BOARD OF WATER AND LIGHT
REO Town Depot
1201 S. Washington Ave., Lansing, Michigan
July 23, 2019 - 5:30 p.m.

BOARD MEETING AGENDA

1. Roll Call
2. Pledge of Allegiance
3. Election of Officers FY 2019-2020
4. Approval of Minutes
   a. Regular Board Meeting Minutes of May 28, 2019
5. 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.
6. Communications
   a. Electronic mail Dayna Jenkins re: Customer Service
   b. Thank you card from former Internal Auditor Phil Perkins
7. Committee Reports
   a. Nominating Committee Meeting (June 20, 2019) Anthony McCloud, Chairperson
   b. Human Resources Committee Meeting (June 25, 2019) – Tracy Thomas, Chairperson
   c. Committee of the Whole Meeting (July 16, 2019) – Sandra Zerkle, Chairperson
   d. Finance Committee Meeting (July 16, 2019) – Ken Ross, Chairperson
8. Manager’s Recommendations
9. Unfinished Business
10. New Business
11. Resolutions/Action Items
   a. Appointment of Internal Auditor Fiscal Year 2019/2020
   b. Corporate Secretary Reappointment Fiscal Year 2019/2020
   c. General Manager Reappointment Fiscal Year 2019/2020
12. Manager’s Remarks
13. Commissioners’ Remarks
14. Motion of Excused Absence
15. 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.
16. Adjournment
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

LANSONG BOARD OF WATER AND LIGHT

May 28, 2019

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on May 28, 2019.

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

Present: Commissioners Beth Graham, David Lenz, Anthony McCloud, Anthony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Dion’trae Hayes (Lansing Charter Township), Douglas Jester (East Lansing), and William Long (Delta Township).

Absent: None.

The Corporate Secretary declared a quorum.

Commissioner Beth Graham led the Pledge of Allegiance.

Chairperson Price presented Certificates of Appreciation to Commissioner Bill Long (Delta Township) and Commissioner Dion’trae Hayes (Lansing Charter Township) for their contributions as commissioners.

APPROVAL OF MINUTES

Motion by Commissioner Thomas, Seconded by Commissioner Zerkle, to approve the Regular Board Meeting minutes of March 26, 2019.

Action: Motion Carried

PUBLIC COMMENTS

None.

COMMUNICATIONS

Electronic Mail received From or Re:
   a. Electronic mail from Linda Rose re: Smart Meter Opt Out - Referred to Management. Received and Placed on File
   b. Electronic mail from Debbie Wolf re: Green Energy - Referred to Management. Received and Placed on File
c. Electronic mail from Nichole Biber re: New Gas Plant - Referred to Management. Received and Placed on File

d. Electronic mail from Aileen Gow re: Recycle Rama BWL Volunteers - Referred to Management. Received and Placed on File

e. Thank You Card from BWL Commissioner Ken Ross - Received and Placed on File

f. Late item: Electronic Mail from Ricky Anderson re: Tree Trimming matters – Referred to Management

COMMITTEE REPORTS

Commissioner Tracy Thomas presented the Human Resources Committee Report:

HUMAN RESOURCES COMMITTEE
Meeting Minutes
May 14, 2019

The Human Resources 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, at 5:00 p.m. on Tuesday, May 14, 2019.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, Tony Mullen, Sandra Zerkle and Voting Alternate Member David Price. Also present: Commissioners Ken Ross and Non-Voting Commissioners William Long (Delta Township), and Douglas Jester (East Lansing) (arrived at 5:10 pm.)

Absent: Commissioner Anthony McCloud

Public Comments
None

Approval of Minutes
Motion by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of September 18, 2018.

Action: Motion Carried.

FY 2020 Board Appointee Performance Reviews
HR Committee Chair Thomas opened the floor for the Board Appointee Performance Reviews.

Corporate Secretary
Corporate Secretary M. Denise Griffin requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Price, Seconded by Commissioner Jester, to enter into closed session to discuss the contractual year-end performance evaluation of Corporate Secretary M. Denise Griffin.

Roll Call Vote:
Yeas: Commissioners Tracy Thomas, Tony Mullen, Sandra Zerkle, and David Price.
Nays: None.
Action: Motion Carried.
The Human Resources Committee went into closed session at 5:03 p.m.

Motion by Commissioner Price, Seconded by Commissioner Mullen, to reconvene into open session.

Action: Motion Carried.
The Human Resources Committee reconvened to open session at 5:19 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner Zerkle, Seconded by Commissioner Mullen, to forward the resolution reappointing M. Denise Griffin to the Charter position of Corporate Secretary for FY20 to the full Board for consideration.

Action: Motion Carried.

General Manager
General Manager Richard Peffley requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Price, Seconded by Commissioner Zerkle, to enter into closed session to discuss the contractual year-end performance evaluation of General Manager, Richard Peffley.

Roll Call Vote:
Yeas: Commissioners Tracy Thomas, Tony Mullen, Sandra Zerkle, and David Price.
Nays: None.

Action: Motion Carried.
The Human Resources Committee went into closed session at 5:21 p.m.

Motion by Commissioner Price, Seconded by Commissioner Mullen, to reconvene into open session.

Action: Motion Carried.
The Human Resources Committee reconvened to open session at 5:38 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner Zerkle, Seconded by Commissioner Mullen, to forward the resolution reappointing Richard (Dick) Peffley to the Charter position of General Manager for FY19 to the full Board for consideration.

Action: Motion Carried.

Internal Auditor
Internal Auditor, Phil Perkins, requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Price, Seconded by Commissioner Mullen, to enter into closed session to discuss the contractual year-end performance evaluation of Internal Auditor, Phil Perkins.
Roll Call Vote:
**Yeas:** Commissioners Tracy Thomas, Tony Mullen, Sandra Zerkle, and David Price.
**Nays:** None.

**Action:** Motion Carried.

*The Human Resources Committee went into closed session at 5:41 p.m.*

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to reconvene into open session.

**Action:** Motion Carried.

*The Human Resources Committee reconvened to open session at 5:56 p.m.*

**Subsequent Steps for Board Appointed Employees Contracts**

**Motion** by Commissioner Thomas, **Seconded** by Commissioner Mullen, to charge the HR Chair and the Board Chair with the task of working with the appointed employees on their respective annual merit considerations on behalf of the Board of Commissioners.

**Action:** Motion Carried.

**Excused Absence**

None

**Other**

HR Committee Chair Thomas recognized Executive Assistant Smiljana Lazic for her hard work with the groundwork of Human Resources evaluation and its process.

**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Price, to excuse Commissioner McCloud from tonight’s meeting.

**Action:** Motion Carried

**Adjourn**

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to adjourn the meeting.

**Action:** Motion Carried

Meeting adjourned at 6:03 p.m.

Respectfully Submitted,
Tracy Thomas, Chair
Human Resources Committee

Commissioner Sandra Zerkle presented the Committee of the Whole Report:

**COMMITTEE OF THE WHOLE**

**Meeting Minutes**
May 14, 2019

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, at 6:09 p.m. on Tuesday, May 14, 2019.

Committee of the Whole Chair Sandra Zerkle called the meeting to order at 6:09 pm and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Tony Mullen, David Price, Ken Ross, Tracy Thomas and Non-Voting Members: Doug Jester (East Lansing) and Bill Long (Delta Township).

