

**MINUTES
BOARD OF LIGHT & POWER
SPECIAL MEETING – JANUARY 24, 2008**

Call to Order: Board Chairman Greg Canfield called the meeting to order at 5:32 pm with Board members Perry Beachum, Jim Hall, Judy Straub, Keith Valentine and General Manager Tom Richards present. Also in attendance was Mayor Jeanne Shores, Operations Manager Jeff Mullins and LL&P lineman Jon Francis. The Board officially welcomed newly appointed Board member Keith Valentine for his first Board meeting.

Approval of Agenda: There was a motion by Beachum and support by Straub to remove item 3 from the agenda (the approval of the minutes of the January 3 meeting) and to take up the matter during the next regularly scheduled monthly meeting of the Board on February 7. The motion passed with unanimous vote of the Board.

A motion was made by Beachum and supported by Hall to approve the agenda with item 3 deleted. The motion passed with the unanimous vote of the Board.

DISCUSSION ITEMS:

Review and discussion of power line clearance policy and practices: Richards proposed that to familiarize all Board members, he would give a brief presentation of the chronology of Lowell's power line clearance practices, concerns and issues in recent years. He also suggested presenting an abbreviated version of the presentation given at the public information meeting of January 25, 2007. The Board approved. Richards provided and answered Board member questions as he presented a brief history of the power line clearance events, decisions and actions beginning in 2001, including:

- Communication and relationships with the City DPW and City Council
- Significant power line damage and outages caused by contact with trees during storms in 1998, 2002, 2003 and 2004
- The Board's directives to improve LL&P's tree trimming program to reduce outages
- Meetings and written information provided to customers regarding the power line clearance requirements and practices used to prevent outages and dangers caused by tree contact with distribution lines
- The repair and restoration expenses incurred after storm damage to the system
- Trimming, removals and public concerns related to construction or rebuilding projects on Washington St, Grand River and Bowes Rd.
- A Sibley St. customer's protests and efforts to block the trimming of a private property danger tree, which was ultimately removed under the threat of legal action.
- Staff's exhaustive fact-finding efforts to identify all the applicable utility and arboricultural regulations, codes, standards, liability risks and best practices regarding power line clearance.
- The Board's repeated discussions and reviews of the utility's power line clearance practices.

- Multiple informational joint work-session meetings with City Council prior to the Bowes Road project.
- Resident and Council complaints regarding tree trimming issues, and communication and informational opportunities provided prior to and after those complaints
- The decision makers in cases of tree removals: (property owner or City staff)
- The involvement of an independent arborist in decisions regarding removal of specific right-of-way trees
- The process involved in developing the Board's power-line clearance policy and the support and concurrence from the Arbor Board and City Council.
- The Board's initiatives in committing/providing over \$20,000 in funding for the City's Tree Fund

At the conclusion, Richards presented an abbreviated version of the presentation that was given at the January 25, 2007 public information meeting, held for all residents in the next scheduled area for line clearance trimming. Key elements included in the presentation were:

- The utility's primary mission objectives of Safety, Reliability and Affordable (low cost) energy.
- The responsibility of protecting customers from electrical hazards and outages
- The higher priority now given to line clearance and adherence to regulatory, safety and arboricultural standards
- The electrical basis of hazards of trees contacting power lines
- The correlation between ice storms and power line damage and outages.
- Right-of-way designation as the property specifically reserved for utility lines
- The inadequacy of past trimming practices and the resulting growth of mature trees into the lines.
- State and national requirements for power line safety and line clearance practices
- Current line clearance practices and adherence to best practice standards
- Discussion of the underground distribution options, costs and limitations
- Positive communication practices with all property owners affected by trimming
- Illustrations of the damage and danger presented by unmanaged trees in ice storms

Board member Straub asked the purpose of the meeting.

Discussion followed regarding the Board-imposed 'moratorium' on tree trimming, the Board's questions regarding the current practices and concerns that have been presented to or by the Board members. Also discussed was the aesthetic impact of the removal of trees in the city, and the possible alternative of rebuilding lines to avoid conflicts with certain trees.

Also discussed was the difficulty caused when the community isn't aware of or prepared for the possible impact of trimming that's needed in their neighborhood. Staff clarified that the impact (removed trees) is not predictable, since the decision, between trimming or removal of specific danger trees is not made by staff. Also clarified was the process

used in communicating with property owners, to prevent misunderstandings by those directly affected.

