# Chris Swope
## Lansing City Clerk

October 9, 2015

Members of the Lansing City Council
10th Floor City Hall
Lansing, MI 48933

Dear Councilmembers:

The Minutes from the Meetings of the following Boards, Commissions, and Authorities of the City of Lansing were placed on file in the City Clerk's Office and are available for review in the City Clerk's Office and on the City Clerk's website (www.lansingmi.gov/clerk) under the heading of "Documents Placed on File."

| **BOARD NAME** | **DATE OF MEETING** |
|---|---|
| Board of Water and Light Board of Commissioners | July 28, 2015 |

If my staff or I can provide further assistance or information relative to the filing of these minutes, please contact us at 483-4131.

Sincerely,

Chris Swope

Chris Swope, CMC, CMMC
Lansing City Clerk

Lansing City Clerk's Office
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Approved by the Board of Commissioners on September 22, 2015

# MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

## LANSING BOARD OF WATER AND LIGHT

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**July 28, 2015**

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LANSING CITY CLERK

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on July 28, 2015.

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

Present: Commissioners Margaret Bossenbery, Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Ken Ross, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Michael Froh, William Long and Robert Nelson.

Absent: None

The Corporate Secretary declared a quorum present.

Commissioner Louney led the Pledge of Allegiance.

**Special Ceremony-Tribute to Former BWL Commissioner Cynthia Ward**

Chairperson David Price presented Cynthia Ward with a Resolution of Tribute on behalf of her service to the BWL Commission.

**ELECTION OF OFFICERS FY 2015-2016**

Commissioner Chair David Price recognized Commissioner Mullen, who chaired the Nominating Committee.

Commissioner Mullen read the Nominating Committee Report, in which the proposed slate of officers for Fiscal Year 2015-2016 is as such: Commissioner David Price serving as Chairperson; and Dennis M. Louney serving as Vice Chairperson. There were no nominations from the floor for the office of Chairperson or Vice Chairperson.

**Motion** by Commissioner Thomas, Seconded by Commissioner McCloud to approve the presented slate of officers for 2015-2016.

**Action:** Motion Carried

**APPROVAL OF MINUTES**

**Motion** by Commissioner Bossenbery, Seconded by Commissioner McCloud to approve the Regular Meeting Minutes of May 26, 2015.

**Action:** Motion Carried

**LATE ITEMS**

- Proposed Resolution to Amend Employee Contribution to Medical Benefit Plan
- Letter from Darnell Early of Delta Township re: The Sale of the Board of Water & Light
- Letter from the Sierra Club re: The Integrated Resource Planning (IRP) Process

**PUBLIC COMMENT**

MEMBERS OF THE PUBLIC ARE WELCOME TO SPEAK TO THE BOARD ON ANY AGENDA SUBJECT. ANYONE WISHING TO COMMENT ON ANY MATTER NOT ON THE AGENDA MAY DO SO IMMEDIATELY PRIOR TO ADJOURNMENT.

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Ann Woiwode, of the Sierra Club spoke about the planning process for the Integrated Resource Planning (IRP). She expressed that it was important to spell out the process and to have public participation and transparency to help shape the direction of the utility moving forward.

Chuck Hallman, Vice President of the Genesee Neighborhood Association, spoke about the resolution up for consideration regarding the Lansing Board of Water and Light. Mr. Hallman stated that he wanted to emphasize the importance of the Commission's support to maintain the BWL as a publicly owned utility.

Elaine Wambo, Facilitator for Rejuvenating South Lansing and Coordinator for Neighborhood Watch, spoke about the sale of the BWL. She stated her concerns with the proposed amendments to the resolution *"Directing Interim General Manager to Prepare a Business Case."* She stated that it is time for the Board of Commissioners to show their belief in the BWL.

Phil Hassler, Former Commissioner of the Lansing Board of Water and Light, and Chair Person for 11 years stated that the Commission's most important responsibility is to the ratepayers, therefore the Commission's decision making should be based on that responsibility alone. He stated that ratepayers have voiced their opinion via the survey, administered by the IBEW, which indicated that 85% of those that responded did not want the BWL sold.

Claude Beavers, Lansing Resident, urged the Board of Commissioners to consider the first resolution that was initially proposed at the last Committee of the Whole meeting, opposed to the amended resolution being proposed tonight because he believes it is a better deal for everyone including the company and the environment.

Emily Heart, Lansing Resident, asked that the Commissioners endorse the original resolution that supported keeping the BWL as a public utility.

Lansing City Councilmember Jody Washington stated her disappointment with the proposed amended resolution being presented this evening regarding the BWL. She stated that citizens are looking for a Board to fight for the utility and a Board who will find a way to support what the citizens want.

**COMMUNICATIONS**

a. Email from Thomas Melton RE: Information Requirements for Starting Service

*Received and Placed on File*

b. Dennis Williams RE: Damage to Trailer

*Received and Placed on File*

c. Email from Suellen Hozman RE: Proposed Sale of Board of Water & Light

*Received and Placed on File*

d. Email from Lisa Crumley RE: Retaining the Board of Water & Light

*Received and Placed on File*

Late Item Communications

1. Letter from: Darnell Early re: Sale of the Board of Water & Light

*Received and Placed on File*

2. Email/Paper Communication submitted from the Sierra Club re: The Integrated Resource Planning (IRP) Process

*Received and Placed on File*

**COMMITTEE REPORTS**

NOMINATING COMMITTEE

**June 23, 2015**

The Nominating Committee of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Thursday, June 23, 2015.

Committee Chair, Cynthia Ward called the meeting to order and asked the Corporate Secretary to call the roll. The following committee members were present: Commissioners Tony Mullen, Anthony McCloud and Cynthia Ward.

Absent: Tracy Thomas

**Approval of Minutes**

**Motion** by Commissioner McCloud, seconded by Commissioner Mullen to approve the Nominating Committee meeting minutes of June 26, 2014.

**Action**: Motion Carried

**Public Comment**

There were no public comments.

**Officer & Committee Survey Results & Officer & Committee Survey Memorandum**

Nominating Chair Ward stated that the Officer and Committee Survey Results Forms and Committee Survey Memorandum were included in the meeting packet for review.

Nominating Committee Chair Cynthia Ward stated the following:

"Before I ask whether there is any discussion, I did receive an email from a Board member who had expressed some concerns, I believe that everyone was copied on the email from Commissioner Bossenbery, and I would like to include her email as part of the record please. There are a couple of questions that Commissioner Bossenbery has for the Nominating Committee to consider. But I think she was really asking the Board to consider in addition to. The two questions being asked are, one, why are there deadlines in place if the Board does not intend to adhere to, and two, should a Board member be considered a candidate if their materials are not submitted by the deadline. I responded to Commissioner Bossenbery yesterday by thanking her for her emails, for expressing her concern and told her that I would respond in the context of this open meeting. Commissioner Bossenbery is not here to receive the response but I will share my thoughts with the Nominating Committee members. With respect to deadlines, we have deadlines imposed by law and deadlines imposed by administrative role, and we also have deadlines that are courtesy and convenient deadlines. The deadlines that are referenced here is the Survey form, which has the deadline date of May 29th, by when those materials should be submitted to the Corporate Secretary. I deemed this date as a courtesy deadline; it is not a deadline that was imposed by law. I checked our Administrative procedures, and our Rules of Procedure; there was not a deadline imposed relative to that. The reason why it is viewed in my opinion as a courtesy deadline, and I asked the Corporate Secretary the same question, is because I wanted to be guided by facts. I said 'is this deadline imposed, what is the purpose of this deadline? Is this a deadline so that you can compile the information that you need to send to the Commissioners?' And the response that I received from the Corporate Secretary was 'yes.' That is the deadline that allows her to receive the information in such a way to compile the information; the information that we received, reviews all of the surveys, and compile it in a way that's easy for us to read. But it also allows the Chair to appoint the Nominating Committee. As you know, the Chair appoints the Nominating Committee from those members who are not seeking, or interested in any position. So this is in my opinion, strictly a courtesy/convenient deadline. Please do not take my comments to suggest that courtesy or convenience of our Corporate Secretary is not of paramount importance. Having to serve 8 individuals and soon to be 11 individuals is a very significant undertaking and having just completed some evaluations where I needed to receive 7 times 3 forms from individuals and also considering my own, I understand how it can be a little frustrating not to receive the information in a timely way. But, I will just add that we are a volunteer community service, and I have been impressed by quite frankly, the attendance rate of very busy people. We attend meetings; we miss them for work commitments very few and far in between. Things come up as it did for Commissioner Thomas today, in traveling and

