



**COMMITTEE OF THE WHOLE MEETING
AGENDA
March 14, 2017**

**4:00 P.M. -1201 S. Washington Ave.
Lansing, MI – REO Town Depot
Board of Water & Light Headquarters**

Call to Order

Roll Call

Public Comments on Agenda Items

1. Committee of the Whole Meeting Minutes of 11/08/16.....**TAB 1**
2. Charette Presentation for the New Substation Exterior Wall.....**INFO ONLY**
3. Michigan Public Power Agency (MPPA) Commissioner Appointment.....**TAB 2**
4. Futures Trading Resolution & Presentation**TAB 3**
5. Proposed Strategic Plan Update Format**TAB 4**

Other

Adjourn

COMMITTEE OF THE WHOLE
Meeting Minutes
November 8, 2016

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:40 p.m. on Tuesday, November 8, 2016.

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

Present: Commissioners Mark Alley, Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, Ken Ross, Tracy Thomas and Sandra Zerkle and Non-Voting Members: Stuart Goodrich (Delhi), William Long (Delta Township) and Robert Nelson (East Lansing).

The Corporate Secretary declared a quorum.

Public Comments

None

Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner Mullen to approve the Committee of the Whole meeting minutes of September 13, 2016.

Action: Motion Carried

Renewable Energy and Public Comment Review

Mr. Stojic, Executive Director of Planning and Development, provided an update of the BWL's renewable energy program and responded to comments that the Board has received over the past several months regarding the Integrated Resource Plan (IRP) process.

Mr. Stojic explained that the BWL's renewable energy program takes a long-term view, is based on sound economic, operational and planning considerations, and is designed to complement the balance of the BWL's system. According to Mr. Stojic, the BWL's renewable energy projects will constitute 20% or more of the BWL's retail sales by 2020, which is twice the State standard and conforms to the Citizen Advisory Committee (CAC) recommendation.

Mr. Stojic described the BWL's renewable energy acquisition strategy and discussed how the strategy allowed the BWL to take a long-term view of compliance, be selective in terms of projects, and take advantage of favorable cost trends. He noted that the BWL's renewable program is coupled with its environmental compliance planning and will exceed likely future environmental standards, as demonstrated by the IRP recommendation.

He explained that despite comments to the contrary during the September 27th Board meeting, many national and international organizations, including the U.S. Congress and the United Nation Framework Convention on Climate Change, include landfill gas as a renewable energy source and that the BWL was the recipient of an award from the U.S. EPA for its participation with Granger in taking advantage of landfill gas.

Mr. Stojic noted that the members of the IRP CAC invested 7 months in the IRP process and much effort needed to understand utility operations and planning, arcane regulations, and balanced conflicting goals to make a recommendation. He stated that there have been misleading and incorrect comments made regarding the process and responded to a number of the comments.

According to Mr. Stojic, comments made in previous public meetings asserting that the BWL controlled the IRP assumptions and modeling were incorrect. Mr. Stojic reviewed the public meetings and described the opportunity for individuals and groups to address the CAC, to raise questions, offer alternatives, and make recommendations. He provided quotes to demonstrate the BWL staff's efforts to have the CAC members recognize and make assumptions and recommend modeling scenarios.

He also demonstrated that assertions that the BWL wrote the IRP report were wrong, that the Sierra Club's complaint that it did not have sufficient information to review the IRP was not true and that several accusations received in public meetings were misleading and untrue.

Mr. Stojic also compared the total emissions of the BWL's Erickson and Eckert plants with other Michigan coal plants and noted that the BWL's plants were among the lower emitting plants.

Finance Chair Ross stated that the information Mr. Stojic provided is good information and probably should be presented to the Commission on a fairly-regular schedule, at least annually, so the Commissioners can equip themselves with the knowledge of where the BWL stands on these issues.

Commissioner Zerkle agreed with Chair Ross's recommendation and further suggested that when the yearly update to the Energy Efficiency Program is given, something should be incorporated into the plan to keep the Commissioners updated on efficiency and clean air issues.

2017 Regular Board Meeting Dates

Committee of the Whole Chair Alley presented a proposed Resolution setting the BWL Board of Commissioners 2017 Regular Board Meeting Dates as directed by Section 1.1.2 of the BWL's Rules of Procedure.

