

Minutes
Board of Light & Power
Regular Meeting – July 27, 2006
Lowell Light and Power Offices

Call to Order: Chairman Austin called the meeting to order at 5:30 PM with Board members Perry Beachum and Jim Maatman present. Also attending was General Manager; Tom Richards, Administrative Manager; Mary Sawka, Operations Manager; Jeff Mullins and Council Member; Jeanne Shores.

Approval of Minutes: A motion was made by Maatman and supported by Beachum to approve the minutes of the June 27 Board meeting. The motion passed with the unanimous vote of the Board.

Accounts Payable: A motion was made by Maatman and supported by Beachum to approve the Junw accounts payable as presented. The staff answered Board member's requests for clarification on specific expenditures. The motion to approve passed with a unanimous vote of the Board.

Public Comment: The Board agreed with Chairman Austin's proposal to modify the agenda to allow those guests attending the meeting to share their comments. He welcomed the guests in attendance and they introduced themselves.

Sandy VanStee and Margaret Hoats 421 N. Jefferson and Ardith Barber 430 N. Washington all expressed their concerns regarding the utility's recent line clearance efforts and the effect on the trees in their neighborhood. Chairman Austin noted that Ms. VanStee's letter had been received by the members of the Board. The concerns expressed by the guests included:

- The number of trees that had been removed in the Jefferson, Washington and Monroe street areas.
- The opinion that other communities have mature trees, but Lowell is losing many of its trees along the city streets.
- Questioning whether the utility's trimming distance from power lines is bound by a specific law.
- The concern that the removal of trees may reduce the shade on homes increasing their electric usage and air conditioning cost.
- The concern that homeowners may be misled by LL&P personnel and convinced to remove a tree when it isn't necessary.
- That LL&P is advising property owners that they may incur financial responsibility for the tree if it dies later.
- When the trees are removed, the stumps are left behind for removal by the property owner.
- The proposal of trimming trees initially and returning to remove them later if they die as a result of the trimming.
- The proposal that the utility should "even out" the tree, cutting additional branches (not threatening the power lines) to make the tree more symmetrical
- The appreciation of LL&P's higher level of reliability but concerns that line clearance practices have become extreme.

Chairman Austin responded noting the comprehensive article in the Lowell Ledger that explained the utility's responsibility, motivation and practices regarding power line clearance. He also noted the Board's responsibility for dependability of service, even in severe weather conditions. He felt that LL&P's customers have appreciated the benefits of the utility's efforts. He asked for General Manager Richards to explain further.

Richards noted:

- The obligation of all electric utilities to minimize the potential of injuries or death from power lines coming in contact with trees (which are an electrical path to the ground).
- The responsibility of the utility to minimize the potential for electric interruptions during severe weather.
- The current program is unchanged from previous line clearance efforts except that a ten foot minimum clearance (a national standard) is being used uniformly, and property owners are being advised, in detail, about the trimming required and the apparent condition of their tree. The utility is offering to remove certain trees if the home owner prefers removal to the outcomes from the necessary trimming.
- Like all electric utilities, LL&P's responsibility is the customer's safety and the reliability of the electric service. The utility makes all reasonable efforts to maintain the health of the trees, but it cannot take responsibility for the trees, even if the necessary trimming contributes to the possible weakening or death of the tree.
- All trees that have been removed have been removed with the approval of the property owners. No trees have been removed against the wishes of the property owner.
- Before removal, the majority of the trees removed showed visible signs of disease, rot and structural weakness. During removal, the severity of these health problems became more obvious.
- He cited language in Lowell's Charter that makes property owners responsible for keeping the right-of-way clear, including the financial cost if the city removes offending trees or nuisances.
- Reliability is one motivation for good line clearance practices, but even more critical is reducing the chances of injury or death if a resident comes in contact with an aerial power line, or one that has been knocked down as a result of storms and inadequate line clearance.

Discussion followed, clarifying the 10 foot distance as the minimum allowable distance for distribution-lines to grounded objects (including trees), and the utility's practice of trimming trees according to arborists guidelines to help maintain the health of the tree.

Council Member Shores proposed a joint work session meeting with the Council and the Board, to discuss their mutual concerns and perspectives on responsibilities for trees in the right-of-way and the stumps that remain when trees have been removed. Chairman Austin noted that he had requested such a meeting two months ago when Council Members Pfaller and Mathews attended a Board meeting.

Chairman Austin thanked the guests for expressing their concerns. He promised that the citizens input is taken into consideration as the Board reviews the utility's practices and

goals. He expected that the stump removal question would be discussed with the City Council before any possible changes would be considered.

The three guests departed. Chairman Austin asked the other Board members to prepare their thoughts and recommendations on resolving the stump grinding question, for discussion at or possibly before the August meeting. Council member Shores volunteered to respond to the Board with possible dates for scheduling the work session meeting with the Council.

Performance Data: Richards reviewed financial, sales and performance data from the June operations of the utility compared to the prior month and the previous June. He noted

- A significant month to month increase in both residential and commercial energy sales
- Peak electric demand in June was lower than both May and June 2005. This was attributed to milder weather.

Income Statement: The Board reviewed the June 2006 income statement and a summary of significant trends and notable variations from the anticipated levels of revenues and expenses. Richards noted that, unlike many previous months, purchased power expenses for the month were within the normally expected range. He attributed this to the lack of surprise expenses from any of the generation projects, plus MPPA's efforts to operate more strategically in the MISO market system.

Resident David Harding of 804 N. Monroe arrived at the meeting.

Other Items: The Board reviewed a summary of current activities and projects for the utility; items discussed by the Board included:

- After further review of the options, Richards felt that hosting the office's e-mail on its own internal server was not justified or necessary at this time. If a change is considered, the staff will most likely use another outside service for its e-mail needs.
- Theft of personal valuables from the office by the after-hours cleaning service and the steps being taken get reimbursed for the loss. Also discussed were the background checks that would be required of any new cleaning personnel.
- An update of the improvements made at the Chatham street warehouse property to meet the requirements of the environmental due-care plan.
- The future of the pole buildings on North Washington, and the intent to coordinate that with the needs of the City.
- The Planning Commission's discussion of a possible ordinance to require certain standards for the restoration of the road right-of-way.
- A survey questionnaire proposed by the Planning Commission to assist in updating the city's master plan. Richards reported that he had requested changes to clarify that the utilities were supported by their charges and not by tax revenues.

Schedule of Meetings: The Board reviewed a schedule of upcoming meetings including meetings of the Lowell City Council, Michigan Public Power Agency and Power Pool,

Coordinated Energy Partnership Committee and Michigan Municipal Electric Association.

Next Meeting: The next regular meeting was set for 5:30 PM on August 31 at the Light and Power offices.

(Additional) Public Comment: David Harding expressed his dissatisfaction regarding the appearance of a tree on his property after limbs and branches were trimmed away from the distribution lines. He insisted that the utility was obligated to trim limbs and branches on the opposite side of the tree (toward his home) to give the tree a balanced appearance.

Austin responded that the utility is responsible for the clearance between power lines and trees, but it doesn't do additional trimming that isn't required for safety or reliability reasons. The utility therefore doesn't assume responsibility for additional trimming for the purposes of balance or aesthetics. He explained that if additional, cosmetic work, were done at the request of one property owner, the utility would have a similar obligation for all others who requested it. This could expand the role, responsibilities and costs of LL&P well beyond that of an electric utility. He expressed that the Board would consider his concerns as it reviews its policies and practices regarding power line clearance.

There was no additional public comment.

Adjournment: The chairman adjourned the meeting at 7:08 PM

Dave Austin – Chairman

Date