BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
REGULAR BOARD MEETING AGENDA
September 22, 2026 – 5:30 PM
1203 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. **Pennies for Power Check Donation Presentation**

4. **Approval of Minutes**
   a. Regular Board Meeting Minutes of July 28, 2026

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

6. **Communications**
   a. Electronic mail from Carla Jones re: BWL Fleet Vehicle
   b. Electronic mail from Mary Patenge re: BWL Rate Increase
   c. Electronic mail from Flo Barren re: BWL Rate Increase
   d. Electronic mail from Jeff Keener re: BWL Rate Increase
   e. Electronic mail from Savanna L. re: Requesting Call Back
   f. Electronic mail from Daniel Gallant re: BWL Rate Increase
   g. Electronic mail from Timothy Wagner re: Electric Mower Rebate
   h. Electronic mail from Nicole Kelley re: BWL Storm Restoration
   I. Electronic mail from Sally Ford re: Customer Bill
   j. Public Power Week Proclamation from Governor Gretchen Whitmer

7. **Committee Reports**
   a. Human Resources Committee Meeting (September 1, 2026) Dale Schrader, Chairperson
   b. Committee of the Whole Meeting (September 1, 2026) Sandra Zerkle, Chairperson
   c. Finance Committee Meeting (September 15, 2026) Tony Mullen, Chairperson

8. **Manager's Recommendations**

9. **Unfinished Business**

10. New Business

11. Resolutions/Action Items

a. 2027 PA 152 Health Care Premium Sharing Resolution
b. Revised Safety and Health Policy Resolution

12. Manager’s Remarks

13. Commissioners’ Remarks

14. Motion of Excused Absence

15. Public Comment

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

16. Adjournment

Agenda posted on website/building 09-17-2026

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

July 28, 2026

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1203 S. Washington Ave., Lansing, MI, on Tuesday, July 28, 2026. 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, DeShon Leek, Dale Schrader, and Sandra Zerkle.

Absent: Commissioner Tony Mullen.

Corporate Secretary Todd declared a quorum.

Chairperson David Price led the pledge of allegiance.

Chairperson David Price welcomed United States Representative (US Rep) Angela Witwer from the 76th House District to provide a special presentation on behalf of General Manager (GM) Dick Peffley's 50 years of service.

US Rep. Angela Witwer praised GM Peffley and his family for their continued service to his community. US Rep. Witwer commended the Board of Water and Light for acknowledging the dedication GM Peffley has made to the Lansing BWL. US Rep. Witwer then presented GM Peffley with a tribute commemorating 50 Years of Service, his legacy, and his impact on his community. The tribute was signed by US Rep. Witwer, US Rep. Emily Dievendorf, US Rep. Penelope Tsernoglou, Senator Sam Singh, US Rep. Julie Brixie, US Rep. Kara Hope, Senator Sarah Anthony, Lieutenant Governor Garlin Gilchrist, and Governor Gretchen Whitmer.

ELECTION OF OFFICERS FOR FY2026-2027

In the absence of Nominating Committee Chairperson Tony Mullen, Commissioner David Price presented the July 7, 2026, Nominating Committee Report. The proposed slate of officers for Fiscal Year 2026-2027 is as follows: Commissioner David Price serving as Chairperson; and Commissioner Sandra Zerkle serving as Vice-Chairperson. There were no further nominations for the officers' positions from the floor.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Semone James to close nominations for Board Chair officer position.
Yeas: Commissioners Graham, James, Harkins, Leek, Price, Schrader, Zerkle.
Nays: None.
Action: Motion Carried.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Chris Harkins to close nominations for Board Vice-Chair officer position.
Yeas: Commissioners Graham, James, Harkins, Leek, Price, Schrader, Zerkle.
Nays: None.
Action: Motion Carried.

Motion by Commissioner Semone James, **Seconded** by Commissioner Beth Graham to approve FY2026-2027 Slate of Officers; namely, David Price, Board Chairperson and Sandra Zerkle, Board Vice-Chairperson.
Roll Call Vote:
Yeas: Commissioners Graham, James, Harkins, Leek, Price, Schrader, Zerkle.
Nays: None.
Action: Motion Carried.

Chairperson Price stated that the Executive Committee consists of the Board Chairperson, the Board Vice Chairperson, the past Board Chairperson, plus a Board Member selected by the Board Chairperson and approved by vote of the Board Members. With Commissioner Sandra Zerkle as Board Vice Chairperson and Commissioner Semone James as the past Board Chairperson, Chairperson Price nominated Commissioner Dale Schrader as the fourth Board Member for the Executive Committee. Commissioner Dale Schrader accepted the nomination as the Board Member for the Executive Committee.

Motion by Commissioner Semone James, **Seconded** by Commissioner Beth Graham to approve the FY 2026-2027 Executive Committee of the Board of Commissioners, comprised of David Price, Chairperson, Sandra Zerkle, Vice-Chairperson, Semone James, Past Chairperson and Dale Schrader, Board Member.
Yeas: Graham, James, Harkins, Leek, Price, Schrader, Zerkle
Nays: None.
Action: Motion carried.

APPROVAL OF MINUTES

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Chris Harkins to approve the Regular Board Meeting minutes of May 19, 2026.
Action: Motion Carried

PUBLIC COMMENT

There was no public comment.

COMMUNICATIONS

Electronic mail from Arbors of Georgetown re: Power Outage Restoration. *Received and Placed on File.*

Electronic mail from Samantha Smith re: Power Outage Restoration. *Referred to Management. Received and Placed on File.*

Electronic mail from Lisa Alices re: Board Position. *Received & Placed on File. Emailed City of Lansing Board Application information*

Electronic mail from Marilea Riddle re: Customer Service Representative. *Referred to Management. Received and Placed on File.*

Electronic mail from Michelle Harmon re: Customer Bill. *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Chairperson David Price stated that the July 7, 2026 Nominating Committee Report had already been presented.

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

COMMITTEE OF THE WHOLE

Meeting Minutes

July 14, 2026

The Committee of the Whole of the Lansing Board of Water & Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1203 S Washington Ave., Lansing, MI, on Wednesday, July 14, 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, Tony Mullen, David Price, Dale Schrader and Sandra Zerkle.
Absent: Commissioners Beth Graham and DeShon Leek.

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Commissioner Semone James noted the May 7, 2026 Committee of the Whole Meeting minutes needed a correction as Commissioner Tony Mullen was marked both present and absent at the meeting. Corporate Secretary LaVella Todd stated she would ensure the meeting minutes were corrected.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to approve the Committee of the Whole Meeting minutes of May 7, 2026 as modified.
Action: Motion carried. The minutes were approved.

Retirement Plan Committee (RPC) Update

General Manager (GM) Dick Peffley introduced Chief Financial Officer (CFO) Scott Taylor to present the Retirement Plan Committee (RPC) Update. The following specifics were presented by CFO Taylor: Investment Activity Update – Defined Benefit (DB) Plan: Liability Driven Investing (LDI) Timeline; Voluntary Employee Benefit Administration (VEBA) Plan: US Small Cap Investment Manager and Updated Asset Allocation

Question: [Inaudible] – CFO Taylor answered: Asset Consulting Group.

RPC Update cont.

Defined Contribution 401(a) & Deferred Compensation 457 (b) Plans. Administrative Activity Update – Defined Benefit Plan (DB) & Voluntary Employee Benefit Plan (VEBA): Actuarial Services Contract; Defined Contribution and Deferred Compensation Plans: Nationwide Loan Program. CFO Taylor shared pro and con details on employee loans offerings. As part of the 401(a) and 457(b) plan update, CFO Taylor also noted that the expected availability date for the new funds would likely shift out by approximately 30 days from what was shown on the slide in order to allow time to come to appropriate terms on the new fund contracts.

Commissioner Zerkle asked if employees are provided with pro and con details and information during the loan interview process due to the possibility of getting a less expense loan?

CFO Taylor responded he would check with Nationwide on more specifics, but it is a fairly streamlined process and as long as participants meet the basic requirements, they are allowed to move along in the process.

Commissioner James inquired if they (employees) were paying themselves back? CFO Taylor responded in the affirmative.

CFO Taylor continued the RPC Update presentation.

Commissioner Schrader asked if it was common for employees to borrow from their 401(a) account? And, what is the term or length of the loan? CFO Taylor responded that there are typically around 270 loans outstanding at any given time with a total value of approximately $3M compared to total 401 and 457 plan assets of approximately $400M.. Term length is generally up to 5-years, and up to 15-years (for a mortgage loan). According to Plan Sponsor Council of America (PSCA) survey, according to plan sized similar to BWL, 86% offered a loan program and this increases to 96% when looking at the utility or energy specifically.

Commissioner Harkins asked if there was an auto-enroll percentage for BWL employees to contribute? CFO Taylor responded – 401(a) is automatic; 457(b) is the account employees elect to contribute to, and they are encouraged to ensure they receive the match benefit. CFO Taylor concluded his update.

Rules and Regulations Update

GM Peffley introduced Director of Strategic Planning & Development (SPDD) Kellee Christensen to present the Rules and Regulations Update. SPDD Christensen presented the following specifics of the FY27 Rules and Regulations Update Sections: Definitions, General Provisions, Characteristics of Service, Use of Service, Metering, Application of Rates, Bills and Payments, Dispute and Hearing Procedure, Distribution System Extensions, Services, Compliance, Other Individual Utility Issues, and Fees and Charges.

