

**Special Meeting**  
January 27, 2011

I. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order at 5:42 by Chairman Canfield. Present were Beachum, Canfield, Hall, Johnston and Valentine. Also present were General Manager Pierce, Electric Distribution Manager Russo and Chief Accountant Donkersloot.

II. **APPROVAL OF AGENDA:** There was a motion by Beachum and second by Hall to approve the agenda as presented. The motion passed by unanimous vote of the Board.

III. **DISCUSSION OF GENERATION ISSUES AND FUTURE GENERATION PLANNING:**

**A. Bio Gas Update:** MEDC & State Agriculture Department

- Phenomenal opportunity – help fund feasibility
- Could be the force to revitalize Lowell
- Food processing is a 20 billion dollar industry in Michigan

**On-board**

- Litehouse
- Dependable Gas
- Wastewater treatment plant still has its old anaerobic digester bases on site

**Vision:**

- Build bio digester facility(s)
- Strategically place 5 units (10 MW) around town to provide power to Lowell fueled by our own bio gas.

Feasibility study: The draft of the feasibility study by The Right Place could take about two weeks to complete. The feasibility study is estimated to cost \$30,000-\$50,000 and MEDC believes they could get \$30,000-\$40,000 from grants toward funding the study. Wege Foundation would possibility fund a portion as well. It would be 3-5 years before we were actually utilizing our own bio gas.

We could move our current generators to another location to continue to use for backup/peak.

Current generators – Rice catalytic converters \$208,000, shut downs and governors 127,000

Pierce stated he felt we would be better off generating our own electricity if we could provide biogas cost effectively. It would take a 10MW generation system which would cost \$7,000,000. To meet our base needs we could put 2MW at Dependable, 4MW at our substation on Bowes, 2MW by Atwood, and 2MW at the High School.

Pierce and Russo met with King Milling, they are looking to expand the Mill by 1/3; they could be interested in putting 2-3MW of backup generation on their site. We could partner with them and share the cost.

Pierce estimates with 800,000+ gallons of sludge at the wastewater treatment facility combined with 4,000,000+ gallons of Litehouse's solid waste, we could produce enough bio gas to generate approximately 4-5MW.

Pierce reviewed the generation issue list. Russo explained #3 safety shutdown concerns to the Board.

Pierce reviewed the future projection graph. The Board had a lengthy discussion regarding what to do with the current generators. The Board is in favor of moving forward on upgraded generation and preparing a "disaster plan". Pierce will include future generation issues under Action Items for the next Board meeting.

Pierce discussed the long range financial model with the Board.

**IV. BOARD COMMENTS:** Hall commented, the south side of the building needs maintenance.

**V. ADJOURNMENT:** There was a motion by Beachum and second by Valentine to adjourn the meeting. The motion passed by a unanimous vote of the Board at 7:49 pm.

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Chairman Canfield

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Date

