

**MINUTES
BOARD OF LIGHT AND POWER
REGULAR MEETING OF November 4, 2009**

- I. Call to Order and Roll Call:** The meeting was called to order by Board Chairman Canfield at 5:40 pm. Present were Johnston, Hall, Canfield, Beachum and Valentine. Also present were General Manager Pierce, Administrative Manager Sawka, Utility Foreman Russo and Mayor Hodges.
- II. Approval of Agenda:** Johnston made a motion to approve the Agenda. The motion was supported by Beachum and was passed by unanimous vote of the Board.
- III. Minutes of October 8, 2009:** Hall made a motion to approve the minutes of the October 8, 2009 Board Meeting. Hall requested numbering pages in the future. Beachum supported the motion. The motion passed by unanimous vote.
- IV. Public Comment (items not on the agenda):** There was no public present and no public comment.
- V. Action Items:** There were no action items.
- VI. Informational Items:**
 - A. Performance Data:** LLP had a decrease in electric requirements for the month of September. The weather was cooler than normal, not as much air conditioning and the peak demand was down about two megawatts from September of previous years. Pierce noted, however, that we still had a pretty good month even though usage was down. The other item to note is that delinquent accounts were down from August. Investments and cash are up. There were no outages for the month of September. The new outage report was attached. The outage report shows the number of outages by cause, time, and whether scheduled or unscheduled. This report also displays relevant industry wide statistics and LLP's average service availability is 99.95%.
 - B. Income Statement (September 2009):** Overall revenues are up even though the demand is down. This is due to the rate adjustment. The expenses are under budget so far this year. Pierce stated that both net income and operating income are in good shape due to the adjustment and keeping expenses under budget. Purchased Power Expense requirements are also down

and LLP has the opportunity to sell the excess power. LLP is getting significant credits for our capacity.

C. **Managers Report:**

MPPA/MMEA /APPA Update: The shut off policy was not passed by the Senate as of this date. LLP was proactive by putting a policy in place. In this month's billing, LLP included organizations that people could go to for help with their utility bills both locally and through the State.

Strategic Planning: Pierce enclosed a package from last year's strategic planning. The packet includes the utilities vision, mission, core values, environment, goals and objectives. The Board and Pierce agreed to review, discuss and amend the plan as necessary at the December Board Meeting. Pierce also mentioned that the utility has subscribed to a skill service on how to address customers. The information on the skill service was handed out and Pierce asked the Board Members to include this in their strategic planning packet.

Benefit Reviews: Pierce discussed the insurance benefits of the LLP employees with the Board. Last year, by changing to Priority Health, Healthy Choice, the utility and employees were able to hold the line on insurance expenses. This year the benefits have gone up 7.11%. The Board felt that this was still a fair amount and wanted to know what the City had done at their renewal in July. Beachum said that he thought it was important to stay consistent for the employees. The Board felt that this is a way to encourage the employees for their hard work.

EO Plan Update: The light bulb trade in at the Open House drew 60 customers and only a handful of those that said they "forgot" have stopped by the last three weeks to take advantage of the offer. Also LLP needs to pick up 13 more (out of 21 total) refrigerators or freezers and schedule three or four more commercial customers for light fixture upgrades to meet our quota. Many ideas were discussed by Pierce and the Board and the utility will try to come up with a way to distribute the amount of bulbs needed to meet their quota for this year. There was also discussion about ways to distribute and install CFLs for seniors, such as at Schneider Manor. The utility is also expected to offer help in the form of money for low income weatherization. Most utilities are working with their local

community action agencies on the weatherization program. Pierce also included an article on “Greening up”. This article presents different ways to motivate people to living green and saving our environment.

A Plus Program: The utility has a brochure ready for the November billing. The utility is still working with ACSET (our County Community Action Agency). The utility has agreed in concept to an administration program and LLP is waiting for a sample contract from the Agency for a Low Income Weatherization Program as well as the A Plus program.

Holiday Event: Last year LLP and City discussed having a joint Holiday Event for the employees, Board/Council and spouses. Beachum offered several ideas and said that Betty Morlock at the City would also be contacted for ideas. Beachum will get back to the Board and LLP on a holiday event. This event may be scheduled after the holidays.

Media: LLP is currently working on a newsletter. The utility is planning on a holiday version. This newsletter is named the Lowell Outlet. Pierce is looking into the LLP website redesign. This is in the research stage.

Smart Grid: Recently LLP was informed that the grant application submitted with MPPA was not selected as one of the projects to receive Stimulus funding. Although the utility is disappointed there will be other rounds established for this grant and similar opportunities. In the meantime, money has been budgeted this year for a pilot study using Smart Meters and LLP will continue to pursue this level of implementation.

Payables September payables are attached for your review. There were no questions on the payables.

Pierce reminded the Board of the joint Council /Board meeting at Chatham at 7 pm on Monday, November 9. Betty Morlock will remind the members of the City Council and the Board Members of LLP.

This fall the utility will need to do some tree trimming and Pierce will put notice of the areas to be trimmed in the Ledger. Beachum asked if a bid was or will be put out for the tree

trimming. Pierce said trimming for the fall of 2009 is minimal. The utility will go out for tree trimming bids for 2010.

The utility is going ahead with the generation substation demolition. This will start November 7, 2009. The demolition will continue for the next six weeks. Pierce praised the LLP crews for getting everything in place to make the demolition go smoothly.

D. Schedule of Meetings: A schedule of meetings for the month is enclosed in the minutes.

E. Complaint Register (No new complaints)

VII. Date of Next Regular LLP Meeting: The next regularly scheduled Lowell Light and Power Board meeting will be held Thursday Dec. 3rd.

VIII. BOARD COMMENTS: Valentine requested permission from the Board to be absent from the joint meeting on Monday November 9, 2009. Johnston was happy to hear about the health care benefits and how well the employees had received the new plan. He also thanked Russo for staying after the Open House to show Beachum and Johnston around LLP. Beachum inquired as to how prepared LLP was for a catastrophe. Beachum offered suggestions for LLP to plan for a catastrophe. Pierce said there is a group that meets occasionally to discuss this issue. Hall did agree with Beachum that a preparedness plan is needed. Pierce suggested procuring diesel or natural gas generators and housing them at the substation as part of a preparedness program. Hall asked for a follow up on the LED street lights for the City. Pierce says that the distributor that supplied the compact florescent bulbs has a low cost farm head with a cfl bulb under \$40. Pierce says that the LLP has installed one and it seems to be working well. Pierce suggested that it might be an opportunity to try using the CFL bulbs and new farm heads in a neighborhood as a trial. Pierce will work with the City on this as possibly part of LLP EO Pilot. The LED bulb and fixtures are \$500 a piece. CFLs would be a viable option and a considerable savings over LEDs. Mayor Hodges was pleased with the outcome of the election. City is looking at redoing its

website and putting together a proposal. Hodges says in December the City is looking at a retirement party for Jeanie Shores. The City is getting ready for the M21 bridge project. Canfield was at Michigan Wire and working with Dean Lonick and Lonick was asking about the upcoming outage. Canfield checked with lineman Kelley on the outage. Canfield indicated he had also inquired about how Lonick felt LLP was doing (Lonick had been dissatisfied with LLP in the past) and Lonick is much more satisfied with LLP now. Canfield entertained a motion to adjourn.

IX. Hall made a motion for adjournment at 6:50 pm, supported by Johnston and passed unanimously by the Board.

Chairman, Greg Canfield

Date