Commissioner Price asked how common it is to have a shared residency, basically two people on the account?

SPDD Christensen responded and clarified – there is only one person on the account. If someone with a delinquent account returns to the service territory, and we find they were co-residents (at the time of the delinquency), we can go back to collect those delinquencies.

Commissioner Mullen asked a question [Inaudible]

SPDD Christensen responded that these changes went into all the Rules and Regulations.

Commissioner James asked if there is a possibility of transferring a delinquent account to someone else?

SPDD Christensen responded, yes, if a person left a delinquent account, and they have moved in with someone else, and they are taking over service, we have tightened the rules on how and when we can collect on that delinquency if they are cohabitating with someone, or they try to restart an account.

Commissioner James asked who bears the burden of proving the responsibility?

SPDD Christensen responded that Customer Accounts has a whole process they use to determine whether they can collect it or not.

Commissioner James asked can the service still remain active while they (Customer Accounts) dispute (the delinquency)?

SPDD Christensen responded, yes. It's more about putting the service in someone's name if they haven't paid (the delinquency). Asst GM Heather Shawa added – the service is not going to be shut off while the delinquency is being investigated.

Commissioner James asked, has legal counsel reviewed the language for due process and legal signed off

SPDD Christensen and Asst GM Shawa responded, yes.

Commissioner James asked do the rules distinguish between spouses or unrelated roommates or landlords, tenants [Inaudible]?

SPDD Christensen responded, It's really about cohabitation.

SPDD Christensen continued presenting the Rules and Regulations Update, specifically the Review and Process steps; Fiscal Year 2027 Proposed Changes (all utilities) – four categories: Substantive changes, Non-substantive changes, Fee and Charges adjustments, increases, or language changes, and the Rules and of Regulations for Hot Water development – effective October 1, 2026, if approved. SPDD Christensen noted the revision of Rules 2.2.A: Collection, Use, and Privacy of Customer Information utilities, and the addition of Rule 2.2.A.3.E. to describe the units of consumption and demand we collect from customer metering for hot water, and the clarity revision of Rule 7.1.E and I: Billing and Payments, Responsibility for Payment of Bills. In addition, SPDD Christensen shared the Proposed Changes to Electric Utility, namely, Revision of Rule 5.8: Meeting, Advancing Meter Opt-Out; Revision of Rule 13.2.L and N: Use of Equipment, Authorized Attachments; addition of Rule 11.7: Services, Bulk water, and Revision of Rule 15: Fees and Charges. Also, SPDD Christensen shared there were no proposed changes to the Steam Utility, as a review of the Rules and Regulations was completed to ensure that, as we transition from Steam, BWL continues to maintain current customers until all customers are transitioned from Steam, while limiting system expansion.

GM Peffley shared details, and feedback received after the implementation of an industry-standard fee charged for hanging banners on streetlight poles. Mr. Peffley stated though staff did an outstanding job of prepping all the customers for a whole year, and some of the fees were very large, the implementation was met with such opposition, SPDD Christensen had to rewrite it as an application fee.

Commissioner Schrader shared appreciation on behalf of the Old Town Neighborhood Association for BWL listening to their concerns and making the change.

Commissioner James asked what the fees were?

GM Peffley stated the fees were common to the rest of the industry – we weren't above or below, and asked SPDD Christensen to respond. SPDD Christensen stated there was a one-hundred-dollar permit application fee, and thirteen dollars per banner, per month, for the length of the application.

In conclusion, SPDD Christensen gave a brief overview of the new addition to the Rules and Regulations Hot Water Service, stating the utility is modeled from Chilled Water Rules and Regulations, and input was received from subject matter experts from Water T & D, Legal, other utilities, and consultants.

Commissioner Price asked when the first customer would come on line with hot water.

GM Peffley responded that Lansing Community College would be in the Fall of 2027. Others are lined up to follow.

SPDD Christensen highlighted the contingent statement included in the Rules and Regulations Resolution. GM Peffley requested approval of said resolution.

Rules and Regulations Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to forward the Rules and Regulations Resolution to the full Board for consideration.
Action: Moton carried.

Updated Rules of Procedure

GM Peffley introduced Deputy General Counsel (DGC) Jason Hawkins to present the Updated Rules of Procedure. DGC Hawkins presented the Updated Rules of Procedure agenda item, stating the Committee had previously asked Legal Services to review provisions of the new City Charter and compare those to the existing Rules of Procedure to see if there was anything that needed updating, and then to make any other suggested revised for the Committee to consider. During the process he met several times with Commissioner Zerkle, who was a major help in getting the project done and getting the revisions to the committee, and asked how the Committee would like to proceed with the review

Commissioner James shared she had a litany of questions, and that there appeared to be proposed changes made that were not provided to the Board previously.

Commissioner Zerkle commented that the last version members got should have been the final one she, DGC Hawkins, and General Counsel Mark Matus agreed on.

Commissioner Price suggested the Committee allow DGC Hawkins to go through the presentation with the changes outlined therein, and proceed with questions and discussion thereafter. The Committee members unanimously agreed with Commissioner Price.

DGC Hawkins proceeded with the presentation and highlighted the draft Rules of Procedure with revisions previously presented to the Committee.

When DGC Hawkins referenced the Board Pension Fund Trustee Committee language, Commissioner Price commented that he believed there may have been some confusion regarding the section(s) with revised language relating to the Board Pension Fund Trustee

Committee, because as soon as you become a commissioner, you are a trustee automatically.

DGC Hawkins shared that the BWL website currently has a list of committees and the Board Pension Fund Trustees is separate from that, and therefore should not be listed as a committee in the Rules of Procedure. Commissioner Price commented in the affirmative.

Commissioner James commented she received an email from the Corporate Secretary's office that contained 'these' revised Rules of Procedure, and that there were no page numbers, or the page numbers were misconfigured. Commissioner Harkins also shared comments regarding the redlined version he received.

Commissioner James recommended that in the future a clean copy be provided along with the redlined version.

GM Peffley observed that there appeared to be two different documents that were circulated to the Committee members, and suggested that staff the need to develop a plan to ensure everyone has the same document – the redlined version and the clean copy.

Following lengthy discussion on the language in the redlined copies of the Rules of Procedure, and the potential changes in regard to the Executive Committee, Commissioner Mullen, followed by Commissioner Price, suggested the updated Rules of Procedure agenda item be tabled until the correct version of the redlined document, along with a clean copy can be emailed to the Committee for review, and comments. It was also suggested that changes and suggestions can be directed back to Corporate Secretary (CS) Todd to share with DGC Hawkins to develop a revised document with a clean copy to discuss at the next Committee meeting.

Commissioner James supported Commissioner Price's suggestion, and stated she would like to meet with DGC Hawkins to discuss her comments. Commissioner Price supported Commissioner James' suggestion.

CS Todd stated it would be advantageous for Commissioners to share their questions, comments, concerns and discussion(s) directly with the Legal Services Department instead of going through her, once the correct version of redlined Rules of Procedure were provided, along with a clean to the Committee.

CS Todd affirmed that the June 17, 2026 redlined version of the Rules of Procedure, along with the memo emailed to the full Board on June 19, 2026, was the last version of the documentation she received from DGC Hawkins and supported his steps taken. In addition, CS Todd apologized if Commissioners received a different version of the Rules of Procedure documentation in the packet.

Commissioner James also presented discussion regarding the Board of Commissioners' required training(s) under the new City Charter.

At the suggestion of Commissioner James, DGC Hawkins stated he was going to consult with the City Attorney's Office to confirm what training would be required of the Board, and when it needs to be completed.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to table further discussion on the Updated Rules of Procedure until the September Committee Meeting to allow time to locate and provide the correct version of the redlined Rules of Procedure and a clean copy of the document to the Committee for review.
Action: Motion carried.

<u>Other</u>
Commissioner Mullen stated the Commissioners were provided with iPads several years ago by the Board of Water & Light to reduce the time, effort and money that goes into printing documents, and does not feel they are necessary for all Commissioners. Subsequently, Commissioner Mullen suggested Commissioners individually let CS Todd know if they want printed meeting packets or not. Commissioner Price supported Commissioner Mullen's suggestion of sustainability efforts. Commissioners will email CS Todd to advise if they want printed meeting packets or not.

Commissioner Zerkle shared appreciation on behalf of the Board of Commissioners for the BWL staff restoration efforts during the July 4th storm.

GM Peffley stated he would share the Commissioners' support with the staff and plans to provide an update at the July Regular Board meeting.

Commissioner Price shared thanks to the Board of Water & Light for sponsoring Commissioners to attend the APPA 2026 National Conference in Boston, MA.

Motion by Commissioner Semone James, **Seconded** by Commissioner Chris Harkins, for excused absences for Commissioners Beth Graham and DeShon Leek.
Action: Motion Carried.

<u>Adjourn</u>
Chairperson Sandra Zerkle adjourned the meeting at 6:45 p.m.

Finance Committee Chairperson Dale Schrader presented the Finance Committee Meeting Report:

FINANCE COMMITTEE
Meeting Minutes
July 21, 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 1203 S. Washington Ave., Lansing, MI, on Tuesday, July 21, 2026.

