

**MINUTES
BOARD OF LOWELL LIGHT AND POWER
REGULAR MEETING OCTOBER 9, 2014**

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

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

Absent: None

Also Present: General Manager Greg Pierce, Electric Distribution Manager Russo, Chief Accountant Donkersloot, Utility Services Coordinator Morris, Auditor Peter Haefner from Vredeveld Haefner LLC, Lowell City Manager Howe & Lowell City Mayor Hodges

II. APPROVAL OF AGENDA:

There was one addition to the agenda, Action Item B. Burial Depth Policy.

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

Yea: 5 Nay: 0 Absent: 0 Motion Carried

III. APPROVAL OF MINUTES:

It was moved by BEACHUM, supported by SCHRAUBEN to approve the minutes of the September 11, 2014 regular meeting minutes with one minor typo correction.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

It was moved by BEACHUM, supported by SCHRAUBEN to approve the September 11, 2014 closed session meeting minutes.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

It was moved by BEACHUM, supported by SCHRAUBEN to approve the September 19, 2014 special meeting minutes.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

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

There was no public comment.

V. **ACTION ITEMS:**

A. **2014 Annual Audit Presentation and Approval:**

Peter Haefner with Vredeveld Haefner LLC presented the audit findings to the Board. Peter first pointed out a new accounting standard that was implemented for this year which includes a prior bond issuance cost to be written off; previously this had been amortized and depreciated over the life of the bond.

Peter informed the Board there would be a new accounting standard coming for next year, which will require a portion of the liability from an unfunded pension plan to be recorded on our books.

Peter stated Lowell Light and Power received the highest opinion one can receive. In summary, the financial statements in all material respects, the financial position of Lowell Light and Power, (an enterprise of the City of Lowell, Michigan) as of June 30, 2014, and the changes in financial position and cash flows thereof for the year, ended in accordance with accepted accounting principles.

It was MOVED BY BEACHUM, supported by SPICER to accept the 2014 annual audit.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. **Burial Depth Policy:**

Pierce stated last month the underground policy was reviewed and there was discussion regarding revising that policy. Additional practices have been put in place to include a photo of our inspection conditions & depth, to be placed in the work order file. The City Attorney is working on writing a

liability disclaimer to be presented to the property owner at the time they apply for service.

The Board had a lengthy discussion on this issue.

It was MOVED BY BEACHUM, supported by CADWALLADER to revise Underground Distribution Line Policy, 6.6 B3, to state all underground lines in our service area shall be in conduit and will meet or exceed the national standards.

Yea: 3 Nay: 2 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

A. Performance Data: Pierce reported on September data.

B. Income Statement (September 2014): Pierce reported on Septembers' 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 was held in Bay City this year, Greg, Tom, Mark and Sharon attended portions of the conference.
- **APPA Update:** Sharon will be attending the APPA Customer Connections Conference this month and Steve attended the APPA Financial and Management Conference.

Our RP3 submission was received by APPA in September.

- **System/Generation Upgrade Progress:** There were two outages in the month of September.
- **Adopt-A-Road:** Our September 29th clean up went well, Pierce thanked Sharon, Tom, Mark, Julie and Megan for completing the clean up.

- **Video Camera:** Last month was the first Board meeting that appeared on You-Tube. Pierce thanked Scott at the Police Department for helping us get the video into the You-Tube video.
- **Buried Line Policy Review:** Was reviewed as an action item. Pierce asked the Board how they'd like to handle if it does come to our attention on private property that the shift occurred and the line is less than our policy calls for. Do we require the property owner fix it at the time and if they refuse, do we fix it and charge them on their bill? It was determined that they would like the document to say; "may" require.

Canfield had to leave the meeting at 8:20 p.m.

- **Payables:** Pierce presented September payables.

D. **Schedule of Meetings:** October was presented.

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

VIII **NEXT REGULAR LLP BOARD MEETING:** The next Board meeting will be held, Thursday, November 13, 2014.

IX. **BOARD COMMENT:**

Schrauben commented he appreciates the discussion and feels it makes them a better Board.

Cadwallader stated she would be grilling at Harvest Festival and encouraged everyone to come out.

Spicer congratulated Steve on a great audit. Tamela would like a schedule of reviewing policies.

Mayor Hodges announced Saturday is community clean up day and Harvest Festival.

Beachum stated the Trails committee thanked Lowell Light and Power putting the anchors on their benches to secure them in place.

X. CLOSED SESSION:

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

Yea: 4 Nay: 0 Absent: 1 Motion Carried

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

It was MOVED BY SPICER, supported by SCHRAUBEN come out of closed session at 8:35 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

XII. ADJOURNMENT: It was MOVED BY SPICER and a supported by CADWALADER to adjourn the regular meeting at 8:37 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Canfield

Date