



**LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE MEETING**

**Tuesday, July 8, 2025 – 5:30 P.M.
REO Town Depot - Board of Water & Light Headquarters
1201 S. Washington Ave., Lansing, MI 48910**

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

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Approval of the Committee of the Whole Meeting Minutes of May 13, 2025 **TAB 1**
- 2. RPC Update **TAB 2**
- 3. Rules and Regulations **TAB 3**
 - a. Rules and Regulations Resolution **TAB 3a**
- 4. North Lansing Solar Update **INFORMATION ONLY**
- 5. Resolution Honoring Stuart Goodrich..... **TAB 5**

Other

Adjourn

COMMITTEE OF THE WHOLE
Meeting Minutes
May 13, 2025

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 13, 2025.

Committee Chairperson Semone James 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; and Non-Voting Commissioner Bob Worthy (Delta Township)

Absent: Non-Voting Commissioner J. R. Beauboeuf (East Lansing) and Stuart Goodrich (Delhi Township)

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner David Price, to approve the Committee of the Whole Meeting minutes of March 11, 2025.

Action: Motion carried. The minutes were approved.

RPC Update

Chief Financial Officer, Scott Taylor, presented the Retirement Plan Committee update. Although market volatility has been significant, the Defined Benefit (DB) and Voluntary Employment Benefit Administration (VEBA) Plans have a well-diversified portfolio and RPC will continue to monitor strategic objectives and rebalance as appropriate. In the Defined Contribution 401(a) and Deferred Compensation 457(b) Plans, the State Street GTC Retirement Income Builder (RIB) Series of funds will go into effect on July 11, 2025 and education, workshops, and consultations will be scheduled. Market volatility has been significant in the latter two plans also and Nationwide has added links to their website to assist plan participants.

The RPC is reviewing the Captrust contract as it expires May 31, 2025 and intends to extend the for contract for a temporary period while exploring the current retirement plan advisory service market.

A Ratification of Trustees of Retirement Plans resolution is being presented this evening for approval to forward to the Board due to the addition of Commissioner Chris Harkins and removal of former Commissioner Tracy Thomas. A ratification resolution will be brought forward each time there is a change in trustees.

Commissioner Mullen requested a discussion for the next Committee of the Whole meeting regarding how individual Commissioners are appointed to the Retirement Planning Committee and requested the discussion include appointing the position of Board Chairperson and Vice-Chairperson.

Commissioner Zerkle asked if the amount in the retirement plans which is in the market, stocks and bonds could be provided. CFO Taylor responded that the DB and VEBA plans have a specific target asset allocation and a reporting is received each month stating what is in each category. Nationwide will provide the information for the DC Plans if requested. The information can be sent to the Commissioners.

Motion by Commissioner David Price, **Seconded** by Commissioner Beth Graham, to approve the updated Ratification of Trustees of Retirement Plans Resolution and forward it to the full Board for consideration.

Action: Motion Carried.

Return on Equity Agreement

General Manager Dick Peffley noted that the Mayor and Lansing City Council need to pass the Return on Equity agreement and the rate of return for utilities aligns with the market and industry. Assistant General Manager Heather Shawa presented the Return on Equity Agreement Amendment No. 8. The recommendation is to extend the agreement an additional year with a payment of 6% of total budgeted board operating revenues. Upon approval of the agreement by the Board, the agreement will be forwarded to the City Council Ways and Means Committee on June 9, 2025 and then to the full City Council.

Commissioner Schrader asked what would be paid if the actual revenue is lower than the projected revenue. AGM Shawa responded that 6% of the projected revenue amount provided in the budget is what will be paid.

Commissioner Bob Worthy expressed concern that if BWL has a couple of bad years due to weather that is out of BWL's control, and the actual revenue is lower than what is projected, BWL has no way to make the money back and the City will receive the same 6% amount that is in the projected budget. GM Peffley responded that those conversations have been held with the mayor and the agreement has been changed to a one year agreement so that adjustments can be made in future agreements with less of a detriment to both sides. Both BWL and the City can adjust their budgets accordingly.

