



BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING AGENDA - UPDATED
November 18, 2025 - 5:30 p.m.
1201 S. Washington Ave., Lansing, Michigan
REO Town Depot

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. Golf 4 Charity Check Presentation

4. Approval of Minutes

- a. Regular Board Meeting Minutes of September 23, 2025

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. Each speaker will have 3 minutes to speak to the Board.*

6. Communications

- a. Electronic mail from Elaine Fischhoff re: BWL website, BWL fees, and BWL policies
- b. Electronic mail from League of Women Voters Lansing Area re: Contracts with data centers
- c. Electronic mail from Carol Siemon re: Contracts with data centers
- d. Electronic mail from Dorothy Engelman re: Contracts with data centers
- e. Electronic mail from Alison Peeler re: Contracts with data centers
- f. Electronic mail from Ashley Meyers re: Contracts with data centers
- g. Electronic mail from Abby Schwartz re: Contracts with data centers
- h. Electronic mail from Kristin Isaac re: Contracts with data centers
- i. Electronic mail from Joanne Galloway re: Contracts with data centers
- j. Electronic mail from Diane Echerri re: Contracts with data centers
- k. Electronic mail from Connie Jones re: Contracts with data centers
- l. Electronic mail from Therese Ojibway re: Contracts with data centers
- m. Electronic mail from Karla McCandless re: Contracts with data centers
- n. Electronic mail from Debra Gordon re: Contracts with data centers
- o. Electronic mail from Isabella Croff re: Contracts with data centers
- p. Electronic mail from Heidi Butler re: Contracts with data centers
- q. Electronic mail from Randy Dykhuis re: Contracts with data centers

7. Committee Reports

- a. Committee of the Whole Meeting (November 6, 2025) – Sandra Zerkle, Chairperson

- b. Finance Committee Meeting (November 6, 2025) – Dale Schrader, Chairperson
- c. Pension Fund Trustees Meeting (November 18, 2025) – David Price, Chairperson

8. Manager's Recommendations

9. Unfinished Business

10. New Business

11. Resolutions/Action Items

- a. Energy Optimization Plan 2026-2029 Resolution
- b. Adoption of the First Amendment to the Cafeteria Plan Resolution
- c. Special Electric Service Contracts for Large Load Customers and Membership in Regional Transmission Organization Resolution
- d. Regular Board Meeting Schedule 2026 Resolution
- e. FY2025 Audited Financial Statement of the Enterprise Fund & Pension Fiduciary Funds Resolution
- f. Bond Issuance Resolution
- g. Acknowledgement of the Acceptance of FY 2025 Audited Financial Statements 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. Each speaker will have 3 minutes to speak to the Board.

16. Adjournment

Agenda posted on web site/building 11-13-25

2025 Board Meetings Notice/Schedule Posted in the Lansing State Journal January 3, 2025



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

September 23, 2025

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 23, 2025.

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

Corporate Secretary, LaVella Todd, called the roll.

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

Corporate Secretary LaVella Todd declared a quorum.

Commissioner Chris Harkins led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham to approve the Regular Board Meeting Minutes of July 22, 2025.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments.

COMMUNICATIONS

Electronic mail received from Ghitta Kern regarding Utility Bill - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Commissioner Tony Mullen presented the Human Resources Committee Report:

HUMAN RESOURCES COMMITTEE Meeting Minutes September 9, 2025

Human Resources (HR) Committee: Commissioner Tony Mullen, Committee Chairperson;
Commissioners Semone James, DeShon Leek and Sandra Zerkle; Alternates: David Price, Chris Harkins;
Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Ross, and Robert Worthy.

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, September 9, 2025.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Semone James, DeShon Leek, and Sandra Zerkle; also present, Alternates: Commissioners Chris Harkins (arrived @5:09 p.m.) and David Price; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Robert Worthy (Delta Township)
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Sandra Zerkle, to approve the HR Committee meeting minutes of May 13, 2025.

Action: Motion Carried.

2026 PA 152 Healthcare Premium Sharing Update

General Manager Peffley introduced Executive Director of Human Resources Michael Flowers and Human Resources Manager Dan Barnes, who presented the 2026 PA 152 Healthcare Premium Sharing update. Mr. Barnes reviewed the options within PA 152, namely the HSA option, Blue option and Green option, the alternatives of the Blue and the Green options, and the affordability provisions. Mr. Barnes stated that the resolution is for the plan year beginning January 1, 2026, and needs to be approved annually.

Chairperson Mullen requested an explanation for opting out of the options. Mr. Barnes responded that an individual could opt out of the plans if health care insurance is obtained from an employer they retired from or from a spouse or significant other, and the employee would be reimbursed \$186.00 monthly.

Commissioner Zerkle asked what the benefit of the HSA option for employees is, whether the employee could spend it any way they want or save it forever. Mr. Barnes responded that

whatever amount that was put into the HSA account and wasn't used would build over time, would always belong to the employee, and can also be used toward any health expenses.

Chairperson Mullen asked whether BWL contributed to the HSA accounts. Mr. Barnes responded that BWL is considering a contribution of \$600 for an individual and \$1,200 for a family to incentivize use of the HSA plan.

Commissioner Zerkle asked whether the HSA can be used for the employee's 20% requirement. Mr. Barnes responded that the employee still has to pay the 20% share but the amount deducted from paychecks is less.

Commissioner Schrader asked whether employees can opt out of health care altogether. GM Peffley responded that employees have to have health care insurance from BWL, a spouse or significant other – they cannot go without health care insurance and Mr. Barnes affirmed.

Commissioner Zerkle asked when the law was changed and BWL didn't opt out, the union agreed to the 80%/20% combination as there would be less benefits. GM Peffley affirmed.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner DeShon Leek to forward the PA 152 Healthcare Premium Sharing resolution to the full Board for approval.

Action: Motion Carried.

Other

There was no other business.

Adjourn

Meeting adjourned at 5:13 p.m.

Respectfully submitted,
Tony Mullen, Chairperson
Human Resources Committee

Commissioner Sandra Zerkle presented the Committee of the Whole Report:

COMMITTEE OF THE WHOLE Meeting Minutes September 9, 2025

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, September 9, 2025.

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

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

Absent: Commissioner Beth Graham and Non-Voting Commissioner Brian Ross (DeWitt Township)

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner David Price, to approve the Committee of the Whole Meeting minutes of July 8, 2025.

Action: Motion carried. The minutes were approved.

Commissioner Questions

General Manager (GM) Dick Peffley shared in-depth responses to two questions presented by Commissioner Semone James. The first question centered on the BWL's plan of action on how it is going to deal with the new realities of the One Big Beautiful Bill as it phases out clean energy tax credits that were included in the Biden-era Inflation Reduction Act, and promotion of fossil fuels over renewable energy; specifically, how will the Bill impact the BWL, the BWL Strategic Plan, and Lansing area? The second question was how will the BWL, and the BWL IRP address this change in course by the Federal government while complying with the State of Michigan clean/renewable energy mandate?

GM Peffley stated that BWL staff are working full-time to monitor legislative updates and impacts and acknowledged that the current administration is not as favorable toward renewable energy as the past administration. We are also monitoring a proposed Michigan bill that would limit renewables at 20% which will be a problem for most utilities, given the state's requirement for 50% renewable energy by 2030. GM Peffley stated that the federal legislation created challenges in BWL's wind farm purchase power agreement, creating issues of getting the energy back to BWL. Our solar project on Ingersoll Road encountered an unexpected challenge when our special-use permit was denied due to a moratorium placed on solar for six months. If we don't break ground on this project as scheduled, there will be a loss of \$9.2 million in tax credits. A meeting is being held next week by the House Oversight Committee Chairman James Comer, at which BWL will let them know what is at stake for BWL customers. BWL needs to be able to move forward with the project within 90 days to show construction of substantial nature, as now required by new legislation.

Commissioner James stated that GM Peffley and staff provided good answers to her questions. She stated that she was concerned as to what the State will do as the federal government is changing the playbook and inquired if there was any indication what the State will do. GM Peffley responded that we're managing the uncertainty but the House Energy Committee visited GM Peffley's office to speak with him where we had an opportunity to explain the significance of the

problem we're balancing with trying to bring new big load customers to our service territory while also ensuring we're complying with the state law. GM Peffley explained that BWL currently is at a 500MW load and 21% renewable, but if a 1000MW data center customer comes online, our renewable portfolio becomes 5% renewable.

Commissioner James asked if BWL was exploring nuclear energy and hydrogen modules. GM Peffley responded that BWL is exploring every avenue of energy.

Chairperson Zerkle thanked GM Peffley for the report and commented that she was very impressed with the report and that it was well explained.

Commissioner James commented that the After-Action Report was in the 411 Announcements and asked if in the future the report could be sent to commissioners in an email. GM Peffley responded that can be done.

Commissioner Mullen commented that there was a report on the radio news about a local organization that rates power companies and their outages throughout the course of the year and that Michigan rated 49th due largely to Consumers Energy and DTE, and asked if BWL was bringing the average up. GM Peffley responded that BWL's outage calculations are among the best in the state and that the average outage restoration time is just over an hour compared to other averages of 80-90 minutes. GM Peffley added that the report was incorrect in that Michigan's electric rates were lower than those in Indiana, Ohio, and Wisconsin.

RPC Update

Accounting, Finance and Planning Manager, Ying Yan, presented the RPC Update. The Defined Benefit Plan (DB) and Voluntary Employee Benefit Administration Plan (VEBA) delivered strong fiscal year performances with an approximately 10% investment return. Addition of the approved State Street GTC Retirement Income Builder (RIB) Series of funds in the Defined Contribution 401(a) and Deferred Compensation 457(b) Plans is completed, went live July 11, 2025. RIB advisory will be included in the annual education and communication plan. In the DB Plan Actuarial Report, the total pension liability is about \$39M, the total value of the assets in the plan is about \$48M, and the plan has a strong funded status of 122%, an increase from last year. The increase is primarily due to higher investment return. In the VEBA Plan Actuarial Report, the total liability is about \$188M, the fiduciary net position is about \$268M, and the plan has a strong funded status of 143%, a decrease from last year. The decrease is due to the investment return of 10% being more than offset by increases in projected costs. RPC approved the FY25 Q4 ASA reimbursement of \$5,011,279 for the VEBA Plan.

The RPC worked with Captrust and Nationwide to revise the languages in the DC Plan 1 adoption agreement regarding the forfeiture process to provide flexibility to follow ERISA and Department of Labor best practices. The RPC approved the updated language at the August monthly RPC meeting. The RPC voted to apply the forfeiture balance to reduce future employer contributions. Management will work with Captrust and Nationwide to spend down the forfeiture balance by the end of the calendar year as required.

The RPC is exploring the current retirement plan advisory service market for the DC Plan Investment Advisor Services and is in the process of reviewing responses to its Request for Information (RFI). The Secure Act 2.0 Requirements become effective January 1, 2026, it requires mandatory Roth catch-up contributions for high earners. Individuals aged 50 or older earning more than \$145,000 in the previous year from the employer sponsoring the plan will be required to make catch-up contributions on a Roth (after-tax) basis. HR is working with Nationwide and Workday to ensure our systems will be updated accordingly in order to implement the requirements of the new act.

Chairperson Zerkle requested further explanation on the catch-up contributions for those earning more than \$145,000. Ms. Yan responded that the Secure Act allows people 50 years and older to make catch-up contributions. For high earners that make more than \$145,000, the contributions are to be made with after tax money.

Commissioner Harkins asked what the VEBA Plan target rate of return is and what the uptake will be on the new State Street RIB investment option. Ms. Yan responded that the target rate of return is 6.5% for the VEBA Plan and 6.0% for the DB Plan. Ms. Yan added that the data for the State Street RIB investment option would be available after September 30, 2025, and an update will be provided to the Commissioners.

Steam to Hot Water Update

GM Peffley stated that BWL is deciding to get out of steam utility service as it is more expensive to maintain and more expensive for customers. A study was conducted by Evergreen Energy regarding converting steam service to hot water service. Steam isn't returned to BWL after use by the customers, but the hot water will be, and pipelines will need to be constructed. The hot water will be cheaper for the customers, but the pipeline infrastructure will be expensive to get up and running. Water, Steam & Chilled Water Distribution Manager, Todd Russell, and Sean McFarling, Senior Manager of Design Services at Evergreen Energy in Minneapolis, presented the Lansing BWL Steam to Hot Water Transition presentation. Mr. Russell stated that in 2024 the decision was made to transition the steam system over to hot water to reduce customer costs. Evergreen Energy will be the owner engineer for the first phase. Currently, 40% of the steam system is over 50 years old and this affects system reliability issues and maintenance costs. There is approximately \$1.8 million annual energy loss due to leaks. It would cost BWL \$260 million to replace the steam system. A new hot water system would cost \$100 million and provide higher efficiency to the system, eliminate energy and water losses of about 65 million gallons, and reduce the piping system from 12.5 miles to 4.5 miles. Buildings that were suitable and not suitable for the hot water system were reviewed. GM Peffley added that brand new boilers will be provided to the customers that are not suitable for the hot water system pipeline. Mr. McFarling stated that construction will begin this fall and continue over three years.