Finance Committee Chairperson Dale Schrader called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Beth Graham, David Price and Dale Schrader; Alternates: Commissioners Semone James and Tony Mullen. Also Present: 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 David Price, **Seconded** by Commissioner Beth Graham, to approve the Finance Committee Meeting minutes of May 7, 2026 as presented.
Action: Motion Carried. The minutes were approved.

YTD Financial Summary
Chief Financial Officer (CFO) Taylor presented the year-to-date financial summary, reporting that days cash on hand are in a good position at 208 days and that revenue performance for retail and wholesale operations is favorable. He stated a plan to forego a small bond issuance due to a strong cash position. The decision to defer the bond issue for at least one year is attributed to the cash position. CFO Taylor stated that revenues are 1% over retail and 13% over wholesale due to higher energy prices, while operating and non-operating are under budget. He also stated that net income through May is about $40 Million.

CFO Taylor explained that the capital budget is running over budget due to two overhauls, but the new energy project is under budget due to delays in the battery project and solar projects. Metrics such as operating ratio, earned ratio, debt to total assets, sales, bad debt, employee count, payroll data, and benefit casts are consistent with previous reports.

CFO Taylor also provided an update on the upcoming proposed rate changes. There will be two Public Hearings on proposed rate changes held at the REO Depot in August. The first Public Hearing is scheduled to take place on Saturday, August 1, 2026 at 10:00 A.M. The second Public Hearing is scheduled to take place on Tuesday, August 4, 2026 at 5:30 P.M. A Special Board Meeting is scheduled to take place on Tuesday, August 11, 2026 at 5:30 P.M. for to vote on the proposed rate changes, with effective date of October 1, 2026.

Commissioner Price reiterated to the Board that a quorum is required at both Public Hearings, as well as the Special Board Meeting.

CFO Taylor also stated that the Lansing City Council has invited the BWL to speak at their August 10, 2026, Committee of the Whole Meeting to discuss the proposed rate change filing. The rate change presentation for the Public Hearings will focus on the proposed rate change development, how it supports items such as environmental initiatives, specific changes to the rates, and the involvement of a third-party strategy consultant.

VEBA Investment Policy Statement Revision and Resolution

CFO Taylor discusses the VEBA Investment Policy Statement revision, which included a recommendation from the consultant at ACG to adjust asset allocations. The recommendation is to reduce the real asset investment from 15% to 12% and increase fixed income from 25% to 28%.

CFO Taylor presented the VEBA Investment Policy Statement Resolution for approval as recommended by our ACG consultant.

Commissioner James questioned the second to last paragraph of the Resolution and how it referenced the Defined Benefit Plan and Trust for Employee Pensions, instead of stating the VEBA Investment Policy.

CFO Taylor confirmed that the Resolution will be amended to read "RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee, the Sponsor adopts and approves the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives." and requested Committee approval to forward the Resolution amended as stated to the full Board for approval at the July 28, 2026 Regular Board Meeting. Commissioner Price recommended approval of the Resolution as presented, and then approval of the Resolution as amended at the July 28, 2026 Regular Board Meeting. The Committee agreed with Commissioner Price's recommendation.

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham to forward the VEBA Plan Investment Policy Statement Resolution as presented at the July 21, 2026 Finance Committee Meeting.
Action: Motion not carried, pending follow-up motion on amended resolution.

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham to forward the VEBA Plan Investment Policy Statement Resolution as amended at the July 21, 2026 Finance Committee Meeting and presented at the July 28, 2026 Regular Board Meeting for full board for consideration.
Action: Motion Carried.

Bi-Annual Internal Audit Open Management Response Update
Internal Controls Analyst (ICA) Cody Rochefort provided a biannual update on the status of management's implementation of internal audit recommendations. ICA Rochefort presented the open findings including disaster recovery, payroll audit, and billing audit, with extensions granted for some recommendations due to organizational changes and system complexities with the new HRIS system. ICA Rochefort confirmed any extensions are reviewed and approved by the office of internal auditor.

(Inaudible)

Commissioner James asked how the completion of internal audit recommendations are verified.

Director of Internal Audit (DIA) Elisha Franco confirmed that any corrective actions are reviewed by her department and that she works alongside ICA Rochefort to help monitor the process. DIA Franco also stated that the status of the open audit findings can be tracked in the audit software program Optro, as well as the Commissioner's internal tracker provided on the commissioner dashboard.

ICA Rochefort also presented the closed recommendations and stated in order for a recommendation to be completed, it must be approved by the Director of Internal Audit after being verified by himself.

Commissioner James asked if the closed recommendations are tested after they are considered resolved. ICA Rochefort confirmed that each closed recommendation is checked for completion as well as reviewed by the Director of Internal Audit. DIA Franco stated she keeps detailed notes, data, and documentation of completion of recommendations for reference within our audit software program Optro.

(Inaudible)

CFO Scott Taylor stated that open and closed audit recommendations come directly from the Department of Internal Audit and that DIA Franco works closely with ICA Rochefort to ensure recommendations are implemented, tested, and followed through appropriately.

Commissioner James asked who is checking the Department of Internal Audit. DIA Franco answered that her department will be reviewed and audited by an external assessment and that will be completed next year.

FY 2027 Internal Audit Risk Assessment and Audit Work Plan

Director of Internal Audit (DIA) Elisha Franco then presented the FY2027 Internal Audit Risk Assessment results and internal work plan for fiscal year 2027. The risk assessment aims to identify and evaluate risks across all departments and functions, including inherent risk, existing controls, and residual exposures. DIA Franco stated this process results in a ranked list of risk areas, categorized by likelihood of impact, to help the internal audit focus on critical and high risk areas.

DIA Franco said that risk assessment followed a structured four-phase approach, including reviewing and updated existing risk assessments, designing and distributing surveys, and analyzing collected data. The survey recipients ranked each of 30 risk areas by likelihood of impact, providing a less time intensive method compared to previous years.

The risk assessment input included collaboration with the strategic planning department, selecting individuals in different areas around the company, as well as prior audits conducted over the last three years.

Commissioner James inquired about the prioritization of risks. DIA Franco stated that the survey was used to rank risks by likelihood of impact. Commissioner James also asked about major capital projects and DIA informed her that those were under the operation risk area.

(Inaudible)

DIA Franco stated that the risk ranking was based on likelihood of impact and that each risk area was ranked from 1 to 5 and an overall risk score was calculated. The risk scores were then put in order of prioritization, with a heat map, and risk rating provided in the report.

Commissioner James inquired about procurement and contract management. DIA Franco stated they were under vendor management. Commissioner James also inquired why the Board of Commissioners were not included in the survey. DIA Franco stated she used the results from the Risk Assessment completed by the strategic planning department last year which included comments from the commissioners. DIA Franco stated she would survey commissioners in the future.

DIA Franco also presented the fiscal year 2027 internal audit work plan. This was developed using a risk-based approach, considering risk assessment results, prior audit coverage, and stakeholder feedback. The work plan includes six audits, with four co-sourced with Plante Moran and two done in-house.

The audits include accounts payable, enterprise risk management, key accounts and miscellaneous billing, safety and governance, vendor selection and management, and fixed assets.

DIA Franco then presented a resolution to approve the FY2027 work plan.

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham to forward the FY2027 Audit Work Plan Resolution to the full board for consideration.
Action: Motion Carried.

Internal Audit Status Report
DIA Franco provided an update on the department, including audit updates, and budget updates. The internal audit status update newsletter was sent out in June and then next one will follow in August, providing updates to the board on the months there is no board meeting. DIA Franco mentioned the Institute of Internal Auditors new topical requirement on organization resilience, which will be aligned and implemented with future audits.

DIA Franco stated that the September finance committee presentation will include the FY2026 Environmental compliance audit results, QAIP update, and internal audit strategy update. DIA Franco also stated that she is now studying for her CFE certification and the new staff internal auditor is pursuing his CPA license.

Commissioner James stated the May 7, 2026 Finance Committee Meeting Minutes that were approved had the incorrect date on the footer.

Corporate Secretary LaVella J Todd confirmed the date on the footer of the May 7, 2026 Finance Committee Meeting Minutes will be corrected.

Other
Commissioner Schrader presented some leadership training for the Director of Audit through Lansing Chamber of Commerce.

Commissioner Price stated that this training was put on all throughout communities in the United States. It’s a yearlong leadership training course and Commissioner Price thinks it makes sense for DIA Elisha Franco to participate and that it will be beneficial to the BWL.

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader to provide a recommendation to the full board for Director of Internal Audit Elisha Franco to attend Lansing Leadership Training provided by Lansing Chamber of Commerce.
Action: Motion Carried.

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 6:29 P.M.

MANAGERS RECOMMENDATION

There was no manager's recommendation.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS

RESOLUTION 2026-07-01

FY2026 Rules and Regulation for Electric, Water, Steam, Chilled Water, and Hot Water Utility Services

WHEREAS, on July 14, 2026, the Committee of the Whole meeting, management presented its proposed updates to the full collection of Fiscal Year 2027 Rules and Regulations, to be effective October 1, 2026.
WHEREAS, the Committee of the While considered the proposed update and found it to be acceptable, subject to any amendments agreed upon during the committee meeting.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dale Schrader, to approve the Rules and Regulations for FY2027 at a Board Meeting held on July 28, 2026.
Action: Motion Carried.

