



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

September 26, 2023

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 26, 2023.

Chairperson Semone James called the meeting to order at 5:30 p.m. and asked the Corporate Secretary, LaVella J. Todd, to call the roll. The following members were present: Commissioners Semone James, Beth Graham, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas and Sandra Zerkle. Non-Voting Commissioners present: J. R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township) and Robert Worthy (Delta Township)

Absent: None.

Corporate Secretary Todd declared a quorum.

Commissioner David Price led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Beth Graham, to approve the Regular Board Meeting minutes of July 18, 2023.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

Randy Dykhuis, Lansing, MI spoke about the resolution for Clean Energy Projects and expressed concern of the provision for reciprocating internal combustion engine (RICE) and whether a RICE engine is a clean energy project.

COMMUNICATIONS

Electronic mail received from Ethan Schmitt regarding Summer Art Celebration - *Referred to Management. Received and Placed on File.*

Electronic mail from Maggie Fenger regarding Storm Power Outage - *Referred to Management. Received and Placed on File.*

Electronic mail received from Ethan Schmitt regarding Utility Payment Assistance - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Human Resources Committee Chairperson, Tony Mullen presented the Human Resources Committee Report:

HUMAN RESOURCES COMMITTEE Meeting Minutes August 15, 2023

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Tracy Thomas; Alternates: Commissioners Beth Graham, Sandra Zerkle; Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Pillar, Robert Worthy

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, August 15, 2023.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Chairperson Tony Mullen; Commissioners Semone James, DeShon Leek and Tracy Thomas. Also present: Commissioners Sandra Zerkle (Alternate) and David Price; and Non-Voting Commissioner J.R. Beauboeuf (East Lansing).

Absent: None.

The Corporate Secretary declared a quorum.

Human Resources Committee Chairperson Tony Mullen welcomed new Commissioner J. R. Beauboeuf representing East Lansing.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, Seconded by Commissioner Semone James, to approve the HR Committee meeting minutes of June 13, 2023.

Action: Motion Carried.

Remote Work Agreement for All Contracted Employees Resolution

HR Committee Chairperson Tony Mullen led the discussion on the Remote Work Agreement for All Contracted Employees Resolution. Whether the resolution should be edited by removing that the Board employees need to sign a form to work remotely was discussed. It was decided that

since all other BWL employees are required to sign the remote work agreement, it is best to keep in accordance with the current procedure of the formal agreement. Commissioners discussed requesting Board-Appointee(s) provide a generic schedule for remote workday(s) to ensure the full Board is kept informed.

Motion by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek to forward as presented the Resolution for the Remote Work Agreement for All Contracted Employees Resolution to the full Board for consideration.

Action: Motion Carried.

Discussion of Possible Candidates for Director of Internal Auditor Position

HR Chairperson Tony Mullen started the discussion by introducing Human Resources Executive Director Michael Flowers and asked for recommendations on the candidates for the position of Internal Auditor. Mr. Flowers introduced Lisa Benson, Senior HR Generalist, Dan Barnes, Interim Supervisor of Talent and Acquisition, and Tracy Strudwick, HR Manager, who worked on the recruiting process. Mr. Flowers provided the candidates recommended and the qualifications of the candidates were reviewed. Chairperson Tony Mullen and Commissioners Tracy Thomas, DeShon Leek, Sandra Zerkle, Semone James and David Price discussed candidates recommended. The next step in the hiring process will be interviewing the candidates.

Mr. Flowers will send the interview questions to the Commissioners by end of day on August 17, 2023, and additional questions that Commissioners want asked during the interview will be sent to Mr. Flowers by Thursday, August 24, 2023.

Other

There was no other business.

Adjourn

Meeting adjourned at 6:47 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

Vice Chairperson David Price presented the Committee of the Whole Report:

COMMITTEE OF THE WHOLE Meeting Minutes September 12, 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, September 12, 2023.

Committee of the Whole Chairperson David Price called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners David Price, Beth Graham, Semone James (attending via phone), DeShon Leek, Tony Mullen, Dale Schrader, Tracy Thomas and Sandra Zerkle; Non-Voting Commissioners J.R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township), Robert Worthy (Delta Township)
Absent: None.

The Corporate Secretary declared a quorum.

Chairperson Price welcomed Commissioner Dale Schrader, At Large Commissioner and Commissioner Robert Worthy, representing Delta Township.

Public Comments

Michelle McKnight, Lansing, MI, spoke regarding the utility rate increase and service fee coverage that is affecting her business.

Elaine Fischhoff, Lansing, MI, Lansing Mayor's Advisory Commission on Sustainability spoke on the permit process for solar. She also spoke against BWL adding another gas plant and asked that there be consideration in that 90 credits are received from MISO for a gas plant and only 10 credits for renewables.

Approval of Minutes

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Beth Graham, to approve the Committee of the Whole Meeting minutes of July 11, 2023.

Action: Motion carried. The minutes were approved.

Storm Report

General Manager (GM) Dick Peffley spoke about the August 2023 storm outages, the service territory impacts, restoration labor, restoration cost, restoration response, and estimating restoration during the outage. Close to 43,000 customers were affected, 45 tree crews and 57 line crews were utilized, the total restoration cost was \$8.7 million, and restoration for more than half of the customers was completed in two days and for most of the remaining customers in six days. The outage map accurately portrayed the service requests throughout the storm response period and restoration was completed in the order that would restore the most customers' service at a time.

Commissioner Thomas thanked the leadership at BWL for the service during the storm outage.

Commissioner Mullen asked whether the extra weather forecasting service for which BWL is paying is worth it as there was no forecast for the type of storm that occurred. GM Peffley responded that the service is worth it. BWL was given a weather forecast about the storm but at two levels below what occurred and that did not include a tornado. BWL was able to increase their response actions and the request for additional crews. Commissioner Mullen added that he received notification from his cable company regarding cable outage during the storm and

asked if BWL could provide that service for utility outages. GM Peffley responded that BWL would check for technology options that are available.

Commissioner Zerkle commented that the preparation for the outage was better than in 2013 and the response and restoration were quicker even though the August storm was worse.

Rate Increase Article in the Lansing State Journal

GM Peffley spoke about the Rate Increase Article in the Lansing State Journal. BWL's first rate strategy was based on BWL providing service as a utility, without subsidization as is required. The first step was to set rates of return; the next step was to evaluate appropriate costs for rate classes; next, the rate strategy for three phases of customers was set. Leadership at BWL is checking into which customers aren't using the amount of energy being charged and a rate transition credit for larger customers.

Chairperson Price requested the timeline for implementing the rate transition credit. Chief Financial Officer (CFO) Shawa responded that after receiving all the data within the next two weeks, the rate transition credit is expected to be completed in 30 days.

Commissioner Mullen asked if there would be retroactive credits. GM Peffley responded that retroactive credits will be checked into.

In response to Commissioner Zerkle inquiring if there are 5,000 customers in phase three, CFO Shawa responded that there are approximately 2,300 customers reclassified from the single phase in the old phase three rate to the midsize phase. Based on the data, the short term solution is to extend the rate transition credit to about a third of those customers.

Commissioner Schrader asked whether it was costly to convert from three phase power in a building to single phase power. GM Peffley responded that it is part of the service for BWL but may cost \$5,000 for the business owner.

Resolution Honoring Dusty Horwitt

Chairperson Price presented the Resolution Honoring Dusty Horwitt and requested the resolution be forwarded to the full Board for consideration.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham, to forward the Resolution Honoring Dusty Horwitt as presented to the full Board for consideration.

Action: Motion Carried.

Outgoing Commissioner Parting Gifts

Chairperson Price requested input from GM Peffley regarding the requirements for outgoing Commissioners parting gifts. GM Peffley introduced BWL General Counsel, Mark Matus, who stated that there is a city ethics ordinance stating that there is a \$50 maximum and gifts are to be non-monetary.

