



**COMMITTEE OF THE WHOLE MEETING via WEBEX
LANSING BOARD OF WATER AND LIGHT BOARD OF COMMISSIONERS**

AGENDA

March 9, 2021

5:30 P.M. – 1201 S. Washington Ave., Lansing, MI 48910

The BWL full meeting packet and public notice/agenda is located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

Due to public safety concerns resulting from the COVID-19 Pandemic, this meeting will be conducted via WebEx Conferencing and all Board Members will participate virtually. Instructional options to be in attendance are as follows:

1. Event address:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=eb4523814816b781d6e68fc662d442021>

Event number: 132 820 5250 **Event Password:** ugPEpxWT833


2. Audio conference: United States Toll +1-408-418-9388 **Access code:** 132 820 5250

Call to Order

Roll Call

Public Comment

Public Comment (PC) can be made by choice of:

- Raising your hand by clicking on the hand icon button  in the **Participants** panel
- Submitting written comments to mdenise.griffin@lbwl.com (By the End of Public Comment)
- Submitting written comments to 1201 S. Washington Ave., Lansing, MI 48910

1. Committee of the Whole Meeting Minutes of January 12, 2021 **TAB 1**
2. Diversity, Equity & Inclusion Program Update **INFO ONLY**
3. Corporate Sustainability & Climate Response
 - a. 2021 Corporate Sustainability & Climate Response Resolution **TAB 2**
 - b. 2013 Environmental Stewardship & Sustainability Resolution **TAB 3**

Other

Adjourn

In compliance with the order from the Director of the Michigan Department of Health and Human Services and the order from the Ingham County Health Department, in an effort to protect the health and safety of the public, to mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State’s health care system and other critical infrastructure, it is crucial that all Michiganders take steps to limit in person contact, particularly in the context of large groups. Therefore, the above meeting will be conducted via audio/video conference in accordance with the Open Meetings Act, as amended by Public Act 228 of 2020 effective on October 16, 2020. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meeting using the website or phone number and the meeting ID provided above.

Persons with disabilities who need an accommodation to fully participate in this meeting should contact the Office of the BWL Corporate Secretary at (517) 702-6033 or mdenise.griffin@lbwl.com, or utilize TTY by dialing 7-1-1. A 24-hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

COMMITTEE OF THE WHOLE

Meeting Minutes

January 12, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Committee of the Whole (COW) meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI, on Tuesday, January 12, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ec2515cbd377187c68417cca1db6b6365>

Event Number for Attendees: 132 470 7852 Event password: Wb3epfSZC85

Audio conference: United States Toll +1-408-418-9388 Access code: 132 470 7852

Committee of the Whole Chair Tracy Thomas called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

The following Commissioners were present via audio/video:

(COW Chairperson) Tracy Thomas remotely, Lansing, MI

Stuart Goodrich remotely, Holt, MI (arrived @5:40 pm)

Douglas Jester remotely, East Lansing, MI

David Lenz remotely, Lansing, MI

Tony Mullen remotely, Lansing, MI

Ken Ross remotely, Charlotte County, Florida

Beth Graham remotely, Lansing, MI

Deshon Leek remotely, Lansing, MI

Larry Merrill remotely, Delta Township, MI

David Price remotely, Lansing, MI

Sandra Zerkle remotely, Lansing, MI

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Graham, **Seconded** by Commissioner Leek, to approve the Committee of the Whole meeting minutes of November 10, 2020.

A roll call vote was taken:

Yeas: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Strategic Plan 2021 – Resolution

Executive Director of Strategic Planning, Ms. Brandie Ekren, reviewed the proposed revisions to the BWL Mission, Vision and Values for the 2021 Strategic Plan and the proposed priorities, goals and strategies for the 2021-2025 Strategic Response.

Commissioner Zerkle asked why the vision statement doesn't state that BWL is continuing to improve carbon neutrality products rather than will provide carbon neutrality products. Ms. Ekren responded that carbon neutrality is a goal rather than a current condition.

Commissioner Merrill asked whether the Priorities in the 2021-2025 Strategic Response were listed in order of importance and if they were, Financial Stability should be the most important. He added that a strong financial position should be attained rather than a viable financial position and that the BWL has a legal responsibility for the financial stability of the utility but not for the other priorities.

Commissioner Zerkle commented that the priorities may change every day and that importance shouldn't be placed on any of the priorities.

Commissioner Price commented that without the Financial Stability as the most important priority the other four priorities aren't achievable.

Commissioner Mullen commented in disagreement that if financial stability isn't placed first that other four Priorities will fail. If any of the others fail, such as climate and environment, businesses won't move into the area. Therefore, all of the 2021-2025 Strategic Priorities are interdependent and rely on the others for success.

Commissioner Leek agreed with Commissioner Mullen that each of the 2021-2025 Strategic Priorities are important and one should not be ranked over the other.

Chair Price made a motion that the resolution for the Strategic Priorities reflect that Financial Stability Priority be the first priority and interdependent with the other four priorities. Commissioner Graham seconded the motion.

Commissioner Jester recommended rewording the Financial Stability Priority to sustaining a financially viable organization to enable the achievement of the other priorities.

Upon conclusion of the discussion regarding the wording of the Resolution, the Motion by Chair Price and the Second by Commissioner Graham that was on the floor was withdrawn by the offeror. The resolution as recommended by Ms. Ekren met the needs for 2021-2025 Strategic Plan.

Motion by Commissioner Price, **Seconded** by Commissioner Graham, to forward the Resolution for the Strategic Plan 2021 to the full Board for consideration.

Ms. Ekren added that she would like to make a few small grammatical edits to the Resolution before it was approved by the Board.

A roll call vote was taken:

Yeas: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Capital Portfolio Process Update

Chief Financial Officer, Ms. Heather Shawa, introduced Finance Manager, Mr. Scott Taylor, and Interim Manager and Senior Operations Advisor, Ms. Kellie Elford, to provide the Capital Portfolio Process Update.

Presentation Updates

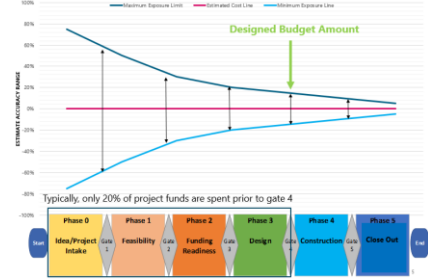
- Resolution Highlights
- Project Definitions – Annual and Planned
- Designed Budget Amount Highlight
- Management System Governance Additions – GM and Board of Commissioners
- Capital Process Governance Structure Additions – GM and Board of Commissioners
- Draft Reporting Proposal
 - Top 10 Planned Projects
 - Designed budget amounts
 - Project phase and completion date
 - Variances
- Summary of other planned and annual projects

Capital Project(s) Terms

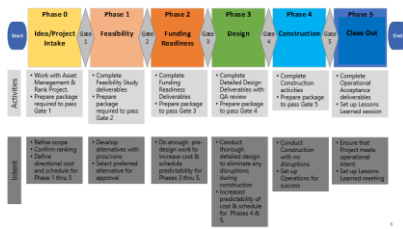
Annual Project – A project which occurs every year and takes a relatively short period of time to complete, typically less than a few months.

Planned Project – A planned project is different from an Annual Project in its uniqueness, duration, complexity, scale, and criticality. Planned projects typically include many different types of assets, or systems, and require a more detailed, in-depth cost tracking to support proactive cost management. Planned projects includes IT, OT and other larger scale, integrated projects.

Capital Planning Level Estimating Accuracy



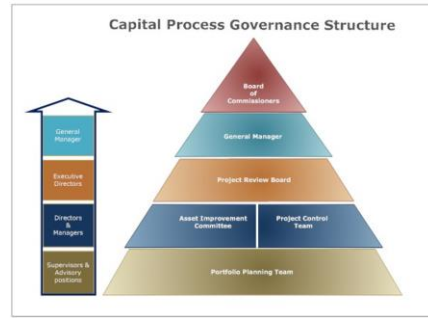
Stage Gate Structure Process



Management System Governance

The Management System is the glue that makes the Capital Projects Process work well. It consists of teams / committees that meet as needed to support the Capital Projects.

| Team/Committee | Purpose | Business Owner Responsibility |
|---|--|--|
| Portfolio Planning Team - PPT (attended to each week Thursday) | Evaluate Capital Projects and determine whether they have met the criteria for gate approval. Submit gate approval requests to the AC. | Complete all of the requirements within the phase prior to the gate. Identify gate packages, and the committees items to be reviewed. If they are not ready for the gate, they may be resubmitted to the AC. |
| Asset Improvement Committee (attended to each week Tuesday) | The AC performs the same function as the PPT, but only for the projects submitted to the AC by the PPT. | Attend the meeting to answer questions that the AC may have for the business owner. |
| Project Control Team - PCT (attended to each week Tuesday) | Review projects, help needed items for each "gate" or "milestone" on the Project Health Report, discuss alternative options of going over the authorized cost for the phase, or potential cost control actions to minimize overall cost and identify issues. | Review weekly and highlight issues that increase the chance of going over the authorized cost for the phase, or potential cost control actions to minimize overall cost and identify issues. |
| Project Review Board - PRB (attended to each week Tuesday) | Review projects, discuss Project Health, risks, opportunities, and cost mitigation actions based on PCT and Portfolio Planning recommendations. | Review weekly and highlight issues that increase the chance of going over the authorized cost for the phase, or potential cost control actions to minimize overall cost and identify issues. |
| General Manager - GM | Final Strategic Plan execution review regarding Capital Budget and Portfolio recommendations to Board. Final decision maker regarding Capital Project recommendations to Board. | Review weekly and highlight issues that increase the chance of going over the authorized cost for the phase, or potential cost control actions to minimize overall cost and identify issues. |
| Board of Commissioners - AC | Final Strategic Plan execution review regarding Capital Budget and Portfolio recommendations to Board. Final decision maker regarding Capital Project recommendations to Board. | Review weekly and highlight issues that increase the chance of going over the authorized cost for the phase, or potential cost control actions to minimize overall cost and identify issues. |



Mr. Taylor highlighted the budget and costs amount in the Capital Project Exceedance Approval (previously approved) Resolution and the project terms and definitions. Ms. Elford described the stages of a project and the approval steps for managers and directors, followed by the approval process for the executive staff and Board of Commissioners.

Commissioner Zerkle asked when the deadline is set for the teams to have a project placed in the budget. Mr. Taylor responded that a continual process is encouraged and the structured process for the six-year forecast includes an initial submission by November, followed by a multi-step review process and review board. Projects that emerge during the year that are critical will also be reviewed.

Commissioner Zerkle asked why projects were on the report in Phases 2 and 3 instead of in Phase 4 after the construction has been approved. Mr. Taylor responded that the projects are entered in Phase 1 as soon as costs start accruing. GM Peffley responded that Phase 4 is where the Board of Commissioners review the project, but the previous Phases are for the processes leading up to the Commissioners' review.

Commissioner Mullen asked if the information on the reports could be provided in laymen's terms. GM Peffley responded that information can be provided in any manner that the Commissioners would like. Commissioner Lenz commented that the report contains basic information and is provided for oversight for the Commissioners and so that they are aware of how the projects are monitored before the Commissioners' review.

Other

Commissioner Mullen asked about the prohibitive cost of stopping the shut off of water, whether there is not only the fiduciary responsibility the BWL has to pay bills, but also whether there is a fiduciary responsibility to the City of Lansing to do something more and say this is what the BWL has done to help. Management will follow up with a response.

GM Peffley informed the Commissioners that the IRP goal of 50% clean energy and carbon neutrality was not specifically outlined in the 2021-2025 Strategic Plan. While the IRP goals are supported by the 2021-2025 Strategic Plan, there is an opportunity to update the current environmental sustainability resolution. The plan is to propose an updated resolution that addresses environmental sustainability in March in the form of a climate control resolution that emphasis the IRP goals of 50% clean energy and carbon neutrality.

Adjourn

Commissioner Thomas adjourned the meeting at 7:08 p.m.

Respectfully Submitted
Tracy Thomas, Chairperson
Committee of the Whole

Proposed Resolution
Corporate Sustainability & Climate Response

WHEREAS, The Lansing Board of Water & Light (“BWL”) is a municipally owned utility company organized under the Lansing City Charter as permitted by the Home Rule Cities Act, MCL117.4(f)(c), and governed by the Board of Commissioners (“Board”). The Board, per the Lansing City Charter, is delegated administrative, executive and policy-making authority over the operation of the BWL, which includes the full and exclusive management of water, heat, steam and electric services and such additional services of the City of Lansing as may be agreed upon by the Board and City Council.

WHEREAS, per the Lansing City Charter, the Board has appointed three individuals, Director (aka General Manager), Internal Auditor (aka Director of Internal Audit) and Secretary (aka the Corporate Secretary), who report directly to the Board and serve at the Board’s pleasure. The General Manager is also responsible to the Board for carrying out the duties assigned by the Board, which includes but is not limited to the operation and management of the BWL.

WHEREAS, it is the mission of the BWL to provide a safe, reliable and affordable utility experience through public ownership, climate consciousness and innovative strategies (“Mission”).

WHEREAS, the vision of the BWL is a commitment to being the “Utility of the Future” while supporting community growth. The BWL will provide carbon neutral utility products, services and programs that are financially accessible to all customers with exceptional customer service. This will be accomplished by utilizing evolving, cutting-edge technology, as well as partnering with the Greater Lansing region and a highly skilled, diverse workforce (“Vision”).

WHEREAS, industry and global discussions and reports have focused on harms, threats and dangers to the climate or planet. These harms, threats and dangers consequently impact the BWL’s Mission and Vision.

WHEREAS, the BWL plans to accomplish its Mission and Vision by operating under four fundamental values: (1) Integrity, (2) Innovation, (3) Inclusion and (3) Initiative (“Values”).

WHEREAS, the BWL utilizes a variety of corporate performance tools, methodologies and frameworks to measure success and effectuate strategic management, such as maturity scales and the Balanced Scorecard (aka Corporate Scorecard). These aid in measuring the BWL’s success of its Mission, Vision and Strategic Plan.

WHEREAS, the Balanced Scorecard’s core framework balances four perspectives for successful corporate performance: (1) Financial, (2) Customer and Stakeholder, (3) Internal Process and (4) Learning and Growth.

WHEREAS, fundamental to successful accomplishment of the BWL’s Mission and Vision through its Values includes a commitment to Corporate Sustainability, which includes a climate response strategy.

WHEREAS, the concept of Corporate Sustainability is focused on long-term value to both internal and external stakeholders through the focus of 3 key pillars for operations: Social Development, Environmental Stewardship and Economic Growth. These 3 pillars often support one another to form sub-areas of focus such as: Socio-Economic, Socio-Environment and Eco-Efficiency. (“Corporate Sustainability”)

WHEREAS, the BWL is an integral part of the Lansing community and has the skills and assets to lead in promoting the community's environmental and economic wellbeing today and in the future.

WHEREAS, in 2013 the BWL approved resolution 2013-03-01, entitled Environmental Stewardship and Sustainability Policy, which underscored its commitment to environmental stewardship and a desire to develop a company-wide culture of environmental sustainability. Resolution 2013-03-01 called for the development of innovative business practices and programs.

WHEREAS, the BWL successfully developed a number of programs and practices that supported environmental stewardship, examples of which include but are not limited to energy efficiency investments, water conservation, recycling, composting, pollution prevention, community outreach programs and expanding our renewable portfolio.

WHEREAS, the Board desires to formalize and expand its commitment to Corporate Sustainability, Environmental Stewardship and to develop a climate response strategy.

RESOLVED, the General Manager will develop a Corporate Sustainability program which includes procedures and methods for monitoring, measuring, promoting and improving Corporate Sustainability that emphasizes social development, environmental stewardship and economic growth.

FURTHER RESOLVED, the Corporate Sustainability program shall also include climate response measures, practices, investments and tactics that incorporate but are not limited to the following:

- 1) Eco-friendly vendors and materials.
- 2) Energy, water and material waste reduction.
- 3) Recycling materials, equipment and appliances.
- 4) Reducing paper usage.
- 5) Renewable energy sources.
- 6) Energy-efficient transportation.
- 7) Support electric transportation and heating (aka beneficial electrification).
- 8) Usage of "Green" cleaning products and practices.
- 9) Live vegetation "Greenery" within facilities.

FURTHER RESOLVED, the BWL shall set a short-term Clean Energy goal, which includes a combination of renewable energy and energy efficiency of 50% by 2030, or sooner.

FURTHER RESOLVED, the General Manager will also enhance the BWL's climate response strategy by developing a plan and tracking progress towards Carbon Neutrality.

FURTHER RESOLVED, the BWL sets a longer-term goal to reach Carbon Neutrality by 2040, or sooner.

FURTHER RESOLVED, resolution 2013-03-01, entitled Environmental Stewardship and Sustainability Policy is no longer operable and thus is replaced with this Corporate Sustainability & Climate Response Resolution.

Active Resolution that will be replaced by “Corporate Sustainability & Climate Change Resolution”

RESOLUTION #2013-03-01

Environmental Stewardship and Sustainability Policy

WHEREAS the Lansing Board of Water & Light (BWL) is dedicated to providing its customers with safe, reliable and affordable utility products and services;

WHEREAS, it is the policy of the BWL to fulfill its mission in a responsible manner that not only complies with environmental laws, but actively promotes pollution prevention and the sustainability of our natural resources;

WHEREAS, establishing a company-wide culture of environmental stewardship and sustainability as an ongoing process that encompasses our electric, water, chilled water and steam operations, our facilities and all of our employees, as well as our residential, commercial and industrial customers, are important to demonstrating and realizing our environmental goals;

WHEREAS, adopting procedures to continually monitor, promote and improve our environmental performance will benefit the BWL and its customers over time;

WHEREAS, communicating this commitment, both internally and externally, and our efforts to achieve it are important elements of the BWL's environmental stewardship and sustainability program.

BE IT RESOLVED, that the BWL shall develop and implement innovative business practices and programs to promote environmental stewardship and sustainability.