

**MINUTES
BOARD OF LOWELL LIGHT AND POWER
REGULAR MEETING DECEMBER 10, 2015**

- I. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order at 6:05 p.m. by Chairman Canfield and General Manager Greg Pierce called the roll.

Present: Board Members, Greg Canfield, Perry Beachum, Andrew Schrauben, & Tamela Spicer. It was **MOVED** by **SPICER, SUPPORTED BY SCHRAUBEN** to excuse the absence of Tina Cadwallader.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Absent: Tina Cadwallader

Also Present: General Manager Greg Pierce, Electric Distribution Manager Tom Russo, Financial Manager Steve Donkersloot and Lowell City Mayor Hodges.

II. **APPROVAL OF AGENDA:**

It was **MOVED BY BEACHUM** to add Action Item C. Shut off Notice Policy to the agenda **SUPPORTED BY SPICER** to approve the agenda as amended.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

III. **APPROVAL OF MINUTES:**

It was **MOVED BY SPICER, SUPPORTED BY SCHRAUBEN** to approve the meeting minutes of the November 12, 2015 regular meeting.

Yea: 3 Nay: 0 Absent: 1 Abstain: 1 Motion Carried

Beachum abstained since he was not at the November Board Meeting.

It was MOVED BY SPICER, SUPPORTED BY SCHRAUBEN to approve the meeting minutes of the November 12, 2015 closed session meeting.

Yea: 3 Nay: 0 Absent: 1 Abstain: 1 Motion Carried

Beachum abstained since he was not at the November Board Meeting.

IV. PUBLIC COMMENTS: (Items not on the agenda):

There was no public.

V. ACTION ITEMS: These action items are subject to Council approval of our Capital Budget.

A. AMI Metering Program Approval – Donkersloot presented quotes for three Dell servers at \$19,271.93, and the most recent quote for an AMI System from Eaton Cooper for \$506,212.52, for a total price of \$525,484.45. The total of the Eaton Cooper quote will change (up or down) depending on a number of items. Donkersloot explained, he believed to give the worst case scenario. He and Pierce believe it would take 18 weeks rather than the 20 weeks of project management services, which would reduce the project cost by \$7,500. The number of relays and the gateway enclosure cabinets would also reduce the project cost. We are purchasing the servers directly from Betsy at Addorio through Dell, which saves us just over \$4,000 rather than purchasing them from Eaton Cooper.

Steve shared a summary of the AMI cost analysis, and explained the numbers in detail.

There was Board discussion.

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN to approve an AMI Project, which includes the three servers from Dell and equipment, services, and support from Eaton Cooper, with a price not to exceed \$525,000 in total, and not to exceed \$175,000 in our current fiscal year (which is the amount that was budgeted for an AMI Project during our current fiscal year). Also to enter into a 3-year, 0% financing agreement, and have Dick Wendt review agreements with Eaton Cooper. Once Mr. Wendt has approved the contracts and financing agreements, the Board approves signatures from Chairman Canfield, Greg Pierce and Steve Donkersloot on final documents.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

B. CT Installation Material Approval – Donkersloot presented a quote from OnPower, the vendor who specializes and specifically works with our type of CT for the Control System Panel and related labor/engineering. The Control System quote is \$201,900 for the equipment and \$25,000 for the labor. Multiple vendors quoted the primary wire. We selected the least expensive items from Kendall and Power Line Supply. These three items are all within their budgeted amount, totaling \$242,398.89. There was Board discussion.

It was MOVED BY BEACHUM, SUPPORTED BY SPICER to approve the expense of \$242,398.89 to purchase these items for the R.R. Combustion turbine.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

C. Shutoff Notice Policy – Beachum discussed a particular commercial account that received a shutoff notice which was for only the late fee. Our software system currently prints out shutoff notices for all customers that are \$20 in arrears. Donkersloot is working with the Daffron to treat Commercial accounts differently. The Board had further discussion. Donkersloot will update the Board next month on this.

VI. INFORMATIONAL ITEMS:

A. Performance Data: Pierce reported on November data.

B. Income Statement (November 2015): Pierce reported on the November Income Statement.

Pierce reviewed the Capital Expense Summary and detailed Capital Expense Report.

C. Manager’s Report: Pierce gave updates to the Board on the following items:

- **MPPA/MMEA:** The House and Senate Energy bills continue to evolve. Wind potential is still in the works. Focus continues on “local control” and trying to stay out of having to be subject to the MPSC since we have our own governing boards in our communities.
- **APPA Update:** The Washington DC Legislative Rally is coming up March 7-9. Anyone interested should contact Sharon for details.
- **System/Generation Upgrade Progress:** The Bio-digester process continues to improve. Board discussion occurred. There were three outages in the month of November.
- **Long Term Natural Gas Supply:** There is legislation being developed at the State level that would incentivize the construction of new NG pipelines in the State to increase

reliability and accessibility to the Michigan infrastructure. Our contacts are working towards a positive outcome on this legislation before moving forward with any specific plan for Lowell.

- **Strategic Planning:** A short time will be spent on Strategic Planning in a work session immediately following the regular meeting.
- **Advanced Metering Infrastructure (AMI):** Was discussed as an action item.
- **Payables:** Pierce presented November payables.

Schedule of Meetings: December/January was presented.

COMPLAINT REGISTER: Beachum recommended the complaint register be removed from the agenda. It is difficult to determine what an actual complaint is (if it's not in writing) and what is a concern. The Board agreed.

VII. NEXT REGULAR LLP BOARD MEETING: The next Board meeting will be held, Thursday, January 14, 2016.

VIII. BOARD COMMENT:

Schrauben commented how nice it is to see all the holiday light displays around the community.

Spicer enjoyed the lights at Lowell Light and Power as she walked in for the meeting. Tamela thanked Mayor Hodges for his years' of service to the community. She was sad to see he would not be seeking another term as the Mayor but is happy he still serves on the Council. She feels the council needs that history. Tamela encouraged the new City Council members to join the Lowell Light and Power meetings before drawing conclusions about the direction of Lowell Light and Power.

Beachum supported the comments from Tamela, encouraging the City Council to attend as many LLP Board meetings as possible so they become familiar with LLP before making decisions. Perry thanked Hodges for his service to the Lowell community.

Mayor Hodges thanked the Board members for their kind comments. Santa is in town, there are many festivities scheduled for the holiday season. Some members of the community are working on a Landlord standard document to implement into the community. Hodges said it has been an honor and privilege to serve this community as the Mayor the past seven years.

Canfield thanked Mayor Hodges for serving the past seven years. Greg said he admires the way Hodges has dealt with many difficult situations in the community so successfully and professionally.

IX. ADJOURNAMENT:

It was **MOVED BY SPICER**, supported by **BEACHUM** to adjourn the regular meeting at 8:02 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

The Board continued a work session environment updating their Strategic Plan.

Chairman Canfield

Date