Commissioner Thomas commented on the same gifts being provided to Commissioners although there were different lengths of service times. Chairperson Price responded that the city ethics ordinance states what can and can't be done no matter the length of service.

Commissioner Mullen asked whether the \$50 maximum applied to individual attendees at a celebratory dinner or to the whole group. Mr. Matus responded that the individual meals would be under the threshold.

Annual IT Report-Out

Vern Myers, BWL Chief Information Officer (CIO) presented the annual IT Report Out. Mr. Myers provided the cyber, infrastructure, and optimization accomplishments from FY2023; and the IT project management office, technical infrastructure, cost optimization, customer satisfaction and employee engagement initiatives for FY2024.

Commissioner Zerkle asked if there is a program in place to safeguard the system following a hacking incident. Mr. Myers responded that there are several cyber security systems in place.

Commissioner Safety Training on September 26, 2023

Ryan Cressman, Health, Safety and Security Manager, summarized the Commissioner Safety Training that will be presented after the September 26, 2023 Board Meeting.

Other

Commissioner Price asked GM Peffley to provide information on the BWL watermain break and boil water advisory. GM Peffley reported that if the pressure drops in the 800 miles pipeline, the seals can allow groundwater to leak in which results in a boil water alert. There was a failure in the pipeline by the Grand River in Delta Township and nearly 20 feet of the pipeline were repaired resulting in the lowering of pressure further down the line.

Commissioner Price announced that the BWL Board of Commissioners will meet with the City of Lansing City Council Committee of the Whole on Thursday, October 19, 2023 at 5:30p.m. at the REO Depot building.

Commissioner Mullen announced that a Human Resources Committee meeting will be scheduled for the first or second week in October to interview the Internal Auditor candidates.

Excused Absence

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Sandra Zerkle for an excused absence for Commissioner Semone James.

Action: Motion Carried.

Adjourn

Chairperson Price adjourned the meeting at 6:45 p.m.

Respectfully Submitted
David Price, Chairperson
Committee of the Whole

Finance Committee Chairperson, Sandra Zerkle presented the Finance Committee Report:

**FINANCE COMMITTEE
Meeting Minutes
September 12, 2023**

Finance Committee: Sandra Zerkle, Committee Chairperson; Commissioners Beth Graham; David Price; and Dale Schrader; Alternates: Commissioners Semone James, Tracy Thomas; Non-Voting: Commissioners J.R. Beauboeuf, Brian Pillar, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at BWL Headquarters, REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, September 12, 2023.

Finance Committee Chairperson Sandra Zerkle called the meeting to order at 6:58 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Sandra Zerkle, David Price, and Dale Schrader, Alternate: Commissioners Semone James (attending via phone) and Tracy Thomas; also present: Non-Voting Commissioner Brian Pillar (Meridian Township)

Absent: Commissioner Beth Graham.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve the Finance Committee Meeting minutes of July 11, 2023.

Action: Motion Carried.

July YTD Financial Summary

Chief Financial Officer (CFO) Heather Shawa presented the July YTD Financial Summary. Revenues were slightly under budget by \$1.5 million with the budget at \$37.6 million; operating expenses were slightly over at \$1.5 million which brought net income to \$2 million over budget compared to net income budget of \$4 million. Three O& M expenses contributed to the variance. The August 2023 storm cost will be discussed at the November Board meeting.

Commissioner Thomas commended the Finance Department on the financial response during the August storm.

Commissioner Zerkle asked if the state would provide a storm rebate. CFO Shawa responded that an application was submitted to the City of Lansing for federal funding through FEMA. If no federal funding is received, filing will be made in districts with emergency declarations. GM Peffley added that nothing has been received in the past but a request has always been made.

Clean Energy Projects Bond Resolution

CFO Shawa presented the Clean Energy Projects Bond Resolution and requested the resolution of the notice of intent to issue revenue bonds be forwarded to the full Board for approval. The clean energy projects will take place over the next 7 to 10 years and the estimated cost will be \$750 million of capital outlay. The bond issuance request is for up to \$325 million par value for the clean energy projects consisting of the RICE engine units, battery storage, and the solar projects primarily at the Delta Energy Plant through June 2026. Clean energy project related expenses will be reimbursed from the bond proceeds. If approved at the September 26th Board Meeting, the Notice of Intent will be published in the Lansing State Journal. At the November meeting, a resolution authorizing the CFO to issue the bonds will be presented.

Commissioner Zerkle commented that the bond issuance request presented is part of the approved \$750 million bond issuance. GM Peffley added that \$750 million bond issuance is being divided into parts.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Notice of Intent to Issue Revenue Bonds for Clean Energy Projects to the full Board for consideration.

Action: Motion Carried.

Retirement Plan Committee (RPC) Update

CFO Shawa presented the RPC update. Investment activity for the DB and VEBA plans are within the target range for real assets and the RPC will continue with rebalancing until the target value of 15% is reached. The policy index for both Plans will be updated and the asset allocation will be revised for the VEBA Plan. There was no significant investment activity for the 401(a) & 457(b) Plans. Under administrative activity for the DB and VEBA Plans, investment returns and funded status were sufficient to provide reimbursement of \$2,365,067 for the quarter and to reimburse the full amount in benefits paid by the employer through the 4th quarter of the fiscal year. A transfer of funds from DB to BWL was approved by the RPC for the reimbursement of state payroll taxes paid by the BWL on behalf of the DB Plan. Northern Trust was selected as the provider for the DB & VEBA Plans custodial services. The service agreement is under review and transition is expected to occur during the 3rd quarter. The RPC will be working with the service providers for the 401(a) & 457(b) Plans to evaluate and prepare for the new provisions in the Secure Act 2.0 passed on December 29, 2022.

DB Plan Investment Policy Statement Revision and Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve and forward the Resolution for the DB Plan Investment Policy Statement Revision to the full Board for consideration.

Action: Motion Carried.

VEBA Plan Investment Policy Statement Revision and Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve and forward the Resolution for the VEBA Plan Investment Policy Statement Revision to the full Board for consideration.

Action: Motion Carried.

Rate Update

CFO Shawa and GM Peffley provided the rate update. Rates are being affected by a fixed cost increase for business owners regarding the three phase and single phase rates; variable costs in Power Supply Cost Recovery (PSCR) which include recouping for emissions, natural gas cost fluctuations, and the decommissioning of coal plants; the November rate increase; and the PA95 opt in.

Chairperson Zerkle commented that GM Peffley started a community resource fair program at which area service providers offer assistance to customers. The next event is being held at Gier Community Center on September 26, from 2:00 p.m. to 7:00 p.m.

Revised Purchasing Card (P-Card) Procedure

CFO Shawa spoke on the revised purchasing card procedure. A resolution was passed at the July, 2023 Board meeting specific to the appointed employees purchasing cards and the purchasing card procedure was updated accordingly.

Other

Commissioner Pillar asked if there was any damage to BWL’s current clean energy infrastructure during the August Storm. GM Peffley responded that no damage was incurred and that power was only lost to the corporate building and the water plant on Cedar Street.

Excused Absence

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, for an excused absence for Commissioner Semone James.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 7:45 p.m.

Respectfully submitted,
Sandra Zerkle, Chairperson
Finance Committee

MANAGER’S RECOMMENDATIONS

There were no Manager’s Recommendations.

UNFINISHED BUSINESS

Chairperson James tabled the Executive Committee Membership discussion to another time.

NEW BUSINESS

There was no new business.

RESOLUTIONS

RESOLUTION 2023-09-01

Board Appointees Remote Work Authorization

WHEREAS, the Board of Commissioners of the Lansing Board of Water & Light (BWL) desires to provide for the authorization of remote work for each of its Board Appointees.

NOW, THEREFORE, BE IT RESOLVED, Board Appointees may work remotely in accordance with the requirements of the BWL's Remote Work Policy and the Chairperson of the Board is authorized to effectuate such agreements by signing the BWL's Remote Work Agreement with the Appointee.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to approve the Resolution for Board Appointees Remote Work Authorization at a Board Meeting held on September 26, 2023.

