

**MINUTES
BOARD OF LOWELL LIGHT AND POWER
REGULAR MEETING FEBRUARY 12, 2015**

I. CALL TO ORDER AND ROLL CALL: The meeting was called to order at 6:05p.m. by Chairman Canfield and General Manager Greg Pierce called the roll.

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

Absent: None

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Also Present: General Manager Greg Pierce, Electric Distribution Manager Russo and City of Lowell Mayor Hodges.

II. APPROVAL OF AGENDA:

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN to approve the agenda as presented.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY CADWALLADER, SUPPORTED BY SPICER to approve the minutes of the January 8, 2015 regular meeting minutes.

Yea: 4 Nay: 0 Abstain: 1 Absent: 0 Motion Carried

It was MOVED BY SPICER, SUPPORTED BY CADWALLADER to approve the January 8, 2015 closed session meeting minutes.

Yea: 4 Nay: 0 Abstain: 1 Absent: 0 Motion Carried

It was MOVED BY BEACHUM, SUPPORTED BY SPICER to approve the February 2, 2015 special meeting minutes, with a minor change. The change is adding **IBEW Contract** resolution.

Yea: 4 Nay: 0 Abstain: 1 Absent: 0 Motion Carried

It was MOVED BY BEACHUM, SUPPORTED BY SPICER to approve the February 2, 2015 closed session meeting minutes.

Yea: 4 Nay: 0 Abstain: 1 Absent: 0 Motion Carried

Note: Abstain vote(s) were Board Members not present at the meeting being reviewed.

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

Letters from Peggy Covert and Roger Lawarre were read to the Board.

V. ACTION ITEMS:

A. Transformer Purchase:

King Milling is in the process of completing some electrical upgrades to their facilities at scales B and C. During their transition we recognized an opportunity to upgrade these two services to our 12470 voltage. This requires a new transformer at each location; we requested quotes from six suppliers. Normally we would recommend purchasing from the low bidder, but in this instance Soloman has the shortest lead time and guarantees the transformers will have the same footprint as the transformers we are replacing. This insures we can mount them on the existing pad and saves us time and construction costs to set the transformer. Based on the compatibility of the Solomon transformers and the shorter lead time, staff recommends we purchase the transformers from Soloman.

It was MOVED BY BEACHUM, supported by SCHRAUBEN to authorize the purchase of two 500 KVA transformers from Solomon for the 12470 upgrade of King Milling scales B and C, at a price of \$20,700.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. Revised 2014-2015 Capital Plan:

During the last couple months Pierce mentioned our Total Revenue is falling under budget this fiscal year and potentially we need to amend the current Capital Expense Budget.

Pierce reviewed the revised Capital Plan in detail. The approved 2014-2015 Capital Expense Plan shows an amount of \$254,176.42 was carried forwarded in this year's plan. In reality that entire amount was not available, post audit, and when you couple that fact with our decreased revenue for the first seven months of the current year, we believe a more realistic capital budget is the \$885,000. The amended Plan reflects a remaining capital expense balance of \$207,807.49. A comparison between the current and amended "Capital Budget and Expenses Incurred" sheets show where adjustments were made in the projected capital expenses to meet our expectations for the remainder of the year.

It was MOVED BY SPICER, supported by SCHRAUBEN to recommend adopting the amended 2014-2015 Capital Expense Plan.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

A. Performance Data: Pierce reported on January data

B. Income Statement (January 2014): Pierce reported on January'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 reported on the new court rulings and Governor Snyder's new Energy Agency announcement.

- **APPA Update:** APPA Lineworkers Rodeo/Operations and Technical Conference is May 15-20 in Sacramento, CA. Representatives from LLP staff and Board Members are attending. Our new lineman apprentice Rich Mutschler is participating in the apprentice events. Tom, Greg Pierce and Greg Northrup will be making a presentation on the Bio-digester during the conference.

The annual APPA Legislative Rally is scheduled for March 9-11 in DC. Pierce will be attending as a MMEA Board Member. Anyone interested in attending please get in touch with Sharon.

- **System/Generation Upgrade Progress:** The bio-digester continues to move closer to full operation. Bio-Gas is being produced; the CHP engine has been started up. We are making deliveries of waste from Swisslane daily. LEAD is beginning to receive waste from Litehouse. There was an article in the Grand Rapids Business Journal the week of February 16th.

We had one outage in the month of January (outage report).

- **LLP Policy Review:** Board discussion took place on the first several sections of the LLP Section 6; Engineering and Operating Policies.
- **LLP Annual Operating Budget:** Pierce reviewed the Long Range Financial Projections through 2024, there was Board discussion. This information will be used to develop a detailed Draft Operating Budget for review at next month's meeting.
- **Articles of Interest:** Pierce reviewed MPPA's year end Hedge Plan.
- **Payables:** Pierce presented January payables.

D. **Schedule of Meetings:** February/March was presented.

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

VI. **NEXT REGULAR LLP BOARD MEETING:** The next Board meeting will be held, Thursday, March 12, 2015.

VIII. BOARD COMMENT:

Beachum addressed Peggy's letter about the Electronic Meters. He would like to move forward on the Electronic Meters as scheduled and look at a policy where citizens could opt out of new meter installation.

Cadwallader is in favor of Perry's plan to move forward on the Electronic Meters and will look into sites mentioned in Peggy's letter.

Schrauben is excited we reached a contract agreement, and to see the bio-digester progressing. Andrew mentioned the possibility of having a Utility Exchange Day; he believes there may be valuable information to exchange. He noted his 3-year-old son went into Ace and noticed the LED's lighting were replaced and how much brighter they were.

Spicer thought it was awesome a 3-year-old noticed lighting upgrades. She is excited about all the accomplishments LLP staff has completed. Tamela commented on a letter sent to Sharon thanking her for her commitment to the Community Neighbor to Neighbor program through Flat River Outreach (FROM). Tamela has worked with Sharon for a couple years and said Sharon was instrumental in getting the MEAP program off the ground and has done a many things for FROM and the community. Tamela discussed the benefits of Electronic Meters and is in favor of moving forward implementing these with an opt-out option.

Mayor Hodges mentioned the paper has addressed City Council issues, they hope to address these at their next workshop February 23. The main topic of that meeting is working through the budget. They will also address the process of adding items to the agenda and discuss what is appropriate to add. Mayor Hodges thanked Canfield and Schrauben for the information they provided at Coffee with the Council. The DPW Director is in the process of being selected.

Canfield stated it is nice to see the IBEW union negotiations behind us. Greg congratulated the LLP staff on the Bio-Digester and thanked Pierce for his leadership and bringing great ideas to the Board.

IX. ADJOURNMENT: It was MOVED BY BEACHUM and a supported by SPICER to adjourn the regular meeting at 8:30 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Canfield

Date