1. Roll Call
2. Pledge of Allegiance
3. Approval of Minutes
   a. Regular Board Meeting Minutes of July 23, 2019
4. 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.
5. Communications
   a. Electronic Mail regarding the Smart Meter Program from:
      1. Michael Braem
      2. Mary Patenge
   b. A donation thank you letter from Safe Haven for Cats in memory of Wendy Ailing
6. Committee Reports
   a. Human Resources Committee Meeting (September 10, 2019)-Tracy Thomas, Chair
   b. Committee of the Whole Meeting (September 10, 2019)-Tony Mullen, Chair
   c. Finance Committee Meeting (September 10, 2019)-Ken Ross, Chair
7. Manager’s Recommendations
8. Unfinished Business
9. New Business
10. Resolutions/Action Items
    a. PA 152 Health Care Premium Sharing
    b. Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions
    c. Acceptance of the 2019 Audited Financial Statements
    d. Internal Audit Charter Approval
11. Manager’s Remarks
12. Commissioners’ Remarks
13. Motion of Excused Absence
14. Public Comment
    Members of the public are welcome to speak to the Board on any Board of Water and Light subject.
15. Adjournment
MINUTES OF THE BOARD OF COMMISSIONERS MEETING

LANING BOARD OF WATER AND LIGHT

July 23, 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 July 23, 2019.

Chairperson David Price called the meeting to order at 5:30 p.m. Chairperson Price welcomed new Commissioners Joseph Graves Jr., representing Lansing’s 3rd Ward and Michael Froh, representing Meridian Township.

The Corporate Secretary, M. Denise Griffin, called the roll.
Present: Commissioners David Price, Joseph Graves Jr., David Lenz, Tony Mullen, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Douglas Jester (East Lansing), and Michael Froh (Meridian Township).

Absent: Commissioners Beth Graham, Ken Ross and Non-Voting Commissioner Larry Merrill (Delta Township)

The Corporate Secretary declared a quorum.

Commissioner Graves led the Pledge of Allegiance.

ELECTION OF OFFICERS FY 2019-2020

Corporate Secretary M. Denise Griffin presented the June 20, 2019 Nominating Committee Report for Nominating Committee Chairperson, Commissioner Anthony McCloud, whose Board appointment ended June 30, 2019. The proposed slate of officers for Fiscal Year 2019-2020 is as such: Commissioner David Price serving as Chairperson; and Commissioner Anthony Mullen serving as Vice Chairperson. There were no further nominations for the officers’ positions.

Motion by Commissioner Thomas, Seconded by Commissioner Zerkle to approve the nominations of Commissioner David Price to serve as the Chairperson and Commissioner Mullen to serve as the Vice Chairperson of the Board of Commissioners for Fiscal Year 2019-2020.

Action: Carried Unanimously

Chair Price requested approval for the appointment of Commissioner Tracy Thomas as the fourth member of the Executive Committee to fill the vacancy created by the departure of Commissioner Anthony McCloud.
Motion by Commissioner Price, Seconded by Commissioner Mullen to approve the appointment of Commissioner Tracy Thomas to serve as the fourth member on the Board of Commissioners Executive Committee.

Action: Carried Unanimously

APPROVAL OF MINUTES

Motion by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the Regular Board Meeting minutes of May 28, 2019.

Action: Motion Carried

PUBLIC COMMENTS

None.

COMMUNICATIONS

Electronic Mail received From or Re:
   a. Electronic mail from Dayna Jenkins re Customer Service - Referred to Management. Received and Placed on File
   b. Thank you care from former Internal Auditor Phil Perkins – Received and Placed on File

COMMITTEE REPORTS

Corporate Secretary M. Denise Griffin presented the Nominating Committee Report:

NOMINATING COMMITTEE MINUTES

June 20, 2019

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

Commissioner Tracy Thomas presented the Human Resources Committee Report:

HUMAN RESOURCES COMMITTEE
Meeting Minutes
June 25, 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 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

Vice Chair Sandra Zerkle presented the Committee of the Whole Report:

COMMITTEE OF THE WHOLE
Meeting Minutes
July 16, 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, 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

Chair David Price presented the Finance Committee Report for Finance Committee Chair Commissioner Ken Ross:

**FINANCE COMMITTEE**
**Meeting Minutes**
**July 16, 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, 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:

![Financial Summary - May 2019](image)

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:

![Image of Audit Report]

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.

Respectfully submitted
Ken Ross, Chair
Finance Committee

MANAGER’S RECOMMENDATIONS

None.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION #2019-07-01
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.

Motion by Commissioner Thomas, Seconded by Commissioner Zerkle, to approve the appointment of the Internal Auditor for Fiscal Year 2019-2020.

Action: Motion Carried.
RESOLUTION #2019-07-02
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.

Motion by Commissioner Zerkle, Seconded by Commissioner Lenz, to approve the reappointment of the Corporate Secretary for Fiscal Year 2019-2020.

Action: Motion Carried.

RESOLUTION #2019-07-03
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.

