

**MINUTES  
BOARD OF LOWELL LIGHT AND POWER  
REGULAR MEETING OF MAY 8, 2014**

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 Perry Beachum, Tina Cadwallader, Greg Canfield, Andrew Schrauben & Tamela Spicer

Absent: None

Also Present: General Manager Greg Pierce, Utility Services Coordinator Morris, Lowell City Mayor Hodges & Lowell City Manager Howe

II. **APPROVAL OF AGENDA:**

It was MOVED BY CADWALLADER, supported by SCHRAUBEN to approve the agenda as presented.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

III. **APPROVAL OF MINUTES:**

It was MOVED BY BEACHUM, supported by SCHRAUBEN to approve the minutes of the April 10, 2014 regular meeting minutes.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

It was MOVED BY BEACHUM, supported by SCHRAUBEN to approve the minutes of the April 10, 2014 closed session meeting.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

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

There was no public comment.

V. **ACTION ITEMS:**

A. **Employee Health and Dental Renewals :**

Pierce reviewed details of the benefit modifications in Health Care coverage, due to the Affordable Care Act, to renew the current plan. One of the new parameters for health coverage is that each person on the plan is rated individually. Consequently, the portion paid by employees, decreased for some and increased for others. The overall demographics of our group resulted in a small decrease in Health Care costs for the next fiscal year.

There was a small increase (5%) in the Dental renewal through Met Life.

There was no premium change for Life and Accidental Death, Short Term Disability or Long Term Disability insurance.

The total impact to LLP of this renewal is a decrease of \$8,500.52.

It was MOVED BY BEACHUM, supported by SPICER to approve the renewal package for Health, Dental, Life and Disability as presented.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

B. **LEAD PPA Amendment:**

Pierce review some minor changes to the agreement discussed last December. In December, the Board decided not to pursue agreements on Black Start, Thermal heating and Consulting services and replace those with a small adjustment to the purchased power cost. The adjustment would be an increase of .21 cents per kWh or a change from \$.0954 to \$.0975 per kWh.

It was MOVED BY BEACHUM, supported by SPICER to approve the change to the LEAD Purchased Power Agreement.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

C. **LEAD Lease Amendment:**

The original lease agreement was based on the preliminary engineering drawings competed over two years ago. During the final engineering

process, equipment parameters and layout design have changed. The overall footprint has decreased from 20,960 sq. ft. to 15,641 sq. ft.

Pierce presented a draft revision to the lease reflecting the change in required space and associated costs. The change reduces the annual lease rate from \$72,131.53 to \$63,025.43. This amendment to the lease will also need to be approved by City Council at their next regular meeting.

It was MOVED BY BEACHUM, supported by SCHRAUBEN to approve the recommendation to the City Council for the LEAD Lease Agreement.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**D. LLP 2014-2015 Operating and Capital Budgets:**

Pierce reviewed details of the Operating Budgets, pointing out differences that were made from the draft budget.

Pierce reviewed the Capital Project Budget; items were changed from the draft budget to priority status based on Strategic Planning goals.

It was MOVED BY SCHRAUBEN, supported by SPICER to approve the 2014-2015 Operating and Capital Budgets.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**VI. INFORMATIONAL ITEMS:**

**A. Performance Data:** Pierce reported on April's data.

**B. Income Statement (April 2014):** Pierce reported on April's Income Statement.

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

**B. Manager's Report:** Pierce gave updates to the Board on the following items.

- **MPPA/MMEA Updates:** Annette Allen, the General Manager of Grand Haven has announced her retirement effective January 1, 2015. She has served as Chairman of the Board of Commissioners at MPPA for several

years and stepped down from that position effective April 16, 2014. Following her resignation MPPA elected Greg Pierce to serve as the Chairman of the Board of Commissioners.

- **APPA Update:** Tamela Spicer will attend APPA Annual meeting in Denver this year, June 14-18.
- **System/Generation Upgrade Progress:** There were four outages in the month of April.
- **Communication Plan:** The 2013 Annual Report was mailed to customers in April.
- **Biodigestion Update:** Easements are underway for the pipeline route from Litehouse to the bio-digester facility.
- **Strategic Plan:** The Board will spend more time after tonight's Board meeting to prioritize key strategies.
- **Contract Negotiations:** Pierce gave an update of the status.
- **Adopt-A-Road:** Great effort on our clean up, April 22. We collected 17 bags for trash along our stretch of Alden Nash.
- **Payables:** Pierce presented April payables.

D. **Schedule of Meetings:** May was presented.

VII. **COMPLAINT REGISTER:** There were no new complaints.

VIII **NEXT REGULAR LLP BOARD MEETING:** The next Board meeting will be held, Thursday, June 12th, 2014.

IX. **BOARD COMMENT:**

City Manager Howe made budget recommendations to the City Council in April, and things are stable. PILOT is a big source of revenue in the City's budget, which is received from Lowell Light and Power. That is one revenue

source that is on an increase, primarily due to the success of Lowell Light and Power. Mark thanked the Board and the staff for a great job!

Spicer, Schrauben & Canfield congratulated Greg Pierce on his election as Chairman of the Board of Commissioners for MPPA.

Beachum reminded everyone of the recycling event scheduled at Lowell Light and Power, May 31st. Beachum would like to look at LLP employees receiving compensation for a day for volunteering at a registered nonprofit organization.

Mayor Hodges announced summer concerts begin June 12<sup>th</sup> and the new Lowell FM radio station will be broadcasting in about 3 weeks.

**X. CLOSED SESSION:**

It was MOVED BY BEACHUM, supported by SPICER to skip the closed session meeting and go directly to Strategic Planning.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**XI. STRATEGIC PLANNING**

**XII. ADJOURNMENT: IT WAS MOVED BY SPICER and a supported by BEACHUM to adjourn the regular meeting at 9:41 p.m.**

Yea: 5      Nay: 0      Absent: 0      Motion Carried

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Chairman Canfield

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Date