



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

July 22, 2014

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, July 22, 2014.

Chairperson Sandra Zerkle called the meeting to order at 5:30 p.m.

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

Absent: None

The Corporate Secretary declared a quorum present.

Commissioner Thomas led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Bossenbery, seconded by Commissioner Mullen to approve the Regular Board Meeting minutes of May 27, 2014.

Action: Carried Unanimously

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.

There was no Public Comment

COMMUNICATIONS

There were no Communications

COMMITTEE REPORTS

EXECUTIVE COMMITTEE

June 2, 2014

The Executive 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 11:45 a.m. on Monday, June 2, 2014.

Executive Committee Chair Sandra Zerkle called the meeting to order. The following committee members were present: Commissioners Sandra Zerkle, Dennis Louney, Tony Mullen and Cynthia Ward. Also present were Board Member Tracy Thomas.

Absent: None.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Ward, seconded by Commissioner Mullen to approve the minutes of the April 16, 2013 Executive Committee meeting.

Action: Carried unanimously.

Dialogue re: Community Review Team (CRT) Suggestion/Recommendation

CRT Executive Summary Item V. I

The BWL Board has the authority to appoint a standing committee that would be a liaison with local communities that hold franchises for services from the BWL. We strongly believe that the Board Chair should appoint a standing committee to be a Liaison Committee to Local Units of Government who hold franchises or agreements for services from the BWL.

Commissioner Ward stated this agenda subject was mentioned at the last Committee of the Whole meeting, in which Commissioner Price requested or asked that, we as a Board begin taking steps to include other communities that we provide service to.

Commissioner Mullen questioned the Board's authority to appoint a standing committee.

Chair Zerkle stated her uncertainty of the Board being able to appoint a liaison as suggested in the CRT Report. She stated that she has had a conversation with the Mayor about personally inviting officials from surrounding communities that we service, to come and express their thoughts at our meetings. She stated that she has thought about the possibility of setting up quarterly forums with officials from the surrounding communities to open the communication lines.

Commissioner Ward read the following section from the CRT Report into the record "The BWL Board has the authority to appoint a standing committee that would be a liaison with local communities that hold franchises for services from the BWL. We strongly believe that the Board Chair should appoint a Standing Committee to be a liaison to local units of government who hold franchises or agreements for services from the BWL." She stated that she believes this means communities are asking us to establish a Standing Committee or Adhoc Committee to serve as a liaison to those communities that we provide service to. We would have a committee that will serve as a liaison, which I interpret to mean; two or three commissioners would comprise as a committee and receive issues that communities would want or need to address.

Chair Zerkle stated that she does not think of the Board of Water and Light as situated in Lansing. The Board of Water & Light is owned, directed and operated by the City of Lansing, and is not sure that it would look good for us to say that we are going to be out there helping other communities above what happens in Lansing. I do not have a problem with us trying to communicate with those outside communities, but we have a Governmental Relations person that does a great job with communicating and keeping the other communities informed. They know who to call, when to call him, and he responds. It is not that I do not want to take care of them and I am not ignoring them, I don't want to make it look like we are treating them as special customers as opposed to the ones that are in Lansing.

Commissioner Mullen suggested a Customer Support Committee that would include municipalities as well as city residents, City Council and whoever else. It would just be more of a formal operation to allow people to come and express their concerns or their admiration.

General Manager Lark stated that when he first came to the Board of Water & Light from the Public Service Commission (PSC) one of the things that he did was have two or three consumer forums. The problem was that we could never get customers to go to them. Since the December outage, I think you will be able to get people to go forums. Typically, at the PSC forum, we would invite board members and the administration/staff. So this is a suggestion and we would be happy to support you on whatever the hot issues are and would be willing to bring along the proper support staff. General Manager Lark stated that he thinks what the recommendation from the CRT is saying is that we need to form a special committee with some designated commissioners and maybe they can help create more of an outreach program that works with management so that those communities have a resource until the Mayor or City Council decide what direction they want to go in.

Chair Zerkle stated that an Adhoc Committee would be established, if that is what the Commissioners want.

Commissioner Mullen stated if it is not written down, it doesn't happen, so maybe we could have some sort of an Adhoc Committee to come up with something that we could present to the Committee of the Whole, and that Adhoc Committee would be charged with coming up with the details specifically about the suggested Customer Care Committee.

Commissioner Louney stated that we are heading into an interesting time as a Board. At the next Committee of the Whole meeting, we are going to hear a report from management in regards to the CRT report. We are also going to be reviewing the MPSC report and look at these recommendations. The CRT says the Board needs to assert greater control over short-term agenda, annual objectives, current and emerging issues, and strategic direction of the Board of Water and Light. We have leadership elections coming up. We have talked about a retreat to do strategic planning. There is a lot coming at us and we need to put a strategic plan together as to what we want to address, and I would be willing to work with Commissioner Mullen on an Adhoc Committee to do this, but I want to make sure the pieces fit together.

Chair Zerkle stated within the next month we could have a couple of Adhoc Committee meetings to help formulate a plan to present to the Committee of the Whole, so that we can move forward with this matter.

Commissioner Thomas stated tonight's discussion has been great and everyone around the table agrees that we need to do something, but it sounds like there's going to be more information coming and before anything is finalized we should have all necessary information so that we are not going in different directions and creating more committees than necessary.

Chair Zerkle stated that she would put out an email asking Commissioners if they would be willing to work as a temporary Adhoc Committee to formulate an actual plan to present to the Commissioners, whether it is liaisons or forums. Everyone who volunteered will be notified and then we can set up a date and time for the meeting, and will obviously coordinate it with Mr. Lark so that we can have one or two of his staff there.

Dialogue re: Crisis Communication Plan

Commissioner Ward stated that this agenda item stems from the Special Meeting of January 7th, where we asked for the Board of Commissioners to have some type of plan or strategy for crisis communications that was deferred to be made a part of the overall Board of Water and Light entity, crisis communication plan. She said that we have since received that plan, and does not think that the issue that she wanted to address is a part of that plan. She commented that over the past few months she has learned that we do not agree as a commission, or Board members, as to what our responsibilities are as it relates to communications. There are Board members who believe that only the Chair can speak to the media and we have the rules of procedures that state clearly that any Commissioner can speak to the media. The rules of procedures say that the Chair should speak on policies and agrees that all policy statements shall be made on behalf of the Board by the Chair. I think that we need to discuss this as a Board because; there are times that we as Commissioners should speak to the media. I have opinions, and when I'm asked what my opinion is, I make it clear that this is my opinion; I'm not speaking on behalf of the Board.

Commissioner Mullen stated that his opinion is the Chairperson or the Vice-Chair speaks for the Board of Commissioners to make sure that we speak with one voice and that we do not give out confusing information. That does not mean that you, or I, do not have our opinions, but we present our opinions in the committee.

Chair Zerkle stated that we need to speak with one voice. She stated having been the Chair, she generally will speak with Mr. Serkaian to make sure that she has any and all correct facts when talking to the media when doing TV interviews or newspaper interviews, and that is one of the reasons that I think that the Board should have one voice coming from this commission.

Commissioner Louney stated if we designate the Chair as that person or the Vice-Chair as that person to speak on behalf of the Board, I think that's good, but I think we haven't done in the past because there hasn't been a need. With this recent crisis, we need to get a better handle on how the Board deals with public relations, and I say the Board of Commissioners,

when I mean the Board because we are being approached on things. I think some good training and a game plan going forward would be helpful because we went into this blind. That is something as a Board we need to look at, and I know you talked about that matter for the retreat, and that can provide us with some guidance on this matter. We should have something in place that we want to bring to the entire Board or discuss with Board members as a policy or something. Moving forward from today, we need a clear understanding as a Board on dealing with the media.

Commissioner Ward stated that she is not really asking specifically for a policy, but an understanding of what we as individual commissioners are permitted to speak to members of the media. She stated nothing in our rules of procedure prohibits an individual member of the Board of Commissioners to speak to the media. I agree that all policy statements shall be made by the Chair, on behalf of the Board. The concern is there have been instances where the Board Chair spoke to the media and the message that came across as if she is speaking for the Board, which she is able to, but she is not able to determine the position of the Board individually and that is her concern.

General Manager Lark said he has reviewed various Board structures in our related industry and in the Lansing area and there are ways to handle some concerns. I think maybe our Board might need a little direction in that area, and maybe a governance type class might get us all there where we can come up with something that works for everybody.

Commissioner Mullen stated that he is in agreement with Mr. Lark. Whatever we choose to do, whichever direction we need to go, we need to all follow it.

Chair Zerkle asked if everyone was willing as a committee to address issue after some training. She stated in the past there has been an unwritten policy or understanding regarding the media. This was something that was originally talked about several years ago and we didn't want to make it a policy, and it was the idea that we spoke from one voice. She stated that we can have further discussion at either Committee of the Whole sometime after the training on this so we have an understanding and it doesn't have to become a policy, but we'll have a clear and better understanding of how to handle things.

After a lengthy discussion regarding what Committee meeting in which a continuation of this subject matter should take place. It was suggested, that the Executive Committee would deal with governance matters. It was also suggested, that the Public Service Commissioner report would be dealt with in the Committee of the Whole.

Other

None

Excused Absence

None

Adjourn

On Motion by Commissioner Ward, Seconded by Commissioner Mullen, the meeting adjourned at 1:15 p.m.

Respectfully submitted,
Sandra Zerkle, Chair
Executive Committee

COMMITTEE OF THE WHOLE
June 10, 2014

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, June 10, 2014.

Committee of the Whole (COW) Chair, Dennis M. Louney 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

Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner Bossenbery to approve the Committee of the Whole meeting minutes of May 13, 2014.

Action: Motion Carried

Response to CRT and MPSC Reports

Vice Chair Louney stated that there have been many new implementations, and many changes have occurred since the ice storm, which have all been done by the employees and directed by management; however, there are many more changes ahead of us and feels positive about the future.

General Manager Lark stated the following:

Tonight is a time to reflect, really, on the BWL's recent past. More importantly, it is time I think, to clearly understand where we find the BWL today, and to clearly understand where we are going because, I believe that compared to the BWL of December 2013, we are not the same company; we are stronger, and a better BWL. And we are a BWL that needs to be better still. I think we all can agree that the past six months have been difficult for us; perhaps most importantly, difficult for our customers. I think it's clear that nature has dealt us, and our communities, a powerful blow. A storm that I think we can all agree was historic; both in its sheer force and in its impact on the homes, businesses, and lives of nearly all of our BWL customers. Personally and professionally, we were all affected by this storm. None of us, especially our customers, want to go through that again. When the next major storm and outage event happens, and I can tell you it will happen again, we must all be confident that the BWL's response will be significantly improved from that response we saw in December.

Our customers deserve our operations and our communication systems to meet their needs in the worst of times. While we are rightly proud of how our BWL frontline workers responded to the storm, we are equally disappointed in our own systems failure to meet our own expectations and track record of, I think, what could only be called superior performance and superior service. But enough about the past, tonight I can say with absolute confidence that the BWL is an improved utility. I can also assure you that more improvements will be announced and implemented in the coming weeks and in the coming months. The improvements flow really from 3 in-depth assessments of how we responded to the storm. They come from our own top-to-bottom internal review, if you recall the 54 points. They come from the Mayor's Citizens Review Team (CRT) assessment, and they also come from the Michigan Public Service Commission's (MPSC) evaluation. This is all a result of 6 months of exhaustive scrutiny.

We are grateful for the work of the CRT and the MPSC. By adopting their recommendations, I believe the BWL will be a much stronger, better organization, and better prepared to respond to the next major storm. Compared to the BWL of 2013, we are not the same company; today we're a stronger and better BWL. Tonight, I want everyone that the BWL serves to understand clearly that we are making improvements. We are grateful to the CRT and we are grateful to the Public Service Commission for identifying actions that will improve our ability to respond to future outages and emergencies. In fact, some of the improvements are already operational, as this board knows. And if they are not, some are well along their way to being implemented. We have increased crews and staff, which improve the BWL's ability to restore power faster during outages; we have increased internal spotter crews and we have contracted for up to 17 additional spotter crews from a contractor company; we have tripled the number of tree trimmer crews in the field working today; we have tripled the number of line crews available during an outage and really much beyond tripling as to what is available. In addition, we have expanded our Mutual Aid Agreements across Michigan and across the United States to help restore service during any major outage that should befall us.

