

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – August 9, 2017**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 6:00 p.m. by Chairman Beachum. General Manager Steve Donkersloot called the roll.

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

Tina Cadwallader arrived at 6:09 during Action Item A. discussion

Absent: None

It was MOVED B Y CHAMBERS, SUPPORTED BY SALZWEDEL, to excuse the tardiness of Tina Cadwallader.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Also Present: General Manager Steve Donkersloot, Utility Services Coordinator Sharon Morris, Plant Accountant Megan Keyser, Distribution/Transmission Manager Ryan Teachworth, Generation Superintendent Doug Barnes

II. APPROVAL OF AGENDA:

It was MOVED BY SALZWEDEL, SUPPORTED BY CHAMBERS, 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 CHAMBERS, to approve the August 9, 2017 Regular Board Meeting Minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

It was MOVED BY SCHRAUBEN, SUPPORTED BY CHAMBERS, to approve the August 9, 2017 Closed Session Meeting Minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

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

Tom Russo mentioned how nice is it to see all the projects being completed at LL&P.

V. ACTION ITEMS:

A. Adoption of the 16th Edition of the APPA Safety Manual

As part of the LL&P safety Program, the Board has previously decided it would be best practice for staff to utilize the American Public Power Association's (APPA's) Safety Manual for its company-wide safety standard.

On July 12, 2012, the LL&P Board adopted the APPA Safety Manual 15th Edition. In April of this year, the 16th Edition was released by the APPA. Ron van Overbeek gave a detailed update to the Board about the specifics of the 16th Edition.

It was MOVED BY CHAMBERS, SUPPORTED BY SCHRAUBEN, to approve the adoption of the 16th Edition of the APPA Safety Manual as LL&P's new safety standard.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. MERS COLA Percent for 2018

Over the past several years, LL&P has provided a cost of living adjustment through MERS to its retirees. Since 2013, the Board has decided the percentage based on the expected social security projection for the next year (which is announced in October).

The current Social Security estimate for 2018 is 2.20%. The Board decided to move forward on valuations for a 2.50% and a 2.80% increase.

It was MOVED BY SALZWEDEL, SUPPORTED BY CHAMBERS, to have MERS perform valuations for a 2.50% and a 2.80% increase in 2018.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

C. Approval of Contractor Bid for New Circuit #203 (Project #102)

In July, the Board approved GRP's Engineering Service Proposal for the construction of a brand new circuit, #203, on Bowes Road from the substation to the north side of W. Main Street (also known as Project #102 of our Five Year Plan). As part of GRP's scope of work, they issued a bid request for the portion of the project that our line department is not able to perform (due to not having the appropriate industry knowledge and equipment).

Four bids were received. The low bidder was Severance Electric Co., Inc for \$32,685. Michael McGeehan, President of GRP, reviewed the bids and recommended that we accept Severance Electric Co., Inc bid.

This portion of the project was budgeted for in this year's capital budget and actually came in under budget.

It was MOVED BY CHAMBERS, SUPPORTED BY SCHRAUBEN, to approve Severance Electric Co., Inc's bid of \$32,685.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

D. Pegasus Wind Letter of Authorization

It was discussed last month that the Michigan Public Power Agency (MPPA) has been working to secure a 20-year, 150 Megawatt (MW) Purchase Power Agreement (PPA) with a well renowned renewable energy developer. Over the past month, the two sides were able to agree upon the language and terms of a PPA. LL&P has the option, along with the other members of the MPPA, to take a share of this 150 MW. If there is enough interest within the MPPA to secure all 150 MW, the PPA will go into effect. As of today, it appears that 14 other members will be committing, each for a different amount of the 150 MW, to the Agreement.

When looking at our projected future load, the price per MWh over the 20 year PPA, the current mix of power contracts we have, and acknowledging that there will be a limited number of successful wind projects within the State of Michigan, there is little to no reason for LL&P not to enter into this PPA for MPPA's recommended amount of 2.16 MW.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approve LL&P entering into this PPA for 2.16 MW.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

- A. Performance Data:** Donkersloot reported on July data.
- B. Monthly Outage Report:** Five outages occurred in the month of July.
- C. Income Statement:** Donkersloot reported on the July 2017 Income Statement.
- D. Capital Projects Report:** Donkersloot reported on the July 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:** LL&P worked with MPPA to file our 2018-2020 Energy Waste Reduction (EWR) Plan with the Michigan Public Service Commission (MPSC) by August 1st. This new plan was required by PA 342.
- b. **APPA:** Our RP3 application is due September 30th. Tom Russo has done an excellent job meeting with staff and facilitating the information gathering component of the application. Tom gave a brief update.

B. **System/Generation Upgrade Progress:**

- a. **Bio-digester:** Nothing new at this time.
- b. **Five Year Plan:** Drawings for the substation capacitor bank project (#104) are 80% complete.

The field mapping is done for the new circuit #203 project (#102).

The RFP for the new Schweitzer relays at the substation project (#108) should go out later this month.

- c. **Other System Projects:** The distribution department has spent significant time utilizing our new forestry truck and trimming trees will continue.

The Siemens C.T. stack test is scheduled for the last week in September.

C. **White's Bridge Hydro:** Conversations continue with Victor. Donkersloot shared detailed charts regarding costs if the Board

decided to go with Hydro. There was Board discussion. The Board encouraged Donkersloot to continue to negotiate Victor's best price and bring it back to the Board.

D. LL&P Long Term Natural Gas Supply: Nothing new at this time.

E. Standby Generator & Gas Compressor Options: The search continues for a standby generator that will meet LL&P's C.T. black-start needs.

F. Community Solar: Nothing new at this time.

G. SUS Customer Platform/Application: Weekly conference calls continue. An advertising campaign will begin running at the movie theater beginning August 18th and run through January 4th. We now have more than 150 subscribers to the platform.

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

I. Fiber Extension to City Facilities and City-Wide Phone Project: The project is officially completed.

J. Harvest Meadows Condominium Development: The paving is done. Trenching and conduit work began.

K. Adopt-a-Road: We had a record turnout (10 employees and Andrew).

L. Pink Arrow: LL&P will be assisting in putting up banners along Main Street. Our line staff will be wearing pink helmets to show their support.

M. Payables: July payables were included.

F. Schedule of Meetings: August/September was presented.

VII. NEXT REGULAR LL&P BOARD MEETING:

The next Board Meeting will be held on Thursday, September 14, 2017.

VIII. BOARD COMMENT:

Cadwallader thanked Ron for the Safety presentation and all those who helped with the adopt-a-road clean up.

Schrauben like the idea of doing internal safety training and he would be interested in sitting in on some of the training sessions. Andrew enjoyed helping with the adopt-a-road clean up and seeing staff in a social setting. School is beginning shortly; the PTO is looking for volunteers. Andrew encouraged everyone to view the eclipse.

Beachum inquired on the status of the roof projects. Pink Arrow Community Day is August 17th; the community is encouraged to participate in the blood drive. The Pink Arrow football game is scheduled for Friday, September 8th. Perry is also interested in LL&P looking at participating in a Christmas Light display contest.

IX. ADJOURNMENT:

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

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Beachum

Date