

MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

LANSING BOARD OF WATER AND LIGHT

Tuesday, September 22, 2009

The Board of Commissioners met in the Boardroom of the Administrative Offices, 1232 Haco Drive, Lansing, Michigan.

Present: Commissioners Margaret Bossenbery, Tony DeLuca, Peter Kramer, Frank Lain, Dennis Louney, Marilyn Plummer, Tracy Thomas and Sandra Zerkle.

Absent: None.

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

The Interim Corporate Secretary declared a quorum present.

Commissioner Louney lead the Pledge of Allegiance.

SPECIAL PRESENTATION

PRESENTATION OF CHECKS FROM PROCEEDS OF THE 2009 CHILI COOK-OFF TO H.O.P.E SCHOLARSHIP, IMPRESSION FIVE SCIENCE CENTER AND SPARROW FOUNDATION.

General Manager J. Peter Lark stated that he would be presenting checks to the Sparrow Foundation, H.O.P.E. Scholarship and the Impression Five Science Center from the proceeds of the Chili Cook-off. He asked Board Chair Sandra Zerkle join him for the presentation of the checks.

General Manager Lark and Chair Zerkle presented a proceeds check of \$10,000 to Lansing Police Chief Mark Alley for the H.O.P.E. Scholarship. Lansing Police Chief Alley thanked the Board of Water & Light for the check and for being supportive of the scholarship program.

General Manager Lark and Chair Zerkle presented a proceeds check of \$10,000 to Erik Larson, Executive Director of the Impression Five Science Center. Mr. Larson thank the Board of Water & Light for the check as well as their continued support. Mr. Larson stated that the funds would be used to support the Adopt-A-River program.

General Manager Lark and Chair Zerkle presented a proceeds check of \$5,000 to Mike Wall from the Sparrow Foundation. Mr. Wall thanked the Board of Water & Light on behalf of the Sparrow Foundation. He stated that the funds would go to support the Emergency Regional Trauma Center/ Sparrow Tower Campaign.

On behalf of the Board of Commissioner's Chair Zerkle congratulated and thanked the Board of Water & Light employees for making Chili Cook-off a successful event, particularly Calvin Jones

who made sure that there was very little cost to the Board. She stated that it was nice to be able to raise this money for the different foundations that you believe in.

APPROVAL OF MINUTES

Motion by Commissioner Plummer, seconded by Commissioner Thomas to approve the minutes of the Regular Board Meeting of July 28, 2009.

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 were no public comments.

COMMUNICATIONS

There were no Communications.

COMMITTEE REPORTS

HUMAN RESOURCE COMMITTEE MINUTES August 12, 2009

The Human Resource Committee of the Board of Water and Light met at the Executive Offices, Lansing beginning at 11:30 a.m. on Wednesday, August 12, 2009.

Human Resource Committee Chair Tony DeLuca called the meeting to order and asked the interim secretary to call the roll. The following committee members were present: Commissioners Tony DeLuca, Marilyn Plummer, Tracy Thomas, and Sandra Zerkle. Also present were Board Members Marge Bossenbery, Frank Lain and Dennis Louney.

Absent: None

Public Comments

There were no public comments.

Corporate Secretary Position

Motion by Commissioner Zerkle and seconded by Commissioner Thomas to go into closed session at 11:33 a.m.

Action: Carried unanimously.

Motion by Commissioner Zerkle and seconded by Commissioner Thomas to reconvene the Human Resource meeting in open session at 12:30 p.m.

Action: Carried unanimously.

Committee Chair DeLuca stated that as one of three candidates for the Corporate Secretary position, Human Resource Director Michael Flowers would like to ask Interim Corporate Secretary M. Denise Griffin a few questions.

Human Resource Director Michael Flowers asked the following questions:

1. *Please convey to the Commissioners your ability to act with diplomacy and act in confidential matters?*

Ms. Griffin stated that this was something that she dealt with in her previous position. She stated that she previously worked with Politicians and was privy to a lot of confidential and sensitive information on a daily basis and it was important to keep information confidential and it is important to know when to speak and when not to speak.

2. *How comfortable are you with your oral and written communication skill?*

Ms. Griffin stated that she was very comfortable with her oral and written communication skills. She stated that she conducted quite a few City Council Meetings and spoke in front of large crowds on a weekly basis. She stated that she had written Resolutions in her previous position as well as prepared the weekly City Council Agendas, Minutes and Committee Reports.

3. *How are your proficiencies with Microsoft programs as far as documents, Excel spreadsheets and Microsoft Word?*

Ms. Griffin stated that she was very competent with many different programs and always found a way to complete jobs accurately.

4. *Please convey to the Board your abilities for record management?*

Ms. Griffin stated that record management was part of her duties in her previous positions. She spoke about the different records management systems and styles in the City Clerk's office as well as the Income Tax Division.

Motion by Commissioner Thomas and seconded by Commissioner Plummer to go into closed session at 12:45 p.m.

Action: Carried unanimously.

Motion by Commissioner Thomas and seconded by Commissioner Plummer to reconvene the Human Resource meeting in open session at 12:50 p.m.

Action: Carried unanimously.

Motion by Commissioner Thomas, seconded by Commissioner Zerkle to remove interim from the title and offer the position of Corporate Secretary to candidate number one and forward this matter to the full board for consideration and approval.

Action: Carried unanimously.

Approval of Minutes

Motion by Commissioner Zerkle, seconded by Commissioner Thomas to approve the minutes of the Human Resource Committee meeting held July 23, 2009.

Action: Carried unanimously.

There being no further business, the meeting adjourned at 12:55 p.m.

Respectfully submitted,
Tony DeLuca, Chair
Human Resource Committee

EXECUTIVE COMMITTEE
August 24, 2009

The Executive Committee of the Board of Water and Light met at the Executive Offices, Lansing beginning at 8:00 a.m. on Monday, July 24, 2009.

Executive Committee Chair Sandra Zerkle called the meeting to order. The following committee members were present: Commissioners Sandra Zerkle, Peter Kramer and Frank Lain. Also present were Board Commissioners Margaret Bossenbery and Dennis Louney.

