



**BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
July 18, 2023 - 5:30 p.m.
1201 S. Washington Ave., Lansing, Michigan
REO Town Depot**

AGENDA

Pursuant to Section 1, 1.3 of the Board of Water & Light's Rules and Procedures, Board of Water & Light's Board Chairperson Semone James called this meeting at the above rescheduled date.

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

- 1. Roll Call**
- 2. Pledge of Allegiance**
- 3. Nominating Committee Report and Election of Officers FY 2023-2024**
- 4. Approval of Minutes**
 - a. Regular Board Meeting Minutes of May 23, 2023
- 5. 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.*
- 6. Communications**
 - a. Electronic mail from Beth Colosimo re: Tree Trimming
 - b. Letter from Archie Bryde re: Complaint
 - c. Electronic mail from Andrea Conarton re: Utility Bill
- 7. Committee Reports**
 - a. Human Resources Committee Meeting (June 13, 2023) – Tony Mullen, Chairperson
 - b. Nominating Committee Meeting (June 13, 2023) – Beth Graham, Chairperson
 - c. Committee of the Whole Meeting (July 11, 2023)- Sandra Zerkle, Chairperson
 - d. Finance Committee Meeting (July 11, 2023) - Dusty Horwitt, Chairperson
- 8. Manager's Recommendations**
- 9. Unfinished Business**

10. New Business

11. Resolutions/Action Items

- a. Appointment of the Charter Position of Corporate Secretary Resolution
- b. Appointment of the Charter Position of Director and General Manager Resolution
- c. Board of Commissioners Expenditures Resolution
- d. Fraud Prevention Policy and Fraud Prevention Policy Resolution
- e. Drinking Water State Revolving Fund (DWSRF) Bond Resolution
- f. Credit Card Policy Resolution

12. Manager's Remarks

13. Commissioners' Remarks

14. Motion of Excused Absence

15. Public Comment

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

16. Adjournment

Agenda posted on web site and building 07-14-23

2023 Board Meetings Notice/Schedule Posted in the Lansing State Journal January 3, 2023



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

May 23, 2023

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters at REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, May 23, 2023.

Chairperson Semone James called the meeting to order at 5:30 p.m.

Corporate Secretary LaVella Todd called the roll.

Present: Commissioners Semone James, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Douglas Jester (East Lansing) and Larry Merrill (Delta Township)

Absent: Commissioners Beth Graham and Tony Mullen; and Non-Voting Commissioner Maggie Sanders (Lansing Charter Township)

Corporate Secretary Todd declared a quorum.

Commissioner Thomas led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Zerkle, **Seconded** by Commissioner Price, to approve the Regular Board Meeting Minutes of March 28, 2023.

Action: Motion Carried. The minutes were approved.

Motion by Commissioner Price, **Seconded** by Commissioner Thomas, to approve the Special Board Meeting Minutes of April 11, 2023.

Action: Motion Carried. The minutes were approved.

Motion by Commissioner Leek, **Seconded** by Commissioner Zerkle, to approve the Special Board Meeting Minutes of April 20, 2023.

Action: Motion Carried. The minutes were approved.

PUBLIC COMMENTS ON AGENDA ITEMS

Rosemary Sullivan, Lansing, MI, participant in the Retirees Association, requested the Board approve the appointment of one retiree to serve on the Retirement Plan Committee.

COMMUNICATIONS

Electronic mail received from Nicole Frieseman regarding utility bill - *Referred to Management. Received and Placed on File.*

Electronic mail received from Jonathan Brock regarding utility bill - *Referred to Management. Received and Placed on File.*

Electronic mail received from Chris Hammond regarding contact information - *Referred to Management. Received and Placed on File.*

Electronic mail received from Melinda Quimby regarding power shut-off - *Referred to Management. Received and Placed on File.*

Electronic mail received from Kara Tripi regarding light post banner installation - *Referred to Management. Received and Placed on File.*

Electronic mail received from Heather Douglas regarding economic benefits of renewable energy - *Referred to Management. Received and Placed on File.*

Electronic mail received from Andrea Thomas regarding utility bill - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Vice-Chairperson Sandra Zerkle presented the Committee of the Whole Report:

COMMITTEE OF THE WHOLE Meeting Minutes May 9, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 9, 2023.

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

Present: Commissioners Sandra Zerkle, Dusty Horwitt, Semone James, DeShon Leek, David Price, Tracy Thomas and Non-Voting Member Commissioner Larry Merrill

Absent: Commissioners Beth Graham and Tony Mullen, and Non-Voting Commissioners Doug Jester (East Lansing) and Maggie Sanders (Lansing Township)
The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to approve the Committee of the Whole Meeting minutes of March 16, 2023.

Action: Motion carried. The minutes were approved.

Procurement Policy Revision

Rochelle Parks, Manager, Procurement & Supply Chain, presented the Procurement Policy revisions made to enhance clarification and compliance. Ms. Parks requested approval of the policy revisions.

Commissioner Semone James requested an annual report of all contracts be sent to the Board of Commissioners and placed on the Commissioner Dashboard. General Manager (GM) Dick Peffley responded that an annual report of major contracts will be sent to the Commissioners. CFO Heather Shawa responded that contracts with open litigation, sole source contracts for \$15,000 and greater, contracts for 36 months or longer, and emergency purchase orders are currently reported. A discussion followed on the provision and content of the annual report to be provided.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James to forward the resolution for the Procurement Policy Revisions to the full Board for consideration.

Commissioner Semone James made a motion to amend the resolution to include an annual report with a list of contracts greater than \$15,000 be sent to the Board of Commissioners and be placed on the Commissioners' Dashboard with the name of the supplier, the services provided, the contract term effective date through end date, the annual contract amount or value, and the total contract amount or value. CFO Heather Shawa stated that would be an amendment to the policy and the Board could accept the resolution for the Procurement Policy revisions. The motion to amend the resolution was withdrawn. General Counsel Mark Matus provided the language to amend the proposed Procurement Policy Section 1. Reporting - add a new item E. with the following language: A list and brief description of supplier contracts, i.e., Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value, Contract Term: (XX/XX/XXX through XX/XX/XXXX).

Motion by Commissioner David Price, **Seconded** by Semone James to amend the policy by adding Section 1. Reporting E. to provide a list and brief description of all supplier contracts with the Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value and Contract Term.

Action: Motion Carried.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James was restated to forward the resolution for the Procurement Policy Revisions as presented to the full Board for consideration.

Action: Motion Carried.

FY24 Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary

General Counsel Mark Matus introduced the staff that worked on the FY24 Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary and presented the summary of the changes to the electric, water, steam, chilled water services rules and regulations.

Chairperson Sandra Zerkle asked whether electricity being shut off during tree trimming would be considered a disconnect and if applicable fees would be applied and Mr. Matus responded that it wouldn't be considered a disconnect.

Commissioner Douglas Jester provided comment via electronic communication for consideration, stating “The proposed rules revisions include tightening up provisions for security deposits from customers returning to service after a disconnection. I do not believe there is any evidence to support that a security deposit improves payment performance and for customers having economic difficulties, a security deposit can delay restoration of service and/or create a financial hardship. With advanced meters, service turn-off and restoration are inexpensive and likely more useful than a security deposit. I recommend reconsideration of security deposit. It might be appropriate to differentiate between residential and business customers on this.”

GM Peffley responded that if a security deposit is required for utility service due to customer’s credit history, the security deposit will be credited to the customer’s account after a year of good payment. The reconnect fee takes into consideration customer service and staff time involved to reconnect a service. This cost of service fee will be reassessed the next year and will be updated, and commercial/industrial and residential customers will be separated.

Commissioner James asked whether the fees for the poles were the same for all projects and whether the costs could be recouped. Director of Strategic Planning and Development, Kellee Christensen, responded that the costs are paid by the project developer.

Chairperson Zerkle asked whether allowing BWL to put in electrical service in a garage without going through the house to see if everything was up to code was still the practice. Carbon Neutrality Programs Manager, Anna Munie, responded that if an EV charger is installed in a garage, the entire house isn’t gone through, and installation of a second meter hardwired to an EV charger is recommended and has a special rate.

Commissioner Dusty Horwitt asked whether the prepaying of level three chargers for residential customers was due to the higher electricity output and safety risk. Ms. Munie responded that BWL doesn’t install three phase service for residential customers and that is the reason.

In response to Chairperson Sandra Zerkle’s question, Mr. Matus responded that there are additional fees for lines down that aren’t BWL lines.

In response to Commissioner Semone James and Commissioner Price’s questions about the emergency response fee, Mr. Matus responded that the calculation was based on the cost of the overtime crew to address an emergency and the fee is for emergencies on non-BWL lines.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas to forward the resolution for the FY24 Rules and Regulations for the Electric, Water, Steam, Chilled Water Services as presented to the full Board for consideration.

Action: Motion Carried.

Property Disposition – Pine/Dell Dr. in Lansing

Mr. Matus presented information on property located at Pine/Dell Drive in Lansing, MI to be sold to the owners of the adjacent property and requested approval of the sale.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt, to forward the resolution for Property Disposition – Pine/Dell Dr. in Lansing as presented to the full Board for consideration.

Action: Motion Carried.

Travel and Expense Reimbursement Policy Revision

Director of Finance, Accounting & Planning Scott Taylor presented the revisions to the Travel and Expense Reimbursement Policy retitled Travel and Expense Policy and requested approval of the resolution. A discussion regarding meals and incidentals, and waiver outlined in the revised policy followed the presentation.

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner DeShon Leek to forward the resolution for the Travel and Expense Policy as is to the full Board for consideration.

Action: Motion Carried.

Other

Commissioner Dusty Horwitt asked if an update to the All Source RFP would be provided. GM Peffley responded that an update would be provided in a future Special COW meeting.

Excused Absence

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price for an excused absences for Commissioners Beth Graham, Tony Mullen, Douglas Jester, and Maggie Sanders.

Action: Motion Carried.

Adjourn

Chairperson Zerkle adjourned the meeting at 7:24 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

Finance Committee Chairperson Dusty Horwitt presented the Finance Committee Report:

**FINANCE COMMITTEE
Meeting Minutes
May 9, 2023**

Finance Committee: Dusty Horwitt, Committee Chairperson; Commissioners Semone James; David Price; and Sandra Zerkle; Alternates: Commissioners Anthony Mullen, Tracy Thomas; Non-Voting: Commissioners Douglas Jester, Larry Merrill, Maggie Sanders.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, May 9, 2023.

Finance Committee Chairperson Dusty Horwitt called the meeting to order at 7:40 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dusty Horwitt, Semone James, David Price, and Sandra Zerkle, Alternate: Tracy Thomas; also present: Commissioner DeShon Leek and Non-Voting Commissioner Larry Merrill.

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

Jan Simpson, St. Johns, Michigan, president of the BWL Retirees' Association, commended the BWL Retirement Plan Committee (RPC) and Human Resources for contacting more than six-hundred and seventy-nine participants in the DB and VEBA plans regarding any needed forms and substantiation documentation, leaving only five participants remaining. GM Peffley thanked Jan Simpson for her work.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to approve the Finance Committee Meeting minutes of March 16, 2023.

Action: Motion Carried.

March YTD Financial Summary

CFO Heather Shawa presented the March YTD Financial Summary. Commissioner Zerkle asked about employee vacancy postings and the cost of benefits claims. GM Peffley stated typically in a year, BWL hires about 40 to 45 employees; last year BWL hired 100 employees.

Retirement Plan Committee (RPC) updates

CFO Heather Shawa presented the RPC updates.

Commissioner Zerkle asked if the five participants that are still receiving benefits and hadn't provided the necessary substantiation documentation was because they hadn't received the proper information to return. CFO Shawa stated that the employees require some assistance locating the documentation and are receiving assistance from Human Resources.

