

**Minutes for the
Board of Lowell Light & Power's
Regular Meeting – September 20, 2018**

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, Jeff Dickerman, Dave VanKeulen and Andrew Schrauben

It was MOVED BY VANKEULEN, SUPPORTED BY DICKERMAN, to excuse Cadwallader.

Yea: 4 Nay: 0 Absent: 1 Motion Carried

Tina Cadwallader arrived at 6:05 prior to the Action Items.

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

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 DICKERMAN, SUPPORTED BY VANKEULEN, to approve the August 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. New Bank Account/Financial Institution Authorization

Donkersloot discussed opportunities in the marketplace to earn up to 1.75%, meaning there a potential to earn significantly more interest income in the next 12 months rather than keeping money where it is today.

It was MOVED BY DICKERMAN, SUPPORTED BY CADWALLADER, to authorize staff to research and open up a new account (s) at a credible financial institution(s) for the purpose of increasing LL&P's interest income. The bank or credit union will be FDIC or NCUA insured.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

B. Engineering Services Proposal for Project #105 (in Five Year Plan)

GRP's Engineering Service Proposal for Project #105, circuit #205 "Doc Addition" voltage upgrade was presented.

The purpose of this project is to upgrade the voltage on circuit #205 from 4,160V to 12,470V on the north side of W. Main street in the Doc Addition area. This will reduce our power losses which directly translates into costs savings for L&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 in this area.

It was MOVED BY DICKERMAN, SUPPORTED BY VANKEULEN, to approve GRP's Engineering Service Proposal for Project #105 for \$74,000.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

C. Engineering Service Proposal for Project #106 (in Five Year Plan)

GRP's Engineering Service Proposal for Project #106 was presented. This project is comprised of many components, including: (1) Constructing a new circuit, #204, from the substation underneath the river to Grand River Drive; (2) Rebuild the single-phase line with three-phase along Grand River from Springside Drive to Segwun Avenue.

This will reduce the load on circuit #207 and sectionalize all of the residential load south of Grand River.

A portion of this project, including this engineering service proposal (came in \$2,000 under budget), has been budgeted for in FY 2019. The remainder of the will be budgeted for in FY 2020.

It was MOVED BY VANKEULEN, SUPPORTED BY CADWALLADER, to approve GRP's Engineering Service Proposal for Project #106 for \$32,000.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

D. Solar Authorization for Power Purchase with the MPPA

MPPA received authorization from their Board to execute two PPA's with developers; both are contingent on receiving authorization letters from members to purchase the power from MPPA. To support the PPA's, MPPA will be counting on LL&P to commit to purchase 2.4 MW's of installed capacity that we expect to amount to about 4,840 MWh's annually. The rate charged to each member participating will be a weighted average of the two MPPA PPA's based on actual generation from the two facilities, but can range plus or minus 2% per year through the 25-year term agreement.

MPPA has analyzed the economics and believes that solar facilities will bring a positive financial value well into the future.

It was MOVED BY SCHRAUBEN, SUPPORTED BY VANKEULEN, to enter into the PPC with the MPPA for 2.4 MW's of solar energy.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

VI. INFORMATIONAL ITEMS:

- A. Performance Data:** Donkersloot reported on August's data.
- B. Monthly Outage Report:** Five outages occurred in the month of August.
- C. Income Statement:** Donkersloot reported on the August 2018 Income Statement.
- D. Capital Projects Report:** Donkersloot reported on the August 2018 Capital Project Report.
- E. Board Training Session – Public Interaction:** Distribution Manager, Ryan Teachworth, gave a presentation to the Board.
- F. Manager's Report:** Donkersloot gave updates to the Board on the following:
 - A. MPPA/MMEA/APPA Update:**
 - a. MPPA & MMEA:** Donkersloot provided an update on the Escanaba meeting that took place in mid-September.
 - B. System/Generation Upgrade Progress:**
 - a. Five Year Plan:** Casey and GRP are working on the back-end programing of the SCADA system for the substation relay replacement project, #108.
 - b. Other System Projects:** The new three phase power for Betten Baker has been installed.

Staff spent a lot of time tree trimming.

- c. **Generation Update:** Casey gave a detailed update on the generation facility. He is happy to have the expertise of Tom Russo alongside of him.
- C. **LL&P Long Term Natural Gas Supply:** Staff and Consumers finalized their gas pipeline route for the interconnection to their existing pipelines.
- D. **Solar:** A purchase power commitment with the MPPA was discussed as an Action Item.
- E. **River Crossing:** Has been eliminated, which improved the view of the Flat River.
- F. **ITC Meeting:** ITC had their annual meeting in Lowell last month. Further details was discussed.
- G. **Energy Center Space:** Nothing new at this time.
- H. **Audit:** As expected, our annual audit went very well. Vredeveld Haefner will be presenting a summary of the audit and will be available for questions at the October 11th meeting.
- I. **Public Power Week:** Public Power Week is October 7th – 13th. Donkersloot gave an update about the plans for that week.
- J. **Engine Room Generator Removal:** The distribution department spent significant time preparing for the demo of the steel structure on the south side of the office building.
- K. **Internet Upgrades:** Donkersloot is spearheading a project to explore the possibility of umbrellaing all City facilities under one internet feed. The hope is to increase reliability and speed while decreasing costs for everyone.

L. **Community Cleanup Day:** Is scheduled for Saturday, September 29th. LL&P customers will receive an incentive to recycle refrigerators, freezers, dehumidifiers, and room AC units.

M. **Work Anniversaries:** August 15th marked Nicole's second year with LL&P!

N. **Payables:** August payables were included.

G. **Schedule of Meetings:** September/October was presented.

VII. **NEXT REGULAR LL&P BOARD MEETING:** Scheduled for Thursday, October 11th.

VIII. **BOARD COMMENT:**

Dickerman welcomed Tom Russo back to the LL&P team.

VanKeulen thanked the staff for going above and beyond their job description. Dave senses enthusiasm among the LL&P team.

Cadwallader is pleased about the upgrades that are going underground. Tina stressed the importance of posting LL&P's projects on social media to keep the public informed.

Schrauben loves the graphs; it gives him a good visual of trends. Andrew enjoyed Ryan's presentation on public interaction.

Beachum reinitiated other board member comments that it's great to see the staff excited about coming to work and working well together.

IX. ADJOURNMENT:

It was MOVED BY VANKEULEN, SUPPORTED BY SCHRAUBEN, to adjourn the Regular Board Meeting at 8:48 p.m.

Yea: 5 Nay: 0 Absent: 0 Motion Carried

Chairman Beachum

Date