



MINUTES OF THE BOARD OF COMMISSIONERS' MEETING
LANSING BOARD OF WATER AND LIGHT

January 26, 2016

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 26, 2016.

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

Present: Commissioners Mark Alley, Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Ken Ross, Tracy Thomas and Sandra Zerkle. Non-Voting Commissioners present: Mike Froh (Meridian Township), Bob Nelson (East Lansing) and Bill Long (Delta Township).

Absent: None

The Corporate Secretary declared a quorum present.

Commissioner Tracy Thomas led the Pledge of Allegiance.

APPROVAL OF MINUTES

Commissioner Ross proposed a clarification to the Committee of the Whole Minutes from January 12, 2016, to reflect that any power outage would be localized to East Lansing, in the event of a storm, if trees that the BWL has not been able to trim in East Lansing knocked the power out. A small percentage of Lansing could be affected.

Motion by Commissioner Thomas, Seconded by Commissioner McCloud to approve the Regular Board Meeting minutes of November 17, 2015 with the amendment for the clarification mentioned above.

Action: Motion Carried

PUBLIC COMMENTS

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.

COMMUNICATIONS

a. Electric Communication from George Overton re: Damages from Cutover
Referred to Management and Received and Placed on File

General Manager Peffley provided an update to the communication by stating that the Management resolved the issue with Mr. Overton.

b. Electric Communication from Lt. Dalvius King, representing the Salvation Army re: A joint strategy for

providing assistance to Lansing Residents

Referred to Management and Received and Placed on File

Non-Voting Commissioner Bob Nelson stated that he is very receptive of Salvation Army to come in and talk about their needs and how they fit with the other recipients of the low-income energy assistance fund.

COMMITTEE REPORTS
COMMITTEE OF THE WHOLE
January 12, 2016

The Committee of the Whole of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, January 12, 2016.

Committee of the Whole Chair Dennis M. Louney called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Dennis M. Louney, Mark Alley, Anthony McCloud, Tony Mullen, David Price, Ken Ross and Tracy Thomas, Sandra Zerkle and Non-Voting Members: Michael Froh (Meridian Township) and Bill Long (Delta Township).

Absent: Non-Voting Commissioner Robert Nelson (East Lansing).

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 September 8, 2015.

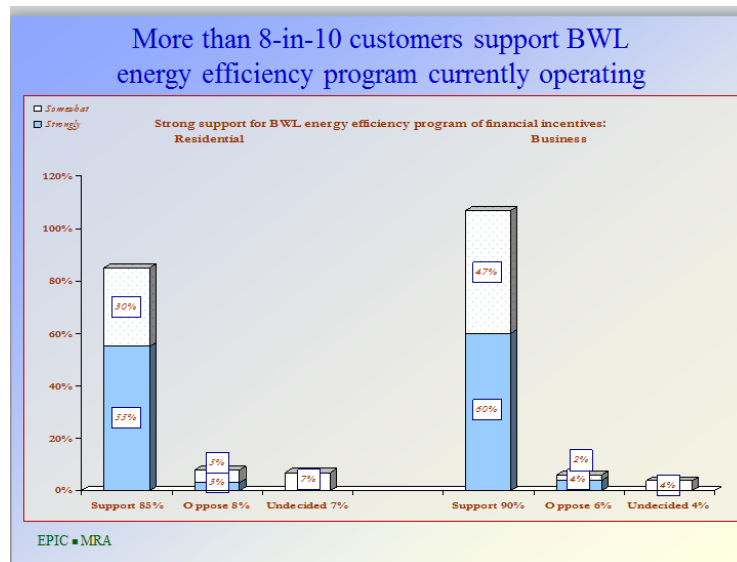
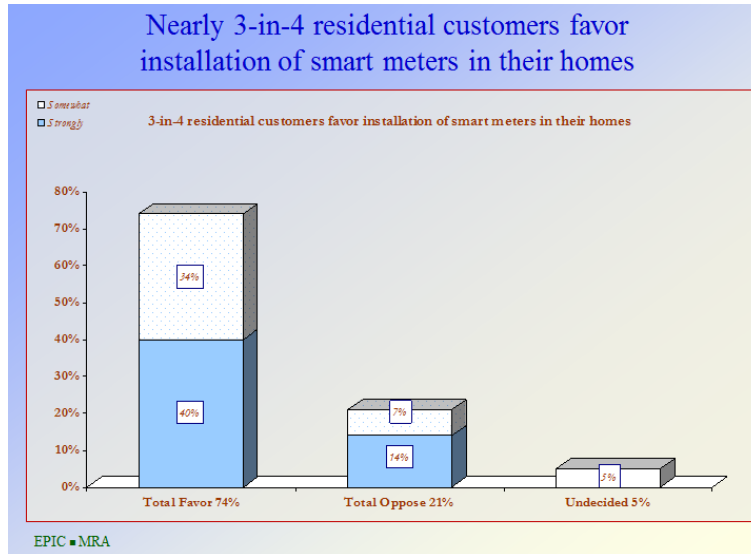
Action: Motion Carried

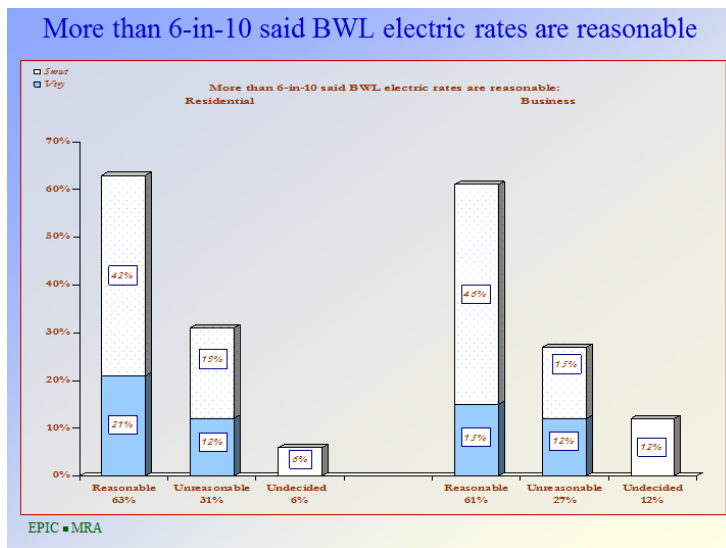
IRP Survey Results Update

General Manager, Dick Peffley, introduced George Stojic, Executive Director of Planning and Development, who provided a summary and update of the Integrated Resource Planning (IRP) process. Mr. Stojic reviewed the BWL's IRP public process and outlined the generation planning process. He summarized the four public meetings held to date. The first covered BWL history, its participation in MISO, and the Lansing Energy Tomorrow program. The next three covered forecasts, supply-side generation options, and demand-side generation options respectively. He indicated that the next meeting would cover the modeling program, which brings material covered in the previous meetings together. The modeling program uses sensitivities and scenarios to assess the cost and risk of various resource portfolios. He stated that numerous resource portfolios are possible and that identifying goals is an important step to identify a good portfolio. To help identify goals, he stated that the BWL commissioned a survey of its customers and introduced Mr. Bernie Porn who provided a report on the survey.

Mr. Porn stated that the survey consisted of 400 residential and 300 business customers. He indicated that when asked of different ways about important goals, that BWL customers consistently ranked reliability, affordability, producing power while minimizing environmental impacts, and having enough affordable energy to attract economic development and business as the most important planning goals. Mr. Porn indicated that in

order to replace the electric energy lost when Eckert retires, the preferred energy choice is a natural gas plant. He also indicated that there was strong support for more renewable energy, energy efficiency programs, and that most customers were willing to pay more for renewable energy. According to Mr. Porn, BWL customers do not favor relying on the grid to replace the power lost when Eckert retires. He also indicated that most customers favor the installation of smart meters and most are willing to pay more during peak times and less during off-peak times. He concluded by saying 81% of BWL customers gave the BWL a positive rating and 6 in 10 thought the BWL's rates were reasonable.





MPPA Alternate Commissioner Resolution

General Manager, Dick Peffley, stated that Lori Pung, Second Alternate Commissioner at Michigan Public Power Agency (MPPA), was recently promoted to in her BWL role to the Manager of Finance, and as such, it is in the best interest of the BWL to name a replacement for the Second Alternate MPPA Commissioner, to wit: Constance Carantza.

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

Action: Motion Carried

Public Comment

None

Other

Commissioner Price stated that he also serves as a Commissioner on a Board for Governor’s Commission on Community Service, whose Board of Directors met earlier today at the Depot facility. Commissioner Priced thanked the BWL staff for accommodating the Governor’s Commissioners’ Board and for extending superb customer service.

Commissioner Long inquired about an update on the Commissioner training with Janice Beecher. In addition, Commissioner Long also inquired on the status of community strategy development. Commissioner Louney stated that he will craft a plan to bring back to the Board for consideration.

Commissioner Price stated that the Lansing City Council has elected new leadership and has established a date for the bi-annual joint BWL-City Council Board meeting, which will be held on March 10, 2106.

Commissioner Louney stated that the information that was provided to Commissioners and to the public in preparation for the December 28th storm was excellent, however, asked if in the future the Commissioners can receive a summary of preparation that was put in place. General Manager Peffley provided a verbal summary to the Commissioners on the storm preparation, including that the BWL was on Restoration Plan Level 2, as well as provided highlights as to the crews and staff that BWL had on standby in preparation for the storm.

Commissioner Alley inquired on the East Lansing tree trimming update. General Manager Peffley provided an update by informing the Commissioners that East Lansing Mayor Mark Meadows expressed cooperation as to working with the BWL related to tree trimming. Additionally, the BWL uncovered easements that the BWL was

not previously aware of; therefore, it gives the BWL the more authority to trim.

Commissioner Ross asked in the event of a storm, if trees that the BWL has not been able to trim in East Lansing knocked the power out, whether that outage would be a localized outage, or whether the rest of the service area would be at risk. General Manager Peffley stated that the outage would be localized to ***E. Lansing and a small percent of Lansing could be affected.***

Commissioner Froh asked for a reference of the BWL Restoration Levels. General Manager Peffley stated that this will be provided to the Commissioners.

Commissioner Peffley announced that the Director of Transmission Distribution position was filled by Mr. Wayne Lynn.

Excused Absence

Motion by Commissioner Ross, Seconded by Commissioner Price, to excuse Commissioners Nelson from tonight's meeting.

Action: Motion Carried

Adjourn

On Motion by Commissioner McCloud, Seconded by Commissioner Mullen, the meeting adjourned at 7:08 p.m.

Respectfully Submitted
Dennis. M. Louney, Chair
Committee of the Whole

FINANCE COMMITTEE
January 12, 2016

The Finance 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 7:15 p.m. on Tuesday, January 12, 2016.

Finance Committee Chairperson Ken Ross called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Ken Ross, Dennis M. Louney, Tracy Thomas, David Price. Also, present Commissioners Mark Alley, Tony Mullen, Sandra Zerkle and Non-Voting Members Michael Froh (Meridian Township), Bill Long (Delta Township).

Absent: Commissioner Nelson (East Lansing).

The Corporate Secretary declared a quorum.

Public Comments

None

Approval of Minutes

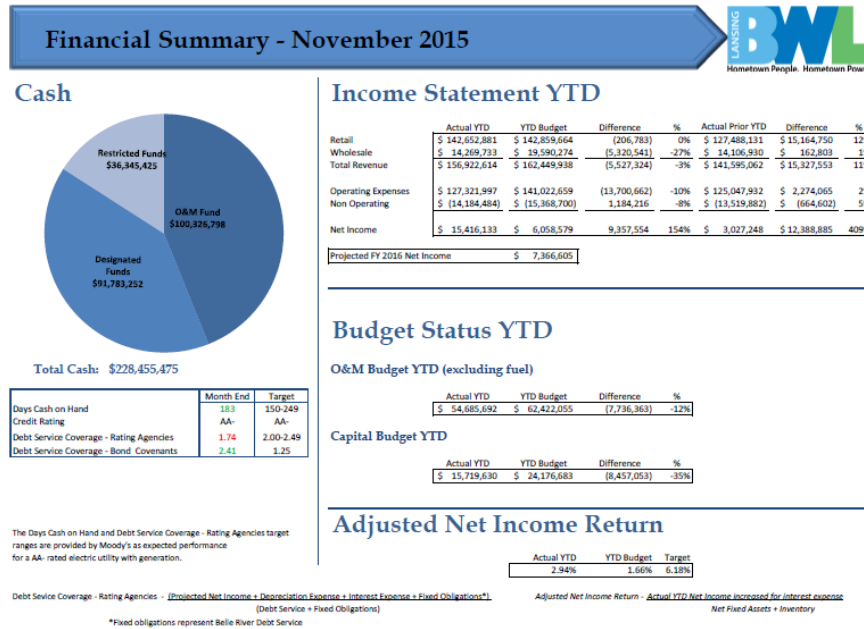
Motion by Commissioner Louney, Seconded by Commissioner Price, to approve the Finance Committee meeting minutes of November 10, 2015.

Action: Motion Carried

November YTD Financial Summary

Heather Shawa-DeCook, Chief Financial Officer (CFO) discussed BWL’s November month-end-close 2015 YTD Financial Summary, covering the following:

- Cash
- Ratios
- Budget Status YTD
- Employee Data



Financial Summary - November 2015



Ratios

Operating Ratio			
O&M Expense	\$ 110,298,874	+ 0.70	APPA Median 0.71
Revenue	\$ 156,922,614		
Measures the proportion of revenues to cover the operations and maintenance costs			
Current Ratio			
Current Assets	\$ 217,703,778	+ 3.59	APPA Median 2.07
Current Liabilities	\$ 60,685,095		
Measures whether current assets are sufficient to pay current liabilities within one year			
Debt to Total Assets			
LT Debt - Accrued Liabilities	\$ 435,886,330	+ 0.41	APPA Median 0.61
Total Assets	\$ 1,082,447,375		
Measures the ability to meet its current and long-term liabilities based on the availability of assets			
Days' Sales Outstanding			
Accounts Receivable	\$ 23,258,576	+ 0.79	Prior Year 28
Average Sales	\$ 29,434,860	+ 0.30	23 Days
Bad Debt			
Actual YTD	YTD Budget	Over/(Under)	% of Revenue
\$991,800	\$760,098	-\$166,208	0.38%

Employee Data

Employee Count YTD	730
Budget YTD	752
Over (Under)	(22)
Over (Under)	-2.9%
Prior YTD	718
Difference	12
Temporary Employee YTD	17

	Actual YTD	YTD Budget	Difference	%	Actual Prior YTD	Difference	%
Regular	\$22,640,337	\$23,193,560	\$(553,223)	-2.4%	\$ 21,584,362	\$ 1,055,975	4.9%
Overtime	\$ 3,207,124	\$ 2,543,760	\$ 663,364	26.1%	\$ 3,418,476	\$(211,352)	-6.2%
Total	\$25,847,461	\$25,737,320	\$ 110,141	0.4%	\$ 25,002,837	\$ 844,624	3.4%
Total Hours Worked	984,940		573,388				
Labor/Hours Worked	\$ 44.19		\$ 43.61				
APPA Median	\$ 44.13						

APPA Median data is based on 2014 numbers and does not reflect subsequent labor inflation.

Benefits Cost (Including Retirees)

	Actual YTD	YTD Budget	Difference
Health	\$ 4,824,987	\$ 5,316,654	\$(1,091,667)
RX	\$ 1,316,945	\$ 1,372,226	\$(55,281)
Dental	\$ 359,034	\$ 579,866	\$(220,832)
Life	\$ 99,584	\$ 135,697	\$(36,113)
FICA	\$ 1,875,843	\$ 1,913,891	\$(38,048)
Other	\$ 1,073,372	\$ 1,209,313	\$(136,141)
Total	\$ 9,549,765	\$ 11,867,847	\$(1,638,082)

Finance Chairperson Ken Ross asked Ms. Shawa-DeCook to clarify the factors contributing to wholesale income being down by almost \$5 million dollars for Income YTD, to which Ms. Shawa-DeCook explained that this was due to BWL's Belle River location experiencing unplanned outages, as well as that wholesale sales prices have been lower than budgeted. Additionally Chairperson Ross asked Ms. Shawa-DeCook to expound on the Net Income YTD, to which Ms. Shawa-DeCook explained that BWL is at operating income of \$15.4 million, compared to budgeted \$6 million, thus beating budget by over \$9 million.

There was a lengthy discussion regarding the Capital Budget Status YTD, to which General Manager Peffley and CFO Shawa-DeCook answered all presented questions.

Commissioner Louney commended Ms. Shawa-DeCook on creating a great synopsis of the financial summary.

Finance Chair Ross, asked that the overtime actual to budget be further explained, as it is significantly over budget current year to date. General Manager Peffley explained that one contributing factor is that the BWL has had a hard time staffing Eckert Power Station with trained operators. Operator positions take two years to fully train the operators and while in training we are required to have a fully trained operator side by side. General Manager Peffley also stated that the Line department is experiencing higher OT costs with recent retirements and a competitive recruitment market for journeyman positions.

There was a discussion regarding succession planning. Upon conclusion, HR Chair Mullen requested staff provide at a future HR Committee meeting an overview of the BWL's succession plan.

General Manager Peffley stated that the increase in Net Income is not a result of cutting staff or cutting safety, but by reaping efficiency of the workforce.

FY17 Preliminary O&M/Capital Budgeting Process & Timing Overview

Heather Shawa-DeCook, Chief Financial Officer (CFO) provided a high-level overview of the FY 17 Preliminary O&M/Capital Budgeting Process & Timing. Fiscal year 2017 budget process is currently underway. The key items that the BWL is undertaking is development of a revenue budget, which consists of market operations and water departments forecasts; also, managements and directors are preparing capital budget requests.

There was a discussion regarding capital budget, its review process, as well as how it relates to rate increases.

Financial Summary Section Overview

Scott Taylor, Manager of Finance, discussed the following:

- Income Statement
- YTD Budget Status
- YTD Adjusted Net Income

Mr. Taylor stated that the Income Statement YTD provides a high-level view of revenues, expenses, and net income. The budget-to-actual column provides the best information; however, a comparison to the prior year is presented as well to provide another perspective. The revenue and expense sections are each broken into two parts because they have different factors affecting them. This section helps the BWL see where it is and where it may end up at year-end.

Income Statement YTD

	Actual YTD	YTD Budget	Difference	%	Actual Prior YTD	Difference	%
Retail	\$ 142,652,881	\$ 142,859,664	(206,783)	0%	\$ 127,488,131	\$ 15,164,750	12%
Wholesale	\$ 14,269,733	\$ 19,590,274	(5,320,541)	-27%	\$ 14,106,930	\$ 162,803	1%
Total Revenue	\$ 156,922,614	\$ 162,449,938	(5,527,324)	-3%	\$ 141,595,062	\$ 15,327,553	11%
Operating Expenses	\$ 127,321,997	\$ 141,022,659	(13,700,662)	-10%	\$ 125,047,932	\$ 2,274,065	2%
Non Operating	\$ (14,184,484)	\$ (15,368,700)	1,184,216	-8%	\$ (13,519,882)	\$ (664,602)	5%
Net Income	\$ 15,416,133	\$ 6,058,579	9,357,554	154%	\$ 3,027,248	\$ 12,388,885	409%

Projected FY 2016 Net Income	\$ 7,366,605
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Mr. Taylor moreover provided highlights on the Budget Status YTD, as it highlights the O&M Budget. Mr. Taylor stated that in the event, that the financial results are not looking good for the year this is the area the BWL looks at first to make cuts or adjustments to help finish the year better. Fuel is excluded because it is driven by generation needs and cannot be controlled in the same manner as the other costs. The Capital budget has an impact on cash flow for the year and the BWL wants to be able to monitor progress throughout the year on capital spending.

Budget Status YTD

O&M Budget YTD (excluding fuel)

Actual YTD	YTD Budget	Difference	%
\$ 54,685,692	\$ 62,422,055	(7,736,363)	-12%

Capital Budget YTD

Actual YTD	YTD Budget	Difference	%
\$ 15,719,630	\$ 24,176,683	(8,457,053)	-35%

Furthermore, Mr. Taylor reviewed the Adjusted Net Income Return Section of the budget as it shows how the BWL is doing relative to our overall target of 6.18% approved by the Board. The return has two primary purposes; the first is to cover the cost of bond interest expense and the second is to have funds available to

replace fixed assets as they reach the end of their useful life.

Adjusted Net Income Return

Actual YTD	YTD Budget	Target
2.94%	1.66%	6.18%

Adjusted Net Income Return - *Actual YTD Net Income increased for interest expense*
Net Fixed Assets + Inventory

There was an extensive discussion, with Commissioner Alley concluding that there are lots of ways to get to the 6.18% target rate, as it can be a combination of raising rates and cutting costs. Commissioner Alley expressed interest in continued benchmarking to show whether the BWL is running as efficiently as it should be.

There was discussion regarding the established Net Income Rate on Return percentage and the desire to discuss the reassessment of the percentage at a future meeting.

Internal Audit Open Management Responses

Heather Shawa-DeCook, Chief Financial Officer (CFO) provided an update on the Management's response to Internal Audits. Ms. Shawa-DeCook covered the following issues and its status:

STATUS OF MANAGEMENT RESPONSES TO INTERNAL AUDITS AS OF 12/31/15 In Accordance with Board Resolution #2014-07-05

Open Issues:

12	Record Retention	Internal Audit found that records on hand did not always correspond with the Record Retention Schedule; namely, a portion of I-9 forms and some asbestos bills of lading.	March 2014	Human Resources	I-9 forms are on file for all active employees, with the exception of three employees with situations expected to be resolved by early January 2016. An appropriate retention schedule for the asbestos bills of lading will be determined and updated as part of the overall review of the Record Retention Schedule. Enterprise Content Management anticipates an updated schedule will be provided for executive management review by 1/31/16, followed by filing for State Administrative Board approval. The State of Michigan approval process is expected to take approximately three months.
13	Record Retention	The Internal Auditor determined that records on hand in departments did not always correspond with the Record Retention Schedule.	March 2014	Enterprise Content Management	Enterprise Content Management is reviewing the existing Record Retention Schedule with the appropriate departments and cataloging all proposed revisions. It is anticipated that an updated schedule will be provided for executive management review by 1/31/16, followed by filing for State Administrative Board approval. State of Michigan approval process is expected to take approximately three months.
17	Close the Books	The Internal Auditor recommended that consideration be given to the use of a general accounting manual.	August 2014	General Accounting	A General Accounting Procedure Manual is being developed, with expected completion by 12/31/16.
26	Management of Mobile Devices	The Internal Auditor noted that guidelines for mobile device management should be documented.	Sept 2015	Information Technology	Documentation of guidelines on the use of mobile devices continues, with anticipated completion moving from 12/31/15 to 3/31/16, due to a preliminary review by the Enterprise Technology Team determining the need for further refinement.
27	Management of Mobile Devices	The Internal Auditor recommended encrypting data on all remaining laptops and smart phones.	Sept 2015	Information Technology	Data on any mobile devices in need of encryption can and will be identified once the mobile device usage guidelines referred to under issue #26 have been established. Completion by 6/30/16 is anticipated.
28	Management of Mobile Devices	Internal Audit questioned whether contract terms and conditions covering data loss and manipulation are sufficient.	Sept 2015	General Counsel	Updated procurement policy was approved by the Board on 11/17/15. Procurement procedures can now be accordingly updated. A full review of procurement procedures is underway, with a new anticipated completion date of 4/1/16 (previously 12/31/15). The new date is to allow sufficient time for a thorough review of the procedures, from the date updated policy was available (which was later than originally anticipated).

29	Management of Mobile Devices	Internal Audit recommended further consideration of procuring software with remote cleaning capabilities.	Sept 2015	Information Technology	Once any data accessed via mobile devices is determined to be in need of encryption (i.e., once issue #27 is addressed), it can be determined to what extent procuring and implementing software with remote cleaning capabilities would be cost-beneficial. It is anticipated that this issue will be addressed by 6/30/16.
30	Management of Mobile Devices	Internal Audit recommended disabling data ports on mobile devices.	Sept 2015	Information Technology	Any needed disabling of data ports will be complete by 6/30/16.
31	Outage Management System	The Internal Auditor found that procurement procedures regarding technical evaluation during the RFP process need clarification.	Oct 2015	Purchasing	Updated procurement policy was approved by the Board on 11/17/15. Procurement procedures can now be accordingly updated. A full review of procurement procedures is underway, with a new anticipated completion date of 4/1/16 (previously 12/31/15). The new date is to allow sufficient time for a thorough review of the procedures, from the date updated policy was available (which was later than originally anticipated).
33	Outage Management System	The audit recommended more specific test criteria, testing performed by the call processing vendor, development of test scripts, and a narrative of test results.	Oct 2015	Information Technology	Management is consulting with an industry expert to review and validate the OMS stress test template. Due to difficulty retaining a qualified vendor, our targeted completion is changing from 12/31/15 to 6/30/16.
34 NEW	Training & Development	Internal Audit supports plans for a new database for tracking training and use of standardized criteria for periodic training course review and training of trainers, on an organization-wide basis.	Dec 2015	Organizational Training & Development	An action plan to fully centralize training processes is expected to be in place by 3/1/16, including implementation of a new "LMS" database and training course review process.
35 NEW	Training & Development	Employee time which can be categorized as a form of training time is not always identified for inclusion in the Employee Development balanced scorecard measure.	Dec 2015	Organizational Training & Development	Refresher training on the proper procedures for reporting training time will be provided to training staff by 3/1/16. In addition, management will consider including plant orientation and on-the-job training in the Employee Development balanced scorecard measure.
36 NEW	Training & Development	End-of-course evaluations are not always completed by attendees and Organizational Training & Development does not always provide a written summary analysis of evaluations back to trainers, particularly if there are no suggested improvements to consider.	Dec 2015	Organizational Training & Development	Refresher training including review of expectations for course evaluation/feedback processes will be provided to all trainers by 3/1/16.

Closed Issues (since 10/30/15 report): None

Ms. Shawa-DeCook stated that Records Retention Open issues numbers 12 and 13 have been extended until end of January, at which time the executive team will receive the same for review, at which time the State of Michigan will review and approve which typically is a 90+ day process.

There has been no change on item number 17, Use of General Accounting Manual. Staff is expecting to have this by the end of calendar year 2016.

Ms. Shawa-DeCook stated that open issue items 26 through 30, are related to management of mobile devices, recommendations were specifically for determining and documenting guidelines for mobile devices. Staff is in process of developing this; however, it is likely that an extension until end of March for completion will be necessary.

Open issues item numbers 31 and 32 are related to the Outage Management system. Key items recommended were to update procurement procedures, which are currently in place; however, an extension to have an update is needed until April 1st.

Open Issue items 34 through 36 are related to Training and Development, with audit recommendations to fully centralize training process, documentation and records. The BWL is in process of implementing Learning Management System (LMS), which should be online in March. Additionally, staff is working on proper recording of training time; with refresher training so all employees understand requirements.

Commissioner Zerkle raised the question about the 90-day limit for management responses to audit recommendations that she stated is required by Resolution. In response, Internal Auditor Perkins stated that he would research the issue and report to the Commissioner any needed clarifications.

Public Comment

None

Other

General Manager Peffley congratulated Ms. Lori Pung on her promotion of Manager of General Accounting.

Excused Absence

Motion by Commissioner Louney, Seconded by Commissioner Price, to excuse Commissioner Non-Voting Member Nelson from tonight's meeting.

Adjourn

On Motion by Commissioner Price, Seconded by Thomas, the meeting adjourned at 8:43 p.m.

Respectfully submitted
Ken Ross, Chair
Finance Committee

MANAGER'S RECOMMENDATIONS

RESOLUTION 2016-01-01

Amending Appointments to the Michigan Public Power Agency

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

WHEREAS, the Second Alternate, Lori Pung has been promoted to the position of Manager of General

Accounting; and

WHEREAS, it is appropriate and in the best interest of the BWL to name a replacement for the Second Alternate MPPA Commissioner position.

NOW, BE IT RESOLVED, that George Stojic will remain as the MPPA Commissioner on behalf of the BWL, along with Robert Lalonde as the First Alternate Commissioner.

FURTHER RESOLVED, that Constance Carantza is named as the BWL's Second Alternate MPPA Commissioner.

Motion by Commissioner Ross, Seconded by Commissioner Mullen, to approve the Manager's Recommendation for Amending Appointments to the Michigan Public Power Agency.

Action: Motion Carried

UNFINISHED BUSINESS

There was no Unfinished Business

NEW BUSINESS

BWL Chairperson Price stated that due to Mayor's State of the City Address rescheduled for March 22, 2016, the same day as BWL's next Regular Board meeting, he would like to propose an earlier start time for Board meeting.

Motion by Commissioner Mullen, Seconded by Commissioner McCloud, to approve a motion to reschedule the start time of the March 22, 2016 Board of Commissioners Regular Board Meeting to 5:00 p.m.

Action: Motion Carried

RESOLUTIONS

There were no Resolutions

MANAGER'S REMARKS

General Manager Peffley provided an update to the Commissioners on the BWL water standards by stating that BWL drinking water met or exceeded all quality standards issued by the U.S. Environmental Protection Agency (EPA) and the Michigan Department of Environmental Quality (MDEQ). Additionally, the BWL is actively responding to customer and media concerns regarding water quality.

The BWL employees are donating water to Union Mission Baptist Church in efforts to help Flint with water crisis.

Commissioner Zerkle inquired as to the status of BWL's lead service replacement, to which General Manager Peffley indicated that in 2004, BWL began replacing 14,000 lead service lines, and today, fewer than 500 active lead service lines remain to be replaced.

Commissioner Zerkle furthermore inquired whether sensitive population, such as household with young children are deemed a priority in lead replacement, to which General Manager Peffley responded that the BWL verified that no schools in its service territory have lead service lines. In addition, all lead services to licensed day cares

have been replaced, as well as households with sensitive populations are moved to top of the list for replacement.

Commissioner Ross inquired whether the BWL supplies water to East Lansing Elementary Schools, to which General Manager responded that BWL supplies a very small percentage to East Lansing as part of a wholesales agreement.

COMMISSIONERS' REMARKS

Commissioner Nelson noted that Janice Beecher has an annual regulatory conference on Feb 26th 2016 at the Kellogg Center in East Lansing, and encouraged all Commissioners to attend.

PUBLIC COMMENTS

There was no Public Comment

ADJOURNMENT

On motion by Commissioner Thomas, Seconded by Commissioner Mullen the meeting adjourned at 5:46 p.m.

M. Denise Griffin, Corporate Secretary

Official Minutes filed (electronically) with Lansing City Clerk: 3-30-16