

Marquette Board of Light and Power 2-13-18 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 February 13, 2018 beginning at 4:30 p.m. The meeting was called to order followed by the Pledge of Allegiance and Roll Call.

Present: Tom Tourville, Chair
David Puskala, Vice Chair/Secretary
Jerry Irby
Edward Angeli
Robert Niemi

Absent: None

J. Irby made a motion to accept the agenda as presented. R. Niemi gave his support and Board unanimously approved.

1. **Approval of the January 9, 2018 Regular Meeting Minutes:**

R. Niemi made a motion to accept January 9, 2018 regular meeting minutes, as presented. Motion was supported by E. Angeli and unanimously approved by the Board.

2. **Approval of Bills Payable:**

E. Angeli made a motion to approve the Bills Payable, as presented, totaling \$1,868,240.24, with R. Niemi giving support. After questions were answered, Bills Payable were unanimously approved by the Board. J. Irby made a request that staff set up a Board presentation by Lake Superior Community Partnership.

3. **Public Comments:**

John Forslin, 36 Southfork Street, Marquette gave a short presentation to the Board on ways to promote solar and renewables to the community. He would like the MBLP to re-tool their mission by decarbonize and sell green electrons – solar- power dams- wind and promote solar everywhere, in all possible forms. He suggested many ways that the MBLP could interface with its customers to get information out to the public, for example, updating the website, using social media, like Facebook, Twitter, Instagram or Snapchat. He asked the board members to be more deliberate in its communication with the public.

4. **Solar Presentation - Chris Lund, UFS:**

Chris Lund from Utility Financial Solutions gave a presentation to the Board via conference call. Before beginning, Executive Director Tom Carpenter gave an overview of what solar rates have been previously established by the Board, and clarified that this study was to establish the rate to distribute to roof top solar customers and small commercial rooftop customers. This is an updated summary from the 2016 Solar Review Study which gave the value of solar from the utility's perspective. The updated rates came

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in really close to the 2016 results. Mr. Lund gave a very thorough report on how the study was compiled and evaluated. The study was conducted using MBLP's system and class load data, actual Marquette Energy Center's data, actual hourly market pricing and MBLP dispatch modeling. He also answered many questions from the Board members. T. Carpenter and board members stated that we have to be fair and equitable to all our 17,000 customers and cannot cross subsidize over our rate classes. E. Angeli added that we have to be very careful with this as it relates to the city charter. After the presentation, Board requested staff to present the proposed rate structure for new solar customers, at the next meeting.

5. **Financial Audit Presentation – Paul Nardi, MTHN&K:**

Paul Nardi presented the Annual Financial Audit Report for the years ending September 30, 2017 and 2016. It is their opinion that the financial statements were presented fairly in all material respects and prepared in accordance with Government Auditing Standards. A clean or unqualified opinion was given by the auditors. Mr. Nardi stated that no issues or red flags were noted during the course of the audit. After the presentation, J. Irby thanked H. LaFayette and T. Smith on their work with the audit.

6. **Discussion – Helen LaFayette, Controller:**

Controller Helen LaFayette presented the Interim Operating Statement for the three months ending December 31, 2017, Projected Cash Flow Statement, Electric Revenues – Budgeted versus Actual, the FY Comparative KWH Analysis and Summary of Investments. Discussion followed.

7. **Corporate Resolution – Letter of Credit – Helen LaFayette, Controller:**

R. Niemi made a motion to approve the new resolution and payment of \$850 for renewal of the letter of credit with the Michigan Department of Natural Resources and Environment on behalf of the Board of Light and Power. H. LaFayette said that it is necessary to have a new resolution approved by the Board due to the change in the authorized signers for the letter of credit and the new resolution requires the Chair and all Board Members to sign in order to certify it. The motion was supported by J. Irby and unanimously approved by the Board.

8. **Award Contracts:**

J. Irby made a motion to combine all three contracts in one motion and award the three contracts to the lowest bidder listed. D. Puskala supported the motion. After questions and discussion, the Board unanimously awarded the three contracts to the lowest bidder.

a. **Annual Maintenance & Support Agreement - Toby Smith.**

Board approved the annual maintenance and support agreement for billing system in the amount of \$48,364. (For security reasons, the software company will not be stated in meeting minutes.)

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- b. Warehouse Roof Replacement – Karl Benstrom.
Bid for the replacement of the entire roof of the Wright Street office/warehouse building to the lowest bidder, Bell Roofing Company in the amount of \$142,200.
- c. Fiber Network Switch Upgrade – Igor Kruhak
Board accepted the lowest bid received of \$44,600.83 to begin the first phase of upgrading our switches, servers and security. (For security reasons, the specific company will not be stated in minutes.)

9. **Low Income Assistance Program – Noreen Collins:**

Executive Assistant Noreen Collins gave an overview of a proposed program for the MBLP to use in assisting low income customers with their electric bill during the winter months. E. Angeli made a motion for staff to consult with legal counsel and possibly bring a formal proposal to the Board at the next meeting. D. Puskala gave support and Board unanimously approved moving forward with the proposed concept.

10. **Public Comments:**

Madeline Koval of 149 Rock St. – She stated that she has been interested in solar energy since she was a child. She wants to encourage the community to consider solar production to reduce our dependence on outside sources, lower costs and reduce the damage to our environment. To encourage this, the MBLP needs to reward all customers who use solar by crediting their bills a fair amount. This could make huge difference with new business. We need to reach out and get all the information we need to help us make this decision. I want to thank MBLP for what you have started her and want to encourage you to keep moving forward.

Ginny Killough 1710 Harbourview Drive stated that every time she comes to the MBLP meetings she is impressed and grateful for all that you do. Six years ago, I purchased 10 solar panels and make a payment for them every month and have no regrets about my decision. Today solar and other renewable sources are booming, we has come so far and so fast. For environmental, technological and economic reasons our landscape is changing and I am here to encourage this Board to consider, with your community members, what our future could look like. We are fortunate to own this municipal and we are happy to have input into its evolution. I am here because I want to be involve and want to help this utility to be healthy, resilient and relevant in these changing times.

Jennifer Hill 503 Craig Street I am here because I think that our infrastructure the water, power and transportation systems are critically important to the well-being of our community and I think you are doing a great job managing this resource. I urge the Board and staff to include broader and more diverse thinking than just the financials pieces that you are so thoughtfully considering. Even though I have been at almost all the meetings for the last two years, you can see I am not the only one who worries about gas prices ten years from now. In the last two years, Google, General Motors and Walmart have all pledged to operate with 100 percent renewables. How will this community compete? I

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am joining with the folks here tonight and the ones who could not be here today, we are very concerned and ask the Board to find ways to include us and to include these broader and more diverse questions.

11. **Any Additional Business the Acting Executive Director Wishes to Present:**

T. Carpenter handed the updated Burns and MacDonnell Study to the Board for their review and he intends to have a discussion on it at the next board meeting.

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

T. Tourville thanked the members of the community who came in to express their concerns tonight. We should be more involved with the community on these processes and appreciate that they want to be involved.

D. Puskala stated that maybe the Board and staff should figure out how we can be involved in the solar conversation. Even though our first responsibility is running this utility, we should be in the larger solar discussion in the community.

B. Niemi told the audience that they can go to our website to see how our solar garden is producing or not producing every day.

13. **Adjournment:**

The meeting adjourned at 7:05 p.m.



David Puskala
Vice Chair/Secretary