trying to get back. Sometimes we are out of town for work commitments. We are a volunteer board comprised of members who are juggling full time employment, other community involvement, personal interests, and family interest and quite frankly, if a board member of mine fails to meet a courtesy deadline that is the least of my worries. If they are present in all other ways in all other aspects, that is the least of my worries and I will extend to that board member a professional courtesy. Those are my comments on the first part of the question. I will hear from colleagues."

Commissioner Tony Mullen stated the following:

"My only issue is that we need to be fair. If we extend the courtesy to one Commissioner who happens to be a few days late, as long as we extend that same courtesy to all Commissioners who may happen to be a few days late, that is the most important thing. It is not, we don't want to be slaves to be perfect. We are not ever going to be perfect. It is more important that we are fair and I think that any one of us, if we were late, then the Corporate Secretary would still allow us to turn our paperwork in a little bit late. I think that she has been treating us fairly. And like you said, we are trying to make it as easy as we can on her but at the same time things happen. I really do believe that the most important thing here is fairness and I think all of us would have been able to turn in our paperwork in late if necessity forced us to be late. Thank you."

Commissioner McCloud stated that he is in agreement with the comments of Commissioners Ward and Mullen.

Commissioner Ward stated the following:

"I am glad that you raised the question of fairness, I also did consider, was anyone advantaged or disadvantaged by submission, and as far as I can tell there was no one advantaged by it or disadvantaged by it. Was someone inconvenienced by it? I am certain, our Corporate Secretary. However, the information got out and in compliance with the Open Meetings Act in a timely manner. We all received the information at the same time. So as far as I am concerned, no one was advantaged or disadvantaged by the submission."
"The second question is should Board members be considered as a candidate if their materials are not submitted by the deadline. I think that question is moot, given that we discussed it but I will say this, I view the surveys as informational; it is just a way for us to know as a Nominating Committee, when we look to try to identify whom the best candidate to put forth for Chair, and the best candidate to put forth for Vice Chair. Whether they would be willing to serve or whether we have to do some arm-twisting because we deem them the best candidate. Those forms are informational, so that is all that I have on the second question."

Commissioner McCloud stated that he had nothing additional to add.

Commissioner Mullen stated that he was in agreement with Nominating Chair Ward.

Commissioner Ward thanked Commissioner Mullen and stated that she was glad that she and Commissioner Mullen we were able to agree on something at least for once, as it relates to the Nominating Committee.

There were no additional comments or discussion regarding documents received.

**Nominate Board Officer Candidates for Fiscal Year 2015-2016**

Nominating Committee Chair Ward stated that she believes the task of the Nominating Committee is to propose a slate of officers, one Chair and one Vice Chair and that is what she would like to accomplish this evening.

Nominating Committee Chair Ward opened the floor for nominations and the following motion was offered:

**Motion** by Commissioner Mullen, Seconded by Commissioner McCloud that the Nominating Committee forward a slate of officers to the full Board for consideration of David Price to serve as the Chairperson and Dennis M. Louney to serve as the Vice Chairperson for 2015-2016 FY.

**Action**: Motion Carried

The recommended slate of officer candidates for FY 2015-2016 will consist of:

| | |
|---|---|
| Chair: | David Price |
| Vice Chair: | Dennis M. Louney |

**Excused Absence**

**Motion** by Commissioner McCloud, seconded by Commissioner Mullen, to excuse Commissioner Thomas from tonight's meeting.

**Action**: Motion Carried

There being no further business, the meeting adjourned at 5:46 p.m.

Respectfully submitted,
Cynthia Ward, Chair
Nominating Committee

COMMITTEE OF THE WHOLE
**July 14, 2015**

The Committee of the Whole of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, July 14, 2015.

Committee of the Whole Chair, Margaret Bossenbery, called the meeting to order and asked that roll be taken.

**Present:** Commissioners Dennis M. Louney, Margaret Bossenbery, Tony Mullen, David Price, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Absent:** Commissioner Anthony McCloud

**Non-Voting Members Present:** Commissioners Mike Froh (Meridian Township), Bill Long (Delta Township) and Bob Nelson (East Lansing).

Committee of the Whole Chair Bossenbery welcomed newly appointed member Ken Ross and Commissioners Mike Froh, representing Meridian Township; Robert Nelson, representing East Lansing, and William Long, representing Delta Township, to their first official meeting.

**Additional Agenda Item**

At the request of Board Chair David Price, a resolution directing the Interim General Manager to prepare a business case for keeping the Board of Water and Light as a community asset, owned by the City of Lansing was added to the Agenda for consideration.

**Public Comments**

None

**Approval of Minutes**

Motion by Commissioner Price, Seconded by Commissioner Zerkle to approve the Minutes of May 12, 2015 with grammatical amendments.

**Action:** Motion Carried

**Resolution FRIB Agreement**

George Stojic, Executive Director of Strategic Planning and Development, provided the Committee with a proposed agreement between the Board of Water and Light and Consumers Energy, intended to resolve issues related to electric service to the facility for isotope beams, or FRIB, on the campus of MSU, as well as resolve issues related to the rights to serve on the campus. The Committee of Whole received a resolution in which the Board of Water and Light seeking approval of the agreement. Mr. Stojic stated that this agreement is the product of about five years of solicitations, proposals, negotiations, research and hard work from many people at the Board of Water and Light. He stated that two additional sentences will be added to the final agreement to define "net margin" and grant BWL the right to review calculations and supporting data.

Mr. Stojic explained that there are two major components to this agreement; economic and legal. The economic one entitles the BWL to 50% of the net revenue from sales of electricity to

the facility for rare isotope beams; the second component is the right to serve on campus. Mr. Stojic stated that from the very beginning of this project Consumers has asserted an exclusive right to serve on campus and asserted that the Board of Water and Light did not have the right to serve. That was a point of contention that required a lot of research on the BWL's part to rebut.

Mr. Stojic and attorney Pete Ellsworth, from Dickinson and Wright, briefly explained that the agreement states that both the BWL and Consumers Energy are providing consent to the other to serve if, and when, called upon by Michigan State University. Mr. Ellsworth informed the Committee that pursuant to the agreement, the campus is a customer choice zone, only the campus, and no other parts of East Lansing or the townships, are involved.

There was a lengthy conversation regarding the proposed contract and resolution. Upon conclusion of the conversation and the questions and answer session, the following motion was offered:

**Motion** by Commissioner Price, seconded by Commissioner Mullen to forward the resolution for the approval of the agreement to resolve electric service to MSU, entered into between the Board of Water & Light and Consumers Energy to the full Board for consideration.

