



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

September 24, 2024

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 24, 2024.

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

Chairperson Price welcomed returning Board Member Commissioner Stuart Goodrich representing Delhi Township.

Corporate Secretary, LaVella Todd, called the roll.

Present: Commissioners Beth Graham, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle. Non-Voting Commissioners present: Commissioners J. R. Beauboeuf (East Lansing), Stuart Goodrich (Delhi Township) and Commissioner Robert Worthy (Delta Township)

Absent: Commissioners DeShon Leek and Tracy Thomas

Corporate Secretary LaVella Todd declared a quorum.

Commissioner Dale Schrader led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to approve the Regular Board Meeting Minutes of July 23, 2024 and the Special Board Meeting Minutes of August 27, 2024.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments.

COMMUNICATIONS

Capital Area Friends of the Environment Letter to Lansing City Council and LBWL Board of Commissioners - *Referred to Management. Received and Placed on File.*

Letter from Allison Dimick regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Clarissa Potter regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from John Harris regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Letter from Julie Dixon regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Anne Kingery regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Letter from Anne Kingery regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Letter from Isaac Rowles regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Julia Ousley regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Kathy Gray regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Letter from BWL to Lansing City Council - *Referred to Management. Received and Placed on File.*

Electronic mail received from Erica Touchette regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Cathy Everling regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Dawn Fleming regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Jim Swisk regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Cheryl Brand regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Elaine Fischhoff regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Donna Rose regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Lori Benjamin regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Tamara Arend regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Todd Schulz regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Mike Smalligan regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Katherine Alaimo regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Letter from Lansing Area Elected Officials regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Letter from Myles Johnson regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail from Ryan Kost regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Sovann Keo regarding Senior Plan - *Referred to Management. Received and Placed on File.*

Electronic mail received from Florence Baerren regarding Rate Increases - *Referred to Management. Received and Placed on File.*

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

Electronic mail received from Elaine Fischhoff regarding Rate Increases - *Referred to Management. Received and Placed on File.*

Electronic mail received from Nicholas Weil regarding Risk Management Claim - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Commissioner Beth Graham presented the Human Resources Committee Report in place of Human Resources Committee Chairperson Tracy Thomas:

HUMAN RESOURCES COMMITTEE Meeting Minutes September 10, 2024

Human Resources (HR) Committee: Commissioner Tracy Thomas, Committee Chairperson; Commissioners Beth Graham, DeShon Leek and Sandra Zerkle; Alternates: Tony Mullen, Dale Schrader; Non-Voting Members: Commissioners J. R. Beauboeuf, Stuart Goodrich and Robert Worthy.

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, September 10, 2024.

HR Committee Chairperson Tracy Thomas 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 Tracy Thomas, Beth Graham, DeShon Leek, and Sandra Zerkle; also present: Alternates: Commissioners Dale Schrader; and Non-Voting Commissioner Robert Worthy
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Graham, **Seconded** by Commissioner Sandra Zerkle, to approve the HR Committee meeting minutes of July 16, 2024.

Action: Motion Carried.

2025 PA 152 Healthcare Premium Sharing Update

General Manager Peffley introduced Executive Director of Human Resources, Michael Flowers, who presented the 2025 PA 152 Healthcare Premium Sharing update. Mr. Flowers reviewed the options within PA 152, the alternatives of the Blue and the Green options, and the affordability provisions.

Commissioner Zerkle asked whether anything needed to be done to opt out of PA 152. Mr. Flowers responded that as BWL employees now pay 20% premium sharing, opt out is no longer

necessary, and recommended staying with the 80%/20% - which is \$124.19 for an employee in the Blue Option, rather than opting out - which is \$189.00, or the hard cap - which is \$299.38.

Commissioner Schrader asked if employee participation in PA 152 was mandatory. Mr. Flowers responded that the mandate is that there is a percentage to be paid, which is directed by the Commission - which is stipulated in the bargaining unit contract. Employees are allowed to opt out and receive \$189.00 per paycheck, but they need to show proof of coverage someplace else.

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

Action: Motion Carried.

Other

Mr. Flowers introduced the new Human Resources Manager, Dan Barnes, who has worked in many areas of Human Resources including security.

Adjourn

Meeting adjourned at 5:13 p.m.

Respectfully Submitted,
Tracy Thomas, Chairperson
Human Resources Committee

Vice-Chairperson Semone James presented the Committee of the Whole Report:

COMMITTEE OF THE WHOLE Meeting Minutes September 10, 2024

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, September 10, 2024.

Committee Chairperson Semone James called the meeting to order of the Committee of the Whole at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Beth Graham, Semone James, DeShon Leek, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle; and Non-Voting Member Robert Worthy (Delta Township)
Absent: Commissioner Tony Mullen; and Non-Voting Members J. R. Beauboeuf (East Lansing) and Stuart Goodrich (Meridian Township)

The Corporate Secretary 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 Committee of the Whole Meeting minutes of July 16, 2024.

Action: Motion carried. The minutes were approved.

Global Internal Audit Standards

Director of Internal Audit, Elisha Franco, presented the Global Internal Audit Standards. Ms. Franco reviewed the purpose of internal auditing and role as a governing body, in management, and in independent assurance. Ms. Franco stated that the Board, management and internal audit work together to achieve organizational objectives and reported on three principles and nine standards in Domain III in the Global Internal Audit Standards that work toward an effective internal audit function. Ms. Franco stated that the Institute of Internal Auditors (IIA) is an international professional association that is the internal audit profession's leader in the standards, certification, education, research and technical guidance. Members of IIA work in internal auditing, risk management, government, internal controls, information technology, education and security. The IIA creates and releases standards for which internal audit functions are to adhere. Under the oversight of the Board, internal audit reviews the organizational processes, operations and goals, and provides senior management with the information needed to make informed decisions on critical issues. The standards crafted by the IIA are a primary mechanism for ensuring an organization's internal audit provides essential service efficiently. The Board approved the current internal audit charter in 2019 which contains a commitment to adhere to the 2017 standards. In January 2024 the IIA released an updated version called the Global Internal Audit Standards which will replace the 2017 standards and take effect in January 2025. The standards apply to businesses of all sizes, industries and regions. Ms. Franco provided the principles and standards that are relevant to the Board of Commissioners, senior management and the internal audit function and stated that it is considered best practice within the internal audit profession to adopt and adhere to current standards.

Commissioner Thomas commented that Ms. Franco and her assistant Nicole Smith did a great job on narrating the training presentation.

Commissioner Price asked how often an external evaluation of the internal audit function occurs. Ms. Franco responded that the standards require a review to be completed every five years.

Chairperson James commented that the board was presented with why the board should adopt these standards, but if we don't have an internal auditor that's certified, why are we required? Ms. Franco responded that she has been requested by the board to obtain CIA certification through the IIA which means she would have to adhere to the IIA guidance and standards. Additionally, she does have a staff member that has IIA certification and is required to adhere to those standards. Ms. Franco added that it is best practice to have the latest and updated standards, and the 2017 professional standards are in the current charter. Chairperson James asked for when the new standards needed to be adopted. In response to Chairperson James, Ms. Franco responded that January 2025 is the deadline when the new IIA standards go into effect which includes creating and putting in place a strategic plan and manual for the Internal Audit department.

Commissioner Price commented that the standards were not what was being adopted but adopting a charter which references the standards. Ms. Franco responded that the updated charter states agreement with adopting and using the new standards.

Commissioner Leek asked what the penalty or repercussion would be if the charter and standards weren't adopted. Ms. Franco responded that there wouldn't be a penalty, but the current audit charter states that an external assessment is to be completed every five years, and BWL wouldn't be in compliance if the most updated standards weren't adopted. Commissioner Leek asked if the charter is approved would it need to go to City Council and the City Charter. Ms. Franco responded that the internal audit charter is just a governing document for the BWL's Internal Audit Department.

Chairperson James commented that the current internal audit reports aren't provided to the city of Lansing and commented on whether it was being recommended. Chairperson James asked if the recommendation was for an external audit assessment to be performed. Ms. Franco affirmed that an external audit assessment is being recommended.

Commissioner Thomas asked whether there was any cost or penalty connected to the Board depending on charter approval. Ms. Franco responded no; we would go by the standards put in place in the 2019 audit charter. If we had an external assessment, with certifications I'm being asked and with the staff member having those certifications, we should be in best practice to have the certifications obtained and to update the standards. Commissioner Thomas asked if the decision about the charter could be moved to December 2025 (2024) considering his fiduciary responsibility. Ms. Franco responded that the recommendation is for the internal audit department to be up to date.

Chairperson James asked Ms. Franco to explain in steps the recommendation as it relates to best practices and certification and if there would be a reason that the Board would choose not to update the standards. Ms. Franco responded that it is recommended that best practice standards that are available be used and does not know of a reason that the Board would choose not to adopt the new standards.

Commissioner Schrader asked what was specifically different between the previous charter and standards and the current charter and standards that are being recommended. Ms. Franco responded that the information will be provided in the upcoming internal audit charter presentation.

Commissioner Thomas asked whether the certification of the assistant would be needed and would it be determined by the standards as Ms. Franco is the Director of Internal Audit. Ms. Franco responded that the standards were released in January 2024 and are required to be adopted by January 2025.

Commissioner James asked Ms. Franco if Internal Auditor Nicole Smith was present, and if Ms. Franco could allow her to come to the table to answer some questions and provide information. Chairperson James commented that Ms. Franco stated that it was a best practice to adopt the

standards and asked Ms. Smith for her thoughts. Ms. Smith responded that the new standards are required for all internal auditors and go into effect January 9, 2025. The standards can be adopted now as they were released January 9, 2024. Ms. Smith stated that she has been certified through the IIA since March of 2010, she is a Certified Government Auditing Professional, and Certified Fraud Examiner. Ms. Smith stated that with those certifications she is required to complete ongoing continuous training and if she doesn't her certifications will be revoked. By working in the internal audit department and working on the audits, it is a requirement for the current required standards that will go into effect on January 9, 2025 to be utilized.

Commissioner Leek asked again about whether there would be repercussions if the standards weren't adopted. Ms. Smith responded that since it is required, if there is an external audit and the standards weren't adopted, her certifications could be revoked, Commissioner Leek stated that there was a repercussion then. Ms. Smith stated that it would not look good if an external audit is performed, the report made by the external auditor would be a public entity report, there is reputational risk, potential liability and possible financial liability, and BWL would want to be on the preventative side. Commissioner Leek asked whether there were 2019 standards as currently 2017 standards are adopted. Ms. Franco responded that there were no new standards in 2019.

Commissioner Thomas asked whether there would be a penalty if BWL was audited now or right after the standards went into effect. Ms. Smith responded that the standards don't go into effect until January 9, 2025, and that there is a grace period to comply to allow to plan and put the standards in place. Ms. Smith also responded that different types of requirements and certifications apply to be qualified or to meet the requirements to be a Director of Internal Audit or an Internal Auditor. Commissioner Thomas expressed concern whether BWL would be in trouble if audited. Ms. Smith responded that the standards within the charter are what BWL is to follow. Commissioner Thomas asked if the internal auditor with the credentials would be the qualification for the standards. Chairperson James added that a reason hasn't been given to delay agreeing to the standards and that Ms. Smith has stated that it would affect her and the department. Chairperson James stated that Ms. Franco is recommending approval of the standards in the charter and is looking out for the best interests of the BWL and doesn't see any reason to delay.

