

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – April 14, 2016**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 6:02 p.m. by Vice Chairman Beachum. Assistant General Manager Steve Donkersloot called the roll.

Present: Board Members: Perry Beachum, Tina Cadwallader, and Andrew Schrauben.

It was MOVED by SCHRAUBEN, SUPPORTED BY CADWALLADER, to excuse the absence of Greg Canfield and Tamela Spicer.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

Also Present: Assistant General Manager Steve Donkersloot, Utility Services Coordinator Sharon Morris, Distribution/Transmission Manager Ryan Teachworth, Plant Accountant, Megan Keyser, and Generation Supervisor Doug Barnes.

II. APPROVAL OF AGENDA:

Vice Chairman Beachum added item (C) under action items, Health and Dental Premium for new hires.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approve the agenda as amended.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY SCHRAUBEN, SUPPORTED BY CALDWALLADER, to approve the meeting minutes of the March 10, 2016 regular meeting as presented.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

IV. PUBLIC COMMENTS (for items not on the agenda):

There was no public.

V. BIO-DIGESTER UPDATE FROM GREG NORTHRUP:

Greg presented visuals and explained water tests they are currently performing. Greg answered questions and said they are real happy with the new operators.

VI. ACTION ITEMS:

A. Interchange Substation Maintenance Approval:

Donkersloot stated last year we budgeted \$30,000 in our capital budget and put \$30,000 in our operating budget for substation maintenance. GRP highly recommends we have this work done every five years for preventative maintenance purposes of our substation and auxiliary equipment. The project had been planned and budgeted for this spring at cost of \$60,000. GRP put out an RFP. Three companies did not bid. Of the two companies that did, Utility Instrument Services (UIS) was the low bidder at \$22,202.00, plus additional costs to rent manlifts (if applicable). There bid was \$38,000 below budget. Ryan gave additional information to the Board.

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to award the bid/project to Utility Instrument Services for \$22,202.00, plus additional cost to rent manlifts (if applicable).

Yea: 3 Nay: 0 Absent: 2 Motion Carried

B. Bank Signature Amendments and Approval:

Tom Russo and Greg Pierce were signers, along with Steve Donkersloot, Perry Beachum, Greg Canfield and Tamela Spicer on our Huntington and Fifth Third bank accounts. In the past couple months, Greg and Tom have both retired and Tamela will be resigning her position on the Board after the June meeting. Therefore, the signers need to be updated. Donkersloot recommended removing Greg Pierce, Tom Russo and Tamela Spicer and adding Ryan Teachworth to the bank signatures.

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to approve removing Greg Pierce, Tom Russo and Tamela Spicer; adding Ryan Teachworth, and reconfirming Steve Donkersloot, Greg Canfield and Perry Beachum as signers to Huntington and Fifth Third bank accounts.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

C. Health and Dental Premium Review:

Beachum explained: it was brought to his attention that employees hired within the last several years are paying 20% of their premium and employees hired before September 2012 are paying 10% of their premium. Donkersloot stated, back in September of 2012, the Board made a number of changes to employee benefits for those who were after September of 2012. It was not intended by the Board to make the 80%/20% split for those employees during their employment.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approve the 90%/10% split for all employees who are currently employed, contingent on whether the Union agrees to this change.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

VII. INFORMATIONAL ITEMS:

A. Performance Data: Donkersloot reported on March's data.

- B. **Monthly Outage Report & 2015 Outage Summary**: Donkersloot gave a detailed overview of this report.

- C. **Income Statement**: Donkersloot reported on the March 2016 Income Statement.

- D. **Capital Projects Report**: Donkersloot reported on the Capital Project Report.

- E. **Manager's Report**: Donkersloot gave updates to the Board on the following items:
 - a. **MPPA/MMEA**: Steve reported on a variety of projects, from multiple different suppliers in the State of Michigan, with the potential of MPPA entering into a 20-year, Wind Purchase Power Agreement for a total of 150 MW's at a competitive price.

 - b. **APPA Update**: Perry, Mark, Rich, Justin and Doug traveled to the APPA Lineworkers Rodeo in Minnesota. Rich and Justin both competed in the Apprentice Division and did very well representing Lowell Light and Power. Doug also attended the Technical Conference following the Rodeo festivities. Next year the Lineworkers Rodeo will be held in San Antonio.

 - c. **System/Generation Upgrade Progress**: Greg Northrup gave a Bio-digester update at the beginning of the meeting.

Work continues on the Rolls Royce turbine. We are on target to have it up and running before the end of summer.

The majority of our five-year plan can be done by Lowell Light and Power employees, rather than contracting work out. The SCADA system has been ordered.

- d. **Long term Natural Gas Supply:** Steve gave an update of options; discussions will continue.
- e. **Health and Dental Premium Review for Employees Hired after 9/1/2012:** This was discussed as an action item.
- f. **2016-2017 Operating and Capital Budget:** A copy of this was approved at our March meeting. It was sent to Dave Pasquale last month.
- g. **Lowell Schools Solar Project:** Nothing new to report.
- h. **Advanced Metering Infrastructure (AMI):** We have a signed contract with Eaton Cooper Field. We continue getting information to customers via Expo, bill stuffers and social media.
- i. **Fiber to the Home:** Steve and Greg met with Ryan Peel, the President of Vergennes Broadband. Ryan is aware we have a Pole Attachment License Agreement; we currently have an agreement with Comcast.
- j. **Lowell Expo:** Hundreds of people stopped by our booth to play Plinko. Sixty people took bucket rides. Steve thanked Sharon, Julie, Justin and Rich for their participation.
- k. **SPCC Plan:** Lowell Light and Power adopted this Spill Containment Plan a few years ago. There were three recommendations given to us that we committed to strive toward: moving the transformers inside Chatham (Mark and his team took care of this); install a working security camera at Chatham (that has been complete); pumping out the old engine oil and coolant from the retired generators (we have received one quote on this and expect to receive a few more).
- l. **City-Wide Phone Project:** Steve has gathered data in an effort to research the possibility of LL&P, along with other

departments of the City, working together to install/implement a hosted phone system. Preliminary calculations show this would save the entire City a lot of money.

- m. **Alden Ridge Housing Development:** Materials have been ordered and final prints were received for this development south of town. There will be fifteen homes in this new development.
- n. **Equipment Replacement Plan:** This is in the works and will be presented at May's Board Meeting.
- o. **East Substation:** Steve stated that LL&P will pay to have concrete slab removed from this area.
- p. **Payables:** March payables were available.

F. **Schedule of Meetings:** April/May was presented.

G. **GM Search:** Beachum explained to the Board that he believes it would be in best interest of the Board's search to hire Greg Pierce to facilitate the GM search and to lead us through the process. The Board agreed to they would like to move forward in hiring Greg.

VIII. **NEXT REGULAR LLP BOARD MEETING:**

The next Board meeting will be held on Thursday, May 12, 2016.

IX. **BOARD COMMENT:**

Schrauben: Thanked Mark, Ryan, Justin and Jon for tree trimming near his home.

Cadwallader: Thanked all the employees who worked the Expo. She appreciates whenever LL&P can utilize employees on projects, rather than using contractors.

Beachum:

X. ADJOURNAMENT:

It was MOVED BY SCHRAUBEN, supported by CADWALLADER, to adjourn the regular meeting at 9:04 p.m.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

Chairman Canfield

Date