**Action:** Motion Carried

**Employee Survey/EPIC MRA Presentation**

Human Resources Director, Michael Flowers, and Bernie Porn, of Epic MRA, presented the Committee of the Whole with the results of the Employee Satisfaction Survey that was recently conducted with the BWL employees. This survey was based on overall attitudes, opinions, concerns, and employee satisfaction regarding their jobs, management teams, organizational diversity, hiring practices and communications. About 395 employees participate in the survey, a 54% participation rate, which is very good, and 69% responding online and 31% responding by mail. The survey was anonymous and confidential.

The following results from the employee satisfaction survey were presented to the Committee in a PowerPoint presentation:

**Employee Rate their Specific Work Area as 'Positive'**

- 77% offered "positive rating";
- 23% offered "negative rating"

**Employees Rate BWL Programs and Services as 'Positive'**

- 84% offered "positive rating"
- 14% offered "negative rating"

**BWL Employees Satisfaction with Leadership Somewhat Mixed**

- 68% "satisfied" with Executive Team;
- 51% "satisfied" with Intermediate Level Management/Supervisors;
- 30% "dissatisfied"

**Employees Feel Comfortable Asking Questions of their Immediate Supervisors/Directors**

- 78% feel "comfortable" asking questions of immediate Supervisor/Director
- 21% DO NOT feel "comfortable" asking questions of immediate Supervisor/Director

**Employees Feel Comfortable Receiving Feedback from their Immediate Supervisors/Directors**

- 79% feel "comfortable" receiving feedback from their immediate Supervisor/Director
- 21% DO NOT feel "comfortable" receiving feedback from their immediate Supervisor/Director

**Employees Frequently Receive Feedback from their Immediate Supervisors/Directors**

- 64% "frequently" receive feedback from their immediate Supervisor/Director
- 35% DO NOT "frequently" receive feedback from their immediate Supervisor/Director

**Employees Feel They are a Partner in the BWL's Vision**

- 59% feel they are "made a partner" in BWL Vision;
- 19% DO NOT feel they are "made a partner" in the BWL Vision

**Employees Rank Aspects of the BWL's Vision Statement**

- **Safe** – 32% Agreed Somewhat; 59% Agreed Strongly
- **Cultural Activities** – 32% Agreed Somewhat; 59% Agreed Strongly
- **Economic Initiatives** – 36% Agreed Somewhat; 54% Agreed Strongly
- **Environmental Steward** – 40% Agreed Somewhat; 49% Agreed Strongly
- **Affordable** – 32% Agreed Somewhat; 53% Agreed Strongly
- **Reliable** – 33% Agreed Somewhat; 48% Agreed Strongly
- **Planning Future Growth** – 38% Agreed Somewhat; 40% Agreed Strongly

**Employees Rank Statements About Common Principles on a 0 to 10 Scale – by Mean Score of Importance**

- **Safety** – 7.706
- **Community Leadership** – 7.511
- **Environmental Stewardship** – 7.358
- **Superior Service** – 7.286
- **Competitive Rates** – 7.256
- **Integrity** – 6.761
- **Diversity** – 6.755

**Employees Rate Work Environment as 'Positive'**

- 67% offered "positive rating"
- 31% offered "negative rating"

**Communication within BWL as a Whole Could Improve**

- 49% offered "positive rating"
- 47% offered "negative rating"

**Communication within Employee's Work Area at BWL Considered Comparatively Better**

- 62% offered "positive rating"
- 35% offered "negative rating"

**BWL Employees' Overall Job Satisfaction High**

- 75% "satisfied" with their jobs;
- 14% say they are "not satisfied" with their jobs

**Feelings Toward Opportunities for Advancement are Mixed Among BWL Employees**

- 53% "satisfied" with opportunities for advancement;
- 28% "not satisfied" with opportunities

**Feelings toward 'Diversity' Mixed Among Employees**

- **Doing Too Little** – 11% (8% Somewhat; 3% Much)
- **Doing Enough –** 46%
- **Doing Too Much –** 39%

**Top Areas within BWL that Employees Feel Need the Most Improvement**

- 13% "Communication"
- 9% "Better Management"
- 8% "Hire/Promote Qualified Employees"

**51% Report Using Social Media at Least Once a Week**

- Facebook – 65%
- Instagram – 4%
- Twitter – 2%
- None – 27%

In conclusion, Mr. Flowers stated that recently, employee performance evaluations have been performed on an annualized basis and the Administration's thought is that evaluations should be done on a more frequent basis because, the younger generation desire more feedback on a regular basis.

**CRT/MPSC Communications to Community**

Board Chair David Price stated that the BWL is over a year and a half past the ice storm, and a little over a year past receiving the Community Review Team (CRT) report. It seems that with all the progress that has been made implementing the CRT's suggestions, that it might be time for closure on the report. He reported that most of the suggestions and changes have become part of the infrastructure of the organizations.

Commissioner Bill Long stated that there has been a lot of progress made relative to work that has been done by the BWL on the recommendations received from the CRT, the Michigan Public Service Commission (MPSC), as well as the Internal Report. He suggests that the actions taken on the recommendations, be compiled so that the Commission and the Board could use that document as a presentation tool to report to the community and the government officials to say, this is what we have done, this is what we have learned and this is how we have responded. Mr. Long mentioned that after a discussion with Chair Price, he had extended an invitation to General McDaniel, the Chairperson of the CRT, to be involved in a presentation if the Board sees fit.

There was a lengthy conversation regarding this matter and in conclusion, it was suggested that Board Chair Price and Commissioner Long meet to discuss a course of action to bring this before the community, but would first bring it to the board for their consideration.

**Resolution Directing Interim GM to Prepare a Business Case**

**Proposed Resolution Directing Interim GM to Prepare a Business Case**

Whereas, the Lansing Board of Water and Light has been a publicly owned utility since 1885;
Whereas, the vision of the Lansing Board of Water and Light is to partner with our customers, community, and employees to make Lansing the most attractive community in Michigan in which to live, raise a family, work, and operate a business;

Whereas, the mission of the Lansing Board of Water and Light is to provide safe, reliable, and affordable utility products and services and to plan for future growth, be responsible environmental stewards, and be active participants in the Lansing Community's cultural and economic initiatives;
Whereas, the Lansing Board of Water and Light customers have enjoyed significant savings on their utility bills in comparison to their neighbors that are served by privately owned utility companies;

Whereas, should the Lansing Board of Water and Light be sold to a private utility company customers will likely see an increase in their monthly utility bills and;

Whereas, the employees of the Lansing Board of Water and Light are among the best and the most highly skilled utility workers in the nation and a sale of the utility would lead to internal reorganization and unknown layoffs of BWL employees;

Whereas, the Lansing Board of Water and Light plays a significant role in our region's business development efforts providing guaranteed savings to companies looking to locate or expand in this area;

Whereas, the Lansing Board of Water and Light works to make our community a great place to live supporting programs like *Pennies for Power* and *Adopt-a-River* and helping to sponsor the *BWL Chili Cook Off*, *Silver Bells in the City*, the *Common Ground Festival*, and our own home town professional sports franchise the *Lansing Lugnuts*;

Whereas, the Lansing Board of Water and Light employees contribute many hours volunteering at community events, greatly enhancing the quality of life in the Lansing region; and

Whereas, if the Lansing Board of Water and Light were sold to a private company, many of these community assets and benefits would be lost; and now therefore, be it

Resolved, that the commission of the Lansing Board of Water and Light directs the Interim General Manager to prepare a business case for keeping the Lansing Board of Water and Light a community asset owned by the City of Lansing.

