

# Marquette Board of Light and Power 8-27-19 MINUTES

## 2200 Wright St., Marquette, MI 49855 (906) 228-0311

A regular meeting of the Board of Light and Power was called and held on August 27, 2019 beginning at 4:30 p.m. by Vice Chair/Secretary, Robert Niemi. The meeting was called to order followed by the Pledge of Allegiance and Roll Call.

Present: Robert Niemi, Vice Chair/Secretary

Jerry Irby

John Prince

Ed Angeli

Absent: Tom Tourville, Chair

E. Angeli made a motion to excuse Tom Tourville, who is out of town. J. Irby supported the motion. R. Niemi appointed E. Angeli to be the Vice Chair/Secretary for tonight's meeting. J. Irby made a motion to approve the agenda as presented, which was seconded by J. Prince. Board unanimously approved the agenda.

1. **Approval of the July 23, 2019 Regular Meeting Minutes:**

E. Angeli made a motion to accept the July 23, 2019 Regular Meeting Minutes as presented. J. Prince gave support and Board unanimously approved minutes.

2. **Approval of Bills Payable:**

J. Prince made a motion to approve the Bills Payable, as presented, totaling \$1,236,416.64. J. Irby gave support and after discussion, the Board unanimously approved the Bills Payables.

3. **Public Comments:**

Mary Thorrington 2412 Huron Street, said that over the previous two weeks, they have had no reprieve with the noise. It has been a long haul for us.

4. **MEC Retrofitting Project Update:**

Executive Director Tom Carpenter updated the Board on the retrofit project. They have completed two full walls and half of the back wall. The radiator parts and materials have been installed to reduce the high pitching whining noise. We will need a testing company to quantify the results of the repairs. Director of Operations and Maintenance, Josh Hendrickson stated that when they work on the roof the progress should be quicker because they will not have to remove material from the roof but will be adding additional materials directly onto the roof. The project is currently in week 5 of a proposed 12-week schedule and early October is the estimated completion time. J. Prince requested that staff track their time they are using on this project.

Marquette Board of Light and Power 8-27-19 MINUTES  
2200 Wright St., Marquette, MI 49855 (906) 228-0311

5. **Recommendation to Award:**

**a. Removal, Replacement and Commissioning of Three (3) Circuit Breakers.**

J. Prince made a motion to accept the proposal from Energis High Voltage Resources in the amount of \$122,363.00 to remove, replace and commission the three (3) circuit breakers at Powder Mill Road and Shiras Substation. J. Irby gave support. Energis High Voltage Resources submitted the lowest bid meeting minimum quality standards. Board unanimously approved the proposal.

**b. Billing Office and Lobby Renovation.**

A motion was made by J. Irby to award the front office lobby renovations to Closner Construction and Sales, Inc. in the amount of \$131,488. They were the lowest bidder meeting minimum quality standards. The project is projected to be completed within eight (8) weeks, starting the week of September 9, 2019. The renovations will improve security for employees and provide individual private reception stations for customers. E. Angeli seconded motion to accept the bid. J. Prince stated that he would recuse himself from the bid because he is listed as a sub-contractor. Board approved with 3 yes votes and J. Prince recusing himself from the vote. During the remodeling, the next Board Meeting is scheduled to be held in the Community Room at Lakeview Arena.

6. **Recommendation to Sell Caterpillar 908H Loader:**

A motion was made by J. Prince to sell the 2005 Caterpillar 980H wheel loader to MD Contracting Inc. in the amount of \$60,000. T. Carpenter explained that they have been working on trying to dispose of it for the last year. J. Hendrickson shared how they came up with the value of it and gave the information out to the local contractors. Because this equipment is used for heavy industrial jobs, they did not put it out on bids. Motion was supported J. Irby and unanimously approved by the Board.

7. **Recommendation to Authorize Assistance to Close Customer CD:**

J. Irby made a motion to authorize Tobias Smith, Manager of Accounting & Customer Service to act as the Board's authorized agent to sign on a Wells Fargo CD Account to assist a customer with the closing of a CD that was used as a security deposit on an account. J. Prince gave support and Board unanimously approved.

8. **Recommendation to Approve:**

**a. Alger Delta Electric Cooperative Wheeling Agreement.**

A motion was made by J. Irby to approve the Wholesale Distribution Service Agreement between the Marquette Board of Light and Power and Alger Delta Cooperative Electric Association. J. Prince gave support to the motion. Alger Delta Electric terminated their wholesale power supply agreement with the MBLP in order to purchase power through WPPI Energy. But in order to deliver the power to their customers, Alger Delta must flow the power across the MBLP's distribution system. Chief Financial Officer, Mark Link explained to the Board that legally we couldn't say no and have an obligation to

# Marquette Board of Light and Power 8-27-19 MINUTES

## 2200 Wright St., Marquette, MI 49855 (906) 228-0311

serve them. So, MBLP staff worked with Utility Financial Solutions and legal counsel to negotiate this agreement. After discussion, Board unanimously approved the agreement.

### **b. Letter of Credit for Marquette County Road Commission (MCRC).**

MCRC now requires entities performing work in the right-of-way where they are not already present to provide a financial means outside of that entity's wherewithal to guarantee that the right-of-way, including its surface, subsurface, adjacent structures and appurtenances are restored and/or repaired to the commission's satisfaction. In order to satisfy the Marquette County Road Commission's requirement, J. Irby made a motion to approve a \$20,000 irrevocable letter of credit with Range Bank in favor of the Marquette County Road Commission. E. Angeli gave support and after discussion, Board approved unanimously.

### 9. **Financial Discussion – Mark Link:**

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the month and ten months ending July 31, 2019, Projected Cash Flow Statement, KWH Comparative vs. Prior Year and Five-Year History and Trending Actual Revenue versus Budget.

### 10. **2019-2020 Budget Discussion:**

After discussion that there was only one possible change in the Proposed Budget, the Board decided that they would not need the tentatively scheduled second Budget Work Session scheduled for September 10<sup>th</sup>.

### 11. **Public Comments:**

Joanna Mitchell 10 Nicolet Drive asked if the MBLP had long range plan documents available for the public.

### 12. **Any Additional Business the Executive Director Wishes to Present:**

T. Carpenter asked Superintendent of Production, Karl Benstrom for an update on the storm that blew in this afternoon. K. Benstrom stated that about 3,000 customers are out of power, but crews are out working to restore the power to these areas.

Manager of Mechanical Engineering Services, John Schultz gave an update on the progress of completing the Clean Closure Plan in regard to the ash pond at Shiras Steam Plant. He has been working with the Army Corp of Engineers and will need to bid out the work.


### 13. **Any Additional Business the Board Members Wish to Present:**

J. Prince stated that he walked up to one of the completed walls and noted a difference in regard to the noise coming from it as compared to noise coming from an original wall.

J. Irby also went up to the wall that was completed and compared the vibration on that wall as compared to an original wall and stated that there was a significant change.

Marquette Board of Light and Power 8-27-19 MINUTES  
2200 Wright St., Marquette, MI 49855 (906) 228-0311

14. **Adjournment:**  
The meeting adjourned at 5:51 p.m.

  
\_\_\_\_\_  
Edward Angeli,  
Acting Vice Chair/Secretary