We also have a more robust tree-trimming program on a 5-year cycle, which will better protect us from falling limbs. We have improved, and stress tested our outage management system that is able to record outage calls and provide restoration estimates. We have improved call center operations. As you know, we have a Social Media Specialist that was hired to better communicate with our customers. In addition, we have an Emergency Manager that will be hired, to better coordinate crises activities. That manager position has been posted and is now closed. We had a plethora of applicants, and we will begin the interview process shortly. We will participate in the City's emergency preparedness work group, which will be announced soon.

The new Emergency Mast Repair and interest-free payment program that the BWL has operating is the first, in utility-industry in the State of Michigan, that I can find. It includes BWL approved contractors, and it will help customers restore their broken power line masts following storms or natural disasters. We have an online outage center that will help customers find out all information necessary, about storms and outages. We have created an interactive outage map that gives customers the information they need when the power is out. We have a more robust system that will provide our customers with accurate outage restoration information when they need it, via multiple communications channels, and

devices. In addition, in the future, we will be announcing additional improvements, including more ways we can communicate with, and receive important information from our customers using the Internet and mobile communications devices. We are going to have additional website improvements that will better serve our customers and by the fall, we will have completed updating our program to identify seniors and customers with medical alerts. This information will be available to government and community officials to perform wellness checks during emergencies. Our customers deserve a BWL with operational and communication systems that are at or above industry standards, and that are designed to function as well as possible in all types of weather.

The BWL today, has many of those operational and communication systems presently in place and we will be adding more of them over time, starting in the very near future. I look forward to sharing details of our improvements directly with our customers and communities in the coming weeks and months. They deserve to hear directly from us, and they will. We have already addressed a number of neighborhood associations, and others. This summer we will continue to hold face-to-face meetings with our service areas, elected officials, business leaders, neighborhood associations, faith-based organizations and human service groups. We will also continue to communicate our improvements to our customers via mail, the website, and other means of communications. At the end of the process, the BWL will once again have the faith and confidence of our customers and our communities. The ball is in our court and we are not going to drop it.

I think we have all read the CRT and the PSC report; in both of those reports, you will see things that are clearly labeled as recommendations. In the document attached to the agenda item for today, you will see the BWL's responses, I am not going to discuss all of them, but I imagine that you will have questions.

Not long ago in a Board Meeting, Commissioner Ward described the CRT Report as a gift, and I want to say that I agree with that. It has provided us with numerous recommendations that will make the BWL and the Lansing community much more resilient, and better-able to respond to severe events. The BWL is grateful for all of the recommendations, including those from the CRT, the PSC as well as the BWL's own 54 points, total of roughly 180 recommendations.

I will begin with the CRT recommendations on System Resilience. Under that heading, you see that the CRT notes that the BWL's role in providing a critical service to the Lansing community is important, and that there is a need to protect critical facilities. I agree with the CRT's characterization of our service and responsibility to help make Lansing a more resilient community. We are implementing the CRT's recommendations to improve resiliency during major emergency events. What we plan to do is: to regularly update critical facilities needed for public safety and welfare, for priority attention during an emergency and share this with local emergency managers. Also, as recommended by the CRT, we're beginning a survey of distributed generation opportunities in the Lansing area. We will work with sites that are promising to determine the potential for micro grids at, or, around those facilities to keep them up and operating during a major outage event.

Underneath *System Resilience*, we go to National Incident Management System, or NIMS Training. As noted by the CRT, NIMS is a systematic approach to incident management providing a unified approach to incident management, creating standard command and

management structures and emphasizing preparedness and mutual aid. We agree that this is best practice for critical infrastructure owners; we are adopting it, as well as the recommendations made by the CRT that go with it. We agree that greater cooperation is needed between the BWL and local emergency managers and leaders.

We are going to participate with local emergency managers; share information, data, and experience to improve regional emergency response. We will maintain a sustainable ongoing working relationship with local emergency responders and emergency managers to assure that the BWL's emergency response and resources will work cooperatively and effectively with all local responders. We are going to encourage and participate in development of a regional emergency plan and cooperate in building local resiliency during an emergency.

Under *Continuity of Operations*, the CRT notes that the BWL must plan for its own recovery from a disaster or emergencies. It has made several recommendations that will assist the BWL in protecting itself and recovering from a major threat or a major disaster.

The next general heading is *Interagency Communications and Emergency Operation Center*. In this area, the CRT emphasizes the need for cooperation and coordination between the BWL, local ELCs and any regional ELC; I agree. This cooperation will improve the BWL's and the community's response to an emergency event. The BWL's personnel have already contacted 115 neighborhood associations, the Power of We, the Red Cross, and "Do One Thing," to help educate local organizations on emergency preparedness and coordinate communications among these organizations.

The next heading in general, talks about the BWL's crisis communications. It notes that our crisis communications were insufficient for the size of Lansing's community. We agree that consistent, accurate, and timely information upon which, our customers can make decisions, is something our customers, local officials, and the media should expect, and, should receive. To that end, the CRT has provided very useful recommendations to improve the BWL's communications process. The BWL has developed a crisis communications plan based on industry best practices. Based on the CRT's recommendation, however, more can be done. We will integrate our crisis communications plan into the BWL's emergency plan; we will review additional studies and reports to refine the BWL crisis communications plan; we will require communications personnel to receive NIMS training; and we will continually monitor changes in social media to keep abreast of the latest communication sites.

The next general heading of concern revolves around our storm response. In that area, the CRT has noted that, a bottleneck in our storm responses was the number of qualified spotters; the board has heard this before. Consistent with recommendations, we have increase our internal crews, and by June 30th, we will have completed a review of additional qualified spotters to add to our internal crew number. We have also signed an agreement with an outfit, called Osmos, a storm restoration firm to supply up to 17 crews to assist with spotter duty. We have also arranged to use mutual aid crews for spotter duty.

The next large section is entitled *Outage Management System*. The failure of the OMS to operate as planned created a number of problems; tracking of outage numbers, locations, and contributing to the inability to acknowledge and verify customer outage increase, as this board is well aware. The CRT made a number of recommendations concerning the BWL's

OMS, including testing and building redundancy into the system. On March 11th, the BWL successfully tested our OMS System at 35,000 calls per hour, which is roughly equivalent to a disaster where we would have a 100% customer outage.

Another area that has been of concern following this outage involved record keeping. The CRT made a number of recommendations regarding record keeping, and one of the duties of our new emergency operations director will be to produce a records retention policy for emergency operations. As this Board knows, it has approved a general records retention policy; we will charge the new Emergency Operations Director with generating a records retention policy for emergency operations. This policy will be an integral part of the BWL's emergency operations plan, and restoration personnel will be required to adhere to that policy. This will assist with our lessons learned process, and help improve our emergency response procedures.

Another area that the CRT covered was entitled: *Trees and Vegetation Management*. The CRT has recommend that the BWL focus on our quality assurance report regarding our vegetation management program. We have done this by tasking our Supervisor of Vegetation Management with inspecting all trimming work performed by contract crews, and by publishing the supervisor's phone number so we can respond to customer concerns as quickly as possible.

The next area of concern is *Grid Asset Management*. The BWL's reliability is not dependent on, proper maintenance and management of its electrical distribution system, however, the CRT has made recommendations for maintenance budgets and grid asset replacement. We agree with the recommendations and will incorporate them into our asset management process.

Another area of concern for the CRT is securing downed lines and service masts. I am going to combine those areas and title it "Securing Downed Lines and Masts." The CRT has observed that many of the downed lines during the ice storm were due to service masts failing; to help remedy this effect, the CRT has recommended investigating breakaway service drops. The BWL is committed to studying these types of service masts to determine how effective they may be. In the meantime, the BWL is providing a funding mechanism for customers to pay for damaged or destroyed service masts in an interest-free manner.

The next areas of review involve *Hardening the Primary Distribution System, Accelerating Repairs to the Primary Distribution System and Accelerating Repairs to the Secondary Distribution System*. I am going to bring all of those into one and indicate that the CRT has made a number of recommendations on distribution maintenance investment and design to improve the BWL's transmission and distribution resiliency. Some of these recommendations were already part of the BWL's process, but those that are not, will help make the BWL's system more robust and more resilient, and will be incorporated into our planning design maintenance and capital investment programs.

There is also an area on Medical needs and Senior Citizens in the CRT Report. We believe that the CRT Team's recommendations in those regards are particularly important during an extended outage, and we are moving on with these recommendations. Once we secure

permission from our customers to share their information with local emergency operations centers, we will make sure that this information is available to local responders.

The next area with recommendations in the Report is an Energy self-reliance area and islanding. We again, agree with the CRT that much more has to be done to prepare the entire Lansing community for a catastrophic emergency, and that the BWL should play its part in building community resiliency.

The next item is entitled *Recommendations from the MPSC Staff Report*. I must mention that there is another item in the report pertaining to governance matters, which we are not taking up today and there were no recommendations. Then there is a Board of Commissioners oversight area. With all due respect, I find that it would be presumptuous of me to suggest the Board of Commissioners oversight, so I will not address those, but merely put it in the documents you have before you for the Board's considerations.

Then we come to the recommendation from the MPSC staff report. That might be a little confusing in that it is not the MPSC review of the CRT, it is the MPSC review of Consumer's Energy and Detroit Edison's outage problems and from them, there were some recommendations that the CRT wanted to include. The CRT has recommended that the BWL adopt some of the PSC's service quality standards, and we agree that these standards should be adopted to assure quality service to our customers. Therefore, we are adopting the following standards:

- We are going to take our customer call-answer time to less than 90 seconds. There is a call blockage factor; these are calls that were not answered. The CRT recommends that they be 5% or less; we are going to adopt that standard as well;
- There are time limits during which non-utility personnel can guard downed power lines. The limit is 90% of the time utilities must relieve non-utility personnel within 240 minutes, which is 4 hours; we are going to accept that as well. Also, according to the CRT, and according to the PSC, we should maintain enough certified employees to guard downed power lines and we will also do that.

The next section talks about BWL senior leadership and makes recommendations regarding senior management, and how it could be made more responsive to customer needs and concerns, and help assure that the BWL can officially implement these recommendations. I am in the process of realigning senior managers and although the details still need to be worked out, generally, I intend to do the following: have senior operations staff report directly to me; create a new administrative position responsible for finance, accounting, human resources, and other administrative functions, all reporting directly to me; and the director of governmental relations and community service will also report directly to me.

PSC recommendations of the CRT's review

The PSC has also provided us with recommendations that, among other things, will improve our performance during major storm events, help us identify and improve circuits that may be less reliable, keep the public better informed, back up storm responders, and improve service quality. The PSC's recommendation to monitor service quality in a circuit-by-circuit basis is very useful, and we are determining if this is possible with our existing software. If

not, we intend to procure that capability and that is because some of the circuits that we have now cross individual lines.

We are implementing the PSC's recommendations advocating trained and knowledgeable secondary role employees so that they can help out and quickly expand our response staff to deal with a major outage. Both the CRT and the PSC have made recommendations to expand and train our spotter staff. And we agree, as I've stated before, that this was a significant restoration bottleneck during the December ice storm, and as you know, the BWL has increased its own spotter crews, we have contracted with outsiders we have upped our mutual aid and this really does represent a formidable increase in our spotter resources.

There was a lengthy Question and Answer session following General Manager Lark's report.

Commissioner Price stated since the ice storm, other municipalities that we serve beyond the city of Lansing felt like they were not represented. I think the Executive Committee had a missed opportunity last week and recommendation number 67 in the CRT report is quite clear, to create a local government liaison committee and meet quarterly, and have a clear process for consideration of things for the board.

Chair Zerkle in response stated that, many options were discussed at the Executive Committee meeting last week regarding how to deal with surrounding communities, and the Committee decided to form an Ad Hoc Committee that will come up with recommendations as to how to best represent and address outside communities, and then present those recommendations to the Committee of the Whole for review and consideration.

There was discussion on the "Board Oversight" and recommendations section of the CRT's report.

Committee of the Whole Chair Louney, stated based on tonight's discussion that he would send an email to seek advice from Board members regarding suggestions of items that can be added to the agenda for upcoming Committee of the Whole meetings. Regarding agenda items for Committee of the Whole, there was discussion regarding the Crisis Communication Review report being presented at the next Committee of the Whole meeting. Committee of the Whole Chair Louney stated that it is his understanding that there would be a presentation from management and that would lead into a discussion of how the Board of Commissioners wish to proceed as a board for internal communications amongst board members and outside parties because there was no clear policy when this crisis occurred.

Commissioner Ward stated that there was some discussion about how we are going to communicate as a board and it was suggested that we were going to get some training, but putting that aside we do have a communications plan that is in place and we are still responsible for knowing what that communications plan is moving forward.

Committee of the Whole Chair Louney asked General Manager Lark, if we are better prepared for the next outage. In response, General Manager Lark said "I think there is no doubt of that." Committee of the Whole Chair Louney stated he believes that's what our customers want to know and that's what we've seen from all the actions that everyone's been taking. He thanked all of the employees and management for their efforts in doing so.

Other

General Manager Lark informed the Board that the Board of Water & Light's 1st Step program was nominated, and won the Capital Area Michigan Works 2014 Prosperity Award. This Award was for working with local partners to develop an innovative demand driven solution to local talent development.

General Manager Lark also spoke about the great job that was done for the Chili Cook-off by all the employees and everyone who participated. It was a very successful event.

Excused Absence

None

Public Comments

None

Adjourn

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

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

HUMAN RESOURCE COMMITTEE

June 10, 2014

The Human Resource 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 6:00 p.m. on Tuesday, June 10, 2014.

Human Resource Committee Chairperson Tracy Thomas called the meeting to order and asked the Secretary to call the roll. The following members were present: Commissioners Tracy Thomas, Anthony McCloud, Cynthia Ward and Sandra Zerkle. Also present: Commissioners Margaret Bossenhery, Dennis Louney, Tony Mullen and David Price.

Absent: None

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Ward, seconded by Commissioner Zerkle to approve the Human Resource Committee meeting minutes of May 20, 2014.

Action: Carried unanimously.

FY 2014 Board Appointee Performance

a. Corporate Secretary

Human Resource Chair Thomas stated that he would like to continue with the evaluation of the appointed employees and asked if there was any business or any dialogue regarding the Corporate Secretary's review. Chair Thomas said that he would like to recommend that the

Board restore the assistant that the Corporate Secretary had in the past and, for consideration to be under the direction of the Board.

After some discussion regarding the Assistant for the Corporate Secretary the following motion occurred.

Motion by Commissioner Zerkle, Seconded by Commissioner McCloud to forward a recommendation to the Finance Committee to appropriate in the budget a full time employee to assist the Corporate Secretary.

Commissioner Zerkle, **rescinded** her motion and stated that she would reintroduce the motion under other later in the Agenda.

After dialogue regarding the Corporate Secretary's evaluation Human Resource Chair Tracy Thomas provided another opportunity for the Commissioners to express any thoughts or opinion or have dialogue regarding the Corporate Secretary's review.

Motion by Commissioner Zerkle and seconded by Commissioner McCloud to forward the resolution for the reappointment of Ms. Griffin to the Charter position of Corporate Secretary for fiscal year 2014-2015 to the full Board for consideration.

Action: Carried Unanimously

FY 2014 Board Appointee Performance

a. Internal Auditor

Internal Auditor Phil Perkins requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner McCloud, seconded by Commissioner Zerkle to go into closed session.

Roll Call Vote: Yeas: Commissioners' Thomas, McCloud, Ward and Zerkle

Nays: None

Human Resource Chair Tracy Thomas conveyed to Internal Auditor Perkins the following:

"Before we go into closed session, please know that you may rescind your request at any time. You must verbally or directly rescind your request, at which time closed session will end immediately and we will continue consideration of your evaluation in open session."

The Human Resource Committee meeting went into closed session at 6:21 p.m.

Motion by Commissioner Zerkle, seconded by Commissioner McCloud that the Human Resource Committee return to open session.

Action: Carried unanimously

The Human Resource Committee meeting reconvened in open session at 7:05 p.m.

Upon conclusion of the closed sessions, Human Resource Committee Chair Thomas conveyed that now would be the time for any dialogue regarding any business dealing with the Internal Auditor's review. There being none, the meeting proceeded.

Motion by Commissioner McCloud and seconded by Commissioner Zerkle to forward the resolution for the reappointment of Mr. Perkins to the Charter position of Internal Auditor for fiscal year 2014-2015 to the full Board for consideration.

Action: Motion Carried

FY 2014 Board Appointee Performance

a. General Manager

General Manager J. Peter Lark requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Zerkle, seconded by Commissioner McCloud to go into closed session.

Roll Call Vote: Yeas: Commissioners' Thomas, McCloud, Ward and Zerkle
Nays: None

Human Resource Chair Tracy Thomas conveyed to General Manager Lark the following:

"Before we go into closed session, please know that you may rescind your request at any time. You must verbally or directly rescind your request, at which time closed session will end immediately and we will continue consideration of your evaluation in open session."

The Human Resource Committee meeting went into closed session at 7:10 p.m.

Motion by Commissioner Zerkle, seconded by Commissioner McCloud that the Human Resource Committee return to open session.

The Human Resource Committee meeting reconvened in open session at 8:28 p.m.

Upon conclusion of the closed sessions, Human Resource Committee Chair Thomas conveyed that now would be the time for any dialogue regarding any business dealing with the Internal Auditor's review. There being none, the meeting proceeded

Motion by Commissioner McCloud and seconded by Commissioner Zerkle to forward the resolution for the reappointment of Mr. Lark to the Charter position of General Manager for fiscal year 2013-2014 to the full Board for consideration.

Action: Motion Carried (3/1 Ward)

Other

Commissioner Zerkle thanked Human Resource Chair Thomas for his due diligence on the evaluation process. She stated that this was a difficult process and appreciates all the efforts that he has put into this process. Chair Zerkle also requested that a recommendation be forwarded to the Finance Committee to appropriate funds in the 2015 budget for an assistant for the corporate secretary.

Motion by Commissioner McCloud, Seconded by Commissioner Ward to forward a recommendation to the Finance Committee to appropriate in the budget for a full time employee to assist the Corporate Secretary.

Motion by Chair Thomas, Seconded by Commissioner Zerkle to make a friendly amendment to the main Motion to include that the employee would be under the direction of the Board of Commissioners.

Action: Motion Carried with Friendly Amendment

Adjourn

The Human Resource Committee meeting adjourned at 8:48 p.m.

Respectfully submitted,
Tracy Thomas, Chair
Human Resource Committee

NOMINATING COMMITTEE MINUTES June 26, 2014

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 5:00 p.m. on Thursday, June 26, 2014.

Committee Chair Tony Mullen called the meeting to order and asked the Corporate Secretary to call the roll. The following committee members were present: Commissioners Tony Mullen, Anthony McCloud, Tracy Thomas and Cynthia Ward. Board Member Louney arrived at 5:30 p.m.

Absent: None

Approval of Minutes

Motion by Commissioner Thomas, seconded by Commissioner McCloud to approve the Nominating Committee meeting minutes of June 26, 2013.

Action: Motion Carried

Public Comment

There were no public comments.

Officer & Committee Survey Form/Memo

There was no dialogue under this section of the Agenda.

Nominate Board Officer Candidates for FY 2014-2015

The Nominating Committee met to review the Commissioner Survey responses for consideration of board officer nominations for the Board of Water & Light Board of Commissioner's Chair and Vice Chair for fiscal year 2014-2015.

Nominating Committee Chair Mullen opened the floor for nominations and the following nominations were made:

- **Motion** by Commissioner Ward, seconded by Commissioner McCloud to nominate David Price as Chair and Dennis Louney as Vice Chair:

Discussion: Commissioner Thomas questioned how the process would be handle this year and if we are forwarding candidates as a slate.

Nominating Chair Mullen stated after some thought he concluded that the nominating committee was set up for a purpose and one of the purposes is to allow for the committee to express the pro and cons of each individual candidate. He suggested a slate would be the way to go. I think that we should put all four individuals that want these positions of Chair and Vice Chair on a slate and forward to the full Board.

Action: Motion Failed (2/2)

- **Motion** by Commissioner Thomas, Seconded by Commissioner Mullen to nominate Margaret Bossenbery as Vice Chair:

Action: Motion Failed (2/2)

- **Motion** by Commissioner Mullen to nominate Margaret Bossenbery as Vice Chair and David Price as Chair.

Action: Motion Died, No Second

- **Motion** by Commissioner by McCloud, Seconded by Commissioner Mullen to nominate David Price as Chair.

Action: Motion Carried (3/1)

- **Motion** by Commissioner Thomas to nominate Margaret Bossenbery as Chair.

Action: Motion Died, No Second

- **Motion** by Commissioner McCloud to nominate Cynthia Ward as Vice Chair.

Action: Motion Died, No Second

- **Motion** by Commissioner Mullen to nominate Anthony McCloud as Vice Chair.

Action: Motion Died, No Second

- **Motion** by Commissioner McCloud, Seconded by Commissioner Mullen to nominate Tracy Thomas as Vice Chair.

Action: Motion Fails (2 Nays/1 No/1 Abstain)

- **Motion** by Commissioner McCloud, Seconded by Commissioner Ward to nominate Dennis Louney as Vice Chair.

Action: Motion Fails (2 Nays/1 No/1 Abstain)

Commissioner Ward stated reasons why she supports Dennis Louney in the position of Vice Chair. She stated that he has earned the position over the past six months.

Nominating Chair Mullen in response to the previous response he would like to add that he appreciate the work of the current leadership but personally believes that we need a breath of fresh air coming through the Board, both chair and vice chair position.

Commissioner McCloud stated reasons why he supports Commissioner Louney as Vice Chair. He stated that he has moved us forward during the rough times and deserves the opportunity continue the work he started.

Commissioner Thomas stated his appreciation for the current vice chair. He also stated his support for Commissioner Bossenbery as Vice Chair, stating that she would bring in fresh, open, cooperative and collaborative leadership that will not hurt the Board as we move forward in this transition period.

- **Motion** by Commissioner Ward, Seconded by Commissioner McCloud to nominate Commissioner Loney to be included in the slate to serve as Vice Chair.

Action: Motion Fails (2/2)

- **Motion** by Commissioner Thomas to nominate Dennis Louney as Chair.

Action: Motion Died, No Second

Commissioner Louney said that he appreciates the opportunity to serve in the role as Vice Chair and would like to continue in that role; however, he is open to other possibilities if other positions are being considered. He said that he has always indicated that he serves at the pleasure of the Board, wherever they see him fitting.

Motion by Commissioner Thomas to nominate Dennis Louney as Vice Chair.

Action: Motion Died, No Second

It seems that we are at an impasse and suggest that we bring this back to the full Board for consideration and nominating from the floor on July 22, 2014. Moving forward the nominating of Commissioner David Price for Chair.

Since there was, only a partial slate of officers recommended from this committee this business matter will be taken up at the Regular Board meeting to be held on July 22, 2014 and nominations will be taken from the floor.

Commissioners McCloud stated that he would like to have more discussion regarding the slate. He said that it is his hope that we can come away with a slate and want to make sure that we explore all possibilities and options.

- **Motion** by commissioner McCloud, Seconded by Commission Ward to nominate Commissioner Price as Vice Chair.

Action: Motion Failed (2Yay, 1Nay, 1Abstain)

Commissioner Mullen suggested either Commissioner's Thomas or McCloud step up and serve as vice chair. That way we would have full slate.

- **Motion** by Commissioner Ward, seconded by Commissioner McCloud to nominate Commissioner Louney as Chair and Commissine Price as Vice Chair.

Action: Motion Fails (2/2)

- **Motion** by Commissioner to nominate Commissioner Louney as Chair and Commissioner as Vice Chair.

Action: Motion Died, No Second

- **Motion** by Commissioner Thomas to nominate Commissioner Louney as Chair and Commissioner McCloud as Vice Chair

Action: Motion Died, No Second

- **Motion** by Commissioner McCloud, Second by Commissioner Ward, to nominate Commissoner Louney as Chair and Commissioner Ward as Vice Chair.

Action: Motion Failed (2/2)

- **Motion** by Commissioner Ward, Second by Commissioner McCloud to nominate Commissioner Ward as Chair and Commissioner Louney as Vice Chair.

Action: Motion Failed (2/2)

- **Motion** by Commissioner Thomas to nominate Commissioner Bossenberg as Chair and Commissioner Louney as Vice Chair.

Action: Motion Died, No Second

- **Motion** by Commissioner McCloud, Seconded by Commissioner Ward, to nominate Commissioner Ward as Vice Chair.

Action: Motion Failed (2/2)

- **Motion** by Commissioner Thomas, seconded by Commissioner Ward to nominate Commissioner Louney as Chair and Commissioner McCloud as Vice Chair.

Action: Motion Failed (2/2)

We have reached an impasse and Noinimanting Chair Mullen repeated that a partial slate of officers recommended from this committee this business matter will be taken up at the Regular Board meeting to be held on July 22, 2014 and nominations will be taken from the floor.

The only Motion Passed at this meeting was to forward to the full Board the consideration of David Price as the Chair of the Board.

There being no further business, the meeting adjourned at 5:51 p.m.

Respectfully submitted,
Tony Mullen, Chair
Nominating Committee

**COMMITTEE OF THE WHOLE
July 8 2014**

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, July 8, 2014.

Committee of the Whole (COW) Chair Dennis M. Louney 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

Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner McCloud to approve the Committee of the Whole meeting minutes of June 10, 2014.

Action: Motion Carried

CRT/MPSC Reports Recommendations update

General Manager Lark stated that at the last meeting we talked about the Community Review Team’s (CRT) recommendations and how we hope that those recommendations, together with the Public Service Commission’s (PSC) thoughts, as well as our own 54 points would operate to make the BWL a much stronger utility; in fact, ensuring that during outages that customers get their power back more quickly, and have access to better information than they had. As you know, we have begun the process of putting together a new BWL that incorporates a lot of those activities.

We have been working the 54-point outage report for some months longer than we have the CRT, and for those of you who had access to your email know I did send to you that 54 point update, and you can see that many of the items are completed; those that are not will be completed shortly and some will never be completed because they are ongoing items.

General Manager Peter Lark provided an update of the BWL’s response to the CRT, PSC, and its own 54 recommendations. (See attached)

II. Planning and Preparation			
Item #	Division	CRT Recommendation	BWL Division Response
System Resilience			
1	Lead: Emergency Operations Director Support: Dave Bolan	Working jointly with local emergency planners and municipal governments, update the inventory of critical facilities, as part of a Regional Emergency Operations Plan.	Agreed. The BWL will work jointly with local emergency planners and municipal governments to update the Critical Facilities Inventory for both electric and water services. The updated inventory will be completed by August 31, 2014. By September 30, 2014, the BWL will secure critical infrastructure agreements with local EOC's for sharing its Critical Facilities inventory. The BWL will then work with the Lansing EOC, and through them with other local emergency planners and municipal governments on integrating the Critical Facilities Inventory into the Regional Emergency Operations Plan. After August 31, 2014, the Critical Facilities Inventory update and integration process will take place on an as-needed basis but no less frequently than annually by the end of each calendar year.
2	Lead: Emergency Operations Director Support: Dave Bolan and Calvin Jones	Assist all units of government representing its customer base with identifying Special Needs Facilities for power restoration efforts, including assisted care facilities, elder care facilities, water and sewer plants, food warehouses, Capital City airport and key industry.	Agreed. As part of the process and timing described in CRT#1 above, the BWL will assist all units of government representing its customer base with identifying the Special Needs facilities identified in this Recommendation.
3	Lead: George Stojic	Undertake a program of technical assistance to critical facilities in its service area to determine the feasibility and net benefits of implementing a micro-grid at each such facility, using combined heat and power or renewable generation and storage.	Agreed. By March 31, 2015, the BWL will complete a survey of critical facilities for possible combined heat and power (CHP) opportunities. The survey will include existing distributed generators in the BWL service territory as demand response resources. The BWL will then work with the identified facilities to provide technical assistance in determining the feasibility of implementation of projects, including purchase power agreements. This work will be completed by May 31, 2015. The BWL will also expand its distributed solar energy program by August 1, 2014. The BWL will continue

			its program of grid sectionalizing to help preserve service to critical facilities with onsite generation.
4	Lead: George Stojic	Explore various options to participate financially in implementing micro grids at critical facilities where they are feasible and beneficial, including power purchase agreements, joint ventures, and Board ownership.	Agreed. As indicated in CRT#3 above, by May 31, 2015, the BWL will explore participation options with those candidates identified in its survey of CHP and distributed generation facilities.
National Incident Management System Implementation & Training			
5		Recognize its role to assist Regional, City and Township Emergency Management in disaster response by implementing all of the following:	
a	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	During any event where the City EOC is activated, including during major widespread outages, a trained and experienced BWL Liaison Officer must be deployed to the City EOC.	Agreed. On April 4, 2014, the BWL assigned three electric liaisons to the Lansing EOC and on April 8, 2014, the BWL assigned three water liaisons to the Lansing EOC. Each liaison is familiar with and either experienced in design or operations of the BWL electric or water distribution systems. Status: Completed.
b	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	Participate in all EM exercises sponsored by any units of government representing its customer base	Agreed. Within 60 days of being hired, the Emergency Operations Director will survey local EOC's for scheduled EM exercises and request participation. The BWL's Emergency Operations Director will be tasked with ensuring BWL communicates with local units of government including coordinating BWL participation in local emergency exercises.
c	Lead: Emergency Operations Director Support: All LBWL Managers	Assure that all operations employees receive basic NIMS training, at a minimum the two introductory courses: 1. FEMA IS-700, NIMS An Introduction; 2. IS-100.PW-B, Introduction to the Incident Command System (ICS 100) for Public Works; that all first-line supervisors take those courses, plus ICS-200, Basic ICS; that all senior management officials take those 3 courses, plus ICS-400, Advanced ICS.	Agreed. The BWL currently has the following ICS trained employees: 100 Introduction to Incident Command: 17 ICS 200 ICS for Single Resources and Initial Action Incidents: 13 ICS 300 Intermediate ICS for Expanding Incidents: 14 ICS 400 Advanced ICS: 13 IS G402 ICS for Executives/Senior Officials: 35 IS 700 National Incident Management System (NIMS) An Introduction: 12 IS: 800 National Response Framework, An Introduction: 2 Training is continuing for the remaining employees and must be completed no later than the following dates: 1. All BWL operations employees will complete the FEMA IS-700 IS-100 PW-B and the ICS 100 courses by March 31, 2015 2. All Managers and First-line Supervisors will also take ICS 200 course by November 30, 2014. 3. All BWL Directors will take courses in (1) and (2) and ICS-400 by December 31, 2014.
d	Lead: Emergency Operations Director Support: Appropriate BWL Managers	2) Participate in After-Action Reviews with all units of government representing its customer base, not just post-exercise, but after every major outage, disaster and emergency	Agreed. The BWL's Emergency Operations Director will be tasked with participating and coordinating BWL participation with units of government representing its customer base in all after action reviews, including exercises, major outages, disasters and emergencies. The BWL will share information, data, and its experiences with other participants to improve regional emergency response. This will be an ongoing responsibility of the Emergency Operations Director with support from BWL Management and Staff.

e	Lead: Emergency Operations Director Support: Dave Bolan, Dick Peffley, and Calvin Jones	Develop and maintain good working relationships with the first-responder community for all units of government representing its customer base	Agreed. To develop and maintain a good working relationship with the first-responder community for all units of government representing its customer base, by the end of the third quarter FY15 the BWL's Emergency Operations Director and GRCSO staff will have met with first responders from throughout its service territory to discuss emergency plans and responder roles. This recommendation will be an ongoing responsibility of the Emergency Operations Director. The BWL recognizes this on-going relationship as an important component of the Unified NIMS structure and guidelines.
Contingency Planning, Training and Exercises			
		Statements Provided (pg. 27)	
Continuity of Operations			
6	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	Consolidate its multiple emergency response plans within the City and Regional plan, (see below) and then test that plan by scheduling a full staff coordinated "table top" exercise at a minimum of every 12 months.	Agree. The BWL's Emergency Operations Director will oversee and complete the consolidation of BWL Emergency Plans by October 31, 2014. The BWL Emergency Operations Director will be tasked with coordinating BWL plan with local or regional plans by December 31, 2014 and on an ongoing basis as updates are adopted. The Emergency Operations Director will also be tasked with coordinating the BWL's participation in City or regional exercises.
7	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	BWL Staff and upper management should participate in the exercises and receive training on these plans and regular refresher training. BWL staff with emergency responsibilities should be required to have training on these plans and their role and responsibilities and the role and responsibilities of others that will be involved with any emergency response.	Agreed. The BWL's Emergency Operations Director will develop and coordinate an Emergency Management training program for all Managers and staff with emergency responsibilities. The program will include annual training. The initial training will be completed within 120 days of the Emergency Operations Director's hire. The Emergency Operations Director will also conduct and coordinate emergency training with other local or regional emergency exercises.
8	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	Together with the communities in the greater Lansing area (not just the BWL service area), undertake a regional planning effort to be better prepared and coordinated and assure that emergency communication protocols are agreed to and followed. The mayors and township supervisors of our communities must lead and encourage this effort and provide the necessary resources. This planning effort should be done in coordination with the State Police EMHSD District 1 Coordinator.	Agreed. The BWL will work with local officials and others on a regional planning effort, coordinating as appropriate with the State Police EMHSD District 1 Coordinator. When complete, the BWL will coordinate its Emergency plans with local EOC's and will participate with local EOC's in regional planning and training.
9	Lead: Emergency Operations Director Support: Dave Bolan, Gennie Eva, Dick Peffley, Bruce Cook, and Nick Burwell	Include Business Continuity Planning in its development of a comprehensive Emergency Operations Plan.	Agreed. The BWL's Emergency Operations Director will coordinate development of a business continuity plan as part of the BWL's EOP, with completion by March 30, 2015.
Inter-agency Communications and Emergency Operations Center			

10	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	Develop a comprehensive EOP, in coordination with the City EM officials, that is an Annex to the City EOP, consistent with MCL 30.410 (1) (a)	Agreed. The BWL's Emergency Operations Director will consolidate BWL's emergency plans into a single BWL EOP by October 31, 2014 per CRT#6 above. The BWL Emergency Operations Director will be tasked with coordinating the BWL plan with local or regional plans by December 31, 2014 and on an ongoing basis as updates are adopted. The BWL is committed to a sustained partnership with local EOC's and a Regional EOC and will support development of a regional EOC, should one be adopted.
11	Lead: Emergency Operations Director Support: Dave Bolan and Dick Peffley	Working jointly with the City of Lansing and other regional governments, develop a regional EOP which includes a process for siting, supporting and sustaining a regional EOC.	Please see response to CRT # 10
12	Lead: Emergency Operations Director Support: Dave Bolan, Gennie Eva, and Dick Peffley	Develop, in coordination with the governments representing its customer base, an Energy Annex to a Regional Emergency Operations Plan.	Agreed. The BWL Emergency Operations Director will coordinate the BWL Emergency Plan with local governments and a Regional Emergency Operations plan. The BWL Emergency Operations Director will coordinate the BWL plan with local units of government by December 31, 2014.
13	Lead: Calvin Jones Support: Emergency Operations Director and Dan Barnes	Collaborate with Lansing Emergency Management, Lansing Police Department's Neighborhood Watch, Lansing Neighborhood Council, East Lansing neighborhood associations and similar groups in all townships in the development of a program supporting block level emergency response plans. This effort would build upon the well-developed social infrastructure of Lansing's 186 organized neighborhood groups and prepare them to play an important role in planning for, responding to, and recovering from extreme weather events.	Agreed. On January 23, 2014, the BWL's Governmental Relations and Community Services Department (GRCSO) began a program of outreach to neighborhood associations. To date, the GRCSO has been in direct communications; in person, by phone, or by email; with all 124 known neighborhood associations who's members, in part, or entirely, fall within the BWL Service territory. The GRCSO goal has been to promote communications and education regarding preparations for future emergencies. The GRCSO is also collaborating with Do1Thing, the Red Cross, and The Power of We to make the BWL an emergency preparedness resource for the BWL's customer base. As an ongoing responsibility, the GRCSO will continue outreach to neighborhood associations and other local organizations in order to provide information, coordination, and assistance with emergency preparedness plans. Status: Completed except for Emergency Management portion.
BWL Crisis Communications			
14	Lead: Stephen Serekaian Support: Calvin Jones, Bruce Cook, and Nick Burwell	Create a robust social media presence for its customers – this work is already underway internally, but must become a priority for its communications operations, as consumers are primarily using digital communication tools to learn about outages and other service issues.	Agreed. The BWL has hired a social media specialist and has tasked the position with undertaking and coordinating social media communications with BWL customers including, among other media, updating the BWL's Facebook, twitter, Nixle, and website. The BWL has recently created a near real time outage map with restoration times on its website. Status: Completed.
15	Lead: Emergency Manger Support: Calvin Jones and Stephen Serkaian	Require all communications staff and senior leadership to undergo certified NIMS communications training in order to understand best communications practices during crisis situations, with associated training events and tabletop exercises to ensure coordination of communications functions with regional governments.	Agreed. The BWL communication, GRCSO staff, and leadership have already begun NIMS training. The BWL's Emergency Operations Director will be tasked with assuring communications staff annually update their training and that BWL's communications staff and leadership team participate in local and regional emergency exercises.

16	Lead: Stephen Serkaian Support: Emergency Operations Director	Further refine the March 2014 plan. The plan must contain greater detail on how to address the need for timely and accurate information; customer information must be consistently explained in a way that effectively meets customer expectations; and the plan must assure the provision of information sufficient to allow the public to make informed decisions on how they may best respond. There is a considerable body of studies on this subject that should be drawn upon in the development of such a plan. Once this plan is completed the BWL management and employees must be trained on, periodically exercise, and follow the plan.	Agreed. The Crisis Communications plan was developed by consultants based on industry best practices. The BWL agrees that customer communications must be timely, accurate, consistent, meet customer expectations, and provide sufficient information for customers to make informed decisions. To ensure that the BWL's crisis communications plan meets those objectives, the BWL will continue to review crisis communications studies and reports and make any necessary modifications to its plan by August 31, 2014. Following this, the Crisis Communications plan will be updated on an as-needed basis, with complete review and update performed annually at a minimum.
17	Lead: Emergency Operations Director Support: Stephen Serkaian	The crisis communications plan must be an annex to the Emergency Operations Plan and should be guided by a qualified communications professional certified through the NIMS protocols.	Agreed. The BWL Emergency Operations Director will be tasked with consolidating BWL emergency plans and will include the crisis communications plan in the consolidated plan as an annex. Emergency communications staff will undergo NIMS training, which will be completed by November 1, 2014, and at least one staff member will complete training for qualification through NIMS protocols.
City Emergency Planning & the Collaborative Planning Process			
18		Consider amendment of the City Charter to clarify the powers of the Mayor and to provide the Mayor executive authority over the BWL during disasters or emergencies	City of Lansing
19	Lead: Emergency Operations Director	Emergency Management Director, working with all other member communities, including Ingham, Clinton and Eaton Counties, create a regional emergency operations plan (EOP).	Agreed. The BWL will participate in encouraging and developing a regional emergency operations plan.
20	Lead: Emergency Operations Director	Work with BWL Operations and Senior Leadership to integrate their BESOC and Crisis Command Center, using the NIMS framework, with the City EOC.	Agreed. The BWL stands ready to cooperate with the City Emergency Director to fulfill this recommendation.
21		Consider fully integrating BWL employees into the City EM structure.	City of Lansing
22	Lead: Emergency Operations Director	Recommend appropriate emergency management training for BWL leadership, including Commissioners, on how best to build in resilience and ensure full response capability to storms that are increasing in severity and frequency.	Agreed. Training will be scheduled for BWL leadership and Commissioners by end of fiscal year 2015. NIMS and ICS training will be offered to Commissioners as well as training on resiliency.
23	Lead: Emergency Operations Director	Sponsor or encourage a full scale training exercise, involving emergency management staff of all units of government and BWL in the tri-county region, to take place annually.	Agreed. The BWL will participate in full scale regional training exercises.
Emergency Declarations			

24		That all units of government within or partially within the BWL customer service area review their emergency operations plans to include a process for assessing the need for an anticipatory emergency declaration.	City of Lansing and local units of government
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<u>ACTIONS</u>	<u>FOLLOW-UP</u>
The BWL will include its distribution plan in its annual table top tests designed to stress its emergency response and will use the results to continually improve its emergency plans	Expected completion date 10/16/14
The BWL will consider implementing a set of triggers into its distribution plan.	Completed 4/14
The BWL will consolidate its Transmission and its Distribution emergency response plans into one document.	Completed 6/30/14, both plans updated and maintained simultaneously, however plans will not be fully consolidated into one document due to need to demonstrate NERC transmission compliance.
The BWL will investigate the benefit of collaborating with other Michigan utilities to track and estimate the impact of inclement weather.	Expected completion date 8/29/14
Based on the BWL's experience with the impact of the ice storm, the BWL will make use of additional secondary role employees and these roles will be discussed in subsequent sections.	Initial phase to expand and formalize secondary role program which includes identification of position and roles required for the restoration plan completed. Identification of employees for secondary roles completed 6/30/14. Training employees to fill secondary roles rescheduled for completion November 30, 2014.
Most utilities have not found placing overhead lines underground to be cost effective. Instead reviewing maintenance practices and construction standards seems to be a more reasonable method for improving the resiliency of the BWL's distribution system. However, for those customers who want and are willing to pay for undergrounding existing services, the BWL will provide the service.	Completed 5/8/14
The BWL will strictly adhere to a 5 year trimming cycle and is in the process of modifying its tree trimming standards and procedures to remove all branches located above distribution lines and better protect its lines during a major storm.	Completed 3/24/14
The BWL will begin to use multiple tree trimming contractors and assign work to contractors based on past performance. The contractor with the best record of performance will get a larger portion of the work. Recently, the BWL temporarily increased the number of tree trimming crews under contract to eighteen.	Original expected completion date 5/16/14 rescheduled to 8/29/14 due to contractors need to develop deployment plan including staffing levels.
The BWL will publish the contact information for its supervisor responsible for trimming scheduling so customers can contact the Manager directly with questions or complaints regarding tree trimming procedures and workmanship.	Completed 2/18/14

<p>The BWL is in the process of carefully reviewing spotter duty during the ice storm and determining how many additional trained spotters would be needed to efficiently secure down lines and provide timely damage assessment during an event with the destructive impact of the ice storm. Based on this analysis, the BWL will survey its staff for additional personnel who would be suitable for spotter duty and train personnel for both spotter and damage assessment duty.</p>	<p>Completed 5/29/14</p>
<p>The BWL will also utilize retired line workers to perform damage assessments and serve as spotters.</p>	<p>Completed 5/9/14</p>
<p>The BWL will consider contracting with electric service firms for damage assessment services to supplement its own staff.</p>	<p>Completed 5/30/14</p>
<p>The BWL is developing common reporting forms and methods to be used by all spotters and damage assessors and will stress the importance of adhering to these during the annual training sessions.</p>	<p>Original expected completion date 5/30/14 rescheduled to 8/29/14; working with Osmose, contract firm for spotter and line crew supply, on forms that are used with other clients.</p>
<p>The BWL will evaluate the use of damage predictive tools to determine if these tools could help in assessing possible damage earlier in a storm's approach.</p>	<p>Completed</p>
<p>The BWL will remind customers that lines marked with red and white tape are power lines and the tape indicates that the BWL is aware that the line is down. The BWL will publish this information on its website and Customer Connections newsletter.</p>	<p>Completed 5/1/14</p>
<p>The BWL has expanded the number of utilities and non-utility electric service contractors with which it has mutual aid agreements or service contracts. The list is shown below. Existing Agreements• Michigan Municipal Electric Association (35 Municipal Utilities)• Consumers Energy New Agreements• American Public Power Association• Asplundh• Kent Power• Hydaker-Wheatlake• FEMA Mutual Aid (Upon a Declaration of a State of Emergency) Pending Agreements• DTE Energy (Under Negotiations)These agreements both increase the number of potential crew sources and provide geographical diversity as well. For example the APPA agreement would enable the BWL to bring crews in from a number of different states. In the event of a declaration of emergency, the FEMA agreement would allow the BWL to bring in crews from nearly anywhere in the United States.</p>	<p>Completed 3/28/14</p>
<p>The BWL is in the process of hiring 3 additional line workers and an additional dispatcher to supplement its workforce and to help manage crews during the restoration process.</p>	<p>2 of 3 additional line workers hired along with dispatcher.</p>

<p>With the addition of 3 line workers, an additional dispatcher, more trained spotters, and the new mutual aid agreements the BWL has tripled the number of line crews that are available for immediate deployment and can be used safely and efficiently during a major outage event.</p>	<p>Completed 6/30/14, triple number of crews available.</p>
<p>The BWL does update its critical and public safety lists periodically to ensure that it is up to date and complete. The BWL will share its overall restoration plans with local public officials so that they can be kept up to date on the BWL's restoration plans. If another catastrophic storm does occur, local officials will be better able to respond to citizen inquiries regarding the restoration progress.</p>	<p>Original expected completion date 11/14/14. Electric Transmission and Distribution plans updated 6/30/14. Update of critical list expected 8/29/14. Consolidation of BWL emergency plans scheduled for 10/31/14, and coordination of BWL consolidated plan with local officials expected to be completed by 12/31/14. Consolidation of BWL emergency plans along with table top exercises have increased the scope of this recommendation resulting multiple steps and a new final completion schedule.</p>
<p>The BWL will review it's storm inventory based on the recent ice storm.</p>	<p>Completed 3/21/14</p>
<p>The BWL will investigate connecting its line truck laptops to its OMS system as a tool to assist crews with storm responses.</p>	<p>Completed 3/18/14</p>
<p>The BWL has resolved the matters related to the OMS functionality. The conductor cuts are now operational and the OMS performs to design standards.</p>	<p>Completed and tested 3/11/14</p>
<p>To avoid this situation with other outage tools that may be employed in the future, the BWL will conduct annual stress tests of all its restoration tools including, but not limited to the OMS, outage call in number, Customer Service Center, and Communications plans.</p>	<p>Completed 3/11/14</p>
<p>The BWL is moving forward with a project to implement smart grid and smart meter technology, which will allow it to identify individual customer outages. It will also develop a policy that will allow customers to "opt out" of smart meter use. c. customer communications:</p>	<p>Scheduled and budgeted for FY15 this will be a multi-year project</p>
<p>The BWL is hiring additional call center staff.</p>	<p>Completed 2/24/14</p>
<p>The BWL has implemented a process to assure call forward to the 877 number occurs during large outages. This will allow CSR and supporting staff to concentrate on line down, voice mail and other communications mediums.</p>	<p>Completed 2/13/14</p>
<p>The BWL will trigger the IVR in the 877 system to direct non-matched callers to voicemail during major outage events.</p>	<p>Completed 2/13/14</p>
<p>The BWL has reconfigured the Call Center to send messages in the voice mailbox to CSR's automatically.</p>	<p>Completed 3/1/14</p>

<p>The BWL is aggressively advertised the 877 number for outages including all available communications mediums, like magnets, social media, BWL Website, and other customer communications.</p>	<p>Completed 1/24/14</p>
<p>During a major outage, the BWL Call Center staff will focus their efforts on responding to email, texts, Facebook, Twitter, and voicemails left on the outage reporting system with the goal of responding to storm related inquiries in a timely fashion. The BWL has expanded the number of employees in secondary storm roles to assist with these customer service functions.</p>	<p>Completed 1/24/14</p>
<p>The BWL will ensure that the distribution plan weather forecasting and storm preparation function include employees who are directly or indirectly, through secondary roles, responsible for customer service. This, along with other changes, will assure that the BWL can respond to customer inquiries promptly.</p>	<p>Completed 3/6/14</p>
<p>The BWL is working with the 877 vendor to provide additional methods for customers to be identified or matched when calling in to report an outage. This will include using the last digits of an account number or social security number.</p>	<p>Original expected completion date 6/20/14 rescheduled to 7/31/14. Date moved due to technical issues: vendor has changed the way the call back files must be sent and BWL is making the necessary technical adjustments.</p>
<p>The interface between the 877 number and the OMS has been fixed and alarms will be added on each system to alert staff of any problems in the future.</p>	<p>Completed 4/25/14</p>
<p>The BWL has added text outage reporting to the 877 system to offer customers another method for reporting outages.</p>	<p>Expected completion date 7/25/14</p>
<p>The BWL is working on a method to provide quicker updating of customer data from BWL system to 877 system. This is intended to provide better matches of customers to service addresses.</p>	<p>Completed 6/28/14</p>
<p>The BWL is working to improve its ability to automatically call back customers and provide them with updated outage information.</p>	<p>Completed 6/27/14</p>
<p>The BWL will continue its enhancements to its phone system. The enhancements will use newer technology to increase Internet bandwidth, increase available phone lines, and make the system fully redundant across the BWL private city-wide network. This upgrade will allow the system to dynamically increase the number of available lines to the call center during a large outage, using many of them to forward calls to the 877 vendor site which is designed for large volumes.</p>	<p>Expected completion date 7/25/14</p>
<p>The BWL has increased the TFCC voice mailbox size to 8,000 messages and is in the process of contracting with another vendor to assist in responding to voice mailbox messages during a large outage.</p>	<p>Completed</p>

<p>The BWL is investigating a separate site created just for outage information (including outage maps). This will help ensure that the BWL's outage website will be available to customers in the event that a catastrophic outage disables the BWL's main website.</p>	<p>Completed 3/11/14</p>
<p>Although the external email to Customer Service functioned normally during the storm, the BWL is investigating establishing a redundant external email system.</p>	<p>Expected completion date 8/15/14</p>
<p>The BWL has developed a temporary web-based outage map for its website. The BWL is also working with a local vendor for a permanent outage map linked directly to the BWL's OMS system. Phase I of the project covering functionality has been completed and development is underway. Phase I is Scheduled for completion soon.</p>	<p>Completed 3/11/14</p>
<p>In Phase II of the project, the BWL plans to continue enhancements to all of its Information Systems that interact with customers. The next phase of the outage map product for BWL will include further interaction with our customers, allowing them to identify themselves to learn if our system shows them specifically out as well as possibly reporting an outage through the map system to our OMS system. Other enhancements and features are being evaluated.</p>	<p>Completed 6/28/14</p>
<p>In addition to using Twitter and Facebook, the BWL is investigating the use of Nixle to communicate outage and other information to its customers.</p>	<p>Completed 5/9/14</p>
<p>The BWL will work with customers and local officials to determine how to make local officials aware of seniors, customers with medical alerts, and other vulnerable populations during extended outages.</p>	<p>The process of identification and notification has been completed. The process will be operational in the first quarter FY15 after permission to share information has been secured from customers.</p>
<p>The BWL will be more proactive informing customers of where their responsibility for service ends, the service mast, and the BWL's begins.</p>	<p>Completed</p>
<p>The BWL will maintain a list of qualified electricians who can repair service masts and the BWL will help customers finance the cost of mast repair by allowing customers to pay it off on their bill over a one year period without interest. A list of qualified electricians will appear on the BWL's website.</p>	<p>Completed June 4, 2014</p>
<p>During events like the ice storm, the BWL will work with local organizations to maintain warming centers in the winter and cooling centers in the summer for Lansing area residents.</p>	<p>Completed</p>

<p>As an integral part of the Lansing community, the BWL will work with other organizations to respond to crisis that may affect mid-Michigan in the future. The BWL is supporting work by The Power of We and others to help empower neighborhoods to react to any type of emergency. The BWL pledges to be a part of that coalition and play its part in protecting the Lansing community and to meet with neighborhood associations to explain the BWL storm response plans and listen to their concerns and questions.</p>	<p>Completed and ongoing</p>
<p>Since ice storm outage restoration, the BWL's service territory has experienced a number of severe winter weather events, and four separate outage events ranging from 100 outages to 7,400 outages. In all of the severe weather events, the BWL has posted, on all communications channels, at least two days prior to the forecasted weather, warning customers about the impending storm and directing them to call the BWL "877" outage number if they lost power. The BWL has also continuously posted updates, cold weather safety tips, and City of Lansing updates.</p>	<p>Completed</p>
<p>During outages, the BWL has acknowledged the time the outage began, the number of outages, the cause of the outage, the geographic area of the outage that can be found on the outage map, the projected time of restoration, and full restoration all clear.</p>	<p>Completed</p>
<p>Communication improvements have been noted on Facebook and Twitter with positive comments by our customers.</p>	<p>Completed</p>
<p>The BWL has retained the communications firm of Martin Waymire to help develop a crisis communications plan based on an examination of best practices across the utility industry to make sure it has a strong crisis communications protocol in place in the very near future. Martin Waymire will also assist during emergencies if needed. In the meantime, the BWL has a working interim crisis communications plan.</p>	<p>Completed</p>
<p>The BWL has also hired a social media specialist, a newly created position. The social media specialist will help develop strategies on how to best communicate with our customers over all social media channels.</p>	<p>Completed 2/17/14</p>
<p>The BWL will provide information to state and local officials on a regular basis. During an event like the ice storm, it will assign a liaison to state and local officials to answer questions that they may have from their constituents.</p>	<p>Completed</p>

The Committee of the Whole reviewed the following:

CRT and Governance Recommendations

The CRT recommends that the Board of the BWL and the City:

- 1) Hire an "operational auditor" to conduct annual performance audits of the BWL operations and planning.

Outcome: Instruct Auditor Perkins to come back with a proposal outlining what he sees as being an operational audit scope and the estimated level of work needed from an outside contractor. That information will be brought back to committee for consideration.

- 2) Establish a standing committee for review of, and contract with outside expertise for, an annual operational audit.

Outcome: Deferred until further conversation with the Internal Auditor

- 3) Institute a training process for all board members in Carver or other Policy Governance Model. Implement and use the model and continue the training on an ongoing basis.

Outcome: Agreed On/In Process

- 4) Request the City to consider provision to the BWL Board of expense reimbursement and/or some minor stipend for attendance.

Outcome: Deferred

- 5) Create a Local Government Liaison Committee of Board members and local government representatives from remaining governments, which will meet quarterly to review service-related issues and to recommend changes, improvements, and innovations AND the Board must institute a clear process for plenary and due consideration and action on the Committee's recommendations

Outcome: An Ad Hoc Committee has been established headed by Chair Zerkle. The Committee will examine this recommendation with the goal in mind to look at involving all those other local units and then determining the procedures that that would occur. The Ad Hoc committee is charged with finding the best way to implement the recommendation.

- 6) Request an opinion from the Lansing City attorney to clarify whether an ordinance or City Charter amendment could establish an expanded Board to include non-Lansing residents, to represent the municipalities within the BWL customer area.

Outcome: In Process/Based on the Mayor's recommendations

Board of: Commissioner Crisis Communication Plan

The Committee had dialogue regarding the Board of Water & Light Board of Commissioners establishing own Crisis Report. After a lengthy conversation, it was determined the Committee would like to consider a draft of the Lansing City Council recommendations, and use their plan as a temple to create our own. Committee of the Whole Louney stated that he

would work with the Corporate Secretary to revise the template and bring it back to the Committee of the Whole for review.

Board of Water & Light Crisis Communication Plan

General Manager Lark stated that the Board of Water & Light's Communication Plan was created by the firm of Martin Waymire, who surveyed a number of utilities throughout the country, a number of relevant utilities and came up with what they believe, was the best practices of crisis communications plan.

General Manager Lark introduced, Board of Water & Light Communications Director Steve Serkaian to provide details of the plan.

Mr. Serkaian stated the following:

We asked Martin Waymire to look at best practices of utilities all across the country and without exception, found that our customers wanted to know three important things during an outages: 1) are you aware that my power is out; 2) what caused the outage, and 3) when will my service be restored. During the ice storm, quite frankly, we could only answer one of those questions - what caused the outage. Moving forward, these three questions, and answers to these questions have become our guiding mantra. Any customer outage, large or small since the ice storm, whether it's 12 outages like we had over the 4th of July, or larger outages, I think our biggest one was perhaps 3,500; we have communicated answers to all three questions, both through traditional media and through social media.

Before we get to the actual crisis document and your questions, it is important to look at what the research found and how we address the research; because, those elements and those changes are every part of this plan, and something that we operate under every day; both with regular communications to our customers through social media, and traditional media about our day to day activities. Outages and everything in between, the research came back and suggested a number of things; the changes I am going to describe and the improvements I'm going to describe, have been the direct result of work by dozens of people at the BWL. I only had a small part of it; dozens of folks continue to work on improvements lead by our general manager, Mr. Lark, and it's important to tell this Board and the public that, in my experience in working for public entities there has been a sea change of ways we have done things differently. These are important changes that we're communicating through our newsletters and to the media, but at some point there's going to be an end point to the focus on us, so that we do our day-to-day business and do it well, as we have for more than 100 years.

Mr. Lark mentioned a lot of things in his review of the CRT recommendations. Let me get back to the findings of the research of Martin Waymire made, they found the best practices across the country that additional communications channels are necessary to allow customers to communicate easily and conveniently with us. During the ice storm, we only had one 877 line, and because of the problems with the OMS, we were unable to communicate with customers. They were only able to effectively communicate with us, and we couldn't tell them when their power was going to be restored. Those problems have been fixed, addressed, and tested. We now have additional sources of how we can communicate

with our customers, and our customers with us; our interactive outage map, which is in our outage center, now has the ability for customers to report an outage. They can check whether the power is on or off, and will be able to get right-now restoration time, as they were able to get that through the 877 number. Targeted for early August, we are going to launch a mobile app for all of our customers to download on their mobile platforms whether it is a smart phone, tablet, and so on; the mobile app would be able to allow customers to report outages and get updates on outages, and this coming December, we are going to launch a new feature that will allow our customers to report outages via texting from their phones. Therefore, from December and January, the communication vehicle will have multiple communication vehicles that our customers can communicate with us.

During the ice storm, we had outage information scattered throughout our website, and not easily found. Since then, we have created an icon on our front page; if you click on it, it goes directly to the outage center and on that outage center is an outage map, and you can click that to see an outline of our service territory and inside our service. If there is anything inside the map relative to outages, you can just hover over it with your mouse. The site refreshes every 15 minutes. It has changed the way that I have done business with reporting outages because, once I get the alert, I go directly to the outage center to see the outage map and what the boundaries are; that has streamlined and made my job more efficient in communicating with Amy Akers' support, and reporting to the social media what the boundaries are, what the restoration time is, and through our other Internal information, what the cause of the outage is. Therefore, the outage center has been, and is interesting to see because our customers are giving each other updates; I call that the market correcting itself, and it's wonderful to observe. Now with our ability to push people to our outage map and the outage center, it is a really convenient thing, for which our customers screamed for during the ice storm, and that we now have, six months after the fact.

We've got the outage center prominently displayed on our home page; the outage map has been updated to allow folks to post their outages and to get updates on restoration, that's going to be in the August "Connections," so it will go customer-to-customer directly through the billing insert. We also have a number of tabs that talk about what to do when the lights go out, how to prepare for outages, how the BWL handles outages, vegetation management information. We've got a sign up on the site along with social media streams, both on Facebook and Twitter. The research also told us that we have to do a better job communicating with all of our key audiences before the crisis happens, and before the storm hits; now at least two days before a forecasted storm, we are communicating with our customers and media both, though traditional media and social media. Advising that a big storm is on its way and we think it's going to hit, if it does we're ready, we've got crews on stand-by and that these are things that you need to do if your power goes out; in particular, we push them to two places one the 877 number.

We've also expanded our constituent groups through which we send social media and traditional media updates; to those constituent groups beside the board, our internal list, all master media lists, including an expanded governmental list of all local, county, and state officials throughout our service territory. We have created our neighborhood association list throughout our service territory, we have a faith-based list and, in all press release communications, we sent emails to them not only during outages and crises, but also in our day-to-day stuff because, it is important that these constituent groups know the kind of

things that we are doing. Now in every outage, even minor outages of 10, 100, 500 or more than 1000, we always post, that we know about the outage, we know where it is, and we try to give a restoration time. Information is always posted on social media, as that's where all our customers are going for information. We post a Twitter message about an outage, and we find many times that the media, the Lansing State Journal and Channels 6 and 10 are re-tweeting our posts. A number of commissioners are also re-tweeting our posts. So there is no longer, a silver bullet of how we are communicating with our customers, it is multiple mediums and it is multiple ways that people are getting the information. We have also created an email group list that we send to our constituent groups, we have also created a number of templates, that give us direction on how to address a small outage, a medium sized outage and a large sized outage, and the same is on the back of the crisis plan that was included in your packets today. I believe there were about 9 templates that we included in March, when we released the plan and has now grown to about 17.

The crisis plan itself is sort of a living breathing document that is always being adjusted. For instance, when the emergency manager comes on board, we will have to fold this new position into it to reflect this person's leadership with a crisis. Therefore, we are constantly making tweaks to the templates. We are also developing a power point presentation that senior leadership including Mr. Lark will be taking to the community. These are all things that we're doing to communicate the changes we have made since the ice storm. The BWL was also told that the tone of communications needs to be improved, and that that traditional media communications and social media posts regarding outages should reflect our humility; that we should apologize to customers for the outage; that we should thank them for their patience in enduring an outage and we try to do that in every instance of an outage. Lastly, the research said to put standard operating policies and protocols in place to guide communications during routine practices, outages, whether large or small, and crises that the ice storm reflected; we have done that. The kinds of changes that I have characterized, the elements that have gone into the crisis plan is something that we operate under every day, and if a major outage hits our community tomorrow, we are going to be in much better shape in terms of communicating with our customers and being able to respond in appropriate way both in terms of communications and operationally so that we can get our customers power back on, as quickly as possible.

Mr. Sarkaian spoke about marketing efforts that have taken place, or have been put into place since the ice storm. For Example "The Power of We" and "Do 1 Thing" have been implemented as a tool to help with outreach.

There was a lengthy question and answer session regarding the responsibilities of the Emergency Manager, the Board of Commissioner communicating with media, and the inclusions of a Board member on the crisis communication team.

Committee of the Whole Chair Louney thanked Mr. Sarkain for his efforts on the presented crisis communication plan.

Dialogue re: Board of Commissioners Governance Training.

