

# AGENDA

## COMMITTEE OF THE WHOLE MEETING

July 14, 2015

5:30 P.M. – 1201 S. Washington Ave.  
REO Town Depot

Call to Order

Roll Call

Public Comments on Agenda Items

1. Committee of the Whole Meeting Minutes of 5/12/15..... **(TAB 1)**
2. Resolution FRIB Agreement..... **(TAB 2)**
3. Employee Survey/EPIC MRA Presentation..... **(TAB 3)**
4. CRT/MPSC Communications to Community..... **(DISCUSSION ONLY)**
5. Open Meetings Act Update..... **(DISCUSSION ONLY)**
6. FOIA Update..... **(DISCUSSION ONLY)**
7. Commissioners Report from APPA Conference..... **(DISCUSSION ONLY)**
8. groSolar Update..... **(DISCUSSION ONLY)**
9. Chili Cook-off update..... **(DISCUSSION ONLY)**
10. Public Comments

11. Other

Adjourn

## COMMITTEE OF THE WHOLE

**May 12, 2015**

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 6:00 p.m. on Tuesday, May 12, 2015.

Committee of the Whole Chair Margaret Bossenbery called the meeting to order and asked the Corporate Secretary to call the roll.

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

Absent: None

### **Public Comments**

None

### **Regional Customer Input**

Bob Nelson of East Lansing spoke about the possibility of including in the future Rules and Regulations a credit for outages like the Public Service Commission offers. Also, this credit suggestion was recommended by the Public Service Commissioner last year as part of their review.

After a brief conversation regarding outage credit, it was determined that this matter would be brought back to a Committee for further conversations.

### **Approval of Minutes**

**Motion** by Commissioner Price, Seconded by Commissioner McCloud to approve the Committee of the Whole meeting minutes of April 14, 2015.

**Action:** Motion Carried

### **CRT Update**

George Stojic, Executive Director of Strategic Planning and Development, provided a Community Review Team (CRT) update. Mr. Stojic stated that there were about 187 recommendations all together from the CRT, the Public Service Commission (PSC) and the Board of Water and Light's own recommendations, and of the recommendations, 173 of those were assigned to the BWL staff and of those there are 16 remaining. Most of the remaining recommendations are scheduled for completion by mid-June. Mr. Stojic stated that he has undertaken a quality assurance program that will review what recommendations and implementations have been completed and are working. This program is simply to confirm the completion of those items that the Administration said were complete.

After some discussion regarding the completion of the recommendations from the CRT and PSC it was suggested that a matrix be availed to the public and that it be presented to the City Council and the PSC, to show a finalization or a summary of task have been implemented and completed. This matrix would also be recognition of the efforts of the BWL's Management.

### **Review of the CRT's Recommendations the Board of Commissioners**

There was discussion regarding CRT's recommendation #9 which state "Recommend to the City a "Best Practice" for recruiting new board members. Not only those that may represent certain areas that they serve, but recruit to needs of expertise, including, as examples only, an engineering background, business background or security background". Board Chair Price stated that it makes since to have this conversation with the Mayor's office, because those appointments begin in the Mayor's office. Commissioner Ward stated that she felt the Board should represent the diversity of the City of Lansing as far as background and socioeconomic status.

The Board had a lengthy discussion regarding the CRT recommendations. Committee of the Whole Chair Bossenbery, suggested that maybe the Board's Internal Auditor could share his thoughts from the research that he did regarding an Operational Auditor with the City Council and the Mayor's Office, to give them a variety of options and maybe suggest where and how they could conduct the audit that the Council recently approved. Committee of the Whole Chair Bossenbery stated that Recommendation #9 would be marked as pending.

### **Rules and Regulations**

Nick Burwell, Director of Customer Projects, Planning & Development reviewed the 2016 Fiscal Year Rules and Regulations.

#### RULES AND REGULATIONS UPDATE For Fiscal Year 2016

### **Electric, Water, Steam and Chilled Water**

- Revision of Rule 2, **General Provisions, General Provisions**
  - o Address change to current location at Haco Drive
- Revision of Rule 8.2, **Dispute and Hearing Procedure, Hearings**
  - o Address change to current corporate location at S. Washington Ave.
- Revision of Rule 10.2 (Chilled Water & Steam) & 11.2 (Electric & Water), **Services, Application for Service**
  - o Address change to current location at Haco Drive
- Revision of Rule 12 (Chilled Water & Steam) & 15 (Electric & Water), **Schedule of Fees & Charges**

### **Electric**

- Revision of Rule 7.1, **Responsibility for Payment of Bills, General**
  - o Date change to coincide with PA95 dates
- Revision of Rule 11.3, **Services, Temporary Service**
  - o Temp service can be included in construction costs
- Revision of Rule 11.7, **Services, Commercial and Industrial Underground Services**
  - o Clarify who provides terminal lugs for underground service
- Revision of Rule 13.2, **Use of Board Equipment, Authorized Attachments**
  - o Pole attachment process to be outlined in new 3<sup>rd</sup> party joint use permit policy

### Water

- Revision of Rule 5.5, **Metering, Meter Calibration Request**
  - o Clarification of existing rule

### Steam

- Revision to Rule 5.2, **Metering, Sizing/Installation/Ownership**
  - o Deleted *and master trap* to eliminate conflict with previous sentence
  - o Addition of language allows BWL to continue to provide accurate steam metering

### Chilled Water

- Revision of Rule 3.2, **Service Conditions, Description of Service**
  - o Service parameters are variable, depending on location and loads. Each new service must be engineered individually, and the existing rule restricts the BWL's ability to do so.

**Motion** by Commissioner Price, seconded by Commissioner Ward to present a resolution for the acceptance of the proposed changes to the FY 2016 Rules and Regulations to full Board for consideration.

**Action:** Motion Carried

### Energy Optimization and Renewable Energy Annual Update

Aileen Gow, Senior Analyst of Energy Optimization program, presented the Committee of the Whole with an Energy Optimization and Renewable Energy Update. Ms. Gow stated that the State of Michigan Public Service Commission (MPSC) under PA 295 requires the Board of Water & Light to provide the Governing Board an annual update on their Renewable Energy Plans. PA 295 also requires the Board of Water & Light to report to customers annually.

Ms. Gow presented the following PowerPoint presentation: Energy Optimization Program for 2014.

#### Energy Optimization 2014 Programs

- Services for Low Income Customers
- Residential Programs
  - High Efficiency Lighting
  - Appliance Turn-in & Recycling
  - Multi-Family Services
  - Energy Star Products/Equipment
- Business Prescriptive & Custom Incentives
- Energy Education Services
- Pilot programs

#### Program Highlights

- Education in the Community
  - Attended 26 local events with 3,391 attendees
  - Did 20 presentations to community groups with 500 customers
  - Conducted 1 Solar Array tour for an LCC class of 20 students
- Pilot Programs
  - Think! Energy (school program with Consumers Energy)
  - Michigan Saves Low Interest Financing
    - o Partnership with Consumers Energy and Michigan Saves
    - o Residential- 2.99% for \$1,000-\$30,000 loans for up to 10 years
    - o Business – 2.99% for \$2000-\$250,000 for 2-5 years

Ms. Gow stated that the Million Kilowatt Hour Club is businesses who exceed in savings as a result of participating in the BWL efficiency programs.

### Million Kilowatt Hour Club

Peckham Vocational Ind.	1,206,316
Demmer Properties LLC	1,007,592
State of Michigan DMB	2,787,976
General Motors	7,171,042
Quality Dairy	1,387,195
Lansing School District	2,243,169
Ashley/Ryder	4,011,057

George Stojic, Executive Director of Strategic Planning and Development reviewed the Energy Optimization Summary, Renewable Energy 2014, Results 2014 Updates and the Current Renewable Energy Portfolio as well as other options that the BWL is continuing to evaluate.

### Renewable Energy 2014 Results

- We are on track to meet the RPS standards
- RPS standards (based on percent of retail sales) are:
  - 2012 2%
  - 2013 3.3%
  - 2014 5.0%
  - 2015 10%
- The BWL has about 5.2% on an annual basis as of December 2014
- The BWL is in compliance with both renewable energy generation and its inventory of RECs
- Due to the ability to carry-forward renewable energy credits the BWL will not need any additional renewable energy until 2020 for compliance with PA 295

### Energy Optimization Summary

Program Portfolio	2014 Goals		2014 Actual	
	Gross First Year kWh Savings	Program Budget	Gross First Year kWh Savings	Program Budget
Low Income Services	1,015,814	\$280,898	802,794	\$187,713
Residential Programs	4,972,787	\$1,352,689	7,055,625	\$959,936
Business Services	12,022,697	\$2,483,508	15,235,950	\$1,930,250
<b>Total Program Portfolio</b>	<b>18,011,298</b>	<b>\$4,117,095</b>	<b>23,094,369</b>	<b>\$3,077,899</b>
Program Administration		\$257,501		\$255,795
Evaluation (EM&V)		\$306,019		\$203,800
<b>ANNUAL TOTALS</b>	<b>18,011,298</b>	<b>\$4,680,615</b>	<b>23,094,369</b>	<b>\$3,537,494</b>

### 2014 Updates

- Began commercial operation of solar at REO in June
- Added 104 kWh to the Cedar Street array in July
- Started receiving wind energy from the 8 turbines in Gratiot County in December
- Issued and awarded RFP for up to 20 MW of solar
- Started development of a community solar project
- Launched an incentive program for customers who install solar at their home or business
- Reduced RE surcharges for all customer classes

### Current Renewable Energy Portfolio

- Purchase Energy and RECs
  - Granger landfill gas
  - Tower Kleber Hydro
  - Wind from Exelon Wind in Gratiot County
- BWL Owned
  - Solar
  - Hydro

### Continue to evaluate RE options

- Wind
  - Exploring additional wind resources
- Biomass
  - Continue to look for biomass products that can be co-fired with coal in our existing generating plants or as stand-alone projects
- Renewable energy will be included in IRP

### **Haco Update**

Interim General Manager Peffley provided a brief update on the newly renovated Haco Facility. Mr. Peffley stated that this update is a wrap-up of Haco. He said the facility opened on time, and was slightly under budget. The 120 plus employees that moved over to the facility are settling in. Mr. Peffley stated the big success is the customer service center, which was tested on the busiest day of the week, a Friday and the first of the month and all went well.

### **Table Top Exercise Update**

Trent Adkins, **please insert his title**, presented an update on the Table Top Exercise that was held on April 30<sup>th</sup>. Mr. Atkins stated that this was the third time an Exercise has been presented at the BWL. Mr. Atkins stated that the 54 participants were broken up into tables, representing different areas of the Board's organization that would be functioning during an emergency or during a disaster of some type. The exercise itself was about 2 hours long and consisted of a simulated tornado that came through the City of Lansing's 496 corridor. The participants walked through the simulations and thought about continuity of operations. He stated this Table Top Exercise was well received.

Board Chair Price and Commissioner Zerkel stated how impressive and effective the Table Top Exercise was.

### **Crisis Communication Plan Update**

Steve Serkaian, Executive Director of Public Affairs, provided the Committee with an updated Crisis Communications Plan. Mr. Serkaian said this update is to reflect the new reorganization plan implemented by Interim General Manager Peffley. Mr. Serkaian read the following from the document's preamble page, "The purpose of a crisis communications plan is to ensure a constant and consistent line of reliable information from the LBWL to its customers. This includes instances of crises and non-crises events. This document will continue to evolve and grow and is meant to be updated and improved as team members of the BWL evaluate its effectiveness." Mr. Serkaian stated, this is a living, breathing document that will continue to evolve. He said this document included the expansion of the Nixel emergency communications contract. This expansion is important because the Nixel emergency communications contract will provide the ability to communicate with all customers in a crisis via email, text, social media, and phone.

### **Commissioner Email Account**

Commissioner Cynthia Ward stated during the last HR Committee meeting she suggested that there be a designated Gmail account to facilitate the newly developed employee evaluation process, and at that time Commissioner Mullen stated that he would like to see the commissioners have an BWL personal email account. Commissioner Ward stated that she felt that suggestion or idea warranted a discussion for the Committee of the Whole.

Commissioner Mullen stated his support for the establishment of personal email accounts for the Board of Commissioners. He said that he believes it would be a much easier way for customers to contact the Commissioners directly. Commissioner Mullen said having a personal email account during the ice storm would have been very helpful.

There was a lengthy discussion stating concerns about the Commissioners having a personal email accounts at the BWL. In conclusion, it was stated that the Board of Water & Light has things that are in place now that were not in place prior to the ice storm that may suffice regarding this email proposal.

There was some questions regarding the Commissioners email page site and it was suggested that Corporate Secretary Griffin and the IT Department review the site and maybe make some improvement or changes to the area.

**Public Comment**

Rosemary Sullivan, no address give, expressed her appreciation for the Board of Water & Light Board of Commissioner professionalism.

**Other**

Bill Long of Delta Township commended the staff and the Board of Commissioners on their efforts in regards to the CRT Report.

Chair Price stated that he would like to invite the members of the CRT to have a conversation regarding the Report and the implementations and changes that have taken place since the ice storm.

**Excused Absence**

None

**Adjourn**

**On Motion** by Commissioner Price, Seconded by Commissioner McCloud, the meeting adjourned at 7:07 p.m.

Respectfully Submitted  
Margaret Bossenbery, Chair  
Committee of the Whole

## **AGREEMENT TO RESOLVE ELECTRIC SERVICE**

THIS AGREEMENT ("Agreement") made as of June \_\_, 2015, between Consumers Energy Company ("Consumers Energy"), a Michigan corporation, One Energy Plaza, Jackson, Michigan 49201 and Lansing Board of Water & Light ("BWL"), a municipal utility, 1201 South Washington Avenue, Lansing, Michigan 48910,

Whereas, the Board of Trustees of Michigan State University ("MSU") has recently decided to increase the capacity of its electric supply from the present 25 MW to 83 MW to be provided by constructing a new dedicated substation (Spartan 138 kV Substation) to provide electric service to the Facility for Rare Isotope Beams ("FRIB Project") on the MSU campus as MSU currently provides electric service to the campus with electric power generated at the T.B. Simon Power Plant delivered through a campus-wide distribution system owned by MSU;

Whereas, Consumers Energy and BWL both assert that each is entitled and can provide the electric service requested by MSU; and

Whereas, Consumers Energy and BWL have agreed to resolve the issue of providing electric service to MSU and will submit this Agreement to the Michigan Public Service Commission ("MPSC") for approval under MCL 460.54 and MCL 460.10y(4);

NOW THEREFORE, in consideration of these recitals and the mutual promises and representations set forth in this Agreement, and in recognition that MSU wishes to proceed with its plans to obtain electric service for its FRIB Project and to avoid uncertainty and potential litigation Consumers Energy and BWL agree as follows:

1. Consumers Energy will construct facilities and provide electric service to the FRIB Project.
2. Net margin from the electric service to the FRIB Project will be divided equally between Consumers Energy and BWL during the 20-year period following commencement of service to the FRIB Project according to the schedule attached.



Should MSU purchase additional electric power from Consumers Energy for any purpose whatsoever in the future, such that any refund by Consumers Energy to MSU for MSU contributions to Consumers Energy for the facilities to serve the FRIB Project load is accelerated during the 20-year term of this Agreement, Consumers Energy and BWL will continue to divide equally the net margin from the FRIB Project during the 20-year period of this Agreement. BWL agrees that Consumers Energy will be entitled to a 10% annual administrative fee for administering the billing and reconciliation annually.

3. If requested by MSU, Consumers Energy may expand its electric service to the campus through MSU's distribution system.
4. After the effective date of this Agreement, neither BWL nor Consumers Energy will assert that it has the exclusive right to serve the electric load on the MSU campus under MPSC Rule 411 [R460.3411], MCL 1174f(c), MCL 124.3(2), MCL 460.1 Oy(2) or any similar provision, and each agrees that execution of this Agreement constitutes such consent as may be necessary under such administrative rule or statutes to provide service to the campus.
5. Consumers Energy and BWL agree to jointly submit this Agreement to the MPSC for approval under MCL 460.54 and MCL 460.10y(4). This Agreement is contingent upon Consumers Energy and BWL obtaining such approval of the MPSC, in form and substance, necessary to carry out this Agreement. Consumers Energy and BWL will jointly prepare the MPSC approval request and submit it to the MPSC as soon as practicable.
6. This Agreement will become effective upon MPSC approval and continue for a term of 20 years following commencement of service to the FRIB Project.
7. This Agreement shall be binding upon and inure to the benefit of any successor of either party.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

CONSUMERS ENERGY COMPANY

LANSING BOARD OF WATER & LIGHT

By: \_\_\_\_\_

By:

Its: \_\_\_\_\_

Its:

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**RESOLUTION APPROVING THE AGREEMENT TO RESOLVE ELECTRIC SERVICE TO MICHIGAN STATE UNIVERSITY ENTERED INTO BY THE LANSING BOARD OF WATER AND LIGHT AND CONSUMERS ENERGY COMPANY**

WHEREAS, Michigan State University (“MSU”) is seeking an outside source of electric power for its new Facility for Rare Isotope Beams (“FRIB”);

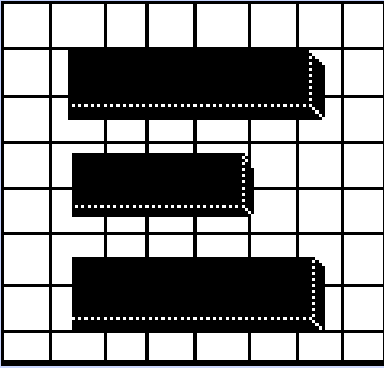
WHEREAS, both the Lansing Board of Water and Light (“BWL”) and Consumers Energy Company (“Consumers Energy”) assert the right to supply electric power to the FRIB;

WHEREAS, BWL and Consumers Energy have agreed to resolve this dispute by entering into an Agreement to Resolve Electric Service (“Agreement”) under which Consumers Energy will construct facilities and provide service to the FRIB with the net margin from this service (less a 10% administrative fee charged by Consumers Energy) to be divided equally between the two utilities for a 20 year period commencing with the initiation of service to the FRIB and further providing that after the effective date of the Agreement neither utility will assert that it has the exclusive right to provide electric service to the MSU campus;

WHEREAS, it is the intention of BWL and Consumers Energy to seek approval of the Agreement from the Michigan Public Service Commission (“MPSC”) pursuant to MCL 460.10y (4) and MCL 460.54; and

WHEREAS, pursuant to MCL 460.10y (4) the Agreement may not become effective unless approved by the MPSC and the governing body of BWL;

NOW, THEREFORE BE IT RESOLVED that the Board of Water and Light of the City of Lansing, Michigan hereby approves the Agreement.



**EPIC-MRA**



**Hometown People. Hometown Power.**

# **Lansing Board of Water and Light Employee Satisfaction Survey**

**Conducted May 2015**

**69% online - 31% mail interviews**

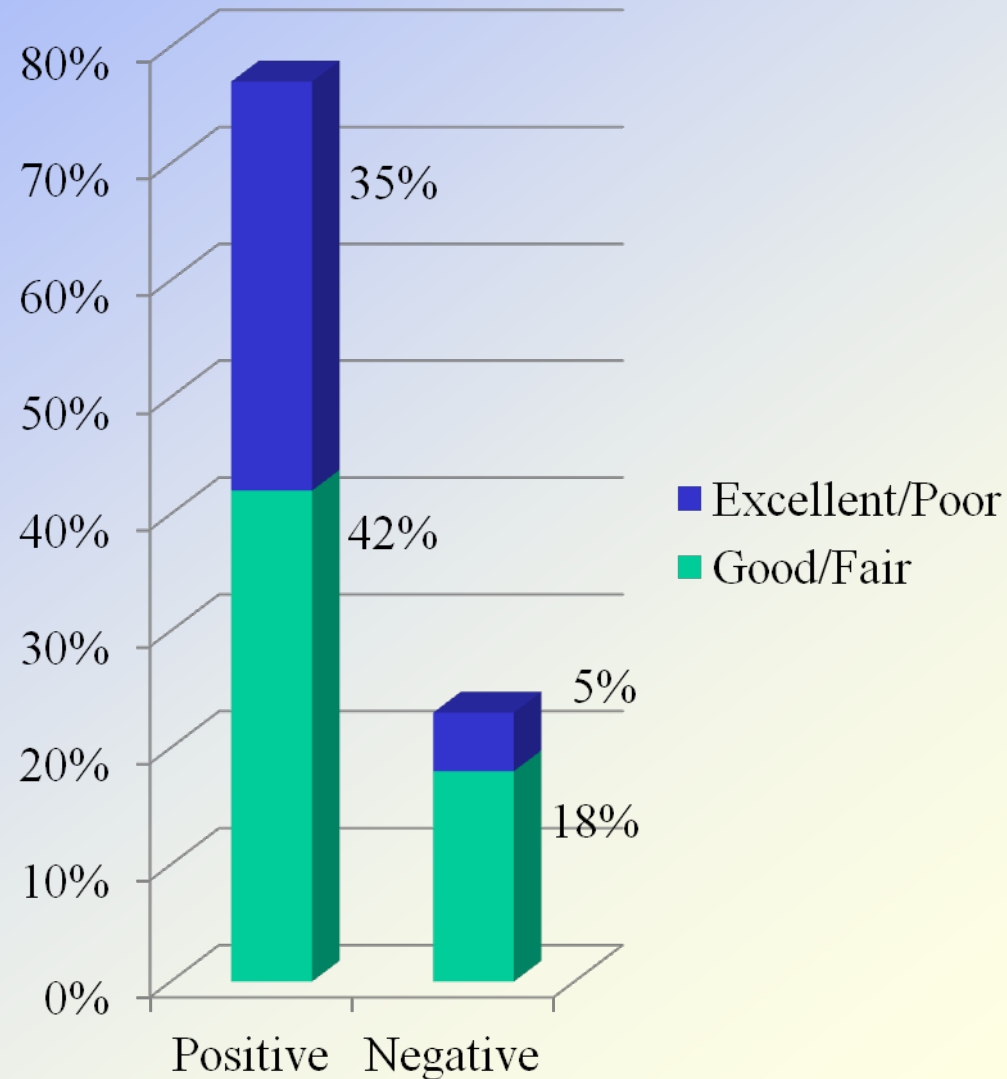
**Sample size: 395**

**Error rate: ± 3.5%**

# Employees Rate their Specific Work Area as ‘Positive’

77% offered “positive rating”

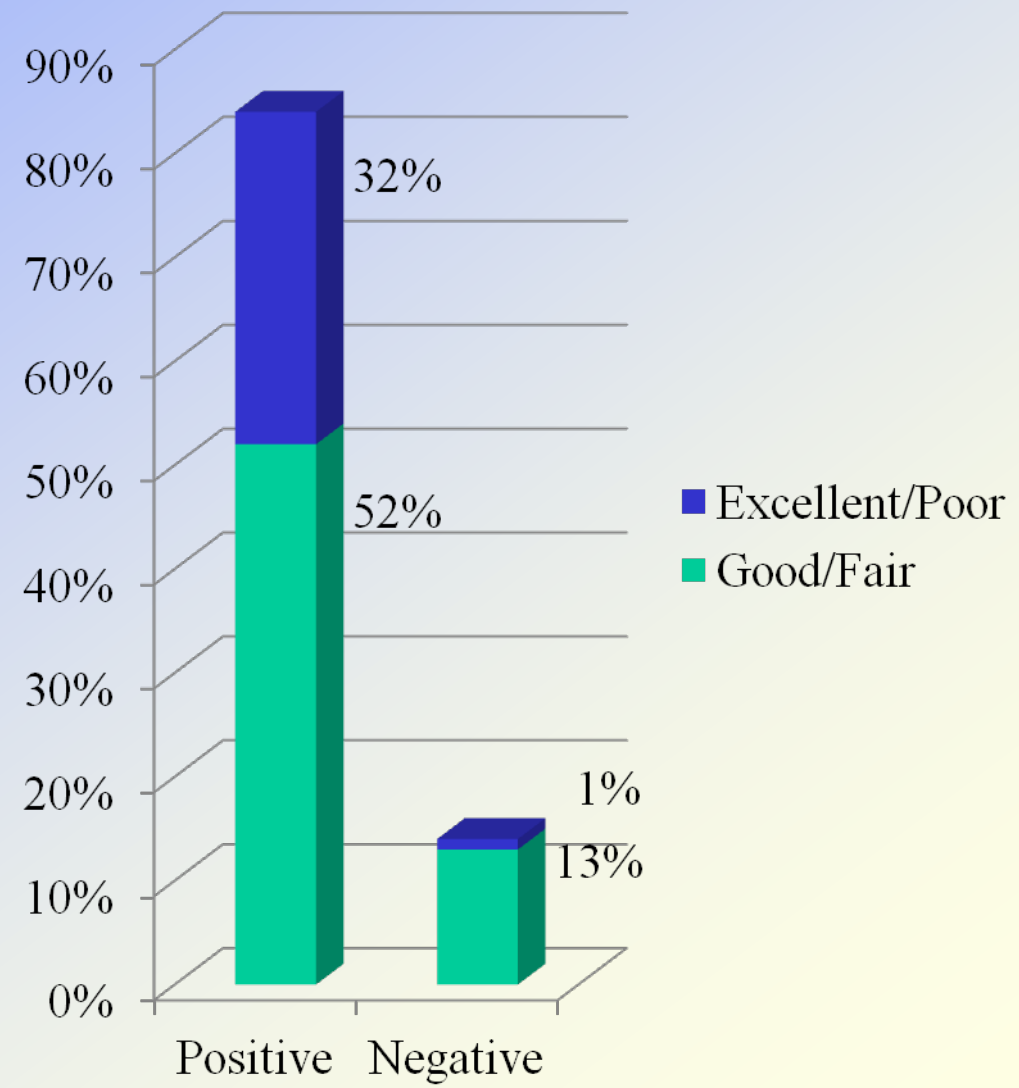
23% offered “negative rating”



# Employees Rate BWL Programs and Services as ‘Positive’

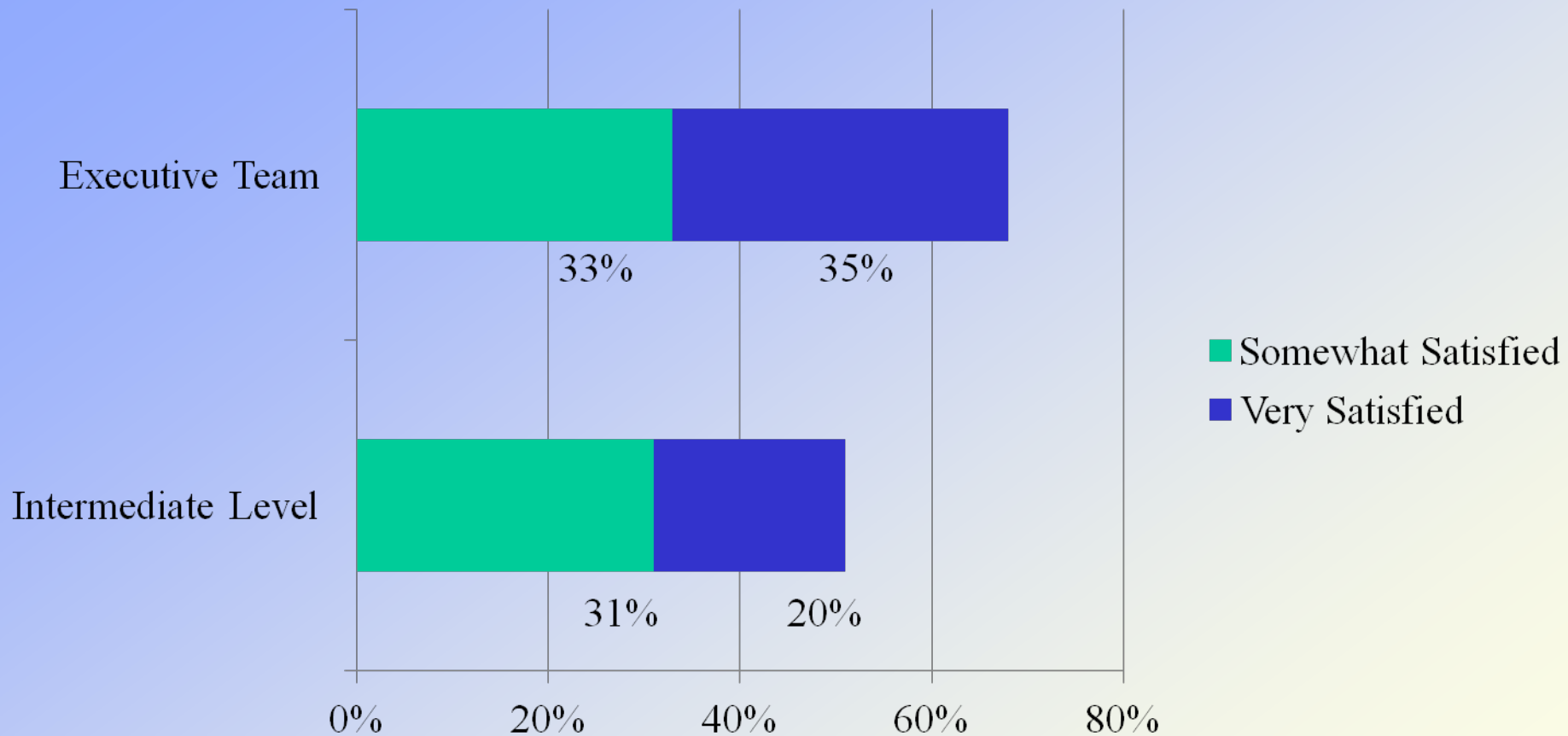
84% offered “positive rating”

14% offered “negative rating”



# BWL Employees Satisfaction with Leadership

## Somewhat Mixed

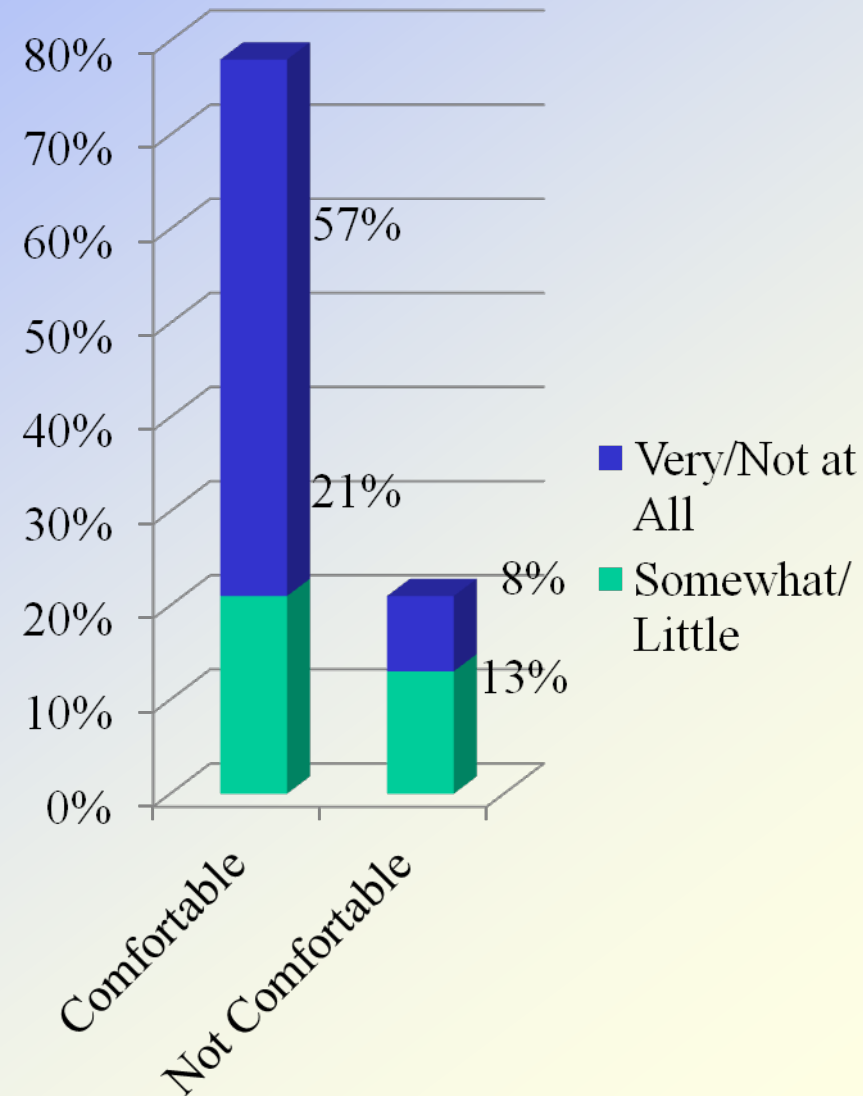


**68% “satisfied” with Executive Team, but only 51% “satisfied” with Intermediate Level Management/Supervisors; 30% “dissatisfied”**

# Employees Feel Comfortable Asking Questions of their Immediate Supervisors/Directors

78% feel “comfortable” asking questions of immediate Supervisor/Director

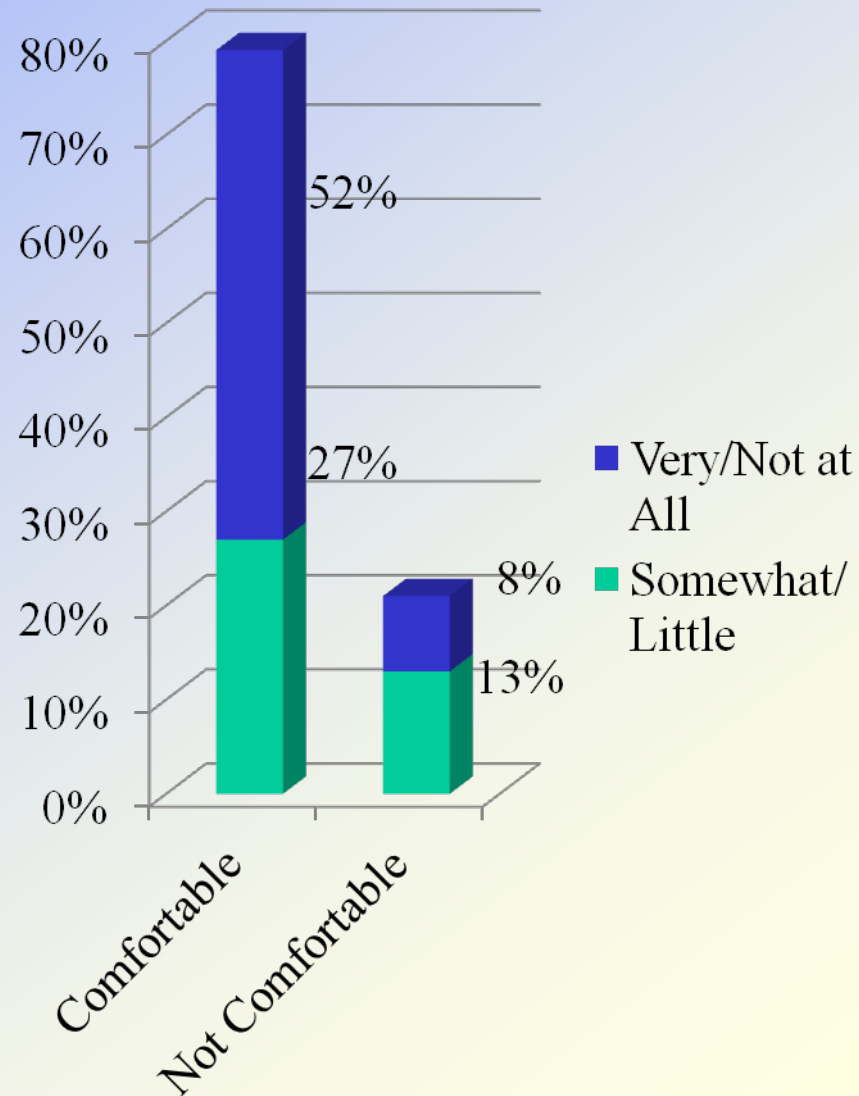
21% *DO NOT* feel “comfortable” asking questions of immediate Supervisor/Director



# Employees Feel Comfortable Receiving Feedback from their Immediate Supervisors/Directors

79% feel “comfortable” receiving feedback from their immediate Supervisor/Director

21% *DO NOT* feel “comfortable” receiving feedback from their immediate Supervisor/Director

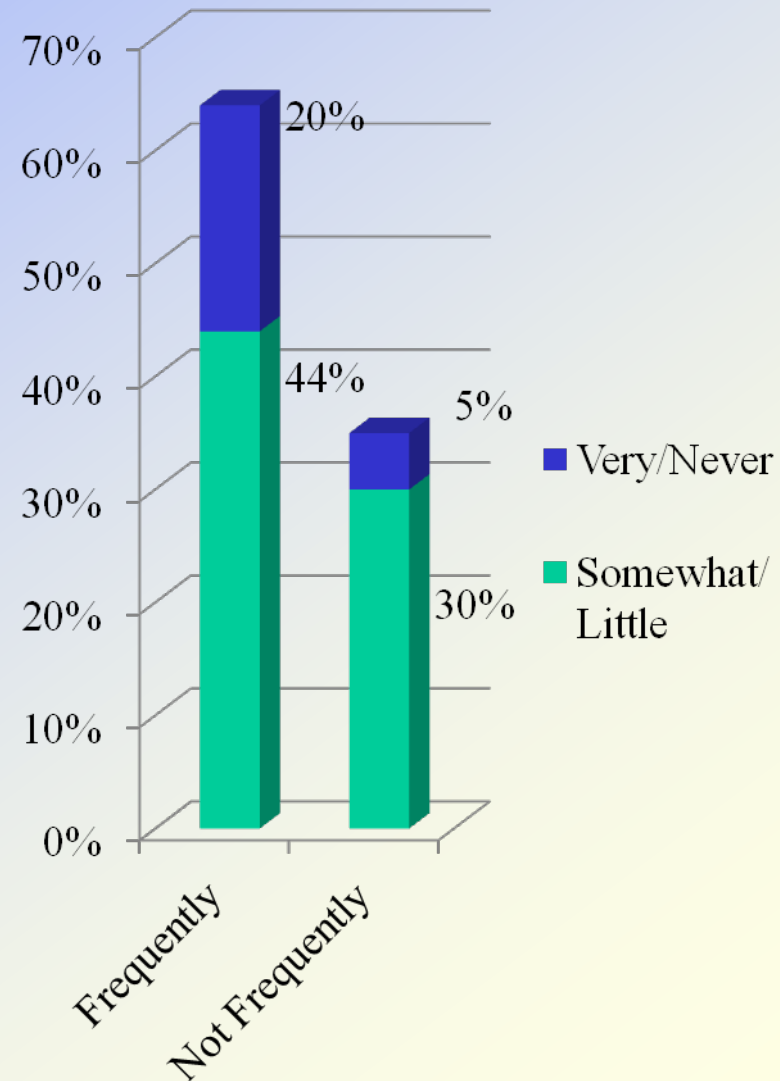




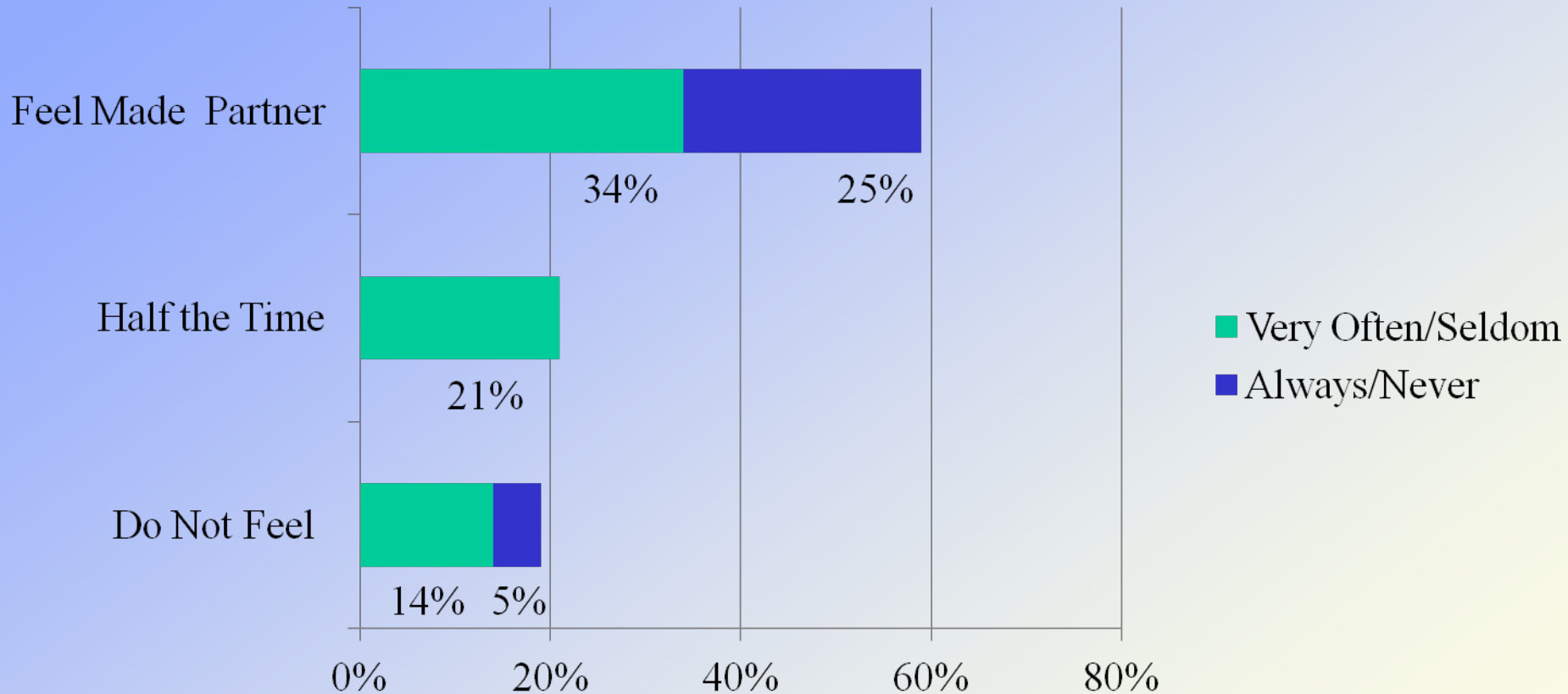
# Employees Frequently Receive Feedback from their Immediate Supervisors/Directors

**64% “frequently” receive feedback from their immediate Supervisor/Director**

**35% *DO NOT* “frequently” receive feedback from their immediate Supervisor/Director**

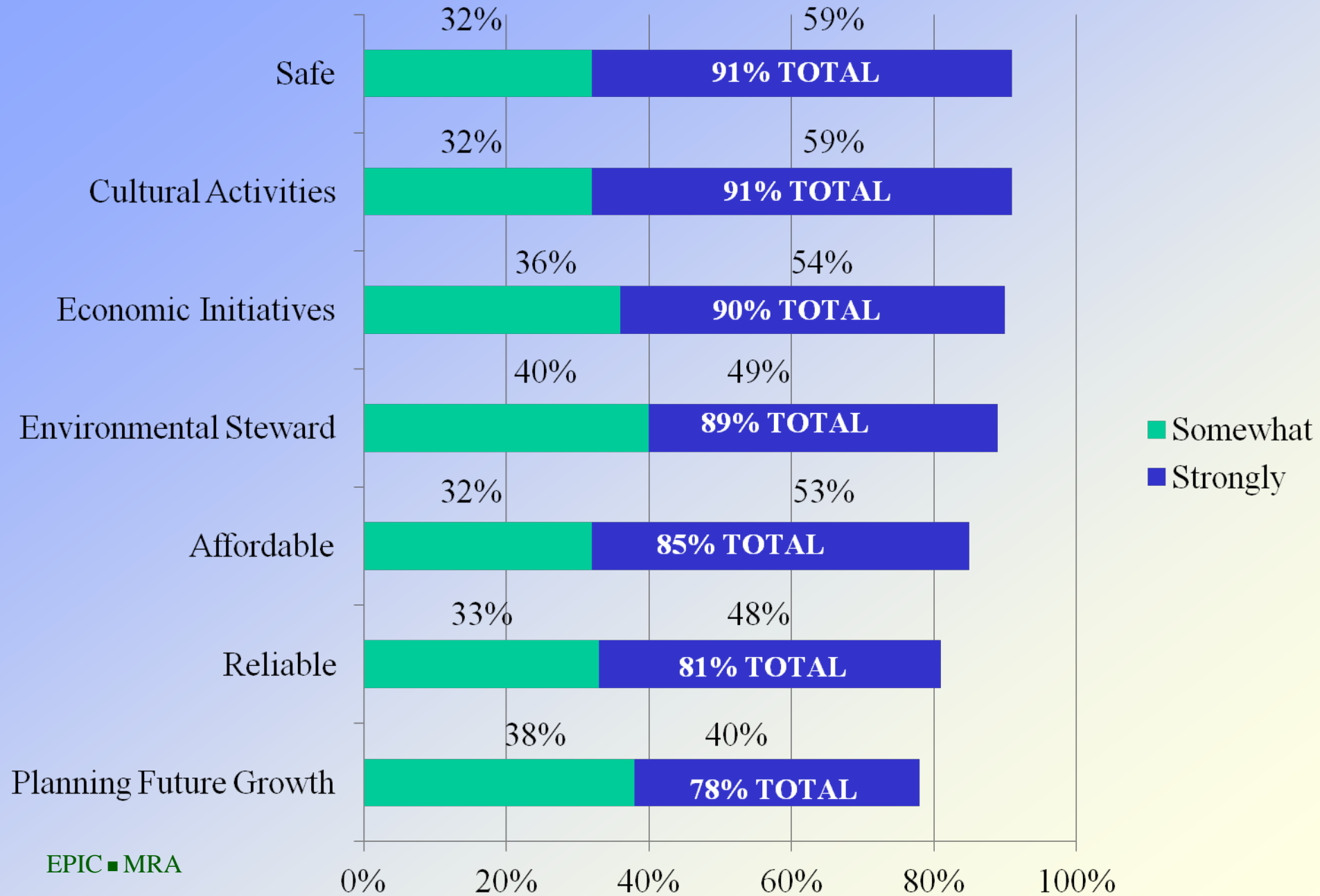


# Employees Feel They are a Partner in the BWL's Vision



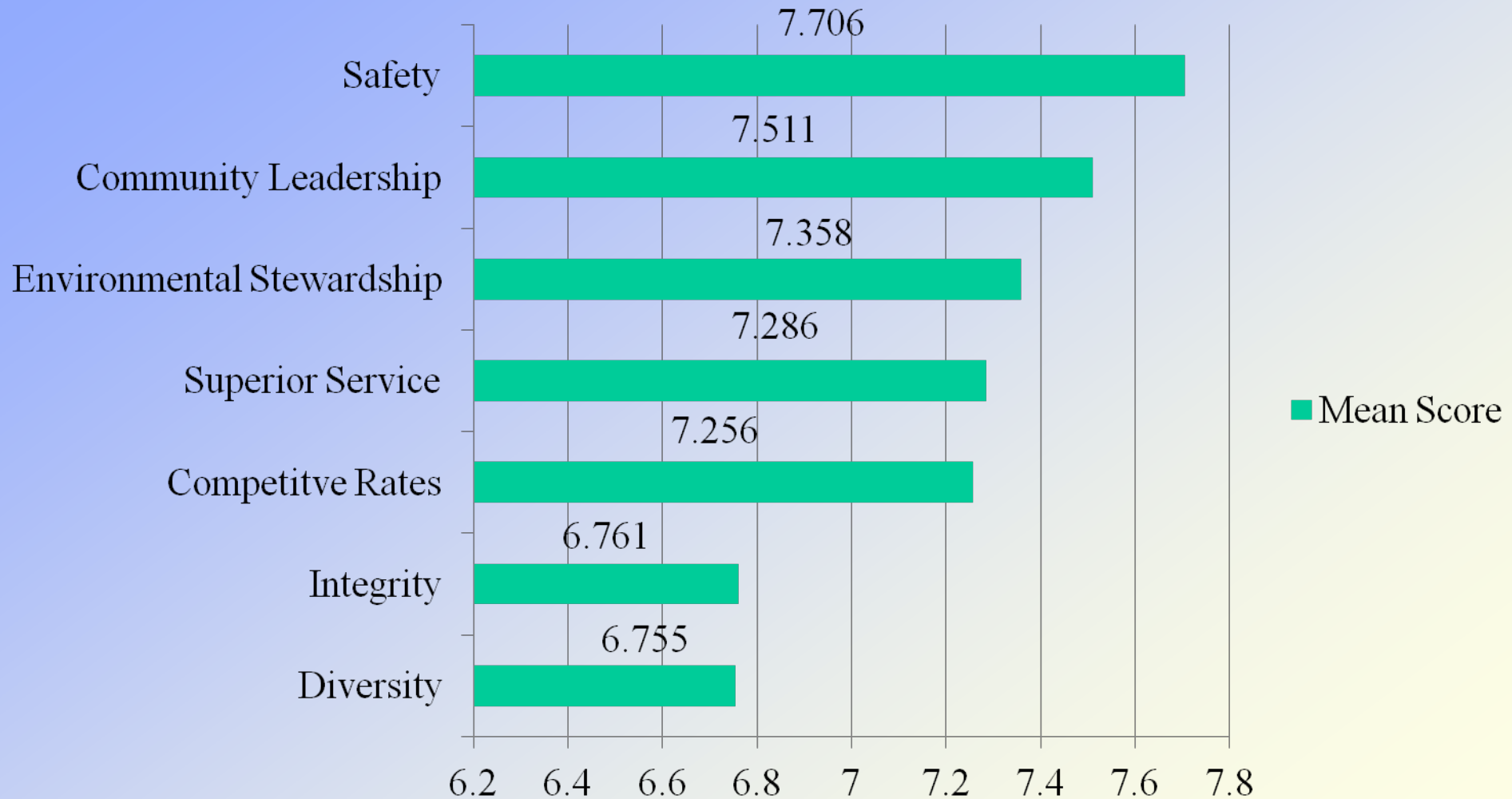
**59% feel they are “made a partner” in BWL Vision, and only 19% DO NOT feel they are “made a partner” in the BWL Vision**

# Employees Rank Aspects of the BWL's Vision Statement



# Employees Rank Statements About Common Principles on a 0 to 10 Scale – by Mean Score of Importance

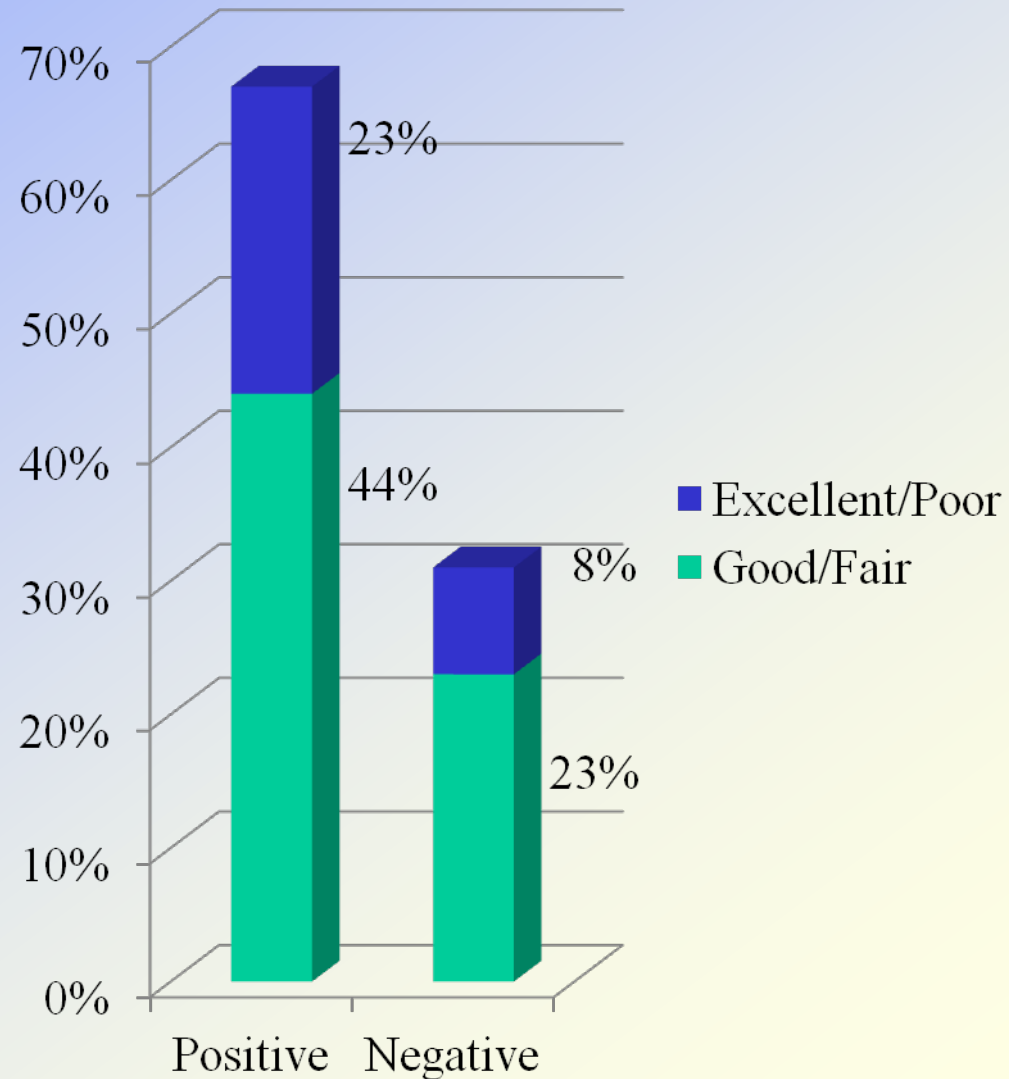
## Mean Score



# Employees Rate Work Environment as 'Positive'

67% offered "positive rating"

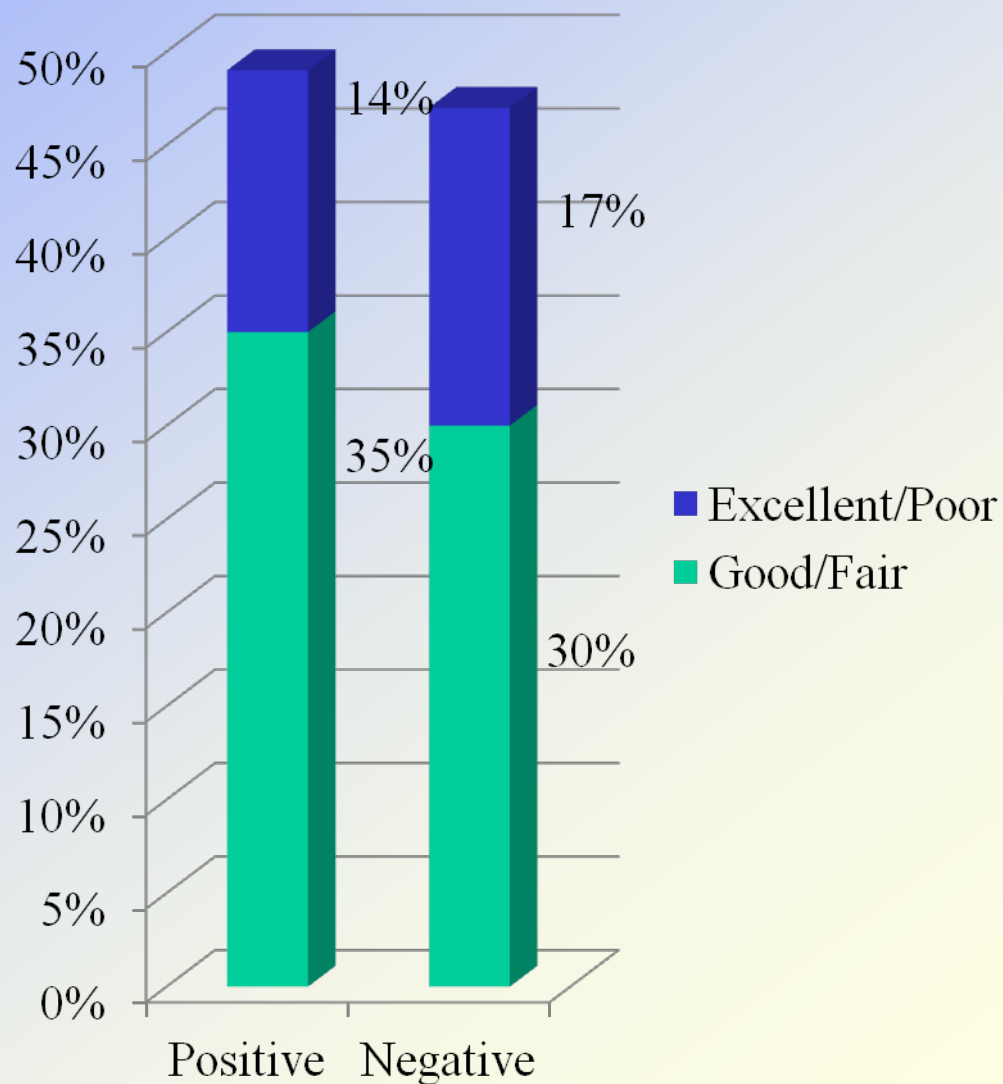
31% offered "negative rating"



# Communication within BWL as a Whole Could Improve

49% offered “positive rating”

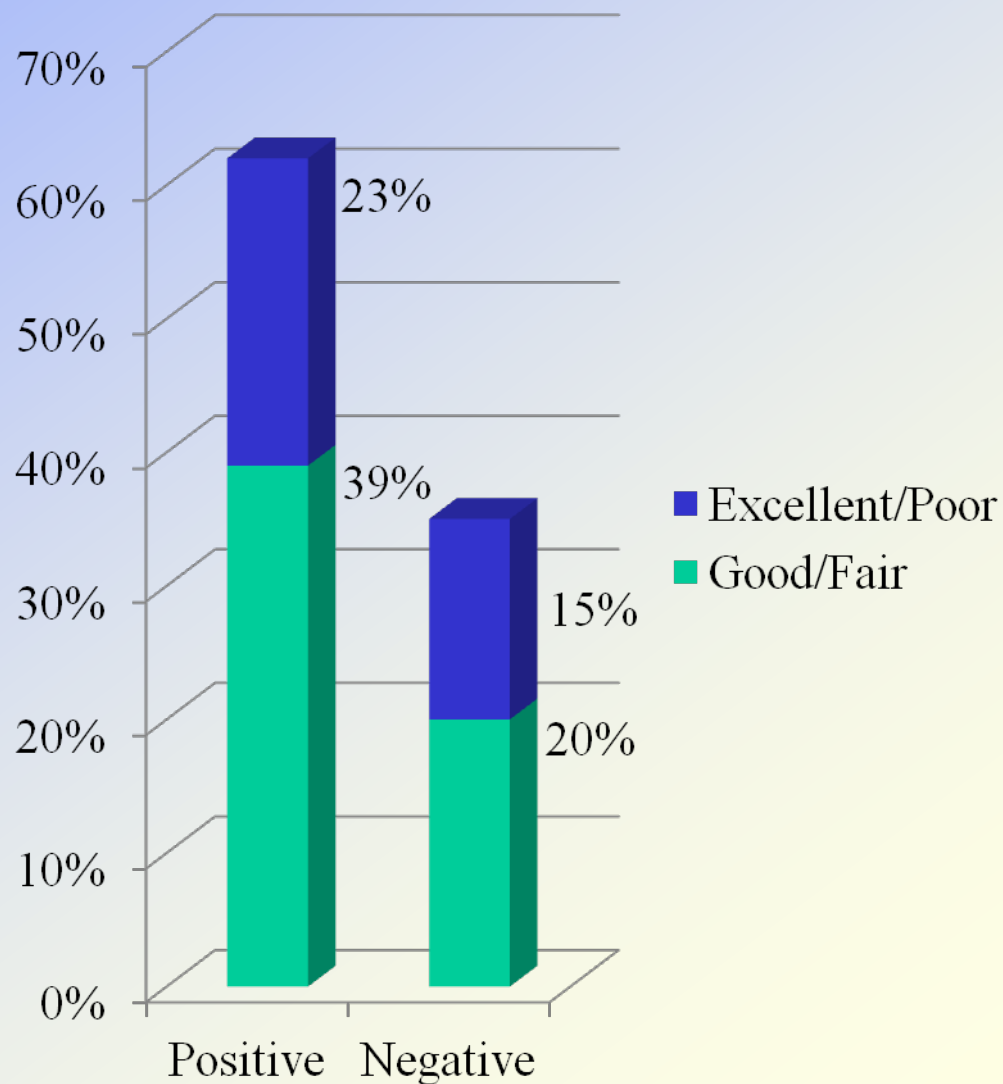
47% offered “negative rating”



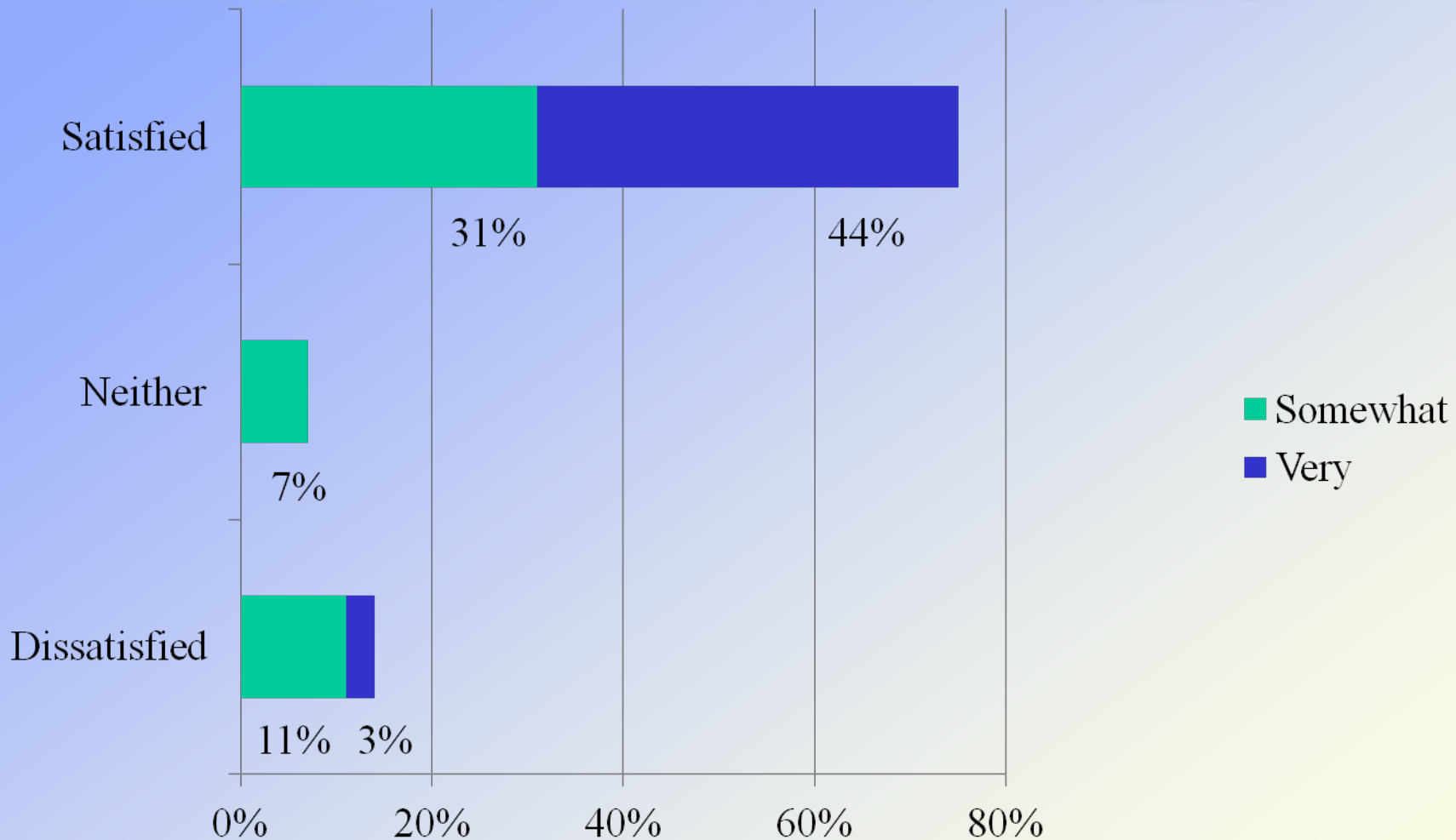
# Communication within Employee's Work Area at BWL Considered Comparatively Better

62% offered "positive rating"

35% offered "negative rating"



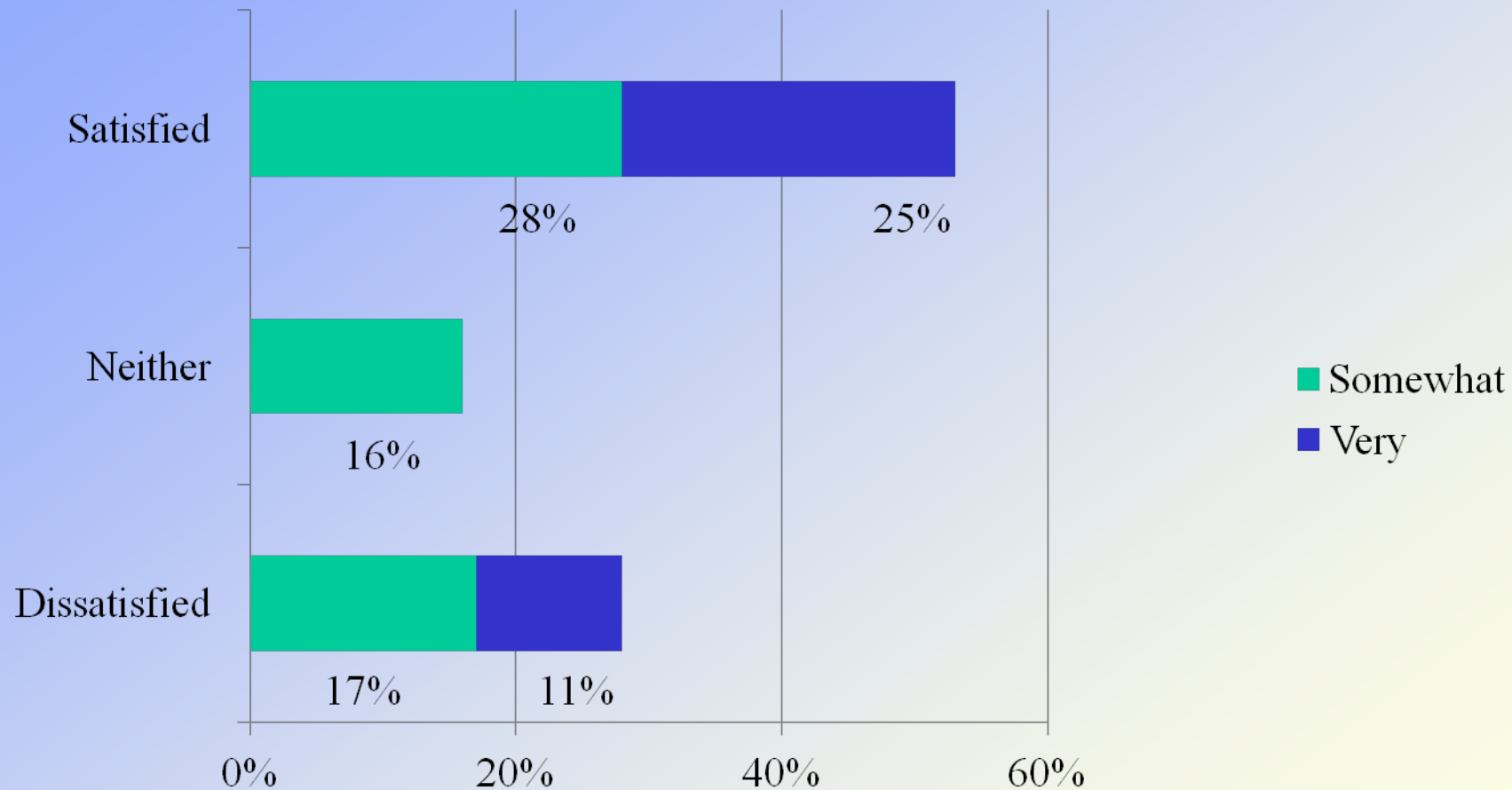
# BWL Employees' Overall Job Satisfaction High



**75% “satisfied” with their jobs; only 14% say they are “not satisfied” with their jobs**

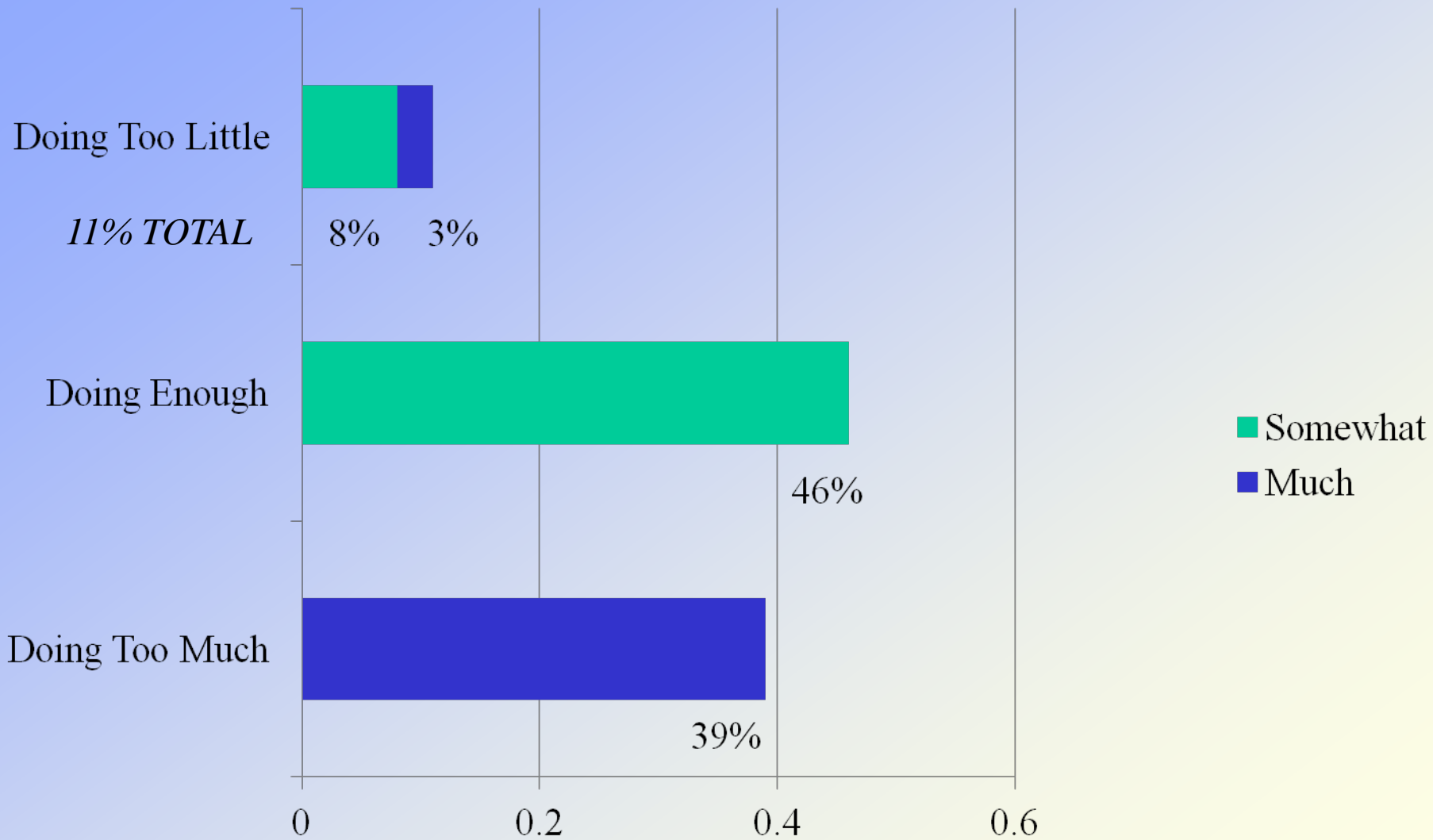


# Feelings Toward Opportunities for Advancement are Mixed Among BWL Employees



**53% “satisfied” with opportunities for advancement;  
28% “not satisfied” with opportunities**

# Feelings toward 'Diversity' Mixed Among Employees



## Top Areas within BWL that Employees Feel Need the Most Improvement

- **13% “Communication”**
- **9% “Better Management”**
- **8% “Hire/Promote Qualified Employees”**

# 51% Report Using Social Media at Least Once a Week

