

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – October 17, 2019**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 6:07 p.m. by Chairman Beachum. General Manager Steve Donkersloot called the roll.

Present: Board Members: Perry Beachum, Tina Cadwallader
Andrew Schrauben, and Daniel Crawford

Tardy: Jeff Dickerman (arrived before Action Item A at 6:16
p.m.).

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to excuse Dickerman knowing he was running late.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Also Present: General Manager Steve Donkersloot, Generation Superintendent Casey Mier, Distribution Manager Ryan Teachworth, Utility Services Coordinator Sharon Morris, Staff Accountant Julie Stewart, Plant Accountant Megan Mora

II. APPROVAL OF AGENDA:

Donkersloot made one addition to the agenda; Action Item F, New Pick Up Truck Purchase.

It was MOVED BY CADWALLADER, 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 CADWALLADER, SUPPORTED BY SCHRAUBEN, to approve the August 14, 2019 Closed Session Meeting Minutes.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

It was MOVED BY CRAWFORD, SUPPORTED BY SCHRAUBEN, to approve the September 12, 2019 Regular Board Meeting.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

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

There were no members of the public in attendance.

V. ACTION ITEMS:

A. IT Cyber Security Upgrade Project

A Business Continuity/Disaster Response Plan was added to the Strategic Plan earlier this year. The final Plan will include many components. However, the most critical is providing a robust, reliable, and flexible I.T. System. Our I.T. systems directly control our cash flow, payroll, email (our primary source of communication), and our VOIP phone system.

Kore Hi-Com and Addorio have spent significant time developing a proposed plan that is tailored specifically to our needs.

Kore Hi-Com gave a presentation and reviewed, in detail, their proposed Plan and pricing structure with the Board; this pricing was significantly less through the City's Michigan MIDeal Membership and Federal Sourcewell Membership.

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN to approve Addorio and Kore- Hi-Com's proposal not to exceed 147,155.02.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. Fiscal Year 2019 Audit Presentation and Acceptance

Peter Haefner with Vredeveld Haefner, who completed our audit, reviewed the details of our audit. LL&P once again received a clean audit this year – the highest opinion that can be received.

Haefner gave a presentation. Peter said the accounting staff did a great job preparing everything for the audit prior to their arrival.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approve the audited financial statement for Fiscal Year 2019.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

C. Lowell Rotary Club Assistance Approval

Lowell Rotary and LL&P partnering in at holiday lighting competition was discussed in detail at the September Board meeting. At last month's meeting, the Board charged Donkersloot to gather more information.

Donkersloot stated the Rotary was seeking to raise \$2,000-\$2,500 for the Youth Service Committee. Based on statistics, typical residents would use an additional 14 kWh's/month (\$1.34 in sales) and an enthusiastic user would use an additional 355 kWh's/month (\$33.02 in sales).

Donkersloot referred to the Board for direction, since he is part of both Rotary and LL&P.

It was MOVED BY CRAWFORD, SUPPORTED BY DICKERMAN, to proceed with the holiday lighting competition and give proceeds to the Rotary for the Youth Service Committee not to exceed \$2,500.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

D. Mezzanine (Inventory) System for Energy Center

Modification and better utilization of our Energy Center has been one of our Strategic Plan Action Items. In FY 2020 Capital Budget, \$125,000 has been budgeted for these modifications, including bathrooms, renovations to the control room, breakroom, office area, and the reconfiguration of the storage/inventory area of the facility. As Litehouse is planning to complete the construction of their wall on the east side of the building it makes sense to start the reconfiguration of the storage/inventory area of the facility. All the transformers will be moved to new pallet racking systems on the east side of the building. In parallel, we also need to procure a mezzanine system for the storage of our inventory, equipment, and tools. Ryan has solicited bids for Traditional and Pallet Rack Supported Mezzanine Systems.

The quotes we received were:

<u>Vendor</u>	<u>Traditional System</u>	<u>Pallet Rack System</u>
American Storage	\$42,597.02	No quote provided
Speedrack Midwest	\$44,050.00	\$72,060.98
Morrision	No quote provided	\$50,750.00
B&B Storage	No quote provided	No quote provided

Staff believes going the a Pallett Rack Supported Mezzanine Systems, this will provide us with greater functionality going forward at a price-point that is not material in nature compared to a Traditional Mezzanine System. Ryan shared additional thoughts and comments.

It was MOVED BY, DICKERMAN SUPPORTED BY SCHRAUBEN, to approve Morrison’s quote for \$50,750.00 for Pallet Rack Supported Mezzanine System.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

E. Recommendation to Purchase New Hi-Lo

Staff has been considering the replacement of our Hi-Lo; our current Hi-Lo was purchased in 2006 and is believed to be 30+ years old.

Thousands of dollars have been spent on this piece of equipment in recent years for maintenance purposes. We've had cylinders sealed, hydraulic tanks welded, and oil leaks fixed.

We have contacted two local vendors to quote a new replacement unit. We were specific about our needs and are happy to report all three quotes matched our standards.

The quotes we received were:

<u>Vendor</u>	<u>Make/Model</u>	<u>Price</u>
Hull Lift Trucks	Toyota 8FG45U V-Mast	\$48,459.00
Morrison Lift Trucks	Mitsubishi FG50CN1	\$48,550.46
Morrison Lift Trucks	Doosan G45S-7	\$45,496.00

The trade-in value for our Hi-Lo is estimated to be \$2,000. If the Board approves the recommended purchase, we believe opting to sell our old unit on Ranger Bid will provide a greater value.

Ryan discussed in detail the purchase of each make and model.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to move forward with staff's recommendation to purchase the Toyota Model from Hull Lift Trucks at a price of \$48,459.00.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

F. Recommendation to Purchase a New Pickup Truck

Donkersloot discussed that current and future staffing levels justify and call-for the purchase of another pickup truck for the distribution department.

As a governmental entity, we are able to take advantage of the City's membership with Sourcewell, a federal purchasing program. We have used Sourcewell (formally NJPA) for our VOIP Phone Project.

The pricing we received for a Chevy, Dodge, and Ford is as follows.

<u>Truck</u>	<u>MSRP</u>	<u>Sourcewell Price</u>
2020 Chevy Silverado 1500 Crew Cab	\$44,653.00	\$33,576.67
2019 Dodge Ram 1500 Quad Cab	\$41,360.00	\$40,081.68
2020 Ford F-150 SuperCrew	\$46,135.00	\$35,365.00

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to approve the purchase of the Chevy Silverado 1500 Crew Cab at a price of \$33,576.67.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

- A. **Performance Data:** Donkersloot reported on September's data.
- B. **Monthly Outage Report:** There were nine outages in the month of September.
- C. **Income Statement:** Donkersloot reported on the September 2019 Income Statement.
- D. **Capital Projects Report:** Donkersloot reported on the September 2019 Capital Projects Report.
- E. **Review and Potential Amendment(s) to Policies 5-3 and 5-4 "Residential and Commercial Security Deposits:** Donkersloot gave a detailed overview of our current policy and potential changes that may be needed. There was Board and staff discussion. The Board was in favor of Staff administering Section F of both policies as

written starting in 2020. The rest of the items were tabled to discuss in more detail at next month's Board meeting.

F. Discussion about Potential "Use of Tobacco" Policy: This was discussed in detail by Board and staff. This will be on next month's agenda as an Action Item.

G. Manager's Report: Donkersloot provided written updates to the Board on the following:

- MPPA/MMEA/APPA
- Distribution & Generation Projects
- Generation Projects
- Public Power Week/Harvest Festival
- Transmission Update
- ITC Annual Stakeholders Meeting
- Energy Center Space
- Think Energy Program
- GIS Update
- Business Continuity/Disaster Response Plan
- Annual MERS Conference
- IT Upgrades/Cyber Security
- Pole Attachment Agreements with AT&T and Comcast
- Work Anniversaries
- September Payables

H. Schedule of Meetings: October/November was presented.

VII. NEXT REGULAR LL&P BOARD MEETING: Scheduled for Thursday, November 14, 2019.

VIII. BOARD COMMENT:

Andrew thanked the employees who worked the Harvest Festival; they enjoyed watching the guys climb the pole to stay warm.

Daniel is excited to see the updates to the Energy Center once the mezzanine is installed and functioning.

Jeff congratulated the office on a great Audit and the line staff for all their outside work in September.

IX. ADJOURNMENT

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to adjourn the Regular Board Meeting at 10:20 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Beachum

Date