



MINUTES
Committee of the Whole/BWL Commission
Thursday, February 15, 2018 @ 5:30 p.m.
BWL Depot

CALL TO ORDER

David Price called the meeting called to order at 5:30 p.m.

PRESENT

Councilmember Kathie Dunbar- absent
Councilmember Jeremy A. Garza
Councilmember Adam Hussain-excused
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley-.
Councilmember Jody Washington-excused
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Samantha Harkins. Mayor's Executive Assistant
Jim Smiertka, City Attorney
David Price, BWL Commission Chairperson
Tony Mullen, BWL Commission
Beth Graham, BWL Commission- 2nd Ward
Anthony McCloud, BWL Commission- 3rd Ward
Sandy Zerkle, BWL Commission – 4th Ward
Denise Griffin, BWL Corporate Secretary
Calvin Jones, BWL Government Relations
Dick Peffley, BWL General Manager
Dennis Louney, BWL Commission – 1st Ward
Tracy Thomas, BWL Commission
Douglas Jester, BWL Commission – City of East Lansing
William Long, BWL Commission – Delta Township
Brian Ross, BWL Commission – DeWitt Township
Tom Stanton
Steve Roe
Ms. Fiber
Brandi Ekren, BWL Attorney
Steve Serkaian, BWL Executive Director
Heather Shawa, BWL Chief Finance Officer

Annie Rzepcki, BWL Community Relations
George Stojic, BWL Executive Director
Rebecca Paine
Marshall Perlow
Linda Keith
Ross Fisher
Lynn Stouth
Andrew Sarpolis
Anna Fisher
Philip Wells
Claude Beavers
Jean Mellon
Tom Cafer
Carol Rawl
Will Lawrence
Shell DeCoufna
Mary Brady-Anderson
Jerry Hollister
Lynn Cosma
Kathy Motega
Andrew Newicki
Mike Berkowitz
Teresa Larch
Ruth Dean

Introductions

Public Comment on Agenda Items

Mr. Price provided the public with an opportunity to speak with a 2 minute time limit.

Mr. Stanton referenced an email he sent BWL, Council and the Mayor and asked the Commission to look for sustainable ways for the plant.

Mr. Roe asked the Commission to promote and plan for energy resources.

Ms. Fiber referenced a resolution the Council adopted in 2017 that affirmed climate change, and asked the Commission to explore policies and long term goals on greenhouse emissions.

Ms. Paine spoke in opposition to a natural gas plant, and encouraged them to look into solar panels with installation on school buildings.

Mr. Perlow spoke in opposition to a single substation.

Ms. Keith spoke in support of clean sufficient renewable energy.

Mr. Fisher spoke in support of making Lansing a leader in renewable energy.

Ms. Stouth spoke in opposition to the plant construction and supported comments made by Mr. Stanton.

Mr. Sarpolis spoke in support of reviewing alternatives moving forward, referencing a report that was done May 24, 2016 but only included Part 1.

Ms. Fisher stated her opinion that the Mayor has been ill advised on the renewable energy plan and asked the Commission to abandon the plan for natural gas.

Mr. Wells spoke on climate change.

Mr. Beavers spoke in opposition to fracking.

Mr. Mellon spoke in opposition to the proposed plan.

Resident from 418 N. Sycamore asked the Commission to formulate a plan now for renewable energy.

Mr. Cafer spoke on climate change and in opposition to the plant and fossil fuels.

Ms. Rawl spoke on the impact of global warming and asked for immediate action.

Mr. Lawrence recommended a new study based on inform from the last two years.

Ms. DeCounfn asked the Commission to investigate renewable choices.

Ms. Brady-Anderson spoke about the work of the CAC Board in 2015 which she was a member of, noting that the BWL was presented with options but her opinion was that it was evident BWL was going to build natural gas plant. So at this time she was asking for an independent group to research.

Mr. Hollister spoke on renewable energies.

Ms. Cosma spoke on the opposition to the new natural gas and concerns with fracking.

Resident at 946 N. Harrison spoke on energy efficiency.

Ms. Moteaga spoke on the damage that occurs with construction of pipelines.

Mr. Newicki spoke on his opinion on the misconception that the environment is separate from the economy.

Resident at Trappers Cove asked BWL and Council to listen to their concerns.

Mr. Berkowitz stated his opinion that BLW had done a bad job on renewable energy.

Ms. Larch spoke on anti-fracking.

Ms. Dean spoke in opposition.