Commissioner James asked what the option would be for current and future steam customers if the hot water system wasn't possible. GM Peffley responded that customers could use electric heat, or natural gas if it was available. GM Peffley added that the customers' energy costs will decrease. GM Peffley also added that it costs approximately \$1 million to replace one steam manhole and there are 150 of them. Commissioner James asked what was the projected rate of

return over 5 years. AGM Heather Shawa responded that the rate of return is closer to 7 to 10 years, and she will follow up with the Commissioners on the calculated percentage.

Commissioner James also asked how much the State of Michigan was contributing. GM Peffley responded that \$5 million has been received and AGM Shawa responded that \$10 million has been requested.

Commissioner Leek asked how much would it cost per boiler for 59 customers. Mr. McFarling responded that the cost varies from \$15,000 to \$53,000 depending on the size of the customer and that the customers have been notified of the amount being offered and when steam service will be shut off.

Commissioner Schrader commented that on his properties he has trouble with steam boilers but not with hot water boilers.

Commissioner Worthy asked if the capital conversion cost for the boilers for the 55 customers was being covered by BWL and if the costs would be covered for the customers that had to convert to something else. GM Peffley affirmed that the costs for the boilers are covered in the budget and the costs for the other customers are covered in the master system. Mr. McFarling responded that conversions for the customers will be covered and replaced if needed in the future. Commissioner Worthy also asked what the percentage was for the \$1.8 million dollar loss in the steam system. GM Peffley responded that it was over 50% in the summer.

Commissioner Mullen asked if there was any information about General Motors returning to BWL for service with their carbon production after discontinuing their steam service. GM Peffley responded that there was no news, but he was optimistic. Commissioner Mullen also asked if bonds would be issued for \$110 million over 15 years for the hot water system. AGM Shawa responded that new bonds are forecasted to be issued specifically for this project but not in the next couple of years.

Commissioner Harkins asked about coordination with the city with construction on the roadways for the hot water system. Mr. Russell responded that BWL is working with the CSO projects. GM Peffley added that pipes will also be put in and left open until the city does their work. Commissioner Harkins asked if there could be a potential impact of inflation costs. Mr. Russell responded that the overall projected budget with inflation for the hot water system is \$125 million and it would be double for the steam system. Commissioner Harkins also asked what the infrastructure of a projection site looked like. Mr. Russell responded that there would be a 40 x 40 building with skids inside with the actual units that will be hooked to the steam system. When the steam plant is shut down in 15 years the building will be turned over to the city. Mr. Russell stated that there is a website dedicated to this project and the link will be provided.

Chairperson Zerkle asked if there will be another budget line for hot water. GM Peffley responded that it is currently called thermal utility, but it is under steam. Chairperson Zerkle also asked if the churches along Capital Avenue would be transitioned. Mr. Russell responded that the churches would need to put the new boiler in.

Commissioner Schrader asked why there would be less miles of pipeline for hot water. Mr. Russell responded that there is only one customer on the system until north of Highway 496 and the plants and the distribution system will be moved into the downtown district.

Commissioner Worthy asked what revenue stream will be generated for telling 59 customers to convert and produce their own steam, and telling 55 customers they will be transitioned to hot water, rather than telling everyone to transition. GM Peffley responded that not all customers have the infrastructure to put their own system in, and Consumers Energy doesn't have adequate gas to service all of them. Mr. McFarling added that it is cheaper for BWL to convert the system than for the customers to do it themselves.

Resolution Honoring Stuart Goodrich

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to approve the Amendment of the Resolution Honoring Stuart Goodrich and forward it to the full Board for consideration.

Action: Motion Carried.

Other

Commissioner James commended and congratulated the BWL Staff on the grant award received from EGLE. GM Peffley added that the EGLE staff requested use of our conference room to host a roundtable discussion and a walkthrough of the John F. Dye Water plant, and they were impressed with the plant, especially since it was built in the 1930's. Area dignitaries were also in attendance.

Motion by Commissioner Chris Harkins, **Seconded** by Commissioner David Price, for an excused absence for Commissioners Beth Graham and Brian Ross.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 6:31 p.m.

Respectfully Submitted,
Sandra Zerkle, Chairperson
Committee of the Whole

Finance Committee Chairperson Dale Schrader presented the Finance Committee Report:

FINANCE COMMITTEE Meeting Minutes September 9, 2025

Finance Committee: Dale Schrader, Committee Chairperson; Beth Graham, Chris Harkins, David Price; Alternates: Tony Mullen, Semone James; Non-Voting: Commissioners J. R. Beauboeuf, Brian Ross, 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, September 9, 2025.

Finance Committee Chairperson Dale Schrader called the meeting to order at 6:40 p.m. and asked the Corporate Secretary to call the roll.

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

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, to approve the Finance Committee Meeting minutes of July 8, 2025.

Action: Motion Carried. The minutes were approved.

Financial Summary YTD

Accounting, Finance & Planning Manager Ying Yan presented the Financial Summary YTD. Financials are marked as preliminary because year-end audit is still in progress and the Financial Statements are yet to be finalized, however, we don't expect any material changes. The Days Cash on Hand is higher than target which is driven by the timing of new energy project spending and will fluctuate during the construction period. Retail revenue is 4% higher than budget due to fuel cost adjustments, higher power factor and transmission revenue. Wholesale revenue is under budget due to generation outages and lower market price. One driver of the lower market price is the delayed closure of coal plants which provided excess generation to the energy market. Operating expenses are lower due to fuel and purchase power costs. Non-operating income and expenses are lower due to stronger investment performance. Net income is \$15m higher primarily due to higher retail revenue and investment income. O&M is lower due to lower benefit claims. Capital Improvement Plan (CIP) spending was on budget. New Energy spending is higher than budget due to timing. Return on assets is higher primarily due to higher net income. The Debt to Total Assets ratio is low due to outstanding revenue bonds but will balance out as the debt is paid. Days Sales Outstanding is 2 days lower compared to prior year due to later building cycles and lower unbilled revenue, no concerns at this point. Payroll costs are higher due to the May 2025 storm restoration efforts. Benefit costs are under budget due to lower than anticipated healthcare and workers comp claims.

Commissioner Harkins asked for further information on the new energy budget overage due to timing. Ms. Yan responded that the overage is driven by the RICE project, we plan to bring this project online earlier than Dec 2026 to serve the customers sooner.

Bond Issuance Update

Accounting, Finance & Planning Manager Ying Yan presented the Bond Issuance Update. A bond refinancing transaction is being prepared to address outstanding 2021B put bond in the amount of \$71 million. Two resolutions are typically presented to the Board; the first resolution is Notice of Intent. It communicates our intent to issue and reimburse ourselves for eligible costs, we only need this for new money, once the resolution is approved, we put it in newspapers for public notice. The second one is the authorization to issue bonds; this authorizes the CFO to work with the banks and external parties to have the bonds issued. Since this is a refinancing only, we don't need to publish anything in the paper, we will only need the authorization to issue. More details will be presented in the November 2025 meeting.

Approval of Corporate Secretary and Board of Commissioners 2025 Quarterly Budget & Expense Reports

Motion by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, to approve the Corporate Secretary and Board of Commissioners 2025 Quarterly Budget & Expense Reports and forward them to the Full Board for consideration.

Action: Motion Carried.

Internal Audit Risk Assessment Results

Director of Internal Audit Elisha Franco presented the Internal Audit Risk Assessment Results. The assessment consisted of an overview; the objectives of risk identification and rating, audit planning and resource allocation, compliance with global standards and support of BWL governance & strategic alignment; risk assessment approach and methodology; and results. Ms. Franco stated that a report will be sent to the Commissioners with more detailed information at a later date and is requesting feedback from General Counsel on the best method to provide it to the Commissioners. In the results the top 10 inherent risks were in staff acquisition, economy, reputational, legislation, leadership, customer billing, operational, strategic, budget management, and cybersecurity.

Internal Audit Strategy

Director of Internal Audit Elisha Franco presented the Internal Audit Strategy. The internal audit strategy is a requirement of the Global Internal Audit Standards and it is what the internal audit goals over the next 5 years. The strategy consists of governance, methodology and technology and the objectives are quality assurance, risk assessment, aligned enterprise assurance and AuditBoard Analytics.

Commissioner Schrader commented that the data management is in a computer now rather than in boxes and Ms. Franco affirmed.

Commissioner Harkins thanked Ms. Franco for the audit department manual, and for the response that if there was additional feedback from the Commissioners, it would be added to the manual.

Commissioner Beauboeuf asked if there were any risks that required the Commissioners' immediate attention. Ms. Franco responded no, there were none at this time. Commissioner Beauboeuf also asked whether there was a document retention risk plan and counsel for what is not needed. Ms. Franco responded that there is a documentation retention policy within the BWL corporation. Everything is electronic and when documentation requests are made, the data is uploaded to the system and there is access control to the data.

Commissioner James commended Ms. Franco on the audit reports presented. Commissioner James stated that with AI coming to the forefront, she is a proponent for data being kept and available long term. Ms. Franco responded that the storage room contains a lot of data. Ms. Franco added that the legal department is planning to update the Documentation Retention policy.

Post-Audit Feedback Survey Results

Director of Internal Audit Elisha Franco presented the Post-Audit Feedback Survey Results. Ms. Franco stated after every audit, a survey is sent to all the audit participants asking for feedback on how the audit was completed. The feedback indicates that there has been improvement with the audits being completed.

Commissioner Harkins asked what the goals are when feedback is received and are there industry standards for the self-evaluation? Ms. Franco responded that the goal is to improve and receive as close to 5 rating as possible on the audits and there are no industry standards. Ms. Franco added that adjustments are made to audits in alignment with the expectations feedback.

Internal Audit Status Report

Director of Internal Audit Elisha Franco presented the internal audit status report. The internal audit status report consisted of an audit update of progress and budget, an issue status update of whether the issue was pending or closed, the FY2026 Audit Work Plan and other items. Ms. Franco introduced Co-Op student Jake Rober who will be working on the Internal Audit team and stated that Gillian Croteau is working as a temporary Administrative Assistant.

Chairperson Schrader commented on the receipt of the agenda items and Commissioners' feedback and noticed the trending upward of the ratings on the audits completed.

Other

Motion by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, for an excused absence for Commissioners Beth Graham and Brian Ross.

Action: Motion Carried.

Adjourn

Chairperson Dale Schrader adjourned the meeting at 7:28 p.m.

Respectfully submitted,
Dale Schrader, Chairperson
Finance Committee

MANAGER'S RECOMMENDATIONS

There were no manager's recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION 2025-09-01

PA 152 Health Care Premium Sharing

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the "Public Funded Health Insurance Contribution Act", Public Act 152 of 2011 (the "Act") limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, the Act took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, the Act contains three options for complying with the requirements of the Act;

WHEREAS, the three options are as follows:

- 1) Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- 3) Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2026 through December 31, 2026;

RESOLVE that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2026, through December 31, 2026.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Sandra Zerkle, to approve the PA 152 Health Care Premium Sharing Resolution at a Board meeting held on September 23, 2025.

Action: Motion Carried.

