

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – October 13, 2016**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 6:03 p.m. by Chairman Canfield. General Manager Steve Donkersloot called the roll.

Present: Board Members: Perry Beachum, Greg Canfield, Jim Salzwedel and Andrew Schrauben.

Absent: Tina Cadwallader

It was MOVED by SALZWEDEL, SUPPORTED BY BEACHUM, to excuse the absence of Tina Cadwallader.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Also Present: General Manager Steve Donkersloot, Utility Services Coordinator Sharon Morris, Staff Account Julie Stewart, Distribution/Transmission Manager Ryan Teachworth, Generation Supervisor Doug Barnes, and Lowell City Councilman Alan Teelander.

II. APPROVAL OF AGENDA:

Donkersloot made an addition to the agenda. Under "Minutes", he added the October 6th Joint Special Meeting minutes received from City Clerk Sue Ullery.

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

Yea: 4 Nay: 0 Absent: 1 Motion Carried

III. APPROVAL OF MINUTES:

Schrauben requested a minor change to the meeting minutes.

It was MOVED BY SCHRAUBEN, SUPPORTED BY SALZWEDEL, to approve the meeting minutes of the September 8, 2016 Regular Meeting as amended.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

It was MOVED BY BEACHUM, SUPPORTED BY SALZWEDEL, to approve the meeting minutes of the September 22, 2016 Joint Special Meeting with the City Council.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN, to approve the meeting minutes of the October 6, 2016 Joint Special Meeting with the City Council.

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

There was no public comment (for items not on the agenda).

V. ACTION ITEMS:

A. Fiscal Year 2016 Audit Presentation and Acceptance

Peter Haefner of Vredeveld Haefner LLC, who performed the Fiscal Year 2016 audit, reviewed the details of their findings and answered questions Board Members had regarding the audit. Peter stated the audit was the smoothest audit he had experienced at LLP. LLP received a clean audit.

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN, to approve and accept the audited financial statements for Fiscal Year 2016.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

B. MERS 2017 COLA

At the August Board Meeting, the Board decided to have a valuation performed to determine the cost of providing LL&P retirees with a .20% Cost of Living Adjustment (COLA) for annual year 2017. The cost for this is \$4,475.

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN, to approve the 2017 retiree COLA increase of .20% and present for City Council final approval.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

C. OnPower Labor/Engineering Approval

Board Members received an OnPower invoice for \$24,067.04 for labor and engineering work performed thus far to assist in the commissioning of the Siemen's C.T. A total of \$50,000 was budgeted for labor and engineering work from OnPower, \$25,000 of which has already been approved (by the Board) and paid.

Donkersloot stated he does expect additional labor and engineering work from OnPower to occur; which would put LL&P over budget due to unexpected circumstances that have transpired over the past month. Overall there will be the cash flow and funds available due to other capital projects that will be under budget to cover these future expenses.

It was MOVED BY BEACHUM, SUPPORTED BY SALZWEDEL, to approve the OnPower invoice for labor and engineering work for \$24,067.04.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

VI. INFORMATIONAL ITEMS:

A. Performance Data: Donkersloot reported on September data.

- B. **Monthly Outage Report**: There were three outages in the month of September. Donkersloot gave a detailed overview of this report.
- C. **Income Statement**: Donkersloot reported on the September 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**: The Hedge Plan was given and reviewed.
 - B. **System/Generation Upgrade Progress**:
 - a. **Bio-digester**: The process continues.
 - b. **Siemens (Rolls-Royce)**: Doug Barnes gave a detailed update.
 - c. **Five Year Plan**: The material has been ordered for the first project.
 - d. **Other System Projects**: GRP will be onsite to finish the SCADA system.
 - C. **LL&P Long Term Natural Gas Supply**: Nothing new at this time.
 - D. **Standby Generator & Gas Compressor Options**: Donkersloot elaborated on the numbers and recommends purchasing one (instead of leasing).
 - E. **Lowell Schools Solar Project**: Nothing new at this time.
 - F. **Advance Meter Infrastructure (AMI) Project**: Staff completed all of their planned AMI installations.

G. Transmission Investment Service Committee: Nothing new at this time.

H. Fiber to the Home: Nothing new at this time.

I. Fiber Extension to City Facilities and City-Wide Phone Project: Donkersloot gave a detailed update.

J. Diesel Generator Removal at Broadway Building: We have decided to move forward with the \$4,500 offer from Lanco, LLC for six heat exchangers and a cooling tower.

K. Line Shack: The realtor has indicated the interested parties are interested in continuing to move forward.

L. Training/Conference Update: Julie and Megan attended our software provider's annual user group meeting and attended classes and training sessions. Sharon attended APPA's Key Customer Account program.

M. Harvest Festival: Steve thanked the Board Members and staff that helped make Harvest Festival a success.

N. Alden Ridge Housing Development: Nothing new at this time

O. Payables: September was available.

F. Schedule of Meetings: October/November was presented.

VII. NEXT REGULAR LLP BOARD MEETING:

The next Board Meeting will be held on Thursday, November 10, 2016.

VIII. BOARD COMMENT:

Beachum: Perry has spent more time with the line crew during the Pink Arrow festivities. He is please the line staff is happy and enjoys coming to

work. Perry believes it is important to continue having joint meetings with the City Council. He likes Alan Teelander sitting at the Board table rather than in the audience.

Schrauben: Andrew is glad to see the staff attending conferences to bring back new ideas. Andrew took his children to the open house and the fire department and is glad to see things going on in the community.

Salzwedel: This is Jim's fourth meeting; he enjoys coming and continuing to learn more about LL&P.

Teelander: Alan is encouraged and proud of our community. Lowell is a great community.

Canfield: Greg congratulated the staff on receiving a good clean audit and the smoothest in the history of LL&P.

IX. ADJOURNAMENT:

It was MOVED BY SALZWEDEL, supported by BEACHUM, to adjourn the Regular Meeting at 8:26 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Canfield

Date