

**MINUTES
BOARD OF LOWELL LIGHT AND POWER
REGULAR MEETING DECEMBER 11, 2014**

I. CALL TO ORDER AND ROLL CALL: The meeting was called to order at 6:02 p.m. by Chairman Canfield and General Manager Greg Pierce called the roll.

Present: Board Members Perry Beachum, Greg Canfield, Tina Cadwallader & Andrew Schrauben,

Absent: Tamela Spicer – it was moved by Beachum, supported by Schrauben to excuse Tamela’s absence.

Also Present: General Manager Greg Pierce, Chief Accountant Donkersloot, Utility Services Coordinator Morris & Pamela Landes with LEAD.

II. APPROVAL OF AGENDA:

Pierce made an amendment to the agenda at the top of the informational items. Pam Landes with LEAD was added as item A. to give a Biodigester update. It was moved by BEACHUM, supported by SCHRAUBEN to approve the agenda as amended.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

III. APPROVAL OF MINUTES:

It was moved by SCHRAUBEN, supported by BEACHUM to approve the minutes of the November 13, 2014 regular meeting minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

It was moved by BEACHUM, supported by CADWALLADER to approve the November 13, 2014 closed session meeting minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

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

There was no public comment.

V. ACTION ITEMS:

A. MPPA Energy Purchase:

Pierce stated, because we had a number of extremely cold days last winter and the market price went extremely high, during those cold months we paid over \$.11 per kwh for energy we had to buy off the market to meet the needs of our customers.

In an effort to address a potential repeat for this year, MPPA is suggesting we buy energy now for the months of January through March at a fixed price. Pierce referred to a chart showing the recommendations indicating what Lowell Light and Power's block of energy would be. Last year we paid over \$280,000 for energy, this year, the maximum estimated cost in this proposal would be \$107,632.

It was MOVED BY BEACHUM, supported by SCHRAUBEN to approve the fixed price product through MPPA for the months of January through March 2015.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

B. Control panel for Rolls Royce Engine:

Work on the Rolls Royce Combustion Turbine continues and we have reached the point where our technician, Doug Barnes, is ready to start installing the control panel for the engine. ONPOWER is the supplier of the control center necessary for the Rolls Royce and the cost is \$28,711.62. This amount was budgeted for and is consistent with the original costs estimated by Newkirk Engineering.

It was MOVED BY BEACHUM, supported by CADWALLADER to approve the invoice from ONPOWER for \$28,711.62.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

VI. INFORMATIONAL ITEMS:

A. Biodigester Update – Pam Landes gave a Biodigester Update.

B. Performance Data: Pierce reported on November data.

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

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

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

- **MPPA/MMEA**: Pierce shared a draft letter to the Attorney General office from MMEA regarding Michigan's Upper Peninsula energy crisis.
- **APPA Update**: Tom is on his way back from DC as part of the APPA RP3 final review.

The upcoming annual APPA Lineworkers Rodeo/Operations and Technical Conference is May 15-17, 2015 in Sacramento, CA.

The annual Legislative Rally is schedule for March 9-11 in DC.

Each year APPA has a special conference designed for members involved in Joint Action Agencies such as MPPA. Pierce will be attending as MPPA's Board Chair in January.

- **System/Generation Upgrade Progress**: There were three outages in the month of November, all tree related.
- **LLP Policy Review**: Steve Donkersloot reviewed proposed changes to Section 5 of our Operating Policies "Customer Account, Billing and Administrative Policies".
- **City After Holiday Party**: The City Holiday Party is scheduled for January 17th at the Lowell Museum.

- **Energy Optimization**: Sharon gave an update on 2014 current goals vs. expenses that occurred through November 2014.
- **PCA Discussion**: Steve gave a presentation on PCA and will be working to conduct a rate review and rate adjustment proposal to be implemented next spring.
- **Payables**: Pierce presented November payables.

D. **Schedule of Meetings**: December/January was presented.

VII. **COMPLAINT REGISTER**: There we no new complaints.

VIII **NEXT REGULAR LLP BOARD MEETING**: The next Board meeting will be held, Thursday, January 8, 2015.

IX. **BOARD COMMENT**:

Beachum mentioned there are Pink Arrow applications through Community Wellness available. Perry mentioned LLP should consider a Holiday Lighting contest for next year's season, and handed out an article on Smart Meters potentially being linked to various skin related Medical problems.

Cadwallader thanked LLP staff for reviewing the policies and is excited about the biodigester project progress.

Schrauben is happy we provide reliable power with local control.

Canfield congratulated the LLP staff on moving forward on the biodigester project as well as the Police department gift giving that made headline news.

X. **CLOSED SESSION**:

It was MOVED BY BEACHUM, supported by SCHRAUBEN to go into closed session at 8:47 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

A roll call vote was taken: Canfield, Beachum, Schrauben and Cadwallader were in attendance. Spicer was absent.

It was MOVED BY BEACHUM, supported by SCHRAUBEN to come out of closed session at 8:59 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

XII. ADJOURNMENT: It was MOVED BY BEACHUM and a supported by CADWALLADER to adjourn the regular meeting at 9:01p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Canfield

Date