



MINUTES OF THE BOARD OF COMMISSIONERS MEETING

LANSING BOARD OF WATER AND LIGHT

July 23, 2019

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on July 23, 2019.

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

The Corporate Secretary, M. Denise Griffin, called the roll.

Present: Commissioners David Price, Joseph Graves Jr., David Lenz, Tony Mullen, Tracy Thomas, and Sandra Zerkle. Non-Voting Commissioners present: Douglas Jester (East Lansing), and Michael Froh (Meridian Township).

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

The Corporate Secretary declared a quorum.

Commissioner Graves led the Pledge of Allegiance.

ELECTION OF OFFICERS FY 2019-2020

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

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

Action: Carried Unanimously

Chair Price requested approval for the appointment of Commissioner Tracy Thomas as the fourth member of the Executive Committee to fill the vacancy created by the departure of Commissioner Anthony McCloud.

Motion by Commissioner Price, Seconded by Commissioner Mullen to approve the appointment of Commissioner Tracy Thomas to serve as the fourth member on the Board of Commissioners Executive Committee.

Action: Carried Unanimously

APPROVAL OF MINUTES

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

Action: Motion Carried

PUBLIC COMMENTS

None.

COMMUNICATIONS

Electronic Mail received From or Re:

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

COMMITTEE REPORTS

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

NOMINATING COMMITTEE MINUTES June 20, 2019

The Nominating Committee of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 4:30 p.m. on Thursday, June 20, 2019.

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

Absent: Commissioner David Lenz

Public Comments

There were no public comments.

Approval of Minutes

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

Action: Motion Carried.

Officer & Committee Survey Results & Officer & Committee Survey Memorandum

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

Nomination of Board Officer Candidates for Fiscal Year 2019-2020

Chairperson and Vice Chairperson

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

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

Action: Motion Carried

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

Chair:	David Price
Vice Chair:	Anthony Mullen

Action: Carried Unanimously

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

Excused Absence

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

Action: Motion Carried

Adjourn

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

Respectfully submitted,
Anthony McCloud, Chair
Nominating Committee

Commissioner Tracy Thomas presented the Human Resources Committee Report:

**HUMAN RESOURCES COMMITTEE
Meeting Minutes
June 25, 2019**

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 10:00 a.m. on Tuesday, June 25, 2019.

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

Absent: Commissioner Anthony McCloud

Public Comments

None

Approval of Minutes

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

Action: Motion Carried.

Interview Candidates for the Charter Appointed Position of Internal Auditor

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

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

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

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

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

Action: Motion Carried (3/1 Mullen dissenting)

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

Excused Absence

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

Action: Motion Carried

Other

None

Adjourn

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

Action: Motion Carried

Meeting adjourned at 1:27 p.m.

Respectfully Submitted,
Tracy Thomas, Chair
Human Resources Committee

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

**COMMITTEE OF THE WHOLE
Meeting Minutes
July 16, 2019**

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, July 16, 2019.

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

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

Absent: Commissioner Beth Graham and Commissioner David Lenz

The Corporate Secretary declared a quorum.

Public Comments

None.

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

Approval of Minutes

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

Action: Motion Carried.

Tree Trimming Update

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

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

Corporate Planning Update/Stakeholder Engagement

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

The image displays a grid of 12 presentation slides from a corporate planning update. The slides are organized as follows:

- Slide 1 (Top Left):** "Strategic Planning & Development" featuring a background image of wind turbines and solar panels. Text includes "Lansing Board of Water & Light Corporate Planning Process Update Committee of the Whole, July 22, 2019".
- Slide 2 (Top Middle):** "MAY 2019 DISCUSSION TOPICS" listing: Integrated Resource Plan, Strategic Plan, Enterprise Planning Efforts, and Strategic Management (aka Balance Scorecard).
- Slide 3 (Top Right):** "INTEGRATED RESOURCE PLAN STAKEHOLDER ENGAGEMENT UPDATE" with a definition: "A stakeholder is defined as an individual group or organization who is impacted by outcome of the BWL's Energy Plans".
- Slide 4 (Middle Left):** "INTEGRATED RESOURCE PLANNING" (March 2019 - January 2020) titled "Stakeholder Engagement Highlights the Value of Public Ownership". It lists: "Provides transparency to customers, which includes a demonstration that the LBWL is moving away from fossil fuels in a reasonable and affordable manner to its customers" and "Due diligence to ensure investments are reasonable and valuable".
- Slide 5 (Middle Middle):** "INTEGRATED RESOURCE PLAN: STAKEHOLDER ENGAGEMENT" detailing the process from "Goal" to "Discussion".
- Slide 6 (Middle Right):** "WHO ARE THEY?" listing stakeholder groups: Customers (Residential & Commercial), Environmental Interest groups, Special Interest groups, Top Commercial Industrial Customers, Regional Developmental Agencies, Municipalities & their staff, Neighborhood associations, and Action agencies and groups.
- Slide 7 (Bottom Left):** "HOW ARE THEY SELECTED?" listing: Previous Interested groups, Strategic Commercial Industrial Accounts, Interview feedback, Generalized suggestions, and Social Media invites (i.e. Facebook, LinkedIn).
- Slide 8 (Bottom Middle-Left):** "EXAMPLE OF SOCIAL MEDIA POST" showing a post from BWL: "We want to hear from you. The BWL has started working on our 2020 Integrated Resource Plan, which will chart the future for greater Lansing's power needs. If you'd like to meet with a BWL representative, please email: Public.Work@bwl.com. Small group discussions are being held now until mid-fall."
- Slide 9 (Bottom Middle-Right):** "METHOD OF ENGAGEMENT" listing: Direct (Small group discussions, Large group discussions, Email correspondence, Web form) and Information Provided (Sustainability plans and goals, Examples of what other utilities are doing, Opportunities to gather more information or partner).
- Slide 10 (Bottom Left):** "DISCUSSION TOPICS & AGENDA" with a diagram titled "LANSING ENERGY TOMORROW" showing "Centralized Power" and "Clean, local power".
- Slide 11 (Bottom Middle):** "DISCUSSION TOPICS & AGENDA" listing: Description of process and timelines, Whether they, their community or interest group has sustainability goals, Knowledge base of industry trends and technologies, Thoughts on BWL's investment and priorities, Awareness of BWL current energy waste reduction program, and Opportunities to further partner and educate.
- Slide 12 (Bottom Right):** "Steps ahead.." listing: Continue with meetings and engagement, Implementing some of the suggestions to educate and keep stakeholders informed, and Prepare summary report of feedback and suggestions.

Questions and conversation regarding the corporate planning process update followed.

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

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

Commissioner Graves commented that there were environmentalists, council members, and well-meaning citizens that would like the board to hold meetings as an opportunity to inform the public of technology and alternative resources. GM Peffley responded that several meetings would be held at different times so that everyone would have the opportunity to provide input.

Commissioner Froh asked for clarification on the public meetings. Ms. Ekren stated that the meetings will be held in the fall and notifications will be sent.

Other

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

Action: Motion Carried.

Adjourn

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

Meeting adjourned at 6:31 p.m.

Respectfully Submitted
Sandra Zerkle, Chair
Committee of the Whole

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

FINANCE COMMITTEE Meeting Minutes July 16, 2019

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, July 16, 2019.

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

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

Absent: Commissioner Beth Graham.

The Corporate Secretary declared a quorum.

Public Comments

None

Approval of Minutes

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

Action: Motion Carried.

Chair Ross welcomed new Internal Auditor Wesley Lewis.

May YTD Financial Summary & Overview of Committee Reporting Framework

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

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

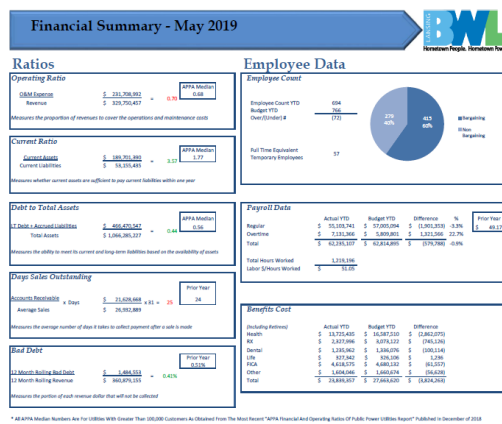
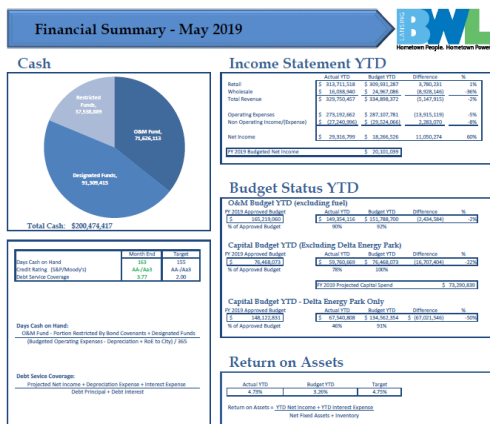
Commissioner Froh inquired about the wholesale numbers and Mr. Taylor responded that a capital project that was delayed and unplanned outages affected the wholesale numbers as native load is served first and wholesale second.

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

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

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

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



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

achieved this fiscal year and three out of five ratios are tracking above benchmarks. For Employee Data there are vacancies for which HR is recruiting.

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


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

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

Internal Audit Open Management Response Quarterly Report

Finance Manager Scott Taylor presented management’s responses to audits as follows:

STATUS OF MANAGEMENT RESPONSES TO AUDITS
JULY 2019


In Accordance with Board Resolution #2014-07-05

Updates in red

Issue #	Audit Name	Audit Issue Description	Response Date	Responsible Area	Status of Management Response
59	Succession Planning	Internal Audit supports identifying critical positions as soon as possible.	March 2018	Human Resources	A tool for identifying critical positions has been developed and tested. Management will be trained on the use of the tool and all critical positions will be identified by 4/30/20.
67	Contract Signature Authority Compliance	Internal Audit noted the need for alignment with the updated organizational structure and Procurement Procedure, inclusion of MOUs, and consistently obtaining the Corporate Secretary's signature.	October 2018	Legal Services	Management has drafted the necessary revisions needed to create alignment with the new organizational structure, procurement procedures, and MOUs, and also includes requirements for the Corporate Secretary's signature. The revisions will be reviewed, approved, and delivered to the full management team by 8/31/19.
68	Contract Signature Authority Compliance	Internal Audit noted that proper approval and supporting documentation need to be on file.	October 2018	Legal Services	Policy development to address approval and documentation requirements is underway. Management will complete development, finalize the policy, and deliver to the full management team by 8/31/19.
69	COBIT Compliance Follow-Up	Internal Audit noted that actions should continue on as expedited a schedule as possible to reach full compliance with the adopted IT governance framework.	February 2019	Information Technology	Of 55 items, 36 are complete and 19 are in process, with remaining completion dates ranging from 6/30/19 to 12/16/19.
72	Vegetation Management	Internal Audit recommends that Electric System Operations and Forestry meet with project management experts in the organization to assist in enhancing the process.	May 2019	Electric System Operations - Forestry	Management will meet with project management experts within the BWL to identify opportunities to enhance the current process. The review will begin in July 2019 as the new cycle begins and will be completed by July 31, 2020 after the first year of the new cycle concludes.
73	Metering Services	Internal Audit recommends that a centralized electronic version of records be generated, in addition to hard copy or local versions.	May 2019	Water & Steam Distribution	Calibration and maintenance records for large electric, steam and chilled water meters will be backed up electronically and in a centralized manner by December 31, 2019.
74	Metering Services	Internal Audit recommends that risk management practices be enhanced.	May 2019	AMI Project	Third-party governance and risk management methodologies will be reviewed to assess relevant risk mitigations. Implementation of adopted methodologies will be completed by August 31, 2019.
75	Accounts Payable	Internal Audit recommends temporary holding or clearing accounts are reconciled and monitored on a periodic basis.	June 2019	General Accounting	Management will reconcile the GR/IR account used for accounts payable transactions by July 31, 2019, and monthly thereafter.

Issue #	Audit Name	Audit Issue Description]	Response Date	Responsible Area	Status of Management Response
76	Accounts Payable	Internal Audit recommends accounts payable procedures which require monitoring and/or reconciliation activities are reviewed periodically.	June 2019	General Accounting	Management will review and update all relevant accounts payable procedures by September 30, 2019, and annually thereafter.

Closed Issues (since December 2018 report):

52	COBIT Compliance	Internal Audit noted that actions should continue on as expedited a schedule as possible to reach full compliance with the adopted IT governance framework.	February 2019	Information Technology	As a result of the COBIT Follow-Up audit, this items is been closed and has been replaced with open item #69.
60	Succession Planning	Internal Audit supports training and development of succession candidates.	March 2018	Human Resources	Candidate assessment and development were addressed as part of the the BWL Leadership Academy Emerging Leaders Program conducted April 2018 to April 2019.
65	Physical Security	Internal Audit supports a periodic review of all facility access.	Sept 2018	Industrial Health & Safety	Security has completed its first annual update of facility access per feedback from managers.
66	Physical Security	Internal Audit recommends controls over security personnel permitted to carry firearms on a concealed basis be enhanced.	Sept 2018	Industrial Health & Safety	Controls over security personnel authorized to carry firearms on a concealed basis have been enhanced.

Mr. Taylor reported that the first three items were carried over from the report of the prior period and are on track to be completed. New audits have been initiated with completion dates as noted.

Other

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

Action: Motion Carried

Adjourn

Motion by Commissioner Price to adjourn the meeting. Commissioner Ross adjourned the meeting at 5:43 p.m.

Respectfully submitted
Ken Ross, Chair
Finance Committee

MANAGER'S RECOMMENDATIONS

None.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

RESOLUTIONS/ACTION ITEMS

RESOLUTION #2019-07-01

Appointment of the Charter Position of Internal Auditor

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, respectively at its first regular meeting following July 1st of each year or as soon thereafter as may be appropriate.

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

Wesley Lewis, Internal Auditor

FURTHER RESOLVED, That Wesley Lewis shall be extended an employment contract which shall be effective from July 15, 2019, and expire on June 30, 2020, or until a successor is appointed, whichever later occurs.

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

Action: Motion Carried.

RESOLUTION #2019-07-02

Appointment of the Charter Position of Corporate Secretary

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

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

M. Denise Griffin, Corporate Secretary

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

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

Action: Motion Carried.

RESOLUTION #2019-07-03

Appointment of the Charter Position of Director and General Manager

The Board's Rules of Administrative Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

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

Richard R. Peffley, Director and General Manager

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

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

Action: Motion Carried.

MANAGER'S REMARKS

General Manager Peffley presented the following information:

1. The BWL Lugnuts picnic will be held on Thursday, August 8th and GM Peffley encouraged every employee to attend.

2. The recent outage affected about 20,000 customers, of which about 3,000 needed to reset their clocks and about 16,000 which some BWL action was required. The outage was spread evenly over the BWL service area. Mutual aid was provided by five other cities—Lowell, Grand Haven, Bay City, Hillsdale, and Bowling Green, OH. Everyone had service restored by Sunday evening and GM Peffley commended the workforce.

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

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

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

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

COMMISSIONERS' REMARKS

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

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

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

MOTION OF EXCUSED ABSENCE

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

Action: Motion Carried.

PUBLIC COMMENTS

None.

ADJOURNMENT

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

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

M. Denise Griffin, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk: 9-19-19

Official Minutes filed (electronically) with Lansing City Clerk 9-27-19