5), **Installation of Distribution System Extension**
  - Added language to clarify the types of plans the Customers must provide for BWL review and approval to ensure a more thorough review.
- Revision of Rule 11.3.A (formerly Rule 10.3.A), **Chilled Water Service**
  - Revision to clarify which valves can be operated by the BWL as there has been recent confusion on who has the right to operate valves, especially those located on the Customer’s Premises.
  - Moved #5 to be under 11.3.D.
- Revision of Rule 11.3.B (formerly Rule 10.3.B), **Chilled Water Service**
  - Deletion of #2 due to redundancy and conflict with modified language specifying the connection point at within 5 feet from the outside of the building.
- Revision of Rule 11.3.C (formerly Rule 10.3.C), **Chilled Water Service**
  - Added language to clarify the Customer is not permitted to withdraw or introduce water, air or any other substance to the Chilled Water Distribution System and is required to notify the BWL of any situation which results in a water draw or introduction of foreign materials to the distribution system or of any chilled water leaks.
- Revision of Rule 11.3.D (formerly Rule 10.3.D), **Chilled Water Service**
  - Moved language from 11.3.A and revised to clarify the Customer is responsible to ensure air and debris are not present within Customer Piping which is a Direct Connection and the BWL will not supply chilled water to Customer Piping until pipe cleaning has been successfully performed.

## E. Steam

- Revision of Rule 1, **Definitions**
  - Added definition of “Advanced Metering Infrastructure” to ensure consistency with other utility services.

## 3. Fees and Charges

ELECTRIC FEES and CHARGES				
Charge Description	When Applied	FY20 Charge	Proposed FY22 Charge	
Commercial Underground Service	When requested by Customer, restoration not included.			
	400 A or less and green space only	\$6-50/ft \$525 - minimum	REMOVE	No longer install secondary commercial services
	Multi-Dwelling Structure - Single Phase - 800 A or less	\$6-50/ft \$525 - minimum	REMOVE	
5G Wireless Antenna Rental Fee (New Pole Installation)	Annually	\$150 per antenna	REMOVE	Law did not pass and fee needs to be removed
Meter-Tampering Fee	Each occurrence	\$275	\$285	For consistency with Water
Meter Mislabel Fee	Each occurrence - up to 4 meters corrected	DID NOT EXIST	\$450	Added due to language in Rule 5.4B; covers costs of labor, materials and equipment
Interference Fee	Each occurrence	\$275	\$285	For consistency with Water
Cut at Pole	Any time - Triplex	\$155	\$490	Adjusted to cover costs of labor, materials and equipment
	Any time - Three Wire	DID NOT EXIST	\$850	

WATER FEES and CHARGES				
Charge Description	When Applied	FY20 Charge	Proposed FY22 Charge	
Water Main Front Footage Recovery	½ of the charge for either side of street if not previously collected. On 16"	\$197/ft	\$234 / ft	Adjusted to cover costs of labor, materials and equipment
Water Services (Board Installed) (Connection Fee applicable)	Up to and incl. 1" Water Service	\$2,700 per stub plus restoration cost	\$3,800 per stub plus restoration cost	Adjusted to cover costs of labor, materials and equipment
	Main-to-Curb Box Stub on previously installed water mains	\$845 minimum, \$18/ft in excess of 45 feet plus restoration cost	\$1,700 minimum, \$35/ft in excess of 45 feet plus restoration cost	Adjusted to cover costs of labor, materials and equipment
	Curb Box-to-Building (Trenched)	\$1,850 Minimum, \$30/ft in excess of 45 feet plus restoration cost	\$2,300 Minimum, \$35/ft in excess of 45 feet plus restoration cost	Adjusted to cover costs of labor, materials and equipment
	Curb Box-to-Building (Bored)	\$290	\$330	Adjusted to cover costs of labor, materials and equipment
	Indoor Meter Set ¾" – Standard	\$385	\$455	Adjusted to cover costs of labor, materials and equipment
	Indoor Meter Set ¾" - With Split Irrigation	\$3,015	\$3,305	Adjusted to cover costs of labor, materials and equipment
	Domestic or Irrigation Outdoor ¾" Meter Set with Meter pit	\$180	\$195	Adjusted to cover costs of labor, materials and equipment
	Outdoor ¾" Meter Set with Meter pit – Customer Choice Program ( labor only)	\$385	\$455	Adjusted to cover costs of labor, materials and equipment
	Retrofit of existing service to allow for split Domestic or Irrigation Service	\$180	\$195	Adjusted to cover costs of labor, materials and equipment
	Charge for setting meter on a split service after initial installation	\$180	\$195	Adjusted to cover costs of labor, materials and equipment
Service Meter Pit set – Customer Choice Program (labor only)				Adjusted to cover costs of labor, materials and equipment
Service Demolition	When requested by Customer			
	Up to and including 1" Curb Box-to-Meter Pit	\$130	\$135	Adjusted to cover costs of labor, materials and equipment
	Up to and including 1" Curb Box-to-Building	\$245	\$265	Adjusted to cover costs of labor, materials and equipment
Winter Construction Charge	Water Services, 2" and under	\$11 /Trench ft	\$23/Trench ft	Adjusted to cover costs of labor, materials and equipment
Damaged Meter Charge	Upon occurrence			
	For Services Up to 1"	\$260	\$265	Adjusted to cover costs of labor, materials and equipment
	For 1" Services	\$330	\$335	Adjusted to cover costs of labor, materials and equipment
	For 1 ½" Services	Labor and Material*	\$1,070	Adjusted to cover costs of labor, materials and equipment
	For 2" Services	Labor and Material* *minimum charge of \$900	\$1,245	Adjusted to cover costs of labor, materials and equipment
Thawing Service Charge	After a running water order has been issued			
	Up to and incl. 2" and up to 2 hours	\$245	\$265	Adjusted to cover costs of labor, materials and equipment
Hydrant Flow Testing	When requested by Customer	\$265	\$390	Adjusted to cover costs of labor, materials and equipment