Board members Canfield and Hall felt that the Board would like to be informed in advance of areas and trees requiring trimming, prior to the time the trimming is to happen. The Board questioned how much trimming is still needed during the current trimming cycle. Richards provided a map showing the specific areas where clearance work is still needed.

Board member Straub stressed the community's passion and sensitivity to trees in the city and the need for the utility to recognize that. Board member Hall emphasized the importance of balance between protecting mature trees that have grown into power lines and the Arbor Board's efforts to promote and encourage the renewal; planting new trees in appropriate locations. He emphasized the large disparity in cost between relocating or rebuilding power lines and planting new trees.

Discussion followed regarding the 10' hazard standard and the possibility of saving certain trees if they could be trimmed to a lesser clearance. Also discussed was the importance of uniformly applying the policy and adhering to a recognized standard. Concerns were expressed that without consistency and a uniform standard, the Board's work could be mired in continually considering the merits of each individual resident's argument about specific individual trees. Board member Valentine stressed that the Board's integrity was dependent upon being consistent.

Also discussed was the impression that trees are allowed to grow much closer to trees in Consumers Energy's system. Discussion followed about Consumers' reliability record and their ability to absorb liability awards. Richards cautioned the Board about comparing Lowell's just trimmed areas to areas where Consumers hasn't completed the needed trimming. He reminded the Board that their Consumers' standard is greater yet... 15'.

The possibility of coordinating with the Arbor Board was discussed... sharing the utility's trimming plans with the Arbor Board so that residents could be informed about the possibility of receiving new trees through the City's programs. Richards pointed out that the Arbor Board's plans and policies are not yet determined.

The Board discussed the concern that tree trimming or removal takes place without a written record or signed agreement by the customer affected. Staff clarified that there haven't been any legitimate disagreements regarding the consultation held with residents who were directly affected. Discussion followed about the value of having a written record or documentation of those consultations for future reference.

Richards agreed that the staff would document the discussions when affected property owners are advised of the required trimming.

The Board also requested that the Board members be given advanced notice of tree trimming that is scheduled, so that they will be informed about the work and prepared to respond if questioned about it. Staff agreed that they will provide the advanced notice to Board members who can then share it with the Arbor Board if appropriate.

Straub stressed the importance of the Board to be thinking strategically and defining its future long-term goals to address this issue and others. Mullins reminded the Board that underground options had been evaluated (and ultimately rejected) on the Bowes Road and South Hudson Street projects. Richards advised the Board that many cities are undergrounding their distribution as a part of city beautification projects, but the expense is usually paid from sources other than electric rates.

A motion was made by Beachum and supported by Hall to lift the moratorium on power line clearance trimming effective following the February 7, 2008 meeting, to resume operations following the existing power line clearance policy and to direct staff to provide advance written notice to the Board of scheduled power line clearance trimming. The motion passed with a unanimous vote to approve.

Beachum asked about the utility's policy for terminating service for non-payment. Staff explained the policy, the process used for notifying customers in advance of shut-off, and the practice of using meter limiters which limit usage (instead of shut-off) for residential customers in freezing winter weather.

Beachum read an article regarding a Michigan Public Service Commission investigation of a utility for possible failure to follow rules requiring a face-to-face notice with the customer before terminating service. The article referred a case where a customer died in a freezing house where power had been shut-off. Richards clarified that only the local Board regulated Lowell's utility, and that the MPSC had virtually no regulatory jurisdiction over municipal utilities. He also noted that LL&P's current practice provides two notices by mail and one by phone before a customer faces a limiter installation (in freezing weather) or disconnection during warmer weather.

The Board briefly discussed an inquiry from the Grand Rapids Press regarding the Board's decision to freeze the general manager's salary. Canfield suggested that the matter of Richards' compensation be added to the February 7 agenda, and that Tom provide the packet of evaluation/compensation information that was previously reviewed by the Board in advance of that meeting.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

A motion to adjourn was made by Hall and supported by Beachum. The motion passed by a unanimous vote of the Board. The meeting was adjourned at 8:27 pm.

Approved:

Greg Canfield – Chairman

7 February 2008