



BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING AGENDA
March 24, 2026 – 5:30 PM
1201 S. Washington Ave., Lansing, Michigan
REO Town Depot

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

1. Roll Call

2. Pledge of Allegiance

3. Approval of Minutes

- a. Regular Board Meeting Minutes of January 27, 2026

4. Public Comment on Agenda Items

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment. Each speaker will have 3 minutes to speak to the Board.*

5. Communications

- a. Electronic mail from Elaine Fischhoff re: Commissioners responsibility to BWL Customers
- b. Electronic mail from Elaine Fischhoff re: CAFE Lawsuit
- c. Electronic mail from Alberta Tucker re: IBEW Union Contract approval “Thank You”
- d. Electronic mail from Mary Patenge re: Opt-Out meter charges
- e. Electronic mail from William Smith re: BWL customer bill

6. Committee Reports

- a. Committee of the Whole Meeting (March 10, 2026) Sandra Zerkle, Chairperson
- b. Finance Committee Meeting (March 10, 2026) Dale Shrader, Chairperson
- c. Human Resources Committee Meeting (March 17, 2026) Tony Mullen, Chairperson

7. Manager’s Recommendations

8. Unfinished Business

9. New Business

10. Resolutions/Action Items

- a. Resolution for Revised Defined Benefit Plan Investment Policy Statement
- b. Resolution for Delegation of Authority of Cafeteria Plan Benefit Design and Administration

11. Manager’s Remarks

12. Commissioners' Remarks

13. Motion of Excused Absence

14. Public Comment

Members of the public are welcome to speak to the Board on any Board of Water and Light subject. Each speaker will have 3 minutes to speak to the Board.

15. Adjournment

Agenda posted on website/building 03-20-2026

2026 Board Meeting Notice/Schedule Posted in the Lansing State Journal 01-02-2026



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

January 27, 2026

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, January 28, 2025. This meeting was publicly notified for 5:30 p.m.

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

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

The following Commissioners were present: Chairperson David Price; Commissioners Beth Graham, Chris Harkins, Semone James, Tony Mullen, Deshon Leek, and Sandra Zerkle.

Absent: Commissioner Dale Schrader.

Corporate Secretary Lavella Todd declared a quorum.

Chairperson David Price asked Commissioner Beth Graham to lead the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Tony Mullen, to approve the Regular Board Meeting minutes of November 18, 2025.

Action: Motion Carried

PUBLIC COMMENT

Bob Kingsbury stated that he has lived in Lansing for over 50 years and has worked at the Board of Water and Light for more than 25 years. He noted that the collective bargaining agreement expired in November and acknowledged that negotiations had been challenging. However, an

offer was made and accepted, and it was presented to the HR committee last week, where it was unanimously approved. He urged the commissioners to do the same that evening, emphasizing the importance of moving forward to focus on the many projects and opportunities ahead.

COMMUNICATIONS

Electronic Mail received from Kathleen Snyder re: Contracts with Data Centers. *Referred to Management. Received and Placed on File.*

Electronic Mail received from Marshall Clabeaux re: Contracts with Data Centers. *Referred to Management. Received and Placed on File.*

Electronic Mail received from Shureen Trudeau re: Contracts with Data Centers. *Referred to Management. Received and Placed on File.*

Electronic Mail received from Marilyn McKenzie re: Contracts with Data Centers. *Referred to Management. Received and Placed on File.*

Electronic Mail received from Elaine Fischhoff re: Contracts with Data Centers. *Referred to Management. Received and Placed on File.*

Electronic Mail received from Kara Peruchietti re: Issues with Customer Service. *Referred to Management. Received and Placed on File. Follow-up from management: the issue was successfully resolved with the customer.*

COMMITTEE REPORTS

Committee of the Whole Chairperson Sandra Zerkle presented the Committee of the Whole Meeting Report:

COMMITTEE OF THE WHOLE

Meeting Minutes

January 13, 2026

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, January 13, 2026.

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

Absent: Commissioner Beth Graham

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

Elaine Fischhoff spoke about her concerns for a data center in the City of Lansing, and about the need to be mindful of the recent order from the Michigan Public Service Commission regarding data centers, in reference to the Large Load Update agenda item.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen to approve the Committee of the Whole Meeting minutes of November 6, 2025.

Action: Motion carried. The minutes were approved.

Retirement Plan Committee (RPC) Update

Chief Financial Officer Scott Taylor presented the Retirement Plan Committee (RPC) update. A brief overview was provided on the following: Defined Benefit Plan (DB) and Voluntary Employee Benefit Administration Plan (VEBA) – nothing new to report; Defined Contribution 401(a) and Deferred Compensation 457(b) Plans – nothing new to report; Defined Benefit Plan (DB) and Voluntary Employee Benefit Administration Plan (VEBA) – VEBA only- based on sufficiency of funding and investment performance, the RPC approved the FY26 Q1 reimbursement from the VEBA Plan to BWL of \$2,532,748.00. The amount was calculated consistent with the terms of the Administrative Services Agreement (ASA).

Committee of the Whole Meeting January 13, 2026 Page 2 of 5

Commissioner Zerkle asked what was the total amount transferred into the general fund from the Voluntary Employee Benefit Plan last year? CFO Taylor stated approximately \$10,000,000 each year is paid in benefits, and for the last several years our measures have been met to fully reimburse that amount to the general fund. Commissioner Zerkle asked at what point do we start giving reimbursements to the general fund? CFO Taylor stated 125% funded status and hitting our target return is the requirement.

CFO Taylor continued with a brief overview of the Defined Contribution and Deferred Compensation Plans, forfeiture processing of the DC Plan 1 – fully and properly utilized the forfeiture balance for CY 2025 per the requirements. Additionally, at the November 2025

meeting, the RPC voted to approve an administrative procedure for managing forfeitures to ensure continued compliance with the plan and IRS requirements moving forward.

Large Load Update

General Manager, Dick Peffley presented a Large Load Update. GM Peffley stated some of the movement forward has slowed in some areas due to press coverage of large load customers before they go public GM Peffley stated we (BWL) continue to work with them, though it is still a challenge supplying their energy needs in the timeframe they want. We (BWL) have delivered proposals of what we can provide to them, and are now waiting for them to complete their approval process. GM Peffley stated, as a reminder, if the City or Township approves a development in our jurisdiction, then we are compelled to serve and set the parameters to ensure our customers are held harmless for any infrastructure costs.. There is no formal request to report to the Board at this time as the Board has already approved customer requirements in the Rules and Regulations. If the large load companies comply with the large load requirements, then an FYI will be submitted to the Board. If a special contract request is received from a customer, a rate deviation, as opposed to a contract, will be brought back to the Board. Commissioner Zerkle asked how much water data centers use to keep instruments cooled? GM Peffley responded it depends on the size of a data center. Deep Green uses the amount equivalent to a fast-food restaurant.

Commissioner James asked if GM Peffley could explain to the Commissioners what a glycol is? GM Peffley stated glycol is similar to the anti-freeze in your car – the water heats then cools as it circulates with no water losses.

Commissioner Price asked if there were any kind of discharges related to glycol? GM Peffley responded that EGLE monitors very strict requirements for such discharges. Deep Green's design model does not discharge to the river or sewage system. The glycol systems are purged on a five-year basis typically, and the water is disposed of per the EGLE requirements; some of it is recycled and rejuvenated.

Commissioner James asked can we (BWL) make sure the community understands there will not be an excessive amount of use of water? GM Peffley responded, he speaks to that three to four times a week to groups we meet with, explaining that we monitor the flow usage, and we are not seeing any request for large amounts of water.

Commissioner Zerkle asked GM Peffley to confirm that residential customers will be held harmless for this process and be not charged a different rate. GM Peffley stated the Executive Team expects rates to be lower than planned because of the economy of scale, benefitting residential customers. Since the large load customers are required to pay for infrastructure

upgrades, should one of them go out of business, then we have modern infrastructure that's paid for.

Commissioner Harkins asked GM Peffley to explain what the process is should a customer decide to come to the BWL area, and the decision the Board gets to make to charge the customer. GM Peffley responded the way it works is if a customer complies with the City's zoning permitting, they can get a building permit, reach out to us as a utility, research our website for our rates, contact us and advise the rate they comply with, the application is submitted and moved on for further processing. GM Peffley added we have the ability to adjust the contract on certain customers we think could be high-risk to make sure we're held harmless.

Board Self-Evaluation Survey

Commissioner Zerkle shared an FYI regarding the upcoming Board Self-Evaluation Survey process scheduled to take this month in compliance with two-year cycle process established by the Board's Rules of Procedure. Corporate Secretary Todd supported Commissioner Zerkle stating the survey would be conducted under the direction of Chief Human Resources Officer, Michael Flowers.

Commissioner Mullen asked if we are voting now to start this process or will it come through the Human Resources (HR) Committee?

Commissioner Price stated there is no vote necessary, as the adopted governance policy states every two years we would conduct the survey. The last time (2024) it was facilitated by CHRO Michael Flowers and the HR Department because it not only goes to us, but it goes to other stakeholders.

Commissioner Zerkle added that as long as it's in our Rules of Procedures, there isn't a need for a vote. Commissioners will be receiving a questionnaire at the end of the month (January) with a deadline, and CHRO Michael Flowers will be handling it from there.

(Agenda items 5, 6 and 7 were combined)

Resolution Honoring Commissioner J. R. Beauboeuf

Resolution Honoring Commissioner Robert Worthy

Resolution Honoring Commissioner Brian Ross

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to forward the Resolutions Honoring Commissioner J. R. Beauboeuf, Commissioner Robert Worthy and Commissioner Brian Ross to the full Board for consideration.

Action: Motion Carried.

Easement Grant to Lansing MI Ventures, LLC Resolution

GM Peffley introduced Deputy General Counsel Jason Hawkins who presented the Easement Grant to Lansing MI Ventures, LLC resolution. Deputy General Counsel Hawkins gave a brief overview of the requested resolution, stating the City Council will also receive a similar request and once all final approvals are received, then BWL will execute all necessary documents to effectuate the easement.

Commissioner Mullen asked why is the Committee voting on this resolution, as opposed to it being an executive decision made by the General Manager.

Commissioner Zerkle suggested that a vote was required because it is BWL's property at issue.

GM Peffley confirmed that the Commission has to approve this type of easement.

Commissioner Schrader asked if this was a unique easement.

Deputy General Counsel Hawkins said staff had been in consultation with the City Attorney's office, who also recommended going this route too because it's also going to their Council.

General Counsel Mark Matus further explained that when the BWL sells property, or an interest in it like an easement, then the City Charter requires us to follow this process.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to forward the Easement Grant to Lansing MI, LLC Resolution to the full Board for consideration.

Action: Motion Carried.

Other

Motion by Commissioner Semone James, **Seconded** by Commissioner Dale Schrader, for excused absences for Commissioner Beth Graham.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 5:54 p.m.

In the absence of Finance Committee Chairperson Dale Schrader, Commissioner Beth Graham presented the January 13, 2026 Finance Committee Meeting Report:

FINANCE COMMITTEE

Meeting Minutes

January 13, 2026

Finance Committee: Dale Schrader, Committee Chairperson; Beth Graham, Chris Harkins, David Price; Alternates: Semone James, Tony Mullen.

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, January 13, 2026.

Finance Committee Chairperson Dale Schrader called the meeting to order at 6:00 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), DeSon Leek and Sandra Zerkle.

Absent: Beth Graham; Alternate: Tony Mullen

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 November 6, 2025.

Action: Motion Carried. The minutes were approved.

YTD Financial Summary

Chief Financial Officer (CFO) Scott Taylor gave a full overview of the Year-to-Date Financial Summary for November 2025 – FY26. CFO Taylor reported on Total Cash balances and Days Cash on Hand. Stated our AA- credit rating by S&P and Aa3 credit rating by Moody's was affirmed with updated credit rating reports. In addition, he shared an update on the upcoming Bond Issuance occurring this month that the most recently estimated issuance amount will be approximately \$112,000,000 million dollars with expected interest savings of over \$2,000,000. The YTD Financial Summary overview continued with an update on the Income Statement YTD; Budget Status YTD to include the O&M Budget YTD (excluding fuel) and Capital Budget YTD. CFO Taylor shared the \$14, 306, 147 million dollars Capital Improvement Plan (CIP) overage was attributed to an unbudgeted, unexpected overhaul required for Unit 3 at Delta Energy due to the risk of imminent failure and a similar overhaul will be required for Unit 2 at the same plant in the spring.

Finance Committee Meeting Minutes January 13, 2026 Page 2 of 4

Commissioner Leek asked if that was a normal life cycle for Unit 3 and if so, is there a warrantee? GM Peffley responded the normal life cycle is 30,000 hours that can get deregulated each time there is a start-stop. The Units were getting close to running approximately 26, 000 hours and during inspection it was determined a piece was going to fail, which would have been catastrophic for the Unit, therefore the outage was pulled ahead. General Counsel Matus is

working on the litigation with Siemens to recover the costs of the pull ahead to stay on budget with hope of wrapping up in 2026.

Commissioner Zerkle asked if the O&M budget money is what has been allocated for projects we already have? CFO Taylor responded, the O&M money is typically for the ongoing departmental spending we need to carry out our normal operations such as labor costs, material costs, outside services (for various services such as IT, licensing), and the Capital covers the large investments. CFO Taylor identified the Budget Status YTD report columns for clarification.

Commissioner Harkins congratulated CFO Taylor on maintaining the credit rating and asked if they also provide an outlook? CFO Taylor responded, yes – we have Stable outlook.

CFO Taylor continued with reporting on the status of the FY26 New Energy Budget and included an overview of a pause in the battery project and a Watertown Solar moratorium resulting in a projected underspend of about \$50,000,000 million dollars for the current fiscal year.

Commissioner Schrader asked about \$13,000,000 million dollars not spent on the Watertown Solar Project? GM Peffley responded following our purchase of the property, we received a Letter of Intent, we then filled a building permit to proceed, and then the Township shared their intent to place a six-month moratorium on the solar project. Asst GM Heather Shawa has been attending their meetings to voice our concerns. Although the individual who signed the Letter of Intent has been terminated, we still have a desire to build. Asst GM Shawa shared they revise the ordinance not allowing large solar projects, following \$16,000,000 million dollars invested in the project with rate payers' dollars.

Commissioner Schrader asked what were the Township's concerns? Asst GM Shawa responded, the properties that we purchased are the last remaining of their tax roll. GM Peffley added that he advised Asst GM Shawa to inform them of his intention that the land will not be sold.

CFO Taylor continued with reporting on the status of the capital Budget YTD to include an overview on anticipated grant dollars from the state of Michigan, FY26 Steam to Hot Water Budget and Return on Assets.

Commissioner James asked how much money are we receiving from the state of Michigan? CFO Taylor responded, about \$3.75 million dollars this month which is the amount we have remaining to receive of our \$5 million dollar grant.

CFO Taylor continued with reporting on the status our Ratios and Employee Data.

Finance Committee Meeting Minutes January 13, 2026 Page 3 of 4

Bi-Annual Internal Audit Open Management Response Update

Commissioner Schader introduced Senior Internal Control Analyst Cody Rochefort to present the Bi-Annual Internal Audit Open Management Response Update. Mr. Rochefort presented an overview of open findings, expected dates of completion, and closed findings with dates of closure completion. The response update identified open findings and recommendations for Disaster Recovery, FY25 Payroll; and closed findings and recommendations for FY24 Rules and Regulations, P-Card Audit, PA95 Audit, Disaster Recovery and FY25 Payroll.

External Auditor RIP Bid Award

CFO Scott Taylor share a brief review of the external auditor review process that concluded resulting in the selection of Baker Tilly. For proper perception and assurance of independence, Commissioner David Price asked CFO Taylor to amend the resolution by inserting language noting

that Baker Tilly will be required to change their lead auditor.

LBWL External Auditor Recommendation Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, to forward the LBWL External Auditor Recommendation Resolution as amended to the full Board for action.

Action: Motion Carried.

Internal Audit Status Report

Director of Internal Audit(DIA) Elisha Franco presented the Internal Audit Status Report for January 2026 which included the Audit Update, Issue Status Update, the FY 2026 Audit Work Plan, and Other Items. 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 shared by Internal Audit. DIA Franco stated preliminary business case results indicate the current structure and size of the Internal Audit Department should be expand its in-house by supplementing specialized needs with contracting advisory services as necessary to ensure the departmental office functioning can evolve alongside organization growth, provide needed risk coverage and to continue to deliver high-quality assurance and advisory services. A formal presentation will be provided at the March 2026 COW committee meeting. In addition, the Office of Internal Audit plans to work with management to evaluate the potential benefit of increasing the number of internal auditors in-house and the applicable implementations, with final decisions made by the Board of Commissioners.

Commissioner Harkins commented he appreciates the continued conversation around the IAA availability for us and the willingness to respond to documentation reformatting requests. He also stressed the issue of the use of in-house versus contracted services when looking at departmental budget.

Commissioner Harkins asked if DIA Franco experienced any staffing restraints by pulling the Billing Audit forward? DIA Franco responded, after conferring with management, and with audit assistance from Plante Moran, the department was able to handle the adjustment along with end-of-the-fiscal-year deadline reporting.

Commissioner Zerkle asked if it would be good to complete another follow-up on PA95? Asst GM Shawa stated she would be happy to provide a PA95 update at the next Finance Committee meeting. DIA Franco stated she would be happy to complete an independent verification on the PA95 update to confirm/validate management's numbers.

Commissioner Harkins commented the importance of keeping PA95 before us and suggested a management update first, and then an audit in a few years.

DIA Franco concluded her presentation with a recruitment update and professional development update stating she is actively working toward the completion of one remaining CIA certification tests, after completing two.

Commissioner Price asked GM Peffley, specifically, how large BWL has grown five years ago until now, as it relates to the review of the Internal Audit Departmental staff? GM Peffley responded, 10 years ago BWL was a \$500,000,000 million dollar company and now it has grown to \$2,000,000,000 billion dollars with a lot of growth the horizon.

Commissioner James asked DIA Franco what are you considering for the size of the department, what are you envisioning, as recently you have been hiring students as interns? DIA Franco responded, from the preliminary results we have researched for a company of our size, you're looking at a structure that usually has a director, manager, sometimes a supervisor, and usually two to three auditors. We're looking at most likely two or three more people. Currently, I have a part-time, co-op student and a temporary Administrative Assistant, so I'm looking at three to four auditors.

Commissioner James confirmed that staff total would be five or six FTEs? DIA Franco responded that a conclusion has not been reached yet but it could be possibly five to six FTEs.

Chairperson Schrader thanks DIA Franco for the work being done and shared he is looking forward to the environment compliance audit.

Other

There was no other business.

Adjourn

Chairperson Dale Schrader adjourned the meeting at 7:00 p.m.

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

HUMAN RESOURCES COMMITTEE

Meeting Minutes

January 20, 2026

Human Resources (HR) Committee: Commissioner Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Sandra Zerkle; Alternates: David Price, Chris Harkins.

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, January 20, 2026.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:31 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, Alternate: Commissioner David Price; and Commissioner Beth Graham.

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

Joseph Davis, former IBEW representative, spoke about his more than one decade experience in the planning and processing of the Family Medical Care Plan (FMCP). Shared his support for the Plan, and extended an opportunity to individuals or groups to discuss any questions regarding the Plan with him. Stated he thinks the Plan will be good for the BWL, the employees and City of Lansing.

