

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – May 9, 2019**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 6:30 p.m. by Chairman Beachum. General Manager Steve Donkersloot called the roll.

Present: Board Members: Perry Beachum, Jeff Dickerman, and Andrew Schrauben

Not Present: Tina Cadwallader and Dave VanKeulen

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to excuse Tina Cadwallader and Dave VanKeulen.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

Also Present: General Manager Steve Donkersloot, Distribution Manager Ryan Teachworth, Generation Superintendent Casey Mier, Utility Services Coordinator Sharon Morris, Staff Accountant Julie Stewart and Lowell City Councilman Marty Chambers

II. APPROVAL OF AGENDA:

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

Yea: 3 Nay: 0 Absent: 2 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to approve the April 11, 2019 Regular Board Meeting Minutes.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to approve the April 25, 2019 Special Board Meeting Minutes.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to approve the April 25, 2019 Closed Session Meeting Minutes.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

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

There was no public comment.

V. ACTION ITEMS:

A. Solar Authorization for Power Purchase with the MPPA

MPPA has received authorization from their Board to execute a solar PPA to supplement the expected loss of energy production from the Wind PPA that was approved in 2016. The PPA is contingent on receiving authorization letters from members to purchase the power from MPPA. MPPA is recommending that LL&P commits to purchase 1.40 MW's of installed capacity which translates into an expected energy offtake of 2,192 MWh's annually; this is approximately the same number of MWh's we expect to lose from the Wind PPA. The rate will not exceed \$36.95 per MWh in the first year; \$4.50+ less per MWh than the Wind PPA. This rate will increase 2% per year throughout the term of the 25-year agreement. Our commitment (PPC) under the existing Energy Services Agreement that LL&P has already agreed to.

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to enter into the Purchase Power Contract with the MPPA for 1.40 MW's of solar energy.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

B. Contractor Work Bid Approval for Project #105 (in Five Year Plan)

Last fall the Board approved GRP's Engineering Service Proposal to upgrade the voltage on circuit #205 from 4,160V to 12,470V on the north side of W. Main Street in the Dock Addition area (Project #105 in the Five Year Plan). This will reduce our power losses which directly translates into costs savings for LL&P. In addition, we will be going from overhead to underground with the electric infrastructure for this project, which will improve the aesthetics and eliminate the need to tree trim that area.

As part of GRP's scope of work, they issued RFPs for the contractor work needed. They only received one bid out of ten contractors that were invited to submit bids. This bid was from Severance Electric Co. Inc. for \$479,410.25.

Michael McGeehan, President of GRP, has carefully reviewed the bid and has recommended we accept Severance Electric's bid of \$479,410.25 as it is less than GRP's independent construction cost estimate.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to approve Severance Electric's bid of \$479,410.25.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

C. FY 2020 Operating and Capital Budget

Donkersloot gave a detailed synopsis of the differences and similarities between the draft budget and revised budget.

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to approve the revised FY 2020 Operating and Capital Budgets. This will go to The City Council for final approval.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

D. FY 2020 Benefit Renewals

In May each year, we review, discuss, and renew of employee insurance benefit plans.

There is no increase to renew our dental plan with MMA. After review of other providers, Delta Dental can offer the exact same benefit levels we currently have at a cost reduction of 5.42% (\$570.60/year) with a 24-month rate guarantee or 8.53% (\$897.12/year) with a 12-month rate guarantee.

There is no increase to renew Life/AD&D and STD insurance plans with Sun Life. There is a 4% increase for our LTD insurance plan with Sun Life. After review of other providers, Mutual of Omaha can offer the exact same benefit levels we currently have at a cost reduction of 34.5% for Life/AD&D, 17.6% for STD, and 16.2% for LTD under a 24-month rate guarantee. This would result in approximately \$2,500+ in savings/year for LL&P in each of the next two fiscal years.

The IBEW health plan will increase by 3.28% effective January 1, 2020. This equates to a \$97.53/month increase for LL&P, or just less than \$1200/year.

For Non-Union Employees we are able to renew our Priority Health, Healthy By Choice (PH HBC) Plan and maintain the majority of the same benefit costs within the plan except for the Deductible for the Standard Benefit Level, which increases from \$2,500/\$5,000 (individual/family) to \$2,750.

The increase to renew our health plan is .95%. The most affected employee will see a \$3.68/month increase and the least affected employee will see a \$1.21/month decrease.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to approve the Delta Dental plan, the switch to Mutual of Omaha for Life/AD&D/STD, and LTD, and renew the Priority Health, Healthy By Choice Medical Insurance plan.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

E. Chamber of Commerce Assistance Approval for FY 2020

Lowell Light and Power has assisted The Chamber for decades with a variety of miscellaneous tasks (such as putting up and taking down banners on Main Street, installing Christmas lights, and more).

The Chamber is once again requesting our assistance from July 1, 2019 through June 30, 2020.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to approve the Lowell Chamber of Commerce's request for assistance during Fiscal Year 2020.

Yea: 3 Nay: 0 Absent: 2 Motion Carried

VI. INFORMATIONAL ITEMS:

- A. **Performance Data:** Donkersloot reported on April's data.
- B. **Monthly Outage Report:** There were four outages in the month of April.
- C. **Income Statement:** Donkersloot reported on the April 2019 Income Statement.
- D. **Capital Projects Report:** Donkersloot reported on the April 2019 Capital Project Report.
- E. **Manager's Report:** Donkersloot gave updates to the Board on the following:
 - MPPA/MMEA/APPA Update
 - Distribution/Generation Update
 - Transmission Update
 - Energy Center Space

- Work Anniversaries

Cadwallader arrived at 7:45 p.m. during the Manager’s Report.

- April payables were included in the packet.

F. Schedule of Meetings: May/June was presented.

VII. NEXT REGULAR LL&P BOARD MEETING: Scheduled for Wednesday, June 10, 2019.

VIII. BOARD COMMENT:

Andrew apologized for being late, he attended his son’s learning night at school.

Perry mentioned he is looking forward to having a future Board Meeting at the Energy Center. Perry is spearheading a group to place a vinyl fence around the cemetery at 8:00 a.m. on Saturday, May 18th. This will be completed so the cemetery looks good for Memorial Day. He encouraged the community to assist.

IX. ADJOURNMENT:

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to adjourn the Regular Board Meeting at 8:25 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Beachum

Date