

Marquette Board of Light and Power 2-26-19 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 February 26, 2019 beginning at 4:30 p.m. The meeting was called to order followed by the Pledge of Allegiance and Roll Call by Vice Chair/Secretary Robert Niemi.

Present: Robert Niemi, Vice Chair/Secretary

Jerry Irby

Ed Angeli

John Prince

Absent: Tom Tourville, Chair

E. Angeli made a motion to excuse Chair T. Tourville from the meeting tonight because he is out of town. J. Irby gave support and motion was unanimously approved. R. Niemi requested that item 6 be moved up in the agenda and be addressed right after the first public comment item 3. J. Irby made a motion to approve the agenda with J. Prince giving support. Board unanimously approved the agenda. R. Niemi appointed E. Angeli to be the Acting Secretary for this meeting.

1. **Approval of the January 22, 2019 Regular Meeting Minutes**

E. Angeli made a motion to accept the January 22, 2019 Meeting Minutes as presented. The motion was supported by J. Prince and minutes were unanimously approved by the Board.

2. **Approval of Bills Payable:**

J. Prince made a motion to approve the Bills Payable, as presented, totaling \$1,730,380.86. J. Irby gave support and the Board unanimously approved the Bills Payables as presented.

3. **Public Comments:**

No comments were made at this time.

6. **MEC Noise Mitigation Discussion:**

Executive Director Tom Carpenter gave an update on the MEC Noise Mitigation issue. INNOVA Global has ordered sound mitigation materials and will begin onsite evaluations next week. The first Phase will begin as soon as the parts are delivered which are anticipated to arrive next month and they expected the construction to be completed by the end of May. They will be retrofitting the existing walls and roof with a new design, a heavier design that will help keep the sound in and not let it come out.

Because a large amount of comments have been not only on the sound but on the vibration issue, MBLP has hired Shriner & Associates to conduct a vibration analysis to prove where the noise is coming from either its noise related or it is going through the ground. What we expect to find is what the sound engineers at INNOVA have told us

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that it is noise related not going through the ground. This study will validate it with actual measurements and give us a good solid answer on the vibration problem.

T. Carpenter also stated that Wärtsilä has been working on this problem behind the scenes and has ordered a new product that has had good results in reducing the sound, in their factory. T. Carpenter stated that Wärtsilä is doing this on their dime with no cost to the MBLP and we should know very soon if it will work or not. The MBLP wants to give them credit for their additional work addressing the noise issue.

As for the radiators, Brett Kyllonen, Manager of Electrical Engineering Services stated that he has been working with Sargent & Lundy in regards to the high-pitch whining noise that is believed to be coming from the radiator fans. Sargent & Lundy LLC is currently looking into whether there are more efficient motors that could be used to ease the issue.

4. **Financial Audit Presentation – Paul Nardi, MTHNK, P.C.:**

Paul Nardi presented a summary of the Audited Financial Statements for Years ending September 30, 2018 and 2017. Mr. Nardi stated that it is their opinion that the financial statements were presented fairly in all material respects and prepared in accordance with Government Auditing Standards. The reports presented are clean and unmodified. There were no adjustments, disagreements with management or red flags noted during the course of the audit. He stated that Manager of Accounting and Customer Service, Toby Smith and his staff took the leading role in accounting research and thanked them for their hard work. It is their opinion that the MBLP is in a very strong financial condition.

5. **Financial Discussion – Mark Link:**

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the month and four months ending January 31, 2019, Projected Cash Flow Statement, KWH Comparative vs. Prior Year and Five Year History and Trailing 13 Month Revenue by Type. Due to the mild weather in December, M. Link stated that our revenues were down about 18% as compared to last year, at this time.

7. **Approval for Purchase of Transformers for Emergency Generators:**

J. Irby made a motion to approve the purchase of four generator step-up transformers in the amount of \$101,672. These transformers are needed to raise the voltage of the emergency generators so that they can interconnect with the BLP's distribution system. J. Prince gave support of motion. After discussion, Board unanimously approved the purchase.

8. **Public Comments:**

Jorma Lankinen 8 Marquette Drive commented that the MBLP staff is doing a fabulous job with all the snow that we have had to deal with this winter. He also reminded the Board that an auditing company is only as good as the information you give them. He spoke of his experience on a previous board of directors.

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Mary Thorrington 2412 Huron Street thanked the Board for addressing the vibration issue. In regards to the testing that is to be done in the basements of some homes, will the significant snow cover affect the readings? Also she asked if the MBLP does find a vibration issue, who will address it?

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

T. Carpenter invited the Board members to the Annual Michigan Public Power Agency's Stakeholder's Meeting being held in Grand Rapids in May. If you are interested in going, please contact Executive Assistant, Noreen Collins to make arrangements.

Manager of Distribution Engineering Services, Ben Collins gave an update to the Board in regards to the significant ice event that the area experienced recently. He stated that they had significant challenges with the ice storm and Skandia and Negaunee Townships were hit the hardest. MBLP had about 10 thousand people without power but they were able to quickly fix most of the outages within an hour. From our brushing company, the MBLP requested three teams to come out and help work on the problem. The City of Negaunee workers also came out to help us too. In the last storm, there were 60 to 70 MPH gusts but we faired pretty well in that storm. We did offer aid to Cloverland Electric by sending a team out to help them. They had winds clocked at 79 mph causing over 6,000 power outages in their service territory.

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


J. Prince asked about the electric truck that we purchased a few years ago. Staff stated that it has had some issues and is currently out of service.

E. Angeli stated that with all the changes in the last year, it is nice to have Paul Nardi confirm our solid financial condition. He thanked M. Link and T. Smith for their hard work during the audit and thanked the distribution crews that worked on the recent weather outages.

R. Niemi thanked the crews for their hard work during the recent storms and for helping out Cloverland Electric.

11. **Adjournment:**

The meeting adjourned at 6:09 p.m.


Edward Angeli
Acting Secretary