



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

November 18, 2025

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, November 18, 2025.

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

Corporate Secretary, LaVella Todd, called the roll.

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

Absent: Commissioner DeShon Leek and Non-Voting Commissioner J. R. Beauboeuf (East Lansing)

Corporate Secretary LaVella Todd declared a quorum.

Commissioner Dale Schrader led the Pledge of Allegiance.

Golf 4 Charity Check Presentation

Chairperson David Price presented a check from BWL's Pennies for Power program to St. Vincent de Paul. BWL's Annual Golf 4 Charity Event raised the largest amount in the history of the event and made a contribution of more than \$17,000 to Pennies for Power.

APPROVAL OF MINUTES

Motion by Commissioner Sandra Zerkle, **Seconded** by Commissioner Tony Mullen to approve the Regular Board Meeting Minutes of September 23, 2025.

Action: Motion Carried.

Chairperson David Price removed agenda item 11c. Special Electric Service Contracts for Large Load Customers and Membership in Regional Transmission Organization Resolution from the

agenda. General Manager Dick Peffley stated that emails received from members of the public

regarding the resolution were reviewed and the concern with the Commission delegating rate making authority was understood. The resolution was initially brought forward for transparency of working with the data center. If rates need to be adjusted for the data center customer, BWL will come back to the Commission and go through the rate making process. The resolution was requested to be pulled from the agenda as it is no longer needed.

PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments.

COMMUNICATIONS

Electronic mail received from Elaine Fischhoff regarding BWL website, BWL fees, and BWL policies - *Referred to Management. Received and Placed on File.*

Electronic mail received from League of Women Voters Lansing Area regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Carol Siemon regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Dorothy Engelman regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Alison Peeler regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Ashley Meyers regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Abby Schwartz regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Kristin Isaac regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Joanne Galloway regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Diane Echerri regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Connie Jones regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Therese Ojibway regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Karla McCandless regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Debra Gordon regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Isabella Croff regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Heidi Butler regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

Electronic mail received from Randy Dykhuis regarding Contracts with data centers - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

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

COMMITTEE OF THE WHOLE Meeting Minutes November 6, 2025

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

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

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

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

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

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

Action: Motion carried. The minutes were approved.

Public Power Contest Winner Recognition

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

Retirement Plan Committee (RPC) Update

Chief Financial Officer Scott Taylor presented the Retirement Plan Committee (RPC) update. In the Defined Contribution 401(a) and Deferred Compensation 457(b) Plans, four participants have assets in the State Street GTC Retirement Income Builder (RIB) Series with a total of just under \$1.5 million which indicates the plan is adopting well. Lifetime income funds are being promoted and educational sessions will be held in the new year. The forfeiture process for DC Plan 1 has started for approximately three pay periods needed to utilize the balance and an administrative procedure for managing forfeitures is being formalized. Secure Act 2.0 Requirements effective January 1, 2026 include the mandatory Roth catch-up contributions for high earners. Individuals aged 50 or older earning more than \$145,000 in the previous year from the employer sponsoring the plan will be required to make catch-up contributions to their 457 plan on a Roth (after-tax) basis. HR is working on a communication to all participants regarding 3rd party vendors reaching out to participants on retirement advisory services to reiterate that these are not from the BWL RPC and to remind participants the resources that are available.

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

Energy Optimization Plan 2026-2029

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

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

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

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

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

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

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

Action: Motion Carried.

First Amendment to the Cafeteria Plan – HSA

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

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

Action: Motion Carried.

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

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

into the market and BWL is requesting 400 MW from them. In order to purchase energy from this plant, BWL would need to be a member of PJM. BWL is competing internationally to land these large customers.

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

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

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

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

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

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

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

Action: Motion Carried.

Regular Board Meeting Schedule 2026 Resolution

Chairperson Sandra Zerkle presented the Regular Board Meeting Schedule 2026.

