

**MINUTES  
BOARD OF LIGHT AND POWER  
REGULAR MEETING OF NOVEMBER 6, 2008**

**Call to Order and Roll Call:** The meeting was called to order by Board Chairman Canfield at 5:32 pm. Present were Board members Beachum, Canfield, Hall and Valentine. Also present were General Manager Pierce, Administrative Manager Sawka, and Administrative and Accounting Assistant Simmons.

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

**Approval of the Minutes of the October 9, 2008 Board Minutes:** The Board reviewed the minutes of the October 9<sup>th</sup> regular Board meeting. There were no additions, deletions, or corrections. There was a motion by Hall and a second by Beachum to approve the minutes of the October 9<sup>th</sup> meeting. The motion passed by unanimous decision of the Board.

**ACTION ITEM**

**Accounts Payable, September 2008:** The Board reviewed the Accounts Payable of September, 2008. Valentine asked for an explanation of the Dickinson Wright bill for the amount of \$124.00. Pierce explained that it was for legal service to review adverse possession rules with Mullins. There was a motion by Beachum to approve the accounts payable as presented. It was seconded by Valentine. The motion passed by unanimous decision of the Board.

**Transformer Purchase:** Pierce presented to the Board three bids for the three step-down transformers necessary to complete the next phase of the Bowes Road South Substation decommission. The first vendor is Solomon with a bid of \$80,035 to \$84,995. The second bid comes from ABB with an amount of \$67,794. The third received was from T and R with a bid of \$64,170.

Pierce explained that the bid from T and R was for rebuilt or refurbished transformers. The bid from ABB is for new transformers, and the bid from Solomon was for both rebuilt and new. With only a \$3600 difference between the lowest bidder, T and R with refurbished equipment and the next highest bidder ABB who is offering new equipment it was staff's belief that it is worth the small cost differential to purchase the new equipment from ABB. Delivery is expected in eight to ten weeks (January) and the utility can plan for installation as soon as weather permits in the spring. After further discussion there was a motion by Beachum and a second by Hall to accept the bid from ABB in the amount of \$67,794.00. The motion passed by unanimous decision of the Board.

**MERS COL Resolution:** Pierce explained to the Board the Municipal Employees Retirement Systems annual cost of living increase. He said MERS requests authorization, via Board resolution for a standard 2% raise for retired employees. Both the City of Lowell and Lowell Light and Power have elected to approve the resolution in the past. The total liability for this resolution is \$16,446 (or \$936 per year amortized over 29 years) and applies to the utility's regularly vested (4) retirees. LLP has a second Plan Division for Mr. Christman that is not at the required funding level to be eligible for the cost of living benefit. This second plan has not received the cost of living adjustment since 2005 and it would take a onetime contribution of \$37,700 to this under funded plan for it to be eligible. The Board could also elect some other percentage or a flat dollar amount increase under the "flexible" option. Pierce said it was his belief that the traditional 2% option was the easiest to administer and it was his recommendation that the Board adopt this option for 2009. Valentine asked if the utility knew what increase the City had adopted. Pierce said he didn't know but would ask the City Manager what was approved by the Council. After a little more discussion there was a motion by Hall and a second by Beachum to adopt the 2% MERS cost of living increase for the utility's retirees unless Pierce finds out that the City adopted less. In that case Lowell Light and Power would approve the same amount that the City adopted. The motion passed by unanimous decision of the Board.

### **INFORMATIONAL ITEMS**

**Performance Data:** The Board reviewed the performance data presented by Pierce. He noted that both residential and commercial sales were down from last month as were the customer counts. However, with Paine Webber investment, bank balance and MPPA trust funds all up from last month making a 3.3% increase from last month and a 1.5% increase from last year. Pierce also noted that the September cooling degree days were 4% above normal, and the September heating degree days were 97% below normal.

**Income Statement (September 2008):** The Board reviewed the income statement. It was noted that there was a net income of \$7,426.25.

**Manager's Report:** Pierce presented to the Board:

- MPPA Update
- Tree trimming Update
- MERS Funding Report
- Compensation Survey Update
- 2009 Benefits Review
- The Revised Budget

- Chatham Street Warehouse Roof Repairs Update
- Dual Billings Report
- Demand Rate Customer Changes
- LLP/City Council Working Session (Nov. 20<sup>th</sup>, 2008 @ 7pm)

**Schedule of Meetings:** The Board reviewed the schedule of meetings and events.

**Complaint Register:** There have been no complaints since March 2008.

**Date of Next Regular LLP Meeting:** The next regularly scheduled Lowell Light and Power Board meeting will be held December 4, 2008.

### **PUBLIC COMMENTS**

There were no public comments.

### **BOARD COMMENTS**

Each Board member expressed their pleasure that Pierce was offered and accepted the position of General Manager of Lowell Light and Power. Each felt Pierce is a great asset to the organization.

### **ADJOURNMENT**

There was a motion by Hall and a second by Valentine to adjourn the meeting. Motion passed by unanimous decision of the Board.

The meeting was adjourned at 7:10 pm.

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**Chairman, Greg Canfield**

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**Date**