

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – May 13, 2020**

I. CALL TO ORDER AND ROLL CALL:

The meeting was a Virtual Board Meeting. The meeting was called to order at 6:03 p.m. by Chairman, Beachum. General Manager Steve Donkersloot called the roll.

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

Absent: None

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

II. APPROVAL OF AGENDA:

It was MOVED BY CRAWFORD, SUPPORTED BY CADWALLADER, to approve the agenda as presented.

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

III. APPROVAL OF MINUTES:

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

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

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

There was no public comment for items not on the agenda.

V. ACTION ITEMS:

A. Conduit Occupancy License Agreement:

Donkersloot discussed the agreement in detail, drafted by Dickenson Wright. By the Board approving this Agreement, third-party vendors could potentially utilize/occupy vacant LL&P conduit, pending an application, meeting the requirements specified in the Agreement, and LL&P staff approval; the concept is similar to LL&P's Pole Attachment Agreement that allows third-party vendors to attach to LL&P poles.

It was MOVED BY CRAWFORD, SUPPORTED BY CADWALLADER, to approve the Conduit Occupancy License Agreement and for staff to move forward with hiring a consultant to determine and implement the appropriate lease rate in the Agreement.

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. Amendment to Consumers Energy Agreement for Provision of Natural Gas Facilities for Unpredictable Operations:

In February 2018, the LL&P Board approved an Agreement with Consumers Energy to construct a natural gas regulating station, which has since been built and is located within the fenced in area on the south side of the LL&P Office Building.

Within the Agreement is language that spells out how our annual rebate is to be calculated. When making the calculation for the first time, Consumers Energy concluded that the current language could cause problems in the future, if there were to be personnel changes within their organization, as it is more complicated than it needs to be. As a result, they approached Steve about potentially amending the Agreement.

Donkersloot reviewed proposed amendments that were mutually agreed upon pending LL&P Board approval.

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to adopt the proposed amendments to the Consumers Energy Agreement for Provision of the Natural Gas Facilities for Unpredictable Operations.

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

C. FY 2020 Benefit Renewal

In May of every year, the Board reviews, discusses, and renews employee insurance benefit plans.

Dental Plan – There was no increase to renew with Delta Dental.

Life/AD&D, STD. – No action needed to be taken as we entered into a two-year commitment last year.

Health Plan for Union Employees – No action needed to be taken as we entered into a three-year commitment two years ago.

Health Plan for Non-Union Employees – The increase to stay with our current, Priority Health, Healthy by Choice Plan is 5.03%. This would mean an average increase/month of \$5.03 for each employee and \$455.83/month for LL&P.

Other plans options from Priority Health, BCBS and Aetna were reviewed.

It was MOVED BY CADWALLADER, SUPPORTED BY SCHRAUBEN, to renew current Priority Health, Healthy by Choice Plan unless Aetna could offer a similar plan (coverage/benefits) at a reduced cost.

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

D. Resolution Recommending the Adoption of a Resolution of Intent and the Publication of a Notice of Intent to Issue Revenue Bonds

It was discussed during the Strategic Planning Session in February that numerous, long overdue facility upgrades need to take place at our Energy Center. At last month's Board Meeting it was discussed to move forward with all of these projects sooner than later through the issuance of a revenue bond.

Adopting this Resolution does not obligate us to issue debt.

It was MOVED BY DICKERMAN, SUPPORTED BY CRAWFORD, to adopt the Resolution of Intent and the Publication of a Notice of Intent to Issue Revenue Bonds and to send it to City Council for Final Approval.

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

E. FY 2020 Operating and Capital Budget

Donkersloot reviewed the changes that were made to March's budget. Donkersloot stated a revised operating and capital budget was extremely challenging to put together due to the COVID-19 pandemic.

It was MOVED BY SCHRAUBEN, SUPPORTED BY CADWALLADER, to approved the revised FY 2021 Operating and Capital budgets that were approved in March 2020

Roll Call Vote: Beachum, Schrauben, Crawford, Dickerman & Cadwallader were all Yea.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

F. COVID-19 Discussion and Potential Board Action

Tim and Cher Mastenbrook, on behalf of Cher's Tanning Salon, were on the call. They made comments to the Board regarding their demand and LL&P's ratchet rate. Donkersloot informed the Board the reason for the reasons why we have a 70% ratchet in the kW component of a demand customer's rate. There was much Board discussion.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to remove the ratchet within the rate structure for April 2020 due to the Executive Order that mandated certain businesses shut down.

Roll Call Vote: Beachum - Nay, Schrauben - Nay, Dickerman – Yea, Cadwallader - Yea & Crawford – Nay

Yea: 2 Nay: 3 Absent: 0 Motion Failed

Donkersloot discussed the following: department staffing and work schedules, normal operations, electric sales and cash flow, mutual aid, late fees, disconnects, C&I ratchet demand.

The Board made a decision to reinstate the late fee charges beginning in May; they only waived the \$10 portion of the fee in April.

VI. INFORMATIONAL ITEMS:

A. Performance Data: Donkersloot reported on April's data.

- B. Monthly Outage Report:** There was one outage in the month of April.
- C. Income Statement:** Donkersloot reported on the April 2020 Income Statement.
- D. Capital Projects Report:** Donkersloot reported on the April 2020 Capital Projects Report.
- E. Manager's Report:** Donkersloot provided written updates to the Board on the following:
- MPPA/MMEA/APPA Update
 - Distribution & Generation Projects
 - LL&P Staff
 - Retiree Health Care Exchange
 - Electronic Inventory Management System
 - Draw Down Revenue Bond
 - Commercial Credit Card Program
 - New Housing Development
 - Transmission Update
 - Potential Industrial Park in Lowell Township
 - Energy Center Space
 - GIS Update
 - Business Continuity/Disaster Response Plan
 - Pole Attachment Agreements
 - Line Shack RFP
 - Work Anniversaries
 - April Payables

Schedule of Meetings: May/June was presented.

- VII. NEXT REGULAR LL&P BOARD MEETING:** Scheduled for Wednesday, June 10, 2020.

This meeting was scheduled for Wednesday, June 17th, due to the MMEA conference, which has been cancelled.

It was MOVED BY CADWALLADER, SUPPORTED BY DICKERMAN, to move the meeting up a week to Wednesday, June 10th.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VIII. BOARD COMMENT:

Andrew and Tina commented they are happy to have great staff and organization who has been proactive. If we did not, the COVID-19 could have been much worse for LL&P.

Jeff congratulated Ryan and Gail and thanked them for their years of service at LL&P. He also congratulated the Donkersloot's on their new baby Cora, the first COVID baby he knows.

Daniel thanked the staff for taking care of things so well during this COVID pandemic.

IX. ADJOURNMENT

It was MOVED BY CRAWFORD, SUPPORTED BY DICKERMAN, to adjourn the Regular Board Meeting at 9:28 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Beachum

Date