Absent: None.

Public Comments

Jan Simpson stated that she was a Board of Water & Light Retiree and President of the Retiree Association. She stated that she knew what the dynamics of this meeting was all about and wanted the Board to think about the tough economic times and to be cognizant of this when dealing with the General Manager's contract.

General Manager's Employment Contract

Chair Zerkle stated that she wanted to have this meeting because there were some edits to the original contract and she wanted the Commissioners to be comfortable with the changes.

Board of Water & Light General Counsel Brandie Ekren explained the language changes and edits on the General Manager's contract. She explained the difference between termination of "cause" and termination of "at-will" and what the payout would be in each situation. She stated that General Manager Lark would be paid up for the remainder of the contract agreement for an "at-will" termination if there is no "cause" associated. If there is "cause" he is basically paid up for 6 months.

Commissioner Lain questioned what was the benchmark to determine if the termination was "at-will" or "cause". General Counsel Ekren stated that information was spelled out in section "D" of the contract.

Chair Zerkle stated that there was no pay increase involved in General Manager Lark's contract.

Motion by Commissioner Kramer, seconded by Commissioner Lain to sign and execute the General Manager's edited contract.

Action: Carried unanimously.

Consideration of Obtaining Outside Legal Counsel to assist with preparation of the General Manager's Employment Contract

Chair Zerkle stated that during her talks between General Manager Peter Lark and General Counsel Brandie Ekren regarding the General Manager's contract that she became nervous because Brandie Ekren is technically an employee of Peter's and felt that it became a little awkward when negotiating Mr. Lark's contract and that it put Mrs. Ekren in a tough spot. She stated that the Board has access to outside counsel and questioned if obtaining outside counsel was something to consider for the future.

Motion by Commissioner Kramer, seconded by Commissioner Lain to bring this item to the Committee of the Whole for discussion.

Action: Carried unanimously.

Respectfully submitted,
Sandra Zerkle, Chair
Executive Committee

FINANCE COMMITTEE
September 8, 2009

The Finance Committee of the Lansing Board of Water and Light met at the Executive Offices, Lansing beginning at 4:00 p.m. on Tuesday, September 8, 2009.

Finance Committee Chairperson Peter Kramer called the meeting to order and asked the Interim Secretary to call the roll. The following members were present: Commissioners Peter Kramer, Margaret Bossenbery and Dennis Louney.

Absent: Commissioner Frank Lain

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Bossenbery, seconded by Commissioner Louney to approve the Finance Committee meeting minutes of July 14, 2009.

Action: Carried unanimously.

Plante & Moran Audited Financial Report for fiscal year 2009

General Manager J. Peter Lark introduced Doug Rober a Partner with Plante Moran (P&M).

Douglas Rober reviewed the process for the audit of the financial statements and related pension plans for the Board of Water and Light (BWL) for fiscal year ending 2009. Shaun Krick, Manager of P&M, stated that the General Motors bankruptcy and operating issues has resulted in less demand of energy which has resulted in less cost incurred by the Board of Water & Light and less revenue. He stated that as the graph charts are reviewed you will see the impact of the bankruptcy and it will be a common theme throughout the report. He reviewed the following information from the graphs:

Operating Revenue – Four-year Comparison Years Ended June 30

Shaun Krick, CPA Associate with Plante Moran stated that revenues were just under \$262 Million in the current year compared to last year at about \$267 Million. This is a decrease of about 5% and the largest component of the operating revenue was derived from the electric utility. There were less kilowatt-hours being sold and that is attributable to the General Motors plant that was closed and attributable to the much cooler weather.

Mr. Krick also stated that chilled water and water utilities revenues remain relatively consistent from previous years' levels, even though there was a 6% or 7% decrease in the volumes that were sold. There were rate increases through the year and that has helped offset the decrease in units sold. Steam revenue increased through the year mainly due to rate increases. The units sold were actually down by about 9% from previous years' levels.

Operating Expenses - Four-year Comparison Years Ended June 30

Mr. Krick stated that Operating Expenses were just under \$260 Million in the current year up from \$256 Million the in prior year. This is an increase of about 1.5%. The biggest component of operating expense was those relating to production of energy, due in large part to the lower demand of energy caused by General Motors.

Mr. Krick stated the total units across all the different utilities decreased by 12.6% feeding in to the decrease in transmission of distribution cost line item. Administrative and General costs increased slightly due to salary, wages and related benefits. Depreciation increased significantly in fiscal year 2009 due to the write off of the steam facility impairment.

Operating Income (Loss) Years Ended June 30

Mr. Krick stated that Water, Electric and Chilled Water are operating in the black. Steam had operating loss in the current year and this again is due entirely to the write off of the impaired steam asset of \$12.2 Million.

Sales Source of Kilowatt Hours Generated Years Ended June 30

Mr. Krick stated that of the 3.2 Billion kilowatt hours sold, 1/3 was sold through the MPPA contract, and an additional 2/3 was sold to retail customers. This is pretty consistent with operations of the past two years.

Kilowatt Hours Generated Versus Purchased Years Ended June 30

Mr. Krick stated that energy, both purchased and sold total about 3.3 Billion kilowatt hours, which is down about 12.6% from previous years due to demand. There was a significant increase in purchased energy due in part to the Board of Water & Light undergoing a green initiative and a contract with Granger to purchase energy. The other reason for the increase in the energy purchased is because the energy purchased from Belle River was less expensive than generating it from the Eckert Station due to the age of the infrastructure.

Significant Power Costs Year Ended June 30

Mr. Krick stated that energy costs in total were down about \$5 Million from the previous year. More energy was purchased from Belle River and the MPPA so there is an increase in related cost and since less energy was produced those cost decreased as well.

Bond Debt Service Requirements Year Ended June 30

Mr. Krick stated that this particular graph looks at debt service requirements on bonds that the Board of Water & Light has issued for the current year and the next five years. Over the next five years, 35% of total debt is expected to be paid off.

Mr. Krick said remaining graphs give a separate look at each of the utilities current year information compared to the past three years.

Jacob Horner, an Associate with Plante Moran, reviewed the letters that were included in the packet. He stated that the first letter reviewed their responsibilities to the Board and what Plante Moran is required to communicate to the Board about their findings.

Mr. Horner stated that there will be a Single Audit Report at a later date and this report is a result of the use of over \$5000.00 of Federal money for expenditures which relates to the FEMA monies that were received in 2008 to help make the necessary repairs to damaged Eckert Cooling Towers. The money was spent in 2008 but not considered federal until FEMA approved the expenditures, and that is why it is being audited in the 2009 fiscal year.

The other letters or reports that were reviewed by Mr. Horner were titled Results of the Audit, Summary of Unrecorded Possible Adjustments and Other Recommendations. Mr. Horner stated that there were no findings to report.

Plante Moran stated that it was a pleasure to work with the Board of Water & Light's Staff.

A complete copy of the Plante Moran's Presentation to the Finance Committee regarding the Audited Financial Statements & findings is on file in the Corporate Secretary's office.

Update on DB/VEBA

- 2nd Quarter 2009 Reports

General Manager J. Peter Lark introduced First Vice President Marie Vanerian of Merrill Lynch Institutional Consulting Group who provided an update on the economy.

Marie Vanerian stated that getting bad at a slower rate is not quite the same as getting better GDP. In the first quarter GDP was a -1% but estimates that there will be growth in the 3rd and 4th quarters. Unemployment improved slightly during the second quarter but probably will not peak until the middle of next year. She stated that we have to remember that the credit market had to thaw and the equity market will follow and the economy would be next and the lagging indicator would be unemployment. She said we do not have to have huge growth in order to make the next 10 years good.

- LBWL DB 2nd Quarter 2009 Reports
- LBWL VEBA 2nd Quarter 2009 Reports

Michael Muirhead, Associate Financial Advisor for Merrill Lynch Institutional Consulting Group provided 2nd Quarter updates on the Defined Benefit (DB) Plan and the Voluntary Employees Beneficiary Association (VEBA) Plan. The following overview documents were reviewed.

Lansing Board of Water & Light

***Defined Benefit Plan Asset Allocation
Quarter Ending June 30, 2009***

<i>Asset Class</i>	<i>Current Allocation</i>	<i>Target Policy</i>	<i>Difference</i>
Fixed Income	27.80%	31.00%	-3.20%
Large Cap Equity	46.80%	45.00%	1.80%
Small/Mid Cap Equity	8.50%	10.00%	-1.50%
International Equity	14.90%	14.00%	0.90%
Cash & Cash Equivalentents	2.00%	0%	2.00%
TOTAL	100.00%	100.00%	

***VEBA Plan Asset Allocation
Quarter Ending June 30, 2009***

<i>Asset Class</i>	<i>Current Allocation</i>	<i>Target Policy</i>	<i>Difference</i>
Fixed Income	29.00%	31.00%	-2.00%
Large Cap Equity	39.30%	43.00%	-3.70%
Small/Mid Cap Equity	8.50%	10.00%	-1.50%
International Equity	10.10%	11.00%	-0.90%
Private Equity	0.00%	5.00%	-5.00%
Cash & Cash Equivalentents	13.10%	0%	13.10%
TOTAL	100.00%	100.00%	

** Note high cash allocation was due to cash placeholder for Private Equity allocation and VEBA contributions made during the Second Quarter.*

DB Performance
4th Quarter FY 2009

Fund Name:	Allocation	Market Value	(Net of Fees) 2nd Qtr Perf.-%	Benchmark		Fav/(Unfav) vs. Benchmark
				Investment Obj.	2nd Qtr. Perf.-%	
Large Cap Growth						
Edgewood	9.7%	7,103,355	17.39	S&P 500 Total Return	15.93	1.46
Aletheia	9.2%	6,722,037	23.36	Russell 1000 Growth	16.32	7.04
Large-Cap Value						
Eaton Vance	8.6%	6,323,435	12.83	Russell 1000 Value	16.69	(3.86)
Jenison	9.4%	6,866,799	18.27	Russell 1000 Value	16.69	1.58
Atlanta Life						*
International						
Wentworth (Growth)	5.7%	4,160,944	28.60	MSCI EAFE Total Return	25.85	2.75
MFS (Core)	5.3%	3,919,976	21.61	MSCI EAFE Total Return	25.85	(4.24)
JP Morgan Intl (Value)	4.5%	3,323,507	20.27	MSCI EAFE Total Return	25.85	(5.58)
Smid Cap Growth						
Insight	2.6%	1,934,207	(0.07)	Russell 2000 Growth	23.37	(23.44)
O'Shaughanessy	3.1%	2,295,830	9.41	Russell 2500 Growth	21.79	(12.38)
Smid Value						
Advisory Research			20.12	Russell 2500 Value	20.90	(0.78)
Fixed Income						
JP Morgan	10.1%	7,405,033	2.86	Barclays Aggregate Index	1.70	1.16
Metwest	17.9%	13,144,617	3.40	Barclays Aggregate Index	1.70	1.70
ishares R 1000 Growth	9.9%	7,234,363				+
Russell 2000 Value	2.9%	2,153,818				++
Cash	1.1%	826,619				
Total	100.0%	73,414,540	18.10	+++ Returns for this asset allocation	13.60	+++ 4.50

* Started trading 5-25-09
** Did not start trading until 4-30-09
*** Did not start trading until 4-18-09
+ Placeholder for Atlanta Life
++ Placeholder for Advisory
+++ Gross of fees

VEBA Performance
4th Quarter FY 2009

Fund Name:	Allocation	Market Value	(Net of Fees) 2nd Qtr Perf.-%	Benchmark		Fav/(Unfav) vs. Benchmark
				Investment Obj.	2nd Qtr. Perf.-%	
Large Cap Growth						
Edgewood	8.6%	5,174,267	17.71	S&P 500 Total Return	15.93	1.78
Aletheia	8.6%	5,145,573	23.67	Russell 1000 Growth	16.32	7.35
Large-Cap Value						
Eaton Vance	8.7%	5,189,048	12.78	Russell 1000 Value	16.69	(3.91)
Jenison	8.7%	5,217,461	18.31	Russell 1000 Value	16.69	1.62
Atlanta Life						*
International						
Wentworth (Growth)	3.8%	2,299,163	28.62	MSCI EAFE Total Return	25.85	2.77
MFS (Core)	3.5%	2,079,584	21.69	MSCI EAFE Total Return	25.85	(4.16)
JP Morgan Intl (Value)	3.5%	2,092,047	20.22	MSCI EAFE Total Return	25.85	(5.63)
Smid Cap Growth						
Insight	3.3%	1,977,240	0.17	Russell 2000 Growth	23.37	(23.20)
O'Shaughanessy	3.4%	2,012,463	9.40	Russell 2500 Growth	21.79	(12.39)
Smid Value						
Advisory Research			20.18	Russell 2500 Value	20.90	(0.72)
Fixed Income						
JP Morgan	15.2%	9,099,316	0.80	Barclays Aggregate Index	1.70	(0.90)
Metwest	15.8%	9,442,731	1.68	Barclays Aggregate Index	1.70	(0.02)
Russell 1000 Index Fund	8.7%	5,204,855				+
ishares Russell 2000	3.3%	1,977,796				++
Cash	5.0%	2,986,035				
Total	100.0%	59,897,579	11.90	+++ Returns for this asset allocation	13.30	+++ (1.40)

* Started trading 5-25-09
** Did not start trading until 4-30-09
*** Did not start trading until 4-18-09
+ Placeholder for Atlanta Life
++ Placeholder for Advisory
+++ Gross of fees

The full set of 2nd Quarter Reports are included in the packet and available for viewing in the Office of the Corporate Secretary.

Internal Controls

General Manager J. Peter Lark introduced Mike Collins, Manager of the Lansing Board of Water & Light Internal Control Department.

Mike Collins gave an overview of the activities of the Internal Control Department. He also introduced Kathy Krause and commented that she is highly skilled in evaluating information technology internal controls, and he mentioned that Sue Sims, a CPA, had joined his staff, too. A PowerPoint slide presentation titled "2009 Report, Internal Control Structure" was included in the Committee's packet. Mr. Collins gave a brief overview of internal controls and how they provide the Board with reasonable assurance the BWL achieves its corporate objectives of 1) effective and efficient operations, 2) reliable financial statements, and 3) compliance with applicable laws and regulations.

Chair Kramer asked Mr. Collins to explain the difference between the Internal Control Department and Internal Audit. Mr. Collins explained that the function of Internal Control is to work directly with various departments to help insure they have designed and implemented controls to mitigate the risks associated with their business activities in the most economical and efficient manner. The role of Internal Audit is to review those business activities and evaluate the adequacy of their associated risks and controls and report their findings to the Board. Mr. Collins concluded by offering to meet with anyone that had questions on internal controls and recommended that they visit the Internal Control Department's website.

Internal Audit Update

- Audit Report (Project Engineering Department)
- Audit Report (Collections Process)
- Internal Audit Status Report

Internal Auditor Phil Perkins gave a brief presentation on two recently completed audits, a status report on FY2009 completed and in-progress audits, and the FY2010 proposed audit plan.

Mr. Perkins noted that in both of the audit reports that were in the packet, there were findings relating to a lack of documentation. He noted that Internal Audit is careful to assess the risk and impact of not having the documentation since this is more important in some cases than others. He cited an example in one of the reports about a pre-construction form that is important because it may protect the company's interest in case of an accident on the job if it can be demonstrated that personnel were briefed on safety before starting the work.

Mr. Perkins then gave a brief presentation on FY2009 audits and the proposed FY2010 audit plan, along with some challenges he has noted in his first few months on the job. He gave management credit for being cooperative and supportive of Internal Audit and keeping the lines of communication open, citing monthly status meetings that he has with the Chief Financial Officer Susan Devon and continued contact with the Internal Controls group.

Motion by Commissioner Louney, seconded by Commissioner Bossenbery to excuse Commissioner Frank Lain from today's meeting.

Action: Carried unanimously.

On **motion** by Commissioner Louney, seconded by Commissioner Bossenbery, the meeting adjourned at 5:50 p.m.

Respectfully submitted,
Peter W. Kramer, Chair
Finance Committee

COMMITTEE OF THE WHOLE
September 8, 2009

The Committee of the Whole of the Lansing Board of Water and Light met at the Executive Offices, Lansing beginning at 6:08 p.m. on Tuesday, September 8, 2009.

Chair Sandra Zerkle called the Committee of the Whole meeting to order and asked the Interim Corporate Secretary to call the roll. The following members were present: Commissioners Margaret Bossenbery, Tony DeLuca, Dennis Louney, Marilyn Plummer and Sandra Zerkle.

Absent: Commissioners Frank Lain, Pete Kramer and Tracy Thomas.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeLuca, seconded by Commissioner Bossenbery to approve the Committee of the Whole meeting minutes of July 14, 2009.

Action: Carried unanimously.

Designated Representative regarding EPA

General Manager J. Peter Lark stated that the purpose of this resolution is to have the latest designees named for the purpose of reporting to the Environmental Protection Agency (EPA). Those representatives are George Stojic and Douglas Wood as the alternate.

Motion by Commissioner Bossenbery, seconded by Commissioner DeLuca to forward the proposed resolution on to the full Board for consideration and approval.

Action: Carried unanimously

Net Metering Program – Set Public Hearing

- Resolution
- Net Metering Standards
- Net Metering Rider

General Manager J. Peter Lark gave a brief explanation of net metering. He stated that he would like the Board to set up a public hearing so the customers can have input on net metering. Also included in the committee packet are the net Metering Program Standards and the Net Metering

Rider, which enables customers using renewable energy sources to connect to the Board of Water & Light's electric distribution system and send electricity back to the BWL when their generation exceeds their own use. Under Federal law the BWL is required to at least look at net metering.

Commissioner Louney questioned the \$5.00 charge that was indicated on page #3 of the Net Metering Program Standards.

In response George Stojic stated that net metering cannot be billed easily and that the billing process has to be done by hand and there is an administrative cost associated with that. At the time the program was being put together it was estimated that the administrative cost was about \$5.00.

Motion by Commissioner Louney, seconded by Commissioner Plummer to forward the proposed resolution on to the full Board for consideration and approval.

Action: Carried unanimously.

Census Bureau Resolution

Commissioner Plummer stated that this resolution is about community outreach and what the Census Bureau is looking for is partners to support what they are doing. She stated that this relates to federal dollars coming back to our community.

Motion by Commissioner Bossenbery, seconded by Commissioner Louney to forward the proposed resolution on the full Board for consideration and approval.

Action: Carried unanimously

Resolutions Honoring Former Commissioners

- Bob Cochran and
- Semone James-Howes

Motion by Commissioner Bossenbery, seconded by Commissioner DeLuca to forward the resolutions of tribute on to the full Board for approval.

Action: Carried unanimously.

Resolution Honoring Calvin Jones

Chair Zerkle stated that this resolution is a tribute for Calvin Jones and his work on the Chili Cook-Off event.

Motion by Commissioner Plummer, seconded by Commissioner Bossenbery to forward this resolution of tribute on to the full Board for approval.

Action: Carried unanimously.

Consideration of Outside Legal Counsel in preparation for future General Manager contracts

Commissioner Zerkle stated that at the Executive Committee Meeting there was a discussion regarding using an outside counsel in the future when dealing with the General Manager's contract. She stated that she felt having General Counsel Brandie Ekren negotiate her boss's contract with the Board puts her in a precarious position. Chair Zerkle stated she did not know if the Board needs a resolution to obtain outside counsel.

General Counsel Brandie Ekren stated that a resolution was not necessary at this time but if in the future the Board feels the need for outside counsel please talk with her and she will be happy to assist and provide information regarding obtaining outside legal counsel and also that City Attorney Brigham Smith is available for assistance.

Other

General Manager J. Peter Lark gave an update on the First STEP Program. Mr. Lark stated that this program was born of the notion that 40% of the BWL's staff is at retirement age and can retire within 3 years. However, since the economy has gotten bad and everyone's 401K has taken a hit, the BWL is not seeing a lot of employees interested in retiring. As a result of employees not retiring and revenue being down there will be some changes to the First STEP Program. He stated that the program would continue on a much smaller scale.

General Manager Lark reminded the Board of Commissioners that typically in November there is a Pension Trustees meeting and arrangements will be made for that meeting.

Motion by Commissioner Zerkle, seconded by Commissioner DeLuca to excuse Commissioners Frank Lain, Pete Kramer and Tracy Thomas from today's meeting.

Action: Carried unanimously.

With there being no further business the meeting adjourned at 6:45 p.m.

Respectfully submitted
Sandra Zerkle, Acting Chair
Committee of the Whole

MANAGER'S RECOMMENDATIONS

RESOLUTIONS

RESOLUTION # 2009-09-1

Designated Representative and Alternate Designated Representative

RESOLVED, that George Stojic be named the BWL's designated representative and Douglas Wood be named the BWL's alternate designated representative, all for the purpose of reporting to the Environmental Protection Agency (EPA) under the Clean Air Act; and

FURTHER RESOLVED, that the designated representative and the alternative designated representative be authorized to bind the BWL by their respective actions, inactions, and submissions with respect to the Clean Air Act.

Staff Comments: Due to changes in personnel, this revised resolution is necessary. This supersedes Resolution No. 09-01-02.

Motion by Commissioner Kramer, seconded by Commissioner Lain, to approve the resolution of designating George Stojic as the BWL's designated representative and Douglas Wood as the BWL's alternate designated representative for the purpose of reporting to the Environmental Protection Agency.

Action: Carried unanimously

RESOLUTION #2009-09-2

**LANSING BOARD OF WATER & LIGHT'S RENEWABLE ENERGY
NET METERING PROGRAM AND COMPANION RATE RIDER**

WHEREAS, the Energy Policy Act of 2005 (EP Act 2005) amended the Public Utility Regulatory Policies Act of 1978 (PURPA) requiring covered utilities to consider adopting five new standards including net metering; and

WHEREAS, the Lansing Board of Water & Light Board of Commissioners passed Resolution 2008-7-5 that resolved the BWL shall develop and promote a net metering program which meets applicable PURPA standards; and

WHEREAS, there is a growing interest by residential and business customers to invest in customer generated sources of power supply and a net metering program will encourage the installation and use of customer-owned renewable energy systems.

RESOLVED, that the Renewable Energy Net Metering Program and companion rate rider be made the subject of a public hearing prior to further consideration by the Board of Commissioners.

RESOLVED FURTHER, that the Board of Commissioners hereby set the date of Thursday, November 12, 2009, at 5:30 pm for a public hearing to solicit public input on the Renewable Energy Net Metering Program and companion rate rider. The hearing will be held in the Board of Water and Light's offices, 1232 Haco Drive, Lansing. The Corporate Secretary is directed to file with the City Clerk, no later than September 23, 2009, information regarding the Renewable Energy Net Metering Program and companion rate rider with an effective date of January 1, 2010.

Staff Comments: The BWL's Renewable Energy Net Metering Program and companion rate rider will be offered to its electric customers who wish to install renewable electric energy systems on their premises. The program will be evaluated on a periodic basis to determine customer interest and operational impacts on the BWL's system and revised if needed. Following adoption of this resolution, the Staff will prepare for the public hearing date. Following the public hearing, the Staff

will prepare a report summarizing public comments and making recommendations on any revisions to the Net Metering program and rate rider if necessary.

Renewable Energy Net Metering Rider

Purpose – The purpose of this rider is to enable customers who generate electricity using renewable energy sources to connect to the BWL's electric distribution system and to send electricity back to the electric grid at time when their generation exceeds their own use.

Availability - Net Metering applicants must be an electric customer making use of any BWL Electric Rate Schedule. The Net Metering Program will be voluntary and selection of customers for participation in the net metering program shall be based on the order in which the applications for the net metering program are received by the BWL. The Net Metering Program will be in effect until the total nameplate capacity of all participating generators is equal to the maximum program limit of 1% of the BWL peak load for the preceding calendar year. The renewable energy generating system will not exceed 50 kW per site and may be limited to geographical regions within the BWL's service territory.

Eligible Renewable Energy Resources - Customers must generate a portion or all of their own retail electricity requirements using a renewable energy resource including but not limited to the following: Biomass, Solar Photovoltaic or Wind. Other renewable energy resources not included in the list above must be approved in advance by the BWL.

Generation and Interconnection Requirements- The generation equipment must be located on the customer's premise and serve only the customer's premises. The Net Metering applicant shall be limited to generation capacity designed to meet the customer's electric demand and energy needs. The BWL, at its discretion, will make the final determination of the acceptable size of the renewable energy generating system eligible for participation. Before participating in the Net Metering Program customers must be approved for parallel operation with BWL's electric distribution system by meeting all interconnection requirements.

Monthly Rate – All Net Metering customers will be billed \$5.00 per month to recover costs associated with operating the Net Metering Program.

Net metering customers with a system capable of generating 20 kW or less shall qualify for true net metering. For customers who qualify for true net metering, the net of the bidirectional flow of kWh across the customer interconnection with the BWL distribution system during the billing period, including excess generation credits, shall be credited at the full retail energy (kWh) rate.

- a) The credit for Net Excess Generation (NEG), if any, shall appear on the next bill and any excess credit not used to offset current charges shall be carried forward for use in subsequent billing periods.
- b) Reconciliation of any NEG credits will occur at the end of each calendar year. At that time the customer's NEG credit balance will be reset to zero and any NEG credits will be refunded at the retail power supply rate.
- c) If a customer leaves the provider's system or service is terminated for any reason, the BWL shall refund to the customer the remaining NEG credit amount. Remaining NEG credits will be refunded at the retail power supply rate.
- d) The retail power supply rate includes the BWL generation costs and purchase power and other related costs.

Net metering customers with a system capable of generating more than 20 kW but less than 50 kW will qualify for modified net metering. The BWL shall require individual contracts with customers with generation systems of more than 20 kW for billing purposes.

Rules and Regulations – Service under this rider is subject to the BWL Rules and Regulations for Electric Service and the Renewable Energy Net Metering Program Standards. The BWL reserves the right to revise the terms and conditions including any electric energy buy-back pricing rates of future Net Metering programs.

Motion by Commissioner Bossenbery and seconded by Commissioner Lain, to set the date of Thursday, November 12, 2009, at 5:30 pm for a public hearing to solicit public input on the Renewable Energy Net Metering Program and companion rate rider and PURPA Standards under the energy independence and security ACT of 2009.

Action: Carried unanimously.

**Net Metering Supporting Document
Lansing Board of Water & Light's
Renewable Energy Net Metering Program Standards**

The Lansing Board of Water & Light (BWL) is currently offering a Net Metering Program to its electric customers who wish to install renewable electric energy systems. This program will also allow the BWL to evaluate the market demand and operational impact for Net Metering in its electric service territory.

The Net Metering Program will enable customers who generate electricity using renewable energy sources to connect to the BWL's electric distribution system and to send electricity back to the electric grid at time when their generation exceeds their own use.

The BWL reserves the right to revise the terms and conditions including any electric energy buy-back pricing rates of future Net Metering programs.

PROGRAM AVAILABILITY

The Net Metering Program will be voluntary and selection of customers for participation in the net metering program shall be based on the order in which the applications for the net metering program are received by the Lansing Board of Water & Light.

The Net Metering Program will be in effect until the total nameplate capacity of all participating generators is equal to the maximum program limit of 1% of the BWL peak load for the proceeding calendar year. The renewable energy generating system will not exceed 50 kW per site and may be limited to geographical regions within the BWL's service territory.

CUSTOMER ELIGIBILITY

Net Metering applicants must be an electric customer making use of any BWL Electric Rate Schedule and receive electric service from the BWL distribution system.

Customers must generate a portion or all of their own retail electricity requirements using a renewable energy resource including but not limited to the following:

- Biomass
- Solar Photovoltaic
- Wind

Other renewable energy resources not included in the list above must be approved in advance by the BWL.

APPLICATION FOR SERVICE AND FEES

For a customer to participate in the BWL Net Metering Program a completed Net Metering Application shall be submitted. An applicant applying for net metering shall at the same time make application for interconnection with the BWL's electric distribution system. Net Metering Applications shall be available through direct mail or through the BWL website. (www.lbwl.com)

GENERATION REQUIREMENTS

The generation equipment must be located on the customer's premise and serve only the customer's premises. The Net Metering applicant shall be limited to generation capacity designed to meet the customer's electric demand and energy needs. The customers' electric needs may be determined by one of the following methods:

- a) The customers' annual energy usage, measure in kilowatt hours (kWh), during the previous 12-month period.
- b) For a customer with metered demand data available, the maximum integrated hourly demand measure in kilowatts (kW) during the past 12-month period.
- c) In those cases where there is no data, incomplete data, or incorrect data for the customer's energy usage or where the customer is making changes on-site that will affect total usage, the BWL and the customer shall mutually agree on a method to determine the customer's electric needs.

The BWL, at its discretion, will make the final determination of the acceptable size of the renewable energy generating system eligible for participation in this net metering program.

GENERATION AND NET METERING EQUIPMENT

New generation and net metering equipment and its installation must meet all current local and state electric and construction code requirements. Any equipment that is certified by a nationally recognized testing laboratory to IEEE 1547.1 testing standards and in compliance with UL 1741 scope 1.1A and installed in compliance with this part is considered eligible equipment.

GENERATOR INTERCONNECTION REQUIREMENTS

Customers interested in participating in the Net Metering Program must meet all BWL interconnection requirements. Applicants must request and review the information in the BWL's Generator Interconnection procedural guidelines and complete the Generator Interconnection Application.

Before participating in the Net Metering Program customers must be approved for parallel operation with BWL's electric distribution system by meeting all interconnection requirements and by signing a "Generator Interconnection Agreement". This agreement will give the customer permission to safely connect to LBWL's electric distribution system.