RESOLUTION 2025-09-02

Amendment to Resolution Honoring Stuart Goodrich

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

WHEREAS, Stuart Goodrich was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2024, to represent Delhi 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, Stuart owns Goodrich Optical in Lansing, is an American Board Certified Optician, a former President of the Opticians Association of Michigan, and a former chair of the Commission for Opticianry Accreditation (U.S. Department of Education), served as a Director on the Opticianry Advisory Committee at Ferris State University and on the Michigan Braille Transcribing Fund, served on both Holt/Dimondale Schools and Ingham Intermediate School District Boards and was awarded Alumnus of the Year, by the Holt/Dimondale School/Business Alliance, was the founding chair of the Delhi Development Authority in 1987, elected to the position of Trustee for Delhi Township in 1992 and served 10 years as Delhi Township Supervisor; and

WHEREAS, Stuart is a 48 year Charter Member of the Holt Lions Club, has received numerous awards and serves as a trustee on the Board of Directors for the Michigan Lions Foundation, has received the "Unsung Hero" award from WLNS TV, Community Service Person of the Year from The South Lansing Business Association, an "Appreciation Award" from Radio Talking Book, now known as Radio Reading Service WKAR Radio, from Michigan State University for being "The Driving Force In Saving The Program By Involving Lions", and was elected to the Michigan Lions Hall of Fame in 2013; 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 Stuart Goodrich for his year of distinguished service in Regular Board Meeting this 22nd day of July, 2025. We sincerely wish Stuart continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson
J. R. Beauboeuf
Chris Harkins
DeShon Leek
Dale Schrader

Sandra Zerkle, Vice Chairperson
Beth Graham
Semone James
Tony Mullen
Robert Worthy

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dale Schrader, to approve the resolution of tribute for the outgoing Commissioner Stuart Goodrich at a Board meeting held on September 23, 2025.

Action: Motion Carried.

Approval of Corporate Secretary and Board of Commissioners 2025 Quarterly Budget & Expense Reports

Motion by Commissioner Chris Harkins, **Seconded** by Commissioner Tony Mullen, to approve the Corporate Secretary and Board of Commissioners 2025 Quarterly Budget & Expense Reports.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager (GM) Dick Peffley gave the following remarks

1. The REO Co-Generation plant just celebrated eight years without a loss time accident which is an incredible achievement for a power facility.
2. The Golf for Charity event held on August 15th raised \$70,000, the largest donation in the 15 years of participation. It will be split between Magic for Literacy, Pennies for Power, Heroes Haven, and Boys & Girls Club of Lansing.
3. The First STEP Open House was held on September 10, 2025 for students and parents to learn more about the program, and 40 students attended.
4. Public Relations and Marketing Manager Amy Adamy was awarded the 10 Over the Next Ten Award which is awarded by Lansing Chamber of Commerce in partnership with Lansing 501. The award recognizes Lansing's young professionals who are anticipated to contribute to the community significantly over the next 10 years.
5. Government & Community Relations Supervisor Breina Pugh was appointed by Governor Whitmer to the Library of Michigan Board of Trustees for a term starting October 2, 2025. The Board makes recommendations to the Michigan Department of Education regarding

Library's services, budget, and proposes governing rules and makes recommendations regarding employment of administrative assistants and employees of the Library.

6. Breina Pugh was also a recipient of a General Manager's award for her recent work related to advocating for BWL in public proceedings.
7. The MMEA Fall Conference is being held September 23-24, 2025 in Muskegon, MI.

COMMISSIONERS' REMARKS

Chairperson David Price stated that all Members of the Board of Commissioners have completed the required Annual Training per Council Resolution 2025-139 pertaining to Ethics, Conflict of Interest, and the Open Meetings Act.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Sandra Zerkle for an excused absence this evening for Commissioner Robert Worthy.

Action: Motion Carried.

PUBLIC COMMENTS

Djoachim Lockhart, Lansing, MI, spoke in approval of the PA 152 health care sharing resolution as he is a benefits advisor. He has created videos to educate and give access to the public for any carrier or doctor, through the marketplace or Medicare. He requested being on BWL's docket similar to the electric bikes and lawnmowers.

ADJOURNMENT

Chairperson David Price adjourned the meeting at 5:50 p.m.

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 09-26-25

Approved by the Board of Commissioners: 11-__-25

Official Minutes filed (electronically) with Lansing City Clerk: 11-__-25

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Mon, 11/03/2025 - 9:33 AM

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Address

Lansing, Michigan

Message

Dear Board of Commissioners:

In the absence of any answers on the LBWL website to my questions below, I request that you take up the following questions at future meetings of the Board:

1. Why did the LBWL website claim, until October 31, that no Board or Committee meetings were scheduled in spite of a Board schedule for November meetings?
2. Will the Board investigate the FOIA policies, practices, and results of LBWL management ending in charging thousands of dollars in fees to customers and non-profit organizations for LBWL's public records of its operations, decisions, and plans?
3. Is the Board considering, or does it have, a policy position on the following issues:
 - a. Whether LBWL should offer the public an opportunity to see and comment on a draft of the 2025 IRP a reasonable time before Board action?
 - b. Whether the Board should hire a 3rd party consultant to review and evaluate a 2025 IRP draft and publish the resulting findings as is done by staff of the MPSC and AG for investor-owned utilities?
 - c. Whether LBWL will provide the one or more data centers with mega-watts of electricity (equal or greater than the amount currently provided) requiring a huge expansion of capacity at current ratepayers' expense? <https://planetdetroit.org/2025/10/data-centers-michigan-power-costs/>
 - d. Whether LBWL will build renewable energy facilities instead of more greenhouse gas generating plants? <https://www.canarymedia.com/articles/utilities/dont-blame-clean-energy-for-rising-electric-bills>
 - e. Whether LBWL will support legislation allowing community solar installations? <https://communitysolaraccess.org/news/bipartisan-bills-introduced-to-expand-community-solar-access-in-michigan>
 - f. Whether LBWL will support legislation allowing portable solar installations? <https://thebridgetv.org/2025/09/portable-solar-legislation-campaign-launched/>

- g. Whether LBWL will offer on-bill financing to its customers for energy efficiency projects?
- h. Whether LBWL will have a no electricity shut off policy this winter?
- i. Whether the Board should hire a 3rd party consultant to review and evaluate any future rate increases and publish the resulting findings as is done by staff of the MPSC and AG for investor-owned utilities?

4. Will the Board issue a directive to management to Investigate measures to reduce or eliminate micro and nano plastics in LBWL's drinking water?

<https://www.sciencedaily.com/releases/2025/04/250421162936.htm>

Respectfully,

Elaine Dierwa Fischhoff
Capital Area Friends of the Environment Board member

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Thu, 11/13/2025 - 4:56 PM

Select a Commissioner:

All Commissioners

Name

League of Women Voters Lansing Area

Address

Lansing, MI , Michigan

Message

November 13, 2025

League of Women Voters Lansing Area

600 W St Joseph St, Lansing, MI 48933

<https://www.lwvlansing.org/>

Board of Commissioners

Lansing Board of Water and Light

1201 S Washington Ave · (517) 702-6006

Re: LBWL contracts with data centers

Dear Commissioners:

The League of Women Voters Lansing Area (LWVLA) has learned that you are considering a resolution that would delegate authority to the Lansing Board of Water and Light (BWL) management to enter binding contracts with an unlimited number of data centers, without review by the BWL Board. One of these contracts presumably would be an agreement for the 24 MW Deep Green data center that was the subject of the BWL's November 5 press release. It is expected that you will vote on this resolution on November 18, 2025. The LWVLA urges you to reject the resolution because it is inconsistent with good governance, public accountability, sound financial practices, and environmental stewardship.

You may be familiar with the LWVLA from our role in promoting and protecting voting rights and election security, and from our voter education initiatives. The LWVLA also values open governmental systems that are representative, accountable and responsive to its citizens. Open government requires laws and policies that protect citizens' rights to know and that facilitate informed understanding and public participation in government decision-making.

The LWVLA is concerned that the resolution under consideration would thwart these important goals. In particular, the resolution states:

"RESOLVED, the General Manager or an appropriate designee is authorized to finalize and execute on behalf of the BWL a Special Electric Service Contract and any other necessary related or supporting contracts or agreements for the above-mentioned projects with the prospective customers."

The “above-mentioned projects” for which final contracting authority is granted would include an unspecified number of potential data center developments of unspecified size, with potential contractual commitments of unspecified duration and unquantified risk. There can be no doubt that the potential data centers at issue are large relative to the size of the BWL. The 24 MW Deep Green data center would be considered large by Consumers Energy. The resolution itself acknowledges the uniqueness of the data centers as potential BWL customers, the lack of suitable approved rates, the potential for BWL to require additional energy resources to serve such customers, and the need for “additional provisions that mitigate BWL risks.”

If the resolution is adopted, these significant decisions will be made without opportunity for public input on these new and unique issues that are clearly matters of public interest. These decisions would also be made without the BWL Board oversight.

In addition to the importance of openness in government decision-making, the LWVLA supports environmentally sound energy policies that reduce energy growth rates, emphasize energy conservation, and encourage the use of renewable resources. While the resolution itself recites the BWL’s commitment to environmental consciousness, nothing in the delegation of authority the Board is voting on provides any specific constraints on the utility’s decision-making. The resolution would not only delegate authority to contract with data centers, it also appears to delegate broad authority to the BWL management to add an unlimited amount of new energy resources to its portfolio. These data centers are well known to generate a host of concerns, including the CO2 emissions and clean air concerns associated with various sources of energy generation, as well as the demands placed on water resources. As noted above, such a delegation to the BWL management would not only deprive the Board of a meaningful opportunity to review the environmental impacts of any agreements that are reached but would also deprive the citizens of the ability to be heard on these important matters before agreements are reached.

Finally, you may be interested in reviewing a recent order of the Michigan Public Service Commission (MPSC). On November 6, 2025, the Commission issued a lengthy order in its Case No. U-21859 addressing the terms and conditions of service for Consumers Energy to adopt when contracting with similar data centers and other large loads. This order contains a discussion of some of the risks facing the utility in connection with these contracts, and it identifies important protections for the company to help ensure Consumers Energy’s existing electric customers do not end up paying for costs related to serving these new loads.

In closing, LWVLA encourages the BWL Board to reject the resolution as currently written. We also recommend that the BWL Board consider the risks evaluated by the MPSC and the risk mitigation measures it found reasonable and prudent, before the Board reconsiders this contract and any future special contracts with potential data centers.

Sincerely,
Kathy Petroni, President
League of Women Voters Lansing Area
cc: Mayor Andy Schor
Lansing City Council
City Pulse
Lansing State Journal

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Thu, 11/13/2025 - 5:42 PM

Select a Commissioner:

All Commissioners

Name

Carol Siemon

Street Address

Lansing, Michigan

Message

I write to join with the League of Women Voters' letter of November 13th concerning a proposed resolution to delegate authority to to the BWL management to enter into binding agreements with potential data centers without review by you as the BWL Board. Please vote no on the resolution in its current form. Thank you, Carol A. Siemon

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Thu, 11/13/2025 - 6:59 PM

Select a Commissioner:

All Commissioners

Name

Dorothy Engelman

Address

Holt, Michigan

Message

You are considering a resolution that would delegate authority to the Lansing Board of Water and Light (BWL) management to enter binding contracts with an unlimited number of data centers, without review by the BWL Board. One of these contracts presumably would be an agreement for the 24 MW Deep Green data center that was the subject of the BWL's November 5 press release. It is expected that you will vote on this resolution on November 18, 2025. I urge you to reject the resolution because it is inconsistent with good governance, public accountability, sound financial practices, and environmental stewardship.

I value open governmental systems that are representative, accountable and responsive to its citizens. Open government requires laws and policies that protect citizens' rights to know and that facilitate informed understanding and public participation in government decision-making.

I am concerned that the resolution under consideration would thwart these important goals. In particular, the resolution states: "RESOLVED, the General Manager or an appropriate designee is authorized to finalize and execute on behalf of the BWL a Special Electric Service Contract and any other necessary related or supporting contracts or agreements for the above-mentioned projects with the prospective customers."

The "above-mentioned projects" for which final contracting authority is granted would include an unspecified number of potential data center developments of unspecified size, with potential contractual commitments of unspecified duration and unquantified risk. There can be no doubt that the potential data centers at issue are large relative to the size of the BWL. The 24 MW Deep Green data center would be considered large by Consumers Energy. The resolution itself acknowledges the uniqueness of the data centers as potential BWL customers which could lead to a conflict of interest. To leave these decisions to one person without review or oversight is ludicrous and the resolution should not be accepted.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Thu, 11/13/2025 - 7:18 PM

Select a Commissioner:

All Commissioners

Name

Alison Peeler

Address

220 Paris Ave

Lansing, Michigan. 48910

Message

Regarding the letter sent to you Re: data center, I fully support their position. Your actions (or lack of) is a red flag and suggests that someone is reaping a benefit other than the citizens of Lansing.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Thu, 11/13/2025 - 9:10 PM

Select a Commissioner:

All Commissioners

Name

Ashley Meyers

Address

Dewitt, Michigan

Message

Please be transparent with community members and ALL stakeholders regarding any discussion about the pros and cons of data centers in our city and even statewide. We deserve to understand the relevant conflicts of interest. We as consumers should have a clear understanding of how our utility bills will be impacted and how. Exactly how will the supply and demand be affected and the cost analysis over time.

