

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – May 11, 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, Marty Chambers,
Andrew Schrauben, and Tina Cadwallader

Absent: Jim Salzwedel

It was MOVED by CHAMBERS, SUPPORTED BY CADWALLADER, to excuse
Jim's absence.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Also Present: General Manager Steve Donkersloot, Utility Services
Coordinator Sharon Morris, Staff Accountant Julie
Stewart, Distribution/Transmission Manager Ryan
Teachworth, and Lowell City Councilman Alan Teeland.

II. APPROVAL OF AGENDA:

There were two added agenda items:

Under IV (a), Perry Beachum added Rodeo Update.

Under VI, Donkersloot added Item (d), Switch Purchase for South Broadway
Project.

It was MOVED by CADWALLADER, SUPPORTED BY CHAMBERS, to approve
the agenda as amended.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

III. APPROVAL OF MINUTES:

It was MOVED BY CHAMBERS, SUPPORTED BY CADWALLADER, to approve the April 13, 2017 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 (for items not on the agenda).

- a. Ryan, Mark, and Perry gave an update on the Lineworkers Rodeo. Mark and Ryan thanked the Board for allowing them to attend and to compete. Photos were shared.

V. DISCUSSION REGARDING FUTURE LL&P BOARD MEETING DATES

There was discussion regarding moving summer meeting dates to Wednesday rather than the regular scheduled Thursday due to commitments Board Members have during the summer and the Concert Series.

It was MOVED BY CHAMBERS, SUPPORTED BY CADWALLADER, to move the Thursday, June 8th Meeting to Wednesday, June 7th.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

VI. ACTION ITEMS:

A. Cost of Service & Rate Design Study Results & Recommendation

Mark Beauchamp, President of UFS, presented the results of the cost of service study in detail and discussed their model and methodology made in determining his recommendation of LL&P's rates going forward.

Although the base rate is increasing most customers' net cost/kWh will still see a decrease as the PCA charge will be decreased at the same time the base rate increases.

There were Board questions and comments.

There was a Board consensus to move forward with UFS (Mark's) recommendation to increase the base rate of 1.45%/year, with a 1.00% bandwidth, over the course of the next five years.

B. FY 2018 Benefit Renewals

Each year the employee Dental and Health Care plans are reviewed.

The current dental plan is a good plan with good benefits. There is no increase in the dental plan.

We are able to renew our Priority Health HMO 500 Plan and maintain all of the same benefits (deductible, doctor's visit cost, prescription costs, etc.) except for the out-of-pocket limit, which increases from \$5,000/\$10,000 (individual/family) to \$7,150/\$14,300. This is the second consecutive year that the out-of-pocket limit has significantly increased (two years ago it was \$3,800/\$7,600). The reason is due to the Affordable Care Act (ACA). There is a new Coinsurance Maximum of \$3,500/\$7,000 now in place. This almost acts like a first out-of-pocket limit for all types of insurance needs that fall within the coinsurance classification; which most do. Unless there is a major health event that does not fall under the coinsurance classification, employee's out-of-pocket limit actually decreases.

The increase to the health plan renewal is 11.44%. This results in an average increase/month of \$10.56 to each employee in their payroll deduction. The most affected employee will see a \$30.69 monthly increase with the least affected employee seeing a \$2.46 monthly increase. This results in a \$950.59 monthly increase for LL&P, or \$11,407.07 in the fiscal year.

Donkersloot discussed details on other health care options that were reviewed and gave his recommendation.

It was MOVED BY CADWALLADER, SUPPORTED BY CHAMBERS, to renew LL&P's current dental and health, subject to the approval by the IBEW in the collective bargaining process, at a 0.00% and 11.44% increase.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

C. FY 2018 Operating and Capital Budget

Donkersloot provided details on a revised version of March's FY 2018 Operating and Capital Budgets and discussed the key differences between the two budgets.

There was Board discussion.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CHAMBERS, to adopt the FY 2018 Operating and Capital Budget to go to the City Council for final approval.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

D. Purchase of Switch

King Milling will purchase and own all the material to go from overhead to underground as well as for their facility upgrades. LL&P's vendor received a lower quote than King Millings quote.

LL&P received a letter from King Milling stating they will reimburse LL&P for the purchase of an Eaton Power Systems switch as outlined in the proposal plus any related freight expense. The quoted price is \$39,145.16, not including freight.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approve LL&P's purchase of the switch from Eaton Cooper Power Systems for \$39,145.16, not including freight with the understanding King Milling will

reimburse LL&P when the switch arrives and prior to LL&P paying Eaton Cooper Power Systems.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

VII. INFORMATIONAL ITEMS:

- A. Performance Data:** Donkersloot reported on April data.
- B. Monthly Outage Report:** One outage occurred in the month of April.
- C. Income Statement:** Donkersloot reported on the April 2017 Income Statement.
- D. Capital Projects Report:** Donkersloot reported on the April 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 provided updates on the Belle River Spring Meeting and the Annual Stakeholders Meeting.
 - b. MMEA:** Donkersloot provide an update on the Annual Spring Meeting.
 - B. System/Generation Upgrade Progress:**
 - a. Bio-digester:** Donkersloot gave updates on numerous conference calls that he, Mike Burns and Dick Wendt have had regarding LEAD's proposal.
 - b. Five Year Plan:** Nothing new at this time.

- c. **Other System Projects:** Hometown Furnishing service upgrade is completed. Ryan gave an update on a good forestry truck that was found in Indiana for \$55,000.
- C. **Collective Bargaining Negotiations:** IBEW cancelled the April 18th meeting due to a miscommunication about the date of the meeting on their end.
- D. **White's Bridge Hydro:** Councilmember Teelander and Trevor VanDyke (the mentoring student) toured the White's Bridge Hydro Dam.
- E. **LL&P Long Term Natural Gas Supply:** Nothing new at this time.
- F. **Standby Generator & Gas Compressor Options:** Nothing new at this time.
- G. **Community Solar:** Donkersloot gave an update on the progress.
- H. **SUS Customer Platform/Application:** Several corrections have been made with the Portal; we are moving in the right direction.
- I. **Fiber to the Home:** Nothing new at this time.
- J. **Fiber Extension to City Facilities and City-Wide Phone Project:** We are on schedule to go-live by no later than June 30th.
- K. **New Employee:** Steven Shade from Saranac was selected to fill the new Utility Ground Worker position.
- L. **Line Shack:** Mike Burns and Steve are working together on the RFP. Once the final draft is tweaked, a meeting will be scheduled with the Council and LL&P Board's for review.
- M. **Harvest Meadows Condominium Development:** Nothing new at the time.

N. Website: Is scheduled to go live very soon.

O. Lineworkers Rodeo: Ryan, Mark and Perry provided an update on the Rodeo earlier in the meeting.

P. Adopt-a-Road: On April 26th we had our first 2017 spring clean up and collected a dozen bags of trash.

Q. Payables: April payables are included.

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

VIII. NEXT REGULAR LLP BOARD MEETING:

The next Board Meeting will be held on Wednesday, June 7, 2017.

IX. BOARD COMMENT:

Chambers: Enjoyed the Stakeholders Meeting, the great speakers, and tour of the Capital. Marty encouraged others to attend this next year.

Cadwallader: Was glad Mark attended the meeting to explain the rate study findings. Tina feels it's important to reach out to the community to explain these adjustments.

Teelander: Lowell will be going to Wayland for a Mayor Exchange Day on June 16th.

Beachum: Perry discussed the General Manager Evaluation forms he handed out to Board Members. Perry would like Board Members to email evaluations back to him so they can further discuss during the June meeting. Perry offered to share videos from the Lineworkers Rodeo for those who are interested in staying after the meeting.

X. ADJOURNAMENT:

It was MOVED BY CHAMBERS, supported by CADWALLADER, to adjourn the Regular Meeting at 8:56 p.m.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Chairman Beachum

Date