**Discussion:**
Board Chair Price stated that procedurally, if the Committee approves to forward the proposed resolution at tonight's Committee of the Whole meeting, there are two weeks until the full board meeting for its passage, at which time it can be explained further, and amended.

**Motion** by Commissioner Price, Seconded by Commissioner Mullen, to forward the proposed resolution to the full Board for consideration.

**Action**: Motion Carried (6 - 1 Vote, Ross dissenting)

**Open Meetings Act Update**
Brandie Ekren, General Counsel, provided an Open Meetings Act (OMA) reminder for the new Commissioners to refrain from group emailing, to avoid potential violation of the OMA.

**FOIA Update**
Brandie Ekren, General Counsel, provided a Freedom of Information (FOIA) status update that the Board of Water and Light (BWL) has an outstanding question to the Lansing City Attorney regarding whether or not the Commissioners must still approve their own FOIA Policies and Procedures. In the meantime, Ms. Ekren advised that the BWL will continue to follow guidelines as approved by the City Council until further direction from the Lansing City Attorney is given.

**Commissioners Report from APPA Conference**
Board Chair David Price stated that this was his first time attending the American Public Power Association (APPA) National Conference and that he was grateful to go. One of the things of particular interest to him was the whole idea of community value. A public utility from Wisconsin did a presentation that attached a dollar value to the community investment of their employees in volunteering, and doing many of the things mentioned in the resolution brought forward today. His thought was that the same could be something to look at as we talk more about the idea of selling the BWL utility; with emphasis on what else would be given up, besides the tangible assets. He stated all of the general sessions at the conference were good and thinks that every Commissioner should attend, so to take the pulse of the whole public power, and it's a significant industry.

Commissioner Dennis M. Louney distributed information that he brought back from the conference. He stated that excellent information was provided in the reports.

Commissioner Tony Mullen stated that one of the things that was interesting to him about the APPA Conference, which ties into the conversation about selling the BWL, is the information

that he received after sitting in on a couple of presentations from various bonding agencies. It is astounding how much the new Environmental Protection Agency (EPA) regulations coming down the pike are going to affect the worth of this company because the BWL has coal-fired plants.

**groSolar Update**

George Stojic, Executive Director of Strategic Planning and Development, updated the Board on the status of the BWL's solar programs. Mr. Stojic indicated that a Power Purchase Agreement with groSolar has been completed and that the power generated would fulfill the BWL's PA 295 compliance requirement. Additionally, Mr. Stojic stated that the price would be $59.00 per megawatt hour, which is a very good price for this part of the country, and that it would be the only utility scale solar project in Michigan. According to Mr. Stojic, a site has not yet been selected, however, once it is selected, it will determine the project size, between 15 and 30 megawatts. Mr. Stojic also stated that the BWL was previously working with a developer on a smaller, 300 kilowatt, community solar project. This would allow the BWL customers to buy into the project and receive a credit on their bills. Mr. Stojic also mentioned the BWL's distributed solar program provides incentives to businesses and residential customers to place solar energy on their facilities and homes with the option of participating in the BWL's net metering program. He stated that collectively, these projects constitute Michigan's most extensive solar program, which is particularly appropriate based on the BWL's summer demand and transmission configuration.

**Chili Cook-Off update**

Steve Serkaian, Director of Communications provided an update of this year's Chili Cook Off. Mr. Serkaian said this year was the 20th anniversary of the BWL Chili Cook Off. The event was held at Adado Riverfront Park on June 5, 2015. This year's presenting sponsor was Tripp's Auto Shop and Collision Centers. More than one hundred BWL employees volunteered thousands of hours of their own time to put on this community event. There were 40 chili vendors, giving away nearly all of their chili to 4,000 attendees. This year's honorary chair was TV 6 news' anchor, Sheri Jones. For the first time, a used car donated by University Motor Mall, was raffled off.

After collecting sponsor checks, the BWL will be able to contribute approximately $5,000 dollars to each of our three designated charities, *Impression 5 Science Center*, *Sparrow Foundation* and the *Lansing Promise Hope Scholarship* fund. For next year's event, the BWL is exploring the possibility of holding the Chili Cook off at another location.

**Public Comment**

Anne Woiwode, Conservation Director for the Sierra Club, spoke about the BWL solar program as well her eagerness to learn more about the BWL's Integrated Resource planning process.

Brad Van Guilder, Ph.D., Organizing Representative Beyond Coal Campaign, spoke about preparing for the closure of coal-powered plants. He questioned the difference between a strategic plan and an IRP.

Elaine Wambo, of South Lansing, stated that she was the facilitator of a group called Rejuvenating South Lansing. She asked that the Board Water and Light Commissioners do everything in their power to prevent the selling of the Board Water and Light. She stated that the Board Water and Light is the public facility that supports our residents and our neighborhoods.

Ron Byrnes, representing IBEW, spoke in support of the resolution that was presented and voted on tonight. He stated that it is important for the city residents and employees to know where the Board of Commissioners stands on this issue.

**Other**

Interim General Manager Peffley welcomed the new commissioners and said that he is looking forward to working with them, announced that BWL's Director of Public Relations, Calvin Jones, received the Rotarian of the year award from the Delta Waverley Rotary, and reminded everyone about the State of the BWL Address that is being held Tuesday, July 21st at the Line Garage in Building G. He stated that the speech will begin at 11:00 a.m. and lunch will immediately follow.

**Excused Absence**

Motion by Commissioner Price, seconded by Commissioner Mullen, to excuse Commissioner McCloud from tonight's meeting.

**Action:** Motion Carried

**Adjourn**

**On Motion** by Commissioner Price, Seconded by Commissioner Mullen, the meeting adjourned at 7:59 p.m.

Respectfully Submitted
Margaret Bossenbery, Chair
Committee of the Whole

**FINANCE COMMITTEE**
**July 14, 2015**

The Finance Committee of the Board of Water and Light met at the BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 7:08 p.m. on Tuesday, July 14, 2015.

Finance Committee Chairperson Dennis M. Louney called the meeting to order and asked that roll be taken.

Present: Commissioners Dennis M. Louney, Margaret Bossenbery, Tony Mullen and Sandra Zerkle. Also, present Commissioners David Price and Ken Ross. Non-Voting Members Present: Commissioners Mike Froh (Meridian Township), Bill Long (Delta Township) and Bob Nelson (East Lansing)

Absent: None.

The Corporate Secretary's Executive Assistant declared a quorum.

**Public Comments**

None

**Approval of Minutes**

**Motion** by Commissioner Bossenbery, Seconded by Commissioner Mullen, to approve the Finance Committee meeting minutes of April 4, 2015.

**Action:** Motion Carried.

**External Audit Communication to the Board – Presented by Plante & Moran**

Heather Shawa-DeCook, Chief Financial Officer (CFO) introduced external auditor Doug Rober, Partner with Plante Moran (P&M) and Marie Stiegel, CPA with P&M, who reviewed and presented the Auditing Process.

Mr. Rober said this is the beginning of the annual audit process for the various BWL pension trust funds. Part of that process is to meet and present governance with a projected audit process summary and have dialogue regarding any concerns.

Marie Stiegel reviewed Management's responsibility in the Audit process as well as the following:

- Audit Process
- Auditor Responsibility
- Management Responsibility
- Testing Phases
- Required Discussion Points
- Significant Risk Misstatement
- Responses to Significant Risk Misstatement
- Additional Required Discussion Points
- Communication to those Charged with Governance

Board Chair David Price was indicated as the appropriate contact person for questions or concerns.