Commissioner James asked if the Committee Meetings would need to be moved for November 2026 and if the November 2026 Board Meeting could be held on an alternate date. Commissioner Price stated that traditionally the November Board Meeting was held the week prior to Thanksgiving to allow for taking vacation Thanksgiving week. The Committee determined that moving the Committee Meeting day will be considered.

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

Action: Motion Carried.

Other

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

Action: Motion Carried.

Adjourn

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

Respectfully Submitted,
Sandra Zerkle, Chairperson
Committee of the Whole

Finance Committee Chairperson Dale Schrader presented the Finance Committee Report:

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

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

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

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

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

Absent: None

Corporate Secretary LaVella Todd declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

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

Action: Motion Carried. The minutes were approved.

Baker Tilly Audit Report

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

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

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

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

Action: Motion Carried.

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

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

YTD Financial Summary

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

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

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

Capital Report

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

Bond Issuance Summary

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

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

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

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

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

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

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

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

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

Action: Motion Carried.

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

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

Disaster Recovery Audit Results

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

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

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

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

Payroll Audit Results

Director of Internal Audit Elisha Franco presented the Payroll Audit Results and thanked the HR Department, Executive Director of Human Resources Michael Flowers, Human Resources Manager Dan Barnes, and OS - HRIS Data Integrity Compliance Admin Mark Dykema. Ms. Franco presented the audit objectives, themes, findings, and recommendations. Four medium risk findings were identified and six recommendations were made. The overall opinion rating is Needs Improvement as the payroll process presents several areas requiring improvement; controls are

generally adequate, but there are notable weaknesses that pose high risk, requiring significant management action; this rating reflects that while some foundational controls exist, enhancements are necessary to strengthen the control environment and support consistent, reliable payroll execution.

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

Internal Audit Status Report

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

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

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

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

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

Other

There was no other business.

Adjourn

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

Respectfully submitted,
Dale Schrader, Chairperson
Finance Committee

Pension Fund Trustee Chairperson David Price presented the Pension Fund Trustees Committee Report:

PENSION FUND TRUSTEES COMMITTEE
Meeting Minutes
November 18, 2025

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met at the BWL Headquarters in the REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:00 P.M. on Tuesday, November 18, 2025.

Trustee and Board Chairperson David Price called the meeting to order at 5:00 p.m.

Corporate Secretary LaVella Todd called the Roll:

The following Trustees were present: Chris Harkins (arrived @ 5:02 pm), Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle. Also present: Non-Voting Commissioner Robert Worthy (Delta Township) and Brian Ross (DeWitt Township) (arrived @5:12 pm)
Absent: Commissioners Beth Graham and DeShon Leek

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Trustee Semone James and **Seconded** by Trustee Dale Schrader to approve the minutes from the November 18, 2024 Pension Fund Trustees Meeting.

Action: Motion Carried.

Pension Fund

Chief Financial Officer Scott Taylor provided information on the Retirement Planning Committee and then introduced the financial advisory panel. The Panel provided financial plan information.

- 1) Nathan Burk, Director and Senior Consultant with Asset Consulting Group (ACG); ACG has served as independent advisor for BWL's DB & VEBA Plans since 2017. Mr. Burk assists BWL with investment allocation, evaluation of investment managers, reporting of investment performance, and investment policy statements. As a Chartered Financial Analyst (CFA) with over 20 years of investment industry experience, Mr. Burk is well versed regarding DB & VEBA investments.
- 2) Mark Miller, Founder and Principal Consultant with Benassist Retirement Consulting, LLC; Mr. Miller provides actuarial services for the DB & VEBA Plans since 2018. He also assists with required filings for the State of Michigan and performs calculations for DB employee benefits at retirement. As an expert with over 38 years of actuarial experience, Mark is also well versed regarding the actuarial reports for the DB & VEBA Plans.