Drinking Water State Revolving Fund (DWSRF) Bond Resolution

Accounting, Finance & Planning Director, Scott Taylor, presented the Drinking Water State Revolving Fund Bond and requested approval of the revenue bond issuance resolution. A notice of intent for the revenue bond issuance will be published in the Lansing State Journal upon approval of the bond resolution. Mr. Taylor reiterated that a resolution to authorize CFO Shawa to issue the revenue bonds will be presented to the Board in July 2023.

In response to Commissioner Zerkle's question, GM Peffley stated the bond revenue would be mainly used for the construction of a water tower at the corner of Wood Street and Lake Lansing Road and used for water main replacements.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Drinking Water State Revolving Fund (DWSRF) to the full Board for consideration.

Action: Motion Carried.

FY24 Operating Budget and FY24-29 Forecast Presentation

CFO Heather Shawa and Accounting, Finance & Planning Director, Scott Taylor, presented the FY24 Operating Budget and FY24-29 Forecast Presentation. Strategic objectives, key budget and forecast assumptions, sales volume history and forecast by utility, operating budget and forecast, capital budget and forecast, and next steps were presented. BWL was selected as Corporate Partner of the Year by United Way was noted.

Commissioner James asked what could improve the BWL credit rating from high to the best rating. CFO Shawa responded that cash metrics helped maintain BWL's credit rating during COVID, the City of Lansing's financial position as it relates to their OPEB is the biggest pressure, and the customer base used to be General Motors dependent but now there is diversity. Commissioner James asked how much the City's OPEB was underfunded and what was being done to get to the targeted funding status and how we could help. GM Peffley responded that the amount was about \$500 million and that the mayor will increase some efficiencies and obtain grants and is hoping BWL will land a large customer. Commissioner James also asked what could be done to ensure that we met the forecasted 6% rate on the Return on Equity (ROE) given the Delta Energy Park delays and costs. GM Peffley responded that the first two quarters were strong, the fourth quarter is expected to be strong with additional revenue projected, and BWL is still in the positive by about \$1 million for the amount. Commissioner Zerkle added that BWL provides 20% of the City's budget.

Commissioner Horwitt asked what the response would be to a request for a greater than 6% ROE to the city. General Counsel Mark Matus responded that the percentage is determined by what is deemed acceptable and comparable to Returns of Equity for utilities in the country. CFO Shawa responded that business is growing to increase the amount provided to the city at the 6% rate rather than increasing the ROE rate.

In response to Commissioner Zerkle asking whether the current authorization for the substations would prevent the rolling blackouts during the summer GM Peffley stated the rolling blackouts would be driven by the energy shortage of an outside entity.

In response to Commissioner James asking why the 5% inflation rate wasn't used instead of 2.4%, Mr. Taylor responded that the lower rate is the forecast inflation rate published by the congressional budget office.

In response to Commissioner Zerkle's question of how a 50% rate increase for water over 4 years was justified, GM Peffley stated that there is no backup for water as there is for electric and the BWL needs to stay compliant with our cost of service objectives.

Commissioner Price asked how BWL's water rate compares with other municipalities in the state. GM Peffley responded that the water rates are in the middle of other municipalities and obtains its water from deep wells that incur greater pumping costs and chemical treatments, but BWL has good tasting and quality water.

Commissioner Horwitt asked if the water rates could be reduced with a combination of grants and the lower rate policy for the first two CCFs of water usage per month which is about 1500 gallons. GM Peffley affirmed and stated that a household of two should have no problem staying under 1500 gallons. GM Peffley will follow up on the water usage amount for a two-person household.

Commissioner James asked if BWL provides information on ways to conserve water and cost saving apparatus. GM Peffley responded that campaigns, mailers, and social media are provided to customers. CFO Shawa added that there is also information on the BWL website.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the FY2024-2029 Budget and Forecast to the full Board for consideration.

Action: Motion Carried.

Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use Resolution

Accounting, Finance & Planning Director, Scott Taylor, presented and requested approval of the resolution for the removal of the designation on funds for coal inventory fluctuation and release for unrestricted use.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use to the full Board for consideration.

Action: Motion Carried.

P-Card Administration

GM Peffley stated that the revising of the BWL employee purchasing card procedure was in progress, management review and training will be conducted, the completion date is set at July 1, 2023, and the information will be provided to the Commissioners when completed. Chairperson Horwitt stated that review and revision of the Board appointee purchasing card procedure will also be completed and requested assistance. GM Peffley stated that assistance would be provided.

Other

A copy of the Board of Commissioners budget for fiscal years 2024 through 2029 was provided for review.

Adjourn

Chairperson Dusty Horwitt adjourned the meeting at 9:28 p.m.

Respectfully submitted,
Dusty Horwitt, Chairperson
Finance Committee

MANAGER’S RECOMMENDATIONS

There were no Manager’s Recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Finance Committee Chairperson Dusty Horwitt presented the Retirement Plan Committee Charter and Appointment information and the proposed resolution, and a discussion followed.

RESOLUTIONS/ACTION ITEMS

RESOLUTION 2023-05-01

Procurement Policy

WHEREAS, Section 5-203.4 of the Lansing City Charter requires the Lansing Board of Water & Light (“BWL”) to adopt policies and procedures to assure fairness in procuring personal property and services and disposing of personal property; and

WHEREAS, the Board of Commissioners (“Board”) adopted a Procurement Policy (“Policy”) on December 1, 2015, which superseded the previously adopted Purchasing Policy dated July 27, 2010; and

WHEREAS, BWL staff has conducted a review of the Policy and determined revision and clarification to the terms of the Policy would enhance understanding and compliance with the Policy; and

NOW, THEREFORE, BE IT RESOLVED, that the Board adopt the Policy dated May 23, 2023 and made effective July 1, 2023 as presented.

FURTHER RESOLVED, that the Procurement Policy effective December 1, 2015 is superseded as of July 1, 2023.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle to adopt the Procurement Policy at a Board meeting held on May 23, 2023.

Action: Motion Carried.

RESOLUTION 2023-05-02

FY24 Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services

RESOLVED, that Fiscal Year 2023-2024 Rules and Regulations for Electric, Water, Steam and Chilled Water Services be approved as presented by Management on May 23, 2023, to be effective July 1, 2023.

Motion by Commissioner Dusty Horwitt, **Seconded** by Commissioner DeShon Leek, to approve the Rules and Regulations for FY24 at a Board meeting held on May 23, 2023.

Action: Motion Carried.

RESOLUTION 2023-05-03

Disposition of Real Property

RESOLVED, that the Board of Commissioners hereby recommends that Lansing City Council grant the conveyance of certain real property titled to and occupied and maintained by the Board of Water and Light (“BWL”), specifically described on Exhibit A (“Property”); and

FURTHER RESOLVED, the General Manager of the Board of Water and Light is authorized to execute all documents to effectuate this disposition of the Property grant once approved by the Lansing City Council.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle to approve the Resolution for the Disposition by Sale of Real Property at a Board meeting held on May 23, 2023.

Action: Motion Carried

Staff Comments: Greg and Mary Douglass own the parcel adjacent to the Property and have a license agreement with the BWL for an encroaching driveway and shed and they asked to purchase the Property. The Property is only .8 acres and is located in a flood zone, making it undesirable for develop. BWL has neither used nor does it intend to use the Property. An appraisal (\$3,000) was obtained to establish the purchase price (\$5,000.00) and BWL has confirmed that neither the City of Lansing nor the Lansing School District has any need for the Property.

RESOLUTION 2023-05-04
Travel and Expense Policy

WHEREAS, the Board of Commissioners (“Board”) adopted a Travel & Reimbursement Policy (“Policy”) on March 27, 2018, with an effective date of May 1, 2018, which superseded the previously adopted Travel & Reimbursement Policy dated March 28, 2017; and

WHEREAS, BWL staff has conducted a review of the Policy and determined revision and clarification to the terms of the Policy would enhance understanding and compliance with the Policy;

WHEREAS, the Policy title was changed to Travel & Expense Policy to reflect the revisions and clarifications to the terms; and

NOW, THEREFORE, BE IT RESOLVED, that the Board adopt the Policy effective July 1, 2023, as presented.

FURTHER RESOLVED, that the Travel & Reimbursement Policy, effective May 1, 2018, is superseded by the Travel & Expense Policy as of July 1, 2023.

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Dusty Horwitt to adopt the Travel & Expense Policy at a Board meeting held on May 23, 2023.

Action: Motion Carried.

RESOLUTION 2023-05-05
Drinking Water State Revolving Fund (DWSRF) Bond

Lansing Board of Water and Light
RESOLUTION AUTHORIZING NOTICE OF INTENT
TO ISSUE REVENUE BONDS FOR WATER SUPPLY SYSTEM IMPROVEMENTS

- Notice of Intent to Issue Revenue Bonds in an amount not-to-exceed \$32,220,000 to finance water supply system improvements.
- Declaration of intent to reimburse expenditures from Revenue Bond proceeds.

WHEREAS, the City of Lansing (the “City”) provides in its City Charter that the Lansing Board of Water and Light (the “Board”) has general management over water, heat, steam and electric services and certain additional utility services of the City, and the Board operates facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled

water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the "System"); and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended ("Act 94") permits the Board to issue revenue bonds payable solely from the net revenues derived from the operation of the System (the "Revenue Bonds") in order to finance plants, works, instrumentalities, and properties used or useful in connection with utility systems such as the System; and

WHEREAS, the Board has determined that it is necessary for the public health, safety and welfare of the City and the users of the System to acquire and construct System improvements including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the "Project") at a total estimated cost of Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000); and

WHEREAS, the issuance of revenue bonds as permitted by Act 94 in an amount not-to-exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000) (the "Revenue Bonds") appears to be the most practical means to finance the Project; and

WHEREAS, the Board has been advised by the Michigan Department of Environment, Great Lakes and Energy that financial assistance to accomplish the acquisition and construction of the Project is available through the Drinking Water State Revolving Fund ("DWSRF") loan program administered by the Michigan Finance Authority (the "MFA"), pursuant to which the MFA would purchase the Revenue Bonds from the Board; and

WHEREAS, the City has made application for participation in the DWSRF loan program; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Revenue Bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the Internal Revenue Service has issued Treasury Regulation § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, governing proceeds of debt used for reimbursement, pursuant to which the Board must declare official intent to reimburse expenditures with proceeds of such debt before making the expenditures.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Publication of Notice of Intent. The Board shall publish a notice of intent to issue the Revenue Bonds once as a display advertisement at least one-quarter (1/4) page in size in substantially the following form:

NOTICE TO ELECTORS OF THE CITY OF LANSING
OF INTENT TO ISSUE REVENUE BONDS FOR WATER SUPPLY SYSTEM IMPROVEMENTS
AND RIGHT TO PETITION FOR REFERENDUM

PLEASE TAKE NOTICE that the Lansing Board of Water and Light (the "Board") intends to authorize the issuance and sale of Revenue Bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, payable solely from revenues received by the Board from the operations of the City of Lansing's water supply, steam, chilled water and electric utility system (the "System").

The Revenue Bonds would be authorized in the maximum aggregate principal amount of not-to-exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000), for the purpose of paying costs of System improvements including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for the water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements. Costs financed with proceeds of the Revenue Bonds may include funding of required bond reserve funds, capitalized interest and costs of issuance.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE solely from the net revenues received by the Board from the operations of the System. The revenues will consist of rates, fees and charges billed to the users of the System, a schedule of which is presently on file at www.lbwl.com. The rates, fees and charges may from time to time be revised to provide sufficient net revenues to provide for the expenses of operating and maintaining the System, to pay the principal of and interest on the Revenue Bonds and any other bonds of the System, and to pay other obligations of the System. **The Revenue Bonds will not pledge the full faith and credit of the City. The Revenue Bonds will not be a general obligation of the City.**

The Board expects that all or a portion of the Revenue Bonds will be sold to the Michigan Finance Authority in connection with the Michigan Department of Environment, Great Lakes and Energy Drinking Water State Revolving Fund loan program.