Commissioner Zerkle commented that she didn't know how BWL would be affected if the audit charter with the new standards wasn't approved. Ms. Franco responded that it is a best practice, and if an external audit is performed, the most updated standards and guidelines would not be adhered to and there is no benefit to waiting. Commissioner Zerkle asked how it would be different than the procedure of auditing in the past. Ms. Franco responded that audits would be complying with the updated processes and standards.

Internal Audit Charter

Director of Internal Audit, Elisha Franco, presented the Internal Audit Charter. The new standards result in differences in three main areas: a mandate – which for BWL is in the Lansing City Charter; a commitment to adhere to the Global Internal Audit standards; and Board of Commissioner oversight.

Commissioner Thomas asked what the difference would be in approving the audit charter today or at a later time. Chairperson James asked Commissioner Thomas what the benefit would be for postponing approval. Commissioner Thomas responded that finding out if the assistant's credentials would benefit in the event of other audits. Chairperson James responded that the credentials are irrelevant, and that Ms. Franco is recommending that it is best practice to update the standards. Ms. Smith responded that it is required for internal auditors rather than a best practice.

Commissioner Schrader asked the differences between the previous charter and the updated charter and Ms. Franco responded by providing the differences.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James to forward the Internal Audit Charter Resolution to the full Board for approval.

Action: Motion Carried.

Retirement Plan Committee (RPC) Update

Chief Financial Officer Heather Shawa presented the Retirement Plan Committee update. As the real assets are at the allocation target of 15% for the VEBA Plan, the real asset redemption request has been withdrawn. A share class change with the Vanguard International Stock Index has been approved for the DC 401 (a) and 457 (b) Plans and communication will be sent to plan participants. In the 401(a) and 457(b) Plans a change in investment fee policy for a lower net fee. Drafts of summary plan descriptions, plan document updates, and administrative procedures updates for the DB and VEBA Plans are under review. A reimbursement for benefits has been approved for the VEBA Plan.

Motion by Commissioner Beth Graham, **Seconded** by Tracy Thomas to forward the Ratification of Trustees of Retirement Plans Resolution to the full Board for approval.

Action: Motion Carried.

Appointee Performance Evaluation Process

Chairperson James stated that currently the process starts in April with the meeting of the Chairperson of the Human Resources Committee and the Executive Director of Human Resources. An evaluation is performed and there is a negotiation of contracts. The negotiation of contracts may take place after July 1st. What is sought to be achieved as a best practice is to move the process back so that retroactive actions don't need to be taken. Chairperson James asked for input from Commissioner Thomas in moving the process to occur sooner and be more efficient.

Commissioner Thomas commented that it is the prerogative of the HR Chairperson to start the process. Commissioner Thomas provided a 2025 Appointed Employees Evaluation Timeline to the Commissioners.

Chairperson James stated the timeline hadn't been followed the last two years.

Commissioner Price commented that the timeline provided by Commissioner Thomas gives plenty of time for interviewing, hiring, and appointing. The timeline also allows for negotiating in July at the new year meeting.

Chairperson James commented that if the time is moved back the appointed employees would have an effective contract date of July 1st.

Commissioner Thomas commented that the HR Chairperson would work with the Executive Assistant on the first document in the timeline. A request was made to place the employee self-evaluations first on the timeline. Commissioner Thomas stated that when the timeline was followed the process was completed.

Commissioner Price asked Executive Director of Human Resources, Michael Flowers, whether it mattered if an appointed employee was employed on July 1 or after the Board Meeting in July. Mr. Flowers responded that there wasn't a required date.

Commissioner Zerkle asked if the contract start date could be moved to August 1 and then there wouldn't be a need for retroactive actions.

Commissioner James asked Mr. Flowers if his timeline was similar as contracts begin at the fiscal year. Mr. Flowers responded that contract payment can be made retroactively and is.

Commissioner Price commented that the resolution can be made for the May Board meeting with an appointment date of July 1, but that it didn't affect the employees as pay was provided retroactively.

Commissioner Thomas commented that there was no reason to fix the retroactive pay as employees haven't expressed a problem with it.

Chairperson James commented that she had only seen the process within the last two years.

Chairperson James thanked Commissioner Thomas for preparing the 2025 Appointed Employees Evaluation Timeline and further commented that the outline looked good and requested that it be added to the Board of Commissioners Roles and Responsibilities Handbook. Commissioner Price agreed, as well.

Other

Commissioner Zerkle commented that she is aware of the importance of each of the Committees and the Commissioners assigned to the committees need to be respected and trusted with decision making.

Commissioner Leek commented that at our last meeting, those Commissioners present had to vote on a very critical issue. Commissioner Leek also commented moving forward, if our Board of Commissioners' leadership can't attend, maybe the meeting could be changed or rescheduled. The names and length of service of Commissioners who are up for reappointment (to the Board

of Commissioners) have been brought up at the city Charter (meeting) and it was noticed that leadership was not there. To avoid that situation, I would ask that the meeting be rescheduled if anything like that ever happening again.

Chairperson James stated that she had shared she was unable to attend, and that Commissioner Price had a prior commitment, and he couldn't attend, and that she had asked if the meeting could be rescheduled and was told no, we were moving forward. Commissioner James further commented that she agreed with Commissioner Leek that the meeting should have been rescheduled.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Tracy Thomas for excused absences for Commissioners Tony Mullen, J. R. Beauboeuf, and Stuart Goodrich.

Action: Motion Carried.

Adjourn

Chairperson James adjourned the meeting at 6:53 p.m.

Respectfully Submitted
Semone James, Chairperson
Committee of the Whole

Acting Finance Committee Chairperson David Price presented the Finance Committee Report:

FINANCE COMMITTEE Meeting Minutes September 10, 2024

Finance Committee: Tony Mullen, Committee Chairperson; Semone James; David Price; and Dale Schrader;
Alternates: Beth Graham, Sandra Zerkle; Non-Voting: Commissioners J. R. Beauboeuf, Stuart Goodrich, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, September 10, 2024.

Acting Finance Committee Chairperson David Price called the meeting to order at 7:00 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Semone James, David Price, and Dale Schrader; Also Present: Commissioners Beth Graham (Alternate – sitting in for Commissioner Tony Mullen), Sandra Zerkle (Alternate), and Non-Voting Commissioners Bob Worthy (Delta Township)
Absent: Commissioners Tony Mullen and Stuart Goodrich (Delhi Township)

The Corporate Secretary declared a quorum.

Public Comments

Randy Dykhuis, Lansing, MI spoke about the Belle River Contracts and stated that since there were no end dates in the contracts would the contracts continue until Belle River no longer exists. Mr. Dykhuis inquired about the difference in the payments required in the Project Sales contract and in the Power Sales Contract whether there was service or not.

Approval of Minutes

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Beth Graham, to approve the Finance Committee Meeting minutes of July 16, 2024.

Action: Motion Carried.

June YTD Financial Summary

CFO Heather Shawa presented the June YTD Financial Summary. The fiscal year end audit with Baker Tilly is on track and will be presented in the November Finance Committee Meeting. Total revenue was 5% under budget at \$417.4 million compared to budget of \$440.9 million, due to wholesale being down. Operating expense were 4% under, which resulted in lower fuel costs. Net income was \$9.8 million compared to a budget of \$17.5 million due to the effects of the August 2023 storm, which was \$7 million in cost, and the new energy bond issuance cost. The FY 2024 capital budget was on track. The July and August YTD will be presented in November.

Belle River Contracts Update

Chief Operating Officer, Dave Bolan, presented the Belle River Contracts update. A Power Sales Contract, a Project Support Contract, and MPPA Bond Issuance for Natural Gas Conversion are part of BLW's participation in the Belle River Project. BWL's share of the bond issuance is expected to be \$22.5 million and has been included in the financial plan forecast. Approval of the resolution for modification of the contracts is being requested.

Commissioner Worthy asked what is the Board's position, as far as legacy costs and environmental remediation, with the ownership situation. Mr. Bolan responded that MPPA owns it and any cost that is part of the life of the plant is billed to the 11 participating cities.

GM Peffley commented that BWL is a partner until fossil fuels are no longer burned. The plant is a good asset for BWL as it provides 110 MW of transmission. MISO considers the plant necessary to run even when there is an abundance of solar and BWL is reimbursed the differential in service cost. Mr. Bolan added that Detroit Edison is the operating entity of the plant and MISO has it as a must run facility.

Acting Chairperson Price asked if at some time before 2039 that BWL wouldn't purchase power from the Belle River plant. Mr. Bolan responded that if the plant runs BWL has to purchase power or else find out if power would be taken by one of the other 11 cities, but none of the other cities can handle the portion of power.

Commissioner Schrader commented about the \$22 million commitment and asked if the plant doesn't run or is on standby, and renewables are used by BWL, is there a differential payment for that. GM Peffley responded that BWL dispatches its energy on the least cost source but if the

government through MISO states that the energy is from a different cost source, the differential is paid. Mr. Bolan added that BWL receives capacity payments for 156 MW and can import renewable resources with differences in peak and off hour times of \$16 per MWH and \$6 or \$7 per MWH which can amount to a benefit of \$12 to \$13 million a year.

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Semone James to forward the Resolution for the Approval of Belle River Power Sales and Belle River Project Support Contract Modifications to the full Board for consideration.

Action: Motion Carried.

Internal Audit Status Update

Director of Internal Audit, Elisha Franco, presented the Internal Audit Status update. There were no questions or concerns following the presentation.

Other

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Semone James for an excused absence for Commissioner Tony Mullen.

Action: Motion Carried.

There was no other business.

Adjourn

Acting Chairperson David Price adjourned the meeting at 7:26 p.m.

Respectfully submitted,
Tony Mullen, Chairperson
Finance Committee

MANAGER'S RECOMMENDATIONS

There were no manager's recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION 2024-09-01

PA 152 Health Care Premium Sharing

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

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

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

WHEREAS, the three options are as follows:

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

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

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

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2025 through December 31, 2025;

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

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2025, through December 31, 2025.

Motion by Commissioner Dale Schrader, **Seconded** by Commissioner Sandra Zerkle, to approve the PA 152 Health Care Premium Sharing Resolution at a Board Meeting held on September 24, 2024.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

RESOLUTION 2024-09-02

Internal Audit Charter

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter as amended to which conforms to the Global Internal Audit Standards, promulgated by the Institute of Internal Auditors.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen to approve the amendment to the Internal Audit Charter to which conforms to the Global Internal Audit

Standards, promulgated by the Institute of Internal Auditors at Board meeting held on September 24, 2024.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

RESOLUTION 2024-09-03

Ratification of Trustees of Retirement Plans

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the (a) Lansing Board of Water and Light Defined Contribution Plan and Trust 1; (b) Lansing Board of Water and Light Defined Contribution Plan and Trust 2; (c) Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust; (d) Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions; and (e) Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (collectively, the “Plans”); and

WHEREAS, the Sponsor desires to ratify and confirm the current Trustees of the Plan and clarify the appointment, removal and resignation dates of new and former Trustees of the Plans.

THEREFORE, it is:

RESOLVED, that the following individuals are ratified and confirmed as the current Trustees of the Plans as of the date hereof:

- David J. Price
- Sandra Zerkle
- Tracy Thomas
- Anthony Mullen
- Beth Graham
- Deshon Leek
- Semone James; and
- Dale Schrader.

FURTHER RESOLVED, that the appointment and acceptance of the following individuals to serve as Trustees of the Plans is hereby approved, ratified and confirmed as of the date stated below:

- David J. Price, reappointment April 25, 2021
- Sandra Zerkle, reappointment April 25, 2021
- Tracy Thomas, reappointment April 25, 2021
- Anthony Mullen, reappointment April 25, 2021
- Beth Graham, reappointment April 25, 2021
- Deshon Leek, reappointment April 25, 2021
- Semone James, July 26, 2021; and

- Dale Schrader, August 14, 2023.

FURTHER RESOLVED, that the resignation or removal of the following individuals from the position of Trustees of the Plans is hereby approved, ratified and confirmed as of the date stated below:

- David Lenz, June 30, 2021
- Ken Ross, July 14, 2021; and
- Dusty Horwitt, July 19, 2023.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner Tony Mullen to approve the Resolution for Ratification of Trustees of Retirement Plans at a Board meeting held on September 24, 2024.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

RESOLUTION 2024-09-04

Approval of Modifications to Belle River Power Sales and Project Support Contracts

WHEREAS, the Michigan Public Power Agency (MPPA) and the Lansing Board of Water and Light (BWL) entered into the Belle River Power Sales Contract and the Belle River Project Support Contract (the Contracts) on December 1, 1982, as amended and restated from time to time; and

WHEREAS, the Belle River Project's power plant, which is owned and operated by DTE, will be converted to burn natural gas; and

WHEREAS, pursuant to the Contracts, the BWL and other Project participants are required to contribute to the cost of the conversion in proportion to their share of the energy delivered under the Contracts, and

WHEREAS, the costs for conversion will be financed, at least in part, through a bond issuance by MPPA, and

WHEREAS, the participants in the Belle River Project have requested that the Contracts between MPPA and the participants be modified to allow for separate financing options for participants' respective share of the conversion cost; and

WHEREAS, MPPA and the participants also desire to modify the Contracts to conform with today's energy markets including existing market operation practices and tariff of the Midcontinent Independent System Operator; and

WHEREAS, it is appropriate and in the best interest of the BWL to approve such proposed contract modifications.

THEREFORE, it is:

RESOLVED, that the proposed modifications to the Belle River Power Sales Contract and the Belle River Project Support Contract are approved.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham to approve the Modification to Belle River Power Sales and Project Support Contracts at a Board meeting held on September 24, 2024.

Roll Call Vote:

Yeas: Commissioners Beth Graham, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle

Nays: None

Action: Motion Carried.

MANAGER'S REMARKS

General Manager Dick Peffley spoke on the following items.

1. The annual BWL Golf for Charity outing was held on August 16, 2024, \$45,000 was netted and was divided equally between Heroes Haven, Boys and Girls Club of Lansing and Pennies for Power.
2. The open house for the 1st S.T.E.P. Program was held in the REO Depot on September 11, 2024 at which 60 students attended to get information about the program. Considerable effort has been made to reach students from the Lansing School District, but interest is not as BWL would like. It is the 16th year of the program.
3. BWL participated in the Dragon Boat rowing races at Hawk Hollow on September 15th. BWL placed 4th out of 11 teams.
4. Congratulations to the BWL REO Cogeneration plant for surpassing 1 million hours worked, seven years, without lost time accident. It is a huge achievement and places BWL in the top quartile in factory environments.
5. The 10th Community resource fair will be held on October 2nd at the Alfreda Schmidt Community Center to help customers pay their bill.
6. Staff will be attending the MMEA Conference that is being held in Port Huron October 2nd and October 3rd.

COMMISSIONERS' REMARKS

Commissioner Mullen commented that there was a DEI festival held two weeks ago that he hadn't heard about and BWL employees were there doing their jobs. Commissioner Mullen pointed out that BWL truly is Hometown People Hometown Power bringing resources to the public and that many companies are under attack for DEI policies and have put out press releases stating that they are giving up on it. BWL values every member of the community and wants everyone to be represented.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen for excused absences for Commissioners DeShon Leek and Tracy Thomas

Action: Motion Carried.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chairperson David Price adjourned the meeting at 5:46 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 09-26-24
Approved by the Board of Commissioners: 11-19-24
Official Minutes filed (electronically) with Lansing City Clerk: 11-21-24