- 3) Justin Cohen, CFP, CPA, Financial Advisor/Relationship Manager with CAPTRUST; CAPTRUST assists with fund line up selection and monitoring, investment performance reporting, fee benchmarking and fiduciary compliance for the DC plans. Mr. Cohen is both a NAPA Certified Plan Fiduciary Advisor (CPFA™) and a CERTIFIED FINANCIAL PLANNER™.
- 4) Michael Burkhart, Executive Relationship Manager with Nationwide Retirement Solutions; Mr. Burkhart is responsible for maintaining relationships with Nationwide's largest governmental plan sponsor clients in the Central and West regions. Nationwide became the administrator and recordkeeper for BWL's 401 and 457 Plans in 2021. In addition to maintaining DC investment accounts, Nationwide provides BWL employees and retirees with personalized resources for meeting financial goals. Mr. Burkhart has been with Nationwide for over 31 years and is well versed regarding the range of services which Nationwide provides to participants.

Mr. Nathan Burk gave a capital market update for FY2025. Markets were a risk environment with the cutting of interest rates and inflation. U.S. equities are up by about 15%, equities outside of the U.S. are up about 17%, and bonds were up about 6%. The current asset allocation for the DB Plan is 45% equity, 50% fixed income, and 5% private real estate, had an expected 6% return, and a 9.5% return was realized. The current asset allocation for the VEBA Plan is 60% equity, 25% fixed income, and 15% private real estate, had an expected 6.5% return, and a 10% return was realized. The investment fees are below or near the median manager fees when compared to similar structured plans in the industry.

Mr. Mark Miller spoke about the actuarial work for the DB and VEBA plans funding. The assets as of 07/01/2025 for the DB Plan are \$48 million, the liability is \$39.3 million with an excess funding of \$8.7 million and the funded ratio is 122% compared to last year of 115%. The liability was \$48.5 million last year. The average funding for DB plans for Michigan is 72% and BWL far exceeds that and ranks in the top 4%. The assets as of 07/01/2025 for the VEBA Plan are \$268.4 million, the liability is \$188 million with an excess funding of \$80.4 million and the funded ratio is 143% compared to last year of 150%. The assets went up from \$253 million to \$268 million, but offsetting that was the increase in liability from \$168 million to \$188 million as Medicare premiums increased in the marketplace. The average funding for VEBA plans for Michigan is 49% and BWL far exceeds that and ranks in the top 14%.

Mr. Justin Cohen spoke about the roles of CAPTRUST in investment management, fiduciary process, plan fees, and participant choices for the 401(a) and 457(b) plans. As of September 30, 2025 the combined total assets of the 401(a) plans were just over \$239.3 million and the 457(b) plan was right above \$170.7 million. These plans are defined contribution plans where the RPC is responsible for selecting and monitoring the investment options and the participants are responsible for allocating their accounts according to their goals. Administrative costs and recordkeeping costs remain low. The all in fee is around 0.21% which is very competitive.

Mr. Michael Burkhart provided information about the retirement services that Nationwide furnishes. Nationwide provides the daily record keeping for the plans in participant's account balances, transaction processing, and customer service through a call center. Group education, workshops, and individual consultations are provided through a local service representative, Ken Kelbel. A custom BWL website has online educational content at mybwlretirement.com. Nationwide also provides retirement planning tools, advisory services through a financial planner, and managed account solutions. Nationwide also provides a Retirement Resource Group which is available by phone, My Income Planner, My Investment Planner, and Retirement Income Builder.

Commissioner Harkins commented that to be at 120%+ for the DB Plan is excellent.

Commissioner Schrader thanked Mr. Burkhart as it is very important for people in retirement age to have a consult person.

RESOLUTION #2025-11-01

ACCEPTANCE OF 2025 AUDITED FINANCIAL STATEMENTS FOR DEFINED BENEFIT PENSION PLAN, DEFINED CONTRIBUTION PENSION PLAN, AND RETIREE BENEFIT PLAN

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

Staff comments: All three Plans received clean audit reports.

Motion by Trustee Sandra Zerkle, **Seconded** by Trustee Semone James, to approve the Resolution for the Acceptance of 2025 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 18, 2025.