Absent: Commissioners Beth Graham, David Lenz, Anthony McCloud, and Non-Voting Member Dion’trae Hayes (Lansing Charter Township).

The Corporate Secretary declared a quorum.

Public Comments
There were no public comments.

Approval of Minutes
Motion by Commissioner Price, Seconded by Commissioner Mullen, to approve the Committee of the Whole Meeting minutes of March 12, 2019.

Action: Motion Carried.

IT Overview
General Manager Peffley introduced CIO Rod Davenport who presented an overview of the IT Department. Mr. Davenport highlighted the four strategies in which IT is most actively involved—Effectively Acquire and Manage Resources, Implementing New Technologies, Workforce, and Financial Stability.
Commissioner Mullen inquired about the third-party penetration testing with the new OMS outage website. Mr. Davenport responded that the testing went well and a few vulnerabilities were addressed before the system went live. Commissioner Mullen asked what protections have been put into place since last year regarding the report of the security system being hooked up to a PC and the system being opened to the public. Mr. Davenport responded that software for network access control can be put into place on devices in addition to the network infrastructure upgrade that is being considered.

Commissioner Long inquired about the cyber security steering committee and the input and expertise of the process. Mr. Davenport responded that the committee helps with organizational change management and provides oversight and guidance for cyber security policies and processes. Mr. Davenport also responded that several BWL staff are certified in cyber security and that BWL has advisory services available. Mr. Davenport reported that drafts of the cyber security policies should be completed by the end of July and comprehension of the policies will be put into effect by the end of December.

Commissioner Jester inquired whether the documentation addressed in the audit remediation was process documentation or configuration items. Mr. Davenport responded that policy process and procedure was the majority of the audit information addressed. Mr. Davenport also responded that a configuration management database (CMDB) is being created.

Commissioner Long asked whether the budget included the elements IT requires to complete the network infrastructure that is planned and Mr. Davenport responded that throughout the forecasted plan leveraging of IT items will result in fulfillment of IT plans.

**BSmart Update - Presentation**

GM Peffley introduced Enterprise Business Interim Manager, Kellee Christensen, who provided information on the BSmart Program. Ms. Christensen highlighted the Advance Metering Infrastructure (AMI), Advanced Distribution Management System (ADMS), Geographical Information System (GIS), Customer Information System (CIS), and Enterprise Service Bus (ESB). Ms. Christensen stated that BWL is investing in technology as the infrastructure is aging and there are some compatibility issues.
Commissioner Long inquired if the ESB time frame is on track, specifically going live in 2019. Ms. Christensen responded that the ESB went live in March 2019.

Commissioner Zerkle asked out how the advanced distribution management system helps or impacts the customers and Ms. Christensen responded that from the calls received from customers, the system can predict where the outage is occurring and help with restoration planning.
Commissioner Long inquired whether electric meters are installed at the same time as water meters are installed and Ms. Christensen responded that the electric meters are on a schedule.

Commissioner Zerkle commented that the public relations aspect of providing information on the Smartmeters was very helpful.

Commissioner Jester asked about the ease of customer information system working with third parties and Ms. Christensen responded that with this system public information is easier to distribute.

**Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services Rules**

GM Peffley introduced BWL General Counsel Mark Matus who reported on the changes to the Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services Rules.

**FY20 RULES AND REGULATIONS**

**Summary of Proposed Changes**

Subject: Board of Commissioners update of Rules and Regulations for utility services, including fees and charges.

Background: The Rules and Regulations set forth the terms and conditions of utility services, and govern issues such as:

- General Provisions
- Service Conditions
- Use of Service
- Metering
- Application of Rates
- Responsibility for Payment of Bills
- Dispute and Hearing Procedure
- Distribution System Extensions
- Services
- Fees and Charges
- Compliance
- Other individual Utility Issues

BWL staff periodically review the BWL Rules and Regulations to recommend changes designed to promote clarity and consistency, address change in practice or procedure, address new issues, and ensure that fees and charges are adequate to cover actual costs.

Fiscal Year 2020 changes fall into three categories: (1) Changes designed to address grammar, clarity and consistency across utilities, but not to change the meaning, substance or effect of a rule; (2) Substantive changes that may alter the meaning or effect of a rule; and (3) Fee and Charges increases to recover actual costs where they have increased since the last update in FY18.

1. **Non-substantive Changes**

For clarity: Examples:

10.7.A Prior to the installation of any electric distribution system extension, the BWL must be granted on the Customer’s premises, and at no expense to the BWL, recordable easements providing right-of-ways suitable
for ingress, egress, installation, and maintenance, including, but not limited to, tree trimming or removal, restoration, replacement, construction, and relocation of the electric distribution system extension including any street lighting cables and distribution equipment as designed by the BWL for present and future service.

Revision to Rule 5.7, Rate 5 and 8 Meter Installations
  o Changed heading to “Primary Rate Meter Installations” instead of “Rate 5 and 8 Meter Installations”

2. Substantive Changes

Across Utilities - Electric, Water, Steam and Chilled Water:
- Revision of Rule 1, Definitions
  o Added a definition of “Customer Information” as referenced in the new Rule 2.2 regarding Customer information collection and privacy
- Revision of Rule 2, General Provisions
  o 2.2 - Added language to address Customer information collection and privacy
- Revision to Rule 6, Property Owner – Rental Agent Agreement for Automatic Leave-On “ALO” Service
  o Revision to language to clarify that ALO is a requirement, not recommendation
  o Added language that failure to enroll in ALO may result in application charges and possible service interruptions until enrolled in ALO
- Revision to Rule 9 or 10, Easements
  o Added language to that in the event the required easement could not be reasonably granted on the Customer’s premises, the BWL may require the Customer to assist in negotiation of any necessary easements on other private property.
- Revision to Rule 9 or 10, Non-Standard Equipment
  o Added language to clarify that when the BWL elects to provide and maintain equipment which differs from its normal specifications, the Customer will have to enter into an agreement and pay the BWL for the purchase, maintenance, and replacement costs of the non-standard equipment.

ELECTRIC:
- Revision of Rule 1, Definitions
  o Added definition of “Advanced Meter” due to new use of the term.
  o Added definition of “Advanced Metering Infrastructure (AMI)” due to new use of the term.
  o Added definition of “Alternate Primary Service” to replace “Second Service” for clarification and to be more descriptive.
  o Added definition of “Alternate Primary Source” to replace “Second Source” for clarification and to be more descriptive.
  o Deleted definition of “Second Service”
  o Deleted definition of “Second Source”
- Revision of Rule 3.2.C, Available Voltage
  o Changed language to eliminate the availability of new three-wire power service which we no longer wish to offer due to safety concerns. Existing three-wire power services are grandfathered in.
- Revision of Rule 3.2.E, Available Voltage
  o Added language to allow Customers who require additional or non-standard equipment the BWL is not willing to install to take primary service voltage instead. The BWL does not
want the liability of non-standard equipment that we cannot maintain or replace readily.

- **Revision of Rule 3.2.F, Available Voltage**
  - Added language to clarify the point of delivery.
  - Revised language to remove voltages that no longer exist.