The Committee of the Whole had dialogue regarding the desire for governance training. Board Chair Zerkle presented a proposed agenda as well as a bio on a recommended presenter for the training. After some dialogue and reviewing the presented proposed agenda, it was determined that this may be a good place to begin, however, there was uncertainty regarding this proposed agenda, and the proposed presenter regarding obtaining the desired educated outcome. Upon conclusion of the discussion, it was determined that the Board Chair would have the Corporate Secretary send an email asking the Board of Commissioner to submit to their expected learning outcome and/or specific agenda subjects that you would like addressed in the governance training.

Other

Board Chair Zerkle conveyed that she and Human Resource Chair Thomas are prepared to start the process for negotiating the contract for the 3 appointed employees. There was a lengthy conversation regarding the evaluation and negation process. Human Resource Chair Thomas stated that there was a process established last year and the same process would be used this year. Committee of the Whole Chair Louney stated during this dialogue what he heard was that we had a process in place and some board members are saying that they think the process needs to be reviewed and I feel that that is an issue for the HR committee to look at, if the chair deems it necessary.

Committee of the Whole Chair Louney stated that he was notified last week about a legal case that was not on their legal update, and asked that the General Manager contact the Commissioners' by email and provide some details. General Manager Lark in response stated that he was not aware of such a case but would look into it.

Excused Absence

None

Public Comments

None

Adjourn

On Motion by Commissioner Price, Seconded by Commissioner Bossenhery, the meeting adjourned at 8:12 p.m.

Respectfully Submitted
Dennis M. Louney, Chair

Committee of the Whole

FINANCE COMMITTEE July 8, 2014

The Finance Committee of the Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 8:23 p.m. on Tuesday, July 8, 2014.

Finance Committee Chairperson Margaret Bossenbery called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present:

Commissioners Margaret Bossenbery, Tony Mullen, Dennis M. Louney; Also present Commissioners David Price, Tracy Thomas, Cynthia Ward and Sandra Zerkle.

Absent: None

Public Comments

Chuck Slammer, Lansing, MI, spoke in opposition of the proposed rate increase.

Approval of Minutes

Motion by Commissioner Price, seconded by Commissioner Louney to approve the Finance Committee meeting minutes of May 21, 2014.

Action: Carried Unanimously

Finance Chair changed the order of the Agenda.

External Audit Communication to the Board – Presented by Plante & Moran

General Manager Lark introduced external auditor Doug Rober, Partner with Plante Moran (P&M) and Marie Stiegel, Manager with P&M, who reviewed and presented the Auditing Process.

Mr. Rober said this is the beginning of the audit process and part of that process is to meet and present governance with an overall analysis of the audit plan. This also provides an opportunity for the Commissioners to provide any insight on whether there is anything specific that they are aware of or would like us to focus our time on in addition to what is planned in the audit.

Mr. Rober stated that the scope of the Audit that will be performed is to express an opinion of the financial statements of the Board as well as each of the pension plans. He stated there will also be a management letter or significant deficiency letter if required at the end of the engagement, ultimately issuing an AU260 communication letter. He said their focus is to perform procedures on the financial information that is the responsibility of the management and the Board. He stated they will be getting together with the Board again to discuss the results. One of the required communications is a letter summarizing how the audit went and what the findings are, and that is in addition to the report letter pertaining to the financial statements. If there were financial matters found, that warranted the Board's attention that would also be communicated in a letter.

Ms. Stiegel reviewed Management's responsibility in the Audit process as well as the following:

- Audit Process
- Auditor Responsibility
- Management Responsibility
- Testing Phases
- Required Discussion Points
- Significant Risk Misstatement
- Responses to Significant Risk Misstatement
- Additional Required Discussion Points
- Communication to those Charged with Governance

Commissioner Price questioned the status of the pension plans with all that is going on in the economy, and wanted some reassurance that the Board of Water & Light is in good shape. In response Ms. Stiegel stated through GASB 67, you will have some disclosures that provide a measurement of that.

Commissioner Louney questioned if Plante Moran did operational audit for utilities. In response Mr. Rober stated that they do have experience in that area. He stated when performing an operational audit, they listen to the scope of what an organization wants them to focus on, and then a specific audit is designed against those particulars.

Mr. Rober asked the Board of Commissioners if there were any areas of concern that warrant attention or additional procedures.

In response to Mr. Rober's question the Board of Commissioners stated no areas of concern.

Request to Publish Notice Re: Proposed Rate Changes

General Manager Lark said what is before you is a resolution a Resolution requesting approval to set a Public Hearing date of September 18, 2014 on the rate recommendations. A notice would be published in the newspaper by August 27th. There would be a Committee of the Whole of meeting on September 9, 2014, in which we would give you embellished upon, as well as refined documents regarding the rate changes, so that you can have a good idea of what we are going to put forward at the Public Hearing. The Board would meet on September 23, 2014 to decide on whether or not to invoke the rate increase.

General Manager Lark reviewed the Impact of Proposed Rates Increases. He said that the proposed rate increases are Electric 7%, Water 9%, Steam 9% and Chilled Water 3%. What this increase would do is bring us a net income of approximately \$8M. If we are to have a return on assets on 6.18% as the Board instructed back in 2008, that net income would be \$33M. So you can see the return on assets with these increases for a full year would amount to 1.12% return on assets. The return on assets is an important figure, the money that we use to keep our plants up, refurbish, and take of the depreciation that we have at the Board of Water & Light. Without the increases, the net income becomes (\$11M).

General Manager Lark reviewed the following:

Effect of All Proposed Rate Changes on a Typical Monthly Residential Electric Bill Using 550 kWh of Electricity Per Month

ELECTRIC:		
	6/1/2014	11/1/2014
Service Charge (per month)	\$8.10	\$10.00
Renewable Energy Plan	\$2.50	\$0.75
Commodity (per kWh) 1st 500 kWh	\$0.0937	-----7% increase-----> \$0.1001
Commodity (per kWh) Excess kWh	\$0.0989	-----7% increase-----> \$0.1056
ECA	\$0.022095	\$0.022095
Energy Optimization	\$0.001853	\$0.001853
Estimated Monthly Use	550 kWh	
Service Charge	\$8.10	\$10.00
Renewable Energy Plan	\$2.50	\$0.75
Commodity	\$ 64.97	\$ 68.50
Total Bill	\$75.57	\$79.25
		Increase ---> \$ 3.69
		Increase %---> 4.88%

Effect of a 9% Rate Increase on a Typical Monthly Residential Water Bill Using 6 ccf of Water Per Month

WATER:	6/1/2014		11/1/2014
Service Charge (per month)	\$11.19	----9.0% increase---->	\$12.20
Commodity (per ccf)	\$2.56	----9.0% increase---->	\$2.79
PCA	\$0.128		\$0.128
Estimated Monthly Use	4,500 gallons 6 ccf		4,500 gallons 6 ccf
Service Charge	\$ 11.19		\$ 12.20
Commodity	\$ 16.13		\$ 17.51
Total Bill	\$ 27.32		\$ 29.71
		Increase --->	\$ 2.39
		Increase %---	8.75%

General Manager Lark stated that the Board should strongly consider approving a rate increase. Among the reasons is in the last 2 years, we have not had a rate increase and during that time there has been inflation. Over the last 2 years, there has been roughly 6% increase in inflation and that is certainly a contender for reasons for a rate increase. There are expenses related to hardening our system for the storm (new hires, tree trimming expense) and the Return on Equity that is now 6.1%.

General Manager Lark respectfully requested that the Finance Committee forward the proposed Resolution setting a Public Hearing for September 18, 2014 to the full Board for consideration.

Motion by Commissioner Price, seconded by Commissioner Mullen to forward the proposed Resolution to set a Public Hearing to the full Board for consideration.

Action: Motion Carried

Internal Audit Update

Internal Auditor Phil Perkins, presented an overview of :

Internal Auditor Status Update

- FY 2014 Audit Plan Progress Report
- Proposed FY 2015 Audit Plan
- Other Upcoming Items

FY 2014 Audit Plan Progress Report

Engagement Completed:

1. Fuel Procurement Audit
2. Records Retention Audit
3. Accounts Payable Audit
4. Close the Books Audit – complete; report to be issued shortly.
5. Surprise Cash Counts (2)
6. Time Reporting Reviews

Engagement in Progress:

1. Software Licensing Compliance Audit—fieldwork about complete; report to be issued in August.
2. Draft Report to be issued shortly; audit 95% complete.

Proposed FY2015 Audit Plan

Basic for plan:

1. Risk assessments and ratings for each of 100-plus auditable activities at BWL.
2. Consideration of rotational audits, audit areas with risk/scoping assessments, first-time audits, etc.
3. Review and input by management.
4. Selection of the top audit candidates based on (1) through (3) above.

Proposed FY 2015 Audit Plan

Planned Audits:	Estimated Hours
Materials Inventory Management	400
Engineering Services – Annual Projects	400
Health Insurance & Prescription Drug Plans	400
Follow-up on Post-Outage Recommendations	400
IT – Payment Card Industry (PCI) Compliance	300
IT – Management of Non-Desktop Field Devices	300
Other Engagements:	
Surprise Cash Counts (2)	40
Time Reporting Reviews (2)	160
IT Risk Assessment (continued from FY2014)	100
Potential Consulting or Other Engagement	100
Total Estimated Hours	<u>2,600</u>

Motion by Commissioner Mullen, seconded by Commissioner Louney to approval to adopt the Audit Plan.

Action: Motion Carried

Motion by Commissioner Mullen, seconded by Commissioner Price, to maintain the Internal Audit Charter as currently written.

Action: Carried Unanimously

Internal Auditor Perkins informed the Committee that he recently made some changes to the Internal Auditing procedures and would provide the Commissioners with an electronic list of the changes.

Finance Chair Bossenbery introduced a proposed policy for the Finance Committee to take a look at, and consider forwarding to the full Board for consideration and approval. Chair Bossenbery stated that we get Audit reports from Mr. Perkins periodically and part of those audits include actions from management that need to be taken care of. There is not a formalized procedure for management to get back with Mr. Perkins in response to the

completion of actions and recommendations. Mr. Perkins has drafted a procedure, so that he has a tracking system to ensure implementation of actions, thus a policy.

Mr. Perkins stated that it is important to have this policy in place because it gives him, as well as the Board, a window as to how progress is being made, and getting corrective actions completed and in turn will help with future audit planning.

Draft – Proposed Board Policy on Follow-up to Internal Audit
Findings & Recommendations

General Responsibilities:

Internal Audit. The Internal Auditor is responsible for performing the annual Internal Audit Plan approved by the Finance Committee of the Board. This includes but is not limited to:

1. Informing management of any potential issues during audit engagements and briefing the results of audits including any findings prior to releasing a draft audit report to management.
2. ~~Formally presenting the results of each audit engagement in writing.~~ Reports of audit will include any reportable findings, recommendations, and management's responses to the findings and recommendations.
3. Following up on previous audit findings and management responses to ensure that the corrective action(s) noted in the responses ~~were in fact taken~~, and that those actions corrected the problem(s) identified.

Management. Management is to respond with actionable responses to each reported finding and recommendation in the internal auditor's report within an agreed-upon timeframe. Each management response should contain the following:

1. ~~Acknowledgement of agreement (or disagreement if applicable) with the audit finding and recommendation.~~
2. A specific action or actions being taken (or already taken) to address the problem(s) noted in the finding and recommendation.
3. A statement that ~~either affirms that the stated corrective action(s) has/have already been completed or, if not, an estimated date when management believes the corrective action(s) will be completed.~~ The estimated completion date should be management's best estimate, based on available resources, priorities and schedules as to when the corrective action(s) ~~can reasonably be expected to be completed.~~

Follow-Up of Open Management Responses to Audit Findings:

1. Schedule of Open Actions. For each management response for which the corrective action is to ~~be completed~~ by an estimated future date, a schedule will be developed to track, on at least a quarterly basis, the status of such corrective actions until they are completed.
 - a. There should be a notation each quarter regarding progress, if any, toward completion of the corrective action. If other priorities precluded further progress during a quarter, ~~this should be so stated.~~
 - b. The Internal Auditor will receive an updated schedule each quarter and keep the Finance Chair apprised of action completion and status.
2. Schedule Usage.
 - a. Management. Management will use the schedule as a tool for reporting progress on open corrective actions to the Finance Committee quarterly.
 - b. Internal Auditor. The Internal Auditor will use the schedule to help in future planning efforts and to ensure that management's corrective actions ~~are being implemented~~ as stated in the management responses to audit reports.

Motion by Commissioner Price, seconded by Commissioner Louney, to approve the Policy on following up to the Internal Auditors finding and recommendations.

Action: Motion Carried

Excused Absence

None

Other

None

Adjourn

On Motion by Commissioner Price, seconded by Commissioner Louney, the meeting adjourned at 9:15 p.m.

Respectfully submitted
Margaret Bossenbery, Chair
Finance Committee

MANAGER'S RECOMMENDATIONS

General Manager Lark presented the Resolution for the 2015 Rate Adjustments. The Resolution provides that there a proposed rate adjustments and that they should be subject to further consideration after a Public Hearing and the Resolution further provides that this Public Hearing should take place on September 18, 2014 at 5:30 p.m. and that notice should go out. The proposed rate increases are 7% for Electric, 9% for Water, 9% for Steam and 3% for Chilled Water. When it comes to water there is a \$1.75 reduction for the Renewable Energy Charge, so thus the average residential customer will see a 4.88% increase if the Board approves the rate increases. General Manager Lark respectfully requested that the Board approve the Resolution setting the Public Hearing for September 18, 2014.

RESOLUTION #2014-07-01

Public Hearing for 2015 Rate Adjustments

WHEREAS, the Corporate Financial Targets for each of the Lansing Board of Water and Light's strategic business units is a 6.18% return on net fixed assets and materials and supplies that would require \$19.7 million of Electric net income, \$9.5 million of water net income, \$2.7 million of steam net income, and \$1.3 million of chilled water net income; and

WHEREAS, the Fiscal Year 2015 budget filed with the City of Lansing included proposed rate increases for the electric, water, steam, and chilled water utilities; and

WHEREAS, the Fiscal Year 2015 budget with the proposed rate adjustments would result in an electric net income of \$532,000 or a 0.12% return on net fixed assets and materials and supplies; and

WHEREAS, the Fiscal Year 2015 budget with the proposed rate adjustments would result in a water net income of \$2.0 million or a 0.93% return on net fixed assets and materials and supplies; and

WHEREAS, the Fiscal Year 2015 budget with the proposed rate adjustments would result in a steam net loss of \$814,000 or a negative 1.34% return on net fixed assets and materials and supplies; and

WHEREAS, the Fiscal Year 2015 budget with the proposed rate adjustments would result in a chilled water net income of \$820,000 or a 2.81% return on net fixed assets and materials and supplies; and

WHEREAS, BWL management proposes to increase annual electric billings by \$16 million; and

WHEREAS, BWL management proposes to increase annual water billings by \$3.3 million; and

WHEREAS, BWL management proposes to increase annual steam billings by \$1.0 million; and

WHEREAS, BWL management proposes to increase annual chilled water billings by \$0.2 million; and

WHEREAS, BWL management proposes to add an Economic Development Rider for large commercial and industrial customers; and

WHEREAS, BWL management proposes to roll June 2014 ECA rate into Electric Rate Base (rate neutral); and

WHEREAS, the proposed rate adjustments will not take effect until November 1, 2014,

RESOLVED, the proposed rate adjustments will be subject to further consideration after a public hearing is held.

FURTHER RESOLVED, that the Finance Committee hereby sets the date of September 18, 2014 at 5:30 p.m. for a public hearing to solicit public input on the proposed rate adjustments. The hearing will be held in the Board of Water and Light offices, 1201 S. Washington Avenue, in the Depot facility. The Corporate Secretary is directed to file with the City Clerk no later than August 4, 2014 information regarding proposed rate adjustments with an effective date of November 1, 2014.

Motion by Commissioner Price, Seconded by Commissioner Mullen, to approve the Resolution setting a Public Hearing for September 18, 2014 to considerate 2015 Rate Adjustment.

Action: Motion Carried

UNFINISHED BUSINESS

There was no Unfinished Business

NEW BUSINESS

Nominating Committee Chair Mullen stated there were no nominees for the Officer position of Vice Chair forwarded to the full Board for consideration. Committee Chair Mullen asked if

there were any nominations from the floor for the Officer position of Vice Chair. There were no nominations from the floor and the nominations were closed.

Motion by Dennis Louney, Seconded by Commissioner McCloud to nominate Commissioner Margaret Bossenbery for the Officer position of Vice Chair.

Action: Motion Carried

Nominating Committee Chair Mullen stated consistent with the committee report, David Price is the nominee being forwarded to the full Board for consideration of the Officer position of Chair. Nominating Committee Chair Mullen asked if there were any nominations from the floor for the Officer position of Chair. There were no nominations from the floor and the nominations were closed.

Motion by Commissioner Ward, Seconded by Commissioner Bossenbery to nominate Commissioner David Price for the Officer position of Vice Chair.

Action: Motion Carried (6/2 Thomas, Zerkle)

Chair Zerkle stated that the Executive Committee consist of the Chair, Vice Chair, Past Chair and a 4th Member elected by the Board.

There was a Point of Order raised by Commissioner Price regarding the process pertaining to the selection of the Executive Committee members. After some dialogue and confirmation from the Board of Water & Light's Rules of Procedure, Commissioner Price withdrew his objection.

Motion by Commissioner Zerkle, Seconded by Commissioner Mullen, to nominate Commissioner Thomas at the 4th Member of the Executive Committee.

Action: Motion Carried

RESOLUTIONS

RESOLUTION #2014-07-02

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, 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 Corporate Secretary for fiscal year 2014-2015, or, until a successor is appointed, whichever last occurs:

M. Denise Griffin, Corporate Secretary

Motion by Commissioner Louney, Seconded by Commissioner McCloud Ward, to reappoint M. Denise Griffin to the Charter position of Corporate Secretary for fiscal year 2014-2015

Action: Carried Unanimously

RESOLUTION #2014-07-03

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 2014-2015, or, until a successor is appointed, whichever last occurs:

Philip Perkins, Internal Auditor

Motion by Commissioner Bossenbery, Seconded by Commissioner Mullen to reappoint Philip Perkins to the Charter position of Internal Auditor for fiscal year 2014-2015.

Action: Carried Unanimously

RESOLUTION #2013-07-04

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, 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 Director and General Manager for fiscal year 2014-2015, or, until a successor is appointed, whichever last occurs:

J. Peter Lark, Director and General Manager

Motion by Commissioner Bossenebery, Seconded by Commissioner McCloud to reappoint J. Peter Lark to the Charter position of Director and General Manager for fiscal year 2014-2015.

Action: Motion Carried (7/1Ward)

RESOLUTION #2013-07-05

Board Policy on Follow-up to Internal Audit Findings & Recommendations

General Responsibilities:

Internal Audit. The Internal Auditor is responsible for performing the annual Internal Audit Plan approved by the Finance Committee of the Board. This includes but is not limited to:

1. Informing management of any potential issues during audit engagements and briefing the results of audits including any findings prior to releasing a draft audit report to management.
2. Formally presenting the results of each audit engagement in writing. Reports of audit will include any reportable findings, recommendations, and management's responses to the findings and recommendations.
3. Following up on previous audit findings and management responses to ensure that the corrective action(s) noted in the responses were in fact taken, and that those actions corrected the problem(s) identified.

Management. Management is to respond with actionable responses to each reported finding and recommendation in the internal auditor's report within an agreed-upon timeframe. Each management response should contain the following:

1. Acknowledgement of agreement (or disagreement if applicable) with the audit finding and recommendation.
2. A specific action or actions being taken (or already taken) to address the problem(s) noted in the finding and recommendation.
3. A statement that either affirms that the stated corrective action(s) has/have already been completed or, if not, an estimated date when management believes the corrective action(s) will be completed. The estimated completion date should be management's best estimate, based on available resources, priorities and schedules as to when the corrective action(s) can reasonably be expected to be completed.

Follow-Up of Open Management Responses to Audit Findings:

1. Schedule of Open Actions. For each management response for which the corrective action is to be completed by an estimated future date, a schedule will be developed to track, on at least a quarterly basis, the status of such corrective actions until they are completed.
 - a. There should be a notation each quarter regarding progress, if any, toward completion of the corrective action. If other priorities precluded further progress during a quarter, this should be so stated.
 - b. The Internal Auditor will receive an updated schedule each quarter and keep the Finance Chair apprised of action completion and status.

2. Schedule Usage:

- a. Management. Management will use the schedule as a tool for reporting progress on open corrective actions to the Finance Committee quarterly.
- b. Internal Auditor. The Internal Auditor will use the schedule to help in future planning efforts and to ensure that management's corrective actions are being implemented as stated in the management responses to audit reports.

Motion by Commissioner Bossenebery, Seconded by Commissioner McCloud to approve said Policy on follow up to the Internal Audit Findings and Recommendations.

Motion: Carried Unanimously

MANAGER'S REMARKS

General Manager Lark stated the following:

The clock of life is always ticking forward pushing us in the next moment, but to embrace our future we often have to look back and appreciate our past. Chair Sandra Zerkle has lead the Board for the past five years with strength, grace and integrity. She has been at the forefront of change often without recognition. After five years of being Chair, It seems only fitting that I take a minutes to give a few examples of how her leadership improved the Board of Water & Light. Under her leadership, with the full support of the Board, we replaced ageing Chilled Water production facilities located in the floodplain with state of the art electric chillers, in a new plant located downtown Lansing Capital complex. With her firm support in July of last year, we launched our new Co-generation Plant, that replaced steam boiler that was more than one-half a century old added electric generation and provided the Board of Water & Light with a new headquarters. Our community is healthier now that less coal is being burned and for that, we applaud Sandy and the Board. Thanks to her backing and that of her colleagues, we are now Michigan's largest municipally owned solar array. The Cedar St. solar ray expansion has nearly tripled the arrays generating capacity. But these are more than just words on paper, they are reminders of how our community has grown and improved in the last five years and all of these accomplishments were successful because of the Board actions under the leadership of Sandra Zerkle. Mr. Lark thanked Chair Zerkle on behalf of everyone at the Board of Water & Light and the customers for leading this company forward and making it better. General Manager Lark presented Chair Zerkle with a commemorative plaque for her time as Chair.

COMMISSIONERS' REMARKS

In response to Mr. Lark's comments, Chair Zerkle, stated this was highly unexpected and very greatly appreciated. What we do here is not done by one person, it is done by eight Commissioners and she thoroughly enjoyed the support and working with the Commissioners. It has been great working with the staff and the Board's three employees. It has been a great honor to serve.

Chair Zerkle announced that former Commissioner Bob Cochran passed away last week. She said that he was very helpful to her when she first became a Commissioner. Chair Zerkle also

said that she wanted to make note of Commissioner Thomas's efforts pertaining to the evaluation and the contract process for the Board's three employees, it has been a very transparent effort on Mr. Thomas's part.

Commissioner Bossenbery, expressed her gratitude to her colleagues on the Board for selecting her as Vice Chair and said that she is looking forward to working with everyone in the Vice Chair capacity over the next year. She said that she has served on the Board for five years and during that time the Board has achieved much, but more can be done. She stated that the Board has been through a trying time and there is a lot of work to do to move forward. She stated while those of us around this horseshoe may have differences of opinions on issues that may come before us, at the end of the day we all agree that what we all want is to make the Board of Water & Light the best it can be.

Commissioner Price said that he looks forward to working with all of his fellow Commissioners, the three staff members and the Board of Water & Light's staff. It has been a tough six months for everyone but believes that we are over the biggest hump. We have a road map and we are grateful to the CRT Team for their suggestions; The Board of Water & Light's staff has gone a long way with implementing most of the CRT's suggestions and will continue to work on those. The Board of Commissioners' have some work to do on the suggested recommendations in which we started working on at the last Committee of the Whole meeting. He said that he is looking forward to implementing the recommendations and thanked everyone for their support.

Commissioner Thomas thanked his fellow Commissioners for their vote of confidence regarding the Executive Committee. He congratulated the new Chair and Vice Chair on the election to their new positions. For the Record Commissioner Thomas stated that he is looking forward to working under the leadership of newly elected Vice Chair Bossenbery and is ready, willing and able to serve. He also congratulated the Board's three appointed employees on their reappointments and he thanked Legal Counsel Ekren for her assistance over the last few months.

EXCUSED ABSENCE

None

PUBLIC COMMENTS

Mary Brady Anderson of Lansing spoke on behalf of Clean Water Action. She congratulated the Board of Water & Light on being the largest solar array municipality in Michigan. She provided the Board with information pertaining to results from a survey that her organization performed regarding community solar. She stated that complete results would be provided at a later date.

ADJOURNMENT

The Gavel was passed from Chair Zerkle to Commissioner Price to assume the duties of Chairperson of the Board of Water & Light Board of Commissioners' for 2014-2015.

On motion by Commissioner Bossenbery, seconded by Commissioner Mullen the meeting adjourned at 6:00 p.m.

M. Denise Griffin, Corporate Secretary