



**EXECUTIVE COMMITTEE MEETING via WEBEX
LANSING BOARD OF WATER AND LIGHT BOARD OF COMMISSIONERS
AGENDA**

February 25, 2021

5:30 P.M. – 1201 S. Washington Ave., Lansing, MI 48910

The BWL full meeting packet and public notice/agenda is located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

Due to public safety concerns resulting from the COVID-19 Pandemic, this meeting will be conducted via WebEx Conferencing and all Board Members will participate virtually. Instructional options to be in attendance are as follows:

1. Event address:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e4f99152a7a98ddb28e4417f8f25e2ac>

Event number: 132 560 7332 **Event Password:** dHvnSTK4Z54

2. Audio conference: United States Toll +1-408-418-9388 **Access code:** 132 560 7332

Call to Order

Roll Call

Public Comment

Public Comment (PC) can be made by choice of:

- Raising your hand by clicking on the hand icon button  in the **Participants** panel
- Submitting written comments to mdenise.griffin@lbwl.com (By the End of Public Comment)
- Submitting written comments to 1201 S. Washington Ave., Lansing, MI 48910

1. Executive Committee Meeting Minutes December 17, 2020..... **TAB 1**

2. Personnel Issue
Closed Session (Attorney-Client Privileged Memorandum)...MCL 15.268 (h) & MCL 15.243 (g).

3. Board Self-Evaluation Review..... **DISCUSSION**

Other

Adjourn

In compliance with the order from the Director of the Michigan Department of Health and Human Services and the order from the Ingham County Health Department, in an effort to protect the health and safety of the public, to mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State’s health care system and other critical infrastructure, it is crucial that all Michiganders take steps to limit in person contact, particularly in the context of large groups. Therefore, the above meeting will be conducted via audio/video conference in accordance with the Open Meetings Act, as amended by Public Act 228 of 2020 effective on October 16, 2020. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meeting using the website or phone number and the meeting ID provided above.

Persons with disabilities who need an accommodation to fully participate in this meeting should contact the Office of the BWL Corporate Secretary at (517) 702-6033 or mdenise.griffin@lbwl.com, or utilize TTY by dialing 7-1-1. A 24-hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

**A quorum of the Board of Commissioners may be in attendance.*

EXECUTIVE COMMITTEE
Meeting Minutes
December 17, 2020

Due to public safety concerns resulting from the COVID-19 Pandemic, the Executive Committee meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI on Thursday, December 17, 2020.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=e5163781865ac93f5e8568649b58191d7>

Event Number for Attendees: 132 573 1544 Event password: zmDV5HErx32

Audio conference: United States Toll +1-408-418-9388 Access code: 132 573 1544

Executive Committee Chair David Price called the December 17, 2020 Executive Committee meeting to order at 5:00 p.m.

Corporate Secretary Griffin took the roll call to acknowledge attendance.

The following Commissioners were present via audio/video:

| | |
|---|--|
| David Price remotely, Lansing, MI (Board Chairperson) | Tracy Thomas remotely, Lansing, MI (Vice Chairperson) |
| Sandra Zerkle remotely, Lansing, MI (Past Chairperson) | Anthony Mullen remotely, Lansing, MI (Member) |
| Beth Graham remotely, Lansing, MI | Deshon Leek remotely, Lansing, MI |
| David Lenz remotely, Lansing, MI | Ken Ross remotely, Lansing, MI (arrived @5:06 p.m.) |
| Douglas Jester remotely, East Lansing, MI | Larry Merrill remotely, Delta Township, MI |
| Stuart Goodrich remotely, Holt, MI (arrived @5:31 p.m.) | |

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

None.

Governance

Participation from Commissioners

Items to revisit

Onboarding information for Commissioners

Chair Price introduced Commissioner Merrill to present the Governance seminar. Chair Price noted that the last governance seminar was held in the fall of 2014 and due to circumstances in the past year an update of the role of governance was deemed necessary. Commissioner Mullen requested that the Commissioners keep the goals of the governing process as simple as possible--select the goals and the steps to accomplish the goals.

Commissioner Larry Merrill opened the floor and asked the Commissioners to speak concerning the following questions from the Governing Excellence presentation:

- From what sources—public sector organization, private businesses, individuals, readings, education, experiences—do you derive guidance on your roles and responsibilities?
- What are the similarities and differences between your “mental models” and your actual roles and responsibilities?

Chair Price responded that his experience is from the non-profit sector as an executive director, as a board president, treasurer and member; and that as a Commissioner he governs on the board in the manner that he would expect if he was the customer that is being represented. Chair Price added that the differences between governing in the non-profit sector and at BWL as a public entity which add some difficulty include the political aspect and having three employees instead of one to set and carry out policy.

Commissioner Graham responded that her experience as president of a realtor’s association was different as there was one executive officer to whom the governing body reported and the governing body didn’t interact with any of the company business. The governing body was similar in taking care of the concerns of the membership for the betterment of the association.

Commissioner Lenz responded that his experience was different with a nonprofit membership driven organization as the board members were nominated and elected by the members.

Commissioner Jester responded that his experience has been with non-profits, member organizations and municipal boards. He stated that there were procedural differences between those boards and the BWL board in that substantive discussion is held only in the committee meetings of the BWL. Commissioner Jester added that the concerns of the other boards were mainly with policy of the organization while BWL is a fiduciary board where more time is spent with governance, oversight and financials.

Commissioner Ross responded that his experience has been with local government boards, a small municipality board, nonprofit boards and a for profit board. Commissioner Ross added that the BWL board is different in that it has both voting and non-voting members, different term lengths of members, and a high volume of material with technical subject matter for the Commissioners to review. Commissioner Ross also added that the BWL is different in that it is a public body subject to the Open Meetings Act and FOIA.

Commissioner Zerkle responded that her experience has been with labor committees with only one speaker. Commissioner Zerkle added that rules and procedures for the BWL were provided through the BWL Corporate Secretary.

Commissioner Thomas responded that his experience has been in education where everyone on the board had a specialty. Commissioner Thomas added that the education boards were similar to BWL as public boards with transparency and that the BWL was different from other public boards where a couple members may be the deciding members.

Commissioner Goodrich responded that his experience has been on a municipal board where he led the meeting. Commissioner Goodrich added that the BWL board is different in that he has less of a say in what transpires.

Commissioner Larry Merrill brought up for discussion and asked for the Commissioners' input concerning the following questions:

- Is there anything the Board of Commissioners doesn't do regarding the functions of Board Governance by seeing to it that LBWL achieves what it should and avoids imprudent risks and unacceptable outcomes?
- Does the LBWL achieve what it should through its vision, mission, values, strategic goals and objectives; through measurements of goals and objectives; through monitoring and evaluation; through policy compliance; through CEO effectiveness and board effectiveness; through adequate and efficiently used resources of competent staff and competent board?
- Does the BWL assure reliable service, competitive rates, convenience, information, lower cost and transparent operations, participation in decision-making, involvement in the regulatory process, and whatever else the customer deems valuable?
- Whether there is a difference between the corporate policies developed and adopted for governance of the BWL for affective administrative and executive management and the policies of the managing director. In response to Commissioner Merrill's question on the appropriate division of authority between the Board and the General and whether there needs to be more clarity Chair Price said that there needs to be clarification and a restatement of the governance policy.
- Whether the Board should only review and approve the corporate strategic plan or should the Board provide input and develop it also? Chair Price said that the Board should be an integral part of the strategic plan rather than just take what is given to be reviewed.
- How is the General Manager held accountable for outcomes from the Board's approval process? Commissioner Merrill stated that the fiduciary role in the review and approval process as representatives of the utility's owners will need further conversation.
- Are the rate payers the owners of Lansing Board of Water and Light? Chair Price stated that the Lansing City Charter governs the Lansing Board of Water and Light and all the rate payers are not within the City of Lansing. Chair Price added that owners have a direct influence in governance and he doesn't think the rate payers do.
- To whom is the Board accountable? Commissioner Merrill stated that according to the Lansing City Charter 5-201 "the board shall be responsible to the Mayor and the City Council for the provision of these services in a manner consistent with the best practices." Commissioner Goodrich asked whether a member of the city council should be a member of the BWL Board. Commissioner Merrill responded that the city charter created a separate board for BWL and it is different than the other city boards and commissions. In further

discussion Commissioner Merrill noted that BWL has a resolution, 2017-07-06, which states that BWL is owned by the rate payers. Chair Price responded that there are rate payers outside of the Lansing city limits and restated that owners have a direct influence in governance and he doesn't think the rate payers do and this should be further discussed.