Mr. Rober asked the Board of Commissioners if there were any areas of concern that warrant attention or additional procedures. There were no responses.

**Internal Audit Update**

Internal Auditor Phil Perkins, presented an overview of the following information:

Internal Auditor Status Update

- FY 2015 Audit Plan Progress Report
- Proposed FY 2016 Audit Plan
- Other Items

FY 2015 Audit Plan Progress Report

Engagements Completed:

1. Materials Inventory Audit
2. BOC Independent Audit
3. IT – PCI Compliance Audit
4. Health and Prescription Drugs Plan Management Audit
5. Surprise Cash Counts (2)
6. Time Reporting Reviews (2)

Engagements in Progress:

1. Engineering – Annual Projects Audit—fieldwork complete; final report to be issued in July 2015.
2. Outage Management System Audit—fieldwork about complete; report to be issued in August.
3. IT – Management of Non-PC Devices Audit—fieldwork about complete; report to be issued in August or September.

Proposed FY2016 Audit Plan - Background

Basis for plan:

1. Meetings with Executives and Staff to discuss risks and potential audit topics.
2. Risk assessments for each of 100-plus auditable activities at BWL.
3. Consideration of rotational audits, audit areas with risk/scoping assessments, first-time audits, etc.
4. Identified over 20 potential audits to perform in FY 2016 and beyond.

Proposed FY2016 Audit Plan – Background

Top 10 audits for FY 2016 (as discussed with senior management):

1. Follow-up of Selected CRT/MPSC/BWL Recommended Actions
2. Billing
3. IT – Information Security Policies
4. Training & Development
5. Safety Management
6. IT – Manage Changes
7. Hiring Process
8. Performance Evaluation/Compensation
9. Payroll
10. Facility Security

## Proposed FY2016 Audit Plan

| Planned Audits: | Estimated Hours |
|---|---|
| **Follow-up of Selected CRT/MPSC/BWL Recs.** | 300 |
| **Billing** | 500 |
| **IT – Information Security Policies** | 300 |
| **Training & Development** | 300 |
| **Safety Management** | 400 |
| **IT – Manage Changes** | 400 |
| **Other Engagements:** | |
| Surprise Cash Counts (2) | 40 |
| Time Reporting Reviews (2) | 160 |
| Central Maintenance & Fleet Time/Resource Reporting | 100 |
| Other Consulting (NERC/CIP Compliance, IRP/Strat Plan) | 100 |
| Total Estimated Hours | **2,600** |

BWL

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## Proposed FY2016 Audit Plan, Cont'd

Available Resources:

| | | |
|---|---|---|
| Phil Perkins | Director of Internal Audit | 1,500 |
| C. L. Moore & Associates | Augmented IA Services | 900 |
| Internal or External IT Audit Assistance | IT Audit Services | 200 |
| Total Hours | | **2,600** |

BWL

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**Motion** by Commissioner Bossenbery, Seconded by Zerkle, to forward the Internal Auditor's Audit Plan to the full board for consideration.

**Action**: Motion Carried

Internal Auditor, Phil Perkins presented two proposed changes to the Internal Audit Charter: (1) language changes to emphasize the mandatory nature of complying with the definition of Internal Auditing, Code of Ethics, and Institute of Internal Auditors' Standards, and (2) addition of requirements to present to the Board the annual audit plan for approval and other periodic updates to inform the Board of Internal Audit's efforts on quality assurance, continuous improvement, and the results of internal and external peer reviews.

**Motion** by Commissioner Bossenbery, Seconded by Mullen, to forward the Internal Audit Charter to the full board for consideration.

**Motion** by Commissioner Bossenbery, Seconded by Commissioner Zerkle, to forward the Internal Auditor Charter with amendments to clarify the presented plan to the full Board for consideration. Amended by inserting the text highlighted in yellow:

**INTERNAL AUDIT PLAN:**

At least annually, the Director of Internal Audit will submit to the General Manager and the Board, an internal audit plan for review and Board approval. The internal audit plan will be developed using a risk-based methodology, including input of the General Manager and the Board. Any significant deviation from the approved internal audit plan will be communicated to the General Manager and the Board through periodic activity reports.

**PERIODIC ASSESSMENT:**

The Director of Internal Audit will communicate annually to the General Manager and the Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

**Motion Carried** on the amendment by unanimous consent.

The question being the motion to forward the Internal Auditor's Audit Charter as amended to the full board for consideration.

**Action**: Motion Carried

Charles L. Moore, CPA of Charles Moore and Associates provided an overview of his firm that performs augmented internal auditing services for BWL, including his contracted responsibilities in assisting the BWL Internal Auditor with audit planning and execution.

**April and May 2015 Financial Highlights**

Heather Shawa-DeCook, Chief Financial Officer (CFO), provided an update to the Committee on the Board of Water and Light's (BWL) credit rating. The Board of Water & Light's credit rating

since August of 2003 is 'AA-'. This rating is in the top third of S&P investment-grade for public utilities and is deemed a very solid rating.

Ms. Shawa-DeCook provided the Committee with a brief overview of the BWL's April and May month-end financials by reporting the following information:

Ms. Shawa-DeCook noted that BWL's April cash flow was slightly over target of 80 million for cash on hand, and May's financial summary in month-end reported 10 million over target, due to [BWL's] bi-annual obligation for return on equity payment. Additionally, Ms. Shawa-DeCook stated that [BWL's] June year-end is expected to be more in line with our target of 80 million. Moreover, Ms. Shawa-DeCook stated that [BWL's] revenue is still tracking under budget, to wit: May reported at 15 million, or 4% under budget. However, she stated that the [BWL] did gain a percent between April and May; in February, the [BWL] had a variance of 7%, the same has reported at 4% in May. Ms. Shawa-DeCook expressed that she expects June year-end to be around 4% variance overall. According to Ms. Shawa-DeCook, in lieu of the variance of revenue, the [BWL] is tracking positive variance from net income, which directly contributes to [BWL's] O&M budget, which was set to be reduced by 3%. The [BWL] has exceeded that number and is now tracking at approximately 7% under O&M budget. Ms. Shawa-DeCook stated that this has not been an easy task for the management team, and that they all have done a great job at having full oversight on their budget and managing it. Additionally, Ms. Shawa-DeCook has stated that this has not been at an expense of safety, storm preparedness and operational needs. She applauded the management team for doing a great job.

In closing, Ms. Shawa-DeCook stated that we are still finalizing preliminary unaudited June fiscal year-end statements and have to perform due-diligence and reviews of our estimates, reserves and accruals. The same unaudited June financials will be provided to the Board at the next meeting.

**Six Year Forecast Overview/Resolution**

Heather Shawa-DeCook, Chief Financial Officer (CFO), reviewed the Six Year Financial Plan, including the following information:

- Financial Goals
- Financial Assumptions
- Rate of Return
    - Annual Net Income by Utility
    - Without Forecast Rate Increases
    - Annual Net Income by Utility Without Forecast Rate Increases
- Capital Forecast
- Capital Budget – Major Projects/Programs
- Already Completed and Next Steps

Ms. Shawa-DeCook stated that BWL's financial goals, in addition to maintain an AA- credit rating is to ensure adequate liquidity so that the BWL can meet near-term obligations when due. According to Ms. Shawa-DeCook, BWL's cash on hand for fiscal year 2016 is forecasted at 135 days, however, Ms. Shawa-DeCook noted that the BWL is keeping an eye on this matter

because the median day's cash for AA- rating is 180 days. Another financial key goal for [BWL] is to maintain rate competitiveness, and this Six Year Forecast Overview has factored in the 6.18% rate of return.

