

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – July 12, 2017**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 5:01 p.m. by Chairman Beachum. General Manager Steve Donkersloot called the roll.

Present: Board Members: Perry Beachum, Andrew Schrauben, Jim Salzwedel and Marty Chambers

Absent: Tina Cadwallader

It was MOVED BY SALZWEDEL, SUPPORTED BY CHAMBERS, 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 Accountant Julie Stewart, Distribution/Transmission Manager Ryan Teachworth, Generation Superintendent Doug Barnes, and Lowell City Councilman Jeff Phillips

II. APPROVAL OF AGENDA:

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

Yea: 4 Nay: 0 Absent: 1 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY SALZWEDEL, SUPPORTED BY SCHRAUBEN, to approve the June 7, 2017 Regular Board Meeting Minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

It was MOVED BY SALZWEDEL, SUPPORTED BY SCHRAUBEN, to approve the June 7, 2017 Closed Session Meeting Minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

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

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

V. CLOSED SESSION: General Manager Evaluation

It was MOVED BY CHAMBERS, SUPPORTED BY SCHRAUBEN, to go into Closed Session at 5:03 p.m.

Roll Call Vote: Beachum, Schrauben, Salzwedel and Chambers - Present
Cadwallader – Absent

The Board returned to Open Session at 6:46 p.m.

VI. ACTION ITEMS:

A. Potential Change(s) to General Manager’s Contract

Results from Closed Session

It was MOVED BY CHAMBERS, SUPPORTED BY SCHRAUBEN, to increase the General Manager’s salary by 4% and pay his Lowell Rotary Dues.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

B. FY 2017 Write-Offs from FY 2016 Bad Debts

At the end of each year, LL&P writes off the balances from accounts that have been closed, collections attempted and/or liened, and have had no activity since June of the previous year. The current write off list was

presented to the Board, and amounts to \$3,407.63. This amount is decreased from last year.

Great job by the customer service department for reducing the write-off amount for the last three years. These results include; \$8,278.34 in 2014, \$5,544.29 in 2015 and \$4,019.22 in 2016.

It was MOVED BY SALZWEDEL, SUPPORTED BY CHAMBERS, to approve \$3,407.63 for bad debt write-offs for FY 2017.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

C. Engineering Service Proposal for Project #102 (in Five Year Plan)

GRP's Engineering Service Proposal was presented to the Board for project #102 for part of our Five Year Plan.

The purpose of the project is to construct a new circuit, #203, on Bowes Road from the substation to the north side of W. Main Street to relieve the load on that circuit.

It was MOVED BY CHAMBERS, SUPPORTED BY SCHRAUBEN, to approve GRP's Engineering Service Proposal for Project #102 for \$15,000.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

D. Engineering Service Proposal for Project #107 (in Five Year Plan)

GRP's Engineering Service Proposal was presented to the Board for project #107 as part of the Five Year Plan.

The purpose of this project is to increase the system power factor by installing capacitor banks on circuit #201 and 202. This will reduce system losses and reduce power factor penalty charges from METC.

It was MOVED BY SALZWEDEL, SUPPORTED BY CHAMBERS to approve GRP's Engineering Service Proposal for Project #107 for \$4,500.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

E. Engineering Service Proposal for Project #108 (in Five Year Plan)

GRP's Engineering Service Proposal was presented to the Board for project #108 as part of our Five Year Plan.

The purpose of this project is to replace all of the 15kV breaker protective relays at the substation as they are 15 years old and are no longer as reliable as they should be. Loss of circuit relay protection causes faults on the distribution circuits to trip larger portions of the substation.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CHAMBERS, to approve GRP's Engineering Service Proposal for Project #108 for \$22,000.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

F. OnPower Labor/Engineering Approval

An OnPower invoice for \$15,891.16 for labor and engineering work performed in May and June on the Siemens C.T. was presented. May's work was \$10,324.49 (quoted at \$9,000). June's work was \$5,566.67 (quoted at \$7,143). The total amounted quoted was 16,143, and the actual was \$250 under budget.

OnPower was here in May to adjust and calibrate the water injection and exhaust emissions. They were back in June to finalize their work and to be on site for the stack test.

The invoice concludes OnPower's work. In the future, we will only need them if improvements/upgrades were required.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CHAMBERS, to approve the invoice from OnPower for labor and engineering work for \$15,891.16.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

G. IBEW Contract Ratification

The Board received a list of changes that were negotiated and agreed to by both bargaining teams during contract negotiations. These changes were discussed and reviewed by the Board during the closed session portion of June's Board Meeting.

In late June, the IBEW bargaining unit voted to ratify these changes.

It was MOVED BY SCHRAUBEN, SUPPORTED BY SALZWEDEL to ratify these IBEW changes as of July 1, 2017, which will allow for the three year contract to go into effect.

Roll Call Vote: Beachum, Schrauben, Salzwedel and Chambers – Present
Cadwallader – Absent

Yea: 4 Nay: 0 Absent: 1 Motion Carried

VII. INFORMATIONAL ITEMS:

- A. **Performance Data:** Donkersloot reported on June data.
- B. **Monthly Outage Report:** Four outages occurred in the month of June.
- C. **Income Statement:** Donkersloot reported on the June 2017 Income Statement.
- D. **Capital Projects Report:** Donkersloot reported on the June 2017 Capital Project Report.
- E. **Manager's Report:** Donkersloot gave updates to the Board on the following items:
 - A. **MPPA/MMEA/APPA Update:**

- a. **MPPA:** We are working with MPPA to file our 2016 EO and Renewable Energy Reports with the State.
- b. **APPA:** Donkersloot gave highlights on the National Conference in Orlando he attended.

B. System/Generation Upgrade Progress:

- a. **Bio-digester:** Nothing new at this time.
- b. **Five Year Plan:** Project 101 is complete.
- c. **Other System Projects:** Tree trimming and pole repair was completed on the six mile transmission line.

C. White's Bridge Hydro: A Power Purchase Agreement (PPA) proposal was provided. There was Board consensus to move forward with an analysis.

D. LL&P Long Term Natural Gas Supply: City Attorney Dick Wendt and Steve reviewed Consumers Energy's Agreement for the Provision of Natural Gas.

E. Standby Generator & Gas Compressor Options: Barney will continue to search for options. He found a 600 kW diesel, trailer-mounted generator for \$80K, which is 20K over-budget.

F. Community Solar: The City has slowed on this mainly due to cost.

G. New E.O. Services to Customers: Sharon will be rolling out two new E.O. services for customers. They involve partnering with Michigan Saves and implementing a recycling program.

H. SUS Customer Platform/Application: Julie is participating in weekly calls, which is expected to be completed in late August.

I. **Mayor's Exchange Day**: Steve and other City staff and Council members visited the City of Wayland.

J. **Fiber to the Home**: Nothing new at this time.

K. **Fiber Extension to City Facilities and City-Wide Phone Project**: VOIP Phone Project went live on June 22nd.

L. **Harvest Meadows Condominium Development**: The paving has not yet started. We are waiting for that to finish before we can begin trenching and installing conduit runs.

M. **Payables**: June payables were included.

F. **Schedule of Meetings**: July/August was presented.

VIII. **NEXT REGULAR LL&P BOARD MEETING**:

The next Board Meeting will be held on Wednesday, August 9, 2017.

IX. **BOARD COMMENT**:

Chambers: Congratulated Steve on his well-deserved evaluation.

Phillips: Was filling in for Council Member Teelander. Jeff enjoyed the meeting and would like to sit in on more of them.

Beachum: Would like to have a description on Project #'s. The new truck and line shack both look good. Riverwalk was a success. LL&P will be taking an updated photo and providing a new Pink Arrow banner. LL&P lineman will be hanging up Pink Arrow banners on Main Street.

X. **ADJOURNMENT:**

It was MOVED BY SALZWEDEL, SUPPORTED BY CHAMBERS to adjourn the Regular Board Meeting at 8:12 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Beachum

Date