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Dale Schrader, to approve the Return on Equity Agreement Resolution and forward it to the full Board for consideration.
Action: Motion Carried.

Watermain Replacement

GM Peffley stated that BWL is working on the goal of replacing eight miles of watermain per year. The suspension of CSO by the city increased the cost for BWL as there was no longer sharing of the cost but the city is working on returning CSO. Water & Steam Distribution Manager, Todd Russell, and Water Operations Strategic Engineer, Derek Ambs, presented the Water Main Replacement presentation. The presentation included the BWL water system as a whole and the areas served, the water main replacement 25-year history, recent projects, backlog and replacement scenarios, BWL water main replacement planning and the capital budget. GM Peffley stated that although labor can be coordinated, it is a costly project and the water rates also include funding the two water plants. Grants have been applied for and received the last few years to help out.

In response to Commissioner Harkins' question of what the axis on the graph represented, Mr. Ambs responded that the axis in the backlog and replacement scenarios graph represents the cumulative number of miles of water main that are beyond useful life.

Commissioner Leek asked the reason for the replacement of the 1950 Landel pipe that was installed. Mr. Ambs responded that there was a separate utility and separate treatment process that wasn't good for the pipes.

Commissioner Worthy commented that if all the pipe was rigid it would need to be excavated because it is welded together and asked if directional drilling was an option as there are additional savings. Mr. Russell responded that the joints slide together with a rubber gasket which seals and that directional drilling is already done but a majority of the time there are other utilities in the way.

In response to Commissioner Harkins' question of how often risk is assessed, Mr. Ambs responded that risk is reassessed every two years.

Commissioner Schrader commented that a CSO contractor is \$730 per foot and BWL is \$400 per foot. Mr. Russell responded that there are only two or three CSO contractors that can perform a certain job and that causes the price to be driven up.

Commissioner Zerkle asked if CSO was to be completed five years ago, when is the approximate timeline it will be completed. Mr. Russell responded that there is a 15 to 20 year delay and funding is required. Commissioner Zerkle asked how much of the 6% increase is for water main

replacement. GM Peffley responded that a bulk of the funding was from grants and water is 12% of BWL's portfolio.

Commissioner Schrader asked if part of the budget includes paying CSO contractors. Mr. Russell affirmed and stated about \$5 million is for CSO work and \$12 million for BWL in-house. Mr. Ambs added that there is also a line budget item for combined work of \$2 million.

Commissioner Mullen commented that half of Pleasant Grove on the south side was fixed and at a joint Board of Commissioners and City Council meeting, fixing the whole street in the city was discussed, and asked if this was in progress. Mr. Russell responded that BWL is working on the BWL half and works with the City of Lansing to do their part.

IT and OT Update

GM Peffley stated that cyber-attacks cost the U.S. \$2 billion in 2023 and cost \$16 billion in 2024. Chief Information Officer, Vern Myers, and Operations Technology Manager, Ray Moore, presented the IT and OT update. The update included cyber security and compliance. CIO Myers stated that there were over 1,000 posts of different vulnerabilities and threats, and on a monthly basis there are over 100,000 vulnerabilities within BWL devices and applications. CIO Myers stated that one of the major threat factors is email. Out of 288,000 emails in a three week period, about 1/3 were considered unwanted or malicious. BWL has several security defenses in place to mitigate threats. In response to GM Peffley's request Mr. Moore provided the difference between IT and OT at BWL. IT is on the corporate side and includes HR, email and Financial systems; and OT is on the physical assets and includes technical systems that need their own networks and servers. IT is concerned about the confidentiality of information and it not getting into the wrong hands. OT is concerned about the availability of the information in order that systems are operating efficiently and within standards. Additionally, Mr. Moore presented on cyber resiliency and technology investments, cyber security and infrastructure improvements and accomplishments, and FY26 NERC CIP compliance initiatives. OT and IT are currently working on the CIP-003-9 project to implement with a deadline of April 1, 2026.