Ms. Shawa-DeCook stated that [BWL] projects a modest increase in residential and industrial sales, and a conservative decline in wholesale sales. As Eckert nears the end of its useful life, [BWL] projects slight decline in water sale and slight increase in wholesale. With respect to steam and chilled water, the [BWL] is not assuming any significant growth.

Ms. Shawa-DeCook noted that in terms of operating expenses, 2.3% inflationary rate is forecasted, including general cost and 5% for employee benefit. Ms. Shawa-DeCook further noted that in August of 2008, the Board approved a target rate of return of 6.18% and that the Board's approach was to allow for flexibility to adjust the calculated return upward for large construction projects and other unusual circumstances. As such, Ms. Shawa-DeCook noted that the Six Year Forecast is being presented for acceptance based on achieving previously calculated rate of 6.18% by the end of the 6$^{th}$ year. Additionally, Ms. Shawa-DeCook noted that it may be best to update the return in conjunction with the IRP process to ensure the calculated return target considers the direction dictated by the findings of the IRP.

Ms. Shawa-DeCook presented BWL's total budget over the next 6 years as well as high-level summary of BWL's major projects and programs.

There was a lengthy conversation regarding the proposed contract and resolution. Upon conclusion of the conversation and the questions and answer session, the following motion was offered:

Motion by Commissioner Louney, Seconded by Commissioner Mullen, to accept the capital expenditures forecast for fiscal year 2017 through 2012.

**Action:** Motion Carried

**Credit Card Policy Resolution**

Heather Shawa-DeCook, Chief Financial Officer (CFO), stated that per the request of the Commissioners, Internal Auditor, Phil Perkins' special internal audit findings recommendation was to have the P-cards, receipts and reconciliation of the three Board-appointed employees, be reviewed and approved by the Board of Commissioners. Ms. Shawa-De-Cook reiterated the Resolution with emphasis that the Board-appointed employees shall sign, date and present their reconciliation report to the Chair of the Finance Committee at the close of each cycle and thereafter, the Chair of the Finance Committee shall review, sign, date and return the reconciliation report to the employee.

There was a lengthy conversation regarding the proposed contract and resolution. Upon conclusion of the conversation and the questions and answer session, the following motion was offered:

Motion by Commissioner Bossenbery, Seconded by Commissioner Zerkle, to forward the Resolution for the approval of the Credit card Policy.

**Action:** Motion Carried

**Capital Project Exceedance Approval**

Heather Shawa-DeCook, Chief Financial Officer (CFO), stated that per the request of the Commissioners, Internal Auditor, Phil Perkins' special internal audit findings, the recommendation was that any approved capital project that is expected to exceed its total budget amount by both 15% and $200,000 must have the exceedance approved by the Commissioners prior to the completion of the project.

Commissioner Ross suggested amending the Resolution so it says '$200,000 or more.'

Motion by Commissioner Bossenbery, Seconded by Commissioner Zerkle, to move the resolution with amendment.

**Action:** Motion Carried

**Other**

Interim General Manager Peffley thanked Internal Auditor, Phil Perkins for his work. Mr. Peffley furthermore assured the Commissioners that the technical issues that were experienced during the meeting regarding the microphones will be rectified, hopefully prior to the next meeting.

**Adjourn**

**On Motion** by Commissioner Louney, Seconded by Commissioner Bossenbery, the meeting adjourned at 9:38 p.m

Respectfully submitted
Dennis M. Louney, Chair
Finance Committee

HUMAN RESOURCES COMMITTEE
**July 28, 2015**

The Human Resources Committee of the Lansing Board of Water and Light met at the Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 4:30 p.m. on Tuesday, July 28 2015.

The Human Resources Ex-Officio Chair, David Price, called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners

Anthony McCloud, Tony Mullen and David Price. Also present: Commissioners Ken Ross and Sandra Zerkle. Non-Voting Commissioners Present: Commissioners Mike Froh and Bill Long.

Absent: None.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Commissioner McCloud, seconded by Commissioner Mullen, to approve the Human Resources Committee meeting minutes of May 19, 2015.

**Action**: Motion Carried.

**PA 152/Amend Employee Contribution to Medical Benefit Plans/Resolution**

Michael Flowers, Executive Director of Human Resources, presented the Commission with the Public Employer Contributions to Medical Benefits Plan, which included the following information:

- Public Act 152 – Publicly Funded Health Insurance Contribution Act
- Public Act 152, 2011
- Board Resolution #2012-07-01
- Board Resolution #2013-7-02 and Board Resolution #2014-9-03
- Increase Employee Cost Per Pay Period if Hard Cap Requirement of Act is Implemented
- Increase Employee Cost Per Pay Period if 80/20 Cap is Implemented
- Alternatives Utilizing Option 3 to Opt-Out of Act 152, 2011 – Various Premium Sharing Options
- Affordable Care Act (ACA)

**Salary Adjustments for Contract/Appointed Employees**

a) Corporate Secretary, Denise Griffin

**Motion** by Commissioner Mullen, seconded by McCloud to recommend a five percent base salary increase.

**Action:** Motion Carried

a) Internal Auditor, Phil Perkins

**Motion** by Commissioner Price, seconded by Commissioner McCloud to recommend a two percent base salary increase and two additional vacation days.

**Action:** Motion Carried

**Excused Absence**

None.

**Public Comments**
None.

**Adjourn**
**On Motion** by Commissioner Price, seconded by Commissioner McCloud, the meeting adjourned at 5:00 p.m.

Respectfully Submitted
David Price, Ex-Officio Chair
Human Resources Committee

**MANAGER'S RECOMMENDATIONS**

**RESOLUTION 2015-07-02**

**APPROVING THE AGREEMENT TO RESOLVE ELECTRIC SERVICE TO MICHIGAN STATE UNIVERSITY ENTERED INTO BY THE LANSING BOARD OF WATER AND LIGHT AND CONSUMERS ENERGY COMPANY**

WHEREAS, Michigan State University ("MSU") is seeking an outside source of electric power for its new Facility for Rare Isotope Beams ("FRIB");

WHEREAS, both the Lansing Board of Water and Light ("") and Consumers Energy Company ("Consumers Energy") assert the right to supply electric power to the FRIB;

WHEREAS, and Consumers Energy have agreed to resolve this dispute by entering into an Agreement to Resolve Electric Service ("Agreement") under which Consumers Energy will construct facilities and provide service to the FRIB with the net margin from this service (less a 10% administrative fee charged by Consumers Energy) to be divided equally between the two utilities for a 20 year period commencing with the initiation of service to the FRIB and further providing that after the effective date of the Agreement neither utility will assert that it has the exclusive right to provide electric service to the MSU campus;

WHEREAS, it is the intention of and Consumers Energy to seek approval of the Agreement from the Michigan Public Service Commission ("MPSC") pursuant to MCL 460.10y (4) and MCL 460.54; and

WHEREAS, pursuant to MCL 460.10y (4) the Agreement may not become effective unless approved by the MPSC and the governing body of ;

NOW, THEREFORE BE IT RESOLVED that the Board of Water and Light of the City of Lansing, Michigan hereby approves the Agreement.

**Motion** by Commissioner McCloud, Seconded by Commissioner Mullen to approve the resolution for the agreement to resolve electric service to Michigan State University entered into by the Lansing Board of Water & Light and Consumers Energy Company for the new Facility for Rare Isotope Beams ("FRIB").

**Action:** Motion Carried (7-1, Bossenbery dissenting)

**RESOLUTION 2015-07-03**

**FISCAL YEAR 2017-2021 CAPITAL FORECAST**

RESOLVED, that the forecast for capital expenditures for the Fiscal Years 2017-2021 is hereby accepted as presented.

**Motion** by Commissioner Mullen, Seconded by Commissioner Louney, to approve the FY 2017-2021 Six Year Capital Forecast.

**Action:** Motion Carried

**RESOLUTION 2015-07-04**

**CREDIT CARD POLICY**

RESOLVED, that Board of Water and Light Policy 7-05 "Credit Card" is hereby amended to add the following:

RESOLVED, that all Board appointed employees, including the General Manager, Corporate Secretary, and Internal Auditor shall complete, sign, and date a reconciliation report for their credit card also referred to as procurement card or P-card, after each cycle.

RESOLVED, that the reconciliation report shall include itemized receipts and a description of the business purpose of the transaction. Transaction description of meal expenses shall include the name and organization of the meal guest(s).

RESOLVED, that the Board appointed employee shall sign, date, and present their reconciliation report to the Chairperson of the Finance Committee after the close of each cycle. The Chairperson of the Finance Committee shall review, sign, date, and return the reconciliation report to the employee. The Board appointed employee shall retain the signed reconciliation report as directed by the Record Retention Policy.

FURTHER RESOLVED, that this policy may not be waived or overridden, except by Board resolution.

This resolution supersedes resolution 2001-1-3.

**Motion** by Commissioner Bossenbery, Seconded by Commissioner Mullen to approve the resolution for the Credit Card Policy.

**Action:** Motion Carried

**RESOLUTION 2015-07-05**

**CAPITAL PROJECT EXCEEDANCE APPROVAL**

RESOLVED, that Board of Water and Light Policy 15-02 "Capital Project Approval" is hereby amended as follows:

RESOLVED, that Board of Water and Light Policy 15-02 "Capital Project Approval" is renamed "Capital Project Exceedance Approval"; and

RESOLVED, that any approved capital project that is expected to exceed its total budget amount by both 15% and $200,000 or more must have the exceedance approved by the Commissioners prior to completion of the project; and

RESOLVED, the General Manager shall report the expected exceedance to the Commissioners as soon as reasonably possible; and

RESOLVED, this policy applies to the aggregate total budget amounts for electric, water, steam, and chilled water "annual" capital projects and to the individual total budget amounts for "planned" capital projects; and

RESOLVED, the General Manager shall establish and implement procedures overseeing capital project costs consistent with this policy; and

FURTHER RESOLVED, item 5 under the Board of Commissioners' Responsibility as part of Policy 19-08 "Line Extensions and Service Territory Expansion" shall be removed from this Policy to eliminate redundant information as contained within Policy 15-02.

This resolution supersedes resolutions 2000-3-2 and 2001-6-16.

Staff Comments: This change to capital project approval is needed to provide clarity regarding Board approval and reporting requirements for capital budget variances.

Motion by Commissioner McClould, Seconded by Commissioner Ross to approve the resolution for the Capital Project Exceedance.

Action: Motion Carried (7, 1 Mullen dissenting)

**UNFINISHED BUSINESS**

There was no Unfinished Business

**NEW BUSINESS**

**ELECTION OF THE EXECUTIVE COMMITTEE**

**Motion** by Commissioner David Price, Seconded by Commissioner Zerkle to elect Tracy Thomas as the fourth member of the Executive Committee.

**Action**: Motion Carried.

**RESOLUTION/ACTION ITEMS**

**RESOLUTION 2015-07-01**

**LANSING BOARD OF WATER AND LIGHT**

**RESOLUTION HONORING CYNTHIA WARD**

WHEREAS, it is indeed a pleasure to extend this expression of our thanks and best wishes to Cynthia Ward for the time, energy, and talent she contributed as a Commissioner of the Lansing Board of Water and Light; and

WHEREAS, Cynthia was appointed to the Board of Commissioners in October of 2010, as an At-Large Commissioner. Cynthia's dedication and commitment allowed her to become an invaluable and highly respected member of the Board of Commissioners; and

WHEREAS, Cynthia was appointed Chair of the Human Resources Committee for Fiscal Year 2014 through July 2015 and also served as the Chair of the Nominating Committee for 2015; and

WHEREAS, On behalf of her colleagues, employees of the Lansing Board of Water and Light and the citizens of Lansing, we offer our sincere gratitude for the knowledge, skills and abilities she utilized and contributed as a Commissioner of the Lansing Board of Water and Light.

RESOLVED, That the members of this Board hereby honor and commend Cynthia Ward for her years of distinguished service in the Regular Board Meeting on this 28th day of July 2015. We wish Cynthia enormous success in all her future endeavors.

| | |
|---|---|
| David Price , Chair | Margaret Bossenbery , Vice Chair |
| Dennis M. Louney | Anthony McCloud |
| Tony Mullen | Ken Ross |
| Tracy Thomas | Sandra Zerkle |

**Motion** by Commissioner McCloud, Seconded by Commissioner Bossenbery to approve the resolution of tribute honoring former Commissioner Cynthia Ward.

**Action**: Motion Carried

**RESOLUTION 2015-07-06**

**APPOINTMENT OF THE CHARTER POSITION OF CORPORATE SECRETARY**

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Corporate Secretary for fiscal year 2015-2016, or, until a successor is appointed, whichever last occurs with a five percent salary adjustment:

M. Denise Griffin, Corporate Secretary

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**Motion** by Commissioner McCloud, Seconded by Commissioner Mullen to amend the resolution to include a five percent salary adjustment and approve the resolution as amended.

**Action**: Motion Carried

**RESOLUTION 2015-07-07**

**APPOINTMENT OF THE CHARTER POSITION OF INTERNAL AUDITOR**

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Internal Auditor for fiscal year 2015-2016, or, until a successor is appointed, whichever last occurs with a two percent salary adjustment and two additional vacation days:

Philip Perkins, Internal Auditor

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**Motion** by Commissioner Mullen, Seconded by Commissioner McCloud to amend the resolution to include a two percent salary adjustment and two additional vacations days and approve the resolution as amended.

**Action**: Motion Carried

**RESOLUTION 2015-07-08**

**APPOINTMENT OF THE CHARTER POSITION OF DIRECTOR AND GENERAL MANAGER**

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Director and General Manager for fiscal year 2015-2016, or, until a successor is appointed, whichever last occurs:

Richard R. Peffley, Interim Director and General Manager

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**Motion** by Commissioner Mullen, Seconded by Commissioner McCloud to reappoint Richard Peffley as the Interim Director and General Manager.

**Action**: Motion Carried

**RESOLUTION 2015-07-09**

**INTERNAL AUDITOR CHARTER APPROVAL**

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter, appended to which conforms to the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors.

**Motion** by Commissioner Louney, Seconded by Commissioner Bossenbery to approve the resolution for the Internal Audit Charter.

**Action**: Carried Unanimously

**RESOLUTION 2015-07-10**

**INTERNAL AUDIT PLAN FOR FY 2016**

RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Plan for FY 2016.

