

**MINUTES
BOARD OF LOWELL LIGHT AND POWER
REGULAR MEETING OCTOBER 15, 2015**

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

Present: Board Members, Greg Canfield, Perry Beachum, Andrew Schrauben, & Tamela Spicer. It was **MOVED BEACHUM, SUPPORTED BY SPICER** to excuse the absence of Tina Cadwallader.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Absent: Tina Cadwallader

Also Present: General Manager Greg Pierce, Electric Distribution Manager Tom Russo, Utility Services Coordinator Morris and Lowell City Mayor Hodges.

II. **APPROVAL OF AGENDA:**

Beachum requested to add the August 13, 2015 Closed Session meeting minutes to the agenda.

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 SPICER, SUPPORTED BY SCHRAUBEN to approve the meeting minutes of the September 13, 2015 regular meeting.

Yea: 3 Nay: 0 Absent: 1 Obstain: 1 Motion Carried

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN to approve the minutes of the August 13th, 2015 closed session

Yea: 3 Nay: 0 Absent: 1 Obstain: 1 Motion Carried

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

There was no public comment.

V. ACTION ITEMS:

A. LLP 2015 Audit: Pierce introduced Peter Haefner of Vredeveld Haefner LLC who performed the Fiscal Year 2015 Audit. Peter presented and reviewed the details of their findings and answered questions the Board Members had regarding the audit. Peter gave two minor recommendations on how LLP could improve their processes. Peter stated the audit went very smoothly. LLP received a good clean audit.

It was MOVED BY BEACHUM, SUPPORTED BY SPICER to approve the audited financial statements for Fiscal Year 2015.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

B. MERS 2016 COLA: At the August Board meeting, the Board requested a valuation be performed to determine the cost of providing LL&P retirees with a 1.00% Cost of Living

adjustment (COLA) for annual year 2016. The valuation resulted with a cash requirement of \$23,241.

It was MOVED BY BEACHUM, SUPPORTED BY SCHRAUBEN to adopt the Flexible E benefit option for retirees with a 2016 COLA increase of 1.00% (\$23,241). This recommendation will appear on an upcoming City Council agenda for final approval.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

C. LLP SCADA System: Earlier this year, during our 2015-2016 Budgeting and Capital plan review/approval process, a proposal to install a SCADA (Supervisory Control and Data Acquisition) system was discussed. This system will help monitor the condition and operating status of the major equipment on the distribution system.

At that time \$50,000 was allocated in the Capital Plan for this project. Pierce presented the final engineering estimate from GRP for materials and installation, which includes the Survalent software (\$12,309), 1st year of software maintenance (\$1,134), a PC to facilitate the operating system (\$1,000), Substation Equipment (\$5000), GRP time and materials for installation \$15,000), and a Virtual RTU database \$3,399), for a total of \$37,872. This amount is well under the approved Capital Plan amount of \$50,000.

It was MOVED BY BEACHUM, SUPPORTED BY SPICER to approve the SCADA system purchase of \$37,872.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

VI. INFORMATIONAL ITEMS:

A. **Performance Data:** Pierce reported on September data. There was additional Board comment.

B. **Income Statement (September 2015):** Pierce reported on the September 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:**

MMEA Fall Conference was excellent, the Mayor and a few LLP Board members attended at the 28th Street Crowne Plaza.

- **APPA Update:** Sue Kelly, the CEO of APPA and Valerie Brader, from Governor Snyder's office were two great speakers at MMEA's fall conference.
- **System/Generation Upgrade Progress:** The Bio-digester processes continue to improve. Some new equipment was installed to help process the FOG and the digestate. The elimination of the East substation took place October 3rd, everything went smoothly. There were four outages in the month of September.
- **Lowell Light and Power St. Mary's Property:** Quotes on the HVAC and roof came back.

- **Financial and Operating Ratios:** During the MMEA conference, Utility Financial Solutions (UFS) presented several financial topics for Utility Board members. Andrew attended one session in particular that discussed the expected reserve requirements and some key indicators for rate adequacy. Donkersloot gave an update on where Lowell Light and Power is relative to those recommendations.
- **Strategic Planning:** Last month a revised/updated Strategic Plan was passed out. At November's meeting we hope to spend a half hour after the meeting to discuss. Donkersloot reviewed our current communication plan, discussed a website upgrade to modernize our website using Addorio Technologies, and presented the possibility of using Smart Utility Systems a customer platform for mobile phone or tablet app. This would allow customers to view historical energy usage, view billing information, received ebills, send out alerts via text or email, and much more.
- **AMI Update:**

Donkersloot gave a review of the AMI system and a recommendation from his research. At this point, Eaton Cooper appears to be the most reasonable fit for our customer base. The Board would like to see an AMI metering policy before updating to AMI meters.
- **Adopt A Road:** A successful clean up occurred October 6th.
- **Open House:** There was beautiful weather on Saturday, October 10 for our Open House. We gave away over 450 hotdogs and had long lines for our bucket rides.
- **Payables:** Pierce presented September payables.

Schedule of Meetings: October/November was presented.

COMPLAINT REGISTER: There were no new complaints.

VII. NEXT REGULAR LLP BOARD MEETING: The next Board meeting will be held, Thursday, November 12, 2015.

VIII. BOARD COMMENT:

Spicer congratulated Lowell Light and Power staff on a great audit. Tamela pointed out a few highlights from the audit report; write-offs were down 36.4% from last year and our performance indicated 61.1% better than utilities of our size. Spicer thanked Tom for his immediate response to an Arbor Board request.

Schrauben shared an overview of Bev and Jim Hall's contribution to the community, they will be missed. Andrew attended two of the MMEA conference sessions and stated they were very informative.

Beachum served on many Boards with Jim Hall, "we will miss him". Perry stated the November 3rd City Council election could be the most important election in several decades. Perry encouraged every voter to get out and vote. Beachum is very proud of the Lowell Light and Power Board Members and the direction Lowell Light and Power is heading. Beachum pointed customers to the Lowell Light and Power website to view projects LLP has completed and is working on.

Mayor Hodges stated during the last City Council meeting time was allowed to remember Jim Hall in everyone's own way. Many street projects are wrapping up before snow flies. Congressman Justin Amash addressed the Rotary Club yesterday. The MMEA conference was terrific. Hodges said it is rewarding to hear how your community is ahead of the curve. Community clean-up is scheduled for October 24th.

Canfield echoed other member comments on what Bev and Jim Hall have done for our community. A celebration of their life will be held at the Main Street Inn, the end of November (exact date TBD). Greg congratulated the staff on a good clean audit and the direction

Lowell Light and Power moving. He encouraged citizens to get out and vote November 3rd.

IX. ADJOURNAMENT: It was **MOVED BY SPICER**, supported by **SCHRAUBEN** to adjourn the regular meeting at 8:51 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Canfield

Date