



**COMMITTEE OF THE WHOLE MEETING  
AGENDA**

**January 9, 2018**

**5:30 P.M. – 1201 S. Washington Ave.  
Lansing, MI - REO Town Depot  
Board of Water & Light Headquarters**

**AGENDA**

Call to Order

Roll Call

Public Comments on Agenda Items

1. Committee of the Whole Meeting Minutes of September 12, 2017.....**TAB 1**
2. IT Strategic Initiatives .....**DISCUSSION**
3. Closed Session Meeting (Confidential Memorandum).....**DISCUSSION**  
Closed Session Discussion [MCL 15.268 (h); MCL 15.243 (y)]
4. Central Substation and Westside Reinforcement Update.....**DISCUSSION**
5. Anti-Nepotism Policy Resolution.....**TAB 2**
6. Unmanned Aerial Vehicle Storm Restoration Update.....**DISCUSSION**
7. MIOSHA Update.....**DISCUSSION**
8. Mutual Aid Assistance.....**DISCUSSION**

Other

Adjourn

**COMMITTEE OF THE WHOLE**  
**Meeting Minutes**  
**September 12, 2017**

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 5:30 p.m. on Tuesday, September 12, 2017.

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

Present: Commissioners Tony Mullen, Beth Graham, Dennis M. Louney, Anthony McCloud, David Price, Tracy Thomas, and Sandra Zerkle and Non-Voting Members: William Long (Delta Township), Robert Nelson (East Lansing), and Rod Taylor (DeWitt Township).

Absent: Commissioner Ken Ross

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Amendments and Restatements of Retirement Plan Trust Agreements**

Commissioner Mullen shared information regarding the tabled agenda item. Ron Byrnes of the IBEW is still reviewing the Trust Agreement for retirement plans with his legal team. Amendments may be sent in the next two weeks to be addressed at the upcoming Board meeting.

**Motion** by Commissioner Price, **Seconded** by Commissioner McCloud to take the Amendments and Restatements of Retirement Plan Trust Agreements from the table.

**Action:** Motion Carried.

Scott Taylor, Finance Manager reviewed two revised retirement plan documents, the Post-Retirement Benefit (VEBA) Plan (Retiree Health Care Plan) Trust Agreement and the Defined Benefit (DB) Plan Trust Agreement. Each of the plans contain a plan document and a trust agreement. The plan document governs the specific benefits being provided and the eligibility requirements and the trust agreement was established to accumulate the funds necessary to fund the benefits. The changes were targeted at bringing the agreements up-to-date and in alignment with regulatory changes, practice changes, and changes that have been made over time to the plan documents. None of the changes affect the benefits from the plan.

**Discussion:** Commissioner Mullen requested an explanation of the difference between the commissioners acting as trustees and as a Board member. Mr. Taylor responded that when the Board members convene to change plan documents or plan design, they are acting as the plan sponsor. The

Board, as the sponsor of the plan document, sets the benefits and eligibility requirements. When the Board members convene annually in November at the trustees meeting to review the performance of the investment portfolio and the performance of the investment managers, to carry out or execute the terms of the trust agreements, the commissioners are acting as trustees.

Commissioner Nelson questioned the definition of trustees being removed from the Trust Agreement for the Post-Retirement Benefit Plan on page 2. General Counsel Brandie Ekren responded that the definition was placed above in the same section of the document with additional clarity. Commissioner Nelson also questioned the process of removal of a Trustee and selecting a replacement Trustee. Ms. Ekren responded that the removal of a trustee would be for ethical concerns or for not honoring the trust and the replacement trustee would be a Board Commissioner.

**Motion** by Commissioner Thomas, **Seconded** by Commissioner Price to accept the Amendment and Restatement of Trust Agreement for the Post-Retirement Benefit Plan (VEBA) with the proposed edits and forward to the Board for consideration.

**Action:** Motion Carried

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas to accept the Amendment and Restatement of Trust Agreement for the Defined Benefit Plan (DB) with the proposed edits and forward to the Board for consideration

**Action:** Motion Carried.

#### **Approval of Minutes**

**Motion** by Commissioner Thomas, **Seconded** by Commissioner Price, to approve the Committee of the Whole meeting minutes of July 11, 2017.

**Action:** Motion Carried.

#### **2018 Regular Board Meeting Dates Resolution**

Committee of the Whole Chair Mullen presented a proposed Resolution setting the BWL Board of Commissioners 2018 Regular Board Meeting Dates as directed by Section 1.1.2 of the BWL's Rules of Procedure.

**Motion** by Commissioner Price, **Seconded** by Commissioner Thomas to approve the 2018 Regular Board Meeting Dates Resolution.

**Action:** Motion Carried.

#### **Strategic Plan Update 2017**

General Manager Dick Peffley introduced George Stojic, Executive Director of Strategic Planning, who reviewed the updates to the 2017 Strategic Plan which was adopted in September 2016. Mr. Stojic indicated that the Plan's objectives and tasks were composed of two types; those that are project

oriented and composed of a specific scope, budget and schedule a and those that are reoccurring or ongoing. He introduced an update spreadsheet and explained the color coding that was designed to show progress in meeting the Plan's objectives.

Mr. Stojic reviewed progress on selected objectives within the seven Strategic Plan strategies: Customer Experience, Community Involvement, Effectively Acquire and Manage Resources, Implement New Technologies, Workforce, Financial Stability, and BWL Leadership. Mr. Peffley commented that the first GM Roundtable, as part of the Community Involvement strategy, was well attended and was designed to be educational about the BWL. He also indicated that some of the objectives would be the subject of Committee of the Whole presentations in coming months.

According to Mr. Stojic, the BWL staff was on schedule for completing or had completed most of the tasks included in the Strategic Plan. The only exception noted by Mr. Stojic was Task 1.2a, in Customer Experience. He stated that Task 1.2a, a technology survey, was coded orange for caution because there was some miscommunication within the company. However, the survey should be completed by the end of the year. He also addressed advanced metering infrastructure (AMI) technologies and related technology projects. Under Effectively Acquiring and managing resources, Mr. Stojic spoke about upgrading the electric transmission and distribution system, completing the central substation in order to close the Eckert facility, and implementing an asset management program. With respect to new technologies, Mr. Stojic noted the IT deep dive and that it would be the subject of a future Committee of the Whole meeting.

Under the workforce strategy Mr. Stojic discussed attracting potential applicants and succession planning along with the re-placement, moving and training of workers from the Eckert Power Plant to new positions in the BWL. Mr. Stojic reported that the items listed under the Financial Stability Strategy will be covered in the Finance Meeting on September 19, 2017. He also indicated that Strategy 7 organizational efficiency would be the subject of a future Committee of the Whole meeting.

A Commissioner asked about energy efficiency. Mr. Stojic responded that energy efficiency meetings would be held in 2017 and 2018. He also indicated that an energy efficiency plan expansion proposal would be submitted to the Board in 2019. A question was also asked about the development of a cost-effective demand response program being completed in 2017 rather than 2018. Mr. Stojic responded that the AMI needs to be deployed before the demand response program can be completed. Commissioner Taylor asked what is being done to implement this plan within the organization and what is being done to ensure economic development investments. Mr. Stojic and Mr. Peffley responded that BWL reaches out to all planning commissions in the area and develop business relationships with organizations. Various incentives can be offered to these entities.

Commissioner Price commended and thanked Mr. Stojic for the thorough update on the Strategic Plan.

### **Sierra Club Settlement**

General Manager Dick Peffley spoke briefly about the Sierra Club settlement and expressed satisfaction that the settlement supports the BWL's strategic plan.

**New Plant Update**

General Manager Dick Peffley spoke about the changes in the economics to the new plant site and pipeline plans. An increase in Consumers Energy distribution rate has caused an extra cost of one million dollars per year at the REO plant and the new plant will be considerably larger than REO.

**Public Comment**

None.

**Other**

**Motion** by Commissioner Price, Seconded by Commissioner McCloud, to excuse Commissioner Ken Ross from tonight's meeting.

**Action:** Motion Carried

**Adjourn**

**Motion** by Commissioner Price , **Seconded** by Commissioner Thomas to adjourn the meeting.

Meeting adjourned at 6:35 p.m.

Respectfully Submitted  
Tony Mullen, Chair  
Committee of the Whole

## Nepotism Policy

WHEREAS, in order to promote a diverse workforce, avoid even the appearance of favoritism in employment matters, and to assure that an employee's hire, transfer, or promotion is based solely on the employee's qualifications and performance, the Board of Water and Light (BWL) is altering and clarifying its policy on nepotism.

RESOLVED, That as of January 30, 2004, the BWL will not hire, transfer, or promote an employee to work in any Responsibility Area (RA) that reports to a Manager or Director or through a Manager to a Director where the Manager and/or Director is a family member of the employee. Additionally, no employee will be placed in a position in which he or she reports directly to a family member. ~~Following the effective date of this policy, no family member of a Commissioner, Board Appointee, Senior Vice President, or Director shall be hired by the BWL.~~

~~FURTHER RESOLVED, That for purposes of this policy, family member shall be defined as spouse, child, parent, step-parent, sibling, step-sibling, adopted child, step-child, foster child, grandchild, grandparent, great-grandparent, in-law, aunt, uncle, or any cousin.~~

FURTHER RESOLVED, That exceptions to this Policy may be permitted for reasons related to exigent needs of the BWL.

FURTHER RESOLVED, That the General Manager shall establish procedures consistent with this policy and shall be responsible for their implementation and compliance.

(Approved by Board ~~1/29/04~~ \_\_\_\_\_ - Res. ~~2004-01-03~~ \_\_\_\_\_)