RESOLUTION 2026-07-02

Revised VEBA Plan Investment Policy Statement

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

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of VEBA assets, periodically reviews the target asset allocation for each plan and, as a result of its most recent review, recommends the target asset allocation for Total Fixed Income be increased from 25% to 28%, the target asset allocation for Core Fixed Income be increased from 15% to 18%, and the target asset allocation for Real Estate be decreased from 15% to 12%; and

WHEREAS, this recommended strategic asset allocation strengthens the portfolio by reducing risk, increasing liquidity, and maintaining an expected return rate that remains above target; and

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

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives.

THEREFORE, it is:

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

Motion by Commissioner Semone James, **Seconded** by Commissioner Sandra Zerkle to approve the Resolution for Revised VEBA Plan Investment Policy Statement at a Board meeting held on July 28, 2026.

Action: Motion Carried.

RESOLUTION 2026-07-03

Internal Audit Work Plan for FY 2027

RESOLVED, that the Board of Commissioners hereby approves the Internal Audit Work Plan for Fiscal Year 2027.

Motion by Commissioner Beth Graham, **Seconded** by DeShon Leek to approve the Internal Audit Plan for FY2027 at a Board meeting held on July 28, 2026.

Action: Motion Carried.

RESOLUTION 2026-07-04

Approval of Recommendation

Director of Internal Audit Elisha Franco to attend Lansing Leadership Training

RESOLVED, that the Finance Committee passed a motion at its July 21, 2026 meeting to provide a recommendation to the full board for Director of Internal Audit Elisha Franco to attend Lansing Leadership Training provided by Lansing Chamber of Commerce.

Motion by Commissioner Dale Schrader, **Seconded** by Beth Graham, to approve the recommendation for Director of Internal Audit Elisha Franco to attend Lansing Leadership Training provided by Lansing Chamber of Commerce at a Board meeting held July 28, 2026.
Action: Motion Carried.

MANAGERS REMARKS

- The 11th State of BWL Address was held on July 21, 2026.
- The 2026 employee picnic was held on June 23, 2026, and it was another great event with employees, retirees and commissioners in attendance.
- Visited Meridian Township on June 2, 2026, to engage with rate payers on BWL related matters per the new city charter. The next quarterly meeting is with Lansing Township on August 25, 2026.
- On June 15, 2026, we opened our Depot facility and participated in discussion about energy reliability and affordability with U.S. Energy Secretary Chris Wright, Congressman Tom Barrett, Speaker of the House Matt Hall and other community and business leaders.
- BWL group attended and had a great turnout at the annual Juneteenth Parade on June 20, 2026. Thank you to Commissioners who were able to participate this year.
- Three executives attended the APPA National conference this year to stay current on utility industry trends and best practices.
- Interns are concluding their internships and will have presentations of their work on August 6, 2026, at 11 am to 2:30 pm.
- BWL's 16th 5K is on Saturday August 8, 2026. Proceeds benefit Pennies for Power.
- Golf 4 Charity event is coming up on August 14, 2026. Proceeds support. Proceeds support Girls and Boys Club, Magic of Literacy, Pennies for Power
- GM Peffley presented a PowerPoint presentation comparing the July 2026 Storm to pervious storms. GM Peffley indicated that this storm affected over 22,500 customers and caused over 12,000 outages. With a combination of BWL crews, mutual aid crews, and contractors, the BWL was able to restore outages in 121 locations in under 72 hours. GM Peffley compared the July storm to pervious storms from August 2023 and May 2025.

Commissioner Leek questioned the graph presented regarding restoration time, and what the spike on the graph represented.

GM Peffley explained that there was a large tree on Aurelius road that had fallen after the store that took about 1500 customers, but crews were able to restore all customers affected.

Commissioner Price asked about the primary cause of downed poles.

GM Peffley explained that the BWL has an aggressive vegetation management program, so when outages occur, they are typically caused by large trees. He noted that the use of Hendrix cables, significantly stronger cables, has shifted the system's weakest point to the poles . As a result, when large trees fall onto the lines, the poles are more likely to snap. GM Peffley also stated that an audit of approximately 30,000 poles was completed, and about 80% of the poles identified through the audit have since been replaced.

Commissioner Leek asked if it was by design for the pole to snap? Could you put it on something stronger?

GM Peffley stated that the wire is the weakest link unless the Hendrix cable is used. He explained that there were many types of poles, the more expensive poles could withstand more damage, like a steel pole.

Commissioner Zerkle asked about a comparison between this storm to the 2013 ice storm.

GM Peffley referred to the July 2026 Storm PowerPoint and explained that the August 2023 storm was worse than the 2013 ice storm but had much quicker restoration time due to the continued practice of vegetation management, monitoring of crew scheduling, additional spotters/wire guards, and additional staffing assistance.

Commissioner Harkins thanked GM Peffley and staff for their continued effort and excellent communication during the storm.

GM Peffley stated he is always open to suggestions and will continue to provide firsthand communication to the best of his abilities.

Commissioner Schrader also thanked GM Peffley and his team for the quick restoration times during the July Storm.

Commissioner James thanked GM Peffley and staff for their continued assistance with power restoration during the previous night’s accident with a dump truck.

COMMISSIONERS REMARKS

Commissioner Zerkle thanked the staff for all their assistance during this year's storms and thanked her fellow commissioners for the nomination of Vice-Chairperson.

Commissioner Harkins commented on the Director of Internal Audit Elisha Franco attending the Leadership Lansing training provided by the Lansing Chamber and acknowledged her dedication to her continued career development. He stated what a great opportunity this training will be.

MOTION OF EXCUSED ABSENCE

Motion to by Commissioner Chris Harkins, **Seconded** by Commissioner Sandra Zerkle, to approve the excused absence of Commissioner Tony Mullen.
Yeas: Graham, James, Harkins, Leek, Price, Schrader, Zerkle
Nays: None.
Action: Motion carried.

PUBLIC COMMENT

Elaine Fischhoff suggested providing better notice to customers regarding rate increases. She also questioned the upcoming public rating hearings, stating public comment should be responded to with reasons regarding acceptance or rejection of rate increases. She also addressed the 2025 Integrated Resource Plan (IRP) and the development of data centers.

Mike Smalligan of CAFE suggested reducing rates for families and increasing rates for large corporations. He stated the board should consider adding a committee on environmental issues and public health. He acknowledged that the 2025 IRP and public health should be prioritized.

ADJOURNMENT

Chairperson Price adjourned the meeting at 6:12 p.m.

LaVella J. Todd, Corporate Secretary
To be approved by the Board of Commissioners: 09-22-2026
Official Minutes filed (electronically) with Lansing City Clerk: 09-XX-2026

Submitted on Fri, 07/31/2026 - 10:37 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Carla Jones

Street Address

Lansing, Michigan. 48917-4130

Message

Was parked in handicapped parking space at 3320 S. Cedar St. a Advanced Meter Tech. In NWL TRUCK 1345 pulled in parking lot, parked illegally and blocked me in. 1020 still in back of me at 1040

Submitted on Mon, 08/10/2026 - 8:46 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
All Commissioners

Name
Mary Patenge

Street Address
Lansing, Michigan. 48906

Message
Regarding the rate hikes.....you just raised them recently. Do not raise the opt=out rates again.
You just raise them high recently. Find another way to make things work. Do some reductions internally.

Submitted on Sat, 08/15/2026 - 9:41 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
David Price

Name
Flo Baerren

Street Address
lansing, Michigan. 48910

Message
I cannot believe your arrogant statement that with only a few people commenting. Most of us didn't know that there was a meeting. Meeting under the cover of "darkness". Perhaps this rate increase won't affect you but many people in this city are struggling to pay for gas, food, taxes (thanks to Schor). Arrogant and out of touch. Are you guys trying to increase the number of people fleeing this city? I have absolutely no respect for someone who does not consider the impact on all residents.

Submitted on Tue, 08/25/2026 - 12:26 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Jeff Keener

Street Address

Lansing , Michigan

Message

I just wanted to leave a comment: I don't think now is a good time to raise the rates again for the

customers. We are already facing raising rates on everything else.

Submitted on Tue, 09/01/2026 - 1:05 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
Dale Schrader

Name
Savanna L

Street Address
Ingham, Michigan. 48910

Message
Hi my name is Sa'Vanna, I have a couple of questions along with suggestions. Please contact [redacted] Thank You have a nice day.

Submitted on Thu, 09/03/2026 - 12:44 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
All Commissioners

Name
Daniel P Gallant

Street Address
Lansing, Michigan. 48915

Message
Dear Mayor and BWL Commissioners, I am writing to file a formal complaint regarding the unsustainable and continuous increases in residential electric and utility rates implemented by the Lansing Board of Water and Light. As a BWL customer and resident of Lansing, I am witnessing firsthand the severe financial strain these compounding rate hikes are placing on households across our community. While BWL regularly points to infrastructure upgrades, inflation, and clean energy transitions to justify these changes, the reality on the ground is that residential bills have outpaced what normal working families, fixed-income seniors, and vulnerable residents can reasonably afford. Access to electricity and water is a basic human necessity, not a luxury. Because BWL is a municipally owned utility, it is free from the oversight of the Michigan Public Service Commission (MPSC). This leaves Lansing residents entirely dependent on you—our local elected leadership and appointed commissioners—to serve as the final line of defense against predatory or unmanageable rate structures. The community is feeling a profound lack of transparency regarding how federal grant funds are being utilized to offset these costs for consumers, and why the financial burden falls so heavily on residential users. I respectfully demand that the Office of the Mayor and the Board of Commissioners immediately take the following actions.

Implement an Immediate Rate Freeze:
Halt any current or upcoming incremental rate increases until a comprehensive, independent economic impact study on Lansing residents and BWL customers is conducted.

Expand Affordability Programs:
Significantly increase the threshold and funding for low-income assistance programs to ensure working-class families and seniors are not left behind.
Host multiple Dedicated Public Town Halls: Schedule open, transparent forums specifically dedicated to utility rates, where residents can ask questions directly and receive itemized justifications for BWL's spending and rate models. As leaders appointed and elected to serve the people of Lansing, your priority must be the well-being and financial stability of this community. We need champion advocacy for affordable utilities, not passive approval of higher bills. I look forward to your prompt response outlining the concrete steps you plan to take to address this crisis.
Sincerely,

Daniel Gallant

Submitted on Fri, 09/04/2026 - 1:49 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
All Commissioners

Name
Timothy R Wagner

Street Address
Lansing, Michigan. 48917

Message
I was wondering. My grandson who lives with me bought an electric lawn mower several years ago. Does it rate getting a rebate that customers who buy new electric lawn mowers get?

Submitted on Thu, 09/10/2026 - 11:03 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
All Commissioners
Name
Nicole Kelley
Street Address
Lansing, Michigan. 48917
Message
Dear Lansing Board of Water & Light Commissioners,
I wanted to take a moment to express my sincere appreciation for the incredible work your crews did following last Thursday's major storm.
The damage in my area was significant, with four or five power poles completely destroyed - snapped in half after a tree went down in a domino effect. I was without power for nearly three days, but given the extent of the damage, I was amazed by how quickly service was ultimately restored.
Throughout the process, the work was swift, professional and clearly well-coordinated. I can only imagine the number of homes and customers your crews were working to help, and I truly appreciate the long hours and difficult conditions they faced to get everyone back up and running.
I also want to mention that I only had a small amount of damage to my backyard lawn as a result of the restoration work, but it was extremely minimal. It is nothing I can't easily till and reseed, and certainly not something I would consider a complaint given the circumstances. I am simply grateful to have my electricity back … and internet since I work from home.
It is important to recognize the people behind the work. Please extend my thanks to the crews, lineworkers, tree crews and everyone else who worked so hard to restore power to our community.
I cannot believe how quickly you were able to get the power restored considering the extent of the damage. Thank you for your hard work, professionalism and commitment to Lansing-area residents.
With sincere appreciation,

Nicole Kelley
Fun Fact - my dad, Richard (RIP), was the agent that worked to insure BWL for most of his career.

Submitted on Thu, 09/10/2026 - 7:02 PM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
All Commissioners

Name
Sally J Ford

Street Address
Lansing, Michigan. 48910

Message
I paid half of my bill the date it was due called yesterday to set up a payment plan for the other half and was told maybe I wanted to wait until the new bill came out and I said no I'd rather just set it up today well if you wait until the new bill comes out then your payment plan would be included on that bill. Today I received a letter stating that if I didn't pay the other half of my bill right away I was going to be shut off. I'm thinking with the amount of high bills that you guys send out for water electric and sewage that if a customer pays half of it and wants to set up the payment plan on the other half that your computer systems ought to be able to handle that no matter when it is with or without another new bill
I'm pretty horrified that after 45 years as a customer at the same address I've been at I've never had a threatening letter about a shut-off notice both people on my record that I spoke with need to be retrained on setting up a payment plan when a customer says they want to set it up no matter what your computers can and can't do

HUMAN RESOURCES COMMITTEE
Meeting Minutes
September 1, 2026

Human Resources Committee: Dale Schrader, Committee Chairperson; DeShon Leek, David Price, Sandra Zerkle; Alternates: Chris Harkins, Tony Mullen

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1203 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Tuesday, September 1, 2026.

Committee Chairperson Dale Schrader called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll.

The following members were present: Commissioners, DeShon Leek, David Price, Dale Schrader and Sandra Zerkle.
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments
There were no public comments.

Approval of Minutes
Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Sandra Zerkle, to approve the HR Committee meeting minutes of May 12, 2026.
Action: Motion Carried.

2027 PA 152 Healthcare Premium Sharing Update
Dan Barnes, Director of Human Resources (DHR), presented the 2027 PA 152 Healthcare Premium Sharing Act. DHR Barnes provided three options to the Commissioners either comply with PA 152 and limit expenditures on healthcare cost based on a schedule of dollars provided in the Act using the Hard Cap as updated annually every April, limit expenditures on health care cost based on an 80/20 percentage split, requiring a majority vote; or exempt itself entirely from the Act and choose some other percentage of premium sharing, requiring a 2/3 vote. DHR Barnes stated that the resolution is for the plan year beginning January 1, 2027, and needs to be approved annually. DHR Barnes then provided an overview of the healthcare plan options available to BWL employees and the affordability provisions.

Commissioner Zerkle questioned if the BWL decided to opt out of PA 152 instead of using the 80/20 hard cap option, would BWL have to cut any benefits above the cap?

DHR Barnes stated that if the BWL opted out of PA 152, employees would be responsible for costs above the hard cap.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to forward the 2027 PA 152 Healthcare Premium Sharing Resolution to the full board for consideration.
Action: Motion Carried.

Other
No other business.

Adjourn
Chairperson Dale Schrader adjourned the meeting at 5:10 p.m.

Respectfully Submitted,
Dale Schrader, Chairperson
Human Resources Committee

COMMITTEE OF THE WHOLE
Meeting Minutes
September 1, 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 1203 S Washington Ave., Lansing, MI, on Tuesday, September 1, 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 Beth Graham, Chris Harkins, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle.
Absent: None.

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

Elaine Fischoff, BWL customer and Lansing resident, praised the BWL for the 10 MW solar array project being established at the former Erickson plant. Fischoff also mentioned an upcoming public hearing on the coal ash pond remedy. She requested notice of meeting be included on social media, the BWL website, and distributed to the community prior to the meeting.

Approval of Minutes

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner David Price to approve the Committee of the Whole Meeting minutes of July 14, 2026.
Action: Motion carried. The minutes were approved.

Retirement Plan Committee (RPC) Update

Chief Financial Officer (CFO) Scott Taylor presented the Retirement Plan Committee (RPC) update. Implementation of the new Liability Driven Investing is substantially complete with modest additional rebalancing occurring over time as additional liquidations from real estate investments occur. CFO Taylor also provided an update on the defined contribution 401(a) and Deferred Compensation 457(b) plans. He noted that participant agreements for each new investment option were signed by all parties and fully executed in August. A participant communication went out the last week of August and the scheduled transfer/availability date for the new funds will be October 9, 2026.

CFO Taylor then provided an Administrative Activity Update. Asset Consultant Group, the primary consultant for the DB and VEBA plan had a staffing update. Nathan Burk resigned from ACG in July, being replaced by Patrick Miller and George Tarlas who have been working with the RPC. CFO Taylor also provided an update on the VEBA Administrative Services Agreement Reimbursement. Based on sufficiency of funding and investment performance, the RPC approved the FY 2026 Q4 reimbursement from the VEBA plan to the BWL in the amount of $5,680,162.

CFO Taylor provided an update on the Nationwide contract. Nationwide presented an offer of revised pricing terms should the RPC choose to extend the contract prior to expiration at the end of the calendar year. The RPC reviewed the updated terms along with Captrust's recommendation and determined it would be in the best interest of the plan and participants to enter into a new five-year contract with Nationwide upon expiration of the current contract. The new contract is under review and expected to be executed by the end of September.

Safety and Health Policy Revision and Resolution

Dan Barnes, Director of Human Resources (DHR), provided an update to the Safety and Health Policy. Minor changes to the policy were presented to the Committee such as adding scope and purpose. DHR Barnes stated the policy serves as a guideline, along with the safety manual, on how the BWL operates safely within the community. The Safety and Health Policy Resolution was reviewed by BWL safety professionals and executive staff. DHR Barnes requested the Safety and Health Policy Resolution be forwarded to the full Board for consideration at the upcoming Regular Board Meeting.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to forward the Safety and Health Policy Resolution to the full board for consideration.
Action: Motion Carried.

Carbon Neutrality Program Results for Calendar Year 2025

Jennifer Binkley-Power, Manager of Energy Planning and Decarbonization (MEPD), provided an update on the Carbon Neutrality Program Results for Calendar Year 2025. The carbon neutrality programs consist of energy optimization programs, such as rebates, customer owned solar, electric vehicle charging, and demand response programs. MEPD, Binkley-Power went on to discuss the Hometown Energy Savers Programs, which includes residential home energy visits, appliance recycling, small business programs, commercial and industrial programs, energy education for K-8, and pilot programs.

Commissioner Zerkle asked if anyone can qualify for a Home Energy Visit?

MEPD, Binkley-Power responded the BWL targets income qualified homes, but any customer is welcome to participate.

MEPD, Binkley-Power stated in 2025 the department conducted 361 home visits, 297 of those visits being income qualified homes, with a total of $272,592 worth of energy saving measures installed. The BWL also provides appliance replacements as budget allows.

MEPD, Binkley-Power shared BWL has 2.5% energy savings compared to 2025 retail sales, 1% over the BWL target while remaining under budget. The energy optimization portfolio performance overall gross KWH saved was 54,849,332 with a budget of $3,339,774 spent. She then provided a list of prominent 2025 projects and the energy savings and incentives provided.

Commissioner Schrader asked if a landlord could request a Home Energy Visit?

MEPD, Binkley-Power confirmed landlords can request Home Energy Visits for households with a threshold of 80% AMI which is what most service agencies around Lansing use to define low-income.

Commissioner Mullen noted most of the savings are comprised of commercial and industrial customers and asked if there is a way to refocus BWL's advertisement on low-income families?

MEPD, Binkley-Power, responded the BWL works with multiple agencies to assist with advertisement to low-income households such as Habitat for Humanity, Capital Area Community Services, and Lansing Housing Commission. She also stated that due to new legislation starting in 2026, the BWL needs to increase its low-income focus because 25% of the portfolio budget must be spent on low-income customers by 2029 and BWL currently spends about 15-18% on low-income depending on the project year. MEPD, Binkley-Power reiterated low-income households are the majority of BWL's focus.

Commissioner Zerkle shared she has opted to receive her bill electronically resulting in a $5 savings, and asked how customers received program advertisement electronically?

Commissioner James confirmed that Commissioner Zerkle received a $5 saving when opting in to electronic billing.

AGM Shawa confirmed BWL customers may elect to opt-out of receiving a paper bill and receive a $5 per month savings.

MEPD, Binkley-Power, stated social media posts, email campaigns, as well as community events are utilized to provide program information to BWL Customers.

Commissioner Semone James asked if they or someone they knew wanted to take advantage of these programs, what they would do?

MEPD, Binkley-Power responded by sharing the BWL website contains phone number and email address for complete program information. She also noted events such as BWL resource fair, City of Lansing Resource Summit, and Southside Community Coalition.

MEPD, Binkley-Power stated the BWL is a part of Michigan Saves which is a dedicated network of authorized contractors as well as MEECA, Michigan Energy Efficiency Contractors Association. The BWL was awarded the 2026 Utility of the Year award from MEECA.

MEPD, Binkley-Power, went on to discuss grants and other initiatives her department participates in. She also informed the Committee about customer-owned solar and noted that residential customer-owned solar has slowed down due to the fact that there is no longer a 30% tax credit for customers.

Commissioner Schrader confirmed the 30% federal tax credit for residential owned solar customers in 2025 was no longer available.

MEPD, Binkley-Power affirmed the 30% federal tax credit was removed with the creation of the One Big Beautiful Bill Act.

MEPD, Binkley-Power shared on the Electric Vehicle rebate program offered to commercial and residential customers.

Commissioner Harkins questioned if the changes at the federal level were affecting the Electric Vehicle programs?

MEPD, Binkley-Power responded there had not been a big impact on electric vehicles, as electric vehicle prices have come down.

MEPD, Binkley-Power went on to discuss BWL's demand response program where residential electric customers help BWL manage energy consumption during times of high demand or grid stress.

2026 Integrated Resource Plan Update

Jennifer Binkley-Power, Manager of Energy Planning and Decarbonization (MEPD), provided an update on the 2026 Integrated Resource Plan (IRP). An IRP is twenty-year plan to meet all customer energy demands at the lowest cost while ensuring affordability, reliability, and sustainability and that is not an operations plan, but a roadmap. MEPD, Binkley-Power stated the reason for an IRP is to assist with long-term planning but that it is also stated in BWL Policy A1-09 that it is the best practice to perform one every 5 years. The new legislation updates the renewable energy targets and creates a Clean Energy Standard. Binkley-Power, MEPD, stated the BWL must be 50% renewable by 2030 and 60% by 2035 with a 100% clean energy standard by 2040. MEPD, Binkley-Power went on to discuss what qualified as clean energy which, consists of nuclear, gas with carbon capture sequence, solar, wind, hydropower, geothermal, landfill gas, and energy storage.

Commissioner Mullen asked for an update on carbon capture and its feasibility by 2040?

MEPD, Binkley-Power responded that carbon capture is not feasible on a large scale and that the technology is not reliable at this time.

GM Peffley also responded that he believes they will transition to small nuclear reactors or fusions. He stated there are other technologies, such as batteries, that are advancing quicker.

MEPD, Binkley-Power then provided a visual of where the BWL needs to be to hit Clean and Renewable Energy Compliance targets and discussed the process of completing the IRP starting with community engagement through open houses, online surveys, and key stakeholder meetings. Next steps were to gather data and put it into the Ascend Analytics Power Simm model.

MEPD, Binkley-Power provided five different scenarios for the 2026 IRP along with a summary of the results. She then provided a 20-year outlook graph for each scenario and sensitivity and what would be needed to achieve each of those scenarios and sensitivities. She stated that scenario 1.1 is the recommended course of action that allows the BWL to continue to meet the growing customer demand for energy at the lowest cost while complying with all state and federal laws. MEPD, Binkley-Power, stated the BWL will start a 3-5 year cycle for completing IRP's to account for changing technology and polices. She also stated the department plans to study and monitor the evolution of qualifying technologies like nuclear, carbon capture, and battery. Binkley-Power stated that scenario 1.1 recommends adding 280 MW of wind resources before 2035. She also stated the BWL should evaluate Renewable Energy Credit (REC) purchases. Lastly, she stated the BWL should continue with local solar array planning, design, and development. Binkley-Power stated the full IRP will be published later this week on their website.

Commissioner Leek asked if there was any update on battery storage achievements?

GM Peffley responded that a few options were being explored such as a grant to place batteries at DEP but were put on hold due to tariffs. GM Peffley stated BWL and LG are in early talks on partnering to test their batteries at a BWL site. He also stated that the BWL continues to monitor this technology.

Commissioner Leek asked how long a battery will store energy before it needs to be returned to the grid?

GM Peffley responded a battery can hold storage, but they discharge over 4 hours max. He stated that the energy planning department is regularly looking into updates. He then requested Kellee Christensen, Director of Strategic Planning and Development (DSPD) provide more details.

DSPD, Christensen stated the department adamantly studies battery technology. She stated they have discovered batteries that hold up to 10 hours of storage that are just coming online. She reiterated that the entire department is constantly reviewing new technology and keeping an eye out on any updates. She also stated that is an example as to why they may need to do another IRP sooner than later.

GM Peffley added he thinks it is important that DSPD Christensen's department provide a detailed plan on how to keep the BWL compliant and that wind is the key.

Commissioner Harkins shared the level of detail and sensitivity work is tremendous and he is very impressed. He praised MEPD Binkley-Power for the presentation and noted that he appreciated that she mentioned this is a road map not an operation's plan.

DSPD, Christensen thanked Commissioner Harkins for his praise and reminded the Committee that the full IRP will be available on their website later this week.

Commissioner Schrader expressed his appreciation for the department and the work they are doing. He stated he looked forward to the bright future ahead.

Commissioner Zerkle also thanked MEPD Binkley-Power and noted that her department is very much in the eye of the public right now. She also stated she asked GM Peffley to include a note to the City Council that environmental issues are an important consideration and priority for the Board of Commissioners.

Environmental Compliance Overview

Lori Myott, Manager of Environmental and Reliability Compliance Department (ME), presented an Environmental Compliance Overview. She stated the compliance department consists of 17 staff members dedicated to various regulatory functions. ME, Myott stated the team includes engineers for reliability compliance, chemists in the laboratory for drinking water and other analyses, technicians for field work and emergency response, and environmental compliance staff focused on regulations regarding air, wastewater, waste, drinking water, land, and dam safety.

ME, Myott provided an overview on compliance versus compliance culture. She stated a strong compliance culture is shared across the entire organization. ME, Myott stated that a strong compliance culture is important to mitigate risk, improve operation efficiency, reputation, and employee engagement. ME, Myott provided high level citation of all the environmental regulations. She stated that environmental regulations are necessary to protect natural resources and public health. ME, Myott stated that our operations are regulated by state, federal and local regulations. She also stated that some regulations require permits for facilities. ME, Myott also provided a list of some of the required formal plans that are developed to meet requirements.

ME, Myott presented an example of a significate project plan for Erickson coal combustion residual impoundments. She walked the committee through the roadmap stating that the BWL completely removed the impoundments in June 2024 to eliminate further groundwater risks at the source. Currently there are 42 monitoring wells providing data used to provide data on groundwater conditions and the team is currently evaluating potential remedies for ensuring groundwater meets regulatory standards. ME, Myott then provided a list of some upcoming regulatory changes.

GM Peffley discussed the difficulty of managing regulations and operations plans when federal regulations change due to shifts in political climate.

ME, Myott stated that having strong regulatory expertise in-house helps the company navigate these changes.

Commissioner Schrader commended ME, Myott on the presentation.

