

**MINUTES
BOARD OF LOWELL LIGHT AND POWER
REGULAR MEETING OF AUGUST 14, 2014**

I. CALL TO ORDER AND ROLL CALL: The meeting was called to order at The Lowell Energy Center at 6:03 p.m. by Chairman Canfield and General Manager Greg Pierce called the roll.

Present: Board Members Perry Beachum, Greg Canfield & Tamela Spicer

Absent: Andrew Schrauben & Tina Cadwallader

Also Present: General Manager Greg Pierce, Electric Distribution Manager Russo, Chief Accountant Donkersloot, Utility Services Coordinator Morris, Lowell City Manager Howe, Lowell City Mayor Hodges and City Council Members: Sharon Ellison & Jim Hall

The meeting continued at the LLP office at 7:20 p.m.

II. APPROVAL OF AGENDA:

Two items were added to the agenda, Action item (B) Bank Signatures (Chase and Fifth Third) and (C) Potential new truck.

It was moved by BEACHUM, supported by SPICER to approve the agenda as amended.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

III. APPROVAL OF MINUTES:

It was moved by BEACHUM, supported by SPICER to approve the minutes of the July 10, 2014 regular meeting minutes.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

It was moved by BEACHUM, supported by SPICER to approve the July 10, 2014 closed session meeting minutes.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

IV. PUBLIC COMMENTS: (Items not on the agenda):

There was no public comment.

V. ACTION ITEMS:

A. Kent Power – East Substation Work :

Pierce stated last spring we received bids to complete the remainder of the work to decommission the East Substation. The bids included Hendrix line work and relocating/installing the new transformers necessary to reconfigure the East side distribution system. Kent Power (\$47,520) was the low bid. Since that time we have determined it is more cost effective for us to complete some of the work ourselves and have obtained a quote from the low bidder, Kent Power to complete the balance. Their revised estimate is \$28,976.56.

It was MOVED BY BEACHUM, supported by SPICER to approve the revised estimate of \$28,976.56 to reconfigure the East Substation.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

B. Bank Signatures:

Since April of 2010, all customer deposits have been held in our Chase Bank Checking Account. This has worked great for the past four years. In the past month, we were notified by Chase that this bank account would be charged a \$25 monthly account maintenance fee and our interest rate of .01% APR would be reduced to 0%. Donkersloot checked with two other banks (Fifth Third and Huntington). Fifth Third had the best solution. No fees are associated with this account and the savings would have a 1.00% APR. This change requires all six signatures.

It was MOVED BY BEACHUM, supported by SPICER to move the funds from Chase Bank to Fifth Third Bank.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

C. Potential New Truck Purchase:

Pierce reported the manure hauling is the last piece of the bio-digester project that needs to be resolved. We have recently found a vehicle that would meet our need for sale by Knight Transfer in Zeeland. We hired D&D Trucking to do an MDOT inspection of the vehicle. There are a handful of repairs or replacements needed and the estimate from D&D is about \$8,000.

Knight Transfer is asking \$55,000 for the vehicle, with the estimated repairs they have accepted our \$45,000 offer. We believe this truck will meet all criteria for our needs and represent the best option to fulfill this final piece of the bio-digester project.

Pierce suggested this purchase be financed through Huntington Bank at a low 2.88% interest rate for 3 years.

It was MOVED BY SPICER, supported by BEACHUM to purchase the Truck from Knight Transfer in Zeeland for \$45,000.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

It was MOVED BY SPICER, supported by BEACHUM to recommend the Huntington Bank at 2.88%, for 3 years installment purchase to the City Council.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

VI. INFORMATIONAL ITEMS:

A. Performance Data: Pierce reported on July's data.

B. Income Statement (July 2014): Pierce reported on July's Income Statement.

Pierce reviewed the Capital Expense Summary and detailed Capital Expense Report.

B. Manager's Report: Pierce gave updates to the Board on the following items.

- **MPPA/MMEA:** The MMEA annual conference is in Bay City this year, October 1-3, 2014. All Board Members are encouraged to attend.
- **APPA Update:** Lowell Light and Power is finishing up its activities with the initial DEED Grant we received for improvements to the Lowell Energy Center to facilitate the Bio-digester project. We are applying for another DEED grant to assist in development of educational materials to be used for School field trips to promote and understand the bio-digester project.
- **System/Generation Upgrade Progress:** There were three outages in the month of July.

Our Energy Systems Engineering intern, Taylor has been working on the combustion turbines with Doug, Energy efficiency with Sharon and has been conducting some research on the feasibility of fiber to the home.

- **Biodigestion Update:** Approvals have been received from all parties involved for the pipeline easements. Dick Wendt is working on the official easement documents. Construction should begin in early September.
- **Food Fight:** The annual Food Fight was a success a total of 37,975 items and money were collected for the food bank. A special thank you to all employees for their efforts in collecting during the six week campaign.
- **Adopt A Road:** Our summer clean-up took place on July 22nd. Thank you to Perry and Teresa Beachum who assisted the LLP staff in this event. Our next clean up is scheduled for the week of September 29th.
- **Video Camera:** Since Al Eckman informed us he was no longer available to video our monthly Board meetings. The plan is to purchase our own and video tape our meetings.
- **Payables:** Pierce presented July payables.

D. Schedule of Meetings: August was presented.

VII. COMPLAINT REGISTER: There were three new complaints. Pierce stated all three complaints were regarding one of our tree trimming crews. These complaints were not about how we were trimming the trees. One of the calls were due to our crew was parked the truck on the customer's yard on top of their drain field. The other two calls were that our crew had not been working for over an hour and sitting in the truck.

VIII NEXT REGULAR LLP BOARD MEETING: The next Board meeting will be held, Thursday, September 11, 2014.

IX. BOARD COMMENT:

Beachum thanked Mark and Tom for hanging the Pink Arrow banners along Main Street. Pink Arrow game is September 5th and anyone who would like to volunteer driving golf carts, contact Perry. Perry questioned the best way to get the word out to the public regarding any "odor" from the bio-digester. He said at times there is a strong manure odor in the City. He received a couple calls asking if the bio-digester was up and running. He said it may have been odor from the Fair grounds.

Spicer and Canfield stated they enjoyed the Bio-digester tour.

Mayor Hodges reminded LLP to review their policies and procedures. Matt Mayer has replaced Chris Schwab on the City Council.

X. CLOSED SESSION:

It was MOVED BY BEACHUM, supported by SPICER to go into closed session at 8:25 p.m.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

It was MOVED BY BEACHUM, supported by SPICER come out of closed session at 9:44 p.m.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

XI. It was MOVED BY BEACHUM, supported by SPICER to raise the base salary of the General Manager 5% for fiscal year July 1, 2014-June 30, 2015.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

XII. ADJOURNMENT: It was MOVED BY BEACHUM and a supported by SPICER to adjourn the regular meeting at 9:47 p.m.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

Chairman Canfield

Date