- **Revision of Rule 4.5, Power Factor**
  - Added language to allow the BWL to provide notice and require a Customer to submit a mitigation plan for approval when the Customer’s power factor is less than 85% for 6 or more months of any 12 consecutive billing periods; and the Customer is subject to disconnection if the power factor is not adjusted. This add is to enforce the minimum power factor requirement.

- **Revision to Rule 5.3C, Equipment Location**
  - Added language that when an advanced meter is located indoors and is not communicating, the Customer will be required to pay for BWL to install equipment to establish signal for two-way communication.

- **Revision to Rule 5.4, Multiple Occupancy Buildings**
  - Added language to require the common meter room of multiple occupancy buildings be located on the ground floor or floor closest to ground level above the flood plain. The BWL does not own or maintain metering equipment for multiple floors such as high-rise buildings.

- **Addition of Rule 5.8, Advanced Meter Opt-Out Program**
  - Added language of eligibility and ineligibility of the Advanced Meter Opt-Out Program

- **Revision to Rule 6.3, Choice of Rates**
  - Added language to give BWL the authority to change a Customer’s rate, without the consent of the Customer, when the customer is on a rate they are not eligible to receive. BWL will notify the Customer prior to such change.

- **Revision to Rule 6.8A, Cogeneration and Small Power Production Facility**
  - Added Primary High Load Factor Service – Rate 85 to rate schedule list

- **Deletion of Rule 6.9, Billing Demand**
  - The revision of Rule 6.3 now addresses this point.

- **Revision to Rule 10.11, Customer Provided Facilities**
  - Added language requiring the Customer to provide outside space for any BWL transformers and other oil-filled equipment which must be accessible by BWL personnel and equipment for purposes of installation, operation and maintenance of BWL equipment to be consistent with current practices.

- **Revision to Rule 10.21, Distribution System Extensions for Second Source**
  - Revision to use new defined term of alternate primary source in place of second source.
  - Added language that Customer will be responsible for all operation and maintenance costs. This is a new requirement placed on Customers as currently the BWL is bearing all O&M costs.
  - Added language that an alternate primary source does not guarantee capacity on the circuit and related equipment to be able to carry the load of the Customer at all times because the BWL does not have “reserve” capacity agreements or pricing for such an agreement.

- **Revision to former Rule 11.11, now Rule 10.22, Second Service**
  - Moved to Rule 10 to keep distribution system extensions together.
  - Revised section heading to be Distribution System Extensions for Alternate Primary Service for clarity.
  - Revision to state the Customer may request an alternate primary service, because is previously read a Customer could automatically have it which is inaccurate; the BWL
must approve.
  o Added language that Customer will be responsible for all operation and maintenance costs. This is a new requirement placed on Customers as currently the BWL is bearing all O&M costs.

- Revision to Rule 11.7A, **Commercial and Industrial Underground Services**
  o Revision to remove secondary attachment on the pole because the BWL does not want customer-owned facilities on BWL structures.

- Revision to Rule 11.7B, **Commercial and Industrial Underground Services**
  o Revision to language to clarify the Customer, not BWL, will install direct buried electric secondary service conductors and be responsible to maintain because this is the customer’s side of the meter and this work is delegated to local electricians.

- Deletion to Rule 11.7E, **Commercial and Industrial Underground Services**
  o Removed to eliminate BWL doing work on Customer’s secondary service conductors as this work is delegated to local electricians.

- Revision to Rule 11.7F, **Commercial and Industrial Underground Services**
  o Revision to clarify a single secondary service in excess of 2000 Amperes must be installed using a cable bus or bus duct, if approved by the BWL because this is limited by the number of parallel conductors that can be installed.

- Revision to Rule 11.8A, **Multi-Dwelling Structure Services**
  o Revision to remove secondary attachment on the pole because the BWL does not want customer-owned facilities on BWL structures.

- Revision to Rule 11.8B, **Multi-Dwelling Structure Services**
  o Revision to language to clarify the Customer, not BWL, will install direct buried electric secondary service conductors and be responsible to maintain because this is the customer’s side of the meter and this work is delegated to local electricians.

- Revision to Rule 13.2, **Authorized Attachments**
  o Added language that new non-pole owner permit applications are limited to 50 poles per application. This is a BWL requirement due to limited resources.
  o Added language that if the BWL concludes the proposed attachment could jeopardize the physical integrity of its distribution poles, the BWL may require certification of the proposed route by a licensed professional engineer. This is a new requirement BWL is placing on attacher. Attacher is altering pole construction so putting requirement on them to verify attachments do not jeopardize the physical integrity of the pole.
  o Added language that the installation or maintenance of applicant’s equipment on poles owned by a third-party, will require an agreement between the pole owner and the BWL, and a separate agreement between the BWL and the applicant to be consistent with current practices.

- Revision to Rule 13.6, **Payment of Fees**
  o Revision of late fee from 5% to 2% because 2% is what is being used operationally.

**WATER:**

- Revision of Rule 1, **Definitions**
  o Added definition of “Advanced Metering Infrastructure” due to new use of the term within the rules regarding AMI.
  o Added definition of “Module” due to new use of the term within the rules regarding AMI.

- Addition of Rule 5.7, **Advanced Meter Opt-Out Program**
  o Added language of eligibility and ineligibility of the Advanced Meter Opt-Out Program.
• Revision to Rule 6.3, Choice of Rates
  o Added language to give BWL the authority to change a Customer’s rate, without the consent of the Customer, when the customer is on a rate they are not eligible to receive. BWL will notify the Customer prior to such change.

• Revision to Rule 11.2B, Application for Services
  o Deleted Dewitt Township as a township requiring their customers to apply with the township. They want their customers to contact BWL directly.

STEAM:
• Revision to Rule 6.3, Choice of Rates
  o Added language to give BWL the authority to change a Customer’s rate, without the consent of the Customer, when the customer is on a rate they are not eligible to receive. BWL will notify the Customer prior to such change.

CHILLED WATER:
No substantive revisions

3. Fees and Charges

<table>
<thead>
<tr>
<th>Charge Description</th>
<th>When Applied</th>
<th>FY18 Charge</th>
<th>Proposed FY20 Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pole Attachment Fee:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permit Application Pre- and Post-Construction Review, along with all Applicable Engineering and Make Ready Construction</td>
<td>Each occurrence</td>
<td>At cost</td>
<td>At cost</td>
</tr>
<tr>
<td>Annual Pole Rental Fee</td>
<td>Annually</td>
<td>$12 per attachment, $300 minimum</td>
<td>$12 per attachment, $300 minimum</td>
</tr>
<tr>
<td>5G Wireless Antenna Rental Fee (In Existing Pole)</td>
<td>Annually</td>
<td>DID NOT EXIST</td>
<td>DID NOT EXIST</td>
</tr>
<tr>
<td>5G Wireless Antenna Rental Fee (New Pole Installation)</td>
<td>Annually</td>
<td>DID NOT EXIST</td>
<td>DID NOT EXIST</td>
</tr>
<tr>
<td>Failure to Transfer</td>
<td>Each occurrence after the due date via the agreed upon notification system</td>
<td>$50 per antenna with 10% increase every 5 years</td>
<td>New fees per law</td>
</tr>
<tr>
<td>Unauthorized Attachment</td>
<td>Each occurrence 30 days after notification via the agreed upon notification system</td>
<td>DID NOT EXIST</td>
<td>New fees per law</td>
</tr>
<tr>
<td>Non-refundable Application Fee</td>
<td>Each occurrence</td>
<td>$33 per pole, $495 minimum</td>
<td>$33 per pole, $495 minimum</td>
</tr>
<tr>
<td>Map Page Fee</td>
<td>Each Request - Electronic</td>
<td>DID NOT EXIST</td>
<td>New fee to cover costs</td>
</tr>
<tr>
<td>Connect (Turn-on/turn-off) Fee</td>
<td>Same-Day Service: By the end of the same calendar day of the order being taken. Service orders taken after 3:00 p.m. weekdays will be completed by the end of the day.</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Reconnection Fee</td>
<td>Same-Day Service: By the end of the same calendar day of the order being taken. Service orders taken after 3:00 p.m. weekdays or during the weekend will be completed by the end of the day.</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Non-Pay or other</td>
<td>Each occurrence</td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Advanced Meter Opt-Out Fee</td>
<td>Each occurrence</td>
<td>$265</td>
<td>$275</td>
</tr>
</tbody>
</table>