**Motion** by Commissioner Zerkle, Seconded by Commissioner Bossenbery to adopt the Internal Audit Plan for FY 16.

**Action**: Carried Unanimously

**RESOLUTION 2015-07-11**

**SUPPORTING THE BWL A PUBLIC UTILITY**

Whereas the Lansing Board of Water and Light has been a publicly owned utility since 1885;

Whereas the vision of the Lansing Board of Water and Light is to partner with our customers, community, and employees to make Lansing the most attractive community in Michigan in which to live, raise a family, work, and operate a business;

Whereas the mission of the Lansing Board of Water and Light is to provide safe, reliable, and affordable utility products and services and to plan for future growth, be responsible environmental stewards, and be active participants in the Lansing Community's cultural and economic initiatives;

Whereas the Lansing Board of Water and Light Customers have enjoyed significant savings on their utility bills in comparison to their neighbors that are served by privately owned utility companies;

Whereas should the Lansing Board of Water and Light be sold to a private utility company customers will likely see an increase in their monthly utility bills and;

Whereas the employees of the Lansing Board of Water and Light are among the best and the most highly skilled utility workers in the nation and a sale of the utility would lead to internal reorganization and unknown layoffs of employees;

Whereas the Lansing Board of Water and Light plays a significant role in our region's business development efforts providing guaranteed savings to companies looking to locate or expand in this area;

Whereas the Lansing Board of Water and Light works to make our community a great place to live supporting programs like Pennies for Power and Adopt a River and helping to support helping to sponsor the Chili Cook-Offs, Silver Bells in the City, Common Ground music festival, and our own home town professional sports franchise the Lansing Lugnuts;

Whereas the Lansing Board of Water and Light employees contribute many hours volunteering at community events, greatly enhancing the quality of life in the Lansing region; and

Whereas if the Lansing Board of Water and Light were sold to a private company, many of these community assets and benefits would be lost; and now therefore, be it Resolved that the commission of the Lansing Board of Water and Light support keeping the a community asset owned by the City of Lansing.

**Motion** by Commissioner Bossenbery, Seconded by Commissioner McCloud to approve the resolution directing the Interim General Manager to Prepare a Business Case for keeping the Lansing Board of Water & Light a community owned asset owned by the City of Lansing.

**Motion** to amend the proposed resolution by Commissioner Louney, Seconded by Commissioner Mullen to Amend the proposed resolution as follows:

"Resolved, that the Commissioners of the Lansing Board of Water & Light (striking out 'directs the Interim General Manager to prepare a Business Case for keeping the Lansing Board of Water and Light a community based asset owned by the City of Lansing'), (inserting) '**SUPPORTS KEEPING THE LANSING BOARD OF WATER AND LIGHT A COMMUNITY ASSET, OWNED BY THE CITY OF LANSING, AND BE IT FURTHER "RESOLVED THAT THE COMMISSION DIRECTS THE INTERIM GENERAL MANAGER TO WORK COOPERATIVELY WITH THE LANSING FINANCIAL HEALTH TEAM TO EXPLORE AND DETERMINE THE VALUE AND COSTS OF PUBLIC POWER TO THE RATE PAYERS AND CITIZENS OF THE GREATER LANSING AREA."**

**Action**: Motion Defeated (2 Louney, Mullen, 6 dissenting)

**Motion** to amend the resolution by Commissioner Bossenbery, Seconded by Commissioner Ross to support the resolution with the first Resolved clause ending at:

**"SUPPORT KEEPING THE BOARD OF WATER AND LIGHT A COMMUNITY ASSET OWNED BY THE CITY OF LANSING"** and striking the last Resolved paragraph and changing the title of resolution to state, **"RESOLUTION SUPPORTING THE A PUBLIC UTILITY"**.

**Action**: Motion Carried (6, 2 Louney, Mullen dissenting)

**RESOLUTION 2015-07-12**

Amend Employee Contribution to Medical Benefit Plans

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

WHEREAS, Public Act 152 of 2011 took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, Public Act 152 of 2011 created a "hard cap" for medical benefit plan years beginning January 1, 2012, such that a public employer may not pay more than the statutory caps for medical benefit plans, and;

WHEREAS, by a majority vote of its governing body, a public employer may opt-out of the hard cap and into an 80% cap option where the public employer may not pay more than 80% of the total annual costs of all the medical benefit plans for its employees, and;

Whereas, by a 2/3 vote of its governing body each year, a local unit of government may exempt itself from the requirements of Public Act 152 of 2011 for the next year, and;

WHEREAS, the Board of Commissioners met on July 24th 2012 and passed a resolution (#2012-07-01) to exempt itself from the requirements of Public Act 152 of 2011 and implemented a 10% premium sharing, and;

WHEREAS, the Board of Commissioners met on July 23rd 2013 and passed a resolution (#2013-07-02) to exempt itself from the requirements of Public Act 152 of 2011 and implemented a 12% premium sharing, and;

WHEREAS, the Board of Commissioners met on September 2014 and passed a resolution (#2014-09-03) to exempt itself from the requirements of Public Act 152 of 2011 and kept the 12% premium sharing, and;

RESOLVE that the Board by at least 2/3 vote desires to exempt itself from the requirements of Public Act of 2011 for the upcoming benefit plan year, effective September 1, 2015 through December 31, 2015.

FURTHER RESOLVE that the Board desires to continue the 12% premium sharing for all active employees for medical benefits effective September 1, 2015.

**Motion** by Commissioner Mullen, Seconded by Commissioner McCloud to approve the resolution for the 12% premium sharing for employees.

**Action:** Carried Unanimously

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**MANAGER'S REMARKS**

Interim General Manager Peffley, spoke about the success of employee appreciation night that was held July 23rd at Cooley Law School (Lugnuts) Stadium and thanked everyone for attending.

**COMMISSIONERS' REMARKS**

Chair Price announced that committee assignment would be forthcoming.

Commissioner Bossenbery declared her resignation from the Board of Commissioners.

Chair Price stated his respect for BWL resigning Commissioner Bossenbery.

Commissioner Nelson stated the following: "I want to thank the Chair for the concerns of the three non-noting members regarding the now stricken, second 'resolve' clause because, initially it was written to say that it would affect the rate payers of the citizens of Lansing. That was amended to include the citizens of Greater Lansing Area. This would have a significant impact on all communities within the service territory, and we thank you for that now, stricken amendment."

Commissioner Zerkle stated that she respects Commissioner Bossenbery's decision to resign; she also respects her honesty and integrity.

Commissioner Thomas thanked Cynthia Ward for her presidential like service to the Board. He also congratulated Vice-Chair Louney and Chair Price on their leadership roles. Commissioner Thomas also gave Interim General Manager Peffley accolades on his State of the BWL Address.

Commissioner Louney thanked both Commissioner Ward and Commissioner Bossenbery for their service to the BWL Commission.

Commissioner Ross requested a briefing of the status of the Strategic Plan and the Integrated Resource Process (IRP).

Interim General Peffley stated that an RFP has been issued to hire a firm to assist direction and to set a plan and once that has been accomplished, that information will be brought before the Commission. The chosen company will be charged with helping the BWL answer the questions that the Sierra Club has submitted. This process will be receptive to what the ratepayers, owners and regional partners have to say.

Commissioner Louney stated that the Commission definitely plans to engage the public in the IRP process, not just in commenting but being a part of the planning process.

## PUBLIC COMMENTS

Councilmember Jessica Yorko thanked the Board of Commissioners and the Executive Staff for the IRP process. She stated that it is very important to engage the community as the BWL moves into the phase of what will replace the generation at the Eckert station. Councilmember Yorko presented the Commission with information on community engagements in similar IRP planning processes around the state, specifically the P-21 decision in Holland.

Brad Van Guilder, Sierra Club Organizing Representative, spoke to the Commission regarding the retirement of the Eckert power plant. Mr. Van Guilder also expressed the importance of the Commission engaging the public with the IRP process.

## ADJOURNMENT

On motion by Commissioner Mullen, Seconded by Commissioner McCloud the meeting adjourned at 7:02 p.m.

M. Denise Griffin, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk: August 10, 2015
Official Minutes filed (electronically) with Lansing City Clerk: September 24, 2015