

MINUTES
BOARD OF LIGHT AND POWER
REGULAR MEETING OF October 8, 2009

- I. Call to Order and Roll Call:** The meeting was called to order by Board Vice-Chairman Johnston at 5:30 pm. Present were Johnston, Hall, and Valentine. Also present were General Manager Pierce, Administrative Manager Sawka, Utility Foreman Russo and Mayor Hodges.
- II. Approval of Agenda:** Valentine made a motion to approve the Agenda with the change to move item VI. C., GM Evaluation, to after the Board Comments section for possible closed session. Hall supported the motion to approve Agenda as amended. The motion passed by unanimous vote.
- III. Minutes of September 2, 2009:** Hall made a motion to approve the minutes of the September 2, 2009 meeting as written. Valentine supported the motion. The motion passed by unanimous vote.
- IV. Public Comment (items not on the agenda):** There was no public present and no public comment. Beachum arrived at 5:45.
- V. A presentation was made by Tom Kovalac of Franklin Energy regarding their services and the implementation of Lowell Light and Power's Energy Optimization plan. A copy of the presentation is attached. Questions regarding Franklin's level of involvement with our customers and the details regarding Franklin's fees to administer the EO plan evolved from the Board.**

VI. ACTION ITEMS:

Generation Substation Demolition Contract: Pierce presented the bid tabulation information from GRP Engineering. Three bids were received and both GRP and Pierce recommended awarding the contract to the low bidder, Kent Power. Beachum moved to accept the recommendation and award this phase of the Generation Substation Demolition to Kent Power for the sum of \$105,530. Hall supported the motion which was passed by a unanimous vote of the Board.

SHUTOFF POLICY: Pierce presented the new proposed Shutoff Policy as recommended by MMEA. Although the MMEA expects the State Legislature to pass final legislation on this topic before November 1, 2009, Pierce indicated that the adopted legislation should not be very different from the MMEA proposed language. Based on the fact that the winter season and associated shutoff guidelines are proposed to begin November 1, Pierce recommends that the Board adopt the policy subject to any revisions that would be mandated through the State Legislature. After some discussion and several clarifications, Valentine moved and Hall supported adoption of the Shutoff Policy. The motion passed by unanimous vote of the Board.

GM EVALUATION: This discussion is moved to after Board Comments to a closed session.

VII. INFORMATIONAL ITEMS:

A. **Performance Data:** Pierce presented the August Performance Data. Highlights included the increase in usage over July, the increase in delinquent accounts and the increase in Investments and Cash over prior year.

B. **Income Statement August 2009:** Pierce apologized that the Income Statement was not included at the time the Board Packet was delivered. There were changes to the format for fiscal year 2009 – 2010 that required regrouping and balancing that needed to be ironed out. All the changes should now be implemented and income statement processing back on track. Highlights included the fact that Revenue is over budget while Expenses are under budget which is normal for this time of the year. The results, therefore, show excellent Operating and Net Income for the two months year-to-date. The accounting intern, Steve Donkersloot has been working on building a database of historic monthly income data so that hopefully for the 2010- 2011 fiscal year we will be able to accurately budget for monthly fluctuations.

C. Managers Report:

The Managers Report was presented by Pierce and included discussions of MPPA/MMEA, an update on the status of Capital Expenses, the Fall Festival/Public Power Week and the LLP Open House, and the A-Plus program

D. Schedule of Meetings: A schedule of meetings for the month was enclosed in the minutes.

E. Complaint Register (No new complaints)

VII. Date of Next Regular LLP Meeting: The next regularly scheduled Lowell Light and Power Board meeting will be held Wednesday, November 4th.

VIII. BOARD COMMENTS: Johnston had no comment. Beachum wondered if anyone had seen the TV Special on contaminants from coal ash and questioned how Campbell and Belle River dispose of Coal Ash. Valentine stated that with all the wind recently, he was glad that LLP managed to keep the power on. Hall wondered if we had planned for the next joint Board/City Council meeting to take place at Chatham.

IX. G.M. EVALUATION :(Closed Session) Valentine moved that the Board go to closed session at 7:09 pm which was supported by Hall. The motion passed unanimously. The Board returned from closed session at 7:25 pm to move back into regular session with a motion by Hall, seconded by Beachum and passed unanimously by the Board. Hall moved and Valentine supported the replacement of General Manager Pierce's mileage travel expenses with a monthly vehicle allowance of \$375. The motion was passed unanimously by the Board.

X. Hall made a motion for adjournment at 7:26 pm, seconded by Beachum and passed unanimously by the Board.

Chairman, Greg Canfield

Date