Action: Motion Carried.

Other

Motion By Commissioner Semone James, **Seconded** by Commissioner Chris Harkins for excused absences this evening for Commissioners Beth Graham and DeShon Leek.

Adjourn

There being no further business, the Pension Fund Trustees meeting adjourned at 5:26 p.m.

Respectfully Submitted,
David Price, Chairperson
Pension Fund Trustees Committee

Approved by the Trustees on November __, 2026

MANAGER'S RECOMMENDATIONS

There were no manager's recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION 2025-11-02

2026 – 2029 Energy Optimization Plan

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

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

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

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

THEREFORE, it is:

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

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

Action: Motion Carried.

RESOLUTION 2025-11-03

Adoption of the First Amendment to the Cafeteria Plan Resolution

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

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

THEREFORE, it is:

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

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

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

Action: Motion Carried.

RESOLUTION 2025-11-04

Regular Board Meeting Schedule 2026

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

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

2026

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

Tuesday	January 27
Tuesday	March 24
Tuesday	May 19

Tuesday	July 28
Tuesday	September 22
Tuesday	November 17

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

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

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

Action: Motion Carried.

RESOLUTION 2025-11-05

FY2025 Audited Financial Statement of the Enterprise Fund & Pension Fiduciary Funds Resolution

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

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

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

Action: Motion Carried.

RESOLUTION 2025-11-06

Lansing Board of Water and Light FOURTH SUPPLEMENTAL UTILITY SYSTEM REVENUE BOND RESOLUTION

A RESOLUTION TO AUTHORIZE:

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

WHEREAS, the City of Lansing (the “City”) provides in its City Charter that the Lansing Board of Water and Light (the “Board”) has general management over water, heat, steam and electric services and certain additional utility services of the City; and

WHEREAS, the Board operates facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the “System”); and

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED THAT:

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

- (a) "Additional Bonds" means any Additional Bonds of equal standing with the outstanding Senior Lien Bonds issued pursuant to Section 24 of the Bond Resolution adopted on March 27, 2018.
- (b) "Assistant General Manager" means the Board's Assistant General Manager.
- (c) "Bond Resolution" means the Amended and Restated Utility System Revenue Bond Resolution adopted by the Board on March 27, 2018, as amended on March 26, 2019 and November 17, 2020, and as supplemented on November 19, 2019, July 20, 2023, and November 14, 2023, and by this Fourth Supplemental Resolution, and any other resolution which amends or supplements the Bond Resolution.
- (d) "Bonds" or "Senior Lien Bonds" means the outstanding portion of the Board's Series 2017A Bonds, Series 2019A Bonds, Series 2019B Bonds, Utility System Revenue Bonds, Series 2021A, dated January 26, 2021, Series 2021B Bonds, Utility System Revenue and Revenue Refunding Bonds, Series 2024A, dated January 31, 2024, Series 2026 Bonds, and any Additional Bonds of equal standing hereafter issued.
- (d) "Chief Financial Officer" means the Board's Chief Financial Officer.
- (e) "Escrow Agreement" means, for purposes of this Fourth Supplemental Resolution, one or more escrow agreements described in this Fourth Supplemental Resolution to provide for payment of principal of and interest on the Prior Bonds being refunded.
- (f) "Escrow Fund" means, for purposes of this Fourth Supplemental Resolution, one or more escrow funds established pursuant to the Escrow Agreement to hold the cash and investments necessary to provide for payment of principal of and interest on the Prior Bonds being refunded.
- (g) "Fourth Supplemental Resolution" means this Fourth Supplemental Utility System Revenue Bond Resolution.

- (h) "Prior Bonds" means, for purposes of this Fourth Supplemental Resolution, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2019B Bonds and the Series 2021B Bonds.
- (i) "Refunding Bonds" means, for purposes of this Fourth Supplemental Resolution, the Series 2026 Bonds, and all or any series of refunding bonds issued as Additional Bonds pursuant to this Fourth Supplemental Resolution.
- (j) "Series 2026 Bonds" means the Refunding Bonds issued in one or more series pursuant to this Fourth Supplemental Resolution.
- (l) "System" means the complete facilities of the Board for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, and all additions, extensions and improvements thereto existing or hereafter acquired by the Board.

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

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

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

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

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

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

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

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

Section 5. Registration and Transfer. U.S. Bank Trust Company, National Association, Detroit, Michigan is hereby appointed to act as bond registrar, paying agent and transfer agent (the "Transfer Agent") for the Series 2026 Bonds. The Chief Financial Officer is hereby authorized to execute one or more agreements with the Transfer Agent on behalf of the Board. The Board reserves the right to replace the Transfer Agent at any time, provided written notice of such replacement is given to the registered owners of record of bonds not less than sixty (60) days prior to an interest payment date. Principal of and interest on the Series 2026 Bonds shall be payable by check or draft mailed by the Transfer Agent to the registered owner at the registered address as shown on the registration books of the Board maintained by the Transfer Agent. Interest shall be payable to the person or entity who or which is the registered owner of record as of the fifteenth (15th) day of the month prior to the payment date for each interest payment. The date of determination of the registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Board to conform to market practice in the future.

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

The Series 2026 Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this section by the person or entity in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond shall be surrendered for transfer, the Board shall execute, and the Transfer Agent shall authenticate and deliver a new bond of the same series in like aggregate principal amount, maturity and interest rate. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. Notwithstanding the foregoing, if Bonds are held by DTC in book-entry-only form, the transfer of Bonds shall be made in the manner prescribed by DTC.

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

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

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

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

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

- (b) Proceeds of the sale of Refunding Bonds issued to repurchase Repurchased Bonds shall be deposited and applied in accordance with the instructions for settlement of the tender and repurchase of the Repurchased Bonds.

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

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

BOND NO.
R-
UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTIES OF INGHAM AND EATON
CITY OF LANSING
LANSING BOARD OF WATER AND LIGHT
UTILITY SYSTEM REVENUE REFUNDING BOND, [SERIES] [FEDERALLY TAXABLE]

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

Principal Amount:

The City of Lansing, Counties of Ingham and Eaton, State of Michigan (the “City”), acting through the governing body of the Lansing Board of Water and Light (the “Issuer”), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, only from the Net Revenues of the System as hereinafter provided, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [interest payment date] and semiannually thereafter. Principal of this bond is payable at the designated corporate trust

office of [transfer agent], or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record at the registered address.

For the prompt payment of principal and interest on this bond, the revenues received by the Issuer from the operations of the Issuer's facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the "System") after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), are irrevocably pledged and a statutory first lien thereon has been created to secure the payment of the principal of and interest on this bond, when due; however, the pledge of Net Revenues and the statutory lien are on a parity with the pledge of Net Revenues and statutory lien in favor of the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B (Federally Taxable), the Utility System Revenue Bonds, Series 2021A, the Utility System Revenue Bonds, Series 2021B (Mandatory Put Bonds) and the Utility System Revenue and Revenue Refunding Bonds, Series 2024A.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$[principal amount]. This bond is issued for the purposes of [making a deposit to a bond reserve account,] / [refunding certain outstanding bonds] / [repurchasing certain outstanding bonds of the Issuer tendered for such purpose], and paying the costs of issuing the bonds, pursuant to an Amended and Restated Utility System Revenue Bond Resolution adopted by the Issuer on March 27, 2018, as amended and supplemented from time to time, including by a Fourth Supplemental Utility System Revenue Bond Resolution adopted by the Issuer on [date of resolution] (collectively, the "Bond Resolution"). This bond is issued under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended ("Act 94").

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Bond Resolution. Reference is hereby made to the Bond Resolution and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94, for a more complete description of the pledges and covenants securing the bonds of this issue, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds of this issue with respect thereto and the terms and conditions upon which the bonds of this issue are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Bond Resolution, the provisions of the Bond Resolution or any resolution or agreement amendatory thereof or supplemental thereto, may be modified or amended by the Issuer, except in specified cases, only with the consent of the registered owners of at least fifty-one percent (51%) of the principal amount of the bonds of the System then outstanding.

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

[Insert optional and mandatory redemption provisions if applicable]

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly authorized in writing and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Bond Resolution, and upon the payment of the charges, if any, therein prescribed. [The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption under the Bond Resolution and ending at the close of business on the date of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.]

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The Issuer has covenanted and agreed, and covenants and agrees, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds of this issue and any other bonds payable from the Net Revenues as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Bond Resolution.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

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

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

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

(City Seal)

Countersigned:

By [definitive Bond to be signed at delivery] Its: Corporate Secretary

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

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

Section 9. Bond Counsel. The Board hereby requests that Miller, Canfield, Paddock and Stone, P.L.C., Lansing, Michigan, continue to serve the Board as bond counsel for the Series 2026 Bonds. The Board acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. has represented from time to time, and currently represents, various underwriters, financial institutions, and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Series 2026 Bonds.

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

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

interest on the Series 2026 Bonds, to achieve sale efficiencies so as to reduce the cost of issuance and interest expense.

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

Section 12. Bond Ratings and Bond Insurance. The Chief Financial Officer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor. If the Municipal Advisor recommends that the Board consider purchase of municipal bond insurance, then the Chief Financial Officer is hereby authorized to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which bonds, if any, shall be insured, and the Chief Financial Officer is hereby authorized to execute an agreement with the insurer relating to procedures for paying debt service on the insured bonds and notifying the insurer of any need to draw on the insurance and other matters.

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

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

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

Series 2026 Bonds or other offer to purchase the Series 2026 Bonds, or Sale Order, or the Official Statement.

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

Section 16. Verification Agent. The Chief Financial Officer is hereby authorized, at the Chief Financial Officer's discretion, to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the Prior Bonds being refunded as they become due or upon call for redemption.

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

Section 18. Other Actions. In the event that the Chief Financial Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then the Assistant General Manager or another a person designated by the Chief Financial Officer is authorized to take the actions delegated to the Chief Financial Officer by this resolution. The officers, administrators, agents and attorneys of the Board are authorized and directed to take all other actions necessary and convenient to facilitate issuance, sale and delivery of the Series 2026 Bonds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient in accordance with this resolution, and to pay costs of issuance including but not limited to rating agency fees, bond insurance premiums, transfer agent fees, Escrow Trustee fees, verification agent fees, Municipal Advisor fees, bond counsel fees, underwriter counsel fees, costs of printing the preliminary and

final official statements, and any other costs necessary to accomplish sale and delivery of the Series 2026 Bonds.

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

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

Section 21. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 22. Publication and Recordation. In accordance with the provisions of Section 6 of Act 94, this resolution shall be published once in full in the Lansing State Journal, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the minutes of the Board and such recording authenticated by the signatures of the Chairperson and Corporate Secretary of the Board.

Section 23. Effective Date. This resolution is hereby determined to be immediately necessary for the preservation of the public peace, property, health and safety of the City and the users of the System. In accordance with the provisions of Section 6 of Act 94, this resolution shall become effective immediately upon its adoption.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on Tuesday, November 18, 2025, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting: Commissioners Beth Graham, Chris Harkins, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle. Non-Voting Commissioners present: Commissioner Brian Ross (DeWitt Township), and Commissioner Robert Worthy (Delta Township) and that the following Commissioners were absent Commissioner DeShon Leek and Non-Voting Commissioner J. R. Beauboeuf (East Lansing).

We further certify that Commissioner Semone James moved adoption of said resolution, and that said motion was supported by Commissioner Dale Schrader.

