

**MINUTES
BOARD OF LIGHT AND POWER
REGULAR MEETING OF JULY 2, 2008**

Call to Order and Roll Call: The meeting was called to order by Board Chairman Canfield at 5:35 pm. Present were Board Members Beachum, Hall, and Straub. Also present were Interim General Manager Greg Pierce, Administrative Manager Mary Sawka and Mayor Jean Shores. There was a motion by Beachum and a second by Hall to excuse the tardiness of Board Member Valentine. The motion passed by unanimous decision of the Board.

Others Present: Cheri Staal, Mr. & Mrs. Tony Ellison, Ivan Blough and Mr. & Mrs. Wernet.

Approval of Agenda: There was a motion by Beachum and a second by Straub to approve the agenda as presented. The motion passed by unanimous decision of the Board.

Board Member Valentine arrived at 5:37 pm.

Approval of Minutes of June 5th and June 12th Board Minutes: The Board discussed the minutes of the June 5th, 2008 regular board meeting. With a couple minor corrections, there was a motion by Beachum and a second by Hall that the meeting of June 5th is approved as presented with corrections. The motion passed with the unanimous vote of the Board. Also discussed were the minutes of the June 12th, 2008 special board meeting. Also needing one minor change, there was a motion by Beachum and a second by Hall that the minutes of the special meeting of June 12th, 2008 be approved as presented with one correction. The motion passed by unanimous vote of the Board.

ACTION ITEMS

Accounts Payable for May 2008: After some questions by board members and answers by staff there was a motion by Beachum and a second by Hall to approve the accounts payable of May, 2008, as presented. The motion passed by unanimous vote of the Board.

Authorization Letter to MPPA changing Lowell Representative to Greg Pierce: There was a motion by Straub and a second by Beachum to appoint Greg Pierce as Lowell Light & Power's representative to MPPA. The motion passed by unanimous vote of the Board.

INFORMATIONAL ITEM

Performance Data: Pierce explained that the revenue was down in May in both residential and commercial. Also corresponding kilowatt hours sold was down as well. The number of residential customers remained about the same as well as the number of

commercial customers. He explained that the expenses were up slightly. He said the total cash and investments on hand were down a small amount for the month of May.

Pierce included information on the heating and cooling degree days for the month of May. The heating degree days were slightly above normal and the cooling degree days were even more below normal.

It was noted by the Board that even though the utility had a slow month the savings to the utility's customers was 22% below what Consumers Energy costs would have been.

Income Statement: The Board reviewed the income statement.

Manager's Report: Pierce reviewed the late payment policy and change that is taking affect with the next billing cycle and the notice that is going out to the utility's customers with the next billing.

Pierce gave an update on the Kalkaska combustion turbine. He said that the repairs have been completed and the engines were cold started June 30th to do system checks to make sure everything is running smoothly. The facility will be back in operation by the end of the week of (July 5th). There has not been a final determination on the cost and who will be paying for the repairs.

Pierce gave an update on the vegetative management. He said all trimmings previously listed on the Board's report have been concluded with the exception of the one on Grand River Dr. This is the only scheduled trimming other than what has been done after storms recently.

Pierce believes that he can facilitate the strategic planning. He said that the Board would need to schedule a couple of special meetings for this process. He suggests meeting in late July or early August.

Pierce went over the market compensation survey with the Board. He said he had received a proposal from Mark Beauchamp for \$3,900. A proposal was also received from Rehmann Robson in the amount of \$7,500. Sawka explained that with the Robson proposal it included job descriptions that the utility does not currently have and it also included job description changes that Robson would do for the utility. The price of \$7,500 could be lowered by taking off the job description the utility does not currently have. Pierce will bring back to the next board meeting an itemized report from both proposals.

Pierce reminded the Board that there is a Michigan Energy Providers Conference July 30-August 1 at the Grand Traverse Resort. He attached a tentative conference agenda for the Board's review. He asked the Board to let him know if any of them were interested in attending this conference.

Pierce reminded the Board that they still need to provide pictures for the utility's new website. Beachum said he had a camera with him and could take the pictures immediately after the meeting.

Schedule of Meetings: The Board reviewed the list of scheduled meetings presented by Pierce. Pierce asked the Board to add to that schedule the July 21st Arbor Board meeting at noon. The board was in agreement that Pierce would replace the previous general manager as a member of the Arbor board. Pierce related that the city manager also encouraged him to attend the Arbor Board meetings.

Complaint Register: Pierce said there have been no additions to the complaint register since the month of March.

Date for Next Meeting: The date for the next regularly scheduled board meeting is Thursday, August 7th.

PUBLIC COMMENT

Cheri Staal from 723 High Street expressed her concerns about the tree trimming that has been going on. She asked what the current policy is. She wanted to know if there was a moratorium currently on tree trimming. She was told that the moratorium has currently been lifted after this current Board had an opportunity to review the policy that is in place.

Sharon Ellison of 407 North Division Street also expressed her concern about tree trimming. She said that the utility has not given property owners any alternatives to cutting trees such as running lines underground. She thought that property owners were not being given advanced notice when trimming or cutting was going to be done. She said the homeowners were contacted one day before of the trimming or cutting that was going to be done the following day or even that same day.

Ivan Blough of 623 North Jefferson Street said that he was on the Light & Power Board back in the 1980's and 1990's and he remembered the policy of the board at that time was trimming in one third of the City each year so that every three years the entire city was trimmed. He felt this has not been followed and therefore there is aggressive cutting and trimming going on now. He said it was the same thing that happened with the cable company. It had been continually upgraded to keep up with technology until 1996 and then after that nothing was done which led to the eventual sale of the cable company. Blough also said he felt the utility is lacking in PR skills with the public.

Michelle Wernet of 717 High Street asked what the procedure is for notifying the homeowner when it is necessary for trimming to be done on that homeowner's property. She was told by Beachum that the policy says if the tree in question has to be cut or trimmed and is on the homeowner's property, the homeowner is notified either in person or by note on the door that they need to contact the utility. The tree is not to be cut or trimmed if the homeowner has not been contacted in advance. If the tree is in the right of

way Dan Desjarden from the City's DPW is contacted by the utility to access, along with Jon Francis from the utility, what should be done.

The Board thanked all the citizens for expressing their concerns and for their input and said that the company would get to the bottom of the notification questions to homeowners regarding tree trimming and cutting.

Blough said that he had one more question for the Board. He said he, along with others, had heard that there was a possibility that Lowell Light & Power was going to be sold. He asked the Board if that was true or just a rumor. Both Canfield and Beachum assured him that they had not heard that and that there had been no inquiries of this at all and to the best of their knowledge the utility was not going to be sold.

BOARD COMMENTS

Beachum reminded all that the Board meetings are held the first Thursday of every month at 5:30 pm at the Light & Power offices.

Valentine thanked the citizens who attended this meeting and said he appreciated their input.

Straub welcomed Greg Pierce, the interim general manager to the utility.

Straub also thanked the citizens who attended this meeting. She said it helps the Board to realize mistakes and get things corrected.

Straub also said that she had just returned from the American Public Power Association National Conference. The last workshop she attended was on customer service and what utilities need to do to improve customer service. She felt it was a very worthwhile workshop to attend. She will provide bullet points to the Board when she has them completed.

Shores also thanked the citizens for attending this meeting and urged them to continue to come to the board meetings and also to city council meetings. She said to come with concerns and come with ideas.

Canfield also thanked the citizens who attended this meeting for their attendance and their input.

Canfield thanked the staff at Lowell Light & Power and Greg Pierce, the interim general manager for their hard work in the last two weeks with the transition of new manager.

Shores asked Canfield to bring Pierce to the next council meeting and introduce him so the council can get to know him.

There were no other board comments, however, Wernet asked Straub to share the information with the Board that she got from the APPA conference. She asked her to do an in-service seminar with the Board with the facts that she learned. Canfield assured Wernet that when one or more of the Board members goes to a conference the information is shared with the rest of the board.

ADJOURNMENT

There was a motion by Beachum and a second by Straub to adjourn the meeting. The motion was passed by unanimous vote of the Board at 7:40 pm.

Approved

Greg Canfield-Chairman

Date