Dave Bradbury, Union Safety Director, spoke about the lengthy ratification process resulting in a union vote, the current lack of trust in management by union membership and recognition the union deserves due to the contract being settled.

Bob Kingsbury, BWL retiree, spoke about the concerns of the proposed health care package costs, the union leadership's search of a better alternative, and the negotiations resulting in an offer to the union bargaining unit being accepted. Encouraged approval of the contract agreed to by both sides.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Semone James, to approve the HR Committee meeting minutes of September 9, 2025.

Action: Motion Carried.

Collective Bargaining Agreement between the BWL & IBEW, AFL-CIO, Local 352

Human Resources Committee Meeting September 9, 2025 Page 2 of 6

General Manager Peffley introduced Chief Human Resources Officer, Michael Flowers, who presented the Collective Bargaining Agreement (CBA) between BWL & IBEW, AFLO-CIO, Local 352. Prior to Mr. Flowers' presentation, GM Peffley shared his support of approving and moving the tentative CBA to full Board.

Commissioner Zerkle commented she appreciates GM Peffley for emailing all BWL employees to share his of the CBA.

Chief Human Resources Officer, Michael Flowers, thanked the Commissioners for allowing management to speak at the meeting regarding the Collective Bargaining Agreement (CBA) between BWL & IBEW, AFLO-CIO, Local 352, referenced the accompanying bullet-pointed document highlighting the non-economic and economic changes set forth in the CBA, and recommended the resolution be approved by the HR Committee to be moved to the full Board.

Commissioner Leek congratulated the union leadership and BWL management on the tentative agreement ratified by the membership with over 80% support, and stated he will support the CBA 100%.

Commissioner Mullen commented one of Commissioners' jobs is to make sure employees are satisfied with their positions and stated he will support the CBA.

Commissioner James congratulated the union leadership and BWL management for a job well done in ratifying the agreement.

Commissioner Price commented that he is not on this committee, so he does not have a vote, but he is chairperson of the Board, and is looking forward to the CBA being brought to the full Board next week where he will be voting in favor of it. Commissioner Price thanked everyone for their work and diligence.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner DeShon Leek to forward the Collective Bargaining Agreement between BWL & IBEW, AFLO-CIO, Local 352 resolution to the full Board for approval.

Action: Motion Carried.

Conduct Personnel Evaluation of An Appointee

Commissioner Tony Mullen opened the floor to Conduct Personnel Evaluation of an Appointee.

Director of Internal Audit, Elisha Franco

Director of Internal Audit (DIA), Elisha Franco requested a closed session for the purpose of conducting personnel evaluation of an appointee.

Motion by Commissioner Sandra Zerkle, seconded by Commissioner DeShon Leek to enter into closed session.

Yeas: Commissioners Tony Mullen, Semone James, DeShon Leek and Sandra Zerkle.

Nays: None

Action: Motion carried.

All Commissioners present, Chief Human Resources Officer, Michael Flowers, and General Counsel, Mark Matus, were also requested to go into closed session.

The Human Resources Committee entered into closed session at 5:44 p.m.

Motion by Commissioner Tony Mullen, seconded by Commissioner Sandra Zerkle to reconvene to open session.

Roll Call Vote

Yeas: Commissioners Tony Mullen, Semone James, DeShon Leek and Sandra Zerkle

Nays: None

Action: Motion carried.

The Human Resources Committee reconvened to open session at 6:17 p.m.

Upon conclusion of the closed session Chairperson Mullen presented a motion on the floor.

Motion by Commissioner Tony Mullen to extend the current contract of Director of Internal Audit, Elisha Franco to the end of the fiscal year, June 30, 2026 with no increase in salary, to allow her to successfully complete her CIA certification; should CIA certification be successfully achieved by June 30, 2026, the salary increase negotiated in the current contract will be granted, no second.

Action: Motion fails

Motion by Commissioner DeShon Leek to terminate the current employment contract of Director of Internal Audit, Elisha Franco, based on the unfulfilled CIA certification requirement, seconded by Commissioner Semone James.

Roll Call Vote

Yeas: Commissioners, Semone James and DeShon Leek

Nays: Commissioners Tony Mullen and Sandra Zerkle

Action: Motion fails

Motion by Commissioner Semone James to extend the current employment contract of Director of Internal Audit, Elisha Franco, to the end of the fiscal year, June 30, 2026, however, the Human Resources Committee would begin a search for a new Director of Internal Audit during that time; if CIA certification is successfully achieved, the search for a new Director of Internal Audit would be halted, no second.

Action: Motion fails.

Motion by Commissioner DeShon Leek that the Director of Internal Audit, Elisha Franco, be suspended without pay through the end of the fiscal year, June 30, 2026, pending successful completion of CIA certification, with the ability to use accrued paid time off through June 30, 2026, and reinstatement immediately upon notification of CIA certification with immediate salary adjustment as agreed upon in current contract agreement, seconded by Commissioner Semone James.

Discussion followed regarding proper amendment to the contract and personnel policy perimeters by members of the Human Resources Committee, Commissioners present, General Counsel, Mark Matus, and Chief Human Resources Officer, Michael Flowers.

Commissioner Tony Mullen asked DIA Elisha Franco, what her perspective was on the motion on the floor. Ms. Franco shared she did not agree with the proposed motion.

Corporate Secretary Todd requested General Counsel, Mark Matus restate the technical term of the motion on the floor. Commissioners Leek and James confirmed the recitation by General Counsel, Mark Matus of the motion on the floor with the salary adjustment effective upon completion of the CIA certification status.

Roll Call Vote

Yeas: Commissioners, DeShon Leek and Semone James

Nays: Commissioners Tony Mullen and Sandra Zerkle

Action: Motion fails

Commissioner Mullen requested if there were any other motions for the floor – no motion was offered at the time. Commissioner Mullen suggested an additional Human Resources meeting be held in February, 2026 to further discuss the issue at hand.

Commissioner James shared concern for allowing the Director of Internal Auditor’s contract to remain in breach if the Human Resources Committee did not take action at this time.

Commissioner Mullen asked General Counsel, Mark Matus to share if it is against the law to allow this contract to continue. General Counsel, Mark Matus explained options when contracts are breached, and shared the employer determines if it is material enough for termination.

Commissioner Mullen again suggested an additional Human Resources meeting be held in February, 2026 to further discuss the issue at hand.

Commissioner James confirmed with General Counsel Mark Matus the fact that Director of Internal Audit did not complete her CIA certification by the date specified in her current contract makes it in breach. General Counsel Matus responded in the affirmative.

[inaudible]

Commissioner James stated we should not allow the current contract to continue in breach; we need to either terminate or extend the date – those are really the only two options.

[inaudible]

Motion by Commissioner Semone James to extend the current employment contract of Director of Internal Audit, Elisha Franco, to allow her to successfully obtain CIA certification to the end of March 31, 2026, and at which time if she achieves the certification she will receive the elevation in pay of \$150,000 dollars at the time she receives the certification. If Ms. Franco does not receive her CIA certification by March 31, 2026, at that time, she will continue on as an Internal Auditor, and the Board will look for a new Director of Internal Audit.

No action taken.

[inaudible]

Commissioner Leek stated we voted 7 to 1 last year, and we’re doing the same.

Commissioner Zerkle suggested discussion be tabled until the HR Committee Chairperson calls another meeting. She also encouraged the HR Committee Chairperson to meet with Chief HR Officer Michael Flowers and Director of Internal Audit Elisha Franco to come up with a plan to bring back to the HR Committee.

Motion by Commissioner Semone James to extend the current employment contract of Director of Internal Audit, Elisha Franco, to allow her to successfully obtain the CIA certification to the end of the fiscal year, June 30, 2026. If Ms. Franco does not receive her CIA certification by June 30, 2026, she will face termination. If she does receive her CIA certification by June 30, 2026, she will receive an increase in salary to \$150,000 dollars as outlined in her current contract, second by Commissioner DeShon Leek.

Roll Call Vote

Yeas: Commissioners, Tony Mullen, Semone James, DeShon Leek and Sandra Zerkle

Nays: None

Action: Motion carried.

Human Resources Committee Meeting September 9, 2025 Page 6 of 6

Commissioner Semone commented that the Human Resources Committee came to an agreement that is fair, especially with the extended timeframe to achieve the CIA certification.

[inaudible]

Director of Internal Audit Franco affirmed this was the second contract extension for the purpose of completing her CIA certification.

Commissioner Mullen asked DIA Franco if she agreed to the contract extension. DIA Franco stated she totally agreed.

Other

There was no other business.

Adjourn

Motion by Commissioner Tony Mullen, seconded by Commissioner Semone James to adjourn meeting.

Action: Motion carried.

Meeting adjourned at 6:46 p.m.

MANAGERS RECOMENDATION

General Manager Dick Peffley noted that this is the first Manager's Recommendation in 11 years and addressed the upcoming resolution regarding the Collective Bargaining Agreement between

Lansing BWL and IBEW. . Mr. Peffley affirmed full support for the agreement and urged the Board to approve it.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS

RESOLUTION 2026-01-05

Resolution Honoring Jean Richard Beauboeuf

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

WHEREAS, Jean Richard (J. R.) Beauboeuf was appointed as an Advisory Commissioner of the Board of Water & Light on July 28, 2023, to represent East Lansing; and

WHEREAS, J. R. Beauboeuf last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, J. R. Beauboeuf has lived in East Lansing since 1986, and was educated at Michigan State University, received a BS degree in Economics and Econometrics and a MS degree in Economics and Business Administration; and

WHEREAS, J. R. Beauboeuf is the Director of Risk Management and Legal Services at Lansing Community College; has served as Administrator at the Michigan Department of Labor and Economic Growth, as Adjunct Faculty of Mathematics, Finance and Quantitative Methods at Davenport University, and as Adjunct Faculty of Applied Mathematics at MSU College of Human Medicine; 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 J. R. Beauboeuf for his years of distinguished service in Regular Board Meeting this 27th day of January, 2026. We sincerely wish J. R. Beauboeuf continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson

Sandra Zerkle, Vice Chairperson

Beth Graham

Chris Harkins

Semone James

DeShon Leek

Tony Mullen

Dale Schrader

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Christopher Harkins, to approve the resolution of tribute for the outgoing Commissioner J. R. Beauboeuf at a Board meeting held on January 27, 2026.