We further certify that the following Commissioners voted for adoption of said resolution: Commissioners Beth Graham, Chris Harkins, Semone James, Tony Mullen, David Price, Dale Schrader, and Sandra Zerkle; and that the following Commissioners voted against adoption of said resolution: None.

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

Chairperson

Corporate Secretary

RESOLUTION 2025-11-07

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

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

Staff comments: All three Plans received clean audit reports.

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

Action: Motion Carried.

MANAGER'S REMARKS

General Manager (GM) Dick Peffley gave the following remarks.

1. A Resource Fair was held on October 21, 2025 at Foster Community Center and approximately 200 people attended.
2. The United Way Campaign Kickoff for employees was held and \$1,000 was raised at the first meeting.
3. The annual Veteran's Day celebration was held on November 12, 2025 at the REO Depot and it was well attended. The Glen Erin Pipe Band performed and GM Peffley thanked the Commissioners that were able to attend.
4. The Career in Energy Week for students in middle and high schools was held on October 23-24, 2025 and over 200 students attended.

COMMISSIONERS' REMARKS

Commissioner Schrader commented on the removal from the agenda of the resolution for the special electric service contracts for large load customers. Commissioner Schrader stated that it is how it is supposed to work when citizens speak to the Commissioners, then the Commissioners speak and if something isn't understood completely the resolution can't be passed. Commissioner Schrader stated that he is proud how it worked as Commissioners are citizens of the city of Lansing and care about the public.

Commissioner Harkins commented on the removal from the agenda of the resolution for the special electric service contracts for large load customers. Commissioner Harkins stated that he appreciated the public feedback, that it was taken to heart, communicated about, and they will continue with transparency with these processes.

Commissioner Mullen spoke about the community resource fairs and federal government funding for home heating shutoffs because of the government shutdown. Commissioner Mullen stated that GM Peffley gave assurance that there is money available for the citizens of Lansing to pay their bills this winter and said that he would like all citizens to know that if they are having trouble paying their power bill they can call BWL to help them keep their power on.

Commissioner Price thanked the League of Women Voters for their organization and communication with the Board and Management which resulted in the resolution being removed from the agenda.

Commissioner James thanked GM Peffley and his staff for an excellent year in storm responses, community service, retirement planning, and taking care of the best interest of customers, and BWL, and the city. Commissioner James added that she had received several calls about the large load customers resolution and applauded the outcome of the removal of the resolution from the agenda.

PUBLIC COMMENTS

Elaine Fischhoff, Lansing, MI, thanked the Board for answers to her questions about the data centers and large load customers resolution, for the meeting with Mark Matus, and for the withdrawal of the resolution for the special electric service contracts for large load customers.

Linda Keefe, Lansing, MI, spoke about concerns of the accuracy of the Smartmeters and would like an investigation conducted and a remedy provided.

Katherine Alaimo, Lansing, MI, Capital Area Friend of the Environment (CAFÉ), spoke in favor of the resolution for the large load customers and data centers being removed from the agenda. Ms. Alaimo stated that CAFE had concerns about data centers, requested that taking public feedback is continued, and that data center contracts are reviewed, modified or rejected so that Commissioners have adequate oversight with input from members of the public. Ms. Alaimo also commented on the benefits and negative impacts of different types of energy. Ms. Alaimo

requested an adoption of community benefit agreements for all new large public and private infrastructure developments and asked the BWL to partner with the city of Lansing to develop a community benefit ordinance. The delivery of specific benefits would be quantified and legally bound for all participants in the agreements.

Morgan Quinney-Naval, Lansing, MI spoke about receiving only one utility bill notice before shut off and would like BWL policy updated to provide additional notice.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham for an excused absence this evening for Commissioner DeShon Leek.

Action: Motion Carried.

ADJOURNMENT

Chairperson David Price adjourned the meeting at 6:00 p.m.

LaVella J. Todd, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk 12-03-25
Approved by the Board of Commissioners: 01-27-26
Official Minutes filed (electronically) with Lansing City Clerk: 01-29-26