NERC Compliance Update

Caitlin Chavez, Supervisor of Reliability Compliance (SRC), presented a Reliability Compliance update. She stated that mandatory reliability standards were established following the 2003 blackout and the Energy Policy Act of 2005. FERC selected The North American Electric Reliability Corporation (NERC) to develop, oversee, and enforce comprehensive reliability standards. Non-compliance with these standards can result in penalties of up to one million dollars per day per violation. She stated that standards are divided into operations and planning functions, and critical infrastructure protection (CIP) for cyber and physical security.

SRC, Chavez provided a NERC functional model for review that included compliance functions, reliability service functions, and planning and operating functions. She stated that as of today the BWL is registered for all blue functions presented because it owns transmission, distribution, and generation assets. She stated that a recent NERC change created a category 2 generator owner and operator status for entities with facilities with large-scale limits. BWL currently has no generation that falls under the new Category 2 requirements.

SRC, Chavez explained how BWL's compliance scope grew significantly from 27 standards in 2008 to over 52 operations and planning standards and 13 CIP standards today. She stated the number of individual requirements has increased from 57 in 2008 to approximately 220 for operations and 46 for CIP today. NERC periodically rewrites standards, such as consolidating eight transmission operations standards into four in 2017.

SRC, Chavez stated that in 2024 an operations and planning audit resulted in zero findings for BWL's transmission operations registration. Last summer, a CIP audit resulted in five findings, primarily related to documentation and control-based checklists. She stated they anticipate another operations and planning audit in the fall/winter of 2027 and another CIP audit in fall/winter 2029.

SRC, Chavez, presented some upcoming NERC projects. She stated new standards for inverter-based resources like wind, solar, and battery storage are becoming effective this October. She also stated NERC is developing a new registration category for computational loads to manage the rapid growth of data centers. A new CIP standard regarding internal network security monitoring will become effective in October of 2028. This new standard required continuous tracking and logging of all electronic communications within protected perimeters.

Commissioner James commented that the Environmental Department was doing a great job.

Commissioner Harkins asked about the BWL's relationship with NERC?

SRC, Chavez responded by providing a detailed overview of the NERC Standards Development Process.

Commissioner Schrader commented on the numerous compliance and regulations BWL must follow and thanked SRC Chavez for her presentation.

Commissioner James requested to discuss the upcoming Finance Committee meeting on Tuesday, September 15, 2026. She stated September 15th was not a standard committee meeting day, and stated her employer has her traveling on non-standard days. Commissioner James stated that if meetings were to continue to be scheduled on non-standard days, that she may not be able to attend, and asked if this would be reoccurring?

Commissioner Mullen responded the reason for the Finance Committee Meeting being held on September 15th was due to the amount of time required to conduct the HR, COW and Finance Committee Meetings on the same night. He stated this will not be a regular occurrence.

Commissioner James requested an excused absence from the Finance Committee Meeting on Tuesday September 15, 2026 as she will be unable to attend due to work travel.

Other

No other business.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 7:07 p.m.

Respectfully Submitted,

Sandra Zerkle, Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
September 15, 2026

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

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1203 S. Washington Ave., Lansing, MI, on Tuesday, September 15, 2026.

Finance Committee Chairperson Tony Mullen called the meeting to order at 5:30 p.m. and asked the Acting Corporate Secretary to call the roll.

Present: Commissioners Beth Graham, and Tony Mullen; Alternates: Commissioners David Price, and Dale Schrader. Also Present: Commissioner Sandra Zerkle.
Absent: Commissioner Chris Harkins and Semone James.

Acting Corporate Secretary Lilly Speers declared a quorum.

Public Comments
There were no public comments.

Approval of Minutes
Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to approve the Finance Committee Meeting minutes of July 21, 2026, as presented.
Action: Motion Carried. The minutes were approved.

YTD Financial Summary
Manager of Accounting, Finance, and Planning(MAFP) Ying Yan presented the Preliminary Financial Summary for FY2026, reporting that days cash on hand are in a good position at 218 days compared to the target of 170 days. She noted that retail revenue is 1% over budget due to stronger commercial sales volume, she also stated BWL is 14% over budget for wholesale revenue. MAFP, Ying stated that the BWL finished FY2026 with $36,954,830 net income which is $12,171,661 over budget, finishing the year strong. She then presented the O&M and Capital Budget. MAFP, Ying stated the CIP Capital Budget was $35,024,627 over budget driven by the DEP overhaul on CTG2 and 3. The new energy budget was $63,541,066 under budget due to the DEP Battery Project and Watertown Solar Project that was put on hold. Return on assets outperforms the 4.02% target at 4.39%.

Commissioner Mullen questioned if the values provided in the Financial Summary were for the budget for the whole FY2026?

MAFP, Ying responded that the Financial Summary covered the full 12 months for FY2026.

(inaudible)

Commissioner Schrader asked for clarification on what caused the new energy capital budget to be under budget?

MAFP, Ying responded that the difference in budget to actual was due to the delay in the DEP Battery Project and the Watertown Solar Project.

GM Peffley stated the DEP Battery Project is on hold due to tariffs.

MAFP, Ying continued to present the Financial Summary ratios, she stated metrics outperformed industry benchmarks except Debt to Total Assets ratio due to the outstanding revenue bonds. She stated this ratio will decrease as the BWL pays off those bonds. Employee headcount is under budget by 57 employees, with 26 full-time temporary employees supplementing the vacancies. MAFP, Ying presented the payroll data and benefits cost. Benefit costs came in 1% over budget due to higher healthcare claims. MAFP, Ying also shared some financial highlights for the first month of FY2027.

Commissioner Mullen questioned why the health and Rx benefits cost were over budget when the expectation was there would be a cost savings with the new union contract and all bargaining employees switching insurance plans?

MAFP, Ying responded that this is due to timing. We continue to process runout claim payments for bargaining-unit employees under their previous plan. The cost savings has been reflected in the FY2027 budget.

<u>FY2026 Environmental Compliance Audit Results</u>

Director of Internal Audit(DIA), Elisha Franco presented an update on the FY2026 Environmental Compliance Audit Results. The scope of the audit was to evaluate whether BWL has an effective process for maintaining compliance with applicable environmental regulations and internal sustainability policies. The audit was carried out in compliance with the Global Internal Audit Standards. DIA, Franco, reviewed the scope exclusions that were not reviewed in the audit. DIA, Franco, reviewed three main objectives with this environmental audit. She reviewed who was responsible for environmental compliance, if the BWL was compliant with all regulations, permits and environmental laws, and any internal controls, reporting and training.

DIA, Franco presented the four audit themes including establishing compliance oversight, sustainability and compliance agreement, decentralized compliance management, and documentation and knowledge transfer. The audit identified five areas of improvement, all being process improvements. DIA, Franco reviewed the five improvement recommendations with the committee along with the solution.

Commissioner Schrader asked the consequences of the audit findings?

DIA Franco responded by providing an example of a process improvement audit finding stating some documentation storage just needed a better process, no consequences were needed.

DIA, Franco, stated the overall opinion rating of the audit was sufficient with no critical or high-level risk areas identified. Controls are generally effective, with minor improvements needed and limited risk exposure. DIA, Franco, stated the full report was provided via email in July, and a hard copy was available in tonight's information packet.

FY2026 Internal Audit Strategy Update

DIA, Franco, presented the FY2026 Internal Audit Strategy Update which includes a plan for improving the Internal Audit Department as well as the results of the departments FY2026 Performance Review. DIA, Franco stated the department made meaningful process in FY2026 while identifying a few areas of improvement. DIA, Franco provided an internal audit cycle graphic on how the department works alongside the IIA Global Internal Audit Standards. She presented the Internal Audit Department Strategy which is a multi-year forward looking roadmap that outlines key strategic initiatives Internal Audit will pursue. She stated the strategy is organized around three areas Governance, Methodology, and Technology. DIA, Franco went into detail on the Internal Audit Departments progress for each strategy areas and where the department is headed in FY2027. For the technology strategy, the department plans to use Optro to assist in document retention which will expand Optro analytics usage in FY2027. DIA, Franco also stated she will be attending an Internal Audit AI Bootcamp which includes research into how AI is currently being used in internal audit functions, ways it can support work and how to use AI appropriately. She stated she is working with BWL management to understand how the BWL plans to utilize AI and what guidelines are in place.

Commissioner Schrader asked DIA Franco to elaborate on what Optro Analytics was and its functions.

DIA, Franco responded that Optro is a function within the Optro software system to analyze data. She stated you can build the build your own parameters within the program and Optra will review the data you have collected and search for those parameters.

Commissioner Price asked if the Optro Program was AI?

DIA, Franco responded there is currently not AI capabilities within Optro that have been purchased. It is available for an extra cost, but BWL does not have that functionality currently.

DIA, Franco continues with the Internal Audit Strategy plan for FY2028-FY2029 which included an External Quality Assurance Assessment. She presented a FY2027 roadmap with a detailed plan for the first 30, 60, and 120 days of FY2027.

(inaudible)

FY2026 Quality Assurance and Improvement Program (QAIP) Update

DIA, Franco presented the FY2026 Quality Assurance and Improvement Program Evaluation. QAIP is a continuous program designed to evaluate and improve Internal Audits effectiveness and value to the organization. It includes three key components, ongoing monitoring, periodic self-assessment, and External Quality Assessment. Ongoing Monitoring Evaluates Internal Audit's effectiveness and value through annual performance measurements evaluations. Periodic Self-Assessment evaluates Internal Audit's conformance with the Global Internal Audit Standards through a comprehensive self-assessment. External Quality Assurance Assessment evaluates Internal Audit's conformance with the Global Internal Audit Standards through an independent assessment conducted at least once every five years.