Action: Motion Carried.

RESOLUTION 2026-01-06

Resolution Honoring Robert Worthy

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

WHEREAS, Robert Worthy was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2023, to represent Delta Township, and last served as a non-voting member of the Committee of the Whole, Finance Committee and Human Resources Committee; and

WHEREAS, Commissioner Worthy was born in Lansing , is a lifelong resident of Lansing and Delta Township, graduated from Grand Ledge High School, holds an Associates of Arts degree from Lansing Community College, a Bachelor of Arts degree from Michigan State and a Juris Doctorate from Cooley Law School; and

WHEREAS, Commissioner Worthy has worked at Smith Brothers Law Office in Grand Ledge, Franchino Mold in Lansing, and currently owns and operates The Worthy Company in Grand Ledge, a manufacturer's representative company representing die cast tooling and equipment manufacturers from the US, Canada, EU, Taiwan and Japan; and

WHEREAS, Commissioner Worthy has served as an officer for the Michigan Chapter of the American Mold Builders Association, currently chairs a committee for North American Die Cast Association, National and serves as a Director for the Michigan Chapter of the North American Die Cast Association. He has served on the National Board of Governors for the North American Die Cast Association a total of 18 years; and

WHEREAS, Commissioner Worthy serves as a Director and Treasurer of Mitten Misfits Farm Sanctuary, a 501c3 nonprofit in Delta Township; 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 Robert Worthy for his years of distinguished service in Regular Board Meeting this 27th day of January, 2026. We sincerely wish Robert continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson
Beth Graham
Semone James
Tony Mullen

Sandra Zerkle, Vice Chairperson
Chris Harkins
DeShon Leek
Dale Schrader

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Christopher Harkins, to approve the resolution of tribute for the outgoing Commissioner Robert Worthy at a Board meeting held on January 27, 2026.

Action: Motion Carried.

RESOLUTION 2026-01-07
Resolution Honoring Brian Ross

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

WHEREAS, Brian Ross was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2025, to represent DeWitt Township; and

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

WHEREAS, Brian Ross previously served as a BWL Non-Voting Advisory Board Member representing DeWitt Township from January 17, 2018, through June 30, 2018, and July 1, 2021, through June 30, 2022; and

WHEREAS, Brian Ross has been a Trustee for DeWitt Charter Township since 2006, has been employed and actively involved in the utility service sector for almost 47 years, and has served in leadership roles in both state and local government for many years; and

WHEREAS, Brian Ross currently serves as Chair of the Clinton County Department of Public Works, represents DeWitt Township as a Commissioner for the Southern Clinton County Municipal Utilities Authority and Secretary of the Next Michigan Development Corporation, Chair of the EGLE Municipal Operator Certification Board, is a past president of the Michigan Water Environment Association and served as a Board member for 11 years; 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 Brian Ross for his year of distinguished service in Regular Board Meeting this 27th day of January, 2026. We sincerely wish Brian Ross continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson
Beth Graham
Semone James
Tony Mullen

Sandra Zerkle, Vice Chairperson
Chris Harkins
DeShon Leek
Dale Schrader

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Christopher Harkins to approve the resolution of tribute for the outgoing Commissioner Brian Ross at a Board meeting held on January 27, 2026.

Action: Motioned Carried.

RESOLUTION 2026-01-01

Easement Grant to Lansing MI Ventures, LLC

RESOLVED, that the Board of Commissioners hereby recommends that Lansing City Council grant a drainage easement to Lansing MI Ventures, LLC. The easement will be located on

property occupied and maintained by the Lansing Board of Water & Light, specifically a portion of 2030 Lake Lansing Road and 2320 Wood Road, Lansing, MI 48912; and

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

Staff Comments: Lansing MI Ventures, LLC requested an easement for drainage. The BWL has performed an assessment and negotiated mutually agreeable terms of said easement (together with a construction and cost sharing agreement) in exchange for \$25,000.

Motion by Commissioner Christopher Harkins, **Seconded** by Commissioner Sandra Zerkle to approve the Resolution for the Grant Easement to Lansing MI Ventures, LLC at a Board Meeting held on January 27, 2026.

Action: Motion Carried.

RESOLUTION 2026-01-02

Lansing Board of Water & Light External Auditor Recommendation

WHEREAS, Lansing City Charter Section 7-601 requires an independent audit of all accounts of the City government, including the Board of Water and Light (BWL), at the close of each fiscal year, and all such audits shall be made by a Certified Public Accountant designated by the City Council; and

WHEREAS, BWL staff engaged in its normal public procurement process for the purpose of soliciting and evaluating proposals from a variety of independent public accounting firms that have municipal utility audit experience to perform an audit of the BWL as required by Lansing City Charter Section 7-601 for fiscal years ending June 30 on the following respective years: 2026, 2027, 2028, 2029, and 2030; and

WHEREAS, based on the public procurement evaluation of the proposals received, the BWL staff recommends the firm of Baker Tilly to perform these BWL audits; and

WHEREAS, since Baker Tilly has been the auditor for the most recent contract period, Baker Tilly is required to replace their current principal auditor for the new contract period.

RESOLVED, that the Board of Commissioners support BWL staff's recommendation; and

FURTHER RESOLVED, the Board of Commissioners recommends that Lansing City Council approve and designate Baker Tilly to perform the annual financial audit for each of the fiscal

years ending June 30 on the following respective years: 2026, 2027, 2028, 2029, and 2030 in accordance with Lansing City Charter 7-601; and

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to submit this resolution on behalf of the Board of Commissioners to City Council requesting their approval of Baker Tilly as recommended by the Board of Commissioners.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Semone James, to approve the Resolution for Lansing Board of Water & Light External Auditor Recommendation at a Board Meeting held on January 27, 2026.

Action: Motion Carried.

RESOLUTION #2026-01-04

Collective Bargaining Agreement between the Lansing Board of Water & Light and the International Brotherhood of Electrical Workers, AFL-CIO, Local 352

WHEREAS, on November 18, 2025, the Lansing Board of Water & Light (BWL) and International Brotherhood of Electrical Workers, AFL-CIO, Local 352 (IBEW Local 352) entered into a Tentative Agreement to extend the Collective Bargaining Agreement (CBA) for four years; and

WHEREAS, the terms and conditions of the Tentative Agreement are in accordance with the direction and authority that was delegated to the BWL's negotiating team by the General Manager; and

WHEREAS, the Tentative Agreement was submitted by the IBEW Local 352 negotiating team to the IBEW membership for its approval and was ratified on December 5, 2025.

THEREFORE, it is:

RESOLVED, that the Board of Commissioners approve the "Final Tentative Agreement" signed November 18, 2025, and

FURTHER RESOLVED, that the Chairperson of the Board of Commissioners and Corporate Secretary are hereby authorized to execute the Collective Bargaining Agreement effective November 1, 2025.

Staff comments: The BWL and IBEW Local 352 have tentatively agreed to a four-year CBA, in effect November 1, 2025 through October 31, 2029. The CBA provides for across the board increases to all bargaining unit employees on November 1, 2025, 4.5%; November 1, 2026, 4%; November 1, 2027, 4%; and November 1, 2028, 4%. Also, beginning November 1, 2025, shift premiums will be increased by one dollar (\$1.00) per hour for both shifts.

In addition, the BWL and the IBEW Local 352 agreed upon non-economics and the economic changes as set forth in the attached Final Tentative Agreement that outlines such changes in the CBA.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Tony Mullen, to approve the Resolution for Collective Bargaining Agreement between the Lansing Board of Water & Light and the International Brotherhood of Electrical Workers, AFL-CIO, Local 352 at a Board meeting held on January 27, 2026.

Action: Motion Carried.

RESOLUTION 2026-01-03

Extension of Certified Internal Auditor (CIA) Certification Completion Date

Charter Position of Internal Auditor

WHEREAS, the Internal Auditor's Employment Agreement requires the completion of the Certified Internal Auditor (CIA) certification by December 31, 2025 as a condition of continued employment and includes a compensation increase if the condition is met; and

WHEREAS, the Internal Auditor has not completed the CIA certification by December 31, 2025; and

WHEREAS, on January 20, 2026, the Human Resources Committee recommended amending the Employment Agreement to extend the date for completion of the CIA certification to June 30, 2026, with the automatic increase in compensation set forth in the Agreement to occur upon completion of the CIA certification provided certification occurs by June 30, 2026; and

WHEREAS, on January 20, 2026, the Human Resources Committee recommended that the Employment Agreement's current expiration date of June 30, 2026, remain in effect and if CIA certification is not achieved by June 30, 2026, termination from employment will be effective and the Employment Contract will not be extended or renewed.

THEREFORE, it is:

RESOLVED, that the Board of Commissioners hereby approves the extension of the completion date of the Internal Auditor's CIA certification to June 30, 2026, and an automatic increase in compensation for completion of the CIA certification by June 30, 2026; and

FURTHER RESOLVED, the Employment Agreement's expiration date of June 30, 2026, remains in effect and if CIA certification is not achieved by June 30, 2026, termination of employment shall be effective and the Employment Contract will not be extended or renewed; and

FURTHER RESOLVED, that the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents on behalf of the Board of Commissioners which reflect the Human Resources Committee's recommendation for extension of the completion date of the Internal Auditor's CIA certification and an automatic increase in compensation for completion of the CIA certification by June 30, 2026.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Christopher Harkins, to approve the Resolution for the Extension of Certified Internal Auditor (CIA) Certification Completion Date for the Internal Auditor at a Board Meeting held on January 27, 2026.

