

**LAMAR UTILITIES BOARD
MINUTES OF THE UTILITIES BOARD MEETING
September 15, 2020**

The Lamar Utilities Board met in regular session in the Utilities Board Room at 12:03 p.m. with Chairman Thrall presiding.

Present: Jay Brooke, Doug Thrall, Patrick Leonard, Clifford Boxley, Kirk Crespin,
Don Steerman, Houssin Hourieh, Leala Owen, Linda Williams
Roger Stagner arrived at 12:06 p.m.
Absent: Lisa Denman

Minutes of Previous Meeting – August 11, 2020

Boardmember Brooke moved and Boardmember Leonard seconded to approve meeting minutes of August 25, 2020.

Voting Yes: Brooke, Thrall, Leonard, Boxley
Voting No: None

Boardmember Stagner arrived

Purchase Orders #89628 through #89681

Boardmember Leonard moved and Boardmember Boxley seconded to approve purchase orders #89628 through #89681 in the amount of \$1,220,471.20.

Voting Yes: Brooke, Thrall, Leonard, Boxley, Stagner
Voting No: None

Payment of Bills

Boardmember Stagner moved and Boardmember Leonard seconded to approve payment of bills: Vouchers #50165 through #50231 for a total of \$179,869.75.

Voting Yes: Brooke, Thrall, Leonard, Boxley, Stagner
Voting No: None

Consider Approval of Bid #1987 – Wooden Poles

Boardmember Stagner moved and Boardmember Leonard seconded to approve and award Bid #1987 – Wooden Poles to Stella Jones Corp. in the amount of \$30,455.00.

Voting Yes: Brooke, Thrall, Leonard, Boxley, Stagner
Voting No: None

System Operating Report

Superintendent Hourieh reported that the sales of electricity through August 2020 was up approximately 4.92% when compared to the same period of time in 2019. Residential sales were up approximately 8.28%, irrigation is up approximately 20.51%, and commercial/industrial sales are up approximately 1.20%. These three customer classes represent an estimated 96% of the total system sales.

Superintendent Hourieh reported that with G.E. Wind on site, the wind turbine crew completed the replacement of T-5's (Springfield's) Blade Pitch Drive. If you recall, the turbine faulted on August 8, 2020. G.E. wind completed their work on August 31st & September 1, 2020; however, there were continued faults to the adjacent blade control

boxes. The crew replaced the control wire harness and 3 selector switches. The turbine went back online generating electricity September 8, 2020.

Superintendent Hourieh stated that the ARPA board meeting is Thursday, September 24, 2020 by webcast.

Superintendent Hourieh gave an overview of LUB's System Risks and Liability. He cited the 1950's Feeders protection relays are obsolete and no longer supported and that if it fails, it will cause an extended power outage just like in 1987 for more than 12 hours. The cost to upgrade these power relays and breaker is about \$1.3M per SEL engineering proposal. We have 5 major U.G. feeders that comes out from the south side of the old plant and go under the rail road tracks that is at the end of its operating life, it will cost about \$1.0M to replace. Wind Turbine Gearbox failure will cost about \$0.5M and if we need to decommission our three wind turbines, it will cost about \$2.5M. Willow Valley Substation that has been on hold for 10 years will cost about \$5.0M. Litigation cost runs about \$30K/ Month. The Decommissioning of our 79 miles of Natural Gas Pipeline will cost about \$3.0M. CIRSA will cover only up to \$0.5M per year and its prorated based on the number of the electrical claims for that year since we are self-insured for storm coverage.

He stated that from 2003-2012 our distribution system suffered the lack of needed major improvements due to the focus on the LRP construction. In 2012, our rate consultant Phil Euler told us that we are in the Red and need to take some actions by keeping our Capital Improvement at about \$700K- \$800K and we continued to do so by just "getting by". My job, as a staff, is to present the facts to you and it's all up to the board to decide. Boardmember Stagner asked me to look into delaying the rate increase until 2022. I reached out to our Rate Consultant Andrew Ross and he is here by phone to go over it.

Andrew Ross went over the three Proformas and discussed the impact on our reserve and went over typical customers' bills where the amount of rate increases ranged from \$1.65/month for Residential customer, \$3.10/month for GSS customer, and \$8.00/month for GSL customer. The Board asked Andrew Ross to prepare a Proforma where the rate increase starts in 1/1/2022 for the next five years at a little higher increase that will get our reserve close to our level if we had kept the rate increase starting in 2021.

The board also requested that we continue with the public hearing scheduled for September 29, 2020.

Adjournment

There being no further business to come before the Board, Boardmember Stagner moved and Boardmember Leonard seconded that the meeting adjourn.

Voting Yes: Brooke, Thrall, Leonard, Boxley, Stagner

Voting No:

The meeting adjourned at 1:12 p.m.