Action: Motion Carried.

RESOLUTION 2023-09-02

Lansing Board of Water & Light Resolution Honoring Dusty Horwitt

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

WHEREAS, Dusty Horwitt was appointed as an At-Large Commissioner of the Board of Water & Light on October 11, 2021, to represent the City of Lansing; and

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

WHEREAS, Dusty has worked for more than 15 years for environmental nonprofit organizations where he has focused on protecting people from pollution including greenhouse gas emissions and toxic substances associated with oil and gas drilling; and is a member of the Lansing Environmental Action Team and has testified about environmental issues multiple times before government panels including the U.S. House of Representatives Committee on Natural Resources, the U.S. Senate Committee on Energy and Natural Resources, and the New York City Council; and has written a chapter about hydraulic fracturing chemical disclosure for a scientific textbook published by Elsevier and has been quoted and cited about environmental issues in multiple news outlets including the New York Times, Wall Street Journal, and Marketplace (NPR); and

WHEREAS, Dusty also has experience as an attorney, reporter, and deputy press secretary on Capitol Hill in Washington, DC, and is a certified Energy Master after completing a course in home energy efficiency; has contributed to City Pulse as a freelance writer and has worked to illuminate the history of school integration in his hometown of Arlington, Virginia.; 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 Dusty Horwitt for his years of distinguished service in Regular Board Meeting this 26th day of September, 2023. We sincerely wish Dusty continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson	David Price, Vice-President	
J.R.Beauboeuf	Beth Graham	DeShon Leek
Tony Mullen	Brian Pillar	Dale Schrader
Tracy Thomas	Robert Worthy	Sandra Zerkle

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price, to approve the resolution of tribute for the outgoing Commissioner Dusty Horwitt at a Board meeting held on September 26, 2023.

Action: Motion Carried.

RESOLUTION 2023-09-03

Lansing Board of Water and Light

RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE REVENUE BONDS FOR CLEAN ENERGY PROJECTS AND RELATED SYSTEM IMPROVEMENTS

- Notice of Intent to Issue Revenue Bonds in an amount not-to-exceed \$325,000,000 to finance clean energy projects and other 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, clean energy projects including a natural gas reciprocating engine, battery storage, solar and wind energy improvements, energy waste reduction improvements and enhancements to improve demand response for customers, as well as construction, improvement and renovation of transmission and distribution lines and related System facilities, including all equipment and any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the “Project”); and

WHEREAS, issuance of revenue bonds as permitted by Act 94 in an amount not-to-exceed Three Hundred Twenty-Five Million Dollars (\$325,000,000) (the “Revenue Bonds”) represents the most practical means to finance the Project and the funding of any required bond reserve funds, capitalized interest and costs of issuance of the Revenue Bonds; 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
CLEAN ENERGY PROJECTS AND RELATED SYSTEM IMPROVEMENTS
AND RIGHT TO PETITION FOR REFERENDUM

PLEASE TAKE NOTICE that the Lansing Board of Water and Light intends to authorize the issuance and sale of bonds (the “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 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 Three Hundred Twenty-Five Million Dollars (\$325,000,000) for the purpose of paying costs to acquire and construct System improvements including, but not limited to, clean energy projects including a natural gas reciprocating engine, battery storage, solar and wind energy improvements, energy

waste reduction improvements and enhancements to improve demand response for customers, as well as construction, improvement and renovation of transmission and distribution lines and related System facilities, including all equipment and 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 of the Revenue Bonds.

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 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.

LaVella J. Todd, Corporate Secretary
Lansing Board of Water and Light

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. Statement of Intent 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 \$325,000,000, 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. Financial Advisor. The Board hereby requests that Public Financial Management, LLC continue to serve the Board as Financial Advisor for the Revenue Bonds, including any bond anticipation notes which the Board might authorize in a future resolution.

5. 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, and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Revenue Bonds.

6. 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, September 26, 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: Semone James, Beth Graham, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle and that the following Members were absent: None.

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

I further certify that the following Members voted for adoption of said resolution: Semone James, Beth Graham, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle and that the following Members voted against adoption of said resolution: None.

Corporate Secretary, LaVella J. Todd

RESOLUTION 2023-09-04
Revised Defined Benefit Plan Investment Policy Statement

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions (the “Defined Benefit Plan”); and

WHEREAS, the Retirement Plan Committee periodically reviews the investment policy statement, formally known as the Statement of Investment Policies, Procedures and Objectives, for the Defined Benefit Plan and, as the result of a recent change in US Large Cap Equity fund managers, recommends a revision to the language within the Defined Benefit Plan’s investment policy statement; and

WHEREAS, the Retirement Plan Committee recommends the Sponsor adopt the revision which reflects this recommendation in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revision reflected in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee, the Sponsor adopts and approves the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions Statement of Investment Policies, Procedures and Objectives.

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle, to adopt and approve the Resolution for the Revised Defined Benefit Plan Investment Policy Statement at a Board meeting held on September 26, 2023.

Action: Motion Carried.

RESOLUTION 2023-09-05

Revised VEBA Investment Policy Statement

WHEREAS, the Lansing Board of Water & Light (the "Sponsor") sponsors the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (the "VEBA"); and

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of VEBA assets, periodically reviews the target asset allocation for each plan and, as the result of its most recent review, recommends the target asset allocation for US Large Cap Equity be reduced from 30% to 25% and the target asset allocation for US SMID Cap Equity be increased from 10% to 15%; and

WHEREAS, the Retirement Plan Committee also periodically reviews the investment policy statement, formally known as the Statement of Investment Policies, Procedures and Objectives, for the VEBA and, as the result of a recent change in the US Large Cap Equity fund managers, recommends a revision to language within the VEBA's investment policy statement; and

WHEREAS, the Retirement Plan Committee recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Post-Retirement

Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee, the Sponsor adopts and approves the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to adopt and approve the Resolution for the Revised VEBA Investment Policy Statement at a Board meeting held on September 26, 2023.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager, Dick Peffley shared the following remarks:

1. A public relations plan has been created that will communicate to customers the changes on their bills which will include the rate increase, the transition to time of use rate and opting into PA95.
2. Information about PA95 was included in the September edition of Connections with the recent utility bills, is on the September On-Bill Message, and a BWL webpage has been created to explain how PA95 works.
3. The 8th Community Resource Fair is being held today and 170 people had attended within the first three hours of the event.
4. The next GM Roundtable will be held on Wednesday, October 18th at the REO Depot and will be a recap of the storm outage.
5. GM Peffley welcomed the four new Commissioners to BWL.

COMMISSIONERS' REMARKS

Chairperson James welcomed the four new Commissioners, Brian Pillar, Robert Worthy, J. R. Beauboeuf, and Dale Schrader. Chairperson James also thanked GM Peffley for the work effort during the August storm. Chairperson James thanked the Corporate Secretary and Health, Safety and Security Manager, Ryan Cressman, for the upcoming Safety Training for the Commissioners.

Commissioner Thomas also welcomed the new Commissioners and commended GM Peffley and his team for the excellent response, work effort and public relations during the August storm outage. Commissioner Thomas also thanked HR Executive Director Michael Flowers and Security staff for the upcoming safety training.

PUBLIC COMMENTS

Lisa Stow, DeWitt, MI requested information about maximum demand and the increased utility bill for her business. Ms. Stow asked how the rate numbers were determined for the estimate

on her bill and about the criteria for being transitioned to a mid-size commercial business. Chairperson James requested the General Manager to follow up with Ms. Stow to address her questions.

ADJOURNMENT

Being no other business Chairperson James adjourned the meeting at 5:51 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 09-28-23
Approved by the Board of Commissioners: 11-14-23
Official Minutes filed (electronically) with Lansing City Clerk: 11-16 -23