Proposed FY20 Charge

Added due to language in Rule 5.8
<table>
<thead>
<tr>
<th>Charge Description</th>
<th>When Applied</th>
<th>FY18 Charge</th>
<th>Proposed FY20 Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER FEES and CHARGES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Main Front Footage Recovery</td>
<td></td>
<td>$190/ft</td>
<td>$107 / ft</td>
</tr>
<tr>
<td>Water Services (Board Installed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Connection Fee applicable)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to and incl. 1” Water Service</td>
<td></td>
<td>$2,300 per stub plus restoration cost</td>
<td>$1,780 per stub plus restoration cost</td>
</tr>
<tr>
<td>Main-to-Curb Box Stub on previously installed water mains</td>
<td></td>
<td>$850 minimum, $18/ft in excess of 45 feet plus restoration cost</td>
<td>$1,850 Minimum, $35/ft in excess of 45 feet plus restoration cost</td>
</tr>
<tr>
<td>Curb Box-to-Building (Trenched)</td>
<td></td>
<td>$1,550 Minimum, $25/ft in excess of 45 feet plus restoration cost</td>
<td>$200</td>
</tr>
<tr>
<td>Curb Box-to-Building (Bored)</td>
<td></td>
<td>$270</td>
<td>$285</td>
</tr>
<tr>
<td>Indoor Meter Set ½” – Standard</td>
<td></td>
<td>$375</td>
<td>$395</td>
</tr>
<tr>
<td>Indoor Meter Set ¾”– With Split Irrigation</td>
<td></td>
<td>$390</td>
<td>$415</td>
</tr>
<tr>
<td>Domestic or Irrigation Outdoor ½” Meter Set with Meter pit</td>
<td></td>
<td>$2,850</td>
<td>$2,850</td>
</tr>
<tr>
<td>Outdoor ½”Meter Set with Meter pit – Customer Choice Program (labor only)</td>
<td></td>
<td>$1,550</td>
<td>$1,550</td>
</tr>
<tr>
<td>Retrofit of existing service to allow for split Domestic or Irrigation Service</td>
<td></td>
<td>$375</td>
<td>$375</td>
</tr>
<tr>
<td>Charge for setting meter on a split service after initial installation</td>
<td></td>
<td>$315</td>
<td>$315</td>
</tr>
<tr>
<td>Service Meter Pit set – Customer Choice Program (labor only)</td>
<td></td>
<td>$155</td>
<td>$155</td>
</tr>
<tr>
<td>Service Demolition</td>
<td></td>
<td>$120</td>
<td>$120</td>
</tr>
<tr>
<td>Up to and including 1” Curb Box-to-Meter Pit</td>
<td></td>
<td>$235</td>
<td>$235</td>
</tr>
<tr>
<td>Up to and including 1” Curb Box-to-Building</td>
<td></td>
<td>$10 /Trench ft</td>
<td>$6.5/Trench ft</td>
</tr>
<tr>
<td>Water Construction Charge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Services, 2” and under</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Damaged Meter Charge</td>
<td></td>
<td>$250</td>
<td>$250</td>
</tr>
<tr>
<td>For Services Up to 1”</td>
<td></td>
<td>$320</td>
<td>$320</td>
</tr>
<tr>
<td>Thawing Service Charge</td>
<td></td>
<td>$235</td>
<td>$235</td>
</tr>
<tr>
<td>After a running water order has been issued</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to and incl. 2” and up to 2 hours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Service Inspection Fee (Customer Choice Program)</td>
<td>Each inspection visit for 2” or less diameter services only – no engineering drawings or service evaluation required.</td>
<td>$165</td>
<td>$165</td>
</tr>
<tr>
<td>Permit Application (Customer Choice Program)</td>
<td></td>
<td>$400</td>
<td>$400</td>
</tr>
<tr>
<td>Initial request by contractor seeking qualification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BULK WATER PERMIT Temporary Hydrant Usage for construction, festivals and governmental special use by special permit.</td>
<td>1” RPZ backflow device plus</td>
<td>$850</td>
<td>$850</td>
</tr>
<tr>
<td>2” RPZ backflow device plus</td>
<td></td>
<td>$1,490</td>
<td>$1,385</td>
</tr>
<tr>
<td>Connect (Turn-on/turn-off) Fee</td>
<td></td>
<td>Same-Day Service: By the end of the same calendar day of the ordering being taken. Service orders taken after 3:00 p.m. weekdays will be completed by the end of the day.</td>
<td>$150</td>
</tr>
<tr>
<td>Fee for Round Trip or other</td>
<td></td>
<td>Same-Day Service: By the end of the same calendar day of the ordering being taken. Service orders taken after 3:00 p.m. weekdays or during the weekend will be completed by the end of the day.</td>
<td>$150</td>
</tr>
<tr>
<td>Water Theft Penality Fee</td>
<td></td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td>1st Occurrence</td>
<td></td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>2nd Occurrence</td>
<td></td>
<td>$5,000 and permit revocation</td>
<td>$5,000 and bulk water permit revocation, if applicable</td>
</tr>
<tr>
<td>3rd Occurrence</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Water Theft Penality Fee</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Water Theft Penality Fee</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Interference Fee</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Interference Fee</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Interference Fee</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
<tr>
<td>Interference Fee</td>
<td></td>
<td>$265</td>
<td>$275</td>
</tr>
</tbody>
</table>
Commissioner Zerkle requested an example of a customer being removed from a billing program and Mr. Matus responded that if a customer is in a flat rate program of equalized payments, the data obtained can be removed to change the program for the customer. Commissioner Long asked about an instance where the customer is no longer eligible for a program and Mr. Matus responded that the system will remove customers from programs for which they are no longer eligible based on data the system obtains. Commissioner Mullen asked why BWL has rules and regulations when there are laws that are applicable and Mr. Matus responded that BWL has policies and procedures in place to conduct BWL operations. Commissioner Long asked about the alternate service and BWL guaranteeing or not that BWL is able to supply power. Mr. Matus responded that BWL guarantees power if BWL provides the alternate service but not if the customer installs the alternate service. GM Peffley responded that capacity cannot be just provided to every business that requests alternate service but an appropriate rate needs to be set.

