

**MINUTES  
BOARD OF LOWELL LIGHT AND POWER  
REGULAR MEETING OF SEPTEMBER 11, 2014**

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

Present: Board Members Perry Beachum, Greg Canfield, Tina Cadwallader, Andrew Schrauben & Tamela Spicer

Absent: None

Also Present: General Manager Greg Pierce, Electric Distribution Manager Russo, Chief Accountant Donkersloot, Utility Services Coordinator Morris, Lowell City Manager Howe & Lowell City Mayor Hodges

**II. APPROVAL OF AGENDA:**

Action Item B. Retiree Cola, Flexible E Benefit was added to the agenda.

It was moved by SPICER, supported by SCHRAUBEN to approve the agenda as amended.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**III. APPROVAL OF MINUTES:**

It was moved by CADWALLADER, supported by SPICER to approve the minutes of the August 14, 2014 regular meeting minutes.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

It was moved by SPICER, supported by CADWALLADER to approve the August 14, 2014 closed session meeting minutes.

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. **Lowell Energy Center – Heating Approval:**

Pierce stated last fall we recognized the heat supply at the Lowell Energy Center was on its last leg and spent some time trying to identify the best options for a replacement system. FHC, our mechanical contractor, initially gave us a quote estimate of \$29,000+ to replace the current large, single heat source (Bonanza) system.

Now that the building is configured with the CT area, it was suggested that a large single unit would not be as effective for our current needs. FHC's alternative proposal for a system that would more adequately heat the current layout is approximately \$26,821. This item was not specifically budgeted for in our capital plan, but was recognized in that some type of a new system would be necessary since a consistent heat source is required in the combustion turbine room. There are sufficient funds in our capital plan to cover this cost and a revised capital plan will be available to document the change.

It was MOVED BY BEACHUM, supported by CADWALLADER to obtain additional bids not to exceed \$26,821. These bids would be reviewed by Pierce and Canfield before a contractor was selected.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

B. **Retiree Cola:**

Last year the Board provided a 1.7% cost of Living Adjustment (COLA) to our LLP retirees. We moved from the traditional 2% MERS Benefit E to the Flexible Benefit E program, which allows us the ability to adjust the percentage annually. The 1.7% was the figure selected because it represented the published IRS expectations for a COLA to Social Security. This year, the published IRS expected SS COL increase was 1.69% and staff proceeded to obtain the MERS Benefit E valuation on that percentage to be effective January 1, 2015. The valuation came back similar to last year with a cash requirement of \$34,193.

It was MOVED BY SPICER, supported by CADWALLADER to recommend the Flexible E benefit option for retirees with a 2014 COL increase of 1.69% (\$34,193) to City Council for final approval.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

## VI. INFORMATIONAL ITEMS:

**A. Performance Data:** Pierce reported on August data.

**B. Income Statement (August 2014):** Pierce reported on Augusts' 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:** The MMEA annual conference is in Bay City this year, October 1-3, 2014. Several sessions on Wednesday, Oct 1<sup>st</sup> are specifically designed for Board members.
- **APPA Update:** Sharon will be attending the APPA Customer Connections Conference and Steve will be attending the APPA Financial and Management Conference.

Pierce thanked Tom, Steve and Sharon for assembling the information for the RP3 review process.

- **System/Generation Upgrade Progress:** There were five outages in the month of August.

Pierce thanked Pam from LEAD, Doug Barnes and Tom Russo for last month's tour of the bio-digester and combustion turbines.

The City Council approved our request for an installment purchase of the truck to perform manure hauling.

- **Adopt-A-Road:** Our next clean-up will be September 29<sup>th</sup>.

- **Video Camera:** This is the first meeting being videotaped since Al stopped videoing.
- **Buried Line Policy Review:** Pierce reviewed the memo sent to all Board members regarding our underground policy. The Board had discussion.

Pierce discussed the following:

- **Harvest Festival:** October 11<sup>th</sup>
  - Our open house will be 11-2
  - We are partnering with The City on their recycling event 9-12 at the Fairgrounds.
  - **Annual Summary:** will be sent out with September bills
  - **Audit:** our audit was performed in August; Peter will be at October's meeting to review.
  - **Quarterly Hedge Plan** – was handed out
  - **FROM-**Almost doubled their grant from last year and received a MEAP grant of \$57,900; this is a 2-year grant cycle.
- **Payables:** Pierce presented August payables.

D. Schedule of Meetings: September was presented.

VII. COMPLAINT REGISTER: There we no new complaints.

VIII NEXT REGULAR LLP BOARD MEETING: The next Board meeting will be held, Thursday, October 9, 2014.

IX. BOARD COMMENT:

Cadwallader commented she is proud of the way Lowell Light and Power is moving forward.

Beachum stated there have been some vandalism on the trails, specifically a bench was stolen. Perry asked Lowell Light and Power to auger in an anchor so they can chain the benches down.

Spicer would like to add one more week to the schedule of meeting. Tamela thanked Lowell Light and Power for their partnership with FROM's MEAP program.

Canfield gave kudos to the Lowell Light and Power staff on the great audit, their participation in community event and he likes the direction they are heading.

**X. CLOSED SESSION:**

It was MOVED BY BEACHUM, supported by SPICER to go into closed session at 7:44 p.m.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

It was MOVED BY SPICER, supported by BEACHUM to come out of closed session at 8:55 p.m.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**XII. ADJOURNMENT: It was MOVED BY BEACHUM and a supported by SPICER to adjourn the regular meeting at 8:58 p.m.**

Yea: 5      Nay: 0      Absent: 0      Motion Carried

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Chairman Canfield

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Date