Motion by Commissioner Ross, Seconded by Commissioner Price to forward the proposed 2017 Regular Board meetings dates Resolution to the full Board for consideration.

Action: Motion Carried

Cyber Update (Exempt Memo)

Pursuant to the Open Meetings Act Exemptions MCL 15.268 (h) and MCL 15.243 (y), the following motion was offered:

Motion by Commissioner Mark Alley, Seconded by Commissioner Price, to enter into Closed Session to discuss a security-sensitive Memorandum from General Manager Peffley.

Roll Call Vote:

Yeas: Commissioners Mark Alley, Stuart Goodrich, William Long, Dennis M. Louney, Anthony McCloud, Tony Mullen, Robert Nelson, David Price, Ken Ross, Tracy Thomas, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Committee of the Whole Chair Alley requested the following individuals to join him in the Closed Session meeting: General Manager Peffley and his Executive Staff, BWL's CIO Kim Ingram, all BWL Board Members, Corporate Secretary Griffin, Internal Auditor Perkins and Cyber Attorney Claudia Rast.

The Committee of the Whole went into closed session at 6:18 p.m.

The Committee of the Whole reconvened to open session at 7:19 p.m.

With the Departure of Committee of the Whole Chair Alley, Board Chair Price assumed the role of Chair of the Committee of the Whole.

Cyber Incident Report

General Manager Peffley reported out the following:

- The criminal cyber-attack against the BWL last spring resulted in \$2.4 million in costs that were largely covered by insurance.
- These costs were mostly used to pay for:
 - A cyber emergency response team
 - System, stabilization and restoration efforts, and
 - Enhanced cyber-security, personnel, and other improvements intended at reducing the chances of a future attack.
- Of the \$2.4 million in total costs,
 - We have filed an insurance claim for \$1.9 million
 - Includes \$2 million in covered losses less the cyber policy's \$100,000 deductible.
- This cost included a \$25,000 ransom paid to the criminals who launched the attack.
- We paid the ransom demanded by the cyber criminals so that we could unlock our administrative systems.
- Paying the ransom was distasteful and disgusting but sadly necessary, and it was the only action we could take to 'unlock' our system and free it from the ransom ware.

- We've learned in the course of this incident that we are victims, as cyber-threats have impacted many organizations.
- It's important to note that:
 - No electric or water utility services were interrupted, and
 - There was no evidence that customer or employee information was compromised.

Attorney Claudia Rast pointed out that a critical infrastructure entity is unusual as a public body because of the level of security and protection that is necessary and thus the necessity of the Closed Session. Attorney Rast stated there was a ransom-ware attack and measures have been taken to make the system more robust, tools have been implemented, processes have been secured and people are being trained accordingly. Ultimately, the integrity of the control system remained intact and it was mainly an administrative process that was impacted.

Chair Price stated that this subject will be on the Internal Auditor's Agenda on a Quarterly Basis and updates will be reported back to the Board. He stated that this issue is being taken seriously at the highest level of the organization.

Information Technology Communication Policy

General Manager Peffley Introduced CIO Kim Ingram who presented the proposed Resolution that accepts the updates to the Board of Water and Light's Communication Technology Policy. After a lengthy discussion regarding the proposed Policy and the updates Commissioner Ross recommended that "pornographic content" be included as part of the prohibited uses.

Motion by Commissioner Thomas, Seconded by Commissioner Mullen to forward the Resolution adoption of the "Communications Technologies Policy" of 2016 to the full Board for consideration (with the inclusion of "pornographic content" in the Prohibited Use Section of the Policy) thereby replacing the use of LBWL Communication Technologies Policy of 2007.

Action: Motion Carried

Other

None

Adjourn

Meeting adjourned at 7:28 p.m.

Respectfully Submitted
Mark Alley, Chair
David Price, Acting Chair
Committee of the Whole

AMENDING APPOINTMENTS TO MICHIGAN PUBLIC POWER AGENCY

WHEREAS, George Stojic is the Michigan Public Power Agency (MPPA) Commissioner on behalf of the Lansing Board of Water & Light (BWL), along with Robert Lalonde and Constance Carantza, who serve as First and Second Alternate Commissioners, respectively; and

WHEREAS, George Stojic has served as the MPPA Commissioner for approximately 10 years; and

WHEREAS, George Stojic has been assigned to major projects being undertaken by the BWL; and

WHEREAS, Robert Lalonde has served as the BWL's first alternate Commissioner to the BWL for approximately three years; and

WHEREAS, it is appropriate and in the best interest of the BWL to name a replacement for the MPPA Commissioner and BWL's First Alternate on behalf of the BWL.

NOW, BE IT RESOLVED, that Constance Carantza will remain as the Second Alternate Commissioner.

FURTHER RESOLVED, that Robert Lalonde is named as the MPPA Commissioner on behalf of the BWL.

FURTHER RESOLVED, that Bradley Stoecker is named as BWL's First Alternate MPPA Commissioner.

BWL Futures Trading Authorization

WHEREAS, the Lansing Board of Water and Light (BWL) Board of Commissioners approved a Risk Management Policy (Resolution 2010-05-04) in May 2010, to develop an Energy Risk Management Program that would provide guidelines to govern BWL's energy portfolio and risk management activities; and

WHEREAS, the BWL'S Energy Risk Management objectives include minimizing the risk of wholesale price volatility, as well as optimizing resources and value assets through wholesale transactions to minimize the cost of service to retail ratepayers; and

WHEREAS, the BWL has determined that investments and transactions in Futures and Exchange Traded Options are suitable and appropriate for the BWL's objectives; and

WHEREAS, the BWL has been informed that a resolution from the BWL Board of Commissioners, specifically stating that the BWL can invest and transact in futures and exchange-traded options, is required to apply for and open an account with, a futures commission merchant; and

NOW, THEREFORE, BE IT RESOLVED, that the BWL Board of Commissioners hereby authorizes the BWL to invest and transact in futures and exchange-traded options under the guidelines set forth in the BWL Energy Risk Management Policy.

BE IT FURTHER RESOLVED, that in approving this authorization, the BWL Board of Commissioners hereby confirms that the BWL has full power and authority under applicable law, the Lansing City Charter and its by-laws to undertake investments and transactions and to establish accounts, and execute agreements and related documentation in furtherance of undertaking such transactions as follows:

- a. Futures and exchange-traded options on such futures for the purchase, sale, and delivery of commodities, options to purchase or sell commodities or contract for the future delivery of commodities, forward contracts and instruments regulated as Futures (collectively, "Futures and Option Contracts").
- b. To deposit with and withdraw money, commodities, contracts for the purchase or sale of commodity futures and option on such futures, checks and other negotiable instruments, securities, and other property;
- c. To settle, compromise, adjust, and give releases with respect to any and all claims, demands, disputes and controversies and make agreements and take any other action relating to any of the foregoing matters.

BE IT FURTHER RESOLVED, that Richard R. Peffley, General Manager (the "Authorized Individual"), is authorized to carry out all of the powers set forth herein, and bind the BWL to

transactions and agreements, until the BWL issues written revocation instructions that a previously Authorized Individual is no longer authorized by the BWL to act on its behalf and confirms such revocation with the futures commission merchant.

BE IT FURTHER RESOLVED, that Richard R. Peffley, General Manager, is authorized to delegate his authority to another or others, as he determines appropriate to be Authorized Individuals.

BE IT FURTHER RESOLVED, that the General Manager and/or his designee, are authorized to give instructions on behalf of the BWL in furtherance of purchases, sales, delivery of property, or all other transactions required to consummate transactions and agreements contemplated herein to the fullest extent and to take all actions necessary or desirable in connection with the BWL account, to receive requests and demands for additional margin, notices of intention to sell or purchase any instrument and other notices and demands of whatever nature and to receive and acquiesce in the correctness of notices, statements of account and other records and documents relating to transactions in the account(s). This enumeration of specific authority shall not limit any other authority of the Authorized Individuals.

BE IT FURTHER RESOLVED, that the Authorized Individuals are empowered to borrow money, securities, or commodities and to secure repayment thereof with property of the BWL; and to bind and obligate the BWL to carry out any contract, agreement, or transaction involving such sums as such Authorized Individual determines are necessary in connection with any of the said accounts; to deliver securities and contracts for future delivery; to order the transfer or delivery thereof to any other person or entity whatsoever.

BE IT FURTHER RESOLVED, that each of the Authorized Individuals are empowered to endorse any securities or contracts in order to pass title thereto; to sign for the BWL all agreements, supplemental forms, acknowledge risk disclosures and receive other disclosures, releases, powers of attorney or other documents in connection with the BWL's account(s), and to agree to any terms or conditions to control such account(s); to direct any swap dealer or futures commission merchant or counterparty to surrender any securities to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit or otherwise; to accept delivery of any securities or commodities against a contract for future delivery, option or otherwise; and to appoint any other person or persons to do any and all things which any of the said Authorized Individuals are hereby authorized to do.

BE IT FURTHER RESOLVED, that these resolutions shall remain in full force and effect until revoked in writing, in whole or in part, by the BWL.

BE IT FINALLY RESOLVED that this resolution is hereby incorporated into the Risk Management Policy (Resolution 2010-05-04), and shall be effective immediately upon approval of the Board of Commissioners.

I, M. Denise Griffin, Corporate Secretary of the City of Lansing by its Board of Water and Light ("BWL"), a Corporation organized under the laws of the State of Michigan hereby certify that at

a meeting of its Board of Directors held on March ____, 2017, the aforementioned resolutions were duly adopted, and in no way conflict with any provision of the Lansing City Charter, any other documents of the BWL, or any laws applicable to the BWL.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of the BWL,

The City of Lansing by its Board of Water and Light

M. Denise Griffin _____

Corporate Secretary

Signature

Date: _____

Committee of the Whole

Futures trading resolution

March 14, 2017

What are futures?

- A **futures contract** is an agreement to buy or sell a commodity in the future for a price agreed upon when the contract is made.
- A **futures option** gives the option holder the right, but not the obligation, to buy or sell in the future at the agreed upon price.
 - If the future commodity price is favorable, the option can be exercised; but if it's not favorable the holder can forgo the option.
- The first traded futures contracts in the U.S. were for corn in the 1800s , and along with wheat and soybeans these three basic agricultural commodities still account for the bulk of trading business at the Chicago Board Of Trade.
- The BWL has relied exclusively on physical purchases until now.



Why Trade Futures?

- The reason the BWL would make a futures contract is to minimize the risk that a commodity such as natural gas will cost a lot more in the future than it does today.
- Similarly, futures options could be used by the BWL to hedge upside risk, but still allow for downside gain.
- Futures contracts can also hedge against fuel volume related risk.
- Trading futures will supplement our current risk management program.
- BWL personnel have previous employment experience trading in these markets.



ACTIVITY ON MAY 1 2016

Buy a Dec 2016 call option with \$3.35 strike price
 Net initial premium paid = \$.15

NET STRUCTURE

Maximum cost of \$3.50 (\$3.35 strike + \$.15 net premium)
 Unlimited repricing potential below \$3.35 strike, + \$.15 premium

Note: These examples exclude commission and fees.

December 2016 NYMEX Natural Gas



Cap Example – Dec 2016

- On May 1 2016, a gas buyer determines winter natural gas consumption volume requirements for December 2016 to be 10,000 mmbtu but gas prices too high so he purchases a Dec NG \$3.35 call option @ .15 to protect against an increase in prices
- On November 25/28 2016, the gas buyer exercises the call option (long futures at \$3.35) or lets it expire and sells out any futures position and simultaneously purchases the needed gas in the physical market
- The chart below reflects the buyer's hedge results given a settlement of December prices @ \$4.00 or a settlement of December prices @ \$1.90

Settlement Price at 4.00				
DATE	FINANCIAL TRANSACTION		PHYSICAL TRANSACTION	
	BUY	SELL	BUY	SELL
MAY 1	Dec 3.35 call @ .15			
NOV 25/28	Exercise fut @ 3.35	Dec fut @ 4.00	Dec phy @ 4.00	
Result	.50 profit		4.00 purchase	

SUMMARY: 4.00 – .50 = 3.50 net cost

Settlement Price at 1.90				
DATE	FINANCIAL TRANSACTION		PHYSICAL TRANSACTION	
	BUY	SELL	BUY	SELL
MAY 1	Dec 3.35 call @ .15			
NOV 25/28		Dec 3.35 call exp	Dec phy @ 1.90	
Result	.15 Loss		1.90 purchase	

SUMMARY: 1.90 + .15 = 2.05 net cost

Note: These examples exclude commission and fees.

Hedge Cost Summary

TOOL	FIXED @ \$2.95	CAP @ \$3.35 (Cost \$.15)	COSTLESS COLLAR @ \$3.35/\$2.60 (Costless)
RISK PROFILE	<ul style="list-style-type: none"> • Risk is mitigated • Opportunity is eliminated 	<ul style="list-style-type: none"> • Risk is capped at a defined level • Opportunity is unlimited 	<ul style="list-style-type: none"> • Risk is capped at a defined level • Opportunity is limited at a defined level
If Market is At...	YOUR COST	YOUR COST	YOUR COST
\$1.50	\$2.95	\$1.65	\$2.60
\$2.25	\$2.95	\$2.40	\$2.60
\$3.00	\$2.95	\$3.15	\$3.00
\$3.75	\$2.95	\$3.50	\$3.35
\$4.50	\$2.95	\$3.50	\$3.35

Note: These examples exclude commission and fees.

Trading Power Futures

- Limited use - mostly used for balance of the day purchases.
- Example:
 - Power plant trips – currently we purchase from MISO real time market at a clearing price. This price can be volatile as MISO dispatches to balance load every 5 minutes.
 - Power futures allow the BWL to buy for the day and lock in a fixed price. This removes the volatility of the MISO real-time market.

Oversight

- Most purchases or sales will remain physical transactions (not futures).
- All trading activities at the BWL whether physical or thru the use of futures has oversight of the Risk Oversight Committee (ROC). This committee is mainly comprised of the Executive Staff.
- US Commodities Futures Trading Commission (CFTC) provides regulatory oversight.



Questions?

Timeline and Progress Report: BWL Strategic Plan 2016-2020

Strategy 1: Customer Experience

Goal: Enhance the Customer Experience

■ On Track
 ■ Caution
 ■ Late
 ■ Complete

Objective 1: Anticipate and Meet Customer Expectations

Task 1.1a	Status	Action/Comments
Routinely survey customers to assess their needs	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Customer Service / Bob Perialas		

Task 1.1b	Timeline	Action/Comments
Customize and personalize products, services, and information access to address customer needs	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Customer Service / Bob Perialas		

Objective 2: Improve Customer Interactions and Communications through Phone, Web, and Mobile Devices

Task 1.2a	Timeline	Action/Comments
Undertake a customer experience survey and determine best-in-class processes and technology	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		

Task 1.2b	Timeline	Action/Comments
Continue the implementation of advanced metering infrastructure (AMI) throughout the BWL system	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		

Task 1.2c	Timeline	Action/Comments
Implement new industry technologies that take advantage of AMI by giving customers access to their usage data and helping them manage their use, e.g. through access to thermostats and appliances	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		

Task 1.2d	Timeline	Action/Comments
Implement new technologies that provide customers with services more closely tailored to their needs, including better access to their account information, payments, and turn-on and turn-off services	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		

Task 1.2e	Timeline	Action/Comments
Provide best-in-class outage reporting, restoration, and communication	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		



Timeline and Progress Report: BWL Strategic Plan 2016-2020

Objective 3: Provide Customer-Focused Rates

Task 1.3a	Timeline	Action/Comments
Review and revise rate structures to respond to changing customer composition and needs, such as time-of-use rates	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Technical Services / Mark Matus		

Strategy 2: Community Involvement

Goal: Enhance the Well-Being of our Customers and Community

Objective 1: Be a Catalyst for Economic and Community Development

Task 2.1a	Timeline	Action/Comments
Keep rates competitive	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Finance / Scott Taylor		
Task 2.1b	Timeline	Action/Comments
Serve as a partner with regional economic development agencies to promote economic growth in the greater Lansing community	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Planning & Development / George Stojic		

Objective 2: Contribute to Lansing's Social and Cultural Environment

Task 2.2a	Timeline	Action/Comments
Continue to promote sustainability within the Lansing community through the BWL's energy efficiency and renewable energy programs and partnership with the Mayor's Live Green Lansing program	2017	Scraps-to-Soil Pilot; EE Programs; Community Solar (East Lansing 300 Kw)
	2018	
	2019	
	2020	
Strategic Task Owner: Energy & Eco Strategies / Sue Warren		
Task 2.2b	Timeline	Action/Comments
Continue to sponsor cultural events that enrich the greater Lansing's social fabric and make it an attractive place to live and work	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Public Affairs / Steve Serkaian		
Task 2.2c	Timeline	Action/Comments
Continue to be environmental leaders	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Technical Services / Mark Matus		
Task 2.2d	Timeline	Action/Comments
Enhance communication and outreach to our customers, neighborhood associations, and	2017	



Timeline and Progress Report: BWL Strategic Plan 2016-2020

community leaders	2018	
	2019	
Strategic Task Owner: Pubic Affairs / Steve Serkaian	2020	
Task 2.2e	Timeline	Action/Comments
Improve the hometown brand recognition	2017	
	2018	
	2019	
Strategic Task Owner: Pubic Affairs / Steve Serkaian	2020	

Strategy 3: Effectively Acquire and Manage Resources

Goal: Acquire and Manage BWL Assets in an Efficient Manner to Ensure an Adequate and Reliable Supply of Utility Services to the Greater Lansing Community

Objective 1: Improve Transmission and Distribution Reliability and Flexibility

Task 3.1a	Timeline	Action/Comments
Continue the commitment to a five-year plan of intensive upgrades to the electric T&D system	2017	
	2018	
	2019	
Strategic Task Owner: Electric T&D / Wayne Lynn	2020	
Task 3.1b	Timeline	Action/Comments
Invest in smart grid technology	2017	
	2018	
	2019	
Strategic Task Owner: Electric T&D / Wayne Lynn	2020	
Task 3.1c	Timeline	Action/Comments
Complete the drinking water lead service replacement program	2017	Last lead service line replace on December 14, 2016.
	2018	
	2019	
Strategic Task Owner: Water Operations / Scott Hamelink	2020	
Task 3.1d	Timeline	Action/Comments
Maintain a plan and implementation schedule to replace and upgrade sections of the water and steam distribution systems	2017	
	2018	
	2019	
Strategic Task Owner: Water & Steam Distribution / Alando Chappell	2020	
Task 3.1e	Timeline	Action/Comments
Develop automated interfaces between electric transmission and distribution system devices, customer meters, and our Outage Management System	2017	
	2018	
	2019	
Strategic Task Owner: ITD / Kim Ingram	2020	

Objective 2: Fully Integrate Asset Management Principles for Each Utility

Task 3.2a	Timeline	Action/Comments
Evaluate and implement improved business processes, standards, and certifications	2017	



Timeline and Progress Report: BWL Strategic Plan 2016-2020

	2018	
	2019	
Strategic Task Owner: Operations / Dave Bolan	2020	
Task 3.2b	Timeline	Action/Comments
Implement utility industry best practices for asset management	2017	
	2018	
	2019	
Strategic Task Owner: Operations / Dave Bolan	2020	
Task 3.2c	Timeline	Action/Comments
Develop appropriate asset management training for employees	2017	
	2018	
	2019	
Strategic Task Owner: Training / Dallas Burdick	2020	
Task 3.2d	Timeline	Action/Comments
Create a team culture at the BWL that values and complies with asset management principles	2017	
	2018	
	2019	
Strategic Task Owner: HR / Michael Flowers	2020	
Objective 3: Maintain BWL's Status as a Regional Utility Services Provider		
Task 3.3a	Timeline	Action/Comments
Plan for and replace the Eckert energy and capacity with a balanced portfolio of generation resources that include renewable energy, energy efficiency investments, customer programs, and new generation	2017	
	2018	
	2019	
Strategic Task Owner: Planning & Development / George Stojic	2020	
Task 3.3b	Timeline	Action/Comments
Maintain local generation to ensure generation reliability	2017	
	2018	
	2019	
Strategic Task Owner: Operations / Roberto Hodge	2020	
Task 3.3c	Timeline	Action/Comments
Periodically review the IRP to ensure plans are up to date with modeling data, compliance expectations, and generation options	2017	Annual review of IRP with Citizen Advisory Committee: 1-20-2017
	2018	
	2019	
Strategic Task Owner: Planning & Development / George Stojic	2020	
Task 3.3d	Timeline	Action/Comments
Review the demand and production capacity of the BWL's water, steam, and chilled water utilities	2017	
	2018	
	2019	
Strategic Task Owner: Planning & Development / George Stojic	2020	
Task 3.3e	Timeline	Action/Comments
Investigate new services and compete for new business	2017	
	2018	



Timeline and Progress Report: BWL Strategic Plan 2016-2020

Strategic Task Owner: Customer Projects / Ray Moore	2019	
	2020	

Strategy 4: Implement New Technologies

Goal: Support our Customers and Employees through Enhanced Use of Technology

Objective 1: Support Existing and Planned Projects with IT Infrastructure

Task 4.1a	Timeline	Action/Comments
Update the Information Technology Strategic Plan to coordinate with both industry best practices and planned BWL strategic and capital initiatives	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		
Task 4.1b	Timeline	Action/Comments
Select and maintain reliable, well supported, redundant, secure, cost-effective, and efficient IT systems and communication networks	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		
Task 4.1c	Timeline	Action/Comments
Apply business process management methodologies to create and measure business value throughout the life cycle of each technology system implementation	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		

Objective 2: Enhance IT and Communications Technology

Task 4.2a	Timeline	Action/Comments
Identify, prioritize, acquire, and implement technology enhancements to support business needs	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		
Task 4.2b	Timeline	Action/Comments
Continuously research and compare current best practices as well as state-of-the-art technologies being tested and deployed by best-in-class organizations	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		
Task 4.2c	Timeline	Action/Comments
Identify the necessary experience, skills, and education needed for management and use of new technologies	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: ITD / Kim Ingram		



**Timeline and Progress Report:
BWL Strategic Plan 2016-2020**

Strategy 5: Workforce

Goal: Maintain a Strong and Diverse Workforce

Objective 1: Attract and Retain a Diverse and Highly Skilled Workforce

Task 5.1a	Timeline	Action/Comments
Continue to invest in training and development programs for potential and existing employees	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		
Task 5.1b	Timeline	Action/Comments
Ensure our workforce reflects the diversity of our community	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		
Task 5.1c	Timeline	Action/Comments
Maintain a competitive total compensation package for all positions	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		
Task 5.1d	Timeline	Action/Comments
Creatively use a diverse portfolio of tools such as social media to attract potential applicants	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		

Objective 2: Prepare for Transformation of our Workforce

Task 5.2a	Timeline	Action/Comments
Ensure the BWL has the ability to effectively manage the loss of human capital and institutional knowledge by utilizing succession planning	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		

Task 5.2b	Timeline	Action/Comments
Transition BWL employees who are directly or indirectly impacted by BWL change (e.g. implementation of technology and Eckert retirement)	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		

Task 5.2c	Timeline	Action/Comments
For each area, determine a balance between internal resources needed to meet on-going work load and external resources needed during peak demand periods	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Operations / Dave Bolan		

Objective 3: Provide More Opportunities for a Custom Work Experience that Benefits Both the Employer and Employee



Timeline and Progress Report: BWL Strategic Plan 2016-2020

Task 5.3a	Timeline	Action/Comments
Update and improve job progression plans and job descriptions to incorporate the new technologies and required skillsets	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		
Task 5.3b	Timeline	Action/Comments
Consider more flexible fringe benefits and work schedule options	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		
Task 5.3c	Timeline	Action/Comments
Continue to promote health and wellness programs	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers		

Objective 4: Pursue Excellence by Creating a Work Place Environment that Seeks to Enhance Current Practices with the Intention of Adding Value, Making Improvements, and Increasing Efficiency

Task 5.4a	Timeline	Action/Comments
Define, establish, and maintain effective quality assurance processes and systems	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Operations / Dave Bolan		
Task 5.4b	Timeline	Action/Comments
Encourage employee engagement	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		
Task 5.4c	Timeline	Action/Comments
Assign responsibility and accountability to employees utilizing a system to analyze and measure the process in terms of risk to assets, safety, and customers	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: HR / Michael Flowers & Safety / Oscar Rodriguez-Franco & Emergency Management / Trent Atkins		

Strategy 6: Financial Stability

Goal: Maintain the Financial Stability of the BWL

Objective 1: Practice Good Financial Stewardship

Task 6.1a	Timeline	Action/Comments
Develop a Financial Plan that includes a rate strategy that provides financing for the BWL's capital program, replacement generation needs, while maintaining competitive rates	2017	
	2018	



Timeline and Progress Report: BWL Strategic Plan 2016-2020

Strategic Task Owner: CFO / Heather Shawa-DeCook	2019	
	2020	
Task 6.1b	Timeline	Action/Comments
Maintain an above average bond rating for municipal utilities	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: CFO / Heather Shawa-DeCook		
Task 6.1c	Timeline	Action/Comments
Identify cost savings through process improvement initiatives and return on investments with minimal impact on operations or employees	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: CFO / Heather Shawa-DeCook		
Task 6.1d	Timeline	Action/Comments
Commit to reviewing and consistently achieving targeted rate of return	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: CFO / Heather Shawa-DeCook		

Strategy 7: BWL Leadership

Goal: Continuous Improvement

Objective 1: Increase Organizational Efficiency and Strength

Task 7.1a	Timeline	Action/Comments
Evaluate organizational reporting structure and the ability to efficiently and productively meet current and near-future organizational requirements	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		
Task 7.1b	Timeline	Action/Comments
Evaluate, prioritize, and improve business practices and processes	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		

Objective 2: Enhance Organizational Resiliency

Task 7.2a	Timeline	Action/Comments
Coordinate with other regional entities, and enhance resiliency to external events, such as storms, accidents, cyber incidents, and terrorist attacks	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Emergency Management / Trent Atkins		

Objective 3: Reinforce Safety Practices

Task 7.3a	Timeline	Action/Comments
Complete Phase II of the BWL's safety assessment	2017	



Timeline and Progress Report: BWL Strategic Plan 2016-2020

	2018	
	2019	
Strategic Task Owner: Safety / Oscar Rodriguez-Franco	2020	

Objective 4: Enhance the Team Culture

Task 7.4a	Timeline	Action/Comments
Communicate the connection between the Mission, Values, and Strategic Plan	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM, Executive Staff & Management		

Task 7.4b	Timeline	Action/Comments
Effectively communicate corporate objectives and priorities and their status	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		

Task 7.4c	Timeline	Action/Comments
Continue to support the Balanced Scorecard approach as a tool to balance financial, customer service, operational, and personnel initiatives	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		

Objective 5: Lead in Clean-Energy and Demand Response

Task 7.5a	Timeline	Action/Comments
Develop a cost-effective demand response program	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Technical Services / Mark Matus		

Task 7.5b	Timeline	Action/Comments
Increase the BWL's energy efficiency and renewable energy (Clean-Energy) programs to reach 30 percent or greater of its energy requirements in 2020, and implement a plan to expand these options as components of BWL's resource portfolio thereafter	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Technical Services / Mark Matus		

Task 7.5c	Timeline	Action/Comments
Continue to examine opportunities for distributed generation	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: Technical Services / Mark Matus		

Objective 6: Ensure Regulatory Compliance

Task 7.6a	Timeline	Action/Comments
Continue to develop and update plans to ensure compliance with all applicable regulations, including environmental, electric reliability grid, drinking water, security (physical and information), and safety	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		



**Timeline and Progress Report:
BWL Strategic Plan 2016-2020**

Objective 7: Develop New Leaders		
Task 7.7a	Timeline	Action/Comments
Identify potential leaders and develop a senior management succession plan	2017	
	2018	
	2019	
	2020	
Strategic Task Owner: GM & Executive Staff		