METERING REQUIREMENTS

Electric meters shall be used to determine the amount of the customer's energy use in each billing period, net of any excess energy the customer's renewable energy generating system delivers to the BWL's distribution system during that same billing period. The BWL will determine the appropriate meter(s) to be installed and that will be capable of measuring the flow of energy in both directions. The installation of generation meters will be at the discretion of the BWL. Customers who request a separate generation meter will be responsible for all costs associated with the meter and installation of that meter.

CUSTOMER BILLING

Net metering customers with a system capable of generating 20 kW or less shall qualify for true net metering. For customers who qualify for true net metering, the net of the bidirectional flow of kWh across the customer interconnection with the BWL distribution system during the billing period, including excess generation credits, shall be credited at the full retail energy (kWh) rate.

- e) The credit for Net Excess Generation (NEG), if any, shall appear on the next bill. Any excess credit not used to offset current charges shall be carried forward for use in subsequent billing periods.
- f) Reconciliation of any NEG credits will occur at the end of each calendar year. At that time the customer's NEG credit balance will be reset to zero and any NEG credits will be refunded at the retail power supply rate.
- g) If a customer leaves the provider's system or service is terminated for any reason, the BWL shall refund to the customer the remaining NEG credit amount. Remaining NEG credits will be refunded at the retail power supply rate.
- h) The retail power supply rate includes the BWL generation costs and purchase power and other related costs.

Net metering customers with a system capable of generating more than 20 kW but less than 50 kW will qualify for modified net metering. The BWL shall require individual contracts with customers with generation systems of more than 20 kW for billing purposes.

COST RECOVERY OF NET METERING PROGRAM

All Net Metering customers will be billed \$5.00 per month to recover costs associated with operating the Net Metering Program.

CUSTOMER DISCONNECTION OR TERMINATION

The BWL may refuse to connect or may disconnect a project from the distribution system if any of the following conditions apply:

- a) Lack of a fully executed interconnection agreement.
- b) Termination of interconnection by mutual agreement.
- c) Noncompliance with technical or contractual requirements in the interconnection agreement after notice is provided to the applicant of the technical or contractual deficiency.
- d) Distribution system emergency.
- e) Routine maintenance, repairs, and modifications, but only for a reasonable length of time necessary to perform the required work and upon reasonable notice.
- f) Failure to apply for and receive an electrical permit and inspection by the appropriate permit granting authority.
- g) Failure to remain current on all BWL bills.

The customer may terminate their participation in the Net Metering Program at any time for any reason with 60-days notice.

NET METERING PROGRAM STATUS AND EVALUATION REPORTS

The BWL will maintain records of all Net Metering applications and up-to-date records of all eligible electric generators within its electric service territory.

The Net Metering Agreements will be reviewed on an annual basis by BWL. The BWL reserves the right, at its discretion, to choose to renew, revise or revoke any agreement entered into during this program. The applicant will receive, in writing, an explanation for any decision made concerning the status of their Net Metering Agreement.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

Chair Zerkle stated that the Executive Committee has three members in place and they are the Past Chair, Current Chair and the Acting Past Chair and that a fourth member is needed to complete the Committee.

Motion by Chair Zerkle, seconded by Commissioner Thomas, to nominated Dennis Louney as the fourth member of the Executive Committee.

Action: Carried unanimously.

There was no other New Business.

RESOLUTIONS

RESOLUTION #2009-09-3

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 2009-2010, or, until a successor is appointed, whichever last occurs:

M. Denise Griffin, Corporate Secretary

FURTHER RESOLVED, That M. Denise Griffin shall be extended an employment contract which shall be effective from July 1, 2009, and expire on June 30, 2010, or until a successor is appointed, whichever later occurs.

Motion by Commissioner Lain, seconded by Commissioner DeLuca, to appoint M. Denise Griffin as the Corporate Secretary.

Action: Carried unanimously.



2010 Census Partner Proclamation

RESOLUTION #2009-09-4

WHEREAS an accurate census count is vital to our community and residents' well-being by helping planners determine where to locate schools, day care centers, roads and public transportation, hospitals and other facilities, and achieving an accurate and complete count of the nation's growing and changing population;

WHEREAS more than \$400 billion per year in federal and state funding is allocated to states and communities based, in part, on census data;

WHEREAS census data help determine how many seats each state will have in the U.S. House of Representatives and often is used for the redistricting of state legislatures, county and city councils and voting districts;

WHEREAS the 2010 Census creates jobs that stimulate economic growth and increase employment;

WHEREAS the information collected by the census is confidential and protected by law;

Now, therefore, we PROCLAIM that Lansing Board of Water & Light is committed to partnering with the U.S. Census Bureau to help ensure a full and accurate count in 2010.

As a 2010 Census partner, we will:

1. Support the goals and ideals for the 2010 Census and disseminate 2010 Census information to encourage those in our community to participate.
2. Encourage people in our community to place an emphasis on the 2010 Census and participate in events and initiatives that will raise overall awareness and ensure a full and accurate census.
3. Support census takers as they help our community complete an accurate count.
4. Create or seek opportunities to collaborate with other like-minded groups in our community by participating in Complete Count Committees and/or utilizing high-profile, trusted voices to advocate on behalf of the 2010 Census. Signed this 22, day of September, in the year 2009.

Lansing Board of Water & Light Board of Commissioners

Motion by Commissioner Thomas, seconded by Commissioner DeLuca, to support and partner with the Census Bureau to assist with obtaining a accurate census count.

Action: Carried unanimously.

RESOLUTION #2009-09-5
LANSING BOARD OF WATER AND LIGHT
RESOLUTION HONORING ROBERT W. COCHRAN

WHEREAS, it is indeed a pleasure to extend this expression of our thanks and best wishes to Robert W. Cochran; and

WHEREAS, Robert W. Cochran was appointed an At-Large Commissioner on February 20, 2006; and

WHEREAS, he last served on the Board's Finance Committee and has previously served as a member of the Executive and Human Resource Committees; and

WHEREAS, Bob Cochran served in the United States Air Force from 1957 through 1979 and cultivated a distinguished career in the military, space, and defense industries. He has also co-chaired Mayor Virg Bernero's transition Technical and Infrastructure Committee and was the proprietor of a Lansing based residential contracting firm.

