



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

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**January 27, 2026**

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

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

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

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

Absent: Commissioner Dale Schrader.

Corporate Secretary Lavella Todd declared a quorum.

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

**APPROVAL OF MINUTES**

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

**Action:** Motion Carried

**PUBLIC COMMENT**

Bob Kingsbury stated that he has lived in Lansing for over 50 years and has worked at the Board of Water and Light for more than 25 years. He noted that the collective bargaining agreement expired in November and acknowledged that negotiations had been challenging. However, an offer was made and accepted, and it was presented to the HR committee last week, where it was unanimously approved. He urged the commissioners to do the same that evening,

emphasizing the importance of moving forward to focus on the many projects and opportunities ahead.

### **COMMUNICATIONS**

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

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

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

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

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

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

### **COMMITTEE REPORTS**

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

#### **COMMITTEE OF THE WHOLE**

##### **Meeting Minutes**

**January 13, 2026**

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S Washington Ave., Lansing, MI, on Tuesday, January 13, 2026.

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

Present: Commissioners Chris Harkins, Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader and Sandra Zerkle

Absent: Commissioner Beth Graham

Corporate Secretary LaVella Todd declared a quorum.

### **Public Comments**

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

### **Approval of Minutes**

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

**Action:** Motion carried. The minutes were approved.

### ***Retirement Plan Committee (RPC) Update***

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

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

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

CFO Taylor continued with a brief overview of the Defined Contribution and Deferred Compensation Plans, forfeiture processing of the DC Plan 1 – fully and properly utilized the forfeiture balance for CY 2025 per the requirements. Additionally, at the November 2025 meeting, the RPC voted to approve an administrative procedure for managing forfeitures to ensure continued compliance with the plan and IRS requirements moving forward.

## **Large Load Update**

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

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

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

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

Commissioner Zerkle asked GM Peffley to confirm that residential customers will be held harmless for this process and be not charged a different rate. GM Peffley stated the Executive Team expects rates to be lower than planned because of the economy of scale, benefitting residential customers. Since the large load customers are required to pay for infrastructure upgrades, should one of them go out of business, then we have modern infrastructure that’s paid for.

Commissioner Harkins asked GM Peffley to explain what the process is should a customer decide to come to the BWL area, and the decision the Board gets to make to charge the

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

### **Board Self-Evaluation Survey**

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

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

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

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

*(Agenda items 5, 6 and 7 were combined)*

### **Resolution Honoring Commissioner J. R. Beauboeuf**

### **Resolution Honoring Commissioner Robert Worthy**

### **Resolution Honoring Commissioner Brian Ross**

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

**Action:** Motion Carried.

### **Easement Grant to Lansing MI Ventures, LLC Resolution**

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

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

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

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

Commissioner Schrader asked if this was a unique easement.

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

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

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

**Action:** Motion Carried.

### **Other**

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

**Action:** Motion Carried.

### ***Adjourn***

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

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

## **FINANCE COMMITTEE**

### **Meeting Minutes**

**January 13, 2026**

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

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, January 13, 2026.

Finance Committee Chairperson Dale Schrader called the meeting to order at 6:00 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dale Schrader, Chris Harkins, and David Price; Also Present:

Commissioners Semone James (Alternate), DeSon Leek and Sandra Zerkle.

Absent: Beth Graham; Alternate: Tony Mullen

Corporate Secretary LaVella Todd declared a quorum.

### **Public Comments**

There were no public comments.

### **Approval of Minutes**

**Motion** by Commissioner David Price, **Seconded** by Commissioner Chris Harkins, to approve the Finance Committee Meeting minutes of November 6, 2025.

**Action:** Motion Carried. The minutes were approved.

### **YTD Financial Summary**

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

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

Commissioner Leek asked if that was a normal life cycle for Unit 3 and if so, is there a warrantee? GM Peffley responded the normal life cycle is 30,000 hours that can get deregulated each time there is a start-stop. The Units were getting close to running approximately 26, 000 hours and during inspection it was determined a piece was going to fail, which would have been catastrophic for the Unit, therefore the outage was pulled ahead. General Counsel Matus is working on the litigation with Siemens to recover the costs of the pull ahead to stay on budget with hope of wrapping up in 2026.

Commissioner Zerkle asked if the O&M budget money is what has been allocated for projects we already have? CFO Taylor responded, the O&M money is typically for the ongoing

departmental spending we need to carry out our normal operations such as labor costs, material costs, outside services (for various services such as IT, licensing), and the Capital covers the large investments. CFO Taylor identified the Budget Status YTD report columns for clarification.

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

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

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

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

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

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

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

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

### **Bi-Annual Internal Audit Open Management Response Update**

Commissioner Schader introduced Senior Internal Control Analyst Cody Rochefort to present the Bi-Annual Internal Audit Open Management Response Update. Mr. Rochefort presented an overview of open findings, expected dates of completion, and closed findings with dates of

closure completion. The response update identified open findings and recommendations for Disaster Recovery, FY25 Payroll; and closed findings and recommendations for FY24 Rules and Regulations, P-Card Audit, PA95 Audit, Disaster Recovery and FY25 Payroll.

### **External Auditor RIP Bid Award**

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

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

### **LBWL External Auditor Recommendation Resolution**

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

**Action:** Motion Carried.

### **Internal Audit Status Report**

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

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

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

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

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

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

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

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

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

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

### **Other**

There was no other business.

### **Adjourn**

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

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

## **HUMAN RESOURCES COMMITTEE**

### **Meeting Minutes**

**January 20, 2026**

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

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, January 20, 2026.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:31 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Semone James, DeShon Leek, and Sandra Zerkle; also present, Alternate: Commissioner David Price; and Commissioner Beth Graham.

Absent: None.

The Corporate Secretary declared a quorum.

### **Public Comments**

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

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

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

### **Approval of Minutes**

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

**Action:** Motion Carried.

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

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

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

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

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

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

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

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

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

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

**Action:** Motion Carried.

### **Conduct Personnel Evaluation of An Appointee**

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

**Director of Internal Audit, Elisha Franco**

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

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

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

**Nays:** None

**Action:** Motion carried.

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

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

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

**Roll Call Vote**

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

**Nays:** None

**Action:** Motion carried.

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

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

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

**Action:** Motion fails

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

**Roll Call Vote**

**Yeas:** Commissioners, Semone James and DeShon Leek

**Nays:** Commissioners Tony Mullen and Sandra Zerkle

**Action:** Motion fails

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

**Action:** Motion fails.

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

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

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

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

### **Roll Call Vote**

**Yeas:** Commissioners, DeShon Leek and Semone James

**Nays:** Commissioners Tony Mullen and Sandra Zerkle

**Action:** Motion fails

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

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

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

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

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

**[inaudible]**

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

**[inaudible]**

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

**No action taken.**

**[inaudible]**

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

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

**Motion** by Commissioner Semone James to extend the current employment contract of Director of Internal Audit, Elisha Franco, to allow her to successfully obtain the CIA certification to the end of the fiscal year, June 30, 2026. If Ms. Franco does not receive her CIA certification by June 30, 2026, she will face termination. If she does receive her CIA certification by June 30, 2026,

she will receive an increase in salary to \$150,000 dollars as outlined in her current contract, second by Commissioner DeShon Leek.

**Roll Call Vote**

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

**Nays:** None

**Action:** Motion carried.

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

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

**[inaudible]**

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

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

**Other**

There was no other business.

**Adjourn**

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

**Action:** Motion carried.

Meeting adjourned at 6:46 p.m.

**MANAGERS RECOMENDATION**

General Manager Dick Peffley noted that this is the first Manager's Recommendation in 11 years and addressed the upcoming resolution regarding the Collective Bargaining Agreement between Lansing BWL and IBEW. . Mr. Peffley affirmed full support for the agreement and urged the Board to approve it.

**UNFINISHED BUSINESS**

There was no unfinished business.

## **NEW BUSINESS**

There was no new business.

## **RESOLUTIONS**

### **RESOLUTION 2026-01-05**

#### **Resolution Honoring Jean Richard Beauboeuf**

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

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

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

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

WHEREAS, J. R. Beauboeuf is the Director of Risk Management and Legal Services at Lansing Community College; has served as Administrator at the Michigan Department of Labor and Economic Growth, as Adjunct Faculty of Mathematics, Finance and Quantitative Methods at Davenport University, and as Adjunct Faculty of Applied Mathematics at MSU College of Human Medicine; and

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

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners hereby honor and commend J. R. Beauboeuf for his years of distinguished service in Regular Board Meeting this 27th day of January, 2026. We sincerely wish J. R. Beauboeuf continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson  
Beth Graham

Sandra Zerkle, Vice Chairperson  
Chris Harkins

Semone James  
Tony Mullen

DeShon Leek  
Dale Schrader

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

**Action:** Motion Carried.

#### **RESOLUTION 2026-01-06**

##### **Resolution Honoring Robert Worthy**

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

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

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

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

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

WHEREAS, Commissioner Worthy serves as a Director and Treasurer of Mitten Misfits Farm Sanctuary, a 501c3 nonprofit in Delta Township; and

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

Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners hereby honor and commend Robert Worthy for his years of distinguished service in Regular Board Meeting this 27th day of January, 2026. We sincerely wish Robert continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson  
Beth Graham  
Semone James  
Tony Mullen

Sandra Zerkle, Vice Chairperson  
Chris Harkins  
DeShon Leek  
Dale Schrader

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

**Action:** Motion Carried.

**RESOLUTION 2026-01-07**  
**Resolution Honoring Brian Ross**

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

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

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

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

WHEREAS, Brian Ross has been a Trustee for DeWitt Charter Township since 2006, has been

employed and actively involved in the utility service sector for almost 47 years, and has served in leadership roles in both state and local government for many years; and

WHEREAS, Brian Ross currently serves as Chair of the Clinton County Department of Public Works, represents DeWitt Township as a Commissioner for the Southern Clinton County Municipal Utilities Authority and Secretary of the Next Michigan Development Corporation, Chair of the EGLE Municipal Operator Certification Board, is a past president of the Michigan Water Environment Association and served as a Board member for 11 years; and

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

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners hereby honor and commend Brian Ross for his year of distinguished service in Regular Board Meeting this 27th day of January, 2026. We sincerely wish Brian Ross continued success in all his future endeavors and achieving that which is in the best interest of our community.

David Price, Chairperson

Beth Graham

Semone James

Tony Mullen

Sandra Zerkle, Vice Chairperson

Chris Harkins

DeShon Leek

Dale Schrader

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

**Action:** Motioned Carried.

#### **RESOLUTION 2026-01-01**

##### **Easement Grant to Lansing MI Ventures, LLC**

RESOLVED, that the Board of Commissioners hereby recommends that Lansing City Council grant a drainage easement to Lansing MI Ventures, LLC. The easement will be located on property occupied and maintained by the Lansing Board of Water & Light, specifically a portion of 2030 Lake Lansing Road and 2320 Wood Road, Lansing, MI 48912; and

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

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

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

**Action:** Motion Carried.

#### **RESOLUTION 2026-01-02**

##### **Lansing Board of Water & Light External Auditor Recommendation**

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

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

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

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

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

FURTHER RESOLVED, the Board of Commissioners recommends that Lansing City Council approve and designate Baker Tilly to perform the annual financial audit for each of the fiscal years ending June 30 on the following respective years: 2026, 2027, 2028, 2029, and 2030 in accordance with Lansing City Charter 7-601; and

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

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

**Action:** Motion Carried.

#### **RESOLUTION #2026-01-04**

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

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

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

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

THEREFORE, it is:

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

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

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

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

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

**Action:** Motion Carried.

**RESOLUTION 2026-01-03**

**Extension of Certified Internal Auditor (CIA) Certification Completion Date**

**Charter Position of Internal Auditor**

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

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

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

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

THEREFORE, it is:

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

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

FURTHER RESOLVED, that the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents on behalf of the Board of Commissioners which reflect the Human Resources Committee's recommendation for extension

of the completion date of the Internal Auditor’s CIA certification and an automatic increase in compensation for completion of the CIA certification by June 30, 2026.

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

**Commissioner DeShon Leek voted “No” on the motion.**

**Action:** Motion Carried.

### **MANAGERS REMARKS**

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

- The Diversity Star Award recipient
6. Today we were filmed for the Diversity Star Award video which will be shown at the Chamber gala when we receive our award in February.
7. 1<sup>st</sup> STEP Students started yesterday.
- 1<sup>st</sup> week in safety training.
  - 16 students.
  - This is our 18th year of 1<sup>st</sup> STEP program.

### COMMISSIONER REMARKS

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

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

### MOTION OF EXCUSED ABSENCE

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

**Action:** Motion Carried.

### PUBLIC COMMENT

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

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

### **ADJOURNMENT**

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

LaVella J. Todd, Corporate Secretary

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

Approved by the Board of Commissioners: 03-24-26

Official Minutes filed (electronically) with Lansing City Clerk: 03-24-26