

**Minutes for the  
Board of Lowell Light & Power's  
Regular Meeting – October 12, 2017**

**I. CALL TO ORDER AND ROLL CALL:**

The meeting was called to order at 6:00 p.m. by Chairman Beachum. General Manager Steve Donkersloot called the roll.

**Present:** Board Members: Perry Beachum, Andrew Schrauben, Jeff Dickerman, Tina Cadwallader and Jim Salzwedel

**Absent:** None

**Also Present:** General Manager Steve Donkersloot, Utility Services Coordinator Sharon Morris, Plant Accountant Megan Keyser, Distribution/Transmission Manager Ryan Teachworth, and Generation Superintendent Doug Barnes

**II. APPROVAL OF AGENDA:**

It was MOVED BY SALZWEDEL, 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 SALZWEDEL, to approve the September 14, 2017 Regular Board Meeting Minutes.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to approve the September 14, 2017 Closed Session Meeting Minutes.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

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

There was no public comment

**V. ACTION ITEMS:**

**A. Fiscal Year 2017 Audit Presentation and Acceptance**

Peter Haefner and Matt Smith from Vredeveld Haefner presented and reviewed slides and gave a summary of the audit findings. LL&P received a clean audit which is the highest opinion that can be received.

It was MOVED BY CADWALLADER, SUPPORTED BY SALZWEDEL, to approve the audited financial statement for Fiscal Year 2017.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**B. Discussion and Potential Adoption of Economic Development Rate**

Mark Beauchamp with USF presented a couple different Economic Development Rate options (5 Year and 3 Year) to the Board last month. At that time, there was a consensus by the Board to table this and asked Donkersloot to talk with City Manager Mike Burns.

Since last month's meeting, Donkersloot had the opportunity to talk with Mike regarding this. Mike is in favor of the LL&P Board adopting one of the two rates that were presented by Mark Beauchamp last month.

After much discussion, the Board decided they were most comfortable with the 3 Year Economic Development Rate.

It was MOVED BY SCHRAUBEN, SUPPORTED BY SALZWEDEL, to adopt the 3 Year Economic Development Rate.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**C. MERS 2018 COLA**

At the August Board Meeting, the Board decided to have valuations performed to determine the cost of providing LL&P retirees with a 2.50% or a 2.80% Cost of Living Adjustment (COLA).

Donkersloot summarized these items for the Board to review. There was Board discussion.

It was MOVED BY SALZWEDEL, SUPPORTED BY CADWALLADER, to adopt the 2.50% for a cost of \$78,129 COLA pending City Council's approval.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**D. Utility Pole Purchase**

There are several upcoming projects that require a number of utility poles. Therefore, more poles must be ordered to restock our inventory.

Three quotes were received: Bell Lumber & Pole bid came in at \$11,803, (their quote included a lower quantity of poles to fill their truck); McFarland Cascade quote was \$11,906; Thomasson Lumber was the low bid at \$11,041.30.

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to approve Thomasson Lumber's quote of \$11,041.30.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**E. Bank Signatures**

LL&P checks require two signatures on every check. Occasionally, staff may be out of town, therefore, a Board Member may be asked to sign a check. Since our newest Board Member Jeff Dickerman is a local business owner, it was asked by Chairman Beachum to add him to the list of authorized signatures.

It was MOVED BY CADWALLADER, SUPPORTED BY SALZWEDEL, to add Jeff Dickerman to the list of authorized bank account signatures.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**VI. INFORMATIONAL ITEMS:**

- A. Performance Data:** Donkersloot reported on September data.
- B. Monthly Outage Report:** There were three outages in the month of September.
- C. Income Statement:** Donkersloot reported on the September 2017 Income Statement.
- D. Capital Projects Report:** Donkersloot reported on the September 2017 Capital Project Report.
- E. Manager's Report:** Donkersloot gave updates to the Board on the following items:

**A. MPPA/MMEA/APPA Update:**

- a. MPPA:** Donkersloot gave an update on the preliminary budget.
- b. MMEA:** Donkersloot gave a detailed update on the conference in Lansing.
- c. APPA:** RP3 application has been submitted.

**B. System/Generation Upgrade Progress:**

- a. Bio-digester:** Nothing new at this time.
- b. Five Year Plan:** Severance Electric Co. is finished with the directional bore for our New Circuit #203 Project.

c. **Other System Projects:** The gas compressor installation is complete.

C. **LL&P Long Term Natural Gas Supply:** Consumer's Energy is working on the land footprint they will need for the regulator station.

D. **Standby Generator:** Is now on site and will be set up/configured in the coming months.

E. **MERS Conference:** Steve and Gail had the opportunity to attend the Annual MERS Conference in Detroit.

F. **Community Solar:** Nothing new at this time.

G. **Fiber to the Home:** Nothing new at this time.

H. **White's Bridge Hydro:** Nothing new at this time.

I. **Payables:** September payables were included.

F. **Schedule of Meetings:** October/November was presented.

VII. **NEXT REGULAR LL&P BOARD MEETING:**

The next Board Meeting will be held on Thursday, November 9, 2017.

VIII. **BOARD COMMENT:**

Salzwedel mentioned he is running for City Council and the election is held on November 8<sup>th</sup>. If Jim wins, this may be his last LL&P Board meeting. He said, "It has been a pleasure serving on the LL&P Board".

Cadwallader congratulated the staff on a clean audit.

Schrauben attended the MMEA conference and enjoyed many of the breakout sessions, as well as networking with other municipals. Andrew

welcomed Jeff to the LL&P Board and wished Jim good luck in the City Council elections. Lastly, Andrew wished his wife a Happy Anniversary.

Dickerman appreciates the opportunity to serve on the LL&P Board.

Beachum had many questions regarding cyber security. Donkersloot discussed the potential affects of our system in detail. There was Board discussion.

**IX. ADJOURNMENT:**

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to adjourn the Regular Board Meeting at 7:58 p.m.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

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Chairman Beachum

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Date