



MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

LANSING BOARD OF WATER AND LIGHT

March 23, 2010

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

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

Present: Commissioners Margaret Bossenbery, Tony DeLuca, Peter Kramer, Frank Lain, Dennis Louney(arrived at 5:41 p.m.), Tracy Thomas and Sandra Zerkle.

Absent: Commissioner Marilyn Plummer

The Corporate Secretary declared a quorum present.

Commissioner DeLuca led the Pledge of Allegiance.

SPECIAL PRESENTION

Pennies for Power Fundraiser

General Manager J. Peter Lark thanked Bob Perialas, Manager of Customer Service and Calvin Jones, Director of Public Relations, Diversity and Organizational Assessment for organizing the first "Pennies for Power" Beer, Wine & Cheese Tasting Fundraising event. He also thanked all of the sponsors who supported the event.

General Manager Lark presented Ivan Love, Executive Director of Capital Area Community Services (CACS) with a fundraiser proceeds check in the amount of \$7,600.00.

Ivan Love stated that CACS has had an extremely beneficial relationship with the Board of Water & Light for many years and that the "Pennies for Power" initiative donates approximately \$40,000 a year to the organization. Mr. Love said every penny donated through this initiative goes directly into paying utilities for low-income families who are not able to pay their bill. He thanked the Board of Commissioners, General Manager Lark and the Board of Water & Light for their support.

APPROVAL OF MINUTES

Motion by Commissioner Thomas seconded by Commissioner Bossenbery to approve the minutes of the Regular Board Meeting of January 26, 2010.

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 REPORT December 4, 2009

This Report was dissolved at the Regular Board Meeting of January 26, 2010.

COMMITTEE OF THE WHOLE February 9, 2010

The Committee of the Whole of the Lansing Board of Water and Light met at the Executive Offices, Lansing beginning at 5:30 p.m. on Tuesday, February 9, 2010.

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

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

Absent: Commissioner Peter Kramer

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Zerkle, seconded by Commissioner Bossenbery to approve the Committee of the Whole meeting minutes of November 11, 2009.

Action: Carried unanimously.

Plug-In Hybrid Infrastructure

General Manager J. Peter Lark presented an overview on Plug-In Hybrid Vehicle Infrastructure and the Board of Water & Light's (BWL) electric vehicle community project. It is anticipated that General Motor's Volt, a new electric vehicle scheduled for production later this year, will be used in the project. The BWL is working to assess options to insure that there is adequate infrastructure in place to handle charging for these vehicles, both at home and in the community. BWL generating capability is expected to be able to handle the demand for these vehicles at this time. The BWL was awarded \$750,000 for the project from the Federal Government through support from Representative Schauer and Senators Levin and Stabenow.

George Stojic, Director of Planning and Strategic Development, stated that the BWL was among the utilities that are the leaders in this field. The BWL is in partnership with local communities including Delta Township, City of Lansing and Lansing Community College to advance the BWL's Electric Vehicle Project and would like to get Michigan State University involved as well.

Kellee Christensen, Manager of Customer Projects & Development presented a PowerPoint presentation titled "LBWL Electric Vehicle Community Project", that covered major aspects of the project. The project team includes George Stojic, Angie Ethridge, Kellee Christensen, Ray Moore, Tim Rowden and Chad Taylor.

A copy of the PowerPoint presentation presented is on file and available for viewing in the Office of the Corporate Secretary.

Moores Park Study

General Manager Lark presented an update to the Board regarding a study of the Moores Park Steam plant. The study is to assess the condition and needs of the four steam boilers at Moores Park. These units are at least 50 years old and are in need of maintenance and repair. In addition, new air emission regulations may require the Board of Water & Light (BWL) to invest in new environmental control equipment for the units. This study will estimate the cost of maintaining steam production for the four boilers and options for replacing the existing steam boilers.

One option for replacing the existing coal boilers is to use natural gas to fuel a boiler or in a combined cycle natural gas electric generator, which can be used to produce steam for our central steam business, as well as electricity. This is important since the three smaller power-generating units at Eckert may have to be retired in 2018 to comply with new mercury requirements. In addition to the new mercury emissions requirements, there may be new Federal requirements in the near future to reduce carbon dioxide emissions and all of the language seems to suggest a 17% reduction in carbon dioxide

George Stojic, Director of Planning and Strategic Development described the need to study the costs of maintaining the existing units at Moore Park and options to replace the units

Mr. Stojic stated that a consultant has been hired to study the options for using a co-generation facility at Moores Park based on combined cycle units. Natural gas is more expensive than coal, which we have relied on, but in a cogeneration configuration, natural gas costs would be allocated over a number of products and that makes it much more affordable. He said this study would compare what it would cost the BWL to go to the co-generation type of setting versus what it would cost to maintain that facility as it stands.

Other

None

On motion by Commissioner Plummer, seconded by Commissioner Lain to excuse Commissioners Pete Kramer from today's meeting.

Action: Carried unanimously.

Adjourn

On Motion by Commissioner Thomas, seconded by Commissioner DeLuca, the meeting adjourned at 6:38 p.m.

Respectfully submitted
Frank Lain, Chair
Committee of the Whole

**FINANCE COMMITTEE
March 9, 2010**

The Finance Committee of the Board of Water and Light met at the Executive Offices, Lansing beginning at 5:00 p.m. on Tuesday, March 9, 2010.

Finance Committee Chairperson Peter Kramer called the meeting to order and asked the Secretary to call the roll. The following members were present: Commissioners Peter Kramer, Margaret Bossenbery, Frank Lain and Dennis Louney (arrived at 5:10 p.m.) Alternate committee members Tracy Thomas and Sandra Zerkle were present. Also present were Board members Tony DeLuca and Marilyn Plummer.

Absent: None.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Bossenbery, seconded by Commissioner Zerkle to approve the Finance Committee meeting minutes of December 1, 2009.

Action: Carried unanimously.

Defined Benefit and VEBA Quarterly Updates

- 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.

Ms. Vanerian stated that she is optimistic about the GDP and expects it will be higher than the estimated 2.5% growth that the consensus is calling for and is also optimistic about the Market and believes it will have a good year.

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

Internal Control Update

Kathy Krause, Senior Internal Control Analyst presented a PowerPoint presentation titled "Fraud Prevention & Detection". Ms. Krause also reviewed the Security Guideline for Electronic Funds (EFF), which designed to help ensure adequate control over electronic transfers. She also reviewed the control preventives that are in place for financial transactions at the Board of Water & Light.

The PowerPoint presentation and list of Controls are on file and available for viewing in the Office of the Corporate Secretary.

Budget Comparison

Finance Chair Peter Kramer presented a budget summary for Responsibility Areas (RA's) 104 Corporate Secretary, 106 Internal Auditor and 108 Board of Commissioners. The Board of Commissioners reviewed the budget summary and after reviewing the proposed budget for fiscal year 2010-2011, there was a lengthy discussion regarding RA108 travel budget. A vote was taken regarding the dollar amount that adopted a budget of \$18,000 for FY10-11. (Vote noted below)

Motion by Commissioner Bossenbery to submit the Board of Commissioner's Travel dollar amount for FY 2010-2011 as \$18,000.

Action: Carried unanimously

The Proposed budget for FY 2010-2011 will be submitted to the Administration as presented in the Finance Committee Packet.

Succession Planning/Internal Auditor Update

- Internal Audit Status Report
- Audit Report, IT
- Letter on Succession Planning Review

Internal Auditor Phil Perkins presented an Internal Audit Status PowerPoint presentation Report that reviewed the following:

- Current FY2010 Progress

- Projected Plan for Remaining FY2010
- Planning/Risk Assessment for FY2011
- External Quality Review

Internal Auditor Perkins also presented his final report of the performance audit of Information Security.

The Internal Auditor Reports are included in the packet and are available for viewing in the Office of the Corporate Secretary.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully submitted
Peter W. Kramer, Chair
Finance Committee

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

MANAGER'S REMARKS

General Manager Lark spoke about the success of the First S.T.E.P. open house that was held on March 18, 2009 and he thanked Calvin Jones and Dallas Burdick, Manager of Diversity and Organizational Assessment and Training for their work on the First S.T.E.P program and the open house. He said all of the student participants were at the open house along with their parents and it was extremely delightful to speak with both the parents and the students. In the past the Board of Water & Light has hired some of the participants and hopes to financially be able to do the same this year. General Manager Lark stated that First S.T.E.P is a great program and thanked the Commissioners for their continued support.

COMMISSIONERS' REMARKS

Chair Zerkle said the students are very excited about First S.T.E.P and is proud of the Program.

Commissioner Thomas thanked General Manager Lark and Calvin Jones for the opportunity to showcase students from Waverly Schools, including his daughters, at the Beer, Wine and Cheese Tasting fundraising event. He said it was a great opportunity for the students to help out and they really enjoyed themselves.

PUBLIC COMMENTS

There were no public comments.

EXCUSED ABSENCE

On **motion** by Commissioner DeLuca, seconded by Commissioner Lain to excuse the absence of Commissioner Plummer from tonight's meeting.

Action: Carried unanimously.

ADJOURNMENT

On motion by Commissioner DeLuca, seconded by Commissioner Thomas the meeting adjourned at 5:45 p.m.

M. Denise Griffin, Corporate Secretary
Filed with Lansing City Clerk
March 30, 2010
May 25, 2010-Approved by Board