Commissioner Long asked about the fees for customers that wanted to attach to poles and Mr. Matus responded that there are two types of customers, customers that want to attach an antenna and customers that want to put up lines, and contracts are made with these customers.

Commissioner Zerkle inquired about the opt out system. GM Peffley responded that the opt out system is a service and the customer can have an electric meter rather than a Smartmeter but the customer will pay the cost for the meter reader. Commissioner Zerkle also asked about the same day re-instatement of service if payment is made by 3:00 pm. Executive Director of Customer Operations and Communications, Steve Serkaian, responded that requests are to be made by 3:00 pm to eliminate overnight service turn-ons.
**Motion** by Commissioner Price, Seconded by Commissioner Thomas to forward the proposed Resolution for Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services Rules with an amended effective date of July 1, 2019 to the full Board for consideration.

**Action:** Motion Carried

**BWL Planning Process**

GM Peffley introduced Executive Director of Strategic Planning and Development, Brandie Ekren, who presented BWL’s long-term and strategic goals planning process.

Commissioner Long inquired whether there was a standard education process and what the plans were for communities outside of Lansing. Ms. Ekren responded that there is a standard questionnaire that educates on the integrated resource process and that there are plans to meet with mayors and other people in the community. A sustainability program has also been requested from the communities.

*Commissioner Ken Ross left the meeting at 7:00 p.m. (No Quorum at this point)*

**New Plant Update**

GM Peffley gave an update on the new plant. There will be a groundbreaking celebration on Monday, June 3, 2019. Equipment has been procured at favorable costs and BWL is acquiring labor. BWL is working on a GMP, the guaranteed maximum price for the plant and in July 2019, a 60% GMP will be obtained and in January 2020 a 90% GMP will be obtained. Value engineering is being completed and a design is being worked on with Black & Veatch. A gas line is
coming in from Consumers Energy and the first stage of the gas line will be online soon so that operations can be completed April 2021. The peaker unit will be brought on by December 2020 to cover the gap of the Eckert plan going offline in December 2020.

Amending Appointment to Michigan Public Power Agency (MPPA) Resolution
General Manager Peffley stated that the presented Resolution is naming Dave Bolan as the BWL’s MPPA Commissioner to replace Robert LaLonde who resigned his position with the BWL effective April 19, 2019 and asked that the Resolution be forwarded to the full Board for consideration.

Board Chair Price stated this resolution will be brought forward at the upcoming Board meeting.

Other
Board Chair Price acknowledged the absences of Commissioner Hayes and Commissioner McCloud as there was not a quorum for an official motion of excused absence.

Adjourn
Motion by Commissioner Price to adjourn the meeting. The meeting was adjourned at 7:58 p.m.

Respectfully Submitted
Sandra Zerkle, Chair
Committee of the Whole

Commissioner David Price presented the Finance Committee Report:

FINANCE COMMITTEE
Meeting Minutes
May 14, 2019

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, May 14, 2019.

Finance Committee Acting Chair David Price called the meeting to order at 7:59 pm and asked that roll be taken.

Present: Commissioners Beth Graham, Anthony Mullen, and David Price. Also present: Commissioners David Lenz, Tracy Thomas and Sandra Zerkle, and Non-Voting Commissioners Douglas Jester (East Lansing) and Bill Long (Delta Township).

Absent: Commissioner Ken Ross

The Corporate Secretary declared there was a quorum.

Public Comments
None.

Approval of Minutes
Motion by Commissioner Graham, Seconded by Commissioner Mullen, to approve the Finance Committee meeting minutes of March 12, 2019.
March YTD Financial Summary
Chief Financial Officer (CFO), Heather Shawa presented the following:

Cash on hand is above target and is expected to remain above target the rest of the year. The Income Statement indicates that the total revenue is above budget and operating expenses are 4% under budget with YTD projections expected to end up at budget. Net Income is exceeding the initial budget with just over $20 million being projected at the fiscal year end. Capital Budget is slightly under spend however with construction season arriving it is expected that the approved budget will be spent, along with an extra $3 million for the Central Sub Exceedance. Ms. Shawa stated that the three of the five ratios are being met. Payroll regular labor data is under budget due to vacancies, however, overtime is up, in part due to the vacancies and capital project work, which were the central substation, the Erickson outage, and electric T&D annuals.

FY20 Operating Budget and Forecast Presentation – Resolution
CFO Heather Shawa presented the FY20 Operating Budget and Finance Manager, Scott Taylor presented the FY 20 Forecast. Ms. Shawa noted the forecasted increase in electric-consumption volume after the new plant is placed online. Ms. Shawa pointed out that additional security will be added to Eckert as it is being decommissioned. Mr. Taylor noted the increasing revenues in FY20-22 due to the new plant being online and the ROA key target which will be attained in 2024. Mr. Taylor also noted that one of the key factors of the ROA is the rate increases through 2024 that have been approved.
Commissioner Long inquired about the projected increase in wholesale. In response Ms. Shawa stated that this year the unplanned outage at Belle River and the outage at Erickson power was unable to be supplied. Delta Energy Park and Erickson will also be online at the same time in the future.

Commissioner Long requested a comparison of depreciation on existing assets and capital expenditures. Mr. Taylor referred to the 6-Year Income statement and the 6-Year Cash Flow and responded that depreciation is broken down by year and capital expenditures exclude Delta Energy Park.

**Motion** by Commissioner Thomas, Seconded by Commissioner Mullen, to forward for consideration the FY20 Operating Budget and Forecast Resolution as presented to the full Board.

**Action:** Motion Carried

**Status of Managements’ Response to Recommendations of Audit Report 2018-04-Customer Arrangements & Third-Party Payments**

GM Peffley introduced Steve Serkaian, Executive Director of Customer Operations and Communication, who reviewed a response to a payment arrangement audit that was submitted on July 31, 2018. Recommendations and updates were provided.

Commissioner Long asked what percentage of customers that have arrangements are commercial and residential. Mr. Serkaian responded that 88% are residential. Commissioner Long also asked if there is an average amount of what is owed or if there are instances where the amount owed is so high that it will never be paid. Mr. Serkaian responded that extraordinary instances involve only a few customers and longer-term arrangements are made in those circumstances.

**Other**

**Motion** by Commissioner Mullen, Second by Commissioner Thomas to excuse Commissioners Ken Ross and Anthony McCloud from tonight’s Meeting.

**Action:** Motion Carried

**Adjourn**

Commissioner Price adjourned the meeting at 8:39 p.m.

Respectfully submitted
David Price, Acting Chair
Finance Committee

Commissioner Tracy Thomas presented the Human Resources Committee Report:

**HUMAN RESOURCES COMMITTEE**
**Meeting Minutes**
**May 21, 2019**

The Human Resources 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, at 4:30 p.m. on Tuesday, May 21, 2019.
Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, Tony Mullen, Sandra Zerkle and Voting Alternate Member David Price. Also, present: Commissioners Beth Graham, David Lenz. Also present via phone, Commissioner Ken Ross and Non-Voting Commissioner Dion’trae Hayes.