Commissioner DeShon Leek voted "No" on the motion.

Action: Motion Carried.

MANAGERS REMARKS

1. BWL continues to work with Deep Green on the fundamental terms of a deal for the project
 - The power for the project will be a mix of BWL-supplied power and onsite generation.
 - The BWL-provided 8 MW from our substation, the published rate.
 - 16 MW onsite generation which will be fuel, DG will purchase the equipment and pay for its fuel and maintenance. But BWL will own and control the equipment. The cost of that power is still being determined and discussed.
2. No final agreement yet, but we'll get there and when we do, because of the public interest with this customer I'll update commission with the key terms of the contract
3. We attended multiple community meetings including:
 - Deep Green press conference at Lansing Chamber in December
 - Deep Green public open house this weekend at the Lansing Center.
 - Chamber's Business Roundtable Meeting
 - City Council Committee of the Whole Meeting last night.
4. BWL successfully sold approximately \$125 million bonds this afternoon.
 - Received ~\$1.3 billion in orders, representing over 10 times the amount of bonds available in the transaction
 - One single investor, Fidelity, placed orders of almost \$100 million. In all, over 30 investors placed orders for BWL's bonds
 - In terms of the additional bonds refinanced, the BWL generated ~\$3.9 million in savings

5. Lansing Regional Chamber & in partnership with LEAP recognizes companies within Greater Lansing that demonstrate exceptional commitment to advancing equity, fostering inclusion, and championing diversity in the workplace and throughout the community.
 - The Diversity Star Award recipient
6. Today we were filmed for the Diversity Star Award video which will be shown at the Chamber gala when we receive our award in February.
7. 1st STEP Students started yesterday.
 - 1st week in safety training.
 - 16 students.
 - This is our 18th year of 1st STEP program.

COMMISSIONER REMARKS

Commissioner Sandra Zerkle expressed pride in the organization and appreciation for the employees, as well as for Mr. Peffley's approval of the Collective Bargaining Agreement. They acknowledged the significant effort required by both parties to reach an agreement and commended everyone involved for their collaborative work in successfully resolving the matter.

Commissioner DeShon Leek requested the Corporate Secretary correct his previous vote of no to yes on the approval of the Lansing Board of Water & Light External Auditor Recommendation, stating his mistook agenda item e. for g.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham, to excuse Commissioners Dale Schrader from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENT

Elaine Fischhoff, addressed the BWL Commissioners responsibility to represent and protect the interests of BWL customers and Lansing residents. Identified several key issues for the Board in the coming year, including the Deep Green project and whether it will become a data center, Potential future rate increases following recent cumulative rate increases of approximately 18%, Public notice and input opportunities related to the 2026 Integrated Resource Plan (IRP), and BWL's long-term renewable energy and energy storage plans beyond 2028, and concerns about potential expansion of fossil fuel generation. Requested transparency regarding the key provisions of the Deep Green contract and urged public disclosure and engagement.

Encouraged the Board to attend public meetings to hear community concerns. Recommended that the Board retain an independent, outside expert to review and validate any proposed future rate increases and share findings with the public.

Steve Perry, IBEW Local 352, thanked BWL leadership, staff, and the Board for their support and for moving the agreement forward. Expressed appreciation for union members, recognizing them as essential frontline workers who perform skilled and often hazardous work. Acknowledged the dedication and professionalism of IBEW members in keeping BWL operations running effectively.

ADJOURNMENT

Chairperson David Price adjourned the meeting at 5:57 PM.

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 02-02-26

Approved by the Board of Commissioners: 03-XX-26

Official Minutes filed (electronically) with Lansing City Clerk: 03-XX-26

Submitted on Wed, 01/28/2026 - 11:18 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Street Address

Lansing, Michigan

Message

Dear Commissioners:

I want to remind this Board that you are the representatives and guardians of BWL's customers and Lansing's residents. Your decisions, your questions, your knowledge govern BWL's behavior and whether its impact on residents and customers is positive or negative.

This year The Board should be concerning itself with five big issues. In summary:

1. Whether Deep Green becomes a data center in Lansing.
2. Whether BWL raises its rates after raising rates some 18% over the last 2 years.
3. Regarding any 2026 rate raise, what notice and opportunity for input will BWL give its customers.
4. Regarding the 2026 IRP, what notice and opportunity for input will BWL give its customers.
5. And -- What is BWL's Renewable Energy Plan. What is BWL planning in the way of renewable energy and storage after 2028? Or is BWL looking to build a 4th gas plant that will expand its GHG emissions in spite of the climate crisis. Greenhouse gas (GHG) emissions are already increasing at an accelerating rate causing our Earth to continue warming and driving the increasing number of resulting catastrophes.

Going into greater detail, I have two points to make re the Deep Green project. It is presented in the middle of a nationwide rejection of hyper large data centers claimed necessary for the development of AI. Thankfully, Deep Green proposes a relatively small data center. I don't know if any of you have attended any of the Deep Green public information meetings held. There have been many, and a surprising number of residents have appeared, asked questions, and expressed their opposition at each one. I strongly

suggest you attend a public information session and listen to your customers at the next opportunity if you have not attended one yet. Then you will understand, first-hand, the opposition there is for this project due to unanswered questions and lack of trust. Also, it is your responsibility to confirm that any contract between Deep Green and BWL contain the protections against customers having to pay any of the direct or indirect costs for the Deep Green data center. Because none of the Board members have the legal background to evaluate any data center contract, please hire an attorney to do so. That expert can make an independent evaluation of whether all customer protections are included. The Michigan Public Service Commission (MPSC) has developed a list of contract issues creating customer protections and ordered investor-owned utilities to include them in any data center or large load contract. If you don't get a separate opinion, you are breaching your fiduciary duty to BWL's customers. You are blindly accepting the representations of management. I'm not accusing management of intentionally or unintentionally omitting a protective provision. Instead, I'm asking that you get a second expert opinion to confirm that. Otherwise, you are yourselves, and on behalf of BWL's customers, acting only on uninformed trust. That's no way to run a business or serve Lansing residents and BWL customers. (And I am dismayed that management said at the January Board meeting that it proposes to describe, in greater detail, those provisions by e-mail just before the contract is signed. That's contrary to what Mr. Peffley promised me at a public hearing. That's intentionally depriving BWL customers knowing whether they are protected against paying Deep Green's costs. The very opposite of transparency that BWL publicly prides itself on.)

Second, BWL raised its rates some 18% over the last 2 years. BWL customers were surprised, shocked, and angry at the steep increases negatively impacting their financial well-being. In the event another raise is proposed this year, I hope this Board hires an outside expert to review the basis of any raise that BWL management requests. That expert can affirm whether BWL has made the assumptions and predictions and considered all the factors involved to minimize, if not eliminate, another rate-increase for Oct 1 this year. Consumers and DTE have each and every one of their requests for a rate raise subjected to the scrutiny experts from the MPSC staff, the Michigan Attorney General, multiple environmental groups as well as an industry association. It is very rare that the MPSC approves the requested size of the raise. Almost each one is reduced, some almost in half. So hire at least one utility rate expert to review any BWL management request and advise you before you decide whether to approve. Exercise your fiduciary duty to protect BWL customers.

Third, In connection with any request for raising the rates, the Board has an opportunity to implement the measures the MPSC has ordered for its investor-owned utilities to more effectively notify customers of an impending rate raise and the means by which they can

offer comment. I hope the Board willingly implements the MPSC-ordered notice and comment requirements. I'll be asking Mr. Peffley for an appointment to determine whether he is in favor of asking this Board to approve taking these customer friendly actions. I sincerely hope he supports such changes.

Fourth, The BWL is in the process of drafting an update of its Integrated Resource Plan aka IRP. The IRP will lay out what is predicted to be future of demand and supply for BWL over the next 5 and 20 years and how BWL expects to meet that predicted demand. Last summer, BWL gave customers 2 opportunities to comment on the next IRP . But those customers were not provided any information on current supply and demand and existing plans. Without having any data and not knowing what BWL might contemplate, those open houses were not a meaningful opportunity for input – just window-dressing. This year, BWL should offer a draft of its IRP to the public for review and comment some weeks before the Board meeting with approval on the agenda.

Lastly, This Board has never acknowledged that we are facing a climate crisis because climate warming is occurring at an accelerating rate because there hasn't been any significant reduction of GHG emissions. It's time the Board acknowledge the climate crisis. The number and severity of climate related catastrophes – fires, droughts, floods, tropical storms, arctic storms, heat waves – is increasing by magnitudes each year. The transition from dependence on fossil fuels to clean, renewable energy and storage is imperative and long past due. So, acknowledge the climate crisis and focus on how BWL can best make this transition in its next Renewable Energy Plan and reject building a 4th gas plant. A gas plant would become a stranded asset burdening customer because the odds of economical carbon capture technology being developed, in the near future, are very small. And BWL is already saddled with three gas plants likely to suffer that fate.

Thank you for your attention.

Submitted on Mon, 02/02/2026 - 2:59 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Elaine D Fischhoff

Street Address

Lansing, Michigan

Message

February 2, 2026

Lawsuit Aims to Uncover Electricity Contract Hidden by BWL

Environmental Group Seeks to Understand Utility's Decisions to Raise Rates, Install New Power

Contact: Elaine Fischhoff, Capital Area Friends of the Environment

Lansing, Mich. – A Lansing area environmental advocacy group, Capital Area Friends of the Environment (CAFE), has asked a judge to order disclosure of a large electricity contract kept hidden from the public by the Lansing Board of Water & Light (BWL), Michigan's largest publicly-owned utility. This action is part of CAFE's efforts to hold the BWL accountable, to minimize rate increases, and to focus on growing the BWL's renewable energy portfolio in lieu of additional gas plants which contribute to global warming.

The contract in this case is to provide power to a new electric car battery plant in Delta Township, but the outcome of the case could set the tone for how the BWL shares contracts negotiated with data centers and other large customers. The BWL and the City of Lansing are currently considering a proposal from data center developer Deep Green for a data center in downtown Lansing. People in mid-Michigan and across the nation are increasingly concerned that data centers' significant power and water consumption will raise electricity costs for other customers and cause environmental harms including impacts on water resources.

In 2025, CAFE filed a request with the BWL under the Michigan Freedom of Information Act to obtain a copy of the BWL's contract to supply electricity to the new electric car battery plant in Delta Township. Public comments from the BWL suggest that the contract prompted the BWL to install a new gas-burning power plant and to raise residential electricity rates to pay for the power plant despite the BWL's promise that the contract would not lead to a rate hike. The new gas-burning power plant may make it more difficult

for the BWL to meet state clean energy standards. CAFE sought to determine if, in fact, the contract led to a rate increase and if it required the BWL to build the new gas-burning power plant.

Yet BWL denied CAFE's request to see the contract, citing a little-known state law that allows – but does not require – public utilities to conceal electricity sales contracts if they contain “specific pricing or other confidential or proprietary information.” The law also allows a judge to order disclosure of the contract if the requester shows good cause.

Last year, CAFE filed suit, requesting that a judge order disclosure of the contract. The case will be heard on Wednesday, February 4, at 1:30 p.m. before Judge Wanda M. Stokes at the Veterans Memorial Courthouse located at 313 W. Kalamazoo Street in Lansing.

“We support the electric car battery plant and believe it will provide significant economic and environmental benefits,” said Dusty Horwitt, one of CAFE's founders and former member of the BWL's Board of Commissioners, the utility's governing board. “At the same time, it's important for the public to know if this contract benefits the community especially with growing concern that large electricity contracts with data centers are driving up electricity rates and increasing environmental impacts. We believe there is strong evidence for a court to order disclosure of the contract, but the BWL should show that it takes its role as a public utility seriously by sharing the contract voluntarily.”

CAFE is a nonprofit promoting clean energy and energy efficiency among other environmental goals.

Submitted on Mon, 02/09/2026 - 4:49 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Alberta Tucker

Street Address

Lansing, Michigan

Message

I never got a chance to introduce myself and say Thank You ALL for your support on the IBEW Union Contract.

Thank You, Thank You, Thank You 😊

Submitted on Mon, 03/02/2026 - 4:19 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Mary Patenge

Street Address

Lansing, Michigan

Message

Why are you double charging customers for the opt-out meter option? You charge for the electric meter opt-out, you charge for the water meter opt-out and then you recharge again under the title W & E meter.

What was once a \$25.00 monthly charge is now a \$45.00 a month charge. Get rid of the W & E meter charge. Stop the double charging. Also, you should offer rebates/refunds for products that reduce EMF/dirty electricity such as whole house filters, plug-ins, etc. Your occasional turning on and off the smart meters does not stop these health and safety issues. (Visit: smart meter education network web site) Be the slogan you profess "home town people". Please cc this to Mr. Peffley and others who should read this. Thank you.

Submitted on Thu, 03/12/2026 - 1:01 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

William Smith

Street Address

LANSING, Michigan

Message

I cannot understand why my BWL is so high. I have two adults living in a 1200 sq ft house with one bathroom and my bill seems unreasonably high. I understand that there is a cost for utilities. I have relatives that live in Lansing with twice as much sq. footage 2 more bathrooms and their bill is half of what I pay. My electric panel has been upgraded. My plumbing has been upgraded to work more efficiently. your customer service line is useless. If I contact them they tell me it is an issue with the city water. If I contact the city they tell me it's BWL. What do I need to do to have my property looked at to see if there is a problem. I am at the point where I am considering leaving Lansing simply because of high utility bills.

Thank you in advance for your response

COMMITTEE REPORTS

Committee of the Whole Chairperson Sandra Zerkle presented the Committee of the Whole Meeting Report:

COMMITTEE OF THE WHOLE Meeting Minutes March 10, 2026

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S Washington Ave., Lansing, MI, on Tuesday, March 10, 2026.

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 Semone James, DeShon Leek, Tony Mullen, David Price, Beth Graham, Dale Schrader, and Sandra Zerkle

Absent: Commissioner Chris Harkins.

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 January 13, 2026.

Action: Motion carried. The minutes were approved.

Retirement Plan Committee (RPC) Update

Chief Financial Officer Scott Taylor presented the Retirement Plan Committee (RPC) update. The RPC Committee added a second investment manager to the Voluntary Employee Benefit Administration Plan (VEBA) to diversify risk and manage assets within the small mid-cap group. The new asset manager will have a value focus, complementing the existing growth-focused manager, Atlanta Capital. ACG narrowed down the potential new asset managers and the committee reviewed and interviewed the final two before making a decision. The contractual stage is ongoing, with documentation being reviewed and prepared for execution.

The RPC Committee has reviewed an investment strategy change for the Defined Benefit Plan (DB) to a liability-driven investing strategy, which has been underway for six months. The DB plan is 116% funded and closed, making it suitable for this strategy to secure retirees' future

pensions. The recommendation came from ACG, and the committee voted to bring it before the Finance Committee Meeting with a resolution proposing the change.

CFO Taylor provided an Administrative Activity Update on the Defined Contribution 401(a) and Deferred Compensation 457(b) Plans and stated there was nothing new to report. He then provided an update on the Defined Benefit Plan (DB) and Voluntary Employee Benefit Administration Plan (VEBA). VEBA only- based on sufficiency of funding and investment performance, the RPC approved the FY26 Q2 reimbursement from the VEBA Plan to BWL of \$2,754,326. The amount was calculated consistent with the terms of the Administrative Services Agreement (ASA).

Consideration of Alternative Platform for Commissioners' Smartsheet Dashboard

Commissioner Tony Mullen introduced the consideration of replacing the Smartsheet Dashboard with a platform more suitable to the Board's needs. He expressed frustration over the functionality of the current platform and its inefficiency and suggested exploring other document management solutions. Commissioner Mullen suggested the use of Board Effect, which Assistant General Manager Heather Shawa uses on the Peckham Board. Commissioner Mullen stated that it is much easier to search for documentation, and it is much more user-friendly. He suggested involving the IT department to evaluate and, if necessary, replace Smartsheet with a more effective program.

Commissioner David Price supported the idea of finding a more user-friendly and affordable document management solution. Commissioner Sandra Zerkle asked the commissioners for input on who actually uses Smartsheet. Commissioner Semone James stated that she frequently uses Smartsheet. Commissioner Semone James commended Commissioner Mullen for bringing this to the committee and shared her concerns about the cumbersome nature of the current smart sheet application. Commissioner Zerkle requested that commissioners forward any questions on the potential new applications to Corporate Secretary LaVella Todd.

Asst GM Shawa suggested that her team use their Gartner membership to explore potential solutions and recommendations, starting with an RFI to identify available options before moving to a full RFP.

Discuss Next Review of BWL Board of Commissioners Rules of Procedure

Commissioner Sandra Zerkle brought to the Board's attention that the BWL Board of Commissioners Rules of Procedure were due for review and update, in accordance with the regular two-year cycle. She also mentioned the need for updates due to the new Lansing City Charter. Commissioner Sandra Zerkle suggested sending the current Rules of Procedure out in May, with an evaluation of the changes to be made at the July meeting.

Commissioner David Price supported Commissioner Zerkle's proposed review and evaluation period and suggested involving legal counsel for their input on any necessary changes. Commissioner James suggested the Rules of Procedure be reviewed by legal counsel first, then to allow the Commissioners to review and make the changes they propose. Corporate Secretary LaVella Todd stated that Deputy General Counsel Jason Hawkins has already provided some redlines for Board review. Commissioner Zerkle confirmed that legal will review the BWL Board of Commissioners Rules of Procedure, and then in May, the Commissioners will be sent the Rules of Procedure to add any updates they request.

Other

Motion by Commissioner Sandra Zerkle **Seconded** by Commissioner Beth Graham, for excused absences for Commissioner Chris Harkins.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 5:53 p.m.

Respectfully Submitted,
Sandra Zerkle, Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
March 10, 2026

Finance Committee: Dale Schrader, Committee Chairperson; Beth Graham, Chris Harkins, David Price; Alternates: Semone James, Tony Mullen.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, March 10, 2026.

Finance Committee Chairperson Dale Schrader called the meeting to order at 6:01 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dale Schrader, Beth Graham, and David Price; Also Present: Commissioners Semone James (Alternate) and Commissioner Sandra Zerkle.

Absent: Commissioner Chris Harkins

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner David Price, to approve the Finance Committee Meeting minutes of January 13, 2026.

Action: Motion Carried. The minutes were approved.

YTD Financial Summary

Chief Financial Officer (CFO) Scott Taylor gave a full overview of the Year-to-Date Financial Summary for November 2025 – FY26. CFO Taylor reported on Total Cash balances and Days Cash on Hand. Stated, our wholesale income is 28% over budget, with year-to-date earnings at \$33 million compared to a budget of \$26 million. January’s energy prices increased significantly, with an average sale price of \$115 per megawatt-hour, due to the severe cold weather.

Operating expenses remain 5% under budget, while non-operating income is consistent with previous reports. Despite outages, the company projects to exceed net income targets, but will incur a \$6 million write-off due to early plant outages. CFO Taylor stated that the capital budget is \$29 million over budget, driven by two overhauls. The new energy programs are under budget by \$38 million, with expected savings from the Watertown solar project and battery project. Return on assets is strong due to the net income outperformance. CFO Taylor states that the operating ratio and current ratio are in the green, while the debt-to-total-asset ratio is

red. The company has greater generation capacity and is more aggressive in its carbon-neutrality programs, leading to bond issuances. Day sales outstanding is slightly over target, and bad debt continues to run low. The employee count is 41 under, with 28 temporary employees offsetting turnover and vacancies. Overtime is 7.9% over budget, primarily driven by storm activity and overhaul work. The Rx shows \$1.2 million under budget, with a slight delay in billing due to a change in the prescribing provider. Once billing catches up, half of the price will be absorbed, leaving the company still under budget.

CFO Taylor then presented the Capital Report, which includes two DEP overhauls costing almost \$18 million each. The south reinforcement project is \$2 million under budget, with contingency money released and material saved. The REO STG overhaul project is still within budget, with additional work than anticipated. The electric planned project has a slight overspend, but the water project is underspent. The portfolio is managed carefully to stay close to target, with a projected \$110,220,709 compared to the budgeted \$74,479,242.

DB Plan Investment Policy Statement Revision and Resolution

Chief Financial Officer (CFO) Scott Taylor presented a recommendation to update the investment policy statement to adopt a liability-driven investment strategy. Nathan Burke of Asset Consulting Group (ACG) explained the strategy, which aims to match future benefit payments with fixed income bonds. The proposed portfolio includes an 80% fixed income allocation, 18% equity, and 2% real estate. The new strategy aims to reduce funded status volatility and protect future benefit payments. Mr. Burke ACG highlights the benefits of this new strategy, including reduced volatility and lower fees. The proposed changes include higher fixed income allocations and performance benchmarks aligned with the new strategy. CFO Scott Taylor clarifies that the changes are intended to benefit current pensioners and ensure funding is available when needed. CFO Taylor referenced the redline and the completed revision of the statement of investment policies, procedures, and objectives, available in the commissioner's packets for review. CFO Taylor then presented a resolution to change the investment policy statement.

DB Plan Investment Policy Statement Change Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to forward the DB Plan Investment Policy Statement Change Resolution to the full Board for action.

Action: Motion Carried.

Internal Audit Results

Director of Internal Audit(DIA) Elisha Franco presented the Internal Audit Status Report for March 2026, which includes the FY2026 IT Audit Results, Penetration Testing Audit Results, Internal Audit Department Structure Review, and Internal Audit Status Report. DIA Franco

began the FY2026 IT Audit Results presentation by thanking the IT Department for their efforts and assistance with the audit. The audit scope included examining IT processes, procedures, and documentation for the Lansing Board of Water and Light. The audit was conducted from October 15, 2025 to November 24, 2025, in compliance with the global internal audit standards. The objectives of the audit were to assess IT governance policies, IT controls, cybersecurity, incident response processes, and user awareness training. DIA Franco highlighted key audit themes, including policy management, system operations, and access control. The audit identified one medium risk finding and two process improvements. The finding has been remediated, and management elected to formally accept the risk. The audit's overall opinion was rated as sufficient, indicating no critical or high-level risk areas.

Plante Moran Brent MacLaren, senior cybersecurity consultant, presented the Penetration Testing Audit Results. The audit's overall themes included consistent alerting and activity detection, and minimal external exposure. Privilege escalation was observed on the internal network due to misconfigured systems and vulnerabilities. Mr. MacLaren reported the IT department was able to detect all activities during testing, but some layers of security were bypassed. A scorecard was presented to benchmark the results against industry averages, showing good results for external testing and areas for improvement for internal testing. Plante Moran MacLaren presented an attack chain flow diagram to illustrate the order of attacks during testing. The diagram showed the steps taken by the testers, including external threats, internal logical attacks, and privilege escalation. The IT Department detected and isolated the testing device, and the privilege escalation issue was remediated. The overall findings are summarized as two high-priority, four moderate-priority, and six low-priority findings. Plante Moran MacLaren highlighted positivetesting , such as immediate rogue device detection, continuous malicious activity detection, and properly configured user permissions. Network protocol hardening and minimal external network exposure were also noted as strengths. Domain user privileges are restricted and protected by multi-factor authentication, with system admins using separate accounts for different privilege levels. The presentation concluded with an invitation to the commissioners to ask questions, but none were asked.

Director of Internal Audit (DIA), Elisha Franco, presented the Internal Audit Department Structure Review. The presentation summarized ongoing research and analysis of the internal audit department's structure, with a business case still in progress. The presentation was part of a broader internal audit strategic plan focused on evaluating department structure to support evolving risk and operational needs. Drivers for change include organizational expansion, new global internal audit standards, and additional compliance requirements. The current internal audit structure has remained largely unchanged for several years, with a limited depth in succession planning and knowledge continuity. Planning considerations

involved optimizing the structure for efficiency and strategic alignment with the organization's strategic plan. DIA Franco highlighted the increase in total assets from \$760 million in 2010 to approximately \$2 billion in 2024. The internal audit department has remained at the same 2 FTEs over the last 10 years, despite asset growth. DIA Franco presented three internal audit department structure models: hybrid, in-house, and co-sourcing. The hybrid model combines internal audit teams with external consultants for additional expertise. The in-house model involves all internal activities, including having an IT auditor and specialists on staff. Co-sourcing is the current model, where internal audit services are delivered through a partnership with external service providers like Plante Moran.

DIA Franco explained that the in-house model has advantages like strong institutional knowledge and support for succession planning but can be costly. Co-sourcing allows access to specialized knowledge but may have challenges with continuity and control over consulting staff. The hybrid model combines internal staff with strategic external support, maintaining control while remaining flexible. The primary drawback to the hybrid model is the higher cost due to more internal staffing. The internal audit department has two budgeted full-time FTE positions: a director and an internal staff auditor. The internal auditor position is currently filled by a Co-Op student who will transition to a full-time position in June. The department is also supported by a temporary administrative assistant. Benchmarking data indicate that the internal audit department function is typically in the public sector, with between three and five auditors. DIA Franco then compared the internal audit department structure to similar audit department structures and compliance areas both externally and internally. The director recommends implementing a hybrid structure, which would require an additional two FTE's: a manager and a senior auditor. The proposed change would be implemented collaboratively with management and phased in over time. The projected budget for the fiscal year 2027 includes an increase of \$160,000 in external services from Plante Moran for risk assessments and internal and external assessments. A preliminary budget comparison shows a decrease in consulting costs and a shift of funds for a new full-time employee's compensation. The overall cost of the hybrid model is expected to be higher than the current co-sourcing structure.

Commissioner Beth Graham questioned whether the internal audit departments that DIA Franco used as comparison companies also used outside consulting services, as well as what that cost would have been. DIA Franco was unsure of the answer but agreed to bring the requested information to the next meeting. Commissioner Zerkle also expressed that the past internal audit department never had any delays with staff that was provided to them and indicated all required audits were always completed. Commissioner David Price confirmed with DIA Franco that her recommendation was to move to a hybrid model compared to the current co-sourcing model. He also confirmed that no additional audits will be added to the department

structure as a result of this model change. Commissioner Price emphasized the need to bring this presentation before the full board for further consideration at the next Committee of the Whole.

Commissioner Semone James expressed her concern for losing the expertise of external consultants like Plante Moran if we were to move to a hybrid model. Commissioner James also expressed her concern about the increase in costs for full-time employees and external consulting that will still be needed under the hybrid model.

[inaudible]

Commissioner Dale Schrader reiterated the need to bring this matter before the full Board at the next Committee of the Whole meeting. He noted that today's presentation was intended to provide the Board of Commissioners with an overview for discussion purposes only and that no decisions were expected at this time. Director of Internal Audit Franco stated that she agreed with Commissioner Schrader.

Lastly, DIA Franco presented the Internal Audit Status Report. She provided an update on the current status of the audits, including the start of the environmental audit with the Environment Department. audits for the Environment Department. The fiscal year 2026 audit plan includes payroll disaster recovery and IT security assessments. The Department is working on fiscal year 2027 risk assessments and work plans. Local community outreach efforts include visiting Lansing Community College to introduce students to the role and impact of an Internal Auditor. DIA Frano also plans to attend the 2026 IIA Leadership Academy Conference in Orlando, FL, in April 2026, paid for by The IIA Lansing Chapter, on whose board she serves. DIA Franco also informed the Finance Committee she has earned the Certified Internal Auditor (CIA) certification.

Other

Motion by Commissioner Beth Graham, **Seconded** by Commissioner David Price, for excused absences for Commissioner Chris Harkins.

Action: Motion Carried.

Adjourn

Chairperson Dale Schrader adjourned the meeting at 7:35 p.m.

Respectfully submitted,
Dale Schrader, Chairperson
Finance Committee

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

HUMAN RESOURCES COMMITTEE
Meeting Minutes
March 17, 2026

Human Resources (HR) Committee: Commissioner Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Sandra Zerkle; Alternates: David Price, Chris Harkins.

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 17, 2026.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:31 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, Alternate: Commissioner David Price.

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek, to approve the HR Committee meeting minutes of January 20, 2026.

Action: Motion Carried.

Resolution for Delegation of Authority of Cafeteria Plan Benefit Design and Administration

Chief Human Resources Officer Michael Flowers presented the Resolution for Delegation of Authority of Cafeteria Plan Benefit Design and Administration. Mr. Flowers stated General Manager Peffley is delegating the authority of the cafeteria plan's benefit design and administration to the Retirement Plan Committee and the financial piece of the delegation has already been presented to the Finance Committee. Mr. Flowers requested the Human Resources Committee move the Resolution forward to the full Board for approval.

Resolution for Delegation of Authority of Cafeteria Plan Benefit Design and Administration

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner DeShon Leek, to forward the Resolution for Delegation of Authority of Cafeteria Plan Benefit Design and Administration to the full Board for approval.

Action: Motion Carried.

Board Self Survey Evaluation

Chief Human Resources Officer Michael Flowers presented the results of the Board of Commissioners Self Evaluation Survey. Mr. Flowers thanked the participating commissioners for completing the survey and shared the overall results revealed high commissioner satisfaction, noting commissioners' interest regarding the General Manager's succession plan. (Questions 39: Is there a succession plan for the CEO?)

Commissioner Mullen requested General Manager Peffley prepare a succession plan presentation to share at a future COW meeting. GM Peffley stated he would be happy to do so.

Commissioner Price voluntarily shared clarification of his 'no' answer to the General Manager's succession plan survey question, stating he is aware of the General Manager's succession plan, but it had not been talked about with the full Board, as yet.

Commissioner Mullen stated he also has had discussions with GM Peffley regarding his succession plan, but he was not sure if other commissioners were aware of the succession plan and a presentation to the full Board would be helpful. GM Peffley repeated his willingness to do so.

Mr. Flowers stated Human Resources has a tool for developing and writing succession plans and processes and he will work with GM Peffley to make sure the succession plan is available for commissioners.

Commissioner Zerkle stated she was puzzled by the results of survey question number six regarding the annual calendar, as the annual calendar is approved by the Board and posted by the Corporate Secretary in November.

(Inaudible)

Commissioner Semone James shared she did not have an issue with question number six, but there might have been confusion among other commissioners due to its wording.

(Inaudible)

Commissioner Zerkle suggested the wording of question number six be changed to clearly state which calendar is being referenced – Committee Meetings or Regular Board Meetings. Commissioner James shared she agreed with Commissioner Zerkle's suggestion.

Commissioner Price commented that Committee Meetings tend to be more flexible and to include those meetings for the whole year does not make a lot of sense.

Mr. Flowers stated survey question number six will be updated to clearly state which calendar it references and those changes would be incorporated into the next survey process.

Commissioner Zerkle stated she believes the Board has done a good job if most of the answers were good or almost always.

General Manager Peffley stated he reviewed the Board Self Evaluation Survey results with Executive Staff and compared to years ago this is a very cohesive and aligned Board and he didn't need any survey to tell him that, but it's nice to see it.

Commissioner Price stated he was pleased we (the Board) were able to use a survey developed by APPA. Commissioner James confirmed she also thought this was a well-done survey.

Mr. Flowers also touched on the last few survey questions, which were in narrative form, stating the questions received a lot of positive feedback, including the need for transparency and the dynamics of groups working together and making certain we pay attention to our internal and external stakeholders and the economics of who we're serving. Mr. Flowers stated he thought the survey came across extremely well.

(Inaudible)

Commissioner Mullen stated he would like to see more stakeholders at board meetings, such as city officials, union representatives and rate payers.

(Inaudible)

Commissioner Price stated GM Peffley meets every Monday with the mayor as a member of the mayor's cabinet.

GM Peffley confirmed he attends the mayor's cabinet meetings every Monday and if the commissioners wanted him (the mayor), city attorney or deputy mayor to attend a board meeting or speak, they would be happy to do so.

(Inaudible)

Mr. Flowers shared introduced Daniel Barnes, who has been promoted to Director of Human Resources, and Jeanie Stittsworth, who has been promoted to Manager of Human Resources.

Appointee Position Description Reviews

Chief Human Resources Officer Michael Flowers presented the job descriptions of the board-appointed positions for review.

Commissioner James stated that the General Manager position description needs to be updated to reflect the current BWL services provided to include heat. GM Peffley stated he and management will review and update his position description to make sure all services are accounted for.

(Inaudible)

Commissioner Zerkle recommended adding additional certifications to the Director of Internal Audit position description, not as a requirement but as a preference.

Commissioner James stated that preferred certifications were listed in the position description in the past, but they had been removed.

Mr. Flowers confirmed that Commissioner Zerkle would like to see preferred designations added to the Director of Internal Audit position description, separate from the required certifications already included.

Commissioner Price referred to the General Manager position description, which states that a PE license is preferred but not required. He suggested doing something similar for the Director of Internal Audit position description.

(Inaudible)

Mr. Flowers reminded the committee that when they review and change what is preferred versus required in a job description, it will affect the job pay scale. He also stated he would review the old position description to verify what certifications had been removed.

(Inaudible)

Mr. Flowers stated that the preferred certifications were removed in the past at the board's request, as they were not deemed requirements for the position. Commissioner Zerkle shared she recalls the previously preferred certifications being removed from the position description because they were having a hard time recruiting candidates who met all the requirements.

(Inaudible)

Mr. Flowers stated he could provide examples of the Director of Internal Audit position descriptions with preferred certifications added to share with the Board.

(Inaudible)

Commissioner Mullen asked whether there were any questions regarding the Corporate Secretary position description. The committee did not offer any questions.

Appointee Evaluation Process

Commissioner Mullen stated that Chief of Staff Smiljana Williams has volunteered again to assist with distributing the appointee self-evaluation for FY26 performance. Commissioner Mullen shared the appointee self-evaluation and board review process and provide Ms. Williams the opportunity to reiterate the process and answer questions.

(Inaudible)

Corporate Secretary LaVella Todd shared the dates of the May 2026 Committee and Board Meetings - COW and Finance Committee will now meet on Thursday, May 7th and the Human Resources Committee will now meet on Tuesday, May 12th. The Regular Board Meeting will meet as previously scheduled on Tuesday, May 19th.

(Inaudible)

Other

There was no other business.

Adjourn

Motion by Commissioner Sandra Zerkle , **seconded** by Commissioner DeShon Leek to adjourn meeting.

Action: Motion carried.

Meeting adjourned at 6:04 p.m.

Respectfully Submitted,

Tony Mullen, Chairperson

Human Resources Committee

RESOLUTION 2026-03-XX

Revised Defined Benefit Plan Statement of Investment Policies, Procedures and Objectives

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

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of Defined Benefit Plan assets, periodically reviews the asset allocation of the plan and, as a result of its most recent review, recommends the total target allocation to equity investments be reduced to 18% of the plan from the current target allocation of 45%, the total target allocation to fixed income investments be increased to 80% of the plan from the current target of 50%, and the target allocation to real estate investments be reduced to 2% of the plan from the current target allocation of 5%; and

WHEREAS, this recommended allocation change will allow for the transition to a Liability Driven Investing (LDI) strategy intended to focus on funded status stability and improve the likelihood of meeting benefit payments as they come due and manages portfolio assets primarily in relation to the fund’s future liabilities, seeking to match or hedge the duration, cash flows, and interest rate sensitivity of pension obligations; and

WHEREAS, the Retirement Plan Committee along with the General Manager recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives; and

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

THEREFORE, it is:

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

Motion by Commissioner _____, **Seconded** by Commissioner ____ to approve the Resolution for Revised Defined Benefit Plan Investment Policy Statement at a Board meeting held on March 24, 2026.

Action: Motion Carried.

RESOLUTION 2026-01-XX

Delegation of Authority of Cafeteria Plan Benefit Design and Administration

WHEREAS, The Lansing Board of Water & Light (BWL) is a municipally owned utility organized under the Lansing City Charter as permitted by the Home Rule Cities Act, MCL 117.4(f)(c), and governed by the Board of Commissioners (“Board”). The Lansing City Charter, Article 5, Chapter 2, delegates to the Board administrative, executive and policy-making authority over the operation of the BWL, which includes the full and exclusive management of water, heat, steam and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council; and

WHEREAS, the Lansing City Charter states the Board shall appoint three persons who report directly to the Board and serve at the Board’s pleasure; being a Director (also known as the General Manager), an Internal Auditor (also known as the Director of Internal Audit) and a Secretary (also known as the Corporate Secretary). The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which include but are not limited to the operation and management of the BWL; and

WHEREAS, the Lansing City Charter further outlines the responsibilities and authority of the Board, which includes the compensation and benefits of BWL employees, and by virtue of this responsibility and authority the Board is the Plan Sponsor of the Lansing Board of Water and Light Cafeteria Plan (the “Cafeteria Plan”); and

WHEREAS, the Board’s role as the governing body for the BWL includes certain fiduciary duties such as acting in the BWL’s best interest, protecting and enhancing the BWL for the benefit of its rate payers, exercising reasonable care, loyalty and good faith in actions and decisions, meeting legal and regulatory requirements, and assuring the General Manager, Director of Internal Audit and Corporate Secretary have adequate support and resources to effectuate their roles; and

WHEREAS, in July of 2017, the Board approved a Governance policy which, among other things, adopted and established the General Manager’s principal role to manage and operate the BWL and establish administrative and operational directives, standards guidelines and procedures that support Board approved corporate policies, strategies, projects and budgets; and

WHEREAS, in September of 2019, the Board approved Resolution 2019-09-02 delegating authority to the General Manager to oversee and manage the Health Care Plan’s benefit design and administration which in hindsight should have also included the Cafeteria Plan; and

WHEREAS, management of the Cafeteria Plan’s benefit design and administration are necessary for the General Manager to manage and operate the BWL by maintaining a qualified workforce; and

WHEREAS, the Board as Plan Sponsor of the Cafeteria Plan desires to further clarify and delegate authority to the General Manager to oversee and manage the Cafeteria Plan’s benefit design and administration on its behalf.

Therefore, it is:

RESOLVED, that the General Manager is authorized to oversee and manage the Cafeteria Plan’s benefit design and administration on behalf of the Board.

FURTHER RESOLVED, that the General Manager may further delegate this authority for operational efficiency.

FURTHER RESOLVED, all Cafeteria Plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board following any such changes or updates.

Motion by Commissioner _____, Seconded by Commissioner _____ to approve the Resolution for Delegation of Authority of Cafeteria Plan Benefit Design and Administration at a Board meeting held on March 24, 2026.

Action: