

**PROCEEDINGS
OF THE JOINT MEETING BETWEEN
CITY COUNCIL
OF THE CITY OF LOWELL & LOWELL LIGHT & POWER
MONDAY, MAY 7, 2018, 5:35 P.M.**

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.

The Meeting was called to order at 5:35 p.m. by Councilmember Mike DeVore and City Clerk Susan Ullery called roll.

Present for City Council: Councilmembers Greg Canfield, Marty Chambers, Jeff Phillips, Jim Salzwedel (arrived at 6:06) and Mayor DeVore.

Absent: None.

Also Present: City Manager Michael Burns, City Clerk Susan Ullery, Police Chief Steve Bukala, City Attorney Dick Wendt and Lowell Light & Power General Manager Steve Donkersloot.

Present for Lowell Light & Power: Boardmember Tina Cadwallader, Boardmember Jeff Dickerman, Boardmember Andrew Schrauben, Boardmember Dave Vankeulen, and Chair Perry Beachum.

Absent: None.

2. EXCUSE OF ABSENCES.

It was moved by CHAMBERS and seconded by PHILLIPS to excuse the absence of Councilmember Salzwedel.

3. APPROVAL OF THE AGENDA

IT WAS MOVED BY CANFIELD and seconded by CHAMBERS to approve the agenda as written.

CC YES: 5. NO: None. Absent: Salzwedel.

L&P YES: 5. NO: None. Absent: None. MOTION CARRIED.

4. COMMENTS FROM CITIZENS FOR ITEMS NOT ON THE AGENDA.

There were none.

5. MOTION TO GO INTO CLOSED SESSION.

It was moved by CHAMBERS and seconded by PHILLIPS to go into closed session at 5:36 p.m.

YES: 5. NO: None. Absent: Salzwedel. MOTION CARRIED.

It was moved by BEACHUM and seconded by CADWALLADER to go into closed session at 5:36 p.m.

YES: 5. NO: None. Absent: None. MOTION CARRIED.

6. MOTION TO COME OUT OF CLOSED SESSION.

It was moved by CANFIELD and seconded by CHAMBERS for City Council to come out of closed session at 6:47p.m.

YES: 5 NO: None Absent: None. MOTION CARRIED

It was moved by CADWALLADER and seconded by VANKEULEN for Lowell Light & Power to come out of closed session at 6:47 p.m.

YES: 5 NO: None Absent: None. MOTION CARRIED

Mayor Devore returned the City Council to open session at 6:45 and introduced Attorney Dick Wendt.

Chair Perry Beachum returned Lowell Light & Power to open session at 6:54.

7. RESOLUTION FOR LOWELL LIGHT & POWER AND RESOLUTION FOR THE CITY OF LOWELL.

Attorney Dick Wendt explained the two resolutions. Then Wendt explained the termination agreement and release of claims attached to each resolution and that if approved, would be effective tomorrow. The termination agreement and release of claims accomplishes terminating all the existing agreements between Lowell Energy AD, LLC (LEAD), The City of Lowell and Lowell Light & Power. Part of the termination agreement and release of claims would require LEAD to pay all back utility bills and remove all equipment by June 30, 2018 unless the non-bio digester equipment is acquired by someone else at an earlier date and then LEAD would get out at that time. The release of claims also ensures a mutual agreement not to sue each other in any respect.

Wendt explained the resolution for the City of Lowell would also approve the operational terms of a pretreatment operation for Lighthouse, Inc. (Lighthouse) and the preparation and execution of a lease and operation agreement with Lighthouse incorporating the operational terms. Wendt went on to summarize the provisions of the operational terms meaning Lighthouse would agree to lease space at 625 Chatham. Lighthouse would also agree to acquire the lift station and be responsible for the operation and maintenance of the lift station and the existing pipeline between Lighthouse and 625 Chatham. Lighthouse would agree to only send processed waste to the pretreatment facility and would agree to remove all bio digester equipment from the site and not operate a bio digester on that site. Lighthouse would agree that they would initially (within six to eight weeks), establish a primary pretreatment facility using the equipment they acquire from LEAD. Lighthouse would agree to make sure what they are sending hydraulically and by substance, would be adequately processed, not harmful and treatable to the City's wastewater treatment plant and if not, they would stop sending it until it could be. Lighthouse would also agree (approximately within six to twelve months), to construct on the site a secondary pretreatment facility and also develop an odor mitigation plan which would provide that if the odor could not be mitigated, all operations would stop at the facility. The Lighthouse and the City of Lowell agreement would be for a term of ten years with an option to renew two five year terms, but either party could terminate the agreement with a one year notice.

Jim Frank, the President and CEO of Lighthouse spoke on behalf of Lighthouse and introduced the other members of the Lighthouse staff that were present. Frank explained who Lighthouse is and that they make great food products and that growth has been exponential in the last three years and that they are now in over 26,000 grocery stores in the US, Canada and Mexico. The largest producing plant is the one here in Lowell as most of the growth is centered here in Michigan. They have a total of five plants in three states which are Michigan, Idaho and Utah and each of the other facilities do their own processing of wastewater. Frank went on to explain the history of the company and that they are one hundred percent employee owned with 479 employees currently at their Lowell, Michigan plant. Frank expressed his concern with their current processing system and is thankful the City has listened to their concerns and are helping

Litehouse come up with a solution that works for everyone. Frank stated the Lowell Lighthouse has invested \$23 million in facilities and equipment due to their growth.

Frank then introduced Carl Hipwell who is an Industrial Process Engineer with T-O Engineers and provides treatment for many systems across North America. Carl Hipwell explained what they are proposing for the Litehouse system is an aerobic process, how it works and that some of the existing equipment can be repurposed but some existing equipment is for an anaerobic process and will be removed. The difference with anaerobic process is the system generates methane and hydrogen sulfide which is odorous and anaerobic bacteria cannot survive in an aerobic environment. Hipwell went on to explain their aerobic system does not include a bio digester, they will reuse the shell of the tank aerobically, they will only process water from salad dressing production, they will eliminate all manure and waste from other sources and all the manure, FOG, and Generator equipment will be removed.

Mayor Devore asked if there were any public comments on the resolutions presented. There were none.

IT WAS MOVED BY VANKEULEN and seconded by DICKERMAN to approve the Lowell Light & Power Resolution approving and authorizing execution of a termination agreement and release of claims between Lowell Energy AD, LLC, The City of Lowell and Lowell Light & Power.

YES: Roll Call: Board member Cadwallader, Board member Dickerman, Board member Schrauben, Board member Vankeulen, and Chair Beachum.

NO: None ABSENT: None. MOTION CARRIED.

IT WAS MOVED BY PHILLIPS and seconded by SALZWEDEL to approve Resolution 15-18 approving and authorizing execution of a termination agreement and release of claims between Lowell Energy AD, LLC, Lowell Light & Power and the City of Lowell and approving the operational terms of a pretreatment operation and execution of a lease and operation agreement with Litehouse, Inc. incorporating the operational terms.

YES: Roll Call: Councilmember Canfield, Councilmember Chambers, Councilmember Phillips, Councilmember Salzwedel, and Mayor Devore.

NO: None. ABSENT: None. MOTION CARRIED.

IT WAS MOVED BY VANKEULEN and seconded by DICKERMAN to adjourn the Lowell Light & Power Board members from the joint meeting at 7:18 p.m.

YES: 5. NO: None. ABSENT: None. MOTION CARRIED.

IT WAS MOVED BY SALZWEDEL and seconded by PHILLIPS to adjourn City Council from the joint meeting at 7:18 p.m.

YES: 5. NO: None. ABSENT: None. MOTION CARRIED.

DATE:

APPROVED:

Mike DeVore, Mayor

Susan Ullery, City Clerk

Perry Beachum, Light & Power Chair

