

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – April 13, 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, Marty Chambers, Andrew Schrauben, Tina Cadwallader, and Jim Salzwedel

Absent: None

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

II. APPROVAL OF AGENDA:

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

Yea: 5 Nay: 0 Absent: 0 Motion Carried

It was MOVED BY CHAMBERS, SUPPORTED BY CADWALLADER, to approve the March 20, 2017 Special Board Meeting Minutes.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

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

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

V. ACTION ITEMS:

A. Strategic Plan Review and Adoption

Significant time was spent at last month's meeting reviewing, discussing, and making changes to LL&P's Strategic Plan and Action Item list. Donkersloot reviewed in detail the changes that were made. The Board had discussion and agreed on the changes that were made.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approve and adopt the Strategic Plan and Action Item list as presented.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. Installment Purchase Agreement Payment Agreement with the City

The Board approved the purchase of a gas compressor for \$605,500 (\$603,000 for the compressor and \$2,500 for legal/financing costs) through a Five-Year Installment Purchase Agreement (IPA) at March's Board Meeting. That order has been place and the process of building it has already started. The City Attorney, Dick Wendt has indicated LL&P will be responsible for the future debt service payments of the IPA that will commence on July 1, 2017 and terminate on June 1, 2022.

It was MOVED BY CHAMBERS, SUPPORTED BY SALZWEDEL, to approve the Installment Purchase Agreement Payment Agreement with the City.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

C. Future Forestry Truck Purchase

As part of Fiscal Year 2017 Capital Budget, a Vehicle and Equipment Replacement Fund was established. Nine months fiscal-year-to-date, we have set aside \$60,000 and are on track to meet our \$75,000 budget by year-end. The plan is to continue putting money in that fund as part of our capital budget to pay for all future vehicles and equipment purchases from this fund.

In Fiscal Year 2017 we planned to use a portion of this \$75,000 to purchase a dump truck for the line department. The line staff decided a forestry truck instead of a dump truck would better meet their needs.

There was Board discussion.

It was MOVED BY CADWALLADER, SUPPORTED BY SALZWEDEL, to make a one-time exception to LL&P's procurement policy, in an amount not to exceed \$60,000, to purchase a used forestry truck that staff deems will best meet LL&P's needs.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

- A. **Performance Data:** Donkersloot reported on March data.
- B. **Monthly Outage Report:** There were eleven outages (due to wind) in the month of March. Donkersloot gave a detailed overview of this report and the 2016 Annual eReliability Tracker Report.
- C. **Income Statement:** Donkersloot reported on the March 2017 Income Statement.
- D. **Capital Projects Report:** Donkersloot reported on the March 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:** Donkersloot gave an update on April's MPPA Board Meeting. Steve Donkersloot was elected Vice Chair of the AFEC (AMP Fremont Energy Center) committee. This is the natural gas/combustion turbine project in Ohio.

Donkersloot encouraged participation from the Board to attend the Stakeholder Meeting in Lansing on May 10th

B. System/Generation Upgrade Progress:

- a. **Bio-digester:** Donkersloot gave an update on the progress.
- b. **Five Year Plan:** No progress has been made over this past month due to other priorities that needed immediate attention by the distribution department.
- c. **Other System Projects:** The Big Boiler Brewery project is complete and their service is energized. Ryan provided an update on many additional projects the distribution department is working on.

C. Collective Bargaining Negotiations: The first meeting with the IBEW is scheduled for Tuesday, April 18th.

D. White's Bridge Hydro: It will be a couple months before Victor is able to provide the numbers and terms needed for what a PPA would look like, both financially and from an energy standpoint. Once this is received it will be presented to the LL&P Board.

E. LL&P Long Term Natural Gas Supply: Donkersloot highlighted exciting progress from the March 29th meeting with Consumers Energy.

- F. **Standby Generator & Gas Compressor Options:** The gas compressor order has been placed and the Payment Agreement was an Action Item.

- G. **Community Solar:** DPW Director Rich LaBombard is researching ways for the City to find funds necessary to make important repairs and upgrades to their building/facilities. Solar could be a potential solution.

- H. **SUS Customer Platform/Application:** The majority of the bugs between Daffron and SUS have been resolved. We are waiting for our credit card vendor to finish setting up the new pricing model. The SUS promotional video was shown during the meeting.

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

- J. **Fiber Extension to City Facilities and City-Wide Phone Project:** Amcomm has been working diligently on the fiber; our completion target date is late May.

- K. **Line Shack:** Mike has drafted an RFP for the Line Shack. This will be circulated to the City Council and LL&P Board for feedback before it is advertised.

- L. **Harvest Meadows Condominium Development:** Nothing new at the time.

- M. **Website:** Betsy and her team are in the final stages of wrapping up our website. Our new website is expected to launch very soon.

- N. **Lowell Community Expo:** The rainy, cold weather kept most people from taking bucket rides. However, over 300 prizes were given away for stopping by the LL&P booth to “spin the wheel”. In addition, the SUS promotional video was playing.

- O. **Education/Mentor Opportunity:** LL&P is partnering with a senior at Lowell High School for his Alternative Energy Source Project for

his Senior Capstone class. Steve is his official “mentor” which is a requirement for the project.

P. **Rotary**: Earlier this year Steve joined Rotary. He will be presenting at the May 3rd meeting.

Q. **Buyer’s Guide Article**: An article was submitted by LL&P for the Earth Day Special Edition.

R. **Food Fight**: LL&P will be assisting with FROM’s Food Fight initiative for the fifth consecutive year.

S. **Payables**: March payables are included.

F. **Schedule of Meetings**: April/May was presented.

VII. **NEXT REGULAR LLP BOARD MEETING**:

The next Board Meeting will be held on Thursday, May 11, 2017.

VIII. **BOARD COMMENT**:

Cadwallader: Loves the SUS video. Appreciates LL&P’s participation in the Expo.

Schrauben: Is impressed with Ryan’s expertise in the distribution department.

Salzwedel: Jim reminded members to look at their calendars to schedule summer Board Meetings for Wednesday. He will not be able to make the Thursday June meeting.

Chambers: Good job to the distribution department for the few outages with the windy weather.

Teelander: Is impressed with the SUS video.

Beachum: Perry left a message with Jim Weeks at MPPA on the General Manager Evaluation process. Perry wants to make sure the General Manager's evaluation and compensation is done by no later than July 1st. Likely a Special Meeting will be held in June to finalize the compensation. Thanked LL&P for putting out a survey for the Parks.

There was Board discussion regarding the General Manager Evaluation process.

IX. ADJOURNAMENT:

It was MOVED BY SALZWEDEL, supported by CHAMBERS, to adjourn the Regular Meeting at 8:25 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Beachum

Date