

# Marquette Board of Light and Power 2-23-16 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 23, 2016. The meeting was called to order followed by the Pledge of Allegiance and roll call.

Present: Tom Tourville, Chair  
Jerry Garceau, Vice Chair/Secretary  
Jerry Irby  
David Puskala

Absent: David Carlson

J. Irby made a motion to approve David Carlson's absence from tonight's meeting. D. Puskala supported the motion and Board unanimously approved. D. Puskala made a motion to approve the agenda, as presented, motion supported by J. Garceau and unanimously approved by the Board.

1. Approval of the February 9, 2016 Regular Meeting Minutes:  
J. Irby made a motion to accept February 9, 2016 regular meeting minutes as presented. Motion was supported by D. Puskala and Board unanimously approved.
2. Approval of Bills Payable:  
J. Garceau made a motion to approve the Bills Payable, totaling \$661,228.70. D. Puskala supported the motion and after discussion, Board unanimously approved the Bills Payable as presented.
3. Time for Public Comment:  
There was no public comment at this time.
4. Financial Discussion – Helen LaFayette, Controller:  
Controller H. LaFayette presented the operating statement for the four months ending January 31, 2016, along with the projected cash flow statement. Discussion followed. H. LaFayette stated that there has been a large savings in the Production expenses as a result of hauling ash for beneficial purpose. Manager of Planning and Utility Compliance Erik Booth, who negotiated the ash hauling agreement, stated that he is expecting significant savings as a result of this. Discussion followed on the cash flow statement.
5. Bond Update – Ehlers & Associates:  
A teleconference call was set up during the Board Meeting, Brian Reilly Senior Financial Advisor/Principal from Ehlers gave a financing Update for Electric System Revenue Bonds, Series 2016A. During the call, Mr. Reilly covered updates to the timeline, credit rating agency recommendations, the question of using a Trustee for distribution of bond proceeds, adjustments to covenants, letter or credit and changes in the interest rate environment. He stated that there has been significant progress but there is still significant work to be done. Board members asked questions and discussion followed.

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6. Recommendation to Award the Upgrade Natural Gas Gate Station 1A and Authorize a Firm Capacity Bid: Tom Sapp from Fellon McCord joined the Board Meeting via conference call. He gave an overview of the process and stated that he has worked with many utilities in the state and is quite familiar with this process. J. Irby made a motion to authorize staff to submit a firm capacity bid for 1 year, during the Northern Natural Gas "Open Season," at a total yearly cost of \$231,088.64. Motion was supported by J. Garceau and Board approved unanimously. Board decided to table the upgrade of the natural gas gate station until the bids are completed.
7. Financial Management Plan – Erik Booth:  
E. Booth gave an overview of the Financial Management Plan and suggested the Board review and perhaps focus on section 7.1 which covers the maintaining of proper cash flows. E. Booth stated that he will bring it to the Board for approval and the next regularly scheduled Board Meeting. Discussion followed on the minimum target cash flow balances recommended, the targets and requirements to maintain a high credit rating along with the industry standards.
8. Marquette BLP Energy Center:  
Board Chair Tom Tourville stated that Executive Director Paul Kitti, Superintendent of Production Tom Carpenter and Consultant-Technical and Engineering Support John Reynolds were in Chicago recently meeting with representatives from Sargent & Lundy and Wartsila. P. Kitti gave the Board an update of the topics discussed and stated that the MBLP made it clear that we want to utilize local labor whenever possible in this project.
9. Time for Public Comment:  
No comments at this time.
10. Any Additional Business the Executive Director Wishes to Present:  
P. Kitti talked about the outage that happened on Saturday night which affected about 10,000 MBLP customers. P. Kitti requested that Tom Carpenter give an overview of what happened that night. T. Carpenter explained that a 69 kilovolt insulator, which supports a transformer and substation at the Shiras Plant, exploded and a boiler tube failed on Unit No. 3 when attempting to bring the plant back to full power. He said that the crew did a fabulous job, staying calm, cool and collected while working through this and they were able to restore the power to our customers in about 40 minutes. He stated that Unit No. 2 was brought on-line on Sunday and they were able to purchase power off of the grid until Unit No. 3 was brought back on-line late Tuesday night.  
  
Assistant Director-Utility Operations David Lynch gave an update on the solar project. He stated that he now has over 140 people interested in the project.
11. Any Additional Business the Board Members Wish to Present:  
T. Tourville stated that it is amazing that we lost power for over half of our customer base and power was back on within 40 minutes. He stated that the Board would like to express our thanks to all the staff at the Shiras Plant for their outstanding work during the outage. He personally thanked Jim Henning, Brian Fuller, Erik Eastley, Dave Wyble, Tony DiLernia who worked to get Unit 2 up and running. He also thanked Mike Vial, Jake Mayer, Chris Nelson,

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Steve Krebs, Kirk Lawry, Margaret Cameron, Andrew Ahonen and management members, Karl Benstrom, Mary Adamini, Tim Kopacz, Tom Carpenter, David Lynch, Erik Booth and Josh Hendrickson for taking care of business.

J. Garceau also expressed his thanks to the staff at the Shiras Plant.

J. Irby made a motion to change the Regular Scheduled Board Meeting on Tuesday, March 29 to Tuesday, March 22 because of various time constraints in the Marquette Energy Center project. Motion was supported by J. Garceau and Board approved unanimously.

12. Adjournment:  
The meeting adjourned at 7:25 p.m.



Jerry Garceau  
Vice Chair/Secretary

*Minutes of Regular Board Meetings are available at City Hall, the Peter White Public Library, or the MBLP Main office at 2200 Wright St., Marquette, MI 49855. The minutes can also be viewed at [www.mblp.org](http://www.mblp.org).*