



MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

LANSING BOARD OF WATER AND LIGHT

March 22, 2011

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

Acting Chairperson Dennis M. Louney called the meeting to order at 5:30 p.m.

Present: Commissioners Margaret Bossenbery, Frank Lain, Dennis Louney, Marilyn Plummer (arrived at 5:40 p.m.), David Price, Cynthia Ward, Tracy Thomas.

Absent: Commissioner Sandra Zerkle.

The Corporate Secretary declared a quorum present.

Commissioner Price led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner Bossenbery seconded by Commissioner Ward to approve the minutes of the Regular Board Meeting of January 25, 2011.

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

a. Electronic Mail from Jim Hepfer regarding public comment at the January 20, 2011 Public Hearing.

Received and Place on File

COMMITTEE REPORTS

JOINT COMMITTEE OF THE WHOLE



**Joint Committee of the Whole Meeting
Board of Water and Light Board of Commissioners
Lansing City Council
March 3, 2011**

Call to Order

Board of Water & Light Chair Zerkle and City Council President A' Lynne Robinson called the Joint Committee of the Whole meeting to order at 8:10 a.m. The meeting was held in the Governor's Room of the Lansing Center located at 333 East Michigan Avenue, Lansing, Michigan.

Roll Call

Board of Water & Light Commissioners Present: Chair Sandra Zerkle, Vice Chair Dennis M. Louney, Commissioners Margaret Bossenbery, Frank Lain, Marilyn Plummer, David Price, Tracy Thomas and Cynthia Ward.

Absent: None

Lansing City Council Councilmember's Present: President A' Lynne Robinson, Vice President Kathie Dunbar (arrived @ 9:00 A.M), Councilmember's Tina Houghton and Carol Wood.

Absent: Councilmember's Eric Hewitt, Brian Jeffries, Derrick Quinney and Jessica Yorke.

Other Present:

BWL Staff: General Manager J. Peter Lark, Director of Internal Audit Phil Perkins, Executive Director of Operations Dick Peffley, Executive Director of Strategic Planning and Development George Stojic, Executive Director of Engineering Doug Wood, General Counsel and Executive Director of Employment Affairs Brandie Ekren, Director of Inclusion & Equity and Public Relations Calvin Jones, Manager of Customer Service Bob Perialas, Director of Communications Mark Nixon, Director of Security Daniel Barnes and Corporate Secretary M. Denise Griffin.

Jim Dravenstat-Moceri, Assistant Business Manager Representatives IBEW Local 352.

City Staff: Mayor Bernero's Chief of Staff Randy Hannan, City Council Legislative Office Manager Karen Hulett and Assistant City Attorney Don Kulhanek.

Public Comment

There was no public comment.

Discussion Items

The Board of Water & Light presented the Lansing City Council with updates on the following discussion items:

Pennies for Power

General Manager Lark reviewed the procedures of the Pennies for Power program. He stated that a subscribed customer allows for their bill to be rounded up to the next dollar amount and the difference between what is actually owed and the next dollar is donated to the Pennies for Power. The program operates through the Capital Area Community Services which is a 501c(3) entities. Typically there is a donation to this program of about \$40,000 a year. The Board of Water & Light also has a number of events that contribute additional donations to this organization that provides assistance to low income families for their utility bills.

Commissioner Internet Contact

General Manager Lark stated that in ongoing efforts to be as responsive as possible to our customers' needs, a link has been added to our BWL home page that will allow customers to contact or leave messages for individual Commissioners.

VOLT

General Manager Lark stated that as a result of his immediate sign up on the VOLT request list, he received one of the first electric vehicles delivered to the area. Mr. Lark reviewed the incentives available to customers purchasing a VOLT electric vehicle.

Incentives are offered by the Federal Government and the Board of Water & Light from grant money obtained from the Department of Energy, which Mr. Lark forwent with his purchase of the vehicle. Mr. Lark also reviewed the placement of charging stations which is all a part of the Department of Energy grant. He stated that this program is very exciting to the Board of Water & Light because of the acquisition of new customers.