Motion by Commissioner Thomas, Seconded by Commissioner Louney, to approve the reappointment of the Director and General Manager for Fiscal Year 2019-2020.

Action: Motion Carried.

MANAGER’S REMARKS

General Manager Peffley presented the following information:

1. The BWL Lugnuts picnic will be held on Thursday, August 8th and GM Peffley encouraged every employee to attend.
2. The recent outage affected about 20,000 customers, of which about 3,000 needed to reset their clocks and about 16,000 which some BWL action was required. The outage was spread evenly over the BWL service area. Mutual aid was provided by five other cities—Lowell, Grand Haven, Bay City, Hillsdale, and Bowling Green, OH. Everyone had service restored by Sunday evening and GM Peffley commended the workforce.

Commercial Zerkle commented about an update that was received with a reminder that the mass was the customer’s responsibility and inquired whether it was policy that it could be placed on the customer’s bill if the customer was unable to afford it immediately. GM Peffley responded that was correct.

Commissioner Graves inquired how the mutual aid agreement operated and whether it was included in the budget. GM Peffley responded that the mutual aid agreement is signed by utilities with established prices and the utilities are required to respond unless they have their own emergency. GM Peffley stated that mutual aid agreements from outside the state are more beneficial during storms as in-state aid is usually in use. Electric T&D Manager, Patrick Hanes, added that the standardized cost is according to the contract rate or union rate. GM Peffley also responded there is a storm line item set aside in the budget.

Commissioner Thomas commented that he lost power twice during the storm and power was restored almost immediately afterward and stated that outage map system is very efficient.

Commissioner Price asked if it was wind that caused the poles to come down during the storm and GM Peffley responded that it is still being checked. Commissioner Price also inquired about the percentage of customers using the different reporting methods. GM Peffley responded he will obtain the information and send a response to the Commissioners.

COMMISSIONERS’ REMARKS

Commissioner Mullen commented that a call was received regarding a transformer that exploded which turned out to be a lightning arrester or circuit breaker. Commissioner Mullen commended the contractors and employees on the completion of this task during the rain.

Commissioner Graves commented he had the opportunity to meet with GM Peffley and will be reaching out to meet with additional staff members to get up to speed and obtain additional information.

Commissioner Thomas inquired about the protocol for providing information to all the Commissioners when one Commissioner presents helpful information to the GM. GM Peffley responded that he reports when there is a substantial amount of time spent addressing a topic.

MOTION OF EXCUSED ABSENCE

Motion by Commissioner Mullen, Seconded by Commissioner Graves to excuse Commissioners Beth Graham, Ken Ross and Larry Merril from tonight’s meeting.

Action: Motion Carried.

PUBLIC COMMENTS

None.
ADJOURNMENT

Motion by Commissioner Graves, Seconded by Commissioner Mullen to adjourn the meeting.

Chair Price adjourned the meeting at 6:05 p.m.

M. Denise Griffin, Corporate Secretary
Preliminary Minutes filed (electronically) with Lansing City Clerk: 09-19-19
Official Minutes filed (electronically) with Lansing City Clerk __-__-19
Select a Commissioner:
All Commissioners

Name
Michael Braem

Street Address
2331 Harding
Lansing, Michigan. 48910

Email Address
braem@comcast.net

Message
I wish to file a complaint against the BWL regarding its high rates that are not competitive. We've been watching our use of resources in our home, and the rates remain high in the $200-$300 range per month. What is the justification for this, and what can be done to reduce our rates since BWL monopolizes the resources in Lansing? Furthermore, which state agency is responsible for overseeing BWL?
From: Danielle Miller
Sent: Tuesday, September 10, 2013 4:02 PM
To: John.Patenge@bgglobal.net
Cc: Dick Peffley <Dick.Peffley@BLWL.COM>; MDenise Griffin <MDenise.Griffin@blwl.com>; Stephen Serkaian <Stephen.Serkaian@BLWL.COM>; Kellee Christensen <Kellee.Christensen@BLWL.COM>; Rob Paritals <Rob.Paritals@BLWL.COM>; Smiljana Lazić <Smiljana.Lazic@BLWL.COM>
Subject: BLWL Communication from Mary Patenge

Dear Mrs. Patenge,

Thank you for your communication on September 5th. I have been asked by BLWL General Manager, Dick Peffley, to respond to your email addressed to the BLWL Board of Commissioners. The Board of Water & Light (BLWL) permits all qualifying customers to opt-out of our Smart Meter Program for any or no reason. While we appreciate that some hold a differing opinion, at present there’s no credible medical or scientific evidence that RF emissions from smart meters present or exacerbate any current medical condition. Our policies do not exclude anyone from services based on disability. The opt-out fee is applied in a non-discriminatory fashion since it applies to all customers electing an alternative metering strategy regardless of that customer’s reason. BLWL believes in giving our customer’s options and our opt-out program is a way that we can do that with our Smart Meter Program. BLWL has extensively researched the options provided by our neighboring utilities and has developed requirements that allow accommodating the customers that choose to opt-out of our Smart Meter Program while not unfairly passing the cost of the opt-out option to the vast majority of our customers who chose not to opt-out. Generally, the opt-out costs help to maintain two meter-reading systems and the necessary annual field visits as well as the costs associated with maintaining two separate meter programs. In addition, the monthly fee covers the costs to manually read and bill your meter on a bi-monthly basis. To ensure the continued safety of our customers, we have tested the non-transmitting digital meters we’ll install for those customers who have opted out of a smart meter. Electromagnetic Field in the solid-state meters we selected for use in the opt-out program is within the same range of recorded EMF as the old analog meter with dials.

I am happy to discuss and address your concerns regarding smart meters further. I can be reached directly at (517) 702-6028 or danielle.miller@blwl.com. I did receive your completed opt-out application today. I will notify you of the next steps once the processing of the application is complete. Your smart meter installation is on hold pending the opt-out process completion. I look forward to speaking with you soon.

Sincerely,

Danielle Miller,
AMI Project Lead
BLWL Smart Grid Program
Danielle.Miller@blwl.com
[517] 702-6028  (517) 937-7490
730 E. Hazel, 2nd Flr
Lansing, MI 48912
Submitted on Thu, 09/05/2015 - 9:53 AM

Submitted by: Anonymous

Submitted values are:

Select a Commissioner:
All Commissioners

Name
Mary Patenge

Street Address
126 West North Street
Lansing, Michigan. 48906

Email Address
john.patenge@sbcglobal.net

Message
As a long time customer, I am very disappointed in the discriminating process that has been chosen to penalize those with health issues that want to opt-out of smart meters. The $150.00 fee (for LBWL to do nothing) and the $25.00 monthly fee are outrageous. Consumers Energy charges nothing. This is a discriminating factor and should be fixed. You are a watchdog for your customers not just the company. Through the years your general rates have skyrocketed anyway. A new plan is needed for smart meter opt-out for those who are serious about their health.
August 29, 2019

Marilyn Denise Griffin, BLW Board of Commissioners:
1201 S. Washington Ave.
Lansing, MI 48910-1650

Dear Marilyn and BWL Board of Commissioners,

Thank you so much for your recent generous donation to SAFE Haven for Cats. Because of you, we can continue to help stray cats like Vass, Martha and Somerset, below, find happy, safe, and loving forever homes.

In the last twelve months, with your generous support, we have adopted 899 cats and sterilized almost 3,300 at the SAFE Care Clinic. I hope you are pleased with the life-saving impact you are making possible.

On behalf of all the cats and kittens at SAFE Haven, thank you for your generous tax deductible donation of $50.00 in Memory of Wendy Alling. No goods or services were exchanged for this gift. Our Tax ID# is 56-1916620. You may use this letter for tax purposes.

Humbly,

Pam Miller
Founder & President

P. S. Mark your calendar for Saturday, October 5. We’re hosting our 7th Run For Their Lives 5K and a very special 25th Anniversary Cat Fest celebrating all things cat!
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, September 10, 2019.

Human Resources (HR) Committee Chairperson Tracy Thomas called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Tracy Thomas, Beth Graham, Joseph Graves Jr. and Sandra Zerkle. Also present: Commissioners Anthony Mullen, David Price, and Ken Ross; and Non-Voting Commissioners Michael Froh (Meridian Township) and Larry Merrill (Delta Township.)

Absent: None

**Public Comments**
None

**Approval of Minutes**

Motion by Commissioner Zerkle, Seconded by Commissioner Graves, to approve the Human Resources Committee meeting minutes of June 25, 2019.

Action: Motion Carried.

**PA152 Health Care Premium Sharing Resolution**

Human Resource Committee Chairperson Tracy Thomas introduced Michael Flowers, Executive Director of Human Resources. Mr. Flowers reviewed and discussed BWL’s options regarding Public Act 152’s requirements associated with capping the amount a public employer may pay for health care insurance.

The recommendation is that the Board select option 3 and exempt itself from the requirements of PA 152 of 2011 for all active employees’ medical benefits, effective January 1, 2020 with an increase from 18% to 20% in premium sharing contribution. Mr. Flowers noted that the plan needs to meet the Affordable Care Act (ACA) affordability provision for 1/1/20 where health insurance premiums cannot exceed 9.78% of the employee’s income, which it does. The Administration presented a proposed Resolution and asked that the Committee forward the Resolution to the full Board for consideration.
Commissioner Zerkle inquired if exempting is necessary and if there won’t be an increase beyond 20% as long as the Affordable Care Act is met. Mr. Flowers responded that exempting was necessary for the proposed benefits plan and affirmed the latter.

Commissioner Price inquired whether there will be a further need to vote on the plan after the board adopts the increase to 20%. Mr. Flowers responded that it will need to be brought to the board next year also after the contract negotiations with the union to ensure that the affordability under the ACA is met.

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**Proposed Resolution**

To 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 2/3 vote of its governing body each year, a public employer may exempt itself from the requirements of Public Act 152 of 2011 prior to each benefit plan year, and;

WHEREAS, the Board of Commissioners have met each year and passed a resolution exempting the Lansing Board of Water & Light from the “hard cap” of Public 152 of 2011 and established premium sharing amounts for the applicable benefit plan years, as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Resolution No.</th>
<th>Premium Sharing</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 24, 2012</td>
<td>(#2012-07-01)</td>
<td>10% All Active Employees</td>
<td>January 1, 2013</td>
</tr>
<tr>
<td>July 23, 2013</td>
<td>(#2013-07-02)</td>
<td>12% All Active Employees</td>
<td>January 1, 2014</td>
</tr>
<tr>
<td>September 23, 2014</td>
<td>(#2014-09-03)</td>
<td>12% All Active Employees</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>July 28, 2015</td>
<td>(#2015-07-12)</td>
<td>12% All Active Employees</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>November 17, 2015</td>
<td>(#2015-11-02)</td>
<td>12% - Union Employees 14% - Non-Union Employees</td>
<td>January 1, 2016 - 12% Union July 1, 2016 – 14% Non-Union</td>
</tr>
<tr>
<td>November 15, 2016</td>
<td>(#2016-11-06)</td>
<td>14% All Active Employees</td>
<td>January 1, 2017</td>
</tr>
<tr>
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<td>(#2017-09-01)</td>
<td>16% All Active Employees</td>
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<td>(#2018-09-01)</td>
<td>18% All Active Employees</td>
<td>January 1, 2019</td>
</tr>
</tbody>
</table>

RESOLVE that the Board by at least 2/3 vote desires to exempt itself from the requirements of Public Act 152 of 2011 for the upcoming benefit plan year, effective January 1, 2020 through December 31, 2020.
FURTHER RESOLVE that the Board desires to increase premium sharing from 18% to 20% for all active employees for medical benefits effective January 1, 2020.

Motion by Commissioner Zerkle, Seconded by Commissioner Graves, to forward the proposed resolution for PA 152 Health Care Premium Sharing to full Board for consideration.

Action: Motion Carried.

Health Care Option for Non-Bargaining Employees

Executive Director of Human Resources, Mr. Michael Flowers, presented the health care options for non-bargaining unit employees and highlighted the similarities and differences between the Blue and Green plans.
Commissioner Thomas asked whether the selection of a plan could be changed after the initial choice. Mr. Flowers responded that changes could be made during the open enrollment period.

Commissioner Mullen asked whether advice was provided to employees as to which option would be better for their situation. Mr. Flowers responded that information would be provided according to each individual situation and the individual could put their information into the calculator provided to determine which plan would be the most beneficial for them. Mr. Flowers also responded that this plan is not coupled with a health service plan or HSA, but it is eligible for an FSA.

Commissioner Zerkle asked whether there are some medications that aren’t covered under the plan. Mr. Flowers responded that he wasn’t aware of any that weren’t available under the plan.

Commissioner Ross commented that this plan is a step toward HSAs and commended the chair and management.

GM Peffley commented that this a beneficial plan for employees. He commented that a possible 80% of employees are over-insured and this may save customers a million dollars when it is completely implemented. Mr. Peffley introduced General Counsel Mark Matus to explain the resolution for this plan. Mr. Matus recommended that a resolution be prepared as a precaution that clearly and unequivocally delegates authority as plan sponsor to the board. Management will also be required to keep the board informed of decisions to attract and maintain employment.

**Motion** by Commissioner Price, Seconded by Commissioner Zerkle, to amend the agenda to allow for a late item which is the resolution for Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions

**Action:** Motion Carried.
Motion by Commissioner Graves, Seconded by Commissioner Zerkle, to amend the proposed resolution for Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions to include when the benefit design changes will be communicated to the Board.

Action: Motion Carried.

Proposed Resolution

Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions

WHEREAS, The Lansing Board of Water & Light (BWL) is a municipally owned utility organized under the Lansing City Charter as permitted by the Home Rule Cities Act, MCL 117.4(f)(c), and governed by the Board of Commissioners (“Board”). The Lansing City Charter, Article 5, Chapter 2, delegates to the Board administrative, executive and policy-making authority over the operation of the BWL, which includes the full and exclusive management of water, heat, steam and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council.

WHEREAS, the Lansing City Charter states the Board shall appoint three individuals who report directly to the Board and serve at the Board’s pleasure; being a Director (also known as the General Manager), an Internal Auditor (also known as the Director of Internal Audit) and a Secretary (also known as the Corporate Secretary). The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which include but are not limited to the operation and management of the BWL.

WHEREAS, the Lansing City Charter further outlines the responsibilities and authority of the Board, which includes the compensation and benefits of BWL employees, and by virtue of this responsibility and authority the Board is the Plan Sponsor of the Lansing Board of Water and Light Health Care Plan (the “Plan”).

WHEREAS, the Board’s role as the governing body for the BWL includes certain fiduciary duties such as acting in the BWL’s best interest, protecting and enhancing the BWL for the benefit of its rate payers, exercising reasonable care, loyalty and good faith in actions and decisions, meeting legal and regulatory requirements, and assuring the General Manager, Director of Internal Audit and Corporate Secretary have adequate support and resources to effectuate their roles.

WHEREAS, in July of 2017, the Board approved a Governance policy which, among other things, adopted and established the General Manager’s principal role to manage and operate the BWL and establish administrative and operational directives, standards guidelines and procedures that support Board approved corporate policies, strategies, projects and budgets.

WHEREAS, management of the Plan’s benefit design and administration are necessary for the General Manager to manage and operate the BWL by maintaining a qualified workforce.
WHEREAS, The Board as Plan Sponsor of the Plan desires to further clarify and delegate authority to the General Manager to oversee and manage the Plan’s benefit design and administration on its behalf.

RESOLVED, the General Manager is authorized to oversee and manage the Plan’s benefit design and administration on behalf of the Board.

FURTHER RESOLVED, the General Manager may further delegate this authority for operational efficiency.

FURTHER RESOLVED, all benefit plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board.

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Motion by Commissioner Zerkle, Seconded by Commissioner Graves, to forward the amended proposed resolution for Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions to full Board for consideration.

Action: Motion Carried.

Other
None

Adjourn
Motion by Commissioner Zerkle, Seconded by Commissioner Graves, to adjourn the meeting.

Action: Motion Carried

Meeting adjourned at 5:42 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, September 10, 2019.

Committee of the Whole Chair Tony Mullen called the meeting to order at 5:50 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Tony Mullen, Beth Graham, Joseph Graves Jr., David Price, Ken Ross, Tracy Thomas, and Sandra Zerkle and Non-Voting Members: Michael Froh (Meridian Township) and Larry Merrill (Delta Township)

Absent: Commissioners David Lenz and Douglas Jester (East Lansing)

The Corporate Secretary declared a quorum.

**Public Comments**
None.

**Approval of Minutes**

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole meeting minutes of July 16, 2019.

**Action:** Motion Carried.

**Update on BWL’s Energy Waste Reduction (EWR) Program**

General Manager Dick Peffley introduced Environmental Services and Reliability Compliance Manager, Ms. Lori Myott, and Energy Analyst, Ms. Aileen Gow, who oversees BWL’s Residential and Non-Profit Energy Waste Reduction Programs.
Ms. Myott reported that BWL implements its energy waste reduction and renewable energy programs under Public Act 295. Public Act 295 requires that municipal utilities update their governing board every year on their accomplishments for the previous year. Ms. Myott gave an update on BWL’s Energy Waste Reduction (EWR) Program. Ms. Myott stated that the BWL offers a variety of programs and highlighted the different programs and information given to the community. Ms. Myott noted that the LED program is the most popular with customers.

Commissioner Zerkle inquired whether BWL was still providing seminars in neighborhoods for low income customers and Ms. Myott responded that Ms. Aileen Gow will provide information.

Commissioner Ross noted the success in large business in energy reduction and inquired about the opportunities for communities with a lot of rentals and low income, and the challenges of getting landlords to invest in energy saving technology. Commissioner Ross also asked if there is a network of utilities communicating about what programs are working. Ms. Gow responded that the Michigan Public Service Commission, who legislates the energy programs, has a state-wide group just for low income that meets monthly and shares a large amount of information. Ms. Gow also stated that a recent program was started in a high rental area with a copay for landlords and it has been very successful. Refrigerators are replaced for rentals for 25% and homeowners for free. GM Peffley responded that the MMEA also reviews these type of programs.

Commissioner Graves commented that it was good that these programs were being implemented in the community especially for low income and stated that it was important to determine whether there was a return on investment. GM Peffley responded that 50% of Lansing’s population is rental and landlords observe the investment with the refrigerators and a smaller electric bill.
Commissioner Graham commented that she was part of the rental property association and landlords discuss the program positively at the monthly meetings.

Commissioner Mullen asked what percentage of renewable energy was in retail sales and Ms. Myott responded that the BWL is currently at 15% and was required to meet 10% by the end of 2018.

Commissioner Zerkle inquired whether the BWL could work with the city to get a higher percentage of multi dwellings to participate in the programs as a large amount of low income units could use the energy savings with a new refrigerator. Ms. Gow responded that BWL contractors have worked with almost every property manager they can find and have also worked with the Lansing Housing Commission.

Commissioner Ross inquired about the effect of projects in townships currently compared to the past. GM Peffley responded that if wind projects become difficult to license in Michigan more solar projects will be considered.

**Wholesale Water Service Agreement with Charter Township of Lansing – West Side Water**

GM Peffley introduced Strategic Planning and Development Executive Director, Ms. Brandie Ekren, who reviewed the updates to the West Side Water Wholesale Water Service Agreement with Charter Township of Lansing. Ms. Ekren reported the following conditions in the agreement:

- Most of the general conditions remain the same.
- Allows for the full cost of service recovery based on an industry standard methodology.
- No requirement that there be a mutual agreement to terminate.
- Lansing Township provides the BWL with annual 10-year forecasts of demand.
- Provisions for how to handle requests for water in excess of planned demands.
- Establishes an operating committee and a contract administration committee.
- Language is included that is related to water efficiency and conservation.

Commissioner Zerkle asked that when there isn’t a requirement for a mutual agreement to terminate is there a time frame of notice that needs to be given. Ms. Ekren responded that a standard notice requirement is required. Ms. Zerkle also asked what percentage Delta customers pay in comparison with what Lansing customers pay for water services. Ms. Ekren replied that she didn’t have that information but any adjustments are factored into the cost of service.

Commissioner Ross asked whether BWL passed rates which govern the water contracts or do the contracts include a rate schedule. Ms. Brandie responded that there is a difference between a wholesale and retail agreement. In a wholesale agreement BWL negotiates a contract with the township and the Commissioners approve the rates yearly. In retail agreements BWL contracts with individual customers and is handled during the normal rate making process.

Commissioner Froh inquired whether, outside of a long-term agreement where the savings would be realized with conservation, there has been any discussion of incentivizing savings for customers for going above and beyond attempts to reduce consumption. Mr. Peffley responded that on a wholesale
Committee of the Whole Meeting  
September 10, 2019
Page 4 of 6

agreement it is difficult to realize an incentive as the customer could bring on a new subdivision that would increase their water flow.

Commissioner Ross commented that this is a water service agreement and not a franchise agreement and therefore the dynamic of adding on fees doesn’t apply.

Commissioner Mullen asked whether the water service will be billed along with the electric bill and whether water would be provided to communities further west than Lansing Township. Ms. Ekren responded that the township with whom the water service agreement is made will do the metering, invoicing, and billing. GM Peffley responded that Grand Ledge has made an initial contact with BWL but nothing further.

**Corporate Planning; Industry Updates and Considerations**

GM Peffley reported that corporate planning will be a reoccurring agenda item to educate the Commissioners on the IRP, sustainability, and strategic planning so that they are able to answer questions out in the public. A flyer will be sent out every couple of weeks to the Commissioners also with updated information. Ms. Ekren presented industry considerations and introduced Planning & Development Manager, Steve Brennan, and Senior Rate Analyst, Paul Eory, to present updates on IRP and modeling.
Commissioner Zerkle inquired whether BWL is working with other APPA public power utilities in Michigan. GM Peffley responded that utilities contribute information through MPPA and MMEA.

Commissioner Thomas commented on being able to watch TV with Water & Steam Distribution Manager, Mr. Alando Chappell with the Boys and Girls Club and Electric Transmission & Distribution Director, Mr. Wayne Lynn on Turning Point and how they are helping inform the community.

Commissioner Zerkle inquired whether BWL would need to produce more electricity with the Belle River closing in 2030 or if BWL would have the capacity of selling more. GM Peffley responded that BWL has 11% ownership with Belle River which is in the amount of 150 megawatts and BWL’s intent by 2030 is to have renewables in place.

Commissioner Ross asked what the minimum clean energy targets is defined as. Mr. Eory responded that minimum clean energy targets are defined as renewables and energy efficiency which is respectively 20% and 10% in 2020. Commissioner Ross asked if 30% of the generation portfolio would be renewables and 10% would be energy efficiency in 2030. GM Peffley affirmed. Commissioner Ross also asked about obtaining additional 1% efficiency every year and if it compounded. GM Peffley responded that 1% efficiency has been achieved every year and he doesn’t have any concerns about meeting the goals for 2030 and 2040.

Commissioner Price asked if one of the outputs would be carbon footprint or made to do that. Mr. Eory affirmed.

Commissioner Ross inquired about the IRP, modeling and assumptions not being available or transparent, and if the software is standard. Mr. Eory responded that the software is starting to be deployed in Michigan and is mostly used by a few larger companies. Commissioner asked about the availability of the information. Mr. Eory responded that assumptions have been bundled and documented and the new model has templates that can be used and turned into white papers. Ms. Ekren responded that this model software allows more granular data and the information is readily visible.

Ms. Zerkle also asked about the providing of parking meters and charging stations for an increase in electrical vehicles in the future. GM Peffley responded that BWL is working with local developers to place charging stations around town.

Commissioner Price recommended that Commissioners attend the Strategic Planning meetings that would be held with customers and members of the public. Corporate Secretary Griffin will send an email to Commissioners of the meeting times when they are scheduled. Commissioner Zerkle recommended that these meetings be held separate from Committee of the Whole meetings to encourage longer discussions and also asked if the Internal Auditor would be contributing input to these meetings as he may audit some of the processes that are approved. Internal Auditor Mr. Wesley Lewis responded that he and Ms. Ekren discussed the regulatory changes that are taking place and will be attending the meetings.
Other

Motion by Commissioner Graham, Seconded by Commissioner Ross, to excuse Commissioners David Lenz and Douglas Jester from tonight’s meeting.

Action: Motion Carried

Adjourn
Commissioner Mullen adjourned the meeting at 6:47 p.m.

Respectfully Submitted
Tony Mullen, 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, September 10, 2019.

Finance Committee Chair Ken Ross called the meeting to order at 7:14 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Ken Ross, Tony Mullen, and David Price. Also present: Beth Graham, Joseph Graves Jr., Tracy Thomas, and Sandra Zerkle; and Non-Voting Commissioners Michael Froh (Meridian Township) and Larry Merrill (Delta Township).

Absent: Commissioner David Lenz

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 July 16, 2019.

Action: Motion Carried.

Baker Tilly External Audit Report and Resolution
Committee Chair Ross introduced external auditor Beth Ryers, Firm Director at Baker Tilly Virchow Krause, LLP. Ms. Ryers presented and highlighted the external audit report which included an audit overview, observations and recommendations, and required government communications. BWL received an unmodified or clean opinion which is the highest level of assurance provided.

Ms. Ryers’ presentation was as follows:
Board of Water and Light – City of Lansing

Audit Overview

Financial Statements Include

- Auditors’ report
- Management discussion and analysis
- Enterprise fund statements
- Consolidated pension trust statements
- Notes
- Required supplemental information
- Additional information

Controls reviewed in key transaction areas

- Disbursements
- Payroll
- Billings
- Cash and investments
- Capital assets
- Information technology
- Financial reporting

Board of Water and Light – City of Lansing
Observations and recommendations

- Enterprise Fund

Operating Income – Four-year Comparison (in thousands)

Future accounting standards

- GASB Statement No. 94, Fiduciary Activities effective for fiscal year 2020
- GASB Statement No. 87, Leases – effective for fiscal year 2021
- GASB Statement No. 91, Conduit Debt Obligations – effective for fiscal year 2022

Board of Water and Light – City of Lansing
Observations and recommendations

Future accounting standards

- GASB Statement No. 84, Fiduciary Activities effective for fiscal year 2020
- GASB Statement No. 91, Conduit Debt Obligations – effective for fiscal year 2022

Board of Water and Light – City of Lansing
Observations and recommendations

- Pension Plans

- Separate financial statements issued for each pension plan
- All three plans received unmodified audit opinions

Board of Water and Light – City of Lansing
Observations and recommendations

We appreciate the help of the Board of Water and Light General Accounting & Finance Teams in preparing for and assisting in the audit.

Page 2 of 5
Commissioner Ross inquired about the number of staff that were working onsite. Ms. Ryers responded that 4-5 people were on site. Commissioner Ross congratulated Ms. Shawa and her staff for an audit well done.

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to forward to the Board Meeting the Acceptance of the Resolution for the 2019 Audited Financial Statements.

**Action:** Motion Carried.

**July YTD Financial Summary**
CFO Heather Shawa gave a review of the July 2019 Year-to-date Financial Summary. Ms. Shawa reported the following: operating cash is budgeted at $32.3 million and it is now near $32.1 million; Net Income is budgeted just above $4 million and it is now a little under $8 million. Ms. Shawa noted that as July and August are typically slower months financial factors are typically under budget. Ms. Shawa also reported that credit on VEBA of approximately $1 million was not known at the time of the budget.

**Internal Audit Report & Revised Internal Audit Work Plan**
Commissioner Zerkle inquired as to why the plan was revised. Mr. Lewis responded that there were some risks or requirements identified in April that no longer apply.

Commissioner Ross summed up that there were three additional factors that created the need to re-evaluate the existing audit plan:

- A new internal auditor at mid-year who assessed the existing audit plan and reviewed the risk rating methodology
- The number of work hours were decreased in the audit department due to succession and departure of staff
- An analysis of risk rate needed to be done to determine which items needed to be addressed first

Commissioner Zerkle asked if another Assistant Internal Auditor would be hired and Mr. Lewis affirmed. She commented that Mr. Lewis’ goal was to conduct six audits and the usual goal was three or four. Mr. Lewis responded that additional audits have been planned in case circumstances arise where an audit can’t be completed.
Motion by Commissioner Price, Seconded by Commissioner Mullen, to accept the Revised Internal Audit Work Plan for FY 2020 and forward it to the full Board for acceptance.

Action: Motion Carried.

Internal Audit Charter and Resolution
Internal Auditor Wesley Lewis requested approval for the Internal Audit Charter Resolution.

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**Proposed Resolution**

Internal Audit Charter Approval

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

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Commissioner Ross commented that it was the previous Internal Auditor’s preference to have a high level but brief document. The new charter is similar but with more detail.

Commissioner Zerkle asked if the Principle Internal Auditor would be considered a BWL employee and Mr. Lewis affirmed.

Commissioner Ross asked Mr. Lewis to provide an update on his CISA certification process. Mr. Lewis responded he has started studying for the exam and plans to sit for the exam in January or February in 2020.

**Motion** by Commissioner Price, **Seconded** by Commissioner Mullen, to adopt the Internal Audit Charter by Resolution and forward it to the full Board for consideration.

Action: Motion Carried.

**Other**

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

Action: Motion Carried

**Adjourn**
Chair Ken Ross adjourned the meeting at 8:00 p.m.

Respectfully submitted
Ken Ross, Chair
Finance Committee
Proposed Resolution
To 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 2/3 vote of its governing body each year, a public employer may exempt itself from the requirements of Public Act 152 of 2011 prior to each benefit plan year, and;

WHEREAS, the Board of Commissioners have met each year and passed a resolution exempting the Lansing Board of Water & Light from the “hard cap” of Public 152 of 2011 and established premium sharing amounts for the applicable benefit plan years, as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Resolution No.</th>
<th>Premium Sharing</th>
<th>Effective Date</th>
</tr>
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<tbody>
<tr>
<td>July 24, 2012</td>
<td>(#2012-07-01)</td>
<td>10% All Active Employees</td>
<td>January 1, 2013</td>
</tr>
<tr>
<td>July 23, 2013</td>
<td>(#2013-07-02)</td>
<td>12% All Active Employees</td>
<td>January 1, 2014</td>
</tr>
<tr>
<td>September 23, 2014</td>
<td>(#2014-09-03)</td>
<td>12% All Active Employees</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>July 28, 2015</td>
<td>(#2015-07-12)</td>
<td>12% All Active Employees</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>November 17, 2015</td>
<td>(#2015-11-02)</td>
<td>12% - Union Employees 14% - Non-Union Employees</td>
<td>January 1, 2016-12% Union Effective July 1, 216 – 14% Non-Union</td>
</tr>
<tr>
<td>November 15, 2016</td>
<td>(#2016-11-06)</td>
<td>14% All Active Employees</td>
<td>January 1, 2017</td>
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<td>September 26, 2017</td>
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RESOLVE that the Board by at least 2/3 vote desires to exempt itself from the requirements of Public Act 152 of 2011 for the upcoming benefit plan year, effective January 1, 2020 through December 31, 2020.

FURTHER RESOLVE that the Board desires to increase premium sharing from 18% to 20% for all active employees for medical benefits effective January 1, 2020.
Proposed Resolution
Delegation of Authority: Health Care Plan Benefit Design and Administrative Decisions

WHEREAS, The Lansing Board of Water & Light (BWL) is a municipally owned utility organized under the Lansing City Charter as permitted by the Home Rule Cities Act, MCL 117.4(f)(c), and governed by the Board of Commissioners (“Board”). The Lansing City Charter, Article 5, Chapter 2, delegates to the Board administrative, executive and policy-making authority over the operation of the BWL, which includes the full and exclusive management of water, heat, steam and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council.

WHEREAS, the Lansing City Charter states the Board shall appoint three individuals who report directly to the Board and serve at the Board’s pleasure; being a Director (also known as the General Manager), an Internal Auditor (also known as the Director of Internal Audit) and a Secretary (also known as the Corporate Secretary). The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which include but are not limited to the operation and management of the BWL.

WHEREAS, the Lansing City Charter further outlines the responsibilities and authority of the Board, which includes the compensation and benefits of BWL employees, and by virtue of this responsibility and authority the Board is the Plan Sponsor of the Lansing Board of Water and Light Health Care Plan (the “Plan”).

WHEREAS, the Board’s role as the governing body for the BWL includes certain fiduciary duties such as acting in the BWL’s best interest, protecting and enhancing the BWL for the benefit of its rate payers, exercising reasonable care, loyalty and good faith in actions and decisions, meeting legal and regulatory requirements, and assuring the General Manager, Director of Internal Audit and Corporate Secretary have adequate support and resources to effectuate their roles.

WHEREAS, in July of 2017, the Board approved a Governance policy which, among other things, adopted and established the General Manager’s principal role to manage and operate the BWL and establish administrative and operational directives, standards guidelines and procedures that support Board approved corporate policies, strategies, projects and budgets.

WHEREAS, management of the Plan’s benefit design and administration are necessary for the General Manager to manage and operate the BWL by maintaining a qualified workforce.

WHEREAS, The Board as Plan Sponsor of the Plan desires to further clarify and delegate authority to the General Manager to oversee and manage the Plan’s benefit design and administration on its behalf.

RESOLVED, the General Manager is authorized to oversee and manage the Plan’s benefit design and administration on behalf of the Board.

FURTHER RESOLVED, the General Manager may further delegate this authority for operational efficiency.

FURTHER RESOLVED, all benefit plan design changes or updates will be communicated to the Board at the next regularly scheduled meeting of the Board.
RESOLVED, that the fiscal year 2019 Audited Financial Statements of the Board of Water and Light have been reviewed and are hereby accepted as presented.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2019 Audited Financial Statements of the Board of Water and Light and the report on auditing procedures with the State Treasurer as required by the Uniform Budgeting and Accounting Act (Public Act 2 of 1968, as amended) no later than December 31, 2019.

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to file a copy of the fiscal year 2019 Audited Financial Statements of the Board of Water and Light with the City of Lansing no later than October 15, 2019.
RESOLVED, That the Board of Commissioners hereby approves the Internal Audit Charter as amended to which conforms to the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors.