

**Minutes for the  
Board of Lowell Light & Power's  
Regular Meeting – March 8, 2018**

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

The meeting was called to order at 6:06 p.m. by Chairman Beachum.  
General Manager Steve Donkersloot called the roll.

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

**Absent:** Dave VanKeulen

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to excuse the absence of VanKeulen.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

**Also Present:** General Manager Steve Donkersloot, Distribution Manager Ryan Teachworth, Utility Services Coordinator Sharon Morris, Staff Accountant Julie Stewart, and Lowell City Council Liaison Marty Chambers

**II. APPROVAL OF AGENDA:**

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

Yea: 4      Nay: 0      Absent: 1      Motion Carried

**III. APPROVAL OF MINUTES:**

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to approve the February 8, 2018 Regular Board Meeting Minutes.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

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

There was no public comment

**V. ACTION ITEMS:**

**A. Adoption of Financial Matrices Guidelines Policy**

This topic was tabled from February's Board meeting after this was discussed/reviewed by Mark Beauchamp, President of UFS.

The purpose of tabling this was to allow LL&P staff time to prepare the specific financial matrices and policy for the purpose of keeping LL&P in a strong financial position.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to adopt the Financial Matrices Guidelines Policy, 5-17, in LL&P's Customer Account, Billing and Administrative Policy book.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

**B. Adoption of Billing Adjustments for Errors Policy**

Currently LL&P does not have a written policy to address the period of time to retroactively adjust a customer's account if a billing error took place.

After reviewing other MPPA members policy, four of the five all handled a billing adjustment due to an error in the exact same way.

Donkersloot reviewed the policy, which states that LL&P will refund a customer three (3) years if they were overbilled and may re-bill a customer for 12 months for an error LL&P made that causes the customer to owe additional money.

It was MOVED BY CADWALLADER, SUPPORTED BY DICKERMAN, to adopt the Billing Adjustment or Errors Policy, 5-18, in the Customer Account, Billing and Administrative Policy.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

**C.      Mini Excavator Purchase**

As part of LL&'s Equipment/Vehicle Replacement Plan and the Fiscal Year 2018 Capital Budget, \$40,000 was budgeted for the purchase of a mini excavator.

The distribution staff is currently using a 35+ year old backhoe (for underground work), which has numerous maintenance problems (oil and hydraulic leaks) that will cost more than \$7,000 to repair.

As a result, the distribution staff has spent time over the past two months researching and obtaining quotes for mini excavators in the 7,000-pound range so that it can be transported on one of the trailers we already own.

Quotes were obtained:

Michigan CAT - \$43,353

John Deere - \$36,215.00 (25% off list price discount)

Kent Equipment (Kubota dealer) - \$39,640.00 (after \$2,000 cash discount)

The three mini excavators quoted are all slightly different but did meet the basic needs of the distribution staff.

Kent Equipment Kubota mini excavator does have an extra beneficial feature in that the blade can be angled – an advantage for backfilling trenches. The Kubota mini excavator also comes with a 24-month warranty while the John Deere comes with a 12-month warranty.

Although the Kubota mini excavator did not come in at the lowest price, it was below the \$40,000 budget.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to purchase the Kubota mini excavator through Kent Equipment for \$39,640.00.

Yea: 4

Nay: 0

Absent: 1

Motion Carried

**D. Relay Purchase for Five Year Plan Project (#102, #104, #106, #108)**

Over the past year, the LL&P Board has approved several Engineering Service Proposals from GRP Engineering relating to LL&P's Five Year Plan.

Many of these projects require one or more controllers (or relays), a protective piece of equipment. In addition, there is another project coming up in the near future, the construction of circuit #206 on the south side of the river (Project #106), that will require a relay. When purchasing the relays, there is typically a price break if ten or more are ordered on the same order. Therefore, it makes sense for us to purchase all of the relays needed for these four projects at the same time.

A quote and recommendation letter was presented for 13 Schweitzer relays, from Nick Abraitis, a project engineer at GRP.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to approve the purchase of 13 relays from A Star Electric for \$38,285.13.

Yea: 4

Nay: 0

Absent: 1

Motion Carried

**E. Material Purchase for Distribution Capacitor Bank Project (#107)**

In July 2017, the Board approved GRP's Engineering Service Proposal for a distribution capacitor bank project (Project #107). As part of GRP's scope of work, they issued an RFP for the materials needed for this project.

Bids were received from Resco for \$21,409, Wesco for \$17,851, Power Line Supply for \$17,195 and Anixter for \$16,745.

It was MOVED BY SCHRAUBEN, SUPPORTED BY DICKERMAN, to approve Anixter's bid of \$16,745.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

**F. FY 2019 Operating and Capital Budgets**

Every March LL&P is required to submit a copy of next fiscal year's budget to the City.

Donkersloot discussed the process and reviewed the Operating and Capital Budget for Fiscal Year 2019.

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to forward the budget to City Council.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

**VI. STANDBY POLICY REVIEW AND DISCUSSION**

Donkersloot reviewed the stand-by analysis for MPPA municipals, as well as LL&P's current policy. This analysis included response time and weekly pay for Lineman who are on call, should an outage occur during non-working hours.

Rich Mutchler, one of LL&P's Lineman/the IBEW Steward, spoke on behalf of an employee who currently lives outside the 30-minute response time and would like to be considered for an on-call schedule rotation once he is eligible.

There was good Board discussion. No decision was made.

**VII. INFORMATIONAL ITEMS:**

**A. Performance Data:** Donkersloot reported on February's data.

**B. Monthly Outage Report:** One outage occurred in the month of February. Donkersloot presented and discussed the 2017 APPA Annual Outage Report.

- C. **Income Statement**: Donkersloot reported on the February 2018 Income Statement.
- D. **Capital Projects Report**: Donkersloot reported on the February 2018 Capital Project Report.
- E. **Manager's Report**: Donkersloot gave updates to the Board on the following:

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

- a. **MPPA**: Donkersloot discussed the voluntary green pricing program (VGP) which is part of the energy legislation that recently passed. The MPPA 2018 Stakeholders meeting is in Grand Rapids on May 23 at GVSU Eberhard Center.
- b. **APPA**: Donkersloot gave an update on the APPA Legislative Rally he attended in February.

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

- a. **Bio-digester**: An auction is scheduled to take place.
- b. **Five Year Plan**: All material the material has arrived for construction of circuit #203 (Project #102).
- c. **Other System Projects**: Staff completed the fiber installation for Vergennes Broadband.

**C. LL&P Long Term Natural Gas Supply**: The City Council approved the Easement and Temporary Working Agreement with Consumers Energy for the Natural Gas Regulating Station.

**D. Solar**: We are currently in a waiting period while Performance Services work out details on the proposed site.

- E. **Cyber Audit**: Betsy and Kore Hi-Com will be providing a letter of recommendation for review.
- F. **Lowell Community Expo**: The Expo is Saturday, March 24<sup>th</sup>, from 9-3 at the Lowell High School.
- G. **Roof Repairs**: The roof repairs are complete.
- H. **Car-Pole Accident**: On Monday, February 19<sup>th</sup> (President's Day), there was a single-car, car-pole accident on the SE corner of N. Hudson and Chatham.
- I. **"Bring Your Child to Work Day"**: There was Board discussion regarding this program.
- J. **Office Remodel**: The office remodel is in full swing.
- K. **Payables**: February payables were included.

Additional items were discussed as part of the Manager's report.

- F. **Schedule of Meetings**: March/April was presented.

#### VIII. **NEXT REGULAR LL&P BOARD MEETING:**

The next Board Meeting will be held on Thursday, April 12, 2018.

#### IX. **BOARD COMMENT:**

Cadwallader thanked everyone who helped in the flood. Tina is looking forward to the Lowell Community Expo.

Schrauben wished his youngest son, Roger, a happy 5<sup>th</sup> birthday tomorrow.

Beachum asked if the City and LL&P will use the same attorney with Dick Wendt's retirement announcement. Perry mentioned he is leaning toward staying with the 30-minute response time.

**ADJOURNMENT:**

It was MOVED BY DICKERMAN, SUPPORTED BY SCHRAUBEN, to adjourn the Regular Board Meeting at 8:59 p.m.

Yea: 4      Nay: 0      Absent: 1      Motion Carried

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Chairman Beachum

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Date