



MINUTES
Committee of the Whole & BWL Commissioners
Monday, October 7, 2019
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council Member Wood and Commission Member Price called the meeting called to order at 5:30 p.m.

PRESENT

Councilmember Kathie Dunbar
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley - excused
Councilmember Jody Washington - excused
Councilmember Carol Wood
Commission Member Price
Commission Member Lenz
Commission Member Graham
Commission Member Zerkle
Commission Member Mullen
Commission Member Ross
Commission Member Merrill
Commission Member Jester
Commission Member Froh- absent
Commission Member Graves – absent
Commission Member Thomas - absent

OTHERS PRESENT

Sherrie Boak, Council Staff
Denise Griffin, BWL Executive
Eric Brewer, Council Internal Auditor
Jim Smiertka, City Attorney
Dick Peffley, BWL General Manager
Mark Matus, BWL General Counsel
Heather Shawa, BWL Chief Financial Officer
Wesley Lewis, BWL Auditor
Steve Serkaian, BWL Customer Operations & Communications

Brandi Ekren, BWL Strategic Planning & Development
Breina Pugh, BWL Community Relations
Calvin Jones, Government Relations

PUBLIC COMMENT

No public comment.

DISCUSSION/ACTION:

Lansing Board of Water & Light Annual Financial Audit Reports

Ms. Shawa went through the Baker Tilly audit, the detail of statements of revenues and expenses in the online packet and acknowledged they adopted their GASB ahead of schedule. Council President Wood asked if they had any repeat findings in the audit from year to year, and told there was none. Ms. Shawa was asked how long Baker Tilly had been their auditor and she responded by confirming they were in year 4 of a 5 year contract. Council President Wood then asked for the costs of the recent projects, which appeared over budget, and Mr. Peffley confirmed the actual costs was \$33 million with a \$28.5 budget.

Commissioner Member Ross referred the Committee to the full document in the packet and the status of the pension funding which is at 112% and overfunded, along with the OPEB after being at 90.4%, and having a change in the third party provider, is up to 131% resulting in overfunded OPEB obligations.

Smart Meters

Council President Wood informed the BWL Commissioners of the concerns with a perceived higher rate and difficulty in understanding the bills. Mr. Peffley distributed a copy of a dashboard, which reflected commodity, the water and electric increases, along with a higher than normal temperature in July. Currently 82% of the electric side is complete and they will visit any property that has concerns and evaluate.

BWL Rates and Bill Tutorial

Mr. Peffley moved into providing an example of a bill, which has a tutorial on the backside, but also encouraged residents to contact the call center for assistance. Commission Member Zerkle asked Mr. Peffley speak to the concerns people have with emissions from the meter. Mr. Peffley confirmed that BWL calls the meter 20secs/day and the meters put out 1 watt of power compared to a cell phone that uses 3 watts. He again, offered to have staff visit a property if someone calls with concern. Council Member Garza informed Mr. Peffley and the Commission that he has heard complaints that the call center is telling residents it will be a \$60 fee for an inspection or test on the smart meter. Mr. Peffley stated his staff were updated with new instructions that they will test the meter free of charge. Commission Member Mullen asked Mr. Peffley to outline the benefits to a smart meter. Mr. Peffley stated that in a couple years, the plan will be fully deployed and then he will go to the Commission for a timely use rate, to encourage residents to run items at night such as washers and dishwashers and they get a different rate. Also other benefits are if the power goes out, they provide information on when all services are back up as compared to the assumption an "area" is okay. The smart meters can also be monitored when a resident is not home to determine if there is any usage occurring and should not be, and there is currently a phone app that is being tested. Council Member Garza asked for details on the "opt-out" fee. Mr. Peffley stated it is a onetime fee, depending on if it is electrical, water or both. Mr. Serkaian stated to opt out of electric only it is \$115, water only \$125, combined \$190. The monthly fee for electric is \$10, water \$20 and combined \$25. Those costs were determined after a cost of service study and what the cost is to maintain an accounting service. In the future there will be access on the website to see the usage and currently the information is collected and send to the cloud, and only accessible by BWL. Council President Wood asked if there are payment plans for someone to opt out and

cannot afford the onetime fee. Mr. Peffley stated he would speak to his staff about that option. Regarding the difference between opting out vs. skipping”, Mr. Peffley explained that if BWL comes to install in the neighborhood the resident can skip now and they will come back. Council Member Dunbar asked if all homes are getting the mechanics for the smart meter, but if skipping or opting out are just not getting the meter. It was confirmed, and that once it is determine to have the meter it will be a one minute install. Council Member Spadafore asked if service can be turned on and off remotely, particularly if there is a fire, and was told, they could do electric meters via their keyboard.

Customer Service Training

Council President Wood stated this was on the agenda because during neighborhood and monthly Ward meetings, Council Members are hearing concerns on BWL customer service. Mr. Peffley acknowledged hearing the complaints at the recent Ward 1 meeting, and confirmed he followed up with Mr. Serkaian and listened to the tape of the call. He spoke in support of the BWL staff. Council President Wood then inquired into the new BWL website and issues Council has heard on the navigation of the site. Mr. Peffley acknowledged it was new and they are open to any suggestions. They are also open to attending any neighborhood meetings to provide an online tutorial.

Climate Action Discussion

Council Member Jackson voiced an interest in where the City and BWL was in the discussion and outlined a list of books he encouraged everyone to listen to, to address not just climate change but carbon emissions. He continued his statement with opposition to the recent natural power plant, but acknowledged there is still an opportunity to work towards local and regional passion to connect to other local municipalities. Mr. Peffley acknowledged Council Member Jackson’s statements and confirmed to the Committee that it is getting harder to get permits for wind farms but they are working hard to meet the goal he promised the Commission to be energy efficient by 2030. Commission Member Price added that BWL hopes to be out of coal by 2025 however, the customers will also need to utilize conservation. Council Member Spadafore supported the efforts to reduce the carbon footprint in the City, noting there are performance audits to see where things are coming from.

Commission Member Zerkle asked Mr. Peffley to speak to what internal assistance the BWL is offering to the striking UAW workers and Mr. Peffley confirmed they are offering the same payment plans to those residents that they offer anyone in distress. Commission Member Zerkle acknowledged the Council for their participation in the recent labor forum.

Council Member Jackson asked the Commission and Council to consider goals for a positive effect.

Commission Member Price introduced Ms. Ekren who is in the middle of integrated planning process that will feed into the strategic plan, which they hope to roll out in January 2020.

Council Member Dunbar referred to a past Committee of the Whole Meeting where the Committee received a letter from DeWitt Township on a parcel they are considering for Farmland Preservation, and asked if the BWL is having ongoing discussions with other communities and how they are able put in solar panels. Mr. Peffley confirmed that they go through a third party since they are not eligible for tax credits, and the closer the parcel is to Lansing it would be cheaper.

Other

Resolution for BWL outside Counsel Addition

Mr. Smiertka clarified that under the Charter, the OCA is responsible for the provision of legal services and Council must approve the request of any outside legal services. Therefore, the OCA has proposed the resolution to hire Hausfeld Law Firm of Washington, DC to represent BWL on recovering damages on freight fuel charges. Mr. Matus added that the firm specializes in this area, and are experts in D.C. with the US District Court and has an opportunity for BWL to recover a significant sum. The surcharge was related to the cost of transporting coal, and the excretion would be that the freight carriers violated the anti-trust charge when they charged BWL.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR OUTSIDE COUNSEL HAUSFELD LAW FIRM TO ASSIST THE BOARD OF WATER AND LIGHT. MOTION CARRIED 6-0.

Commission Member Price acknowledged Council for hosting and confirmed that when they host in the spring the Climate Action will again appear on the agenda for continued discussion.

ADJOURN

The meeting adjourned at 6:30 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on October 14, 2019