The meeting was placed in recess for 5 minutes at 6:32 p.m.

Ms. Harkins left the meeting at 6:32 p.m.

The meeting was called back to order at 6:50 pm.

Discussion Items

Progress on Distribution and Transmissions Plan

Mr. Peffley began the discussion by recapping that it was a \$31 million dollar, 5 year project to modernize the system. The transmission system is 130 volts that went into circulation in the 1970's. Currently BWL has started working on a plan to refurbish 6 sub stations, and will take energy from the solar garden and bring into town. This will allow for faster restoration and route service through other lines. It will also allow assistance when Eckert closes. Commission Member Mullen asked about the new line long Old Lansing Road. Mr. Peffley stated it was headed to the new substation and west side reinforced substation. Council Member Jackson asked if the new natural gas is similar to the only source. Mr. Peffley clarified that the renewal portfolio will bring power from other areas.

Rate Hike Plan

Mr. Peffley informed the group that they recommended and were approved for a 3 year rate strategy. This is the 1st year of that increase, and it averages for a residential use of electric of \$3.16 increase, and a \$2.29 increase for water. Even with the increase, BWL will still be 14% under their major competitor. He then informed them they paid off the bond for Bell River, so the escrow does not need to be at the level it was, so they were able to only have to do a 1% rate increase this first year.

Creating a Rate for Those Who are Disabled

Council President Wood informed the BWL that this question was raised by the Ad Hoc on Diversity, looking to see if the disabled can have the same rate discount as the senior discount. Mr. Peffley acknowledged the question and stated they did reach out to other public utilities in the US, and there were no similar situation or template. In reality they actually found that some utilities are doing away with the senior rate, but BWL will keep it for the next three years. To help in other ways, BWL has given \$200,000 to the facility St. Vincent's, and gave \$400,000 this year to help people who struggle with bills.

Council Member Spitzley brought it to the BWL Commission residents are still getting charged a \$3.50 surcharge if they pay their bill on line, and asked them to continue to research the removal of that. Mr. Mullen suggested they sign up for the e-services and it would be free. Mr. Peffley agreed to look into the website.

Council President Wood asked BWL to work with Capital Area Disability Network and Peckham help their clients with energy efficient programs.

Forthcoming Construction Projects

Mr. Peffley stated to the Council and Commission that there are 55 ongoing projects, and there is a CIP budget of \$90 million. Listed in those projects was Erickson expansion, Central Sub Station, Smart Meters, work on Verlinden, solar air, and combined cycle plant.

Council Member Spadafore asked how far along the project on Verlinden was. Mr. Peffley stated it is on the Racer Trust side, and will move some services from the Pennsylvania and Hazel location. They have met with the neighborhoods for this new project. The time line is to start in 2020 and construct in 2021.

Council Member Jackson moved the discussion to renewable energy, and asked what experts were present at the 2015-2016 discussions and asked if BWL would be interested in a third party review and report. Mr. Peffley stated that they look at renewable daily, and the costs will drop from 30% by 2020, 40% by 2030 and they will have to balance that with rates. BWL continues to invest in renewables, and the recent bond has renewables in there. BWL has exceeded, and even adopted it before the State of Michigan required it. In regards to the new

plant, it is a 30 year plant and bonds for 30 years. They will transition from coal to renewables, and have set funding for next year for battery technology. A survey was sent to all the customers and they were clear they did not want rates to flexuate. The plan they have BWL believes is the best plan for 30 years. Mr. Stojic added to the conversation that BWL tried to make the process as transparent as possible to find most important issues to address. BWL brought in customers, clean air advocates, and outside experts. Models were brought in for the Citizen Advisory Committee, and the final recommendation was unanimous to recommend the new plant to the board. Council Member Spitzley asked the Committee for more information on an earlier statement from the Sierra Club where they noted there was only one part to the report. Mr. Peffley stated they have an agreement with the National Leadership of the Sierra Club on the information with two years negotiation. Mr. Louney added that the Sierra Club does not support any fossil fuel plants and right now that is not doable. No other utility can compare with BWL on renewables. Mr. Peffley also said that if they were to move to renewables they would have to buy off the grid, and right now they sell to the grid. The government stats that BWL needs to reduce its carbon footprint by 80%. DTE will not reduce at 80% until by 2050, and BWL has already confirmed they can be at 80% 2025.

Council President Wood asked how many of the BWL projects were being done by local labor. Mr. Peffley stated that the majority are, with \$50-\$70 million per year. Regarding the new plant, they have already reached out to local trades. Council President Wood asked for a list of which projects were being done internally vs. those by contractors. Mr. Peffley admitted he did not have that list but could get that, noting the central substation is local labor, along with the high pressure project. The Erickson plant is being done internally, and the solar plant is contracted because it is on private property so he is not sure who.

Progress of the Central Substation

Mr. Peffley stated the project is on time and on budget, with the plan to go live in fall. Currently the walls are going up, and the community was involvement on the design. The Sunken Garden was moved 300 ft. west, and many members testified that they witnessed it being moved brick by brick. With the startup of the plant in the fall, they will start delivering service to downtown this fall.

Progress on 5-year Tree Trimming Plan

Mr. Price admitted that in 2013 BWL was cited for not keeping up with tree trimming when the ice storm damaged trees and service. At that time, he admitted, BWL had stopped their 5-year cycle, but they are now back on the 5-year trimming cycle, with 33 crews. They send out a letter, with a trim notification door tag, and if it is recommended removal, they leave another card for the owners to sign. If the arborist determines not to remove, they just trim. After it is trimmed if the owner does not like it, BWL will come back. There is a third door tag, which speaks only to oak trees, because they can only be trimmed in September. There is a map on the BWL website, and once this 5-year cycle is done, they will be caught up and the next cycle will only be for trimming.

Eastside Tree Trimming

Mr. Peffley stated to the group that they worked with a vegetation management group in this area, and the question was raised by the neighborhood if they the BWL Commission would replace the trees. The organization was willing to obtain a grant for 75 trees, but BWL has decided to provide those 75 trees free so the grant funds can be used for other things.

Council Member Spadafore asked why the BWL does not bury their utility lines. Mr. Peffley stated they do consider them street by street but cannot do one house hold because everyone

is effected by the feed of line in the street. They agree to consider it during the rehab of a street because they can bury them in the street.

Council Member Spitzley left the meeting at 7:43 p.m.

Back to the discussion on the tree trimming, Commissioner Louney noted that BWL makes every attempt to speak with the home owner. After the 2013 storm, the process changed process, and they have switched to 3 contractors. The BWL is also currently looking at a stump removal program. Council President Wood asked the BWL Commission to invite Council Members to their neighborhood meetings. She then asked about limbs that are left behind after a tree is removed, because the home owners are responsible and could get a violation. Mr. Peffley confirmed they have improved their pick up process. Commission Member Zerkle stated to the Council that if there is every a concern BWL can have an arborist on site. Council Member Garza asked what types of trees were prosed for replanting. Mr. Rademacher with the BWL forestry stated they determine it on a case by case basis, because they need the right tree in the right environment. They are focusing on maximum height of 25', dogwoods and crabapples as examples. Commission Member Mullen asked when the company would decide to plant or not. Mr. Rademacher assured them they are leaving it up to customers.

Commissioner Member Jester made a statement to the Council that the challenge that the BWL Board has is that some changes are costly and not appropriate for all those costs to be borne by all those in common. Other issues cannot be done customer by customer, it has to be a collective decision making problems, for example burying every ones service that is on a line. BWL is not set up for that service and as the East Lansing representative on the Commission he will be recommending that to East Lansing also.

Smart Meter Installation

Mr. Peffley explained that when the meters are installed it allows customers to monitory their usage on a daily basis, and there would no longer be an estimated reads program. The meters also allow live time notification on outages. The project cost is at \$31 million and they are in year 3 of 5 for install. There are 57 collectors around town, which then send the information in an upload. They are currently 66% complete, and of those 12% chose to skip. They are allowing residents to skip, not opt out. The meters have a 20 years life expectancy, and analog meters usually have 20years and degrade in accuracy. It was noted that you cannot even buy analog meters anymore. When the meters are installed their electric service is interrupted minutes, and the water meter up to an hour. Since the water meters are in the house, and adult does need to be home for the install. The smart meters are installed with a tamper option to avoid any theft or stealing of power.

Other

Council President Wood asked if there was an interest in the property of the Eckert Plant. Mr. Peffley stated they will go through the RFP process in the future but there is currently an interest from an outside party.

Mr. Price informed the group the next meeting of the two boards would be in September.

Council Member Spadafore asked for a copy of the resolution the public referenced on energy.

ADJOURN

The meeting was adjourned at 8:07 p.m.

Respectfully Submitted by, Sherrie Boak, Recording Secretary
Lansing City Council

Approved by the Committee on January 26, 2018