

**Minutes for the  
Board of Lowell Light & Power's  
Regular Meeting – October 11, 2018**

**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, Jeff Dickerman, Dave VanKeulen, Tina Cadwallader and Andrew Schrauben

**Also Present:** General Manager Steve Donkersloot, Distribution Manager Ryan Teachworth, Generation Superintendent Casey Mier, Plant Accountant Megan Keyser and City Councilman Jim Salzwedel

**II. APPROVAL OF AGENDA:**

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

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**III. APPROVAL OF MINUTES:**

It was MOVED BY VANKEULEN, SUPPORTED BY CADWALLADER, to approve the September 20, 2018 Regular Board 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 2018 Audit Presentation and Acceptance**

Peter Haefner, from Vredeveld Haefner, attended the Board Meeting and presented the audit findings and made comments on the audit. LL&P has received a clean audit this year – the highest opinion that can be received.

Peter reviewed several graphs showing what has happened over the last year, as well as historical data. Peter answered several Board member questions and explained the process of the audit; specifically, Payment in Liew of Taxes (PILOT) and underfunded retirement (MERS) pension liabilities. Donkersloot added that LL&P is projected to be fully funded in the next six years.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to approve the audited financial statements for Fiscal Year 2018.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**B. Office Furniture Purchase**

Enwork and Interphase Interiors final drawings and quotes were presented for new office furniture.

The quote from Interphase Interiors, a dealer for Haworth, came in at \$60,388.16 after the MiDEAL program discount. This program allows LL&P to buy goods and services at the State of Michigan’s discounted rate.

Enwork is offering LL&P a 77% special pricing discount, resulting in a total of \$40,291.86.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to approve Enwork’s quote for \$40,291.86.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

**VI. INFORMATIONAL ITEMS:**

- A. Performance Data:** Donkersloot reported on September's data.
- B. Monthly Outage Report:** Three outages occurred in the month of September.
- C. Income Statement:** Keyser reported on the September 2018 Income Statement.
- D. Capital Projects Report:** Donkersloot reported on the September 2018 Capital Project Report.
- E. Board Training Session – Revenue Bonds & Annual Bond Disclosure:** Plant Accountant, Megan Keyser, gave a presentation to the Board.
- F. Manager's Report:** Donkersloot gave updates to the Board on the following:
  - A. MPPA/MMEA/APPA Update:**
    - a. MPPA:** Donkersloot provided an update on several items from MPPA's October's three-hour MPPA Board Meeting.
    - b. MMEA:** The executive director of the MMEA, Jim Weeks, believes that SB 637 (the small cell wireless bill that telecommunication companies are pushing for 5-G technology) will make it to the Governor's desk.
  - B. System/Generation Upgrade Progress:**
    - a. Five Year Plan:** Staff met with GRP to officially kick-off the Doc Addition and new circuit #204 Projects. Donkersloot discussed highlights for these projects. There was Board discussion.

- b. **Other Distribution Projects:** The switch for the South Broadway/King Milling Project has been installed. Ryan gave a detailed update.
- c. **Generation Update:** The generation department is continuing to research facility processes with a focus on system safety for personnel and equipment. Casey gave a detailed update to the Board on the generation facility.
  
- C. **LL&P Long Term Natural Gas Supply:** Things are at full speed. The city department heads, LL&P staff, and LL&P Board of Directors have been sent multiple emails about the project, including dates when major components of the project are scheduled to be completed.
  
- D. **Energy Center Space:** Donkersloot provided additional lease and lift station/pipeline information, requested by Litehouse, to Mike Burns and Dick Wendt for their review. Donkersloot gave details of the lease.
  
- E. **Public Power Week:** October 7<sup>th</sup>-13<sup>th</sup>! Donkersloot gave an update of events going on during the week as well as staff volunteering in the community as part of “giving back”.
  
- F. **Engine Room Generator Removal:** Farabee, Inc. is hoping to remove the generators in November. The distribution has spent significant time completing our action items in preparation.
  
- G. **Internet Upgrades:** Analysis is still being performed.
  
- H. **Potential Communication Investment in Radios:** Ron provided a memo regarding the potential investment in a radio system for LL&P. The three potential options were discussed in detail.
  
- I. **Cherry Creek School:** On October 17<sup>th</sup> – 19<sup>th</sup>, 125 4<sup>th</sup> grade students from Cherry Creek will be touring the Energy Center. It is our goal that we make this an annual field trip for all 4<sup>th</sup> graders at

Cherry Creek going forward. The “Think Energy” Program is scheduled at Cherry Creek on October 25<sup>th</sup>.

**J. Community Cleanup Day:** LL&P took in 14 customer appliances during the event which will provide kWh savings for our EWR Recycling Program. The event was a success!

**K. Work Anniversaries:** There are no work anniversaries in the month of September.

**L. Payables:** September payables are included in your packet.

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

**VII. NEXT REGULAR LL&P BOARD MEETING:** Scheduled for Thursday, November 8<sup>th</sup>.

**VIII. BOARD COMMENT:**

Schrauben thanked Megan for her presentation.

Cadwallader thanked the staff for a clean audit.

Salzwedel was pleased to be part of LL&P’s Board meeting in Marty’s absence.

VanKeulen is pleased Casey is being very thorough going through the Combustion Turbines and safety systems.

Dickerman thanked Megan for her presentation. Jeff thanked Casey for giving him a tour of the energy center.

Beachum was pleased to see Public Power week on the Larkin Marquee. Perry would like to brainstorm about the best way to educate the public in

regards to LL&P's rates verses Consumers. He feels there are customers who feel their rates would be less expensive if they had Consumers Energy.

Perry and Steve currently sit on the Arbor Board. The Arbor Board is supposed to have a certified arborist on the Board. It is Steve and Ryan's desire to have Steve Shade join this Board as a non-voting member. Steve is very knowledgeable and plans to become arborist certified.

Kudos to the LL&P staff, leadership and the Board for making LL&P a place where employees are excited to come to work.

**IX. ADJOURNMENT:**

It was MOVED BY DICKERMAN, SUPPORTED BY VANKEULEN, to adjourn the Regular Board Meeting at 9:02 p.m.

Yea: 5      Nay: 0      Absent: 0      Motion Carried

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Chairman Beachum

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Date