



MINUTES OF THE BOARD OF COMMISSIONERS MEETING

LANSING 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.

The collage consists of several presentation slides. The top left slide features the Lansing Board of Water and Light logo with the slogan 'Hometown People. Hometown Power.' The top middle slide is titled 'Department Overview' and 'INFORMATION TECHNOLOGY Departmental Update'. Below these are two 'Overview' slides. The first 'Overview' slide lists 'Strategic Plan Goals & Objectives' including 'Supporting Business Needs' (with sub-points like 'Continuous maintaining a secure computing environment', '3rd party penetration testing of new CRM outage website and mobile app', '3rd party penetration testing of new GIS system', 'Department of Homeland Security (DHS) conducted remote and on-site cybersecurity testing', and 'Staff Skill Development') and 'Compare to Industry Best Practices' (with sub-points like 'IT Spend per Employee = \$16,827', 'No Insured / Supplemental Staff = 16th / 4th', and 'Insured = 27th / 12th'). The second 'Overview' slide lists 'Strategic Plan Goals & Objectives' including 'Supporting Business Needs', 'Continuous maintaining a secure computing environment', '3rd party penetration testing of new CRM outage website and mobile app', '3rd party penetration testing of new GIS system', 'Department of Homeland Security (DHS) conducted remote and on-site cybersecurity testing', 'Staff Skill Development', 'Training for network and system administrators on new data center technology', 'Compare to Industry Best Practices', 'IT Spend per Employee = \$16,827', 'No Insured / Supplemental Staff = 16th / 4th', and 'Insured = 27th / 12th'. The bottom left slide is a 'COBIT Audit Remediation Roadmap' showing a timeline from Feb to Dec with various audit areas. The bottom middle slide is a 'Cybersecurity Policy Development Roadmap - Operational Policies' showing a timeline from Jan to Jul with various policy areas. The bottom right slide is another 'Overview' slide with a list of strategic goals and objectives.



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.



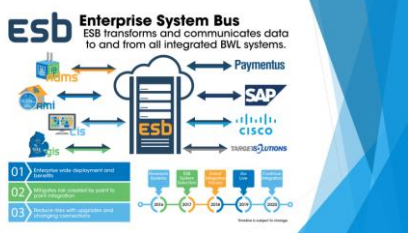
what is bsmart?

The BSmart Program comprised of five projects to move us to the utility of the future:
 Advanced Metering Infrastructure (AMI),
 Advanced Distribution Management System (ADMS),
 Geographical Information System (GIS),
 Customer Information System (CIS) and
 Enterprise Service Bus (ESB).

These updates will be huge, technological leaps forward for the BWL to better serve our customers, as well as our employees.

Why Invest in these Technologies?

- ▶ Aging infrastructure / systems
 - ▶ Meters
 - ▶ Mainframe
 - ▶ Compatibility
 - ▶ Performance
- ▶ Technology
 - ▶ Getting current
 - ▶ Staying current
- ▶ Utility Trends
 - ▶ Becoming the Utility of the Future
 - ▶ Customers expectations



gis Geographical Information System

Enables BWL to store and analyze geographic data related to all assets for BWL Utilities.

- 01 Create spatial information and improve accuracy
- 02 Increase spatial accuracy to all assets
- 03 Reduce errors and speed field mobile data collection

Future GIS Releases

R1	R2	R3	R4
Convert Electric Distribution and Conductivity	Integrating with R1 Location	Web Access Online	Design Life Cycle
Convert Water and Childer Water Distribution	BWL Portal for Esri	Sharing our maps internally and externally with our customers	Onsite Integration
Asset Stream Distribution	Mobile Map Services		Conduct Map
Added Street Lighting and conductivity	Templates - Providing better access to maps and data from a mobile platform		Deploying within Esri

Continue integrations with other BSmart Projects

Adms Advanced Distribution Management System

Enables BWL to more efficiently distribute and manage utility to its customers.

- 01 Add and test new hardware, software and user interface
- 02 Integrate with AMI
- 03 Testing and commissioning into production

OMS An Outage Management System manages outage events and helps in service restoration. The OMS is required to improve outage management, generate and enhance outage response and closing notification.	Integrating OMS and GIS is required to improve operator efficiency, the outage management process, and the coordination of field work as well as reduce data maintenance efforts. The two systems share a distribution system model, and with a shared interface, the result is more comprehensive and accurate picture of current conditions.	Integrating SCADA with the OMS-GIS enables the OMS-GIS to use SCADA data to improve operations and provide integrated security analysis. A single system provides operator efficiency and streamlined logs and authority management.	Integrating SCADA with Esri and GIS enables the use of a single data source, accurate location and user interface, resulting in efficient dispatch work flows. In this manner, dispatch work is not defined by systems and there are uniform operating procedures and protocols.	Integrating all four systems enables a customer view interface, data modernization, and security.
DMS A Distribution Management System is used to monitor, control, and manage the distribution network. The DMS is required to provide improved meter awareness and decision making as well as improve safety and prevent assets.				
SCADA A Supervisory Control and Data Acquisition system provides real-time monitoring and control of generation and transmission systems.				
EMS An Energy Management System optimizes operations, and controls the transmission grid and generation assets. The EMS is required to optimize power usage, increase reliability, and protect equipment and infrastructure.				

AMI Advanced Metering Infrastructure

Enables two-way communication between the customer and the BWL.

- 01 More efficient outage resolution
- 02 Increase meter visibility & connectivity
- 03 Integration of energy efficiency programs

Benefits of AMI

Electric Benefits - Gross

- ▶ Meter Reading
- ▶ Meter Visits & Disconnect S/O
- ▶ Meter Accuracy Losses
- ▶ Distribution Network Losses (Theft)
- ▶ Avoided Meter Replacement Costs
- ▶ Billing Department Reading Verifications
- ▶ kWh Reduction Program

Benefits of AMI

Water Benefits - Gross

- ▶ Meter Reading
- ▶ Meter Repair Site Visits Service Orders
- ▶ Meter Accuracy Losses
- ▶ Distribution Network Losses
- ▶ Avoided Meter Replacement Labour Costs
- ▶ Billing Department Reading Verifications
- ▶ CEF Reduction Program

AMI Deployment Progress

Electric/Water Network

Water Only Network

METER INSTALLS	CONFIRMED SKIPS OF TOTAL PLANNED INSTALLS
<ul style="list-style-type: none"> Electric: 97,718 Water: 64,906 Total: 162,624 	<ul style="list-style-type: none"> Electric: 58,470 Water: 11,992 Total: 70,462

20% Days w/o safety incidents
40% Project Installation Days

Upcoming project milestones

- ▶ Deployment of assets continues (See dashboard)
- ▶ Water only area network in progress
- ▶ Water installation and retrofit appointment / communication strategy
- ▶ Opt Out Program
- ▶ Customer Portal
- ▶ Network (Service Level Agreements) SLA validation
- ▶ Validation, estimating and editing workshops for Meter Data Management (MDM)
- ▶ Complex billing data for large customers development in MDM
- ▶ Integrations to ADMS/ GIS

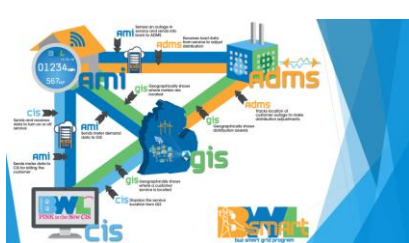
CIS Customer Information System

Enables two-way communication between customers and the BWL.

- 01 Enhanced customer communication
- 02 Improved transparency into customer service delivery
- 03 Ability to track records and related data to customer

Customer Information System

- ▶ This project will replace the Customer Information and Billing System that is currently on the Mainframe CIS and Field Force Automation software programs
- ▶ We have begun the Discovery Phase of the project with the Vendor
- ▶ It will integrate with GIS, MDM/AMI, Auto Vehicle Locating (AVL) and ADMS/OMS
- ▶ Go live is projected summer of 2021
- ▶ Software and platform
 - ▶ Itineris
 - ▶ Microsoft 365 Dynamics
 - ▶ Microsoft Azure cloud



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**

- 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**
 - 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**
 - 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**
 - Revision to language to clarify that ALO is a requirement, not recommendation
 - 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**
 - 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**
 - 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**
 - Added definition of “Advanced Meter” due to new use of the term.
 - Added definition of “Advanced Metering Infrastructure (AMI)” due to new use of the term.
 - Added definition of “Alternate Primary Service” to replace “Second Service” for clarification and to be more descriptive.
 - Added definition of “Alternate Primary Source” to replace “Second Source” for clarification and to be more descriptive.
 - Deleted definition of “Second Service”
 - Deleted definition of “Second Source”
- Revision of Rule 3.2.C, **Available Voltage**
 - 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**
 - 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.
 - 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**
 - 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**
 - 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**
 - 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**
 - 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**
 - 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**
 - 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**
 - 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.
 - 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.
 - 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**
 - Revision of late fee from 5% to 2% because 2% is what is being used operationally.

WATER:

- Revision of Rule 1, **Definitions**
 - Added definition of "Advanced Metering Infrastructure" due to new use of the term within the rules regarding AMI.
 - 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**
 - 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 11.2B, **Application for Services**
 - 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**
 - 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

ELECTRIC FEES and CHARGES				
Charge Description	When Applied	FY18 Charge	Proposed FY20 Charge	
Pole Attachment Fees:				
Permit Application Pre- and Post-Construction Review, along with all Applicable Engineering and Make Ready Construction	Each occurrence	At cost	At cost	
Annual Pole Rental Fee	Annually	\$12 per attachment, \$300 minimum	Per Pole Attachment Rate 41	Directs to applicable Rate
5G Wireless Antenna Rental Fee (On Existing Pole)	Annually	DID NOT EXIST	\$50 per antenna with 10% increase every 5 years	New fees per law
5G Wireless Antenna Rental Fee (New Pole Installation)	Annually	DID NOT EXIST	\$150 per antenna	New fees per law
Failure to Transfer	Each occurrence after the due date via the agreed upon notification system	3 times annual attachment fee per attachment per month	3 times annual attachment fee per attachment per month	
Unauthorized Attachment	Each occurrence 30 days after notification via the agreed upon notification system	3 times annual attachment fee per attachment per month	5 times annual attachment fee per attachment per month	To be consistent with Rate 41
Non-refundable Application Fee	Each occurrence	\$33 per pole, \$495 minimum	\$50 per pole, \$500 minimum	Adjusted to market rate
Map Page Fee	Each Request - Electronic	DID NOT EXIST	\$20 per request	New fee to cover costs
	Each Request - Per Map Page in Hard Copy	DID NOT EXIST	\$20 per page	New fee to cover costs
Connect (Turn-on/turn-off) Fee	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.	\$150	\$165	For consistency with Water
Reconnection Fee Non-Pay or other	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.	\$150	\$165	For consistency with Water
Meter Tampering	Each occurrence	\$265	\$275	For consistency with Water
Interference Fee	Each occurrence	\$265	\$275	For consistency with Water
Advanced Meter Opt-Out Fee	One Time - Electric Only - Per Meter One Time - Electric & Water One Time - Electric, Water & Irrigation Monthly - Electric Only - Per Meter Monthly - Electric & Water Monthly - Electric, Water & Irrigation	DID NOT EXIST DID NOT EXIST DID NOT EXIST DID NOT EXIST DID NOT EXIST DID NOT EXIST	\$115 \$190 \$315 \$10 \$25 \$25	Added due to language in Rule 5.8

**WATER
FEES and
CHARGE
S**

Charge Description	When Applied	FY18 Charge	Proposed FY20 Charge	
Water Main Front Footage Recovery	½ of the charge for either side of street if not previously collected.			
	On 16"	\$190/ft	\$197 / ft	Adjusted to cover costs of labor, materials and equipment
Water Services (Board Installed) (Connection Fee applicable)	Up to and incl. 1" Water Service			
	Main-to-Curb Box Stub on previously installed water mains	\$2,300 per stub plus restoration cost	\$2,700 per stub plus restoration cost	Adjusted to cover costs of labor, materials and equipment
	Curb Box-to-Building (Trenched)	\$810 minimum, \$18/ft in excess of 45 feet plus restoration cost	\$845 minimum, \$18/ft in excess of 45 feet plus restoration cost	Adjusted to cover costs of labor, materials and equipment
	Curb Box-to-Building (Bored)	\$1,550 Minimum, \$25/ft in excess of 45 feet plus restoration cost	\$1,850 Minimum, \$30/ft in excess of 45 feet plus restoration cost	Adjusted to cover costs of labor, materials and equipment
	Indoor Meter Set ¾" – Standard	\$270	\$290	Adjusted to cover costs of labor, materials and equipment
	Indoor Meter Set ¾"- With Split Irrigation	\$375	\$385	Adjusted to cover costs of labor, materials and equipment
	Domestic or Irrigation Outdoor ¾" Meter Set with Meter pit	\$2,850	\$3,015	Adjusted to cover costs of labor, materials and equipment
	Outdoor ¾" Meter Set with Meter pit – Customer Choice Program (labor only)	\$155	\$180	Adjusted to cover costs of labor, materials and equipment
	Retrofit of existing service to allow for split Domestic or Irrigation Service	\$375	\$180	Adjusted to cover costs of labor, materials and equipment
	Charge for setting meter on a split service after initial installation	\$160	\$180	Adjusted to cover costs of labor, materials and equipment
Service Meter Pit set – Customer Choice Program (labor only)	\$155		Adjusted to cover costs of labor, materials and equipment	
Service Demolition	When requested by Customer			
	Up to and including 1" Curb Box-to-Meter Pit	\$120	\$130	Adjusted to cover costs of labor, materials and equipment
	Up to and including 1" Curb Box-to-Building	\$235	\$245	Adjusted to cover costs of labor, materials and equipment
Winter Construction Charge	Water Services, 2" and under	\$10 /Trench ft	\$11/Trench ft	Adjusted to cover costs of labor, materials and equipment
Damaged Meter Charge	Upon occurrence			
	For Services Up to 1"	\$250	\$260	Adjusted to cover costs of labor, materials and equipment
	For 1' Services	\$320	\$330	Adjusted to cover costs of labor, materials and equipment
Thawing Service Charge	After a running water order has been issued			
	Up to and incl. 2" and up to 2 hours	\$235	\$245	Adjusted to cover costs of labor, materials and equipment
Domestic Service Inspection Fee (Customer Choice Program)	Each inspection visit for 2" or less diameter services only – no engineering drawings or service evaluation required.	\$165	\$195	Adjusted to cover costs of labor, materials and equipment
Permit Application (Customer Choice Program)	Initial request by contractor seeking qualification	\$400	\$410	Adjusted to cover costs of labor, materials and equipment
BULK WATER PERMIT Temporary Hydrant Usage for construction, festivals and governmental special use by special permit.	1" RPZ backflow device plus	\$850	\$795	Adjusted to cover costs of labor, materials and equipment
	2" RPZ backflow device plus	\$1,490	\$1,385	Adjusted to cover costs of labor, materials and equipment
Connect (Turn-on/turn-off) Fee	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.	\$150	\$165	Adjusted to cover costs of labor, materials and equipment
Reconnection Fee Non-pay or other	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.	\$150	\$165	Adjusted to cover costs of labor, materials and equipment
Water Theft Penalty Fee	1st Occurrence	\$500	\$500	
	2nd Occurrence	Up to \$1,500	Up to \$1,500	Removed this fee from Bulk Water Permit section and reinserted here so it is applicable in all instances, not just to bulk water permit customers
	3rd Occurrence	Up to \$5,000 and permit revocation	Up to \$5,000 and bulk water permit revocation, if applicable	
Meter Tampering	Each Occurrence	\$265	\$275	Adjusted to cover costs of labor, materials and equipment
Meter Calibration Charge	Customer request meter calibration check is within plus or minus 1.5% of accuracy			
	Up to 2" meters	\$175	\$195	Adjusted to cover costs of labor, materials and equipment
Interference Fee	Each occurrence	\$265	\$275	Adjusted to cover costs of labor, materials and equipment

Advanced Meter Opt-Out Fee	One Time - Water Only -	DID	\$125	Added due to language in Rule 5.7
	Per Meter One Time -	NOT	\$190	
	Electric & Water	EXIST	\$315	
	One Time - Electric, Water	DID	\$20	
	& Irrigation Monthly -	NOT	\$25	
	Water Only - Per Meter	EXIST	\$25	
	Monthly - Electric & Water	DID		
	Monthly - Electric, Water & Irrigation	NOT		
		EXIST		
		DID		
		NOT		
		EXIST		
		DID		
	NOT			
	EXIST			
	DID			
	NOT			
	EXIST			
	DID NOT EXIST			

CHILLED WATER FEES and CHARGES				
Charge Description	When Applied	FY18 Charge	Proposed FY20 Charge	
Connect (Turn-on/turn-off) Fee	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.	\$150	\$165	For consistency with Water
Reconnection Fee Non-Pay or other	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.	\$150	\$165	For consistency with Water
Meter Tampering	Each occurrence	\$265	\$275	For consistency with Water
Interference Fee	Each occurrence	\$265	\$275	For consistency with Water

STEAM FEES and CHARGES				
Charge Description	When Applied	FY 2016 Charge	Proposed FY20 Charge	
Connect (Turn-on/turn-off) Fee	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.	\$150	\$165	For consistency with Water
Reconnection Fee Non-pay or other	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.	\$150	\$165	For consistency with Water
Meter Tampering	Any time	\$265	\$275	For consistency with Water
Interference Fee	Any time	\$265	\$275	For consistency with Water
Meter Calibration Charge	When Customer requested meter calibration check is within plus or minus 2% accuracy	\$175	\$195	For consistency with Water

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.

The presentation slides cover the following key areas:

- Planning Process:** The process is intended to develop (or develop and manage) the LWU's long-term and strategic goals in a changing industry and faced with uncertainty. It provides a framework for developing the culture and method of meeting these goals by focusing on the LWU's vision, mission, values and management processes.
- Planning Department Scope:** The Planning Department is responsible for major LWU utility planning initiatives, including the Integrated Resource Plan, Strategic Plan, Strategic Management Engagement Plan (SME Balance Score Card), Renewable Portfolio, Economic Development Strategy, Industry Knowledge Hub, and Corporate Performance Standards service levels.
- Integrated Resource Plan (IRP):** A comprehensive decision-making process that provides a road map for providing reliable and the least-cost electric service. It addresses risks and uncertainties, is evaluated every 4-5 years, and is historically focused on Electric utility.
- Stakeholder Engagement:** Involves engaging on needs and interests of actual and potential customer constituents through an ongoing customer advisory and interest in exploring strategies that promote the inclusion of reliability, environmental and economic goals.
- Industry Research & Modeling:** Involves gathering data and modeling to assess the impact of various scenarios on the utility's performance, including environmental and economic goals.
- Public Meetings/Open Houses:** Provide a public meeting, model and analyze a series of public settings and open houses. Results will be provided to utility public commenters and the strategic and modeling. These materials will be incorporated into the final report.
- Strategic Plan:** Guided by the Integrated Resource Plan and other planning considerations, it outlines the utility's business strategy with short (1-3 years) and long-term (5-10+) perspectives.
- Strategic Management Engagement:** Strategic Management in the process designed to help an organization assess its internal and external business environment, form strategic vision, set objectives, establish direction, formulate and implement strategies that are aligned toward the achievement of organizational goals adopted by a strategic plan.
- Strategic Planning vs Management:** A comparison of the two processes, highlighting that strategic planning is a long-term, high-level process, while strategic management is a more tactical, day-to-day 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.

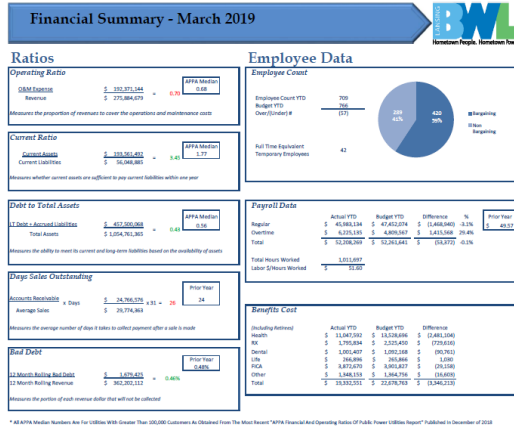
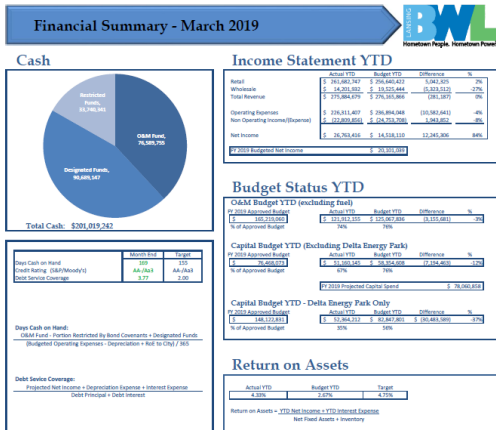
Approval of Minutes

Motion by Commissioner Graham, Seconded by Commissioner Mullen, to approve the Finance Committee meeting minutes of March 12, 2019.

Action: Motion Carried.

March YTD Financial Summary

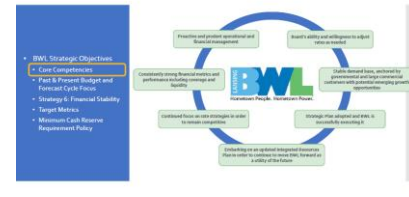
Chief Financial Officer (CFO), Heather Shawa presented the following:



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 Lazic, for her assistance.

MOTION OF EXCUSED ABSENCE

None.

PUBLIC COMMENT

None.

ADJOURNMENT

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