The Revenue Bonds may be issued in one or more series and may be combined with bonds issued for other purposes, and each series will mature in not to exceed thirty (30) annual installments with interest at such interest rate or rates to be determined at public or negotiated sale but in no event to exceed such rates as may be permitted by law.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT VOTE OF THE ELECTORS UNLESS A VALID PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE REVENUE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK OF THE CITY OF LANSING WITHIN FORTY-FIVE (45) DAYS AFTER THE DATE OF PUBLICATION OF THIS NOTICE. If a valid petition is filed, the Revenue Bonds cannot be issued unless approved by a majority vote of the electors of the City voting on the question of their issuance. This notice is given pursuant to the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION may be obtained at the administrative offices of the Lansing Board of Water and Light, 1201 S. Washington Ave., Lansing, Michigan 48910.

2. Sufficiency of Notice. The Corporate Secretary is hereby directed to publish the notice of intent in *The Lansing State Journal*, a newspaper of general circulation in the City qualified under State law to publish legal notices, which is hereby determined to be the newspaper that will reach the largest number of persons to whom the notice is directed. The Board hereby determines that the notice of intent and the manner of publication directed is the method best calculated to give notice to the electors of the City and the users of the System of the Board's intent to issue the Revenue Bonds, the purposes of the Revenue Bonds, the source of payment of the Revenue Bonds, and the right of referendum relating thereto.

3. Declaration of Intent to Reimburse under Treas. Reg. § 1.150-2. The Board hereby makes the following declaration of intent for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

(1) The Board reasonably expects to reimburse itself for the expenditures described in (2) below with proceeds of debt to be incurred by the Board.

(2) The expenditures described in this paragraph (2) are to pay certain costs associated with the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof or which will be paid prior to the issuance of the debt from the funds of the System.

(3) As of the date hereof, the maximum principal amount of debt expected to be issued for reimbursement purposes, including reimbursement of debt issuance costs, is \$32,220,000, which debt may be issued in one or more series and/or together with debt for other purposes.

(4) A reimbursement allocation of the expenditures described in paragraph (2) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Board's use of the proceeds of the debt to be issued for the Project to reimburse the Board for a capital expenditure made pursuant to this Resolution.

(5) The expenditures for the Project are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).

(6) No proceeds of the borrowing paid to the Board in reimbursement pursuant to this Resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in paragraph (4) above.

4. Bond Counsel. The Board hereby requests that Miller, Canfield, Paddock and Stone, P.L.C., Lansing, Michigan, continue to serve the Board as bond counsel for the Revenue Bonds, including any bond anticipation notes which the Board might authorize in a future resolution. The Board acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. has represented from time to

time, and currently represents various underwriters, financial institutions, the MFA and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Revenue Bonds.

5. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light, at a regular meeting held on Tuesday, May 23, 2023, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: Commissioners Semone James, Dusty Horwitt, DeShon Leek, David Price, Tracy Thomas, Sandra Zerkle; Douglas Jester, Larry Merrill and that the following Members were absent: Commissioners Beth Graham, Tony Mullen, and Maggie Sanders.

I further certify that Member Semone James moved for adoption of said resolution and that Member David Price supported said motion.

I further certify that the following Members voted for adoption of said resolution: Dusty Horwitt, Semone James, DeShon Leek, David Price, Tracy Thomas, and Sandra Zerkle and that the following Members voted against adoption of said resolution: None.

Corporate Secretary

28959421.6\050796-00065

RESOLUTION 2023-05-06
Fiscal Year 2024-2029 Budget and Forecast

RESOLVED, that the Annual Operating and Capital Budget covering Fiscal Year 2024 is hereby approved as presented; and

RESOLVED, that the Operating and Capital Forecast for the Fiscal Years 2025-2029 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.

Staff Comments:

Staff recommends an operating and maintenance budget of \$378.4M and a capital budget of \$84.1M for Fiscal Year 2024.

The Operating and Capital Budget and Forecast for Fiscal Years 2024-2029 includes forecasted rate increases. 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 23, 2023 board meeting.

Motion by Commissioner Dusty Horwitt, **Seconded** by Commissioner David Price, to approve the Resolution for the Fiscal Year 2024-2029 Budget and Forecast at a Board meeting held on May 23, 2023.

Action: Motion Carried.

RESOLUTION 2023-05-07
Removal of the Designation on Funds for Coal Inventory Fluctuation
and Release for Unrestricted Use

WHEREAS, the Lansing Board of Water & Light ("BWL") previously operated facilities that required coal as a fuel for generation; and

WHEREAS, the BWL has maintained a fund for the designated purpose of meeting needs associated with coal inventory fluctuation which, as of March 31, 2023, had a balance of \$4,960,694; and

WHEREAS, the BWL, as of November 2022, no longer operates any facilities that require coal as a fuel for generation; and

WHEREAS, the BWL no longer has a need to purchase coal and no longer has an operational need for the designation of funds for coal inventory fluctuation.

NOW THEREFORE BE IT RESOLVED, that the designation on the funds maintained for coal inventory fluctuation is removed and the assets are released for unrestricted use.

Motion by Commissioner Semone James, **Seconded** by Commissioner Dusty Horwitt, to approve the Resolution for Removal of the Designation on Funds for Coal Inventory Fluctuation and Release for Unrestricted Use at a Board meeting held on May 23, 2023.

Action: Motion Carried.

RESOLUTION 2023-05-08
Retirement Plan Committee Charter and Appointments

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

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

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

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

WHEREAS, the BWL Board of Commissioners (“Board”) has received and accepts the audit report from the Internal Auditor recommending modifications to the Committee and its governance – Internal Audit Report FY 2023-3, Retirement Plans and the Retirement Plan Committee (RPC) issued March 27, 2023 (“RPC Audit”), which includes management response;

WHEREAS, the Sponsor resolves to implement the following recommendations of the RPC Audit;

THEREFORE, it is:

RESOLVED, that consistent with RPC Audit Recommendation # 1, the Committee shall submit quarterly to the Sponsor the custodian fund account statements for the quarterly period.

FURTHER RESOLVED, that consistent with RPC Audit Recommendation #2, the Committee shall draft and adopt a formal Charter to be approved by the Sponsor.

FURTHER RESOLVED, that consistent with RPC Audit Recommendation #4 to increase the size of the Committee to expand the breadth and depth of participation and strengthen accountability, the Sponsor appoints the following additional voting and non-voting members to serve on the Committee until his or her resignation or removal from the Committee or expiration of Board appointment, if applicable:

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

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dusty Horwitt to approve the Resolution for Retirement Plan Committee Charter and Appointments at a Board meeting held on May 23, 2023.

Action: Motion Carried.

RESOLUTION 2023-05-09
Lansing Board of Water & Light
Resolution Honoring Douglas Jester

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

WHEREAS, Douglas Jester was appointed as an Advisory Commissioner of the Board of Water & Light on November 6, 2017, to represent the City of East Lansing; and

WHEREAS, He last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Douglas is a Partner of 5 Lakes Energy, a strategy and policy consulting firm offering services respecting clean energy, environment and economic development; and has served as Senior Energy Policy Advisor to the Director of the State of Michigan Department of Energy, Labor, and Economic Growth; and has held various roles at the State of Michigan in environmental and economic regulation of electric power generation, management of Great Lakes fisheries and water quality, ecosystem simulation modeling, and valuation of environmental damages; and

WHEREAS, Douglas has also served the City of East Lansing, Michigan as Mayor and on the City's Environment Commission, Transportation Commission, Housing Services Corporation, Downtown Development Authority, Downtown Management Board, Local Development Finance Authority, and City Council; and

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

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Douglas Jester for his years of distinguished service in Regular Board Meeting this 23rd day of May, 2023. We sincerely wish Douglas continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Dusty Horwitt

DeShon Leek

Larry Merrill

Tony Mullen

David Price

Maggie Sanders

Tracy Thomas

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the resolution of tribute for the outgoing Commissioner Douglas Jester at a Board meeting held on May 23, 2023.

Action: Carried unanimously.

RESOLUTION 2023-05-10
Lansing Board of Water & Light
Resolution Honoring Larry Merrill

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

WHEREAS, Larry Merrill was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2019 to represent Delta Township; and

WHEREAS, He last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Larry is co-director of Center for Local Solutions at Public Policy Associates; and

WHEREAS, Larry served as Executive Director of Michigan Townships Association for 19 years and the MTA's Deputy Executive Director for 15 years; and has served as a county administrator, emergency medical services director and emergency manager; and is a Certified Association Executive (CAE) and was elected to the Michigan Association Executive Hall of Fame; and has served the Grand Ledge Public Schools as a two-term school board member including three years as President; and

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

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Larry Merrill for his years of distinguished service in Regular Board Meeting this 23rd day of May, 2023. We sincerely wish Larry continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Dusty Horwitt

Douglas Jester

DeShon Leek

Tony Mullen

David Price

Maggie Sanders

Tracy Thomas

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dusty Horwitt, to approve the resolution of tribute for the outgoing Commissioner Larry Merrill at a Board meeting held on May 23, 2023.

Action: Carried unanimously.

RESOLUTION 2023-05-11
Lansing Board of Water & Light
Resolution Honoring Maggie Sanders

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

WHEREAS, Maggie Sanders was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2022, to represent Lansing Charter Township; and

WHEREAS, She last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Maggie is the supervisor of the Charter Township of Lansing; and

WHEREAS, Maggie served as the Lansing Township Clerk for two years and currently serves on the Lansing Township Downtown Development Authority Board, the Lansing Township Economic Development Corporation, and the Capital Area Transportation Authority (CATA); and

WHEREAS, on behalf of her colleagues, employees of the Board of Water & Light and the citizens of Lansing, we offer our sincere gratitude for the time, energy, and talent she devoted as a Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Maggie Sanders for her year of distinguished service in Regular Board Meeting this 23rd day of May, 2023. We sincerely wish Maggie continued success in all her future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Dusty Horwitt

Douglas Jester

DeShon Leek

Larry Merrill

Tony Mullen

David Price

Tracy Thomas

Motion by Commissioner Dusty Horwitt, **Seconded** by Commissioner Tracy Thomas, to approve the resolution of tribute for the outgoing Commissioner Maggie Sanders at a Board meeting held on May 23, 2023.

Action: Carried unanimously.

Chairperson James requested nominations for the designation of a Commissioner and an Alternate Commissioner to serve on the Retirement Plan Committee. Commissioner Horwitt nominated Commissioner James to serve on the Retirement Plan Committee and Commissioner Leek supported the nomination. Commissioner Leek asked if any other Commissioners were willing to serve. Commissioner Price stated he would serve and accepted the nomination as an alternate Commissioner by Commissioner Leek and supported by Commissioner Zerkle. Commissioner James also nominated Commissioner Dusty Horwitt as an alternate Commissioner.

Nomination by Commissioner Dusty Horwitt for Commissioner Semone James to serve as the Board of Commissioners representative on the Retirement Plan Committee.

Vote: Commissioner Semone James was designated as the Board of Commissioners representative on the Retirement Plan Committee.

Nomination by Commissioner DeShon Leek for Commissioner David Price to serve as the Board of Commissioners alternate Commissioner on the Retirement Plan Committee.

Note: Commissioner David Price was designated as the Board of Commissioners alternate Commissioner representative on the Retirement Plan Committee.

MANAGER'S REMARKS

General Manager Peffley reported on the following items:

1. Wise Road Vandalism
 - The contractor upgraded fencing to now include a gate, which didn't exist before.
 - Implemented overnight security and all day during the weekends.
 - Added temporary cameras.
 - BWL security patrols the site almost daily.
2. 1st STEP Graduation
 - BWL graduated 12 first STEP students on May 17.
 - This was our 14th year of the program.
3. All Sources RFP
 - Management will bring forth to commissioners an update on the all source RFP and proposal evaluation at the July 11 committee meetings.
4. Customer Satisfaction Survey
 - Customer satisfaction survey finished – completed in April/May.
 - Sample size of 400 residential, 400 commercial.
 - Residential, electric customers offered a 90 percent positive rating – up from 83 percent in 2019.
 - Business, electric customers offered an 88 percent positive rating – down from 87 percent in 2019.
5. Bi-Annual Mailer
 - Passed out to you at your seats is our first b-annual mailer, called “In-The-Loop.”
 - The mailer is designed to keep employees and their families informed about corporate information and events.
6. Electric Vehicle Program Revamp
 - Our EV program has been rebranded and relaunched, including both residential and commercial programs.
 - EV Programs are now branded under the Hometown Charge, Hometown Ride slogan and logo.
 - The BWL website now includes more information on EV rebates and the different options available.
 - Update of EV charger on BWL campuses is underway.
7. Capital Showcase
 - BWL showcased our wrapped Electric Chevy Bolt vehicle at the Michigan EV Showcase held at the State Capitol on May 9, including being used as the background for several interviews with event organizers and legislators.
8. RP3 Award
 - BWL received a Platinum award.
 - RP3 is a national designation given to public utility companies that demonstrate four key qualities:
 - Reliability
 - Safety
 - Workforce development
 - System improvement

- The RP3 award is a three-year recognition and the highest overall award a utility can receive.
- Currently, more than 270 public utilities hold this title out of 2,000 public power utilities.

Commissioner Leek asked if all the BWL substations and the battery plant were being monitored since the incident at Wise Road. GM Peffley affirmed.

COMMISSIONERS' REMARKS

Commissioner Thomas, Commissioner Horwitt and Commissioner James thanked Commissioner Jester, Commissioner Merrill and Commissioner Sanders for their service. Commissioner Jester and Commissioner Merrill expressed their appreciation for the comments.

Commissioner Thomas commended the BWL staff on the Employee Engagement and 1st S.T.E.P. events.

Commissioner Horwitt asked if the residents near the Erickson plant would be receiving an updated groundwater report this month. GM Peffley affirmed that a report would be provided.

EXCUSED ABSENCE

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt, to excuse Commissioner Beth Graham, Commissioner Tony Mullen, and Commissioner Maggie Sanders from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

Jan Simpson, St. Johns, MI, president of the BWL Retirees Association, expressed her appreciation for the opportunity for the retirees to serve on the Retirement Plan Committee. Commissioner Zerkle thanked Ms. Simpson for her service.

ADJOURNMENT

Chairperson James adjourned the meeting at 6:21 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 06-12-23
Approved by the Board of Commissioners: 07-__-23
Official Minutes filed (electronically) with Lansing City Clerk: 07-__-23

From: Customer Service <customerservice@LBWL.COM>

Sent: Wednesday, May 24, 2023 11:23 AM

To: LaVella Todd <LaVella.Todd@LBWL.COM>

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Wed, 05/24/2023 - 11:23 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

Douglas Jester (Non-Voting)

Name

Beth Colosimo

Street Address

East Lansing, Michigan. 48823

Message

We are having a disagreement today with the tree trimming company and the policy of "ground to sky" trimming of our tree that is on our property with small branches near the main power line. We are talking to BWL staff and aren't making any headway.

Can you explain the exceptions allowed for " ...to the sky" part of the policy that trims skinny branches back to the main branch?

Thanks.

May 22, 2023

Commissioner,

On Monday May 15, 2023 a complaint regarding two Commissioners was delivered to the office of the Corporate Secretary. The secretary was requested to share the complaint with all Commissioners, the Mayor's office and include as a communication at tonight Board meeting. Communication with the City has confirmed the complaint was never received. I can only assume that not all of the Commissioners have received the complaint. Even if you feel the complaint does not have merit should it have not been your decision? The Commissioners need to take a hard look at the lack of transparency of the current Board leadership.

As previously stated there are a number of employees that share the concerns and now that it appears the complaint was buried more BWL employees and retirees are asking what is going on with the Commissioners.

I would respectfully request you ask for a copy of the complaint.

Thank you

Archie Bryde

PO 93701

ST. Johns, MI 48879

From: Customer Service <customerservice@LBWL.COM>

Sent: Tuesday, June 27, 2023 11:10 AM

To: LaVella Todd <LaVella.Todd@LBWL.COM>

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Tue, 06/27/2023 - 11:09 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Andrea Conarton

Street Address

Lansing, Michigan. 48917

Message

I fell behind in my electric bills. I attended a community resource fair in the spring and connected with a BWL Supervisor who advised me of the steps I needed to take to avoid shut off. I was able to get my bill down from \$3900 to only owing \$434. They still shut me off. They claim it was over a \$130 past due balance. I have spoken to several supervisors and they just keep jacking my account off to the point that my balance this month went from \$434 (last month) to \$1488 this month. Your math is completely bogus. It doesn't matter what we do, how many payment arrangements we set up or how many payments we make yall just keep taxing and taxing and taxing me to the point that I give up. I will just have to learn to be Amish. You cannot squeeze blood from a turnip and the LBWL has lied to me over and over again and there is just no resolution with this monopoly. I literally give up. Thank you all for your service and I hope you have a great day!

HUMAN RESOURCES COMMITTEE
Meeting Minutes
June 13, 2023

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Beth Graham, DeShon Leek and Tracy Thomas; Alternates: Semone James, Sandra Zerkle; Non-Voting Members: Douglas Jester, Larry Merrill, Maggie Sanders

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, June 13, 2023.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:38 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Beth Graham, DeShon Leek and Tracy Thomas; Semone James (Alternate) and Sandra Zerkle (Alternate). Also present: Commissioners Dusty Horwitt and David Price.

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Tracy Thomas, Seconded by Commissioner Beth Graham, to approve the HR Committee meeting minutes of March 16, 2023.

Action: Motion Carried.

FY 2024 Board Appointee Performance Reviews

HR Committee Chairperson Tony Mullen opened the floor for the Board Appointee Performance Reviews.

Corporate Secretary

Corporate Secretary LaVella J. Todd requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Tracy Thomas, Seconded by Commissioner DeShon Leek, to go into closed session to discuss the contractual year-end performance evaluation of Corporate Secretary LaVella J. Todd.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Beth Graham, DeShon Leek and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioners Semone James, Sandra Zerkle, David Price, and Dusty Horwitt and Corporate Secretary, LaVella J. Todd were also requested to go into closed session.

The Human Resources Committee went into closed session at 5:43 p.m.

Motion by Commissioner DeShon Leek, Seconded by Commissioner Beth Graham, to reconvene into open session.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:00 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner DeShon Leek, Seconded by Commissioner Beth Graham, to forward the resolution reappointing LaVella J. Todd to the Charter position of Corporate Secretary for FY24 to the full Board for consideration.

Action: Motion Carried.

General Manager

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

Motion by Commissioner Tony Mullen, Seconded by Commissioner Beth Graham, to enter into closed session to discuss the contractual year-end performance evaluation of General Manager, Richard R. Peffley.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Beth Graham, DeShon Leek, and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioners Semone James, Sandra Zerkle, David Price, and Dusty Horwitt and General Manager, Richard R. Peffley were also requested to go into closed session.

The Human Resources Committee went into closed session at 6:02 p.m.

Motion by Commissioner Beth Graham, Seconded by Commissioner Tracy Thomas, to reconvene into open session.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:31 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner DeShon Leek, Seconded by Commissioner Beth Graham, to forward the resolution reappointing Richard R. Peffley to the Charter position of General Manager for FY24 to the full Board for consideration.

Action: Motion Carried.

Subsequent Steps for Board Appointed Employees Contracts

A discussion was held on the subsequent steps for Board Appointed Employees contracts and the direction by which to proceed for filling the position of Internal Auditor. Chairperson Tony Mullen stated a procedure would be put in place for the hiring of new employees and the review of current employees. Hiring in-house and hiring a headhunter were the two choices offered by which to proceed. Suggestions were made for hiring a local candidate and adjusting the required credentials for the Internal Auditor position.

Motion by Commissioner Tony Mullen, Seconded by Commissioner Beth Graham, to charge the HR Chairperson and the Board Chairperson with the task of working with the appointed employees on their respective annual merit considerations on behalf of the Board of Commissioners.

Action: Motion Carried.

Discussion on Follow-Up Communication

A discussion was held on the receipt of communication received from a member of the public.

Board of Commissioners Expenditures Resolution

A discussion was held regarding whether the Board of Commissioners quarterly budget and expense report should be reviewed by the Executive Committee as stated in the Rules of Procedure, or by the Finance Committee. The resolution was tabled to be placed on the agenda of the July 11, 2023 Committee of the Whole meeting.

Other

A discussion was held regarding the Remote Work Agreement for all contracted employees. A resolution will be placed on the agenda for the July 11, 2023 Committee of the Whole meeting.

Adjourn

Meeting adjourned at 7:12 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

NOMINATING COMMITTEE MINUTES
June 13, 2023

The Nominating Committee of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Tuesday, June 13, 2023.

Nominating Committee Chairperson, Beth Graham, called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll. The following committee members were present: Commissioners Beth Graham, DeShon Leek, Tony Mullen and Tracy Thomas.

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Commissioner Tracy Thomas requested permission from the Nominating Committee Chairperson, prior to the start of the Nominating Committee process, to allow him to make a personal, editorial comment for all Commissioners in attendance. Nominating Committee Chairperson Beth Graham granted Commissioner Thomas' request. Following Commissioner Thomas' comment, Commissioners running for Chairperson and Vice-Chairperson were respectfully asked to consider leaving the meeting to allow the Nominating Committee to have open conversation and dialogue for the Fiscal Year 2023-2024 nominations of Chairperson and Vice-Chairperson. Commissioners Dusty Horwitt, Sandra Zerkle and David Price complied with this request and left the meeting until the open conversation and dialogue had concluded.

Approval of Minutes

Motion by Commissioner Tony Mullen, Seconded by Commissioner Tracy Thomas to approve the Nominating Committee meeting minutes of July 12, 2022.

Action: Motion Carried.

Officer & Committee Survey Memorandum, Committee Selection Results Memorandum and Officer & Committee Survey Results and Comments

Chairperson Beth Graham stated that the Officer & Committee Survey Memorandum, Committee Selection Results Memorandum and the Officer & Committee Survey Results and Comments were included in the Nominating Committee meeting packet for review and asked if there were any questions regarding the documents. There were no questions.

Nomination of Board Officer Candidates for Fiscal Year 2023-2024

Chairperson and Vice Chairperson

Chairperson Beth Graham opened the floor for nominations for the Chairperson for the 2023-2024 fiscal year and for the Vice Chairperson for the 2023-2024 Fiscal Year.

Motion by Commissioner Tony Mullen to nominate Commissioner David Price to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year. There was no second.

Action: Motion failed.

Motion by Commissioner DeShon Leek to nominate Commissioner Semone James to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year. There was no second.

Action: Motion failed.

Motion by Commissioner Tony Mullen to nominate Commissioner Sandra Zerkle to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year. There was no second.

Action: Motion failed.

Motion by Commissioner DeShon Leek, Seconded by Commissioner Tracy Thomas, to nominate Commissioner Semone James to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year.

Roll Call Vote:

Yeas: Commissioners Beth Graham, DeShon Leek and Tracy Thomas

Nays: Commissioner Tony Mullen

Action: Motion Carried.

Motion by Commissioner Tracy Thomas, Seconded by Commissioner Tony Mullen to nominate Commissioner David Price to serve as Vice-Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year.