Thanks for considering the individuals in our community and the future of our water, our land, and our world.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Thu, 11/13/2025 - 10:06 PM

Select a Commissioner:

All Commissioners

Name

Abby Schwartz

Address

Lansing, Michigan

Message

Hello, I am neither for nor against the proposed new data center in Lansing because I feel I lack enough information to make an informed opinion. I am concerned that experts on the Board of Commissioners have not been given the opportunity to consider this thoroughly and from all angles.

For example, is this really clean? Please check out locations of Deep Green data centers in the UK to see if there has been additional noise pollution, air pollution, water contamination, etc. after the data centers were built. How is the hypothetical additional \$1 million for the city going to be generated? Will this really be energy neutral, or will consumers see an increase in rates due to an increased demand for energy? And not just this year, but long term. How does the heat get recycled? What changes will need to be made to Lansing's infrastructure to accomplish the heat recycling, and who will pay for those infrastructure updates?

I am always worried when things are rushed through without careful thought, and I am very concerned that future data centers will be approved by BWL management without oversight from the Board of Commissioners and concerned citizens.

Thank you all for looking into this.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Fri, 11/14/2025 - 5:12 AM

Select a Commissioner:

All Commissioners

Name

Kristin Isaac

Address

lansing, Michigan

Message

Please stop with the bullshit. This is crazy.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Fri, 11/14/2025 - 6:30 AM

Select a Commissioner:

All Commissioners

Name

Joanne Galloway

Address

Lansing , Michigan

Message

Re: LBWL contracts with data centers

Dear Commissioners:

As a member of The League of Women Voters Lansing Area, I am opposed to the resolution that would delegate authority to the Lansing Board of Water and Light (BWL) management to enter binding contracts with an unlimited number of data centers without review by the BWL Board. One of these contracts presumably would be an agreement for the 24 MW Deep Green data center. It is expected that you will vote on this resolution on November 18, 2025. I urge you to reject the resolution because it is inconsistent with good governance, public accountability, sound financial practices, and environmental stewardship.

You may be familiar with the LWVLA from our role in promoting and protecting voting rights and election security, and from our voter education initiatives. The LWVLA also values open governmental systems that are representative, accountable and responsive to its citizens. Open government requires laws and policies that protect citizens' rights to know and that facilitate informed understanding and public participation in government decision making.

The LWVLA is concerned that the resolution under consideration would thwart these important goals.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Fri, 11/14/2025 - 1:32 PM

Select a Commissioner:

All Commissioners

Name

Diane Echerri

Address

Lansing, Michigan

Message

Data centers need all the oversight possible. Do not silence BWL as the residents of Lansing ally.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Fri, 11/14/2025 - 1:53 PM

Select a Commissioner:

All Commissioners

Name

Connie M. Jones

Address

Lansing, Michigan. 48910

Message

I have learned that you are considering a resolution that would delegate authority to the Lansing Board of Water and Light (BWL) management to enter binding contracts with an unlimited number of data centers, without review by the BWL Board.

I am asking you to reject the resolution because it is inconsistent with good governance, public accountability, sound financial practices, and environmental stewardship.

The contracting authority being considered would include an unspecified number of potential data center developments of unspecified size, with potential contractual commitments of unspecified duration and unquantified risk.

If the resolution is adopted, significant decisions would be made without opportunity for public input on these new and unique issues that are clearly matters of public interest. These decisions would also be made without the BWL Board oversight.

Since the BWL is a publicly-owned utility, and I am a member of the public that owns the BWL, I expect the BWL to use environmentally sound energy policies that reduce energy growth rates, emphasize energy conservation, and encourage the use of renewable resources.

Data centers are well known to generate many concerns, including the CO2 emissions and clean air concerns associated with various sources of energy generation, as well as the demands placed on water resources.

Such a delegation of decision-making to the BWL management would not only deprive the Board of a meaningful opportunity to review the environmental impacts of any agreements that are reached but would also deprive the citizens (owners) of the ability to be heard on these important matters before agreements are reached.

Therefore, I strongly request the BWL Board to reject the resolution as currently written.

cc: Mayor Andy Schor
Lansing City Council

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Fri, 11/14/2025 - 5:06 PM

Select a Commissioner:

All Commissioners

Name

Therese Ojibway

Address

Lansing, Michigan

Message

Nov. 14, 2025

Re: LBWL contracts with data centers

Dear Commissioners:

As a resident and customer of LBWL I urge you to reject the resolution below because it is inconsistent with good governance, public accountability, sound financial practices, and environmental stewardship:

“RESOLVED, the General Manager or an appropriate designee is authorized to finalize and execute on behalf of the BWL a Special Electric Service Contract and any other necessary related or supporting contracts or agreements for the above mentioned projects with the prospective customers.”

One of these contracts presumably would be an agreement for the 24 MW Deep Green data center that was the subject of the BWL’s November 5 press release. It is expected that you will vote on this resolution on November 18, 2025.

If the resolution is adopted, this and other significant decisions will be made without opportunity for public input on these new and unique issues that are clearly matters of public interest. These decisions would also be made without the BWL Board oversight.

I strongly encourage the BWL Board to reject the resolution as currently written and also recommend that the BWL Board consider the risks evaluated by the MPSC and the risk mitigation measures it found reasonable and prudent, before the Board reconsiders this contract and any future special contracts with potential data centers.

Respectfully,
Therese Ojibway
Lansing, MI

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Sat, 11/15/2025 - 10:39 AM

Select a Commissioner:

All Commissioners

Name

Karla McCandless

Address

Lansing, Michigan

Message

PLEASE do not give up your over site power regarding data centers. I am exceptionally concerned about the overuse of resources by data centers and the additional costs to residents. The last thing we should do is reduce over site powers.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Sat, 11/15/2025 - 12:00 PM

Select a Commissioner:

All Commissioners

Name

Debra Gordon

Address

Michigan

Message

The Board of water and light needs to ensure transparency and due diligence in the negotiation of contracts for an unlimited number of data centers without review by the BWL board. I believe the board needs to have say in this matter, and that the environment always needs to be taken into consideration. And that cost for any of this is not passed along to the public/consumers. It seems like you're trying to hide something from the public and that's just unacceptable.

Sincerely, Debra Gordon.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Sun, 11/16/2025 - 12:12 PM

Select a Commissioner:

All Commissioners

Name

Isabella J Croff

Address

Lansing, Michigan

Message

I just wanted to share how important I think it is for the Board to maintain its authority to review and reject contracts with data center projects. These projects are very contentious and their usefulness should be carefully considered. An abdication of this authority would leave people with little recourse or input on endeavors that may impact them greatly. Frankly, no such project that could have such an effect on local infrastructure and economy should go without discussion and community approval. Simply having faith that these projects will turn out in the community's favor is putting trust in entities whose top priority will always be profit, not people or Lansing's wellbeing.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Sun, 11/16/2025 - 5:30 PM

Select a Commissioner:

All Commissioners

Name

Heidi J Butler

Address

East Lansing, Michigan

Message

I'm echoing the sentiment of the League of Women Voters of Lansing in the following:

Dear Commissioners:

The League of Women Voters Lansing Area (LWVLA) has learned that you are considering a resolution that would delegate authority to the Lansing Board of Water and Light (BWL) management to enter binding contracts with an unlimited number of data centers, without review by the BWL Board. One of these contracts presumably would be an agreement for the 24 MW Deep Green data center that was the subject of the BWL's November 5 press release. It is expected that you will vote on this resolution on November 18, 2025. The LWVLA urges you to reject the resolution because it is inconsistent with good governance, public accountability, sound financial practices, and environmental stewardship.

I also urge you to reject this resolution.

Thank you for your time.

From: Customer Service <customerservice@LBWL.COM>

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

Submitted on Mon, 11/17/2025 - 8:03 AM

Select a Commissioner:

All Commissioners

Name

Randy Dykhuis

Address

Lansing , Michigan

Message

Dear Lansing Board of Water & Light Commissioners:

Capital Area Friends of the Environment (CAFE) supports the position articulated by the League of Women Voters Lansing Area (LWVLA) regarding the resolution entitled "Special Electric Service Contracts for Large Load Customers and Potential Membership in Regional Transmission Organization". While we recognize that delegation to management to negotiate contracts with other organizations and companies is necessary, we strongly urge the Board of Commissioners to reserve the right to review any contracts negotiated under this resolution in open meetings before they are signed. Such a review not only preserves responsible oversight by the Board but also provides the public an opportunity to know what has been agreed to by a public entity owned by the residents of the city of Lansing. Anything else is an abrogation of your collective responsibility as representatives of BWL's owners.

Sincerely,

Randy Dykhuis

Secretary, Capital Area Friends of the Environment

COMMITTEE OF THE WHOLE
Meeting Minutes
November 6, 2025

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S Washington Ave., Lansing, MI, on Thursday, November 6, 2025.

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

Present: Commissioners Beth Graham, Chris Harkins, Semone James, DeShon Leek, David Price, Dale Schrader, and Sandra Zerkle; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Brian Ross (DeWitt Township)

Absent: Commissioner Tony Mullen and Non-Voting Commissioner Bob Worthy (Delta Township)

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner Beth Graham to approve the Committee of the Whole Meeting minutes of September 9, 2025.

Action: Motion carried. The minutes were approved.

Public Power Contest Winner Recognition

Chairperson of the Board David Price presented certificates of recognition to the five Public Power Week Coloring Contest Winners: Ally Rapelje from Post Oak Academy, Blessing Tesa from Attwood Elementary, Ephraim Niyonyishu from Cavanaugh Elementary, Hayven Thomas from Cavanaugh Elementary, and overall winner Alexa Martinez from Cavanaugh Elementary.

Retirement Plan Committee (RPC) Update

Chief Financial Officer Scott Taylor presented the Retirement Plan Committee (RPC) update. In the Defined Contribution 401(a) and Deferred Compensation 457(b) Plans, four participants have assets in the State Street GTC Retirement Income Builder (RIB) Series with a total of just under \$1.5 million which indicates the plan is adopting well. Lifetime income funds are being promoted and educational sessions will be held in the new year. The forfeiture process for DC Plan 1 has started for approximately three pay periods needed to utilize the balance and an administrative procedure for managing forfeitures is being formalized. Secure Act 2.0 Requirements effective January 1, 2026 include the mandatory Roth catch-up contributions for

high earners. Individuals aged 50 or older earning more than \$145,000 in the previous year from the employer sponsoring the plan will be required to make catch-up contributions to their 457 plan on a Roth (after-tax) basis. HR is working on a communication to all participants regarding 3rd party vendors reaching out to participants on retirement advisory services to reiterate that these are not from the BWL RPC and to remind participants the resources that are available.

Commissioner Harkins asked what percentage of staff fully vest in the DC contributions. CFO Taylor responded that he would look up the information and provide it to the Commissioners.

Energy Optimization Plan 2026-2029

Energy Planning & Decarbonization Manager, Jennifer Binkley-Power presented the Energy Optimization Plan 2026-2029. The overall goal of the plan is to reduce energy waste and future costs of utility service. The intent is to delay the need for constructing new electric generating facilities. Ms. Binkley-Power provided an overview of Public Act 229 of 2024 Section 71.(2) which amends and adds to prior Energy Waste Reduction legislation Public Act 295 of 2008, 2016, 2020. Ms. Binkley-Power also provided the requirements of the EWR Plan, the spending and saving allowances and the electrification plan. The plan needs to be approved by the Board of Commissioners and MPPA will submit the plan to the MPSC by December 31, 2025, as a joint filing on behalf of all MPPA members. The EWR Plan will be refreshed every four years.

Chairperson Zerkle asked whether this plan is where BWL enters customers' homes to determine where energy savings can be made. Ms. Binkley-Power affirmed and responded there is a list of programs for customers.

Commissioner Schrader asked whether the EV chargers and rebates were part of the 1.5% of total retail electricity sales. Ms. Binkley-Power said they were not.

Commissioner Harkins asked whether there are programs currently in operation that are indicating diminishing returns and are there other programs with more capability that efforts should be focused toward. Ms. Binkley-Power responded that electrification is a good place to pivot, contractors will need to be trained, and a trade ally network for some measures will need to be created.

Commissioner Graham asked whether BWL had a program similar to DTE reaching out to realtors to go through a checklist of items for savings. Ms. Binkley-Power responded that from previous experience, the program was semi-successful and realtors need to be incentivized to be an advocate with that type of program, and also that BWL is considering such a program.

Commissioner Price asked how much load was reduced by converting to LEDs over the last 10 years. Ms. Binkley-Power responded that she didn't have that figure but would follow up and provide it to the Commissioners.

Motion by Commissioner David Price, **Seconded** by Commissioner, Beth Graham, to approve the Energy Optimization Plan 2026-2029 Resolution and forward it to the full Board for consideration.

Action: Motion Carried.

First Amendment to the Cafeteria Plan – HSA

Executive Director of Human Resources Michael Flowers presented the First Amendment to the Cafeteria Plan – HSA (Health Savings Account).

Motion by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, to approve the Adoption of the First Amendment to the Cafeteria Plan Resolution and forward it to the full Board for consideration.

Action: Motion Carried.

Special Electric Service Contracts for Large Load Customers and Membership in Regional Transmission Organization

General Manager Dick Peffley spoke about the Special Electric Service Contracts for Large Load Customers and Membership in Regional Transmission Organization Resolution being presented to the Committee. GM Peffley stated BWL is negotiating with several large customers, exploring new technologies for energy sources while maintaining reliability for existing customers. GM Peffley gave brief overviews of two new technologies for energy sources that have been vetted: Solar Thermal Technology and Fuel Cell Technology. Both technologies potentially have high reward for BWL with minimal risk. GM Peffley also explained to the Committee that it could be possible that BWL may have to buy energy outside of the service territory depending on how many of these large customers come to this area. BWL is exploring an option of becoming a member of the PJM (Pennsylvania, New Jersey, Maryland) regional transmission organization, which manages wholesale markets for energy and capacity on the east coast, while MISO manages for central states. There is a plant in Niles, MI in the PJM region that puts 1,000 MW into the market and BWL is requesting 400 MW from them. In order to purchase energy from this plant, BWL would need to be a member of PJM. BWL is competing internationally to land these large customers.

Chairperson Zerkle thanked GM Peffley and the staff for their hard work in bringing the businesses to BWL and the city.

Commissioner Price stated that one of the objections that is heard on social media and in the public in providing electric service to the emerging industry of AI and data centers is that it results in increased rates for current customers. GM Peffley responded that won't be the case for BWL as the infrastructure will be paid for by the new customers and as they ramp up, we'll see reduced forecasted rate increases for customers. This will also result in an additional \$1 million in return on equity to the city.

Commissioner Harkins commented on the importance of remaining environmentally conscious, but highlighted language in the resolution about negotiating agreements that would hold other customers harmless and not burden the existing BWL customers' rate base, and said those protections were critical to him in supporting the resolution. GM Peffley responded that the CEO of Deep Green from the United Kingdom stated he was impressed with Lansing Board of Water & Light and that they have never worked with a utility like it and is looking forward to working with us on their project.

Commissioner Zerkle commented that this operational project that GM Peffley brought to the Board has been explained well in what the purpose was and how it would better the community and the company. GM Peffley responded that several high-level staff were working on the project and it will be well vetted.

Commissioner James asked what types of returns are projected? GM Peffley responded that negotiations are in progress and returns should be similar to those of other customers. Commissioner James added that the pros and cons have been provided and that she doesn't see any negative aspects to the ratepayers. GM Peffley responded it was a win-win and the mayor of the City of Lansing stated he cannot see any drawback as the two parking lots for the project aren't being utilized. The building Deep Green will build doesn't look industrial, there will be a walking path, and murals created by local artist. Additionally, there will be jobs created for the community.

Commissioner Schrader asked if fuel cell technology was being put next to the downtown location and if it was a California company. GM Peffley said he couldn't respond due to a non-disclosure agreement. Commissioner Schrader asked if the fuel cell was considered clean energy. GM Peffley responded that it was considered clean energy in two states so far. Commissioner Schrader commented that it was a brilliant plan due to the amount of space being used and reduction in the emissions of natural gas.

Motion by Commissioner David Price, Seconded by Commissioner Semone James, to approve the Special Electric Service Contracts for Large Load Customers and Membership in Regional Transmission Organization Resolution and forward it to the full Board for consideration.

Action: Motion Carried.

Regular Board Meeting Schedule 2026 Resolution

Chairperson Sandra Zerkle presented the Regular Board Meeting Schedule 2026.

Commissioner James asked if the Committee Meetings would need to be moved for November 2026 and if the November 2026 Board Meeting could be held on an alternate date.

Commissioner Price stated that traditionally the November Board Meeting was held the week

prior to Thanksgiving to allow for taking vacation Thanksgiving week. The Committee determined that moving the Committee Meeting day will be considered.

Motion by Commissioner David Price, Seconded by Commissioner Beth Graham, to approve the Regular Board Meeting Schedule 2026 Resolution and forward it to the full Board for consideration.

Action: Motion Carried.

Other

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham, for excused absences for Commissioner Tony Mullen and Commissioner Robert Worthy.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 6:33 p.m.

Respectfully Submitted,
Sandra Zerkle, Chairperson
Committee of the Whole

**FINANCE COMMITTEE
Meeting Minutes
November 6, 2025**

Finance Committee: Dale Schrader, Committee Chairperson; Beth Graham, Chris Harkins, David Price; Alternates: Tony Mullen, Semone James; Non-Voting: Commissioners J. R. Beauboeuf, Brian Ross, 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 Thursday, November 6, 2025.

Finance Committee Chairperson Dale Schrader called the meeting to order at 6:45 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Beth Graham, Dale Schrader, Chris Harkins, and David Price; Also Present: Commissioners Semone James (Alternate) and Sandra Zerkle; and Non-Voting Commissioners J. R. Beauboeuf (East Lansing) Non-Voting, and Commissioner Brian Ross (DeWitt Township)
Absent: None

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to approve the Finance Committee Meeting minutes of September 9, 2025.

Action: Motion Carried. The minutes were approved.

Baker Tilly Audit Report

Chief Financial Officer (CFO) Scott Taylor introduced Aaron Worthman, Principal at Baker Tilly, who presented the Baker Tilly Audit Report. Mr. Worthman presented and highlighted the external audit report which included an audit overview, observations and recommendations, and required communications to governing body. The financial statements include the auditors' report, management and discussion analysis, Enterprise fund statements, pension and OPEB (Other Post-Employment Benefits) trust statements. Mr. Worthman reported that there were no deficiencies in internal controls and that the BWL and all three pension plans received unmodified audit opinions, which is a clean opinion and the highest level of assurance. Controls were reviewed in disbursements, payroll, utility billings, cash and investments, capital assets, information technology and financial reporting areas. Mr. Worthman requested that the Commissioners read the management representation letter that is attached to the governance letter which provides information on other representation responsibilities along with the audit.

Commissioner Schrader asked if the \$27 million net income included or deducted out the 6% paid to the City of Lansing. Mr. Worthman responded that the 6% was already deducted out.

Commissioner Harkins commented that it is tremendous that there are no findings of any magnitude and the staff should be applauded. Commissioner Harkins asked the reason for the \$110 million difference in the restricted cash and investments balance year over year. Accounting, Finance & Planning Manager, Ying Yan, responded that it is related to drawdown of the 2024A bond proceeds, when eligible spending is incurred and paid, BWL reimburses itself using these funds.

Motion by Commissioner Chris Harkins, **Seconded** by Commissioner David Price, to approve the FY2025 Audited Financial Statement of the Enterprise Fund & Pension Fiduciary Funds Resolution and forward it to the Full Board for consideration.

Action: Motion Carried.

CFO Taylor thanked the finance team for their work on the audit. CFO Taylor stated that it is time to renew the audit contract and BWL is starting the RFP process to obtain the new contract. The City Charter states the City Council needs to approve or designate the external auditor. When BWL has made its selection from its procurement process, it is brought to the Board to be approved to take to City Council, then the City Council will review and approve, and the contract can be executed. This will be brought to the Board in January 2026.

Commissioner James asked if a new company needs to be selected or if the best can be chosen. CFO Taylor responded that the best is selected and if Baker Tilly wins the bid, a new lead auditor for the firm would be required.

YTD Financial Summary

CFO Scott Taylor presented the YTD Financial Summary. The Restricted Bond Fund is expected to decrease as there is spending on infrastructure. Days Cash on Hand is strong. Weather was favorable for sales and retail revenue outperformed. Volume was under for wholesale revenue due to the Belle River Plant slightly underproducing and renewables being lower, but prices in the market were good. Operating expenses are under due to items budgeted that have not occurred yet. Non-Operating Income is outperforming. The New Energy Budget is under due to the moratorium slowing the project in Watertown, solar projects that are in design which will move into construction, and being careful with new technologies to implement the best ones at the best times. The Steam to Hot Water budget is just starting and supplies are being ordered. Debt to Total Assets Ratio is over the benchmark due to producing our own generation. Under Payroll Data, overtime is under 11%. Benefits are close to budget.

Commissioner Graham asked whether Bad Debt is better because of the funding program. CFO Taylor stated that there are a lot of factors affecting it but the funding appears to have a direct correlation to Bad Debt reduction.

Commissioner Harkins asked whether Days Cash on Hand was related to capital projects that haven't started yet and whether there were any concerns. CFO Taylor responded that as projects are done that are eligible for bond reimbursement, the cash stays high. Normal capital improvements will bring the cash back to target and a forecast is done and monitoring is done for a solid plan so there are no concerns.

Capital Report

CFO Scott Taylor presented the capital report. Variances in projects are due to timing within the projects.

Bond Issuance Summary

CFO Scott Taylor presented the Bond Issuance Summary. Bond issuances are an important area of funding for generation projects. This bond resolution authorizes refinancing of existing funds only for the Series 2017A, 2019A, 2019B, and 2021B.

Commissioner Harkins asked whether the expectation of the issuance was early 2026. CFO Taylor stated that the preliminary statement is being constructed and a meeting will be held with the rating agencies in December for a planned issuance in January. If the prices are not favorable at that time, BWL will have until June to execute the issuance.

Commissioner James asked for the amount in bonds outstanding and confirmation of the amount to refinance of \$340 million. CFO Taylor responded that the outstanding amount is about \$1 billion, and \$70 million must be refinanced and up to \$340 million is being requested to be refinanced in case market conditions are very good. Commissioner James also asked whether the \$1 billion had a schedule. CFO Taylor responded that all outstanding debts are listed in the audit.

Commissioner Harkins asked if the percentage changes BWL is hopeful to get are not obtained will it be factored into the strategy. CFO Taylor affirmed.

Commissioner James asked that since there is \$1 billion outstanding debt, what determines the limit. CFO Taylor responded that the limit is determined by calculating how revenue compares to debt service. Commissioner James asked if favorable terms were not received, would that cause financial concern for BWL. CFO Taylor responded that reasonable terms for the \$70 million were attainable, and lower rates are being sought for the remainder of the bonds within the \$340 million.

Commissioner Schrader asked for confirmation that the \$70 million bond refinancing is required and the remainder of the \$340 million is optional, and whether bonds in the remainder of the \$340 million would be brought to the Board individually. CFO Taylor responded that the authorization in the resolution will give authority for refinancing of bonds for up to \$340 million without further Board action.

AGM Heather Shawa added that updates will be provided to the Board.

Commissioner Harkins also asked whether any of the bonds are constructed with penalties for paying off early. CFO Taylor responded that the bonds typically have a ten year call which allows paying off early or by purchasing in the market if it is granted or agreed to and no provisions will be built into the bonds which will hinder that.

Motion by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, to approve the Bond Issuance Resolution and forward it to the Full Board for consideration.

Action: Motion Carried.

Approved Corporate Secretary and Board of Commissioners FY2026 Quarter One Budget & Expense Reports

Corporate Secretary LaVella Todd acknowledged that the approved Corporate Secretary and Board of Commissioners FY2026 Quarter One Budget & Expense Reports were provided to the full Board of Commissioners via email.

Disaster Recovery Audit Results

Director of Internal Audit Elisha Franco presented the Disaster Recovery Audit Results and thanked the Emergency Management and Information Technology Department, Ryan Cressman, Jessica Harbitz, Brad Taylor, Mike Spuhler, and Vern Myers for their help with this audit. The disaster recovery and business continuity plans are exceptional but have some room for improvement. Four medium risk findings were identified: disaster recovery and business continuity activities lack shared documentation between departments updated plans, or centralized coordination; no formal BIA has been conducted to define recovery priorities or objectives; recovery targets are scattered and inconsistent, limiting enterprise-wide visibility and risking misaligned and inefficient recovery processes; critical vendor roles and contact information are not centrally managed, leading to inefficiencies and potential delays in communication and recovery during disruptions; critical vendor roles and contact information are not centrally managed, leading to inefficiencies and potential delays in communication and recovery during disruptions. The overall opinion rating is Sufficient as there were no critical or high-level risk areas identified.