WATER FEES and CHARGES				
Charge Description	When Applied	FY20 Charge	Proposed FY22 Charge	
Permit Application (Customer Choice Program)	Initial request by contractor seeking qualification	\$410	\$425	Adjusted to cover costs of labor, materials and equipment
Engineering, Inspection and Administration (Customer Choice Program)	On-site mains and commercial services			
	For a project with a Board estimated construction cost of \$100,000 or less:	5% inspection deposit (\$1,000 minimum) 3% minimum engineering and administration charge (\$600 minimum). The LBWL reserves the right to adjust the percentage charged based on anticipated project costs.	10% inspection fee - reconcilable (\$1,000 minimum)	Adjusted fee to reduce the frequency and amounts being invoiced to customer
	For project with a Board estimated construction cost >greater than \$100,000:	4% inspection deposit 2% minimum engineering and administration charge. The LBWL reserves the right to adjust the percentage charged based on anticipated project costs.	9% inspection fee - reconcilable	Adjusted fee to reduce the frequency and amounts being invoiced to customer
		Inspection deposits will be reconciled with actual inspection costs upon completion of the project. The difference will be reimbursed or billed to the customer, except in cases where actual inspection costs are less than the \$1,000 minimum inspection charge.	Inspection fees will be reconciled with actual inspection costs upon completion of the project. The difference will be reimbursed or billed to the customer, except in cases where actual inspection costs are less than the \$1,000 minimum inspection charge.	
BULK WATER PERMIT Temporary Hydrant Usage for construction, festivals and governmental special use by special permit.	1" RPZ backflow device plus	\$795	\$605	Adjusted to cover costs of labor, materials and equipment
	2" RPZ backflow device plus	\$1,385	\$1,090	Adjusted to cover costs of labor, materials and equipment
Meter-Tampering Fee	Each occurrence	\$275	\$285	Adjusted to cover costs of labor, materials and equipment
Curb Box Fill Fee	Each Occurrence	DID NOT EXIST	\$315	To recover cost of sending crew/truck to site to fill a curb box and subsequently clean it out after tampering discovered; covers costs of labor, materials and equipment.
Meter Calibration Charge	Customer request meter calibration check is within plus or minus 1.5% of accuracy			
	Up to 2" meters	\$195	\$205	Adjusted to cover costs of labor, materials and equipment
Meter Mislabel Fee	Each occurrence - up to 4 meters corrected	DID NOT EXIST	\$1,680	Added due to language in Rule 5.4B; covers costs of labor, materials and equipment
Interference Fee	Each occurrence	\$275	\$285	Adjusted to cover costs of labor, materials and equipment

CHILLED WATER FEES and CHARGES				
Charge Description	When Applied	FY20 Charge	Proposed FY22 Charge	
Permit Application (Customer Choice Program)	Initial request by contractor seeking qualification	DID NOT EXIST	\$425	Added Customer Choice Program; For consistency with Water
Annual Contractor's Qualification Permit Fee (Customer Choice Program)	Annually	DID NOT EXIST	\$150	Added Customer Choice Program; For consistency with Water
Engineering, Inspection and Administration (Customer Choice Program)	On-site mains and commercial services For a project with a Board estimated construction cost of \$100,000 or less:	DID NOT EXIST	10% inspection fee - reconcilable (\$1,000 minimum) 3% minimum engineering and administration charge (\$600 minimum). The LBWL reserves the right to adjust the percentage charged based on anticipated project costs.	Added Customer Choice Program; For consistency with Water
	For project with a Board estimated construction cost greater than \$100,000:		5% inspection fee - reconcilable 2% minimum engineering and administration charge. The LBWL reserves the right to adjust the percentage charged based on anticipated project costs.  Inspection fees will be reconciled with actual inspection costs upon completion of the project. The difference will be reimbursed or billed to the customer, except in cases where actual inspection costs are less than the \$1,000 minimum inspection charge.	
Meter-Tampering Fee	Each occurrence	\$275	\$285	For consistency with Water
Interference Fee	Each occurrence	\$275	\$285	For consistency with Water

STEAM FEES and CHARGES				
Charge Description	When Applied	FY20 Charge	Proposed FY22 Charge	
Meter-Tampering Fee	Each occurrence	\$275	\$285	For consistency with Water
Interference Fee	Each occurrence	\$275	\$285	For consistency with Water
Meter Calibration Charge	When Customer requested meter calibration check is within plus or minus 2% accuracy	\$195	\$205	For consistency with Water

RESOLVED, that Fiscal Year 2021-2022 Rules and Regulations for Electric, Water, Steam and Chilled Water Services be approved as presented, to be effective July 1, 2021.

Proposed Resolution  
Revised Investment Policy Statements of the DC Plans

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors 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; and Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the “DC Plans”); and

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of the DC Plans’ assets in November 2018; and

WHEREAS, the Retirement Plan Committee also periodically reviews the DC Plans’ Investment Policy Statements (“IPSS”), and, as the result of its most recent review, recommends revisions to the Plans’ IPSS; and

WHEREAS, the Retirement Plan Committee along with the General Manager recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Lansing Board of Water and Light Defined Contribution Plan and Trust 1 Investment Policy Statement; Lansing Board of Water and Light Defined Contribution Plan and Trust 2 Investment Policy Statement; and Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust Investment Policy Statement; and

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Lansing Board of Water and Light Defined Contribution Plan and Trust 1 Investment Policy Statement; Lansing Board of Water and Light Defined Contribution Plan and Trust 2 Investment Policy Statement; and Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust Investment Policy Statement;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee along with the General Manager, the Sponsor adopts and approves the attached Lansing Board of Water and Light Defined Contribution Plan and Trust 1 Investment Policy Statement; Lansing Board of Water and Light Defined Contribution Plan and Trust 2 Investment Policy Statement; and Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust Investment Policy Statement.

Proposed Resolution  
Fiscal Year 2022-2027 Budget and Forecast

RESOLVED, that the Annual Operating and Capital Budget covering Fiscal Year 2022 is hereby approved as presented; and

RESOLVED, that the Operating and Capital Forecast for the Fiscal Years 2023-2027 is hereby accepted as presented; and

FURTHER RESOLVED, that the Corporate Secretary be directed to make the appropriate filings with the Lansing City Clerk's office in accordance with the Lansing City Charter regarding the above actions.

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Staff Comments:

Staff recommends an operating and maintenance budget of \$340.2M and a capital budget of \$118.8M for Fiscal Year 2022.

The Operating and Capital Forecast for Fiscal Years 2023-2027 includes potential rate increases in Fiscal Years 2023-2027. The potential rate increases are for forecast purposes only and have not been approved through a public rate hearing process. The forecast rate increases are subject to revision and, in any case, prior to implementation, must be subject to the BWL's formal rate setting process as per Lansing City Charter, Section 5-205 which refers to the BWL's authority to set just and reasonable rates and defines the public hearing process.

In accordance with the provisions of the Lansing City Charter, Article 5, Chapter 2, Section 5-203.5 and Section 5-203.6, staff recommends the Finance Committee approve the budget and forecast for presentation and adoption by the Board at its May 25, 2021 board meeting.