Yeas: Commissioners Beth Graham, DeShon Leek, Tony Mullen and Tracy Thomas

Nays: None.

Action: Motion Carried.

Motion by Commissioner Tony Mullen, Seconded by Commissioner DeShon Leek to present the Slate of Officers for Fiscal Year 2023-2024 to the full Board for consideration as follows:

Chairperson:	Semone James
Vice Chairperson:	David Price

Roll Call Vote:

Yeas: Commissioners Beth Graham, Tony Mullen, DeShon Leek and Tracy Thomas

Nays: None.

Action: Motion Carried

Nominating Committee Chairperson Beth Graham stated that the recommended slate will be presented to the full Board for consideration and nominations will be taken from the floor at the July 18, 2023, Regular Board/Annual Organizational meeting.

Adjourn

There being no further business, the meeting adjourned at 5:27 p.m.

Respectfully submitted,
Beth Graham, Chairperson
Nominating Committee

COMMITTEE OF THE WHOLE
Meeting Minutes
July 11, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, July 11, 2023.

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

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen, David Price, and Tracy Thomas; Non-Voting Commissioner Douglas Jester (arrived @5:34 p.m.)

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

Brian Jackson, Lansing, MI, spoke about the All Purpose RFP that is on the agenda for tonight and asked who vets the applicants and selects the contractors for an alternate energy source.

Heather Douglass, Lansing, MI, MSU Department of Philosophy, spoke about the All Source RFP that is on the agenda tonight and inquired about the criteria used to weight and evaluate the proposals and asked that the incredible threat of climate change be taken into consideration.

Andrew Sarpolis, Lansing, MI, Sierra Club, spoke about the All Source RFP that is on the agenda tonight and the concern of climate change effects.

Approval of Minutes

Motion by Commissioner Beth Graham, **Seconded** by Commissioner David Price, to approve the Committee of the Whole Meeting minutes of May 9, 2023.

Action: Motion carried. The minutes were approved.

Customer Satisfaction Survey Results

General Manager Dick Peffley introduced Mr. Bernie Porn from EPIC-MRA who presented the employment satisfaction survey results from the survey that was conducted for residential customers April 21-24, 2023 and for business customers May 1-5, 2023. An 87% positive result is the highest percentage received from residential customers for the survey. A comparable result of 89% was received from business customers.

Commissioner Sandra Zerkle and Commissioner Dusty Horwitt expressed concern on how customers could be made more aware of assistance programs that are available. Mr. Porn responded that the information is provided but just may not be accessed by the customers.

All Source RFP

Paul Eory, Strategy & Planning Manager presented the All Source Request for Proposal (RFP). The acquisition of Ultium as a customer, shutting down Eckert and coal production, and the prospective of DTE ceasing the use of coal at their Belle River plant, has increased the capacity of energy to be provided to customers. Offers were received and evaluated for compliance and economics – affordability, reliability and sustainability, and location.

General Manager Dick Peffley summarized the information provided and gave a prospective of how BWL will proceed. To reach carbon neutrality in the next ten years, capital outlays of \$750 million spanning multiple locations will consist of 160 MW of battery, an additional 240 MW of wind added for a total of 328 MW, an additional 260 MW of solar added for a total of 374 MW, and 112 MW of rice engines to complement wind and solar. Also, continued work on the demand and response program, energy waste reduction, compliance with MISO, and the need for a combined cycle plant will be evaluated.

Commissioner Douglas Jester commented on the recent DTE IRP proposed settlement which includes the conversion of Belle River from coal to gas in 2025, 2026.

Commission Dusty Horwitt commented on the RFP process with consideration of Board suggestions throughout the remainder of the RFP process. General Manager Dick Peffley stated Management is open to suggestions from the Board and can provide RFP updates as a standing agenda item at Committee of the Whole meetings going forward.

Fraud Prevention Policy

General Counsel Mark Matus presented the Fraud Prevention Policy. A resolution will be prepared for the revised version of the Fraud Prevention Policy for the next board meeting.

Diversity, Equity & Inclusion Update

Vernon Woodley, Diversity, Equity & Inclusion Specialist, presented the Diversity, Equity and Inclusion update.

Commissioners Tracy Thomas, Sandra Zerkle, Semone James, and Dusty Horwitt commended the DEI team on their work notably during a presentation at the 2023 APPA National Conference in June.

Board of Commissioners Expenditures Resolution

Commissioner Tony Mullen presented the Board of Expenditures Resolution and requested the resolution be forwarded to the full Board for consideration.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to forward the resolution for Board of Commissioners Expenditures as presented to the full Board for consideration.

Action: Motion Carried.

Remote Work Agreement for All Contracted Employees Resolution

Chairperson Sandra Zerkle requested that the Remote Work Agreement for All Contracted Employees Resolution be sent to the next Human Resources Committee for discussion.

Motion by Commissioner David Price, Seconded by Commissioner DeShon Leek to move the resolution to the Human Resources Committee for review.

Action: Motion Carried.

Human Resources Committee Chairperson, Tony Mullen, stated the next HR Committee meeting can take place in September. Further discussion followed regarding the agenda items placed on the board and committee meeting agendas.

Other

Commissioner Tracy Thomas requested that only required meeting attendees be allowed behind the dais during meetings due to safety concerns. Commissioner Tony Mullen asked if any rules or procedures addressed this. General Manager Dick Peffley responded that it can be addressed by Security.

General Counsel Mark Matus read the Fraud Prevention Policy Resolution prepared for the Regular Board Meeting and requested the resolution be forwarded to the full Board for consideration.

RESOLVED, the Fraud Prevention Policy as amended and presented by Management on July 11, 2023 is approved for immediate implementation.

Motion by Commissioner David Price, Seconded by Commissioner Semone James to forward the Resolution for the Fraud Prevention Policy to the full Board for consideration.

Action: Motion Carried

Commissioner Tracy Thomas asked if there had been any discussion about increases in the proposed contracts. Commissioner Tony Mullen responded that it is scheduled to be discussed with Chairperson Semone James.

Adjourn

Chairperson Zerkle adjourned the meeting at 7:24 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
July 11, 2023

Finance Committee: Dusty Horwitt, Committee Chairperson; Semone James; David Price; and Sandra Zerkle; Alternates: Anthony Mullen, Tracy Thomas; Non-Voting: Commissioners Douglas Jester, Brian Pillar, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, July 11, 2023.

Finance Committee Chairperson Dusty Horwitt called the meeting to order at 7:40 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dusty Horwitt, Semone James, David Price, and Sandra Zerkle, Alternate: Tracy Thomas; also present: Commissioners Beth Graham and DeShon Leek; and Non-Voting Commissioner Douglas Jester.

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to approve the Finance Committee Meeting minutes of May 9, 2023.

Action: Motion Carried.

May YTD Financial Summary

CFO Heather Shawa presented the May YTD Financial Summary.

Commissioner Sandra Zerkle asked where the renewable portfolio applied to the \$750 million budget that was recently passed. General Manager Dick Peffley and CFO Heather Shawa responded that the renewable portfolio would be included in a future budget and budget forecast when approved.

Commissioner Beth Graham asked whether the recruitment campaigns that were run were helpful and a cause of the increase in employees. General Manager Dick Peffley responded that the increase in line worker, apprentice and administrative support applicants was a direct effect of the campaigns.

Capital Project Report

CFO Heather Shawa presented the Capital Project Report. There were no comments or questions from Commissioners.

Drinking Water State Revolving Fund (DWSRF) Bond Resolution

Accounting, Finance & Planning Director, Scott Taylor, presented the Drinking Water State Revolving Fund Bond Resolution and requested the resolution to execute the bond issuance be forwarded to the full Board for approval.

Motion by Commissioner Semone James, **Seconded** by Commissioner Dusty Horwitt, to forward the Resolution for the Drinking Water State Revolving Fund (DWSRF) Bond to the full Board for consideration.

Action: Motion Carried.

Retirement Plan Committee (RPC) Update

CFO Heather Shawa presented the RPC update. An annual orientation presentation will be given by Marie Mireles, LBWL Associate Attorney II, at a Retirement Planning Committee meeting that will be held on July 12, 2023 with all the new members. CFO Heather Shawa added that a request was made for the Retirement Plan Committee to have access to the Commissioner's Dashboard portal to post and review its meeting information, documents and materials.

Bi-Annual Internal Audit Open Management Responses Update

Elisha Franco, Internal Control Supervisor, presented the Bi-Annual Internal Audit Open Management Responses Update.

Commissioner Sandra Zerkle asked how PA-95 would be measured for assistance to the local area and what results would be considered reasonable. CFO Heather Shawa responded that after the first year the data and results would be evaluated. General Manager Dick Peffley responded that BWL's expectation is that the money contributed will be the money returned and that the results will be brought to the Board of Commissioners.

P-Card Procedure Modifications Resolution

Chairperson Horwitt presented the P-Card Procedure Modifications resolution and the Committee agreed to forward as amended to the full Board for consideration. The resolution modifies the purchasing card policy for the Board's Appointed Employees.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt to accept the resolution as written and forward to the full Board for consideration.

A discussion followed regarding oversight of monthly spending for the General Manager, Corporate Secretary, and Internal Auditor.

CFO Heather Shawa requested two grammatical changes be made to the resolution, to remove "to add the following" after "RESOLUTION 2015-07-04 is hereby amended" and add "as follows"; and to change the "Travel and Reimbursement Policy" to "Travel and Expense Policy."

Action: Motion Failed.

The P-Card Procedure Modifications Resolution will be revised and brought before the full Board.

Other

There was no other business.

Adjourn

Chairperson Dusty Horwitt adjourned the meeting at 8:30 p.m.

Respectfully submitted,
Dusty Horwitt, Chairperson
Finance Committee

RESOLUTION 2023-07-XX

Appointment of the Charter Position of Corporate Secretary

WHEREAS, the Board's Rules of Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Corporate Secretary fiscal year 2023-2024 or until a successor is appointed, whichever last occurs:

LaVella J. Todd, Corporate Secretary

FURTHER RESOLVED, That the Chair of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2023's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the reappointment of the Corporate Secretary for Fiscal Year 2023-2024 at a Board Meeting held on July 18, 2023.

RESOLUTION 2023-07-XX

Appointment of the Charter Position of Director and General Manager

WHEREAS, the Board's Rules of Procedure specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of General Manager for fiscal year 2023-2024, or until a successor is appointed, whichever last occurs:

Richard R. Peffley, Director and General Manager

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for fiscal year 2023's performance.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Re-appointment of the Charter Position of Director and General Manager for Fiscal Year 2023-2024 at a Board Meeting held on July 18, 2023.

RESOLUTION 2023-07-XX
Board of Commissioners Expenditures

WHEREAS, the Board of Commissioners discussed the planning and monitoring of Board expenditures by the Corporate Secretary at a Human Resources Committee meeting held on March 16, 2023; and

WHEREAS, a budget and expense report has been developed by the Corporate Secretary for the Board of Commissioners; and

WHEREAS, the Rules of Procedure, Section 19.7.2 states the Executive Committee shall review Member expenses on a quarterly basis; and

WHEREAS, the Board of Commissioners wishes to meet organizational objectives and to have the budget information shared frequently with the Board of Commissioners; and

WHEREAS, the Board of Commissioners determined that the budget and expense report shall be sent by the Corporate Secretary to the Board of Commissioners quarterly.

RESOLVED, That the Board of Commissioners hereby approves the Board of Commissioners Expenditures reporting procedure.

Motion by Commissioner _____, seconded by Commissioner _____ to approve the Resolution for the Board of Commissioners Expenditures at a Regular Board Meeting held on July 18, 2023.



Sec: F1-14

LANSING BOARD OF WATER & LIGHT

POLICY

FRAUD PREVENTION POLICY

EFFECTIVE: ENTER DATE

COMMISSION

POLICY TYPE: COMMISSION

SCOPE: This Fraud Prevention Policy ("Policy") applies to all who have access to or use Lansing Board of Water & Light's ("BWL") Assets, including BWL employees, Commissioners, and Contractors, all of whom are expected to be fair, honest, and willing to provide the BWL with the cooperation, information, and support necessary to prevent and investigate fraud.

PURPOSE: The purpose of this Policy is to promote consistent organizational behavior by establishing controls and guidelines to prevent and detect fraud; to protect BWL Assets and to assign responsibility for conducting fraud investigations and resolutions at the BWL.

POLICY:

Statement

The BWL is committed to high ethical standards and strict compliance with the law in all its operations. The BWL takes allegations of fraud, crime, and misconduct seriously.

The BWL will investigate all reports of fraudulent or dishonest use or misuse of BWL Assets. Anyone found to have used BWL Assets in a fraudulent or dishonest manner is subject to disciplinary and/or legal action, up to and including termination and criminal prosecution.

The BWL General Counsel is responsible for implementing this Policy. Implementation means administering, interpreting, and applying this Policy. The General Counsel will appoint a Designated Representative(s) on an ad hoc basis to investigate allegations of fraud and confer with heads of the Human Resources and Internal Audit departments, as appropriate.

Definitions

For the purpose of this Policy:

"BWL Assets" are property and resources owned by or used by the BWL, including money, goods, materials, staff, services, intellectual property, software, and other intangibles used to operate the BWL.

"Designated Representative(s)" is the person or persons designated by BWL General Counsel to conduct fraud investigations and shall be either: 1) outside legal counsel or other experts, or 2) an investigation team of two or more BWL employees, including the internal auditor or designee, who, in the BWL General Counsel's discretion, has the skill, knowledge, and ability to conduct an investigation.

"Complainant" means any person who reports suspected Fraud.

“Contractor” includes anyone who has access to or uses BWL Assets and who is not a BWL employee or Commissioner.

“Fraud” is a knowing, dishonest misuse or misapplication of the BWL’s Assets. Examples of fraudulent conduct, taking into account applicable facts and the concept of good faith, include knowingly lying, deceiving, or stealing with the intent to obtain benefits, compensation, or some other form of value from the BWL to which the person is not entitled. Other examples of fraud include but are not limited to acts or omissions that constitute (1) misappropriation of BWL Assets; (2) a material violation of or non-compliance with federal, state, or local laws, regulations, BWL policies, procedures, or Rules and Regulations; (3) gross misconduct or incompetence; or (4) unethical, improper, dishonest, or deceitful conduct.

“Good Faith” is a sincerely and reasonably held belief, even if the belief is incorrect.

“Property” is defined as anything which is or may be subject to the ownership of the BWL.

Preventing Fraud

Each department is responsible for ensuring that suitable levels of internal controls are included in working procedures, particularly as they relate to financial activities and BWL Assets. It is important that duties are organized so one person alone cannot carry out a complete transaction without some form of review, approval, or oversight, to ensure that appropriate segregation of duties is maintained.

All levels of management are responsible for maintaining a system of internal controls which prevent, detect, or deter fraudulent or dishonest conduct. The BWL expects each member of the management team to be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity indicative of fraud. Any such irregularity detected or suspected must be reported immediately by one of the methods noted in Section A below. The Designated Representative(s) will coordinate investigations with the General Counsel and other executive staff consistent with the “Responding To An Incident Report” section of the Ethical Advocate Administrator Procedure.

Periodic internal controls testing will be conducted by the internal audit department to provide an objective evaluation of fraud risk mitigation policies, processes, and procedures.

Reporting Suspected Fraud:

Any employee who believes fraud may have been committed must:

1. Report the fraud to their supervisor, manager, director, or a Human Resources representative, who must then report the suspected fraudulent activity to the General Counsel, or
2. File an anonymous report via BWL’s employee reporting hotline or portal located on the BWL intranet page.

The report should be made as soon as possible, preferably within 48 hours of the incident or discovery, to ensure a prompt response and to facilitate a meaningful investigation. A reporter of fraudulent activity may remain anonymous for as long as possible, with the best means for maintaining anonymity being the employee reporting hotline or portal.

Within ten (10) business days of a report being received, the Complainant may log into the employee reporting

hotline or portal to get a response to the issue raised, such as:

- Acknowledging that the concern has been received;
- Indicating how the matter will be dealt with;
- Providing an estimate of how long it will take to provide a final response;
- Indicating whether any initial inquiries have been made; and
- Describing what, if any, further investigations will take place, and if not, why not.

Investigating Fraud:

No person or entity may initiate or conduct internal investigations into matters involving allegations of fraudulent and unlawful conduct without obtaining authorization from the General Counsel to act as Designated Representative(s).

The Designated Representative(s) will coordinate the investigation and resolution of reported fraudulent activities with appropriate departments and when appropriate, with law enforcement agencies, consistent with these guidelines:

1. To the extent possible, the BWL will conduct all investigations in confidence.
2. Investigations will be conducted, giving due consideration to the following:
 - a. Resources required to investigate the allegation;
 - b. Legal impact of the allegation (e.g., criminal act vs. breach of procedure);
 - c. Applicability of internal disciplinary procedures;
 - d. Level of evidence required;
 - e. Protection of data and documents;
 - f. Minimizing undue negative effects on staff and third parties;
 - g. Restitution and minimizing the potential for further loss;
 - h. Review of any improvement required to prevent re-occurrence
3. If an investigation reveals fraud, the General Counsel may file a report with the appropriate law enforcement agency.
4. Persons who commit fraud may, in addition to disciplinary action, be required to pay restitution, including costs associated with the investigation and related activities.
5. In consultation with the Executive Director of Human Resources, General Counsel will recommend disciplinary action to be imposed, consistent with the Employee Rules of Conduct section of the BWL Employee Policies and Employee Handbook.
6. The Designated Representative(s), with advice from General Counsel, will make a report to appropriate members of Executive Management and, if appropriate, to the Board of Commissioners, giving attention to any recommended corrective or remedial measures to be taken.

Those conducting the investigation will hold the facts and findings of the investigation in confidence to the greatest degree possible. Those participating in the investigation as witnesses or advisors will also hold the information they have or obtain in strict confidence.

Post Investigation:

After receiving the results of an internal investigation, the General Counsel will confer with the General Manager and decide whether it is necessary or appropriate to file a report with law enforcement, and if so, the BWL will cooperate with any government agency responsible for audits and investigations and comply with all disclosure requirements.

General Counsel or the Designated Representative(s) will work with the affected department(s) to ensure any corrective or remedial measures resulting from the fraud investigation are carried out.

Training:

A key element to a successful Fraud Prevention policy is annual training and awareness. It is important that every person reads, understands, and complies with applicable policies and procedures. Training will be provided for employees who are involved in or manage internal control systems to ensure that their responsibilities are regularly reviewed and reinforced.

REFERENCES: Click or tap here to enter text.

RESPONSIBLE AREA & DEPT NAME: RA 131 - Legal Services

EXECUTIVE DIVISION: Corporate Governance/Risk & Legal Compliance **EXECUTIVE RECORD OF**

APPROVAL DATE: Click or tap to enter a date.

POLICY REVIEW: (This Policy **MUST** be reviewed at least every annually by the responsible area (RA), unless specified otherwise).

REVIEWED BY	DATE	DUE DATE NEXT REVIEW
REVIEWED BY - INTERNAL AUDITOR	DATE (*annual)	COMMENTS

RESOLUTION 2023-07-XX
Fraud Prevention Policy

WHEREAS, having a Fraud Prevention Policy (“Policy”) is a critical tool in communicating the Lansing Board of Water & Light’s (“BWL”) high standards of business and personal ethics in the performance of duties and responsibilities on behalf of the BWL; and

WHEREAS, it is the intent of the Board to promote consistent organizational behavior by establishing controls that will aid in the detection and prevention of fraud against the BWL;

NOW, THEREFORE, BE IT RESOLVED, that the Fraud Prevention Policy as amended and presented by Management at the July 11, 2023 Committee of the Whole meeting is approved for immediate implementation.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to adopt the Fraud Prevention Policy at a Board meeting held on July 18, 2023.

Action: Motion _____.

RESOLUTION 2023-07-XX

Lansing Board of Water and Light

SECOND SUPPLEMENTAL
UTILITY SYSTEM REVENUE BOND RESOLUTION
TO AUTHORIZE JUNIOR LIEN BONDS

A RESOLUTION TO AUTHORIZE:

- Junior Lien Utility System Revenue Bonds to finance water supply system improvements;
- Junior Lien Bonds to be sold to the Michigan Finance Authority through the Drinking Water State Revolving Fund loan program administered by the Authority and the Michigan Department of Environment, Great Lakes and Energy;
- Chief Financial Officer to sell Bonds without further Board approval.

PREAMBLE

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

WHEREAS, the Board has determined that it is necessary for the public health, safety and welfare of the City and the users of the System to acquire and construct water supply system improvements including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the “Project”); and

WHEREAS, on Friday, May 26, 2023, the Board published in the *Lansing State Journal* a Notice to Electors of the City of Lansing of Intent to Issue Revenue Bonds for Water Supply System Improvements and Right to Petition for Referendum describing utility system revenue bonds to be issued in an amount not-to-exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000) to finance costs of the Project, and no petitions requesting referendum as described in the Notice were filed with the City Clerk during the referendum period provided by Act 94; and

WHEREAS, in order to finance costs of the Project, the Board now desires to authorize the issuance and sale of the UTILITY SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023 (the “Series 2023 Bonds”) pursuant to the provisions of Act 94.

NOW, therefore, be it resolved:

Section 1. Definitions. Whenever used in this Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “Act 94” means Act 94, Public Acts of Michigan 1933, as amended.
- (b) “Additional Junior Lien Bonds” means any additional junior lien bonds of equal standing with the Bonds issued pursuant to Section 17 of this Resolution.
- (c) “Authorized Officer” means severally the Chief Financial Officer, her designee, the Chairperson, and the Corporate Secretary.
- (d) “Board” or “Issuer” means the Board of Water and Light established pursuant to Section 5-201 of Chapter 2 of the City Charter of the City.
- (e) “Chief Financial Officer” means the Board’s Chief Financial Officer.
- (f) “City” means the City of Lansing, Michigan.
- (g) “EGLE” means the Michigan Department of Environment, Great Lakes and Energy, or any successor agency which administers loans from the State of Michigan Drinking Water State Revolving Fund (DWSRF) program.
- (h) “Issuer” or “Board” means the Board of Water and Light established pursuant to Section 5-201 of Chapter 2 of the City Charter of the City.
- (i) “Junior Lien Bonds” and “Junior Lien Notes” means any bonds or series of bonds (including the Series 2023 Bonds) or bond anticipation notes issued under Act 34, Public Acts of Michigan, 2001, as amended, or other obligations which may be issued or incurred by the Board to provide funds for any lawful purpose of the System which are of junior standing and priority of lien with respect to the Net Revenues to the claim of the Senior Lien Bonds.
- (j) “Net Revenues” means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System.
- (k) “Prior Resolution” means Amended and Restated Bond Resolution 2018-03-03, as amended by Resolution 2019-03-03 and Resolution 2020-11-05, and as supplemented by First Supplemental Resolution #2019-11-04.
- (l) “Purchase Contract” means the Purchase Contract to be entered into between the Michigan Finance Authority and the Issuer relating to the purchase by the Michigan Finance Authority of the Series 2023 Bonds.
- (m) “Resolution” means the Prior Resolution as supplemented by this Resolution, and any other resolution amendatory or supplemental thereto.
- (n) “Revenues” means the income derived from the rates charged for the services, facilities, and commodities furnished by the System, earnings on investment of

funds and accounts of the System required to be deposited in the Receiving Fund pursuant to this Resolution and other revenues derived from or pledged to the operation of the System.