Commissioner Zerkle asked whether the audit was coordinated with Chief Operating Officer Rob Hodges' list of requests to work on in September. Ms. Franco responded that the audit was conducted on the overall disaster recovery and business continuity plan and COO Hodges' request were specific to after storm recovery.

Commissioner James asked whether there was a timetable and corrective action plan. Ms. Franco responded that management responses and when corrections will be made are in the audit report for each of the findings, and will be monitored. Commissioner James asked how the sufficient rating was determined with the four findings and added she had confidence in the BWL team. Ms. Franco responded that disaster recovery and business continuity findings are automatically considered a higher risk, the findings are readily fixable by management, and the

plans have been put into action and worked. Commissioner James said she had thought a medium risk would garner a needs improvement rating.

Commissioner Price commented that if there were notable weaknesses it would be high risk and a strong rating would mean that everything was perfect.

Payroll Audit Results

Director of Internal Audit Elisha Franco presented the Payroll Audit Results and thanked the HR Department, Executive Director of Human Resources Michael Flowers, Human Resources Manager Dan Barnes, and OS - HRIS Data Integrity Compliance Admin Mark Dykema. Ms. Franco presented the audit objectives, themes, findings, and recommendations. Four medium risk findings were identified and six recommendations were made. The overall opinion rating is Needs Improvement as the payroll process presents several areas requiring improvement; controls are generally adequate, but there are notable weaknesses that pose high risk, requiring significant management action; this rating reflects that while some foundational controls exist, enhancements are necessary to strengthen the control environment and support consistent, reliable payroll execution.

Commissioner Harkins asked whether the Workday system is not capable of doing some of these things or is it not being used to its full extent. Ms. Franco responded that the Workday product has the capabilities.

Internal Audit Status Report

Director of Internal Audit Elisha Franco presented the internal audit status report which included the audit update, issue status update, the FY 2026 audit work plan, and other items. Plante Moran provided support throughout the audit process and further advisory services. The Institute of Internal Auditors recently released the Global Audit Committee Center and this new resource will provide guidance on governance and oversight over internal audit functions. More details and information will be provided by Internal Audit. Recruitment has started for a Summer 2026 internal audit intern.

Commissioner Graham asked when was the last time a payroll audit was completed. Ms. Franco responded that a payroll audit was completed last year and the audit this year was done on the Workday system.

Commissioner James asked what the timing should be on the delivery of the audit reports to the Commissioners when the audits are listed on the agenda. Ms. Franco responded that the earlier scheduling of the meeting and the audits being due at the end of October, followed by management's responses, resulted in the reports being provided to the Commissioners on the day of the meeting. Ms. Franco added that reports usually are provided to the Commissioners a week prior to the meeting.

Commissioner James asked what type of training would be provided by the Global Audit Committee Center and Ms. Franco responded she will follow up with the information.

Chairperson Schrader stated that he was getting some questions about Plante Moran's rates and that it was discussed that if BWL did the work internally it would cost the same amount or more. Ms. Franco responded that there is a statement of work that includes the costs for each audit.

Other

There was no other business.

Adjourn

Chairperson Dale Schrader adjourned the meeting at 8:11 p.m.

Respectfully submitted,
Dale Schrader, Chairperson
Finance Committee

Pension Fund Trustees Meeting (November 18, 2025)

The Committee Report/Minutes are not available due to the meeting being held prior to the current Board Meeting.

RESOLUTION 2025-XX-XX
2026 – 2029 Energy Optimization Plan

WHEREAS, the Clean and Renewable Energy and Energy Waste Reduction Act, 295 PA 2008 (PA 295), established Michigan’s first energy efficiency standard – 1% energy savings through energy efficiency programs, as a percentage of retail sales, year after year until 2021; and

WHEREAS, PA 295 was amended by 2023 PA 229 (PA 229), which increased Michigan’s energy efficiency standards to 1.5% energy savings through energy waste reduction programs and optional electrification programs, as a percentage of retail sales, beginning in 2026 and mandates each municipal utility obtain governing body review and approval of the energy optimization plan before submission to the Michigan Public Service Commission (MPSC); and

WHEREAS, the Michigan Public Power Association (MPPA) has offered to jointly file all energy optimization plans on behalf of Michigan municipal utilities on or before December 31, 2025 with the MPSC; and

WHEREAS, the proposed 2026 - 2029 Energy Optimization Plan, attached as Attachment A, was presented by management to the Committee of the Whole on November 6, 2025, and the Committee voted to recommend approval by the Board at the November 18, 2025 board meeting.

THEREFORE, it is:

RESOLVED, that the Board approves the 2026 - 2029 Energy Optimization Plan for submission to MPPA for inclusion in the joint filing with the MPSC to comply with PA 229 for 2026.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Resolution for 2026 - 2029 Energy Optimization Plan at a Board meeting held on November 18, 2025.

ATTACHMENT A

Municipal Utility Energy Optimization Plan - Lansing Board of Water & Light										
Program Portfolio	USRT Results	CCE Results	2026 Plan Filing		2027 Plan Filing		2028 Plan Filing		2029 Plan Filing	
			Gross First Year kWh	Program Budget	Gross First Year kWh	Program Budget	Gross First Year kWh	Program Budget	Gross First Year kWh	Program Budget
Residential Services	1.4	\$0.034	1,005,989	\$416,704	881,491	\$513,028	942,996	\$546,198	849,823	\$488,683
Appliance Recycling	3.2	\$0.043	609,262	\$152,212	387,497	\$155,782	426,247	\$159,709	381,038	\$154,672
HEP-Appliances	1.6	\$0.039	103,273	\$42,625	104,313	\$43,233	105,005	\$43,658	103,920	\$42,966
HEP-HVAC	1.0	\$0.050	265,190	\$186,423	303,915	\$217,585	318,364	\$238,044	265,273	\$179,954
Multifamily	1.8	\$0.117	22,938	\$29,875	27,185	\$35,172	28,940	\$37,404	28,709	\$36,971
New Construction	1.1	\$0.042	5,326	\$5,569	58,582	\$61,256	64,440	\$67,382	70,884	\$74,120
Low Income Services	0.1	\$0.330	1,341,611	\$923,538	2,128,303	\$1,268,981	3,179,750	\$1,587,974	4,831,737	\$2,008,900
Income Eligible	0.1	\$0.330	206,833	\$710,414	278,255	\$906,415	338,783	\$1,024,499	352,949	\$1,085,892
LI - Health and Safety	NA	NA	1,134,778	\$213,124	1,850,047	\$362,566	2,840,967	\$563,475	4,478,788	\$923,008
Efficient Electrification (EFEL)	N/A	N/A	679,399	\$170,361	829,187	\$200,244	978,974	\$230,128	1,128,762	\$260,012
Pilots & Education	N/A	N/A	666,527	\$136,266	853,001	\$179,563	1,004,388	\$212,311	1,134,134	\$247,615
Subtotal - Residential Solutions	0.5	\$0.043	3,693,526	\$1,646,869	4,691,982	\$2,161,816	6,106,108	\$2,576,610	7,944,456	\$3,005,209
Business Services	3.5	\$0.012	26,866,039	\$3,827,603	29,647,819	\$4,234,503	30,323,773	\$4,356,176	29,784,359	\$4,311,274
C&IPrescriptive & Custom	3.7	\$0.011	25,612,046	\$3,438,407	28,270,255	\$3,806,636	28,808,632	\$3,885,573	28,117,883	\$3,793,663
Small Business	1.8	\$0.027	1,253,993	\$389,196	1,377,564	\$427,867	1,515,141	\$470,603	1,666,476	\$517,612
Pilots & Education	N/A	N/A	1,903,537	\$346,421	2,026,946	\$384,839	2,050,112	\$393,516	1,957,718	\$389,567
Efficient Electrification (EFEL)	N/A	N/A	140,760	\$12,698	173,900	\$13,869	259,852	\$26,029	292,992	\$27,199
Subtotal - Business Solutions	3.5	\$0.012	28,910,336	\$4,186,722	31,848,664	\$4,633,211	32,633,738	\$4,775,721	32,035,068	\$4,728,041
Subtotal Program Portfolio	2.8	\$0.015	32,603,861	\$5,833,591	36,540,645	\$6,795,027	38,739,846	\$7,352,331	39,979,524	\$7,733,250
Evaluation*	-	-	-	\$200,000	-	\$210,000	-	\$220,500	-	\$231,525
Administration*	-	-	-	\$0	-	\$0	-	\$0	-	\$0
Renewable Energy Credit (REC) Substitution for 10% of EWR Standard under Sec. 77 (10)**	-	-	0	\$0	0	\$0	0	\$0	0	\$0
Planning & Start-Up	-	-	-	\$0	-	\$50,000	-	\$0	-	\$0
Total Program Portfolio	2.7	\$0.0160	32,603,861	\$6,033,591	36,540,645	\$7,055,027	38,739,846	\$7,572,831	39,979,524	\$7,964,775

RESOLUTION 2025-11-XX

Adoption of the First Amendment to the Cafeteria Plan

WHEREAS, the Lansing Board of Water and Light (“BWL”) maintains the Lansing Board of Water and Light Cafeteria Plan (“Cafeteria Plan”) for the benefit of certain employees and retirees; and

WHEREAS, the BWL desires to amend the Cafeteria Plan to add a new Health Savings Account (“HSA”) feature to the Cafeteria Plan and to allow eligible employees to make pre-tax HSA contributions through payroll and to receive HSA contributions from the BWL effective as of January 1, 2026.

THEREFORE, it is:

RESOLVED, that the First Amendment to the Cafeteria Plan effective as of January 1, 2026 is hereby approved and adopted; and

FURTHER RESOLVED, that the officers of the BWL, and their designee(s), are hereby authorized and directed to take such actions and to implement and execute such documents and instruments (including the amendment referenced above as well as ancillary documentation) as necessary or desirable to effectuate the intent of this resolution.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve and adopt the First Amendment to the Cafeteria Plan at a Board meeting held on November 18, 2025.

Action:

RESOLUTION #2025-XX-XX

**Special Electric Service Contracts for Large Load Customers
and Potential Membership in Regional Transmission Organization**

WHEREAS, The Lansing Board of Water & Light (“BWL”) is committed to providing a safe and affordable utility experience through public ownership, climate consciousness and innovative strategies, while providing environmentally conscious utility products and programs that support regional growth by retaining a diverse, highly skilled workforce and implementing innovative technology solutions.

WHEREAS, two of the BWL’s 2026-2030 Strategic Plan Priorities are focused on Customer & Community and Financial Stability. Key outcomes that support these priorities include:

- Support the business community and economic development.
- Achieve target return for investment in infrastructure.

WHEREAS, with the advent of Artificial Intelligence (AI) and the need for additional data centers to support AI, there may be opportunities for the development of related data centers in the greater Lansing area.

WHEREAS, such projects are expected to result in a significant increase in both electric load and revenue.

WHEREAS, the operational and electric load characteristics of data centers are unlike the BWL’s typical commercial/industrial customer base, and represent a unique customer profile not envisioned by the BWL’s existing rate structure.

WHEREAS, the BWL will develop an appropriate incremental-cost-based rate to serve any such prospective customer that is designed to contribute to investment in BWL infrastructure, hold other customers harmless, and not burden the existing BWL customers’ rate base.

WHEREAS, given that the BWL does not have existing commercial/industrial customers with similar service characteristics and requirements as those of data centers, as well as the uncertainty as to whether data centers will ultimately come to fruition in the BWL service area, a change in its rate design and tariff structure is not warranted at this time.

WHEREAS, the additional economic development benefits warrant Special Electric Service Contracts for the above-mentioned type of projects, which are expected to include special electric service rates and additional provisions that mitigate BWL risks.

WHEREAS, Special Electric Service Contracts for the above-mentioned type of projects are in alignment with the BWL’s Vision and Strategic Priorities.

WHEREAS, because the provisions of any Special Electric Service Contract for the above-mentioned type of project are unique to the BWL's standard rate tariff, approval by the Board of Commissioners is appropriate.

WHEREAS, staff has been actively engaged in planning and in discussions with the prospective Customers, and the BWL may be selected as the utility provider to support the above-mentioned projects.

WHEREAS, staff respectfully request the Board of Commissioners to authorize the General Manager or any appropriate designee to finalize and execute on behalf of the BWL any appropriate contracts with the prospective Customers and any other necessary related or supporting contracts or agreements in the event the BWL is selected as the utility provider to support the above-mentioned projects.

WHEREAS, the BWL believes it necessary to explore various sources of electrical generation beyond its existing resources to supply these prospective customers and simultaneously maintain the reliability of electric services to existing customers.

WHEREAS, at least one potential source of generation is in the region of the Pennsylvania-New Jersey-Maryland Interconnection ("PJM") regional transmission organization, and being a member of that organization is necessary to participate in the wholesale electricity market in and from the PJM territory.

WHEREAS, BWL's Membership in Organizations Policy permits the BWL to become a member of organizations that further the goals of the BWL, with approval of the Board of Commissioners, and membership in the PJM could further the BWL's strategic goals and be in the best interest of the BWL.

WHEREAS, staff also respectfully requests the Board of Commissions to authorize the General Manager or any appropriate designee to seek membership in PJM if they determine such action to be in the best interest of the BWL in order to secure generation to serve the potential projects described above.

RESOLVED, the General Manager or an appropriate designee is authorized to finalize and execute on behalf of the BWL a Special Electric Service Contract and any other necessary related or supporting contracts or agreements for the above-mentioned projects with the prospective customers.

RESOLVED, the General Manager or an appropriate designee is authorized to seek membership in PJM for purposes of securing any electric generation necessary to serve the potential projects described above.

Motion by Commissioner _____, **Seconded** by Commissioner _____ to approve the Resolution for the Special Electric Service Contracts for Large Load Customers and Potential Membership in Regional Transmission Organization at a Board Meeting held on November 18, 2025.

Action:

RESOLUTION 2025-XX-XX
Regular Board Meeting Schedule 2026

In accordance with the Lansing Board of Water & Light's Rules of Administrative Procedure, a schedule of dates, places, and times for each regular meeting of the Board of Commissioners for the calendar year shall be adopted in November.

RESOLVED, that regular meetings of the Lansing Board of Water & Light's Board of Commissioners are hereby set for calendar year 2026 as follows, unless otherwise notified or as a result of date conflicts with rescheduled City Council meetings:

2026
Lansing Board of Water & Light Board of Commissioners
Regular Board Meeting Schedule

Tuesday	January 27
Tuesday	March 24
Tuesday	May 19
Tuesday	July 28
Tuesday	September 22
Tuesday	November 17

Meetings will be held in the Lansing Board of Water & Light REO Town Depot located at 1201 S. Washington Ave., Lansing, MI at 5:30 p.m.

RESOLVED FURTHER, that a notice of the meeting schedule shall be published in a newspaper of general circulation in Ingham County the week of January 1, 2026.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the 2026 Regular Board Meeting Schedule at a Board meeting held on November 18, 2025.

Action:

RESOLUTION 2025-XX-XX
Fiscal Year 2025 Audited Financial Statements
of the Enterprise Fund and Pension Fiduciary Funds

RESOLVED, that the fiscal year 2025 Audited Financial Statements of the Board of Water and Light have been reviewed and are hereby accepted as presented.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2025 Audited Financial Statements of the Board of Water and Light with the City of Lansing no later than November 2025.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Resolution for the acceptance of the Fiscal Year 2025 Audited Financial Statements of the Enterprise Fund and Pension Fiduciary Funds at a Board meeting held on November 18, 2025.

Action:

RESOLUTION #2025-XX-XX
Lansing Board of Water and Light
FOURTH SUPPLEMENTAL UTILITY SYSTEM REVENUE BOND RESOLUTION

A RESOLUTION TO AUTHORIZE:

- Utility System Revenue Refunding Bonds to produce net present value savings by refunding some or all of the Prior Bonds;
- The solicitation of tender offers and the repurchase of the Series 2017A Bonds, the Series 2019A Bonds and the Series 2019B Bonds;
- Chief Financial Officer to sell Utility System Revenue Refunding Bonds without further resolution;
- Other matters relative to issuance, sale and delivery of the Utility System Revenue Refunding Bonds.

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

WHEREAS, 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 Board issues bonds payable from revenues of the System under the provisions of Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”), and an Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended and supplemented from time to time (as amended and supplemented, including by this Fourth Supplemental Resolution, the “Bond Resolution”), and all terms not defined herein shall have the meanings set forth in the Bond Resolution; and

WHEREAS, PFM Financial Advisors, LLC (the “Municipal Advisor”), has advised the Board that it may be able to accomplish a net savings of debt service costs by refunding (including by repurchase, as applicable) all or a portion of the Board’s outstanding Utility System Revenue Refunding Bonds, Series 2017A, dated February 15, 2017 (the “Series 2017A Bonds”), the Utility System Revenue Bonds, Series 2019A, dated June 25, 2019 (the “Series 2019A Bonds”), the Utility System Revenue Refunding Bonds, Series 2019B (Federally Taxable), dated December 19, 2019 (the “Series 2019B Bonds”) and the Utility System Revenue Bonds, Series 2021B (Mandatory Put Bonds), dated January 26, 2021 (the “Series 2021B Bonds,” together with the Series 2017A Bonds, the Series 2019A Bonds and the Series 2019B Bonds, the “Prior Bonds”) through the issuance of one or more series of refunding bonds in an aggregate principal amount of not-to-exceed \$340,000,000 (the “Refunding Bonds” or the “Series 2026 Bonds”); and

WHEREAS, the Municipal Advisor has advised the Board, and the Board has determined, that it is in the best interest of the Board to authorize: (i) the extension of an invitation to the holders of all or a portion of the Series 2017A Bonds, the Series 2019A Bonds and the Series 2019B Bonds to tender such bonds to the Board (the "Invitation") for repurchase, cancellation or private purchase (such Series 2017A Bonds, Series 2019A Bonds and Series 2019B Bonds actually repurchased and cancelled by the Board pursuant to a tender or private purchase, collectively, the "Repurchased Bonds"), (ii) the repurchase and cancellation by the Board of the Repurchased Bonds, and (iii) the issuance of the Refunding Bonds to provide funds to pay all or a portion of the costs of repurchasing and cancelling the Repurchased Bonds; and

WHEREAS, Section 24(a) of the Bond Resolution authorizes the issuance of Additional Bonds of equal standing and priority of lien with the Outstanding Bonds if the actual or augmented Net Revenues of the System for the fiscal year of the System ending not more than 15 months prior to the sale of Additional Bonds shall be equal to at least 125% of the maximum Aggregate Debt Service Requirement in any current or future fiscal year on the Outstanding Bonds and on the Additional Bonds then being issued; and

WHEREAS, in order to take advantage of the most favorable market for sale of the Series 2026 Bonds, the Board wishes to authorize the Chief Financial Officer to sell the Series 2026 Bonds at a negotiated sale without further resolution of the Board.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in the Bond Resolution, and whenever used in this Fourth Supplemental Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Additional Bonds" means any Additional Bonds of equal standing with the outstanding Senior Lien Bonds issued pursuant to Section 24 of the Bond Resolution adopted on March 27, 2018.
- (b) "Assistant General Manager" means the Board's Assistant General Manager.
- (c) "Bond Resolution" means the Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended on March 26, 2019 and November 17, 2020, and as supplemented on November 19, 2019, July 20, 2023, and November 14, 2023, and by this Fourth Supplemental Resolution, and any other resolution which amends or supplements the Bond Resolution.
- (d) "Bonds" or "Senior Lien Bonds" means the outstanding portion of the Board's Series 2017A Bonds, Series 2019A Bonds, Series 2019B Bonds, Utility System Revenue Bonds, Series 2021A, dated January 26, 2021, Series 2021B Bonds, Utility System Revenue and Revenue Refunding Bonds, Series 2024A, dated

January 31, 2024, Series 2026 Bonds, and any Additional Bonds of equal standing hereafter issued.

- (e) “Chief Financial Officer” means the Board’s Chief Financial Officer.
- (f) “Escrow Agreement” means, for purposes of this Fourth Supplemental Resolution, one or more escrow agreements described in this Fourth Supplemental Resolution to provide for payment of principal of and interest on the Prior Bonds being refunded.
- (g) “Escrow Fund” means, for purposes of this Fourth Supplemental Resolution, one or more escrow funds established pursuant to the Escrow Agreement to hold the cash and investments necessary to provide for payment of principal of and interest on the Prior Bonds being refunded.
- (h) “Fourth Supplemental Resolution” means this Fourth Supplemental Utility System Revenue Bond Resolution.
- (i) “Prior Bonds” means, for purposes of this Fourth Supplemental Resolution, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2019B Bonds and the Series 2021B Bonds.
- (j) “Refunding Bonds” means, for purposes of this Fourth Supplemental Resolution, the Series 2026 Bonds, and all or any series of refunding bonds issued as Additional Bonds pursuant to this Fourth Supplemental Resolution.
- (k) “Series 2026 Bonds” means the Refunding Bonds issued in one or more series pursuant to this Fourth Supplemental Resolution.
- (l) “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.

Section 2. Conditions Permitting Issuance of Additional Bonds. Pursuant to Section 24(b) of the Bond Resolution, the Board hereby determines that the Series 2026 Bonds shall be issued as Additional Bonds that are Senior Lien Bonds of equal standing and priority of lien with the Outstanding Bonds only if, after giving effect to the refunding of the Prior Bonds, the maximum amount of Aggregate Debt Service in each future fiscal year shall be less than the Aggregate Debt Service in each future fiscal year prior to giving effect to the refunding.

The Board hereby determines that the Board is not in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

Section 3. Refunding Bonds Authorized. If, upon the advice of the Municipal Advisor, refunding all or a portion of the Prior Bonds will accomplish debt service savings, then in order to pay costs of the refunding, including the payment of the costs of legal, financial and other expenses incident thereto and incident to the issuance and sale of the Refunding Bonds, the City, acting by and through the Board, shall borrow the sum of not-to-exceed Three Hundred Forty Million Dollars (\$340,000,000), and issue the Refunding Bonds therefor in one or more series. The Refunding Bonds shall be designated as the "UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2026" or such other series designation as determined at the time of sale by the Chief Financial Officer to reflect the sequence and the year of sale or delivery of the series or to otherwise distinguish the series from other series of Bonds.

The Series 2026 Bonds shall be payable solely out of the Net Revenues of the System, and the City Council of the City shall not be requested to pledge the full faith and credit of the City for payment of the Series 2026 Bonds. The Series 2026 Bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94.

Section 4. Series 2026 Bond Details. The Series 2026 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 or integral multiples thereof and shall be numbered in consecutive order of registration or authentication from 1 upwards. The Series 2026 Bonds shall be dated as of the date of delivery thereof or such other date as determined at the time of sale of the Series 2026 Bonds, and shall mature as serial bonds or term bonds on such dates as shall be determined at the time of sale of the Series 2026 Bonds.

The Series 2026 Bonds shall be subject to optional and mandatory redemption prior to maturity at the times and prices as finally determined at the time of sale of the Series 2026 Bonds.

The Series 2026 Bonds shall bear interest at a rate or rates to be determined on sale thereof, payable on July 1, 2026, or such other date as provided at the time of sale of the Series 2026 Bonds, and semi-annually thereafter on January 1st and July 1st of each year.

The Series 2026 Bonds shall be executed by the manual or facsimile signature of the Chairperson and the Corporate Secretary of the Board. No Series 2026 Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Series 2026 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the Chief Financial Officer upon payment of the purchase price for the Series 2026 Bonds.

Section 5. Registration and Transfer. U.S. Bank Trust Company, National Association, Detroit, Michigan is hereby appointed to act as bond registrar, paying agent and transfer agent (the "Transfer Agent") for the Series 2026 Bonds. The Chief Financial Officer is hereby authorized to execute one or more agreements with the Transfer Agent on behalf of the Board. The Board reserves the right to replace the Transfer Agent at any time, provided written notice of such replacement is given to the registered owners of record of bonds not less than sixty (60) days prior to an interest payment date. Principal of and interest on the Series 2026

Bonds shall be payable by check or draft mailed by the Transfer Agent to the registered owner at the registered address as shown on the registration books of the Board maintained by the Transfer Agent. Interest shall be payable to the person or entity who or which is the registered owner of record as of the fifteenth (15th) day of the month prior to the payment date for each interest payment. The date of determination of the registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Board to conform to market practice in the future.

The Series 2026 Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"), and the Chief Financial Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Series 2026 Bonds in book-entry-only form and to make such changes in the form of the Series 2026 Bonds within the parameters of this resolution as may be required to accomplish the foregoing. Notwithstanding the foregoing, if the Series 2026 Bonds are held in book-entry-only form by DTC, payment of principal of and interest on the Series 2026 Bonds shall be made in the manner prescribed by DTC.

The Series 2026 Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this section by the person or entity in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the bond for cancellation, 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 Board shall execute, and the Transfer Agent shall authenticate and deliver a new bond of the same series in like aggregate principal amount, maturity and interest rate. 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. Notwithstanding the foregoing, if Bonds are held by DTC in book-entry-only form, the transfer of Bonds shall be made in the manner prescribed by DTC.

Section 6. Refunding Bond Proceeds. From the proceeds of sale of the Refunding Bonds there first shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest, if any, received on delivery of the Refunding Bonds, and the Board may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of the next maturing interest on the Refunding Bonds. All or a portion of any premium received upon delivery of the Refunding Bonds may be deposited in either the Redemption Fund or the Escrow Fund, as determined by the Chief Financial Officer in consultation with Bond Counsel.

There shall next be deposited in the Bond Reserve Account an amount, if any, designated by the Chief Financial Officer at the time of sale of the Refunding Bonds.

After any deposit to the Bond Reserve Account, proceeds of the Refunding Bonds shall next be deposited as follows:

- (a) Proceeds of sale of Refunding Bonds issued to refund any Prior Bonds other than Repurchased Bonds shall be deposited in the Escrow Fund and held in cash and investments in Government Obligations or Municipal Obligations not redeemable at the option of the Board. U.S. Bank Trust Company, National Association, Detroit, Michigan, is hereby appointed to act as escrow trustee (the “Escrow Trustee”) under the Escrow Agreement. The Escrow Trustee shall hold the Escrow Fund in trust pursuant to the Escrow Agreement which shall irrevocably direct the Escrow Trustee to take all necessary steps to call such Prior Bonds being refunded for redemption as specified in the Escrow Agreement. The Chief Financial Officer is hereby authorized to execute and deliver the Escrow Agreement, to transfer any moneys as he may deem necessary from the Redemption Fund, or other fund or account of the Board, to the Escrow Fund, and to purchase, or cause to be purchased, escrow securities consisting of Government Obligations, including, but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), or Municipal Obligations, for deposit in the Escrow Fund. The Chief Financial Officer is directed to deposit to the Escrow Fund, from Refunding Bond proceeds and other moneys as necessary, an amount which, together with investment proceeds to be received thereon, will be sufficient, without reinvestment, to pay the principal of and interest on such Prior Bonds being refunded as they become due or upon call for redemption.
- (b) Proceeds of the sale of Refunding Bonds issued to repurchase Repurchased Bonds shall be deposited and applied in accordance with the instructions for settlement of the tender and repurchase of the Repurchased Bonds.

The remaining proceeds of the Refunding Bonds shall be deposited in a fund which may be established to pay costs of issuance of the Series 2026 Bonds and the costs of refunding the Prior Bonds and of purchasing the Repurchased Bonds. Any moneys remaining after payment of costs of issuance and costs of refunding the Prior Bonds being refunded shall be transferred to the Redemption Fund and used to pay interest on the Refunding Bonds.

Section 7. Bond Form. The Series 2026 Bonds shall be in substantially the following form with such revisions, additions and deletions as the Board may deem advisable or necessary to comply with the final terms of the Series 2026 Bonds established upon sale thereof:

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 REVENUE REFUNDING BOND, [SERIES]
[FEDERALLY TAXABLE]

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner: Cede & Co.

Principal Amount:

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 Registered Owner specified above, or registered assigns, only from the Net Revenues of the System as hereinafter provided, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [interest payment date] and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of [transfer agent], or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record at the registered address.

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 first lien thereon has been created to secure the payment of the principal of and

interest on this bond, when due; however, the pledge of Net Revenues and the statutory lien are on a parity with the pledge of Net Revenues and statutory lien in favor of the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B (Federally Taxable), the Utility System Revenue Bonds, Series 2021A, the Utility System Revenue Bonds, Series 2021B (Mandatory Put Bonds) and the Utility System Revenue and Revenue Refunding Bonds, Series 2024A.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$[principal amount]. This bond is issued for the purposes of [making a deposit to a bond reserve account,] / [refunding certain outstanding bonds] / [repurchasing certain outstanding bonds of the Issuer tendered for such purpose], and paying the costs of issuing the bonds, 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 Fourth Supplemental Utility System Revenue Bond Resolution adopted by the Issuer on [date of resolution] (collectively, the “Bond Resolution”). This bond is issued 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 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. To the extent and in the manner permitted by the terms of the Bond Resolution, the provisions of the Bond Resolution or any resolution or agreement amendatory thereof or supplemental thereto, may be modified or amended by the Issuer, except in specified cases, only with the consent of the registered owners of at least fifty-one percent (51%) of the principal amount of the bonds of the System then outstanding.

Bonds of this issue [maturing in the years [date], inclusive,] shall not be subject to redemption prior to maturity.

[Insert optional and mandatory redemption provisions if applicable]

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by 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 Transfer Agent duly authorized in writing and thereupon a new registered 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 the payment of the charges, if any, therein prescribed. [The Transfer

Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption under the Bond Resolution and ending at the close of business on the date of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.]

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 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.

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 and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, acting through the Lansing Board of Water and Light, has caused this bond to be signed in its name with the facsimile signatures of the Chairperson and Corporate Secretary of the Lansing Board of Water and Light, and a facsimile of the City's corporate seal to be printed hereon, all as of the Date of Original Issue.

LANSING BOARD OF WATER AND LIGHT By
[definitive Bond to be signed at delivery]
Chairperson

(City Seal)

Countersigned:

By [definitive Bond to be signed at delivery]

Its: Corporate Secretary

[STANDARD FORMS OF CERTIFICATE OF AUTHENTICATION
AND ASSIGNMENT TO BE INSERTED ON BOND]

Section 8. Municipal Advisor. The Board hereby requests that PFM Financial Advisors, LLC continue to serve the Board as Municipal Advisor for the Series 2026 Bonds.

Section 9. 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 Series 2026 Bonds. 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 Series 2026 Bonds.

Section 10. Tax Covenant. Any series of Series 2026 Bonds may be issued on a tax-exempt basis or a taxable basis. The Board hereby covenants that it shall not invest, reinvest or accumulate any moneys deemed to be proceeds of a tax-exempt series of Series 2026 Bonds pursuant to the Internal Revenue Code of 1986, as amended, in such a manner as to cause such tax-exempt Series 2026 Bonds to be “arbitrage bonds” within the meaning of the Internal Revenue Code. The Board hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on such tax-exempt Series 2026 Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the non-arbitrage and tax compliance certificate to be delivered by the Board on the date of delivery of such tax-exempt Series 2026 Bonds.

Section 11. Negotiated Sale of Bonds; Appointment of Senior Managing Underwriter. Based on the advice of the Municipal Advisor, it is hereby determined to be in the best interest of the Board to sell the Series 2026 Bonds by negotiated sale in order to enable the Board to select and adjust terms for the Series 2026 Bonds, to enter the market on short notice at a point in time which appears to be most advantageous, and thereby possibly obtain a lower rate of interest on the Series 2026 Bonds, to achieve sale efficiencies so as to reduce the cost of issuance and interest expense.

The Chief Financial Officer is hereby authorized to select one or more managing underwriters and to name additional co-managers and/or to develop a selling group in consultation with the Municipal Advisor. By adoption of this resolution the Board assumes no obligations or liability to the underwriter for any loss or damage that may result to the underwriter from the adoption of this resolution, and all costs and expenses incurred by the underwriter in preparing for sale of the Series 2026 Bonds shall be paid from the proceeds of the Series 2026 Bonds, if issued, except as may be otherwise provided in the Bond Purchase Agreement for Series 2026 Bonds.

Section 12. Bond Ratings and Bond Insurance. The Chief Financial Officer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor. If the Municipal Advisor recommends

that the Board consider purchase of municipal bond insurance, then the Chief Financial Officer is hereby authorized to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which bonds, if any, shall be insured, and the Chief Financial Officer is hereby authorized to execute an agreement with the insurer relating to procedures for paying debt service on the insured bonds and notifying the insurer of any need to draw on the insurance and other matters.

Section 13. Official Statement. The Chief Financial Officer is authorized to approve circulation of a Preliminary Official Statement describing the Series 2026 Bonds and, after sale of the Series 2026 Bonds, to prepare, execute and deliver a final Official Statement.

Section 14. Continuing Disclosure. The Chief Financial Officer is hereby authorized to execute and deliver, prior to delivery of the Series 2026 Bonds, a written continuing disclosure undertaking as necessary in order to enable the underwriter or bond purchaser to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The continuing disclosure undertaking shall be in substantially the form which he shall, in consultation with bond counsel, determine to be appropriate.

Section 15. Sale of Series 2026 Bonds. The Chief Financial Officer is authorized, in consultation with the Municipal Advisor, to accept an offer to purchase the Series 2026 Bonds without further resolution of this Board. This authorization includes, but is not limited to, determination of original principal amount of the Series 2026 Bonds; the prices at which the Series 2026 Bonds are sold; the date of the Series 2026 Bonds; the schedule of principal maturities and whether the Series 2026 Bonds shall mature serially or as term bonds; provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Series 2026 Bonds; application of the proceeds of the Series 2026 Bonds, and, if necessary to meet the requirements of the bond underwriters or purchasers, deposit to the Bond Reserve Account from funds on hand or proceeds of the Series 2026 Bonds. Approval of the matters delegated to the Chief Financial Officer under this resolution may be evidenced by the Chief Financial Officer's execution of the Bond Purchase Agreement for the Series 2026 Bonds or other offer to purchase the Series 2026 Bonds, or Sale Order, or the Official Statement.

The maximum interest rate on the Series 2026 Bonds shall not exceed 5.5%. The first maturity of principal on the Series 2026 Bonds shall occur no earlier than July 1, 2026. The Refunding Bonds shall not be sold unless there shall be net present value savings after payment of costs of issuance of the Series 2026 Bonds and costs of refunding the Prior Bonds being refunded. In making such determinations the Chief Financial Officer is authorized to rely upon data and computer runs provided by the Municipal Advisor.

Section 16. Verification Agent. The Chief Financial Officer is hereby authorized, at the Chief Financial Officer's discretion, to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys

to pay the principal of and interest on the Prior Bonds being refunded as they become due or upon call for redemption.

Section 17. Tender Agent and Solicitation to Tender the Series 2017A Bonds, the Series 2019A Bonds and the 2019B Bonds. Upon the recommendation of the Municipal Advisor and with the approval of the Underwriter (hereby selected to serve as Dealer Manager for the Invitation (the “Dealer Manager”)), the Chief Financial Officer is hereby authorized to approve the selection of a tender, information and repurchase agent (the “Tender Agent”) to issue the Invitation for the tender, repurchase and cancellation of the Repurchased Bonds. The Chief Financial Officer is further authorized, upon the recommendation of the Municipal Advisor, Dealer Manager and the Tender Agent, to take the following actions relating to such tender: (a) approve and deliver any and all notices, solicitations and disclosures (including, but not limited to, one or more Invitations to tender, a tender offer disclosure statement, if necessary, and related informational statements); (b) negotiate, execute and deliver any and all agreements; (c) file any and all documents with State or federal agencies; (d) seek any and all approvals; (e) approve the selection of which portion or all of the Series 2017A Bonds, the Series 2019A Bonds and Series 2019B Bonds tendered that will be repurchased and cancelled; and (f) take all other actions necessary or appropriate to accomplish the repurchase and cancellation of the Repurchased Bonds.

Section 18. 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 the Assistant General Manager or another a person designated by the Chief Financial Officer is authorized to take the actions delegated to the Chief Financial Officer by this resolution. 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 2026 Bonds, 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 including but not limited to rating agency fees, bond insurance premiums, transfer agent fees, Escrow Trustee fees, verification agent fees, Municipal Advisor fees, bond counsel fees, underwriter counsel fees, costs of printing the preliminary and final official statements, and any other costs necessary to accomplish sale and delivery of the Series 2026 Bonds.

Section 19. Applicability of the Outstanding Bond Resolutions. Except to the extent supplemented or otherwise provided in this resolution, all of the provisions and covenants provided in the Bond Resolution shall apply to the Series 2026 Bonds issued pursuant to provisions of this resolution, such provisions of the Bond Resolution being made applicable to the Series 2026 Bonds.

Section 20. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

Section 21. 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 22. 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, promptly after its adoption, 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 23. 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, November 18, 2025, 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 2025-XX-XX

Acknowledgement of the Acceptance of 2025 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

Staff comments: All three Plans received clean audit reports.

Motion by _____, **Seconded by** _____, to acknowledge the Resolution for the Acceptance of FY 2025 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 18, 2025.

Action: