

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – March 10, 2016**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 6:05 p.m. by Chairman Canfield. General Manager Greg Pierce called the roll.

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

It was MOVED by BEACHUM, SUPPORTED BY SCHRAUBEN, to excuse the absence of Tamela Spicer.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Tardy: Spicer arrived at 6:26 p.m.

Also Present: General Manager Greg Pierce, Assistant General Manager Steve Donkersloot, Staff Accountant Julie Stewart, Lead Lineman Mark Droog, and Generation Supervisor Doug Barnes.

II. APPROVAL OF AGENDA:

It was MOVED BY SCHRAUBEN, SUPPORTED BY BEACHUM, to approve the agenda as presented.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY CALDWALLADER, SUPPORTED BY SCHRAUBEN, to approve the meeting minutes of the February 11 regular meeting with a minor change.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

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

There was no public.

V. ACTION ITEMS:

A. RR Combustion Turbine Material Approval:

Donkersloot and Barnes explained the Graybar and Square D price did not include a surge capacitor. OnPower was able to furnish engineered drawings to Graybar/Square D to ensure complete synchronizing of the switchgear with the control panel. The price increase to add a surge capacitor is \$13,150, meaning the revised price for the switchgear and related engineering/parts moves from \$110,450 to \$123,600.

It was MOVED BY BEACHUM, SUPPORTED BY CADWALLADER, to purchase the surge capacitor from Graybar/Square D for \$13,150.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

B. LLP 2016-2017 Annual Operating and Capital Budget:

Donkersloot explained his methodology of how he comes up with the projected budget. Steve detailed and explained his projections for generation is lower due to lower fuel prices. Steve addressed Board questions as he reviewed each category. A rate study will be performed.

Steve described the 2017 Capital Budget and described each placeholder category. This includes a vehicle replacement fund of \$75,000. There was Board discussion.

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN, to approve the draft Operating budget and Capital Budget for City Council approval.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

- A. Performance Data:** Donkersloot reported on February's data.
- B. Income Statement:** Donkersloot reported on the February 2016 Income Statement.
- C. Manager's Report:** Pierce gave updates to the Board on the following items:
 - a. MPPA/MMEA:** Greg and Steve reported on the Legislative Rally.
 - b. APPA Update:** APPA Lineworker's Rodeo and Operations/Technical Conference is being held in Minneapolis, the first week in April.
 - c. System/Generation Upgrade Progress:** Work continues on the Rolls Royce turbine. An electric distribution system study and five-year plan recommendations was reviewed. The new Bio-digester operator (Veolia) is in swing. There were three outages in the month of February.
 - d. Long term Natural Gas Supply:** A meeting is scheduled between a prospective supplier, MMEA and MPPA on Monday, March 14th.
 - e. LLP Lineshack Mural Painting:** A theme needs to be decided before moving forward
 - f. Lowell Expo:** Lowell Light and Power will be participating in the Expo with a booth focusing on energy efficiency, and we will be giving bucket rides.

- g. **2016-2017 Budgeting/Long Range Planning Model:** This was discussed under action items.
- h. **Strategic Planning:** This will continue to be updated and modified per Board discussions.
- i. **Advanced Metering Infrastructure (AMI):** We had our first meeting with the Eaton Cooper Field/the implementation team last week. The Board had discussion.
- j. **Payables:** February payables were available.

D. **Schedule of Meetings:** March/April was presented.

E. **Complaint Register:** No new complaints.

VII. NEXT REGULAR LLP BOARD MEETING:

The next Board meeting will be held, Thursday, April 14, 2016.

VIII. BOARD COMMENT:

Schrauben: Mentioned he appreciates having local control of our utility in the community. Andrew congratulated Greg on his retirement.

Beachum: Lowell Community Expo is March 26th; during the expo, the Pink Arrow groups, along with Michigan Blood, will be doing a huge blood drive. Perry encouraged the community to attend LaughFest. Perry was happy to assist in the outage that occurred; the lineman quickly restored power.

Spicer: Stated it is important to have City Council representation at our meeting. The Mayor was appointed to attend, although he has only attended our Special Meeting regarding Greg's contract. There has been no regular City Council representation since the new council was elected. Tamela congratulated Greg on his retirement and appreciates everything he has contributed to the community during his time at LLP. Tamela

thanked Steve for stepping up as Assistant General Manager during the transition period.

Cadwallader: Appreciates Steve's willingness to fill big shoes. Tina congratulated LLP on their 10th year receiving another Safety Award.

Canfield: Mentioned he was glad Greg came at a time LLP needed strong management. He echoed congratulations on Greg's retirement.

IX. ADJOURNAMENT:

It was MOVED BY BEACHUM, supported by SCHRAUBEN, to adjourn the regular meeting at 7:59 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Canfield

Date