Mr. Moore noted improvements in cybersecurity compliance resulted in acquiring additional cybersecurity insurance at a lower cost savings.

Chairperson James asked what savings resulted. Mr. Moore responded that there was an additional million in coverage and would obtain the amount in savings and provide it to the Commissioners.

Commissioner Schrader asked what NERC acronym stood for and Mr. Moore responded North American Electric Reliability Corporation and they are the governing body for the U.S. electric grid.

Commissioner Harkins asked whether there were any third party vendors not willing to participate in the upgrades in the security management controls. Mr. Moore responded that vendors know what is on the horizon and the government is working with the vendors to reduce the footprint.

Commissioner Zerkle stated that when the system was last hacked the main concern was if something was done to the water and asked if that was still the top concern. GM Peffley affirmed as electricity can be bought and water cannot. GM Peffley added that a company was hired to attempt an attack and issues that were found were fixed. Mr. Moore stated that around 200,000 attacks, and up to 10 million attacks, occur in one day.

Power Outage Circuit Drive Update

General Manager Dick Peffley presented the power outage circuit drive update which included a grid of the transmission system of large poles around the city to which electric, solar, wind and gas plants attach and which tap off to about 25 substations. In the substations, which are like giant breaker panels, voltage reduces from 138,000 to 13,200. Primary circuits go out from the substations to about 200 feed areas throughout the city. When outages occur, the circuit that is down is determined, and priority of service is determined by the number of outages and the quickness of each project, as the goal is to restore 80% of outages in the first few hours.

Commissioner Graham asked whether there is something that lights up that would indicate where a power outage is located and GM Peffley responded that there isn't but smart meters indicate when a customer doesn't have power.

Commissioner Zerkle asked about emergency training that is provided and advice that is provided by experienced employees. GM Peffley responded that every storm has an after action report and discussions about what could have been done better and what was missed.

Commissioner Schrader asked if there is a circuit down and mostly restored, whether a small amount of outage can be caused by a tree. GM Peffley responded that a small amount could be a fuse, or a wire, or a transformer.

Commissioner Worthy asked if drones were utilized as additional spotters. GM Peffley responded that BWL has drones but the government requires pilot licenses and visual sighting of the drones while in operation. GM Peffley responded that use of drones in the future will be to use for storms and to check street lights for outages.

Other

Chairperson Semone James stated that the presentations were very good and expressed appreciation for all the hard work.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Sandra Zerkle for an excused absence for Commissioners J. R. Beauboeuf and Stuart Goodrich.

Action: Motion Carried.

Adjourn

Chairperson James adjourned the meeting at 6:39 p.m.

Respectfully Submitted,
Semone James, Chairperson
Committee of the Whole

RESOLUTION 2025-XX-XX
Lansing Board of Water & Light
Resolution Honoring Stuart Goodrich

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

WHEREAS, Stuart Goodrich was appointed as an Advisory Commissioner of the Board of Water & Light on July 1, 2024, to represent Delhi Township; and

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

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

WHEREAS, Stuart is a 48 year Charter Member of the Holt Lions Club, has received numerous awards and serves as a trustee on the Board of Directors for the Michigan Lions Foundation, has received the “Unsung Hero” award from WLNS TV, Community Service Person of the Year from The South Lansing Business Association, an “Appreciation Award” from Radio Talking Book, now known as Radio Reading Service WKAR Radio, from Michigan State University for being “The Driving Force In Saving The Program By Involving Lions”, and was elected to the Michigan Lions Hall of Fame in 2013; and

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

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners hereby honor and commend Stuart Goodrich for his year of distinguished service in Regular Board Meeting this 22nd day of July, 2025. We sincerely wish Stuart continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson

Semone James, Vice Chairperson

J. R. Beauboeuf

Beth Graham

Chris Harkins

DeShon Leek

Tony Mullen

Dale Schrader

Robert Worthy

Sandra Zerkle

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the resolution of tribute for the outgoing Commissioner Stuart Goodrich at a Board meeting held on July 22, 2025.

Action: