



MINUTES
Committee of the Whole
Monday, July 8, 2024 @ 6:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Garza called the meeting to order at 6:00 p.m.

PRESENT

Councilmember Peter Spadafore- excused
Councilmember Adam Hussain- excused
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeffrey Brown- excused
Councilmember Ryan Kost
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

OTHERS PRESENT

Sherrie Boak, Council Staff
Lisa Hagen-Lawrence, OCA
Greg Venker, OCA
Mark Lawrence, Mayor's Office
Heather Shawa, BWL
Dick Peffley, BWL
Jennifer Czeiszperger, Assessor
Elaine Fischhoff
Randy Dykhuis
Marshall Clabeaux
John Kenmiet
Nick Zande
Ron Pedersen
Loretta Stanaway

Minutes

MOTION BY COUNCIL MEMBER KOST TO APPROVE THE MINUTES FROM JUNE 24, 2024 AS PRESENTED. MOTION CARRIED 5-0.

Public Comment

Ms. Fischhoff spoke on the LBWL Budget presentation on their budget and forecast. Ms. Frischhoff spoke in opposition to the presentation lack of material and information on renewables and State standard.

Mr. Dykhuis spoke on the BWL documents and noted some questions on clean energy projects. Those included why the RICE Plant labeled as clean- energy; why not spending more on clean renewable energy; what alternatives to the RICE plant were considered; why no wind projects; how will BWL meet the new State law requirements; did they look into clean energy tax credits; and concluded by asking questions to be asked.

Mr. Clabeaux spoke about BWL report specifically to the needs of the battery plant; air emissions and air monitoring; their investment in obsolete technologies.

Mr. Kenmiet spoke as a resident not of the City of the west side area and still has the questions of BWL on their lack of oversight and lack of public review of the RICE plant.

Mr. Zande spoke on the BWL budget and capital forecast, noting his concern with the RICE plant and lack of transparency, lack of clean energy source along with asking for Council to consider changing the Charter having BWL as a department.

Ms. Stanaway asked why BWL is not doing more with water for clean energy and the cost proposed for the RICE plant. Ms. Stanaway spoke in opposition to the BWL Board of Commissioners.

Mr. Pedersen spoke on the 2023 BWL clean energy plan, noting the 4 year plan does not reflect the proposed funding.

Presentations

Lansing Board of Water and Light FY 2025 Budget and Capital Forecast for Fiscal Year 2025-2030

Ms. Shawa and Mr. Peffley spoke on their presentation in the packet. Ms. Shawa began with highlights, reminding that when budget and forecast put together have key objectives: maintain ratings with rating agencies; cash on hand requirement from governance policy; debt service coverage of 2/3 and this budget meets that. Also, the policy speaks to generate adequate on revenue. Key assumptions that went into the forecast; it is a conservative budget; the wholesale market the funding is volatile. The forecast does assume that rate increases, being brought forward in August at a public meeting does meet.

Ms. Shawa then referenced the budget in the packet and went through the line items, the cash flow, bonds for this fiscal year. The next document was the capital plan, on average the annual average spending is \$8 million.

Council Member Jackson asked Ms. Shawa and Mr. Peffley questions based on an article where constituents have been told to go to BWL Commission for their answers, but the history has been that there are no answers. He then asked if natural gas is clean energy, and Mr. Peffley stated they use the definition from the State website for natural gas. Council Member Jackson noted the bond language they used renewable clean energy, but most of the funds are being used for the natural gas plant. Council Member Jackson asked if the bond language is misleading or false, and Mr. Peffley stated he does not believe the language is false. He believes that natural gas is cleaner than coal. Council Member Jackson then referred back to previous BWL Board meetings where there were lack of information to the public on the RICE plant. He then asked if there was ever a vote by the Board on the Rice plant, and Mr. Peffley stated it was part of the budget and voted on then by the BWL Board where they did ask questions. Council Member Jackson asked if the RICE plant is for the battery plant, and Mr. Peffley stated it is a back up source for the renewable energy. Council Member Jackson asked why we are selling out of State, and Mr. Peffley stated they are not aware of out of State but sell on the "grid", and you size it for the loads. Council Member Jackson asked why the energy can't be stored, and Mr. Peffley stated that is correct. They are building battery

technology at two locations. Council Member Jackson asked if GM agreed to specific energy, and Mr. Peffley stated they have not requested it yet. Council Member Jackson asked how the City is going to achieve the energy goals, that we are already behind on, if we continue to add more natural gas which will put the City further behind. Mr. Peffley stated they are ahead of schedule, and numbers submitted to the State and are monitored. Council Member Jackson acknowledged that they do not have to do renewable energy, what is the percentage the BWL is at. Mr. Peffley stated they will be at 50% by 2030 but could not speak to what exactly is at now. They have to meet the law and do have to comply with it and are in compliance with the current law. Mr. Peffley stated he will provide documentation, and if Council Member Jackson has questions he can submit those. Council President Garza asked for the BWL response to be sent to him as well. Council Member Jackson asked about the 10 year plan from last year, and Ms. Shawa stated this is the phase one of this plan. Council Member Jackson asked if the BWL recalls the last 10 year plan, and recall that it said no new natural gas or fossil fuel being built. Mr. Peffley stated he does recall, and things change with the time. Council Member Jackson asked about future projects and Mr. Peffley outlined potential projects that are going up.

Council Member Kost asked if when BWL was looking at the gas plant, did they look at other options. Mr. Peffley stated they did an RFP for submittals on what would meet their requirements. There were 100 proposals and evaluated what fit; there were twelve public hearings. Council Member Kost asked if this is gas plant #3, and asked if they could commit they would not see another gas plant. Mr. Peffley confirmed it is #3 and stated that due to carbon capture they will probably not be able to. Council Member Kost asked if there is any wind in the next five years, and Mr. Peffley stated it is problematic getting licensing and permits. Council Member Kost asked if BWL is still getting electricity from DTE, and Mr. Peffley confirmed they do and they are getting out of coal on Belle River.

Council Member Jackson reiterated that there will not be another gas plant because of carbon capture, and Mr. Peffley confirmed and it is done to reduce emissions from the plant. Every technology has its draw backs. Council Member Jackson asked if BWL studied the capture for the RICE, and Mr. Peffley stated there is no carbon capture on RICE Plant, and it was chosen as the choice because of turn around on the plant. Council Member Jackson stated fossil fuel emits emissions. Council Member Jackson asked for more time on questions.

Council President Garza referred back to public questions, and asked if the levels of the ash ponds. Mr. Peffley stated there are private levels that have exceeded the levels that are recommended, with best practice. It is naturally occurring, right now it is at 90%. The modeling takes time, continue to monitor them, and the there is testing over a long period of time.

Council President Garza asked about the wind portfolio. Mr. Peffley state they prefer solar over wind because available when need it. BWL does receive a lot of wind with EPA agreements.

Council Member Pehlivanoglu asked the proposed rate increase, and would an impending rate be 7% and how did they get to that percentage. Mr. Peffley stated it is 7% for the recommended rate and has to be approved by the BWL Commissioners and at public meeting. There are multiple agencies BWL works with to help people to keep their utilities on.

Discussion/Action

RESOLUTION – Property Tax Poverty Exemption Guidelines

Council President Garza noted it was initially referred to Committee on Ways and Means and needed to come out of that Committee to be addressed with Committee of the Whole and Council tonight.

Ms. Czeisperger explained the needs to be addressed and approved by Council for the action on the poverty exemption.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE PROPERTY TAX POVERTY EXEMPTION GUIDELINES. MOTION CARRIED 5-0.

OTHER

No other topics at this time.

Adjourn

The meeting adjourned at 7:02 pm

Respectfully Submitted by,

Sherrie Boak Recording Secretary,

Lansing City Council

Approved by the Committee July 22, 2024