- Whether the Board acts as an oversight committee for the General Manager or acts and directs as an instrument of the City of the Lansing to speak on behalf of the owners. Commissioner Lenz responded that the Board balances the responsibilities between acting as an oversight committee and as an instrument of the City of Lansing. Commissioner Zerkle responded that since the unpaid Board only meets every other month it would be difficult to be involved in items such as the strategic planning process, other than providing input, and have management responsibilities. Commissioner Mullen responded that the Board has the responsibilities to provide a good return on investment to the City of Lansing as owners, to rate payers, and to management and employees. Commissioner Price responded that representing the City of Lansing isn't exclusive from the management and employees carrying out the policies and plans that are passed by the Board.
- Whether the role of the Board of Commissioners as fiduciary is adequately described with reviewing the financial position, asset condition, legal and regulatory environment compliance, technology changes, energy prices, competitors actions, and environment and climate impacts; identifying stakeholder concerns; setting strategic direction; providing resources through rate making; delegating authority to staff; proscribing unacceptable outcomes; and monitoring, evaluating and providing additional input. Chair Price responded that the description is accurate as the Board deals with complicated issues and indicates how the Board should operate. Commissioner Jester responded that it doesn't seem that the Board provides resources but rather determines what is done with the resources. Commissioner Merrill responded that when the Board sets rates and approves the budget it is providing resources.

Commissioner Goodrich commented that on boards he has previously served, the board hires the manager and just observes the manager take care of the business operations. Commissioner Goodrich also commented to the limitation on powers of boards and said he didn't think the General Manager had been given enough authority. Chair Price and Commissioner Merrill expressed disagreement and stated that the General Manager has been given adequate authority.

- Whether the Board members govern well, whether existing board policies are up-to-date and understandable, and whether board members are compliant or there is a need for increased training. Commissioner Ross responded that because of the technical subject matter there is a need for increased training in the governance process, the mechanics of decision making and the committee structures. Chair Price added that in addition to the board member orientation packet formal hands-on training should be provided. Commissioner Jester commented that the information that was provided by the Corporate Secretary when he was appointed as a Commissioner was very helpful. He added that he needed to become familiar with the rhythm of the governing process. Commissioner Graham agreed with Commissioner Jester's comments and added that it would be helpful to attend a governing process training session.

Commissioner Merrill asked for clarification or follow up of the following statements in board policies:

- Whether the Board has delegated oversight responsibility to any committee or is the committee responsible for some level of monitoring and reporting back to the board.
- The authority and accountability of respective management and staff is inseparable from the authority and accountability of the three employees.
- An individual Commissioner cannot make decisions or recommendations, nor issue directives that are binding on the General Manager, Director of Internal Audit and Corporate Secretary.
- The Board will conduct a self-evaluation every two years with the next evaluation to be conducted in 2020. Chair Price responded that the self-evaluation is in the planning stages and will be sent in the beginning of 2021, and a 360-degree evaluation will be sent to the Board employees.

Commissioner Thomas commented that for the last five years a protocol has been in place that the Chair speaks on behalf of the board to media. He also asked to be part of the process in the self-evaluation planning stages. Commissioner Merrill asked that the spokesperson role also apply to instances in speaking with the staff.

Commissioner Merrill asked for follow up on the following items:

- protocol for placing an item on the agenda
- whether a succession plan is in place for executives
- whether communication from staff is shared equally with the commissioners
- the procedure for dealing with problems/conflicts efficiently, coherently and sensitively

Commissioner Merrill asked whether the issues that have been raised should be addressed.

Commissioner Price stated that the objective for the governance seminar was to get all the Commissioners on the same page, to review what is in the governance policies, to make some enhancements, and to address what is lacking.

Commissioner Zerkle commented that the input from the advisory commissioners is valued and the non-voting status is not a reflection of importance.

Commissioner Goodrich commented that he appreciated the information from Commissioner Merrill and that the information was valuable for this board.

Commissioner Ross commented that the input from the advisory Commissioners is valuable and that he really appreciated this governance meeting that was conducted by advisory Commissioner Larry Merrill. Commissioner Ross added that he didn't think the Board had fundamental problems but does have opportunity for continuous improvement and refinement.

Chair Price commented that the advisory Commissioners were a direct result from the ice storm. Chair Price added that he didn't know why the term lengths were set as they are.

Other

There was no other business.

Excused Absence

None.

Adjourn

Chairperson Price adjourned the meeting adjourned at 7:12 p.m.

Respectfully submitted,
David Price, Chair
Executive Committee