Absent: Commissioner Anthony McCloud

**Public Comments**
None

**Approval of Minutes**
Motion by Commissioner Price, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes and the Closed Session meeting minutes of May 14, 2019.

**Action:** Motion Carried.

**Interview Candidates for the Charter Appointed Position of Internal Auditor**
The Human Resources (HR) Committee Interview three candidates for the Charter Appointed position of Internal Auditor, in accordance with Section 5-202.2 of the Lansing City Charter, which states: “The Board shall appoint an Internal Auditor who shall report directly to the Board. The Internal Auditor shall serve at the pleasure of the Board.”

The HR Committee members presented the three candidates with hypothetical situation questions as well as questions about previous experiences in particular work areas.

*At the liberty of HR Committee Chair Thomas, the Human Resources Committee meeting recessed upon conclusion of each interview to allow the interviewing candidate to exit. The meeting reconvened at the arrival of the next interviewing candidate.*

Upon conclusion of the final interview, the HR Committee completed the Rubrics scoring and deliberated on each candidate. The following motion was offered upon conclusion of deliberations:

Motion by Commissioner Price, Seconded by Commissioner Zerkle to submit by Resolution the selection for the Charter appointed position of Internal Auditor, to the full Board for consideration.

There was a lengthy discussion regarding a compensation package for offering. The HR Committee directed BWL’s Human Resources Executive Director Flowers to extend an offer to the chosen candidate and to finalize the compensation package as discussed on behalf of the Board of Commissioners.

**Excused Absence**
Motion by Commissioner Price, Seconded by Commissioner Mullen to excuse Commissioner McCloud from tonight’s meeting.

**Action:** Motion Carried

**Other**
None

**Adjourn**
Motion by Commissioner Price, Seconded by Commissioner Mullen, to adjourn the meeting.
Action: Motion Carried

Meeting adjourned at 7:55 p.m.

Respectfully Submitted,
Tracy Thomas, Chair
Human Resources Committee

MANAGER’S RECOMMENDATIONS

General Manager Peffley recommended that the Board approve the Resolution Amending Appointment to Michigan Public Power Agency before the Board that evening.

RESOLUTION #2019-05-01
Amending Appointment to Michigan Public Power Agency

WHEREAS, Robert Lalonde is the Michigan Public Power Agency (MPPA) Commissioner on behalf of the Lansing Board of Water & Light (BWL), along with James Mitchell and Constance Carantza, who serve as First and Second Alternate Commissioners, respectively; and

WHEREAS, Robert LaLonde resigned his position with the BWL effective April 26, 2019; and

WHEREAS, David Bolan has served as the BWL’s Executive Director of Operations for approximately 4 years; and

WHEREAS, it is necessary and appropriate to name a replacement MPPA Commissioner on behalf of the BWL.

NOW, BE IT RESOLVED, that Dave Bolan is named the MPPA Commissioner on behalf of the BWL.

FURTHER RESOLVED, that James Mitchell will remain as BWL’s First Alternate MPPA Commissioner.

FURTHER RESOLVED, that Constance Carantza will remain as the Second Alternate Commissioner.

Motion by Commissioner Thomas, Seconded by Commissioner Mullen, to approve the Amending Appointment to Michigan Public Power Agency Resolution.

Action: Motion Carried.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION #2019-05-02
Rules and Regulations for Electric, Water, Steam and Chilled Water Utility Services

RESOLVED, that Fiscal Year 2019-2020 Rules and Regulations for Electric, Water, Steam and Chilled Water
Services be approved as presented, to be effective July 1, 2019.

Motion by Commissioner Zerkle, Seconded by Commissioner Thomas, to approve the Rules and Regulations for FY 20.

Action: Motion Carried.

RESOLUTION #2019-05-03
Fiscal Year 2020-2025 Budget and Forecast

RESOLVED, that the Annual Operating and Capital Budget covering Fiscal Year 2020 is hereby approved as presented; and

RESOLVED, that the Operating and Capital Forecast for the Fiscal Years 2021-2025 is hereby accepted as presented; and

FURTHER RESOLVED, that the Corporate Secretary be directed to make the appropriate filings with the Lansing City Clerk’s office in accordance with the Lansing City Charter regarding the above actions.

-------------------

Staff Comments:
Staff recommends an operating and maintenance budget of $331.8M and a capital budget of $295.0M for Fiscal Year 2020.

The Operating and Capital Forecast for Fiscal Years 2021-2025 includes potential rate increases in Fiscal Years 2021-2024. The potential rate increases are for forecast purposes only and have not been approved through a public rate hearing process. The forecast rate increases are subject to revision and, in any case, prior to implementation, must be subject to the BWL’s formal rate setting process as per Lansing City Charter, Section 5-205 which refers to the BWL’s authority to set just and reasonable rates and defines the public hearing process.

In accordance with the provisions of the Lansing City Charter, Article 5, Chapter 2, Section 5-203.5 and Section 5-203.6, staff recommends the Finance Committee approve the budget and forecast for presentation and adoption by the Board at its May 28, 2019 board meeting.

Motion by Commissioner Ken Ross, Seconded by Commissioner David Lenz, to approve the FY 2020-2025 Budget and Forecast Resolution.

Action: Motion Carried.

MANAGER’S REMARKS

General Manager Peffley informed of the following:

1. Delta Energy Park groundbreaking will be onsite Monday, June 3, 2019 at 11:30 a.m.
2. Delta Energy Park bond issuance is on track. The rating agents affirmed AA3 and AA- rating and the release of debt reserve fund. CFO Shawa will send out a report once it is finalized. The investor relations page is on the BWL external website for viewing and the POS will be published Friday, May 31, 2019. Retail pricing will be June 12, 2019 and institutional market pricing will be June 13, 2019.
3. BWL, EPA, and Consumers Energy hosted a Water and Power Black Sky workshop at the REO Depot on May 16, 2019. The event focused on increasing coordination and communication between water and electric utilities, emergency services and to enhance regional preparedness for a widespread power outage. More than 60 agencies attended the event.

4. BWL participated in the Safety Patrol picnic with LPD and Lansing Area Safety Council. More than 900 children had an opportunity to learn about careers in skilled trades and receive an education on what to do when there is a downed power line.

5. 1st S.T.E.P. graduation ceremony was held on May 15, 2019. It is the 11th year of the program and 125 students have graduated from the program since it started and more than $100,000 in college grants have been given.

6. The Mackinac Policy Conference will be held May 29 through May 31, 2019 and BWL executive staff will be attending.

COMMISSIONER’S REMARKS
Commissioner Zerkle commented that the Labor Community met with the mayor and, in the process of trying to get interns and skilled trade people, they spent time convincing them to speak with GM Peffley and Michael Flowers, Executive Director of Human Resources, about the 1st S.T.E.P. program as it is highly successful. GM Peffley responded that BWL is willing to work with them and about 6 months ago there was an apprentice opening for underground workers and 17 people applied.

Commissioner Zerkle also thanked Commissioner Long and Commissioner Hayes for their service.

Commissioner Hayes thanked the Board of Commissioners, GM Dick Peffley and Corporate Secretary Denise Griffin for the recognition tonight and her thanks for the opportunity of sitting in the rotating commissioner seat. Ms. Hayes suggested that the additional three commissioner seats become voting seats as the ratepayers should have a voice in the organization.

Commissioner Long thanked the Board of Commissioners and staff for the opportunity and that it has been an education process for him. He thanked the Commissioners and staff for quick responses to his questions and concerns and, although he would also like the additional seats to be voting seats, he didn’t see any difference in the responses from staff.

Commissioner Thomas expressed his appreciation to the outgoing Commissioners. Commissioner Thomas also congratulated General Manager Peffley and Corporate Secretary Griffin for their reappointments. Commissioner Thomas wished Internal Auditor Phil Perkins a wonderful retirement. He also thanked Executive Assistant, Smiljana Lasic, for her assistance.

MOTION OF EXCUSED ABSENCE
None.

PUBLIC COMMENT
None.

ADJOURNMENT
Chair Price adjourned the meeting at 5:52 p.m.

M. Denise Griffin, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk: June 18, 2019
Official Minutes filed (electronically) with Lansing City Clerk.
This message was received from the external Commissioner web page (the sender was anonymous).

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>To</td>
<td>Anthony McCloud</td>
</tr>
<tr>
<td>Name</td>
<td>Dayna Jenkins</td>
</tr>
<tr>
<td>Address</td>
<td>5608 Appleton</td>
</tr>
<tr>
<td>email</td>
<td>dyanalihotmail.com</td>
</tr>
<tr>
<td>E-mail Subject</td>
<td>dyanalihotmail.com</td>
</tr>
</tbody>
</table>

**Message**

I had a terrible encounter with one of your customer service rep. I understand chain of command and that you probably don't want to deal with operational issues. However, Jack in Customer service ID JLL2 was awful and had a very condescending attitude from the beginning of the call. I simply needed an answer about due dates and auto pay and he berated me that I didn't understand "YOUR" system. Quote: "Ma'am you don't want to hear me and I need to get off the phone with you so I can be on the phone with someone else." Note, I always handle my business with a positive attitude and calm voice and Jack was not receptive to this..he was angry that I was trying to state my concern and not accept his answer. I informed him he should not work customer service (nicely). Please look into how customer service is given and received to your constituents.
Dear Board Members,

Thank you so much for the gifts, kind words, and support you have shown to me over the last 10 years. It has been my honor to serve as the BWC National Auditor and I will leave with many cherished memories of my time here. Thank you again and best wishes for the future!

Phil Perkins
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 4:30 p.m. on Thursday, June 20, 2019.

Nominating Committee Chair, Anthony McCloud, called the meeting to order and asked the Corporate Secretary to call the roll. The following committee members were present: Commissioners Anthony McCloud, Beth Graham and Tracy Thomas.

Absent: Commissioner David Lenz

Public Comments
There were no public comments.

Approval of Minutes
Motion by Commissioner Graham, Seconded by Commissioner McCloud to approve the Nominating Committee meeting minutes of June 28, 2018.

Action: Motion Carried

Officer & Committee Survey Results & Officer & Committee Survey Memorandum
Nominating Committee Chair Anthony McCloud stated that the Officer Committee Survey Results Forms and Committee Survey Memorandum were included in the Nominating Committee meeting packet for review and asked if there were any questions regarding the documents. There were no questions. Chair McCloud noted that he received a late request from Commissioner Sandra Zerkle to be removed from consideration as Vice Chair and the request was honored by the committee.

Nomination of Board Officer Candidates for Fiscal Year 2019-2020

Chairperson and Vice Chairperson
Nominating Committee Chair McCloud opened the floor for nominations for the Chairperson for the 2019-2020 fiscal year and for the Vice Chairperson for the 2019-2020 fiscal year.

Motion by Commissioner Thomas, Seconded by Commissioner Graham to nominate Commissioner David Price to serve as the Chairperson for the 2019-2020 fiscal year and Commissioner Anthony Mullen as the Vice Chairperson for the 2019-2020 fiscal year.

Action: Motion Carried

Motion by Commissioner Graham, Seconded by Commissioner Thomas to present the slate of Officers for 2019-2020 to the full Board for consideration as follows:

Chair: David Price
Vice Chair: Anthony Mullen

Action: Carried Unanimously

Nominating Committee Chair McCloud stated that the recommended slate will be presented to the full Board for consideration and nominations will be taken from the floor at the July 23rd Regular Board/Annual Organizational meeting.
**Excused Absence**

**Motion** by Commissioner Graham, Second by Commissioner Thomas to excuse Commissioner David Lenz from tonight’s Meeting.

**Action:** Motion Carried

**Adjourn**
There being no further business, the meeting adjourned at 4:33 p.m.

Respectfully submitted,

Anthony McCloud, Chair
Nominating Committee
The Human Resources 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, at 10:00 a.m. on Tuesday, June 25, 2019.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, Tony Mullen, Sandra Zerkle and Voting Alternate Member David Price. Also, present: Commissioners Beth Graham, David Lenz (via phone) and Ken Ross (via phone).

Absent: Commissioner Anthony McCloud

Public Comments
None

Approval of Minutes
Motion by Commissioner Price, Seconded by Commissioner Mullen, to approve the Human Resources Committee meeting minutes and the Closed Session meeting minutes of May 21, 2019.

Action: Motion Carried.

Interview Candidates for the Charter Appointed Position of Internal Auditor
The Human Resources (HR) Committee Interview two candidates for the Charter Appointed position of Internal Auditor, in accordance with Section 5-202.2 of the Lansing City Charter, which states: “The Board shall appoint an Internal Auditor who shall report directly to the Board. The Internal Auditor shall serve at the pleasure of the Board.”

The HR Committee members presented the two candidates with hypothetical situation questions as well as questions about previous experiences in particular work areas.

At the liberty of HR Committee Chair Thomas, the Human Resources Committee meeting recessed upon conclusion of each interview to allow the interviewing candidate to exit. The meeting reconvened at the arrival of the next interviewing candidate.

Upon conclusion of the final interview, the HR Committee completed the Rubrics scoring and deliberated on each candidate. The following motion was offered upon conclusion of deliberations:

Motion by Commissioner Price, Seconded by Commissioner Zerkle to submit by Resolution the selected candidate for the Charter appointed position of Internal Auditor, to the full Board for consideration.
Action: Motion Carried (3/1 Mullen dissenting)

There was a brief discussion regarding a compensation package for offering. The HR Committee directed BWL’s Human Resources Executive Director Flowers to extend an offer to the chosen candidate and to finalize the compensation package as discussed on behalf of the Board of Commissioners.

Excused Absence
Motion by Commissioner Price, Seconded by Commissioner Mullen to excuse Commissioner McCloud from tonight’s meeting.

Action: Motion Carried

Other
None

Adjourn
Motion by Commissioner Price, Seconded by Commissioner Mullen, to adjourn the meeting.

Action: Motion Carried

Meeting adjourned at 1:27 p.m.

Respectfully Submitted,
Tracy Thomas, Chair
Human Resources Committee
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, July 16, 2019.

Committee of the Whole Chair Sandra Zerkle called the meeting to order at 5:51 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Joseph Graves Jr., Anthony Mullen, David Price, Ken Ross, and Tracy Thomas, and Non-Voting Members: Michael Froh (Meridian Township), Doug Jester (East Lansing), and Larry Merrill (Delta Township).

Absent: Commissioner Beth Graham and Commissioner David Lenz

The Corporate Secretary declared a quorum.

Public Comments
None.

Chair Zerkle introduced and welcomed Commissioner Joseph Graves Jr. representing the 3rd Ward, Commissioner Michael Froh representing Meridian Township, Commissioner Larry Merrill representing Delta Township, and Internal Auditor Wesley Lewis.

Approval of Minutes
Motion by Commissioner Thomas, Seconded by Commissioner Graves, to approve the Committee of the Whole meeting minutes of May 14, 2019.

Action: Motion Carried.

Tree Trimming Update
General Manager Dick Peffley gave an update on the tree trimming program which has been in progress for five years and is two months from completion. Outages have significantly decreased since the inception of the program. Colonial Village would like tree stumps that remain to be removed but neither the BWL nor the City of Lansing has funding. Tree stump removal in the city would cost a total of $10 million.

Commissioner Mullen asked whether trees were given as replacement for those taken down and GM Peffley responded that trees are given to customers that make a request.

Corporate Planning Update/Stakeholder Engagement
GM Peffley introduced Brandie Ekren, Strategic Planning & Development Executive Director, who presented the corporate planning process update and briefly reviewed the integrated resource plan (IRP), the strategic plan, Enterprise planning efforts, and strategic management. Ms. Ekren stated that the new Strategic Plan would be updated in 2020. Ms. Ekren stated that the strategic engagement
process of the IRP would be reviewed in this meeting and that the stakeholder engagement goal was to acquire insight on needs and interests of customers and constituents.

Questions and conversation regarding the corporate planning process update followed.

Commissioner Zerkle asked whether commissioners could provide input and Ms. Ekren responded that the commissioners input was welcome and appreciated and that a meeting could be scheduled with them.

Commissioner Price asked whether additional public input would be allowed and Ms. Ekren responded in agreement that there will be additional opportunities for public input. She also reminded Commissioners that the IRP consisted of three stages: strategic engagement, modeling and a public meeting.

Commissioner Graves commented that there were environmentalists, council members, and well-meaning citizens that would like the board to hold meetings as an opportunity to inform the public of technology and alternative resources. GM Peffley responded that several meetings would be held at different times so that everyone would have the opportunity to provide input.
Commissioner Froh asked for clarification on the public meetings. Ms. Ekren stated that the meetings will be held in the fall and notifications will be sent.

**Other**

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen to excuse Commissioner Graham and Commissioner Lenz from tonight’s meeting.

**Action**: Motion Carried.

**Adjourn**

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas to adjourn the meeting.

Meeting adjourned at 6:31 p.m.

Respectfully Submitted
Sandra Zerkle, Chair
Committee of the Whole
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, July 16, 2019.

Finance Committee Chair Ken Ross called the meeting to order at 5:07 p.m. and asked that roll be taken.

Present: Commissioners Ken Ross, Anthony Mullen, and David Price. Also present: Commissioners Joseph Graves Jr. (arrived at 5:26 p.m.), Tracy Thomas, Sandra Zerkle, and Non-Voting Commissioners Michael Froh (Meridian Township), Douglas Jester (East Lansing) (arrived at 5:07 p.m.) and Larry Merrill (Delta Township).

Absent: Commissioner Beth Graham.

The Corporate Secretary declared a quorum.

Public Comments
None

Approval of Minutes
Motion by Commissioner Price, Seconded by Commissioner Mullen, to approve the Finance Committee meeting minutes of May 14, 2019.

Action: Motion Carried.

Chair Ross welcomed new Internal Auditor Wesley Lewis.

May YTD Financial Summary & Overview of Committee Reporting Framework
Chief Financial Officer (CFO) Heather Shawa introduced Mr. Scott Taylor, Finance Manager, who provided an overview of the financial summary dashboard. Mr. Taylor reviewed the main topics and stated that this report is issued monthly and it is to keep the board informed throughout the year of key financial results. The dashboard consists of a Cash section, critical rating metrics of days cash on hand and debt service coverage, a budget to actual comparison section, and a return on assets section.

Commissioner Ross asked which of the above items was the main interest of rating agencies. Mr. Taylor responded that days cash on hand, credit rating and debt service coverage are the most important metrics for the rating agencies.

Commissioner Froh inquired about the wholesale numbers and Mr. Taylor responded that a capital project that was delayed and unplanned outages affected the wholesale numbers as native load is served first and wholesale second.

Commissioner Ross asked for the main components of retail and wholesale. Mr. Taylor responded that retail sales are for residential, commercial and industrial customers and after
they are provided with service any additional power generated, when market prices are favorable, is sold on the wholesale market.

Mr. Taylor stated that the dashboard also consists of key ratios that are comparisons with industry peer groups of APPA and employee data which determines operations costs and changes.

Ms. Shawa pointed out that APPA ratios are for electric utilities and water benchmarks follow the AWWA.

Chief Financial Officer (CFO) Heather Shawa presented the following:

Cash targets are well above income. June preliminary fiscal year end is $30-33 million which is well above the budgeted net income of $20 million. Ms. Shawa noted that VEBA is 100% funded and this will be addressed in the trustee meeting. Revenue tracking is comparable to last year, operating expenses are under budget, $3 million is projected for fiscal year end and O & M will be back to YTD budget. Return on Assets will be achieved this fiscal year and three out of five ratios are tracking above benchmarks. For Employee Data there are vacancies for which HR is recruiting.

Commissioner Mullen asked about the number of days for days cash on hand and Ms. Shawa responded that the target requirement is set at 155 to maintain infrastructure and rating agencies prefer 160 to 165.

Commissioner Price inquired about the employee count YTD. Ms. Shawa responded that there are 34 vacancies which is in the range of the 30-35 consistent average. GM Peffley added that HR is working to fill the vacancies.

Additional questions and conversations were brought by the Commissioners and Ms. Shawa and Mr. Taylor gave responses and explanations.

**Internal Audit Open Management Response Quarterly Report**

Finance Manager Scott Taylor presented management’s responses to audits as follows:
Mr. Taylor reported that the first three items were carried over from the report of the prior period and are on track to be completed. New audits have been initiated with completion dates as noted.

Other
Motion by Commissioner Price, Seconded by Commissioner Mullen, to excuse Commissioner Graham from tonight’s meeting.

Action: Motion Carried

Adjourn
Motion by Commissioner Price to adjourn the meeting. Commissioner Ross adjourned the meeting at 5:43 p.m.
Proposed Resolution
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 2019-2020, or, until a successor is appointed, whichever last occurs:

Wesley Lewis, Internal Auditor

FURTHER RESOLVED, That Wesley Lewis shall be extended an employment contract which shall be effective from July 15, 2019, and expire on June 30, 2020, or until a successor is appointed, whichever later occurs.
PROPOSED RESOLUTION
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, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Corporate Secretary fiscal year 2019-2020 or until a successor is appointed, whichever last occurs:

M. Denise Griffin, Corporate Secretary

FURTHER RESOLVED, That the Chair of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2019’s performance.
PROPOSED RESOLUTION
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, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Director and General Manager for fiscal year 2019-2020 or until a successor is appointed, whichever last occurs:

Richard R. Peffley, Director and General Manager

FURTHER RESOLVED, That the Chair of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2019’s performance.