

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – December 13, 2018**

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, Jeff Dickerman, Dave VanKeulen, Tina Cadwallader, and Andrew Schrauben

Absent: None

Also Present: General Manager Steve Donkersloot, Distribution Manager Ryan Teachworth, Generation Superintendent Casey Mier, Tom Russo, Plant Accountant Megan Mora and City Councilman Marty Chambers

II. APPROVAL OF AGENDA:

Beachum made two additions to the agenda: Item F, December 31st and G, Christmas Lighting.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to approve the agenda as amended.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY SCHRAUBEN, SUPPORTED BY VANKEULEN, to approve the November 8, 2018 Regular Board Meeting Minutes.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

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

There was no public comment.

V. ACTION ITEMS:

A. CT Fire and Gas Suppression System Approval

During the turbine enclosure CO₂ fire suppression system inspection, inconsistencies from the industry standards were noticed. This led to contacting five fire suppression vendors to visit the facility and provide feedback on the existing systems, analysis of the turbine enclosure to engineer a proper system, and scope of work and material quotes required for the correct suppression system that would integrate with the existing Det-Tronics fire and gas detection panel.

The five fire suppression vendors contacted, only two quotes were received.

Total Fire Protection came in at a total cost of \$33,001.00 and Field's Fire Protection, Inc came in at a total cost of \$35,99.84.

There was Board discussion and Casey gave an update.

It was MOVED BY CADWALLADER, SUPPORTED BY VANKEULEN, to approve Total Fire Protection, Inc's quote of \$33,001.00 to bring the CO₂ fire suppression systems up to code.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. Portable and Mounted Radio Purchase

Ron van Overbeek gave an update on the different type of radios from Chrouch Communications and Kent County Dispatch Authority (KCDA) he has been testing inside our buildings and in our coverage area.

Ron recommended moving forward with the 800 MHz system through Crouch Communications. With this solution, we would not be responsible for any tower maintenance or upgrades. This would give us 95% coverage throughout the State.

If the purchase is made now, a 40% discount will apply. With this discount, the portables would be \$940.87/unit and mobiles would be \$938.38/unit. We would be purchasing a total of 13 units; six portables and seven mobiles. The total cost, with installation and configuration of the radios, is \$29,344.03. Once the order is placed, it will take 2-6 months to receive them.

It was MOVED BY VANKEULEN, SUPPORTED BY DICKERMAN, to approve the 800 MHz system through Crouch Communications for a total of \$29,344.03.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

C. Amendments to LL&P Policies

Donkersloot gave an update on proposed amendments to LL&P Policies; all of which correspond to either Proposal 1 (new marijuana legislation) or to Section 22-1 of the City's Code of Ordinances (landlord/tenant deposit issue that was discussed during our November Board Meeting).

Proposal 1: Policy 3-1, Section 1.0, Policy 3-4, Section 4.3, and Policy 3-10, Section 10.0 propose language specifying that marijuana is prohibited on company property, in company vehicles, in personal vehicles that are on company property, and when on company time for travel/business.

City's Code of Ordinances: At the December 3rd City Council Meeting, the City Council approved amendments to Section 22-1 of Chapter 22 of the City's Code of Ordinances. The changes made to Policy 5-3 and 5-4 align our policies with the Ordinance modifications, which now permit a property owner who leases property to a tenant who is responsible for paying the electric utility charges to agree (through a contract drafted by the City Attorney, Dick Wendt) that unpaid electric utility charges are a lien on the property eliminating the need of a deposit by the tenant.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to approve these amended Policies 3-1, 3-4, 5-3, and 5-4 as presented.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

D. Adoption of New Electric Rates

Donkersloot gave an update of the results presented by Mark Beauchamp, President of UFS in May of 2017. At that time, there was a consensus by LL&P Board to have UFS design our rates using their recommended increase of 1.45%/year to the base rate with a 1.00% bandwidth over the course of the next five years.

During the September 2017 Board Meeting, the LL&P Board proceeded to adopt the electric rates (that are currently in place) that were recommended by UFS.

We are now approaching Year 2 of 5 and the cost of service study is recommending to stay on the path with 1.45%/year increase in 2019 to the base rate with a bandwidth of 1.00%

There was Board discussion.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to adopt the Residential Rate option with a \$16.80 customer charge, along with the proposed Commercial and Industrial rates; GS 221 a 1.8% increase, GS 222, 223 & 224 a 1.00% increase.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

E. Bank Contract Approval

After researching banking proposals, Megan gave an update on her findings with Huntington Bank, Fifth Third Bank, United Bank, and Mercantile Bank.

It was MOVED BY DICKERMAN, SUPPORTED BY VANKEULEN, for LL&P staff to open a Huntington Bank Hybrid account.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

F. New Year's Eve – December 31st

Beachum added this item to the agenda, stating that because New Year's Eve is on a Monday this year, he felt that staff should have the day off since they are off on Tuesday for New Year's Day. This is a one-time event and is not intended to set precedent.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to give LL&P staff the day off on Monday, December 31st.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

G. Christmas Lighting

This was the second item Beachum added to the agenda. Perry thought it would be great if LL&P would let customers email in pictures of their Christmas lights and LL&P would give them \$5 off their bill.

The Board liked the idea, but felt it was too late to do in 2018. They will look at this in the Fall of 2019 to see how this can move forward for next Christmas.

VI. INFORMATIONAL ITEMS:

A. Performance Data: Donkersloot reported on November's data.

B. Monthly Outage Report: There was one outage in the month of November.

C. Income Statement: Donkersloot reported on the November 2018 Income Statement.

D. Capital Projects Report: Donkersloot reported on the November 2018 Capital Project Report.

- E. **Board Training Session – Electrical Fundamentals:** Mier gave a presentation.
- F. **Manager’s Report:** Donkersloot gave updates to the Board on the following:

A. MPPA/MMEA/APPA Update:

- a. **MPPA:** The 2019 budget was approved. Member dues will decrease.
- b. **MMEA:** The Michigan House passed SB 637 last week. The plan is to bring the Standard Poll Attachment Contract and SB 637 Addendum, developed by the MMEA and McLean Engineering on behalf of all 40 electric municipals, to the LL&P Board for approval at the next meeting.

B. System/Generation Upgrade Progress:

- a. **Five Year Plan:** Staff spend significant time on new circuit #203 (Project #102) this past month. A scheduled outage is planned for Mercantile Bank and Red Creek Recycling on the 15th to eliminate unnecessary overhead infrastructure.
- b. **Other Distribution Projects:** Numerous new services were connected this past month. LL&P office light fixtures were upgraded to LED, improving LL&P’s energy efficiency.
- c. **Generation Update:** Casey gave a detailed update on the multiple projects he and Tom have been working on, with safety as the priority.

- C. **LL&P Long Term Natural Gas Supply:** The regulator station was commissioned on 11/21. Consumers installed their SCADA system on 12/4. The Caledonia to Lowell line is still on track to be commissioned on 12/14, which will allow us to run our C.T.’s without restrictions.

- D. **Engine Room Generator Removal:** Due to complications on another job, Farabee Inc. has delayed the removal of the generators until February 2019.
- E. **Energy Center Space:** Significant time was spent working on the Lease Agreement with Litehouse.
- F. **MERS Update:** Initial conversations regarding potentially closing the Hybrid Plan and Open a DC Plan (this would only impact new employees).
- G. **Internet Upgrades:** This project is moving forward! Vergennes Broadband (VBB) will provide us with 300 mbps of fiber internet at a cost of \$199/month.
- H. **Cyber Security:** The proposal should be available to the Board in early 2019.
- I. **Office Furniture Update:** The furniture is expected to arrive next week. Staff will move existing furniture in the afternoon on Friday, December 21st to allow the new furniture installation to be completed on Wednesday, December 26th when employees return from Christmas.
- J. **RP3/Tom Russo:** Tom was in Washington, D.C. for the last time as an RP3 Panel Member as his term is up. Tom gave a brief update and thanked the Board and staff for their support as he represented LL&P at a national level.
- K. **EV Charging Stations:** ChargePoint has informed us that as of December 31st, they will no longer carry replacement parts for our EV charging stations. To alleviate this inconvenience, they are offering us the option to upgrade our stations to the latest model of the dual port stations for \$3,000/station (normal retail price is \$9,500/station). There was a consensus of the Board to have an entire plan before we purchase any new stations; including conversations with the DDA and City.

L. Rotary Update: Donkersloot was appointed to serve on the Lowell Rotary Board of Directors to complete Evert Beck's term through June 30, 2021.

M. Exciting News: Megan Keyser (now Mora) was married on November 24th to Austin Mora.

N. After-the-Holiday Party: Last year, this party was held at Big Boiler in the "event room". The Board decided to have it again this year either on Friday, February 1st or 8th at Big Boiler. The Board will let staff choose the date that works best for the employees.

O. Work Anniversaries: On November 17th, Rich Mutschler celebrated his 4th year with LL&P.

P. Payables: November payables are included in your packet.

G. Schedule of Meetings: December/January was presented.

VII. NEXT REGULAR LL&P BOARD MEETING: Scheduled for Thursday, January 10, 2019.

VIII. BOARD COMMENT:

Dickerman reiterated that giving staff New Year's Eve Day off is a small way the Board can thank the staff for doing such a great job throughout the year.

Cadwallader is excited we are moving forward on the radio purchases.

VanKeulen said he is happy to support staff taking New Year's Eve Day off. Dave said it's a nice way to thank the staff for all their hard work.

Schrauben thanked Tom Russo for his service on APPA's RP3 Panel. He appreciates all Tom's hard work and dedication. Andrew congratulated Megan on her marriage.

Beachum stated, he recently read about lineman who have died in the line of work. Perry said, as a rate-payer, he really appreciates the dangerous work that the lineman does.

IX. ADJOURNMENT:

It was MOVED BY DICKERMAN, SUPPORTED BY VANKEULEN, to adjourn the Regular Board Meeting at 9:50 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Beachum

Date