Street Lights

General Manager Lark stated that there are about 34,000 street lights in the Board of Water & Light service area. The Board has a program that continuously relamps street lights. As stated before, in ongoing efforts to be responsive to our customers' needs, we are adding to our newsletter "Connections" a box that contains phone numbers for assistance with light outages and water main

breaks. With the new "SeeClickFix" method email thread in our Internet we have a new format for reporting outages.

Mr. Lark stated that he would implement a means for the Board of Water & Light to directly respond to the "SeeClickFix" site.

Estimated Bills

General Manager Lark reviewed the estimating bills process. He stated that the Board of Water & Light tries to read 90% of the bills and that equals 1 estimate per year per customer. We had an unusual number of meter readers trying out other jobs last year which caused the inability to be able to meet the meter reading goal of 90% in addition, as the bill estimating procedures are based upon prior year usage. The significant difference in temperature between this year and last year also contributed to the issues with estimated bills.

There was a discussion regarding the Board of Water & Light's customer service when dealing with individuals who have difficulties paying their utility bill.

REO Town

General Manager Lark stated that the Board of Water & Light has purchased the land at REO Town and there will be a groundbreaking ceremony on May 25, 2011 at 10:00 A.M. You should be seeing activity around the 2nd week in June and we plan on doing another community outreach event. Work will begin on the Depot in September. Mr. Lark stated that Bond issues are expected to be dealt with in April. He also provided an update on tax credits that are being applied for.

City Council Vice President Kathie Dunbar spoke about the placement of a piece of historical memorabilia in the Depot. In response Dick Peffley stated that he would be more than happy to look into that issue and to contact the individual wishing to have this memorabilia placed in the Depot.

Other

Councilmember Carol Wood asked about the status of the clean up efforts of the comfort street ash landfill. In response George Stojic, Executive Director of Strategic Planning, stated the Board should be done with the clean up towards the end of 2011.

City Council Vice President Kathie Dunbar spoke about the proposed millage increase for the City of Lansing.

Adjourned

The meeting Adjourned at 9:31 A.M.

FINANCE COMMITTEE

March 8, 2011

The Finance Committee of the Board of Water and Light met at the Executive Offices, beginning at 6:35 p.m. on Tuesday, March 8, 2011.

Finance Committee Chairperson Margaret Bossenbery called the meeting to order and asked the Secretary to call the roll. The following members were present: Commissioners Margaret Bossenbery, Dennis M. Louney, Tracy Thomas and Marilyn Plummer. Alternate committee members Commissioners Cynthia Ward and Sandra Zerkle were present. Commissioner David Price was also present.

Absent: None

Public Comments

There were no public comments.

Excused Absence

None

Approval of Minutes

Motion by Commissioner Louney, seconded by Commissioner Thomas to approve the Finance Committee meeting minutes of January 11, 2011.

Action: Carried unanimously.

Bond Resolution Update

General Manager Lark stated that the proposed resolution for the amendment to the Fifth Supplemental Revenue Bond will permit authorization to use the remaining proceeds from the Series 2001A Bond Proceeds for Water System Improvements. These remaining proceeds are a result of the Board of Water & Light completing the Series 2001A Project at the Ottawa Station Plant Chiller #1 and paying off all cost associated with the Project.

General Manager Lark asks that the Finance Committee forward the resolution to the full Board for consideration.

Lansing Board of Water and Light

PROPOSED RESOLUTION TO AMEND FIFTH SUPPLEMENTAL REVENUE BOND RESOLUTION AND AUTHORIZE USE OF REMAINING BOND PROCEEDS

A RESOLUTION TO AUTHORIZE:

- Use of remaining Series 2001A Bond Proceeds for Water System Improvements.

WHEREAS, the City of Lansing acting by and through the Lansing Board of Water and Light issues bonds payable from revenues of the Water Supply, Steam, Chilled Water and Electric Utility System under a Bond Resolution amended and restated on October 24, 1989 as further amended and supplemented from time to time (the "Bond Resolution"); and

WHEREAS, pursuant to the Fifth Supplemental Revenue Bond Resolution adopted on April 24, 2001, the Board issued the \$11,780,000 Water Supply, Steam and Electric Utility System Revenue Bonds, Series 2001A (the "Series 2001A Bonds") for the purpose of paying costs to acquire, construct and install phase II of the chiller plant and related distribution system to serve the downtown chilled water district, and related costs and expenses (the "Series 2001A Project"); and

WHEREAS, the Board has completed the Series 2001A Project, and paid all costs of the Series 2001A Project; and

WHEREAS, approximately \$1,900,000 of proceeds of the Series 2001A Bonds including investment earnings thereon (the "Series 2001A Bond Proceeds") remains in the Series 2001A construction account; and

WHEREAS, the Board wishes to use the remaining Series 2001A Bond Proceeds to pay costs of replacing filters and refurbishing water reservoirs at Dye Water Conditioning Plant, and reinforcing and supporting existing water mains under selected bridges and replacing or upgrading selected water valves in the Water Distribution System, together with related costs and expenses (the "Water System Improvements"), which are improvements described in the Notice of Intent published by the Board as part of the proceedings for the Series 2001A Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Amending Resolution. The Board hereby finds that use of the remaining Series 2001A Bond Proceeds to pay costs of the Water System Improvements is desirable and not inconsistent with the Bond Resolution, and shall not have a material, adverse effect on the interests of the Registered Owners of the Bonds, and therefore the Fifth Supplemental Revenue Bond Resolution is hereby amended and supplemented by this resolution in accordance with Section 23(a)(iii) of the Bond Resolution.

Section 2. Use of Bond Proceeds. The Board hereby finds that the Series 2001A Project has been completed and all costs of the Series 2001A Project have been paid. Section 6 of the Fifth Supplemental Revenue Bond Resolution is hereby amended to provide that the Series 2001A Bond Proceeds remaining after completion of the Series 2001A Project shall be used for payment of costs of the Water System Improvements. The Assistant General Manager and Chief Financial Officer and/or the Manager of Finance and Planning are hereby authorized and directed to take all actions necessary to accomplish the intent of this resolution.

Section 3. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution

are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 4. Conflicting Resolutions; Effective Date. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded. This resolution shall become effective immediately.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on Tuesday, March 22, 2011, at 5:30 p.m., prevailing Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting _____ and that the following Commissioners were absent _____.

We further certify that Commissioner _____ moved adoption of said resolution, and that said motion was supported by Commissioner _____.

We further certify that the following Commissioners voted for adoption of said resolution _____ and that the following Commissioners voted against adoption of said resolution _____.

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary. _____

Chairperson

Corporate Secretary

Staff Comments: "This resolution would amend the Fifth Supplemental Bond Resolution to allow for the use of the remaining 2001A Bond Proceeds for Water System Improvements. The original resolution allowed for the expenditure of funds during the construction phase of the original Chilled Water plant in Ottawa Station. That project is complete, and all costs have been paid. The amended resolution would allow for the expenditure of the remaining \$1.9 million of 2001A Bond Proceeds for the payment of costs of Water System Improvements."

Motion by Commissioner Thomas, seconded by Commissioner Plummer to forward the proposed resolution for the amendment to the Fifth Supplemental Revenue Bond authorizing to use the remaining proceeds from the Series 2001A Bond Proceeds for Water System Improvements to the full Board for consideration.

Action: Carried Unanimously

Other

None

Adjourn

On Motion by Commissioner Plummer, seconded by Commissioner Louney, the meeting adjourned at 6:40 p.m.

Respectfully submitted
Margaret Bossenbery, Chair
Finance Committee

**COMMITTEE OF THE WHOLE
March 8, 2011**

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, March 8, 2011.

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

Present: Commissioners Margaret Bossenbery, Frank Lain, Dennis M. Louney, Tracy Thomas, Cynthia Ward, Marilyn Plummer, David Price and Sandra Zerkle.

Absent: None

Excused Absence

None

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Bossenbery seconded by Commissioner Ward to approve the Committee of the Whole meeting minutes of January 11, 2011.

Action: Carried unanimously

Feed-In Tariffs (Informational Only)

General Manager J. Peter Lark stated that some of the Commissioners may be attending the upcoming American Public Power Association (APPA) Conference and wanted to provide some background information on Feed-In Tariffs which may be a topic of discussion at the conference. Feed-In Tariffs is a policy mechanism designed to encourage the adoption of renewable energy sources.

George Stojic, Executive Director of Strategic Planning, provided a description of Feed-In Tariffs, and how they relate to, and are different from, net-metering and other renewable energy initiatives. He indicated that the Board is continuing to look at advantages and disadvantages of Feed-In Tariffs.

Committee of the Whole Chair Dennis M. Louney introduced and welcomed new Commissioner, David Price.

Safety Update (Informational Only)

General Manager Lark introduced Bruce Cook, Director of Safety, Purchasing and Warehousing and Customer Service who provided an update on safety structure at the Board of Water & Light.

Bruce Cook stated that there are three main components of safety structure and the Board of Water & Light and they include Safety Department, Board of Water & Light Safety Committee and Departmental Safety Advisory Committees.

1. Safety Department

The main function of the Safety Department is to manage safety for the entire Board of Water & Light which includes:

- Ensuing MIOSHA regulatory compliance, interpretation & consultation
- Providing written safety programs and training
- Administer Personal Protective Equipment
- Perform area inspections
- Ensure all hazards, near misses, and injuries are investigated

2. Board of Water & Light Safety Committee

The main function of the Safety Committee is to promote safety which includes:

- Approval of the Safety Manual rules and changes
- Overseeing safety promotion and recognition
- Creating subcommittees to address specific, complex safety problems

3. Departmental Safety Advisory Committees

The main function of the Department Safety Advisory Committee is to integrate safety into every process which includes:

- Providing group consensus on safety procedures and work practices
Ensuring that all employees have the skills and training to do their job safely.
- Guarantee employee involvement
- Develop topics for monthly departmental safety meetings
- Perform inspections of the department

In conclusion Mr. Cook stated that the Board of Water & Light is continuously taking proactive measures regarding safety and encouraging employee involvement and ownership of safety.

REO Town Update (Informational Only)

Susan Devon, Assistant General Manager and Chief Financial Officer, and Project Manager for the REO Town New Co-generation Plant stated that staff has been very busy. Ms. Devon stated the Engineering and Architectural Services contract has been awarded to Burns and Roe Enterprises, Inc.

Ms. Devon stated that regarding the Historic Depot, staff is in the process of trying to obtain and qualify for a Historical Tax Credit. She stated that the land purchase was completed in January 2011. She also stated they are working on the process for the installation of a natural gas line with the construction of the pipeline being done by Consumers Energy.

Ms. Devon stated that the staff is also in the process of evaluating underwriting of Bonds and once that process is complete it will be brought to the Finance Committee for approval; also being determined is the type of insurance that is required or needed for this project.

The Groundbreaking ceremony for the REO Town Plant is May 25, 2011.

Other

Margaret Bossenbery thanked the Board of Water & Light's staff for their support during the recent loss of a family member.

Chair Zerkle thanked the Commissioners for strongly representing the Board of Water & Light at the Joint Board of Water & Light and Lansing City Council Committee of the Whole meeting that was recently held.

Adjourn

On Motion by Commissioner Thomas, seconded by Commissioner Bossenbery, the meeting adjourned at 6:27 p.m.

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

MANAGER'S RECOMMENDATIONS

General Manager J. Peter Lark stated that the proposed resolution for the amendment to the Fifth Supplemental Revenue Bond will permit authorization to use the remaining proceeds from the Series 2001A Bond Proceeds for Water System Improvements as permitted in the original resolution.

RESOLUTION #2011-03-01

PROPOSED RESOLUTION TO AMEND FIFTH SUPPLEMENTAL REVENUE BOND RESOLUTION AND AUTHORIZE USE OF REMAINING BOND PROCEEDS

A RESOLUTION TO AUTHORIZE:

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WHEREAS, the Board has completed the Series 2001A Project, and paid all costs of the Series 2001A Project; and

WHEREAS, approximately \$1,900,000 of proceeds of the Series 2001A Bonds including investment earnings thereon (the "Series 2001A Bond Proceeds") remains in the Series 2001A construction account; and

WHEREAS, the Board wishes to use the remaining Series 2001A Bond Proceeds to pay costs of replacing filters and refurbishing water reservoirs at Dye Water Conditioning Plant, and reinforcing and supporting existing water mains under selected bridges and replacing or upgrading selected water valves in the Water Distribution System, together with related costs and expenses (the "Water System Improvements"), which are improvements described in the Notice of Intent published by the Board as part of the proceedings for the Series 2001A Bonds.

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Section 3. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 4. Conflicting Resolutions; Effective Date. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded. This resolution shall become effective immediately.

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We further certify that the following Commissioners were present at said meeting: Margaret Bossenbery, Frank Lain, Dennis M. Louney, Marilyn Plummer, David Price, Tracy Thomas and Cynthia Ward and that the following Commissioners were absent: Sandra Zerkle.

We further certify that Commissioner Tracy Thomas moved adoption of said resolution, and that said motion was supported by Commissioner David Price.

We further certify that the following Commissioners voted for adoption of said resolution: Margaret Bossenbery, Frank Lain, Dennis M. Louney, David Price, Tracy Thomas and Cynthia Ward and that the following Commissioners voted against adoption of said resolution: None. (Commissioner Marilyn D. Plummer arrived after the adoption of the Resolution)

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

Chairperson
Sandra Zerkle

Corporate Secretary
M. Denise Griffin

Staff Comments: "This resolution would amend the Fifth Supplemental Bond Resolution to allow for the use of the remaining 2001A Bond Proceeds for Water System Improvements. The original resolution allowed for the expenditure of funds during the construction phase of the original Chilled Water plant in Ottawa Station. That project is complete, and all costs have been paid. The amended resolution would allow for the expenditure of the remaining \$1.9 million of 2001A Bond Proceeds for the payment of costs of Water System Improvements."

UNFINISHED BUSINESS

There was no Unfinished Business

NEW BUSINESS

There was no New Business

MANAGER'S REMARKS

General Manager Lark announced that there will be a ground breaking ceremony for the REO Town New Co-generation Plant held on May 25, 2011 at 10:00 a.m.

COMMISSIONERS' REMARKS

Commissioner Tracy Thomas thanked Mark Nixon, Director of Communications and Calvin Jones, Director of Inclusion & Equity and Public Relations, for dealing with the "SeeClickFix" issue that was discussed at the Joint Board of Water & Light and Lansing City Council Committee of the Whole meeting held on March 3, 2011.

Commissioner Dennis M. Louney stated that the Joint Board of Water & Light and Lansing City Council Committee of the Whole meeting was very nice. He congratulated the Board of Water & Light's Water Tapping Team on winning their third straight State Championship water-tapping competition.

PUBLIC COMMENTS

There were no public comments

EXCUSED ABSENCE

On **motion** by Commissioner Lain, seconded by Commissioner Ward to excuse Commissioner Zerkle from tonight's meeting.

Action: Carried Unanimously

ADJOURNMENT

On motion by Commissioner Bossenbery, seconded by Commissioner Plummer the meeting adjourned at 5:44 p.m.