DIA Franco reviewed the 16 performance measures that were tracked in FY2026. There were 14 measures that were on track, 1 measure at risk, and 1 measure off track. DIA Franco reviewed the performance measures in detail stating that management accepted the audit recommendations, audit hours remained close to budget, training requirements were met, and high-risk areas were covered.

Commissioner Mullen questioned the use of AI in the data analytical tools the Internal Audit Department uses. He questioned the strain AI might have on operations due to the amount of data it will be able to review. He stated a lot of people are not comfortable with AI and the more the BWL discusses how they plan to use AI the better. He stated that Optro might not have AI capabilities, but it could in the near future. He stated AI is the future, and he would like to discuss sooner than later how involved with AI the BWL plans to become.

GM Peffley stated that management and the Internal Audit Department work alongside each other to review the scope of the audit findings and an acceptable timeframe for those audit findings to be solved.

DIA Franco stated she plans to attend the Internal Audits IA bootcamp to understand how others are using AI to assist their companies as well as work with management and review their AI parameters for Internal Audit use of AI. She also stated the Optro does have an AI capability, but they have functionality turned off.

Commissioner Schrader stated he understood AI could create a burden, generating more data to analysis but that people can be trained on how to effectively use AI.

Commissioner Zerkle stated that it is important to stay updated on AI as it can be very dangerous.

GM Peffley responded that the Information Technology(IT) Department at the BWL reviews and studies AI and continues to provide updates on how it affects the company and its employees.

DIA, Franco, continued to review the At-Risk and Off-Track performance measures. The average post-audit feedback was 77.76% compared to the 80% target. For the Data Analytics Usage measure, none of the six FY2026 audits utilized data analytics tools. Opportunities to use Optro Analytics were considered during development of the FY2027 Internal Audit Work plan.

DIA, Franco presented the Internal Audit Department Maturity Level provided but the IIA. It consists of five ratings from ineffective to optimized. This is an overall view of how established the department's processes are. For FY2026 the Internal Audit Department was rated partially effective, in FY2027 it was rated Effective, and for FY2028 the target is sustainable.

Commissioner Price questioned when the Internal Audit Department will have an external review?

DIA, Franco, stated the external review for the department will take place in FY2028.

Internal Audit Status Report

DIA, Franco presented the Internal Audit Status Report which included the completion of the FY2026 Billing Audit and FY2026 Environmental Audit. The FY2027 Accounts Payable Audit is currently in progress with 30 procedures to perform. DIA, Franco, presented a budget update on hours worked by Plante Moran and BWL Staff on the two complete audits. She provided an issues status update with 7 open issues.

DIA, Franco provided an update on the FY2027 audit work plan with accounts payable kicking off in July. She noted that due to BWL reorganization the Enterprise Risk Management audit and Vendor Selection audit may switch in the schedule. DIA, Franco provided an update on the department with the AI Boot Camp coming up in FY2027.

Board Approval of July/August 2026 Business Meal Expense Forms

Committee Chairperson Tony Mullen presented four Business Meal Expense forms for review and approval consideration by the Finance Committee, as opposed to the designated Commissioners, due to a delay in the established processing procedure.
(Inaudible)

Acting Corporate Secretary(ACS), Speers added per BWL Business Meal Expense Policy, approval for the purchase of business meals must be signed off by the Finance Chair and one Finance Committee Member prior to the business meal date. Due to the changing of the chairperson, the forms were not able to be signed off prior to the event. The Corporate Secretary is requesting the Finance Committee review and approve the forms to be signed off post business meal date.

Commissioner Price commented that double approval seems redundant since the Board approves the budget for the Office of Corporate Secretary in the beginning of the year and must sign off on each meal approval as well as the Monthly P-Card Report.

(inaudible)

Commissioner Mullen stated that receiving approval for business meals is a common practice.

ACS, Speers stated that the Business Meal Expense Form Policy is required by all BWL Employees.

Commissioner Mullen stated that if this is the BWL Policy then the Board of Commissioners will follow it.

(Inaudible)

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to allow the July/August Business Meal Expense Forms to be signed off post business meal.
Action: Motion Carried. Business Meal Expense Forms will be sent to the designated individuals for required signatures.

(Inaudible)

Commissioner Schrader followed with comments on the multiple layers of approval in place.

AGM Shawa stated that the Business Meal Expense Policy was put in place to support responsible meal costs. . She stated when these changes were brought to the Board and they opted to follow the same policy as BWL Employees. AGM Shawa confirmed only one signature is required for Business Meal Expenses and if they wanted to change the process they could.

Commissioner Mullen stated it's important to follow the BWL Business Meal Expense Policy. However, requiring two signatures on the Business Meal Expense Form seems unnecessary.

Commissioner Graham states she thinks the business meal expense form should still require two people.

(inaudible)

DIA Franco stated it would be beneficial to have a process and timeframe for Finance Chair approvals during the transition from one Finance Committee Chair to the next.

Commissioner Zerkle stated that they did not want to overcomplicate the situation.

AGM Shawa clarified that pre-approval for Business Meals is required for employee meal purchases only to substantiate that the employee is giving up their personal lunch period for a business reason.

Commissioner Mullen reiterated the need to table this discussion until November. He also stated he wanted to discuss the documents regarding Proposed Finance Committee Governance Review Form that were sent by Commissioner James to the Finance Committee. He stated he does not believe he has the time as Committee Chairperson to complete the requested documentation. He stated he assumes the BWL is already following most of these requests. He stated he would like to discuss these requests in November as well.

Commissioner Zerkle stated the forms were unnecessary and the time to complete said requests would be costly.

Commissioner Price stated that he believes Commissioner James was requesting additional documentation in response to a few public comments during the public rate hearings.

(inaudible)

Commissioner Mullen suggested making a public disclaimer stating the Board is prohibited from responding to public comment(s) at Committee and Regular Board Meetings, though there are hours of review and discussion.

Commissioner Price stated the review, and discussion happens during the committee meetings.

Commissioner Schrader reiterated the requested documentation should not be required and stated he wished to discuss this further with Commissioner James present.

(inaudible)

Commissioner Price stated, as chairperson, during the voting of the resolutions he will add a disclaimer that the corresponding resolution was reviewed during the specific committee meeting.

Commissioner Mullen reiterated that the Business Meal Expense Approval Form signature requirements and the requested additional Finance Committee documentation suggested by Commissioner James will be discussed in more detail at the November Finance Committee Meeting.

Other

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham for excused absences for Commissioners Chris Harkins and Semone James.
Action: Motion Carried.

Adjourn

Chairperson Tony Mullen adjourned the meeting at 6:44 P.M.

Respectfully submitted,
Tony Mullen, Chairperson
Finance Committee

RESOLUTION 2026-09-XX
PA 152 Health Care Premium Sharing

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

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

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

WHEREAS, the three options are as follows:

1) Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;

2) Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body; or

3) Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body; and

WHEREAS, the Board of Commissioners desire to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2027 through December 31, 2027.

THEREFORE, it is:

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

FURTHER RESOLVED, that the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2027, through December 31, 2027.

Motion by Commissioner _________, **Seconded** by Commissioner _______, to approve the PA 152 Health Care Premium Sharing Resolution at a Board meeting held on September 22, 2026.

RESOLUTION 2026-09-XX
Revised Safety and Health Policy

WHEREAS, the Board of Commissioners ("Board") adopted a Safety and Health Policy ("Policy") on January 26, 2006 (Resolution 2006-01-10) as a result of an audit of the BWL's safety culture performed by the National Safety Council; and

WHEREAS, the Policy recognizes the BWL's responsibility for providing a safe working environment for its employees, contractors, customers and the general public and to that end established a comprehensive safety and health program that:

- Complies with all governmental rules and regulations.
- Promotes safety awareness among all employees through training.
- Provides safety equipment necessary for the safe completion of a task.
- Develops and implements a continuous improvement process to identify and eliminate unsafe conditions or acts.

WHEREAS, this overarching policy based on the 2006 Resolution is now embodied in the BWL Safety and Health Program ("Program") that is detailed in the BWL Safety Manual and related Program materials, which need to be modified from time to time to adapt to new circumstances and regulatory changes; and

WHEREAS, the BWL's culture at its core has always revolved around safety and the importance of it being observed as job one, which has resulted in the Program being nationally recognized and awarded by entities like the American Public Power Association; and

WHEREAS, to facilitate the need for prompt updates to the Program, Management recommends that the Board expressly delegate authority to make such operational changes to the Program, including its underlying operational policies and Safety Manual, to the General Manager pursuant to the General Manager's role and responsibility for the day-to-day operation of the BWL; and

WHEREAS, BWL staff has conducted a review of the Policy and determined updates are appropriate for clarity and to bring it in conformance with BWL's policy format to include a scope and purpose.

THEREFORE, it is:

RESOLVED, that the Board of Commissioners approve and adopt the revised Safety and Health Policy.

Motion by Commissioner _________, **Seconded** by Commissioner _______, to approve the revised Safety and Health Policy at a Board meeting held on September 22, 2026.

Action: