



**LANSING BOARD OF WATER AND LIGHT
BOARD OF COMMISSIONERS**

**SPECIAL MEETING MINUTES
JANUARY 7, 2014**

The Board of Commissioners met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, January 7, 2014.

Meeting Purpose: Storm Outage

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

Present: Commissioners Margaret Bossenbery, Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Tracy Thomas, Cynthia Ward and Sandra Zerkle.

Absent: None

The Secretary declared a quorum present.

Commissioner Mullen led the Pledge of Allegiance.

General Manager Lark made the following opening remarks.

“First of all, as I have previously expressed, I deeply regret the difficulties our customers endured during this recent outage. Moreover, I offer this Board and our customers my sincere regret for traveling to New York during the outage. I believe this storm should be viewed like any other or anything else in life, in some sort of context.

The BWL service territory was hit by an ice storm. One hundred percent of its territory was hit by an ice storm.

The other utility we are often compared with extends to the Mackinaw Bridge and to the west to Lake Michigan, to the east to Lake Huron. They suffered a large outage as well, but all of our system was impacted.

In fact, 40 percent of our lines were affected and went down. Anecdotally, from Public Service Commission staff, no utility in Michigan have has ever lost that percentage of its facilities. It took us 138 years to build; it took Mother Nature eight hours to destroy forty percent of it.

This is something beyond Michigan's experience. I have looked about Michigan and the United States for comparisons, and when I did I found that Michigan's performance, the BWL's performance, was neither good or bad. It was typical.

I also want to do something that hasn't been done yet that I think is important. I want to profusely thank all of our BWL employees, the best in Lansing, and the best I've ever worked with, for their dedication to restoration efforts under what has to be and was the most difficult of all circumstances.

But, you know, after looking at this from a variety of points of view, it's clear to me that improvements are necessary because disasters, unfortunately, come with hard lessons; and we have learned from this. The actions we've taken are numerous.

First of all, the BWL has entered into retainer agreements with contractors that will immediately triple the number of line crews available in an emergency.

The BWL will immediately begin the process of hiring additional support staff so that those line crews can be properly guided, and by that, I mean dispatchers and the like. In addition, we will hire additional line workers. We have tripled the number of tree trimming crews presently working. I didn't say "we will triple," I'm telling you that today, on the ground, triple the tree trimmers are working. Also within the next week, the BWL will have an online outage map that customers can view. There were problems with what we call OMS, which is the Outage Management System. Those problems have been identified, and they've been addressed. Beginning now, immediately, as I sit here, and, actually, even last night, when the big storm was upon us, or even the night before, all customer outage and downed line calls should be made to (877) 295-5001. I say that because we did not feature that number prominently enough. That number was in our customer connections every month. That number is on our web site. The number is available, but so is our call center number. So we took many, many more calls to the call center, which is only comprised of 15 to 20 employees.

All of these things I've just told you will be discussed in greater detail following the public comment. But, in addition to that, we will explore alternative third-party answering services during catastrophic claims.

We have created a temporary crisis communications plan. In addition, we have retained a crisis communications firm to finalize and implement a permanent crisis communications plan. Also, that firm will provide additional communications assistance during a crisis.

The BWL today posted a newly-created position of Social Media Manager to develop and manage strategies to improve communications across all spectrums of social media.

Also, the BWL will give customers who suffered outages of over 120 hours a \$25 credit per the Michigan Public Service Commission Rules. In addition, customers who were out greater than 120 hours, for each 24-hour period beyond that time, they will receive an additional \$5. The details for this will be announced soon and will be on our web site.

The BWL is in the process of and will continue a top-to-bottom review of its outage response. That review will include input from three community forums, next Wednesday, Thursday, and Friday, for BWL customers at locations and times to be announced, and, most importantly, a report on this review will be completed and announced in mid February.

That virtually concludes my remarks. You will hear much more from those of us assembled at this table; but, before I turn it over to the Chair to take comments, I have to one more time just say thank you to all of the BWL employees because, while this community has heard very much about

line crew and what a great job they've done, for every person who's a member of the line crew, there are several people behind them. For every line crew that has worked 18 hours, there's someone else that worked 18 hours; and I am again going to thank all those employees. They're certainly not all seated behind me, but I think some are. Again, I've had a couple of jobs in a couple of different places. If I count them up, it probably comes to four or five. I have never worked with better employees or employees more dedicated to restoring every single customer at the BWL again under very, very difficult situations. So I say to them thank you.

This concludes my remarks, Madam Chair, and Members of the Commission."

Chari Zerkle announced that there was an overflow room set up in the Lobby of the REO Headquarters. Chair Zerkle also expressed her apologies for discomfort and problems that many customers have experienced during the ice storm and power outage. She stated that she believes that every BWL employee's sole purpose was to get the power back up no matter what it took.

PUBLIC COMMENT

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

The following individuals spoke in support of the Actions of one of the following: Board of Water and Light, Employees, the Administration:

Tim Barron, Radio/Media Host	Calvin Jones, BWL Employee
Ron Byrnes, Business Manager of IBEW Local 352	Jeff Schwartz, BWL Employee
Mike Flores, BWL Employee	Tom Dickinson, BWL Employee
Jane Schueller, BWL Employee	David Douglas, BWL Employee
Thomas Gray, BWL Employee	Sue Warren, BWL Employee
Rob Hodge, BWL Employee	Debi Allen, BWL Employee
Sean Looman, BWL Employee	Mark Matus, BWL Employee
Ray Moore, BWL Employee	Nick Burwell, BWL Employee
Jennifer Hamel, BWL Employee	Stephanie Laney, BWL Customer
Charles Green Jr., Customer	Jim Paparella, BWL Customer
Mark Williams, BWL Employee	Peter Kramer, Former BWL Commissioner
Daryl Hibbert, BWL Employee	Dallas Burdick, BWL Employee
Bob Perialas, BWL Employee	Gregg Hess, BWL Employee
Scott Hemelink, BWL Employee	Mike Collins, BWL Employee
Gennie Eva, BWL Employee	R. R. Peffley, BWL Employee
Brian Sebolt, BWL Employee	Alando Chappell, BWL Employee
Brandie Ekren, BWL Employee	Cheryl Bush, BWL Customer
Melvin Jones, Pastor of Union Church	Jim Weeks, Executive Director of MMEA
Tarcy Tolbert, BWL Employee	Justin Terry, Lansing Resident
Smiljana Lazic, BWL Employee	

The following individuals spoke in complaint of the Actions of one of the following: Board of Water and Light, Employees or the Administration:

Chuck Slammer, Lansing Resident	Claude Beavers, Lansing Resident
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Mike Kieliszewski, BWL Customer
Alice Dreger, BWL Customer
Wayne Whiting, Lansing Resident

Cole Bouck, Lansing Resident
Ryan Sebolot, BWL Customer

Councilmember Carol Wood spoke about the BWL Board members communicating with their constituency, the importance of the Board putting together an independent investigation and the resignation of General Manager Lark.

Julie Powers, BWL Customer thanked all of the BWL Staff for their hard work to get the power back on. She spoke about the ageing infrastructure and the overgrowth of trees.

Semone James-Howes spoke about the need for accountability and the need to review the communications process and the emergency management plan.

Ken Flether, Delta Township Manager, spoke about the lack of representation on the BWL's Board of Commissioners and the loss of trust among customers and the need for restoring trust, confidence and establishing structure so that surround communities can be heard.

Councilmember Jody Washington spoke about General Manager Lark's decision to take a vacation during this time and ask the Board discipline him for this incident only. She spoke about the many complaints that she heard regarding communication.

Jason Wilkes, spoke about sitting through hours of public comment regarding this matter and it was clear that mistakes were made and that there was a failure in communication. He spoke about the inclusion of surrounding entities in regard to the review that is taking place.

Jennifer Olson, questioned the criteria for claiming a State of Emergency. She also spoke about the lack of communication during this time.

Vice Chair Louney read the following communication in to the record from Former Executive Director of Operations Doug Wood:

"The attacks that I have seen serve no useful purpose unless an organization is poorly run. That is certainly not the case with the Board of Water and Light. The Board of Commissioners provides sound policy and guidance and are fully engaged with the Board of Water and Light operations and its customers. General Manager J. Peter Lark stays connected and engaged with the Board of Commissioners, his staff, and customers whether he is at work, at home, or on the road. The Board of Water and Light has been lifted to a higher level because of Mr. Lark's vision and leadership and certainly has my full endorsement as the best person to lead the Board of Water and Light into the future.

I'm very proud of this achievement of Mr. Lark and the Board of Water and Light and grateful to have been associated such a great organization.

*Thank you for listening."
Douglas K. Wood*

Commissioners' Remarks/ Administration's Comments

Review of Action after Recovery Memo (See Attached Memo)

To: Sandra Zerkle, Chair

BWL Board of Commissioners

General Manager J. Peter Lark

Cc: Corporate Secretary M. Denise Griffin

From: Commissioner David Price Commissioner and Commissioner Cynthia Ward

Date: January 2, 2014

RE: Action after Recovery

As you are aware, pursuant to BWL's Rules of Procedure, we requested a Special Meeting of the Board of Commissioners. That meeting has been scheduled for Tuesday, January 7, 2014. Public notice of that meeting, in accordance with our rules, will follow.

Our primary interest in requesting the Special Meeting was to provide a timely and focused opportunity for the Board of Commissioners to begin to address our customers' concerns relative to the BWL's restoration efforts following the ice storm. We heard from many customers during the Mayor's Press Conference on Saturday, December 28, 2013, and during the Lansing City Council's Special Meeting on Monday, December 30, 2013. Those forums afforded the Board opportunities to listen to the questions and concerns of our customers. While we would have preferred for there not to be a need for such forums, we appreciated every single person who came out to ask questions, express criticisms, share concerns, and applaud the efforts of the line men and women. We understand that we will continue to hear from customers in the weeks and months to come. However/ we believe we must take action now. That is why we have requested this Special Meeting.

We request the full Board of Commissioners to consider the following as outcomes from the Special Meeting:

- 1) As the governing board for the BWL, we will acknowledge the hard work of the line workers and all BWL employees, who remained focused, in the face of many distractions, on the task of restoring power to our customers. We also acknowledge the families of the BWL employees who worked around the clock and sacrificed spending their holidays with their loved ones. Further, we also thank the City of Lansing employees and mutual aid workers who assisted during this time.
- 2) We will request that General Manager Lark establish two independent review teams: one for the outage response itself and one for the communications response. We will further ask that Mr. Lark consider a process that will allow for the review teams' work to be completed by March 31, 2014.

- 3) Many Commissioners were individually contacted during the restoration period by concerned customers; several of us have our own questions. We will ask Board Chair Zerkle to designate a point person on the Board of Commissioners to serve as the repository of all the questions and concerns received by individual Commissioners so that all questions and concerns can be included and compiled in a single document to be reviewed by the Commissioners, General Manager Lark, and the review teams.
- 4) General Manager Lark has publicly stated that the BWL will consider a possible credit to offer customers. We will request that General Manager Lark identify and present to the Board of Commissioners the parameters for such credit.
- 5) It was acknowledged that the BWL does not have a crisis communication plan. We will ask that an interim crisis communication plan is developed for the BWL subject to revision once the communications response review team completes its work.
- 6) The Board of Commissioners does not have an emergency or crisis communication plan. We will request that Board Chair Zerkle appoint an ad hoc committee to develop a Commissioners' emergency/ crisis communication plan.

There are other matters that certainly require attention, but we believe this is an appropriate starting point for this initial meeting. We expect other Commissioners will have other matters or concerns that will be included for discussion during the Special Meeting.

Thank you.

Commissioner Ward acknowledge that the statement submitted by her and Commissioner Price was a suggestion for items to be addressed as a starting point and that this request was for the full Board to consider and that it is up to the full Board if they want to accept or consider the suggestions going forward. Commissioner Ward acknowledge that some of the concerns that were raised were addressed in Mr. Lark's opening statement and that she would defer until after the experts have spoken.

Vice Chair Louney stated that he would like to see some things outline but will not present them today. He said that he wait until the report came out in February.

George Stojic, Executive Director of Strategic Planning and Development provided an overview of electrical liability.

Dave Bolan, Director of Electric Transportation and Distribution provided information the proactive and preventative maintenance that the BWL did to possibly prevent a much larger outage. Mr. Bolan provided information on tree trimming and the standards that go along with that. He said this storm devastated the area and the plan is to get out there and get the trees cleaned up.

General Manager Lark stated that the number of tree trimming crews have been tripled as of yesterday.

Mr. Bolan, reviewed the flow of the Electric Utility Power System Diagram. He reviewed the breaker system process and what has to happen when there is an outage and the number of customers that are affected with each level of circuit that goes down.

Pat Hanes, Manager of Transmission reviewed what took place the night the storm hit as well as their actions as far as getting help from outside agencies. Mr. Hanes stated that the BWL never ran out of supplies as suggested by some.

After a lengthy discussion, General Manager Lark asked if the Board would be to continue this discussion at the Committee of the Whole meeting. In response, Commissioner Price stated that there has been a lot of information presented this evening and is impressed with the level of detail and understanding of the whole situation. He said that he would like to have additional discussion at next week's Committee of the Whole.

After some discussion on the preferred conclusion of the Special Board meeting, it was determined that there would be a continuation of tonight's discussion at the next week's COW meeting.

Public Comments

Members of the public are welcome to speak to the Board on any Board of Water and Light subject.

Julie Mulcallughe, Lansing Resident stated concerns with all of the problems that came from the ice storm and said that people are looking for accountability and transparency.

EXCUSED ABSENCE

None.

ADJOURNMENT

On motion by Commissioner Price, seconded by Commissioner Ward, the meeting adjourned at 10:35 p.m.

M. Denise Griffin, Corporate Secretary

Official Minutes (Electronic) filed with Lansing City Clerk: January 30, 2014