- (o) “Senior Lien Bonds” means any Bonds or series of Bonds so designated and payable from Net Revenues, which are secured by a statutory first lien on the Net Revenues established by the Prior Resolutions and which are senior and superior in all respects to any Junior Lien Bonds secured by the statutory second lien established by this resolution, including the outstanding portion of the Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B, Utility System Revenue Bonds, Series 2021A, and the Utility System Revenue Bonds, Series 2021B, and any Additional Bonds of equal standing hereafter issued.
- (p) “Series 2023 Bonds” means the Utility System Junior Lien Revenue Bonds, Series 2023 issued pursuant to this Resolution.
- (q) “Series 2023 Project” means the water supply system improvement project described in the Notice of Intent published in the Lansing State Journal on May 26, 2023, including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements (the “System Improvements Project”).
- (r) “Series 2023 Project Fund” means the 2023 Junior Lien Revenue Bonds Project Fund established pursuant to this Resolution.
- (s) “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds or Junior Lien Bonds and the principal and redemption premium, if any, on the Bonds or Junior Lien Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds or Junior Lien Bonds for redemption shall be given.
- (t) “Supplemental Agreement” means the supplemental agreement among the Issuer, the Michigan Finance Authority and EGLE relating to the Series 2023 Bonds.

- (u) “System” means the complete facilities of the Board for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, and all additions, extensions and improvements thereto existing or hereafter acquired by the Board.
- (v) “Transfer Agent” means the transfer agent and bond registrar for the Junior Lien Bonds as appointed from time to time by the Issuer as provided in Section 6 of this resolution and who or which shall carry out the duties and responsibilities as set forth in Section 6 of this resolution.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Series 2023 Project in accordance with the plans and specifications prepared by the engineer for the Series 2023 Project, and on file with the Issuer, which plans and specifications are hereby approved. The Series 2023 Project qualifies for the Drinking Water State Revolving Fund financing program being administered by EGLE and the Michigan Finance Authority, whereby bonds of the Issuer will be sold to the Michigan Finance Authority and bear interest at a fixed rate of 1.875% per annum, with 62% of the principal borrowed qualifying for principal forgiveness.

Section 3. Costs; Useful Life. The total cost of the Series 2023 Project is estimated to be \$32,220,000 including the payment of incidental expenses as specified in Section 4 of this resolution, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Series 2023 Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized; Effect of Prior Resolutions. To pay costs of acquiring and constructing the Series 2023 Project, including legal, engineering, financial and other expenses incident to the issuance and sale of the Series 2023 Bonds, it is hereby determined that the Issuer borrow the sum of Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and that the Series 2023 Bonds be issued therefor pursuant to the provisions of Act 94. The remaining cost of the Series 2023 Project shall be defrayed from Issuer funds on hand legally available for such use.

Except as amended by or expressly provided to the contrary in this resolution, all of the provisions of the Prior Resolutions shall apply to the Series 2023 Bonds issued pursuant to this resolution, the same as though each of said provisions were repeated in this resolution in detail; the purpose of this resolution being to authorize the issuance of revenue bonds of subordinate lien to the Senior Lien Bonds.

Section 5. Series 2023 Bond Details. The Series 2023 Bonds are authorized to be issued in one or more series in the aggregate principal sum of not to exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000) as finally determined by order of EGLE for the purpose of paying part of the cost of the Series 2023 Project, including the costs incidental to the issuance, sale and delivery of the Series 2023 Bonds. The Series 2023 Bonds shall be

designated as the “UTILITY SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023” with such additional or other designations as determined by an Authorized Officer. The Series 2023 Bonds shall be payable solely out of the Net Revenues, as set forth more fully in Section 7 hereof, provided that the Series 2023 Bonds shall be subordinate to the prior lien with respect to the Net Revenues in favor of the Senior Lien Bonds. Each series of the Series 2023 Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of EGLE at the time of sale of the Series 2023 Bonds and approved by the Michigan Finance Authority and an Authorized Officer. Principal installments of the Series 2023 Bonds shall be payable on such payment dates and in such amounts as determined in the Purchase Contract, provided that the final principal payment of the Series 2023 Bonds shall be due and payable in not-to-exceed 40 annual installments.

The payment schedule shown in Section 8 below shows payment of \$32,220,000 of principal; the Michigan Finance Authority has advised the Board that \$20,000,000 of this amount is eligible for Principal Forgiveness and it is anticipated that the Loan Amount to be Repaid will be \$12,220,000. The Series 2023 Bonds shall bear interest at a rate or rates to be determined by an Authorized Officer at the time of execution of the Purchase Contract, anticipated to be 1.875%, payable semiannually on such dates as determined in the Purchase Contract. In addition, if required by the Michigan Finance Authority, the Series 2023 Bonds will bear additional interest, under the terms required by the Michigan Finance Authority, in the event of a default by the Issuer in the payment of principal or interest on the Series 2023 Bonds when due.

The principal amount of the Series 2023 Bonds is expected to be drawn down by the Issuer periodically, and interest on each installment of the principal amount shall accrue from the date such principal installment is drawn down by the Issuer. Principal installments of the Series 2023 Bonds will be subject to prepayment prior to maturity as permitted by the Michigan Finance Authority and approved by an Authorized Officer.

The Series 2023 Bonds shall not be convertible or exchangeable into more than one fully-registered bond per series. Principal of and interest on the Series 2023 Bonds shall be payable as provided in the Series 2023 Bonds as executed.

The Chairperson and Corporate Secretary are authorized to execute the Series 2023 Bonds by manual or facsimile signature. At least one signature on the Series 2023 Bonds shall be a manual signature. Any Authorized Officer is hereby authorized to deliver the Series 2023 Bonds in accordance with the delivery instructions of the Michigan Finance Authority.

Section 6. Registration and Transfer. The Transfer Agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Series 2023 Bonds, which shall at all times be open to inspection by the Issuer. The Transfer Agent shall transfer or cause to be transferred on said books any bond presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

The Series 2023 Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person

or by his duly authorized attorney, upon surrender of such Bond for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond shall be surrendered for transfer, the Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Series 2023 Bond. At the time of such transfer the Transfer Agent shall note on the Series 2023 Bond the outstanding principal amount thereof at the time of such transfer. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Issuer shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of prepayment of the bond or installments thereof selected for redemption and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange the bond or portion thereof so selected for prepayment. In the event any bond is called for prepayment in part, the transfer agent upon surrender of such bond shall note on the bond the principal amount prepaid and shall return the bond to the registered owner thereof together with the prepayment amount on the prepayment date.

The Chief Financial Officer or her designee is hereby appointed to act as Transfer Agent with respect to the Series 2023 Bonds. If and at such time any Series 2023 Bond is transferred to or held by any registered owner other than the Michigan Finance Authority, the Issuer by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and bond registrar with respect to the bond, and the Issuer may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the bond.

Section 7. Payment of Series 2023 Bonds; Security; Priority of Lien. Principal of and interest on the Series 2023 Bonds shall be payable solely from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this resolution which shall be a lien that is junior and subordinate to the lien of the outstanding Senior Lien Bonds created by the Prior Resolutions and to any Senior Lien Bonds hereafter issued, to continue until payment in full of the principal of and interest on all Series 2023 Bonds, or until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Series 2023 Bonds then outstanding, principal and interest, to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations for the Series 2023 Bonds, the statutory lien shall be terminated with respect to the Series 2023 Bonds, the holders of the Series 2023 Bonds shall have no further rights under this resolution except for payment from the deposited funds, and the Series 2023 Bonds shall no longer be considered to be outstanding under this resolution.

Section 8. Series 2023 Bond Form. The Series 2023 Bonds shall be in substantially the form shown on the following pages, with such revisions, additions and deletions as the Board may deem advisable or necessary to comply with the final terms of the Series 2023 Bonds established upon sale thereof:

[Beginning of Bond Form]

Bond No. R-__

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTIES OF INGHAM AND EATON

CITY OF LANSING
LANSING BOARD OF WATER AND LIGHT

UTILITY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2023
DWSRF #7538-01

Registered Owner: Michigan Finance Authority

Principal Amount: [amount]

Date of Original Issue: [date]

The City of Lansing, Counties of Ingham and Eaton, State of Michigan (the “City”), acting through the governing body of the Lansing Board of Water and Light (the “Issuer”), acknowledges itself to owe and for value received hereby promises to pay to the Michigan Finance Authority (the “Authority”), or registered assigns, only from the Net Revenues of the System as hereinafter provided, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy, in lawful money of the United States of America.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided for in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule I attached hereto and made a part hereof, as Schedule I may be adjusted if less than \$[amount] is disbursed to the Issuer, or if the Issuer prepays a portion of the Principal Amount as provided below with the prior written consent of the Authority, with interest on the principal installments from the date each installment is delivered to the holder hereof until paid at the rate of [rate]% per annum. Interest is first payable on [date], and semiannually thereafter, and principal is payable on the first day of [month] commencing [date] (as identified in the Purchase Contract executed for sale of this bond) and annually thereafter.

Principal installments of this bond are subject to prepayment by the Issuer prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at [Bank], or at such other place as shall be designated in writing to the Issuer by the Authority (the “Authority’s Depository”); (b) the Issuer agrees that it will deposit with the Authority’s Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority’s Depository has not received the Issuer’s deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority’s administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority’s Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the “additional interest”) at a rate equal to the rate of interest which is two percent above the Authority’s cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer’s default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer’s pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For the prompt payment of principal and interest on this bond, the revenues received by the Issuer from the operations of the Issuer’s facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the “System”) after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the “Net Revenues”), are irrevocably pledged and a statutory lien thereon has been created to secure the payment of the principal of and interest on this bond when due, subject to the first lien in favor of Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B,

Utility System Revenue Bonds, Series 2021A, and the Utility System Revenue Bonds, Series 2021B.

This bond is a single, fully-registered, non-convertible bond issued for the purpose of constructing water supply system improvements. This bond is issued in the Principal Amount pursuant to an Amended and Restated Utility System Revenue Bond Resolution adopted by the Issuer on March 27, 2018, as amended and supplemented from time to time, including by a Second Supplemental Resolution adopted by the Issuer on July 25, 2023 (collectively, the “Bond Resolution”), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”).

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Bond Resolution. Reference is hereby made to the Bond Resolution and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94, for a more complete description of the pledges and covenants securing the bonds of this issue, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds of this issue with respect thereto and the terms and conditions upon which the bonds of this issue are issued and may be issued thereunder.

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The Issuer has reserved the right, on the conditions stated in the Resolution, to issue additional bonds of prior and senior or equal standing and priority of lien with this bond as to the Net Revenues.

The Issuer has covenanted and agreed, and covenants and agrees, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds of this issue and any other bonds payable from the Net Revenues as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Bond Resolution.

This bond is transferable only upon the books of the Issuer by the registered owner in person or the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Issuer, duly executed by

the registered owner or the registered owner's attorney, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Bond Resolution, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City, acting through the Lansing Board of Water and Light, has caused this bond to be signed in its name by the Chairperson and Corporate Secretary of the Issuer, all as of the Date of Original Issue.

LANSING BOARD OF WATER AND LIGHT

By [definitive bond to be signed at delivery]
Chairperson

Countersigned:

By [definitive bond to be signed at delivery]
Corporate Secretary

Name of Issuer: Lansing Board of Water and Light
 Project No.: DWSRF 7538- 01
 Approved Amt: \$32,220,000*
 Loan Amount Forgiven: \$20,000,000
 Loan Amount to be Repaid: \$12,220,000

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the “Order”) approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due	Due Date	Amount of Principal Installment Due
April 1, 2024	\$565,000	April 1, 2044	\$ 825,000
April 1, 2025	575,000	April 1, 2045	840,000
April 1, 2026	585,000	April 1, 2046	855,000
April 1, 2027	600,000	April 1, 2047	870,000
April 1, 2028	610,000	April 1, 2048	890,000
April 1, 2029	620,000	April 1, 2049	905,000
April 1, 2030	635,000	April 1, 2050	920,000
April 1, 2031	645,000	April 1, 2051	940,000
April 1, 2032	655,000	April 1, 2052	955,000
April 1, 2033	670,000	April 1, 2053	975,000
April 1, 2034	685,000	April 1, 2054	995,000
April 1, 2035	695,000	April 1, 2055	1,010,000
April 1, 2036	710,000	April 1, 2056	1,030,000
April 1, 2037	720,000	April 1, 2057	1,050,000
April 1, 2038	735,000	April 1, 2058	1,070,000
April 1, 2039	750,000	April 1, 2059	1,090,000
April 1, 2040	765,000	April 1, 2060	1,110,000
April 1, 2041	780,000	April 1, 2061	1,130,000
April 1, 2042	795,000	April 1, 2062	1,155,000
April 1, 2043	810,000		

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 1.875% per annum, payable April 1, 2024, and semi-annually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (the “Authority’s Depository”) payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority’s Depository has not received the Issuer’s deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority’s administrative costs and lost investment earnings attributable to that late payment.

* Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

[End of Bond Form]

Section 9. Management. The operation, repair and management of the System shall be under the supervision and control of the Board.

Section 10. Charges. The rates to be charged for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those permitted by law and established by the Board and in effect on the date of adoption of this Resolution and thereafter as established by the Board.

Section 11. No Free Service. No free service shall be furnished by the System to any person, firm or corporation public or private, or to any public agency or instrumentality.

Section 12. Rate Covenant. The Board will at all times fix, establish, maintain and collect rates, fees and charges for the sale of the output, capacity, use or service of the System which, together with other income, are reasonably expected to be sufficient to provide for payment of the principal of and interest on the Bonds payable from the Net Revenues of the System, as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution.

Section 13. Operating Year. The System shall continue to be operated on the basis of an operating year commencing on July 1st and ending on the 30th day of the following June.

Section 14. Funds and Accounts: Flow of Funds Junior Lien Bond and Interest Redemption Fund. All funds belonging to the System and all Revenues of the System shall continue to be set aside as collected and credited to the Utility System Receiving Fund established by the Prior Resolutions (the "Receiving Fund"), except as provided in this resolution. The Revenues credited to the Receiving Fund are pledged for the purposes of the funds and accounts established by the Prior Resolutions and this resolution and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority specified in the Prior Resolutions and this resolution.

Funding Existing Funds and Accounts. Out of the Revenues in the Receiving Fund there shall be transferred and debited the amounts required by the Prior Resolutions to be deposited into the existing Operation and Maintenance Fund, the existing Bond and Interest Redemption Fund (including the Bond Reserve Account), and the Rebate Fund created pursuant to the Prior Resolutions.

Junior Lien Bond and Interest Redemption Fund. There is hereby established and there shall be maintained a separate depository account designated JUNIOR LIEN BOND AND INTEREST REDEMPTION FUND (the "Junior Lien Redemption Account"). Except as otherwise provided herein, the moneys on deposit therein from time to time shall be used for the purpose of paying the principal of and interest on any Junior Lien Bonds.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund and the existing Bond and Interest Redemption Fund (including the Bond Reserve Account), there shall be set aside periodically in the Junior Lien Redemption Account a

sum sufficient to provide for the payment when due of the current principal of and interest on the Junior Lien Bonds, including any amounts necessary to maintain any reserve account established within the Junior Lien Redemption Account.

The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Junior Lien Redemption Account, including investment income thereon and on any bond reserve account which may be established on a future date, is necessary to pay principal and interest due on the Revenue Bonds on the next succeeding principal payment date.

The Issuer may establish separate bond reserve accounts in the Junior Lien Redemption Account to provide for the payment of any series of Junior Lien Bonds.

Section 15. Series 2023 Bond Proceeds. The proceeds of the sale of the Series 2023 Bonds as received by the Issuer shall be deposited in one or more separate accounts in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, designated as the 2023 JUNIOR LIEN REVENUE BONDS PROJECT FUND (the "Project Fund"). Moneys in the Project Fund shall be applied solely in payment of the cost of the Series 2023 Project and any engineering, legal and other expenses incident thereto and to the financing thereof. If monies other than proceeds of the Series 2023 Bonds is deposited into the Project Fund, then the monies constituting proceeds of the Series 2023 Bonds shall be accounted separately from such other funds or monies.

Any unexpended balance of the proceeds of sale of the Series 2023 Bonds remaining after completion of the Series 2023 Project may in the discretion of the Issuer be used for further improvements, enlargements and extensions to the System. Any remaining balance after such expenditure shall be paid into the Junior Lien Redemption Account and used as soon as is practical for the prepayment of installments of the Series 2023 Bonds.

After completion of the Series 2023 Project and disposition of remaining proceeds, if any, of the Series 2023 Bonds pursuant to the provisions of this Section, the Project Fund shall be closed

Section 16. Bondholders' Rights; Receiver. The holder or holders of the Junior Lien Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest upon the Junior Lien Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and

with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Junior Lien Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Junior Lien Bonds and the security therefor.

Section 17. Additional Junior Lien Bonds. The Issuer may issue Additional Junior Lien Bonds of equal standing with the Junior Lien Bonds for the following purposes and subject to the following conditions:

(a) To complete a project financed with junior lien bonds in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part or all of the Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds. Junior Lien Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Senior Lien Bonds, Junior Lien Bonds and on the Additional Junior Lien Bonds then being issued. If the additional Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Junior Lien Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Junior Lien Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Junior Lien Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Junior Lien Bonds shall be conclusive. No additional Junior Lien Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund, the Redemption Fund or the Junior Lien Redemption Fund.

(c) For refunding a part or all of the Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds including deposits which may be required to be made to the bond reserve account, if any, for such Junior Lien Bonds. No additional Junior Lien Bonds

shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 18. Covenant Regarding Tax Exempt Status of the Series 2023 Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2023 Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2023 Bonds proceeds and moneys deemed to be Bond proceeds.

Section 19. Negotiated Sale; Application to EGLE and Michigan Finance Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2023 Bonds to the Michigan Finance Authority because the Drinking Water State Revolving Fund financing program provides significant interest savings to the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to apply to the Michigan Finance Authority and to EGLE for placement of the Series 2023 Bonds with the Michigan Finance Authority. The actions taken by the Authorized Officers with respect to the Series 2023 Bonds prior to the adoption of this resolution are ratified and confirmed. The Authorized Officers are each severally authorized to execute and deliver the Purchase Contract, the Supplemental Agreement, and the Issuer's Certificate in the forms provided by the Michigan Finance Authority. Any Authorized Officer is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2023 Bonds for the Drinking Water State Revolving Fund. Prior to the delivery of the Series 2023 Bonds to the Michigan Finance Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2023 Bonds contained in this resolution as may be necessary to conform to the requirements of the Michigan Finance Authority or Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 20. Approval of Bond Details; Authorization of Other Actions. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2023 Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Series 2023 Bonds shall not exceed 1.875% per annum, and the Series 2023 Bonds shall mature in not more than forty (40) annual installments.

The Authorized Officers are each hereby authorized and directed to take all other actions necessary or advisable to enable the sale and delivery of the Series 2023 Bonds as contemplated

herein, including applying for and paying the related fees for ratings and making such other filings with and paying related fees to any parties.

Section 21. Other Actions. In the event that the Chief Financial Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then a person designated by the Chief Financial Officer is authorized to take such actions. The officers, administrators, agents and attorneys of the Board are authorized and directed to take all other actions necessary and convenient to facilitate issuance, sale and delivery of the Series 2023 Bonds within the parameters of this resolution, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient in accordance with this resolution, and to pay costs of issuance.

Section 22. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded as of the effective date of this Resolution.

Section 23. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 24. Publication and Recordation. In accordance with the provisions of Section 6 of Act 94, this resolution shall be published once in full in the *Lansing State Journal*, a newspaper of general circulation in the City qualified under State law to publish legal notices, and shall be recorded in the minutes of the Board and such recording authenticated by the signatures of the Chairperson and Corporate Secretary of the Board.

Section 25. Effective Date. This resolution is hereby determined to be immediately necessary for the preservation of the public peace, property, health and safety of the City and the users of the System. In accordance with the provisions of Section 6 of Act 94, this resolution shall become effective immediately upon its adoption.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on Tuesday, July 25, 2023 at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting _____ and that the following Commissioners were absent: _____.

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

We further certify that the following Commissioners voted for adoption of said resolution _____ and that the following Commissioners voted against adoption of said resolution: _____.

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

Chairperson

Corporate Secretary

RESOLUTION 2023-07-XX
Credit Card Policy

RESOLVED, that Board of Water and Light Board of Commissioners (“Board”) RESOLUTION 2015-07-04, a copy of which is attached hereto and incorporated by reference is hereby amended in part and also supplemented as follows:

RESOLVED, The Chairperson of the Board’s Finance Committee and a second Finance Committee member shall review the P-Card expense reports of each Board Appointee (“Appointee”) in accordance with the Purchasing Card (P-Card) Procedure. If either or both Commissioners have questions about one or more transactions, the two Commissioners shall attempt to resolve the issue with the Appointee. If they are unable to resolve the issue, the full Finance Committee shall resolve the issue.

RESOLVED, If an Appointee’s P-Card expense report is not approved by both members of the Finance Committee by 5:00 p.m. on the 18th calendar day of each month, the Finance Committee Chairperson and Board Chairperson shall be notified via email and shall contact the P-Card Administrator for guidance consistent with the Purchasing Card (P-Card) Procedure.

RESOLVED, Within five business days of approval of the expense report by the two members of the Finance Committee, each Appointee shall circulate the Appointee’s approved P-Card expense report via email to the entire Board.

RESOLVED, Appointees shall report their non-P-Card-related expenditures to the Board consistent with other BWL procedures including procedures in the Travel and Expense Policy and procedures in their employment contracts.

RESOLVED, P-Card Spending Limits for Board Appointees are:

Employee Classification	Cycle (Monthly) Amount Limit
General Manager	\$100,000
Corporate Secretary	\$25,000
Internal Auditor	\$10,000

FURTHER RESOLVED, The changes in this resolution shall be reflected in the Purchasing Card (P-Card) Procedure, on the Commissioner’s Dashboard, and in any other relevant BWL documents.

Motion by Commissioner _____, Seconded by Commissioner _____ to approve the Resolution for the amendments to Resolution 2015-07-04 and the Credit Card Policy at a Board Meeting held on _____, 2023.

RESOLUTION 2015-07-04

Credit Card Policy

RESOLVED, that Board of Water and Light Policy 7-05 "Credit Card" is hereby amended to add the following:

RESOLVED, that all Board appointed employees, including the General Manager, Corporate Secretary, and Internal Auditor shall complete, sign, and date a reconciliation report for their credit card also referred to as procurement card or P-card, after each cycle.

RESOLVED, that the reconciliation report shall include itemized receipts and a description of the business purpose of the transaction. Transaction description of meal expenses shall include the name and organization of the meal guest(s).

RESOLVED, that the Board appointed employee shall sign, date, and present their reconciliation report to the Chairperson of the Finance Committee after the close of each cycle. The Chairperson of the Finance Committee shall review, sign, date, and return the reconciliation report to the employee. The Board appointed employee shall retain the signed reconciliation report as directed by the BWL Record Retention Policy.

FURTHER RESOLVED, that this policy may not be waived or overridden, except by Board resolution.

This resolution supersedes Resolution 2001-1-3.

Motion by Commissioner Bossenbery, Seconded by Commissioner Mullen to approve the Resolution for the Credit Card Policy.

Action: Motion Carried