WHEREAS, Bob is currently enjoying his retirement; but is actively volunteering his time, talent and energy in support of the community. He has also lent his financial expertise, quantitative and analytical skill set to the governing of the Lansing Board of Water and Light.

NOW THEREFORE BE IT RESOLVED, That the Lansing Board of Water and Light Board of Commissioners, hereby honor and commend Robert W. Cochran upon leaving this Board with over three years of distinguished service. In Regular Session this 22nd day of September, 2009, we sincerely wish Bob continued success in all his future endeavors and achieving that which is in the best interest of our community.

Sandra Zerkle, Chair

Frank Lain, Vice Chair

Margaret A. Bossenbery

Tony DeLuca

Peter W. Kramer

Dennis M. Louney

Marilyn D. Plummer

Tracy Thomas

Motion by Commissioner Kramer, seconded by Commissioner Lain, to approve the resolution of tribute for the outgoing Commissioner Robert Cochran.

Action: Carried unanimously.

RESOLUTION #2009-09-6
LANSING BOARD OF WATER AND LIGHT
RESOLUTION HONORING SEMONE M. JAMES-HOWES

WHEREAS, it is indeed a pleasure to extend this expression of our sincere thanks and best wishes to Semone M. James-Howes; and

WHEREAS, Semone M. James-Howes was appointed as the 1st Ward Commissioner on February 20, 2006; and

WHEREAS, She last served on the Board's Executive Committee and as an alternate member of the Finance and Human Resource Committees, respectively. She also previously served as the Chair and Vice-Chair for the Board of Commissioners and as Chair of the Committee of the Whole, Finance Committee, Nominating Committee and Ad Hoc Committee to revise the Rules of Administrative Procedure; and

WHEREAS, Semone M. James-Howes was appointed Executive Director of the State of Michigan Land Bank Fast Track Authority by Governor Jennifer M. Granholm and has worked to cultivate an exceptional career with the State of Michigan for over 15 years, having worked in several capacities with the Departments of Labor and Economic Growth, Transportation, and Treasury. Semone currently serves as an Investment Specialist with the Department of Treasury, Bureau of Investments' Administration Division; and

WHEREAS, Semone is a lifelong resident of Michigan and dedicates her time and energy to several community oriented and faith-based organizations; and

WHEREAS, She has worked diligently in support of the Lansing community; and lent her financial and business expertise as well as her leadership skills in governing the organization and encouraging it to reach its goals and be the best utility company possible.

NOW, THEREFORE, BE IT RESOLVED, That the Lansing Board of Water and Light Board of Commissioners, hereby, honor and commend Semone M. James-Howes upon leaving this Board with over three years of distinguished service. In Regular Session this 22nd day of September 2009, we sincerely wish Semone continued success in all her endeavors of being of service and achieving all that is in the best interest of our community.

Sandra Zerkle, Chair

Frank Lain, Vice Chair

Margaret A. Bossenbery

Tony DeLuca

Peter W. Kramer

Dennis M. Louney

Marilyn D. Plummer

Tracy Thomas

Motion by Commissioner Kramer, seconded by Commissioner Lain, to approve the resolution of tribute for the outgoing Commissioner Semone James-Howes.

Action: Carried unanimously.

RESOLUTION #2009-09-07
BOARD OF WATER AND LIGHT
RESOLUTION HONORING CALVIN L. JONES

WHEREAS, It is with great appreciation for his many contributions to the Lansing Board of Water and Light and to the success of the 14th Annual Chili Cook Off that we honor Calvin L. Jones; and

WHEREAS, the 2009 BWL Chili Cook-Off had more than 50 food vendors, which was the most in the event's history; and the event had a record attendance of more than 12,000; the event generated sufficient funds to provide contributions to the Hope Scholars, Impression 5 Science Center and the Sparrow Foundation in the amounts of \$10,000, \$10,000 and \$5,000 respectively.

WHEREAS, the Board of Water & Light Board of Commissioners extends a well deserved thank you to Calvin L. Jones and all of the Board of Water & Light Chili Cook off events staff and volunteers for making the June 5th event the biggest and best in the event's history.

NOW, THEREFORE BE IT RESOLVED that a unanimous accolade of praise and tribute be given to Calvin L. Jones for his many contributions to the Board of Water and Light's successful 14th Annual Chili Cook Off. In Regular Session this 22nd day of September 2009, we congratulate and thank Calvin L. Jones.

BOARD OF COMMISSIONERS

Sandra Zerkle, Chair

Frank Lain, Vice Chair

Margaret A. Bossenbery

Tony DeLuca

Peter Kramer

Dennis Louney

Marilyn Plummer

Tracy Thomas

Motion by Commissioner Kramer, seconded by Commissioner Lain, to approve this resolution of tribute for Calvin Jones.

Action: Carried unanimously

Calvin Jones accepted his resolution of tribute and stated that the 2009 Chili Cook-off was his most rewarding achievement during his thirty-three years at the Board of Water & Light. He thanked General Manager J. Peter Lark for his vision to accomplish this community event without using rate payers money. He thanked all Board of Water & Light volunteers and gave special thanks to Cheval Breggins. He also thanked the Board of Commissioner for his tribute.

MANAGER'S REMARKS

General Manager Lark spoke about the opening of the Chiller Plant. He thanked Beverly Bishop and everyone who helped organize the event. He stated that the Chiller Plant is beautiful and that the numbers are coming in as good or better than expected. He stated that Dick Peffley is owed a large debt of gratitude and that he put together a project that is second to none. The project was on time and on budget.

Chair Zerkle stated the Chiller Plant sits well and fits right in with the City.

COMMISSIONERS' REMARKS

There were no Commissioner's remarks.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

On motion by Commissioner DeLuca, seconded by Commissioner Kramer, the meeting adjourned at 5:51 p.m.

M. Denise Griffin, Corporate Secretary
Filed with Lansing City Clerk
September 28, 2009