

Marquette Board of Light and Power 3-13-18 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 March 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

T. Carpenter requested that item 8 be moved up to follow item 5. T. Tourville requested an additional item 8a. Executive Director Position. R. Niemi requested an additional item 8b, Consent Agenda Discussion. J. Irby made a motion to accept the agenda with stated revisions. Support was given by E. Angeli and revised agenda was unanimously approved by the Board.

1. **Approval of the February 13, 2018 Regular Meeting Minutes:**

R. Niemi made a motion to accept February 13, 2018 regular meeting minutes, as presented. Motion was supported by D. Puskala and unanimously approved by the Board.

2. **Approval of Bills Payable:**

J. Irby made a motion to approve the Bills Payable, as presented, totaling \$1,334,060.84. R Niemi gave support. After questions were answered, Bills Payable were unanimously approved by the Board.

3. **Public Comments:**

Joseph K. of Republic stated that he is not a MBLP customer, but he wanted to speak to the Board in regards to the solar rate topic tonight. He asked the Board to take into account the devastating problem of climate change as it relates to the issue of reducing fossil fuel usage.

4. **Financial Discussion – Helen LaFayette, Controller:**

Controller Helen LaFayette presented the Interim Operating Statement for the four months ending January 31, 2018, Projected Cash Flow Statement, Electric Revenues – Budgeted versus Actual, and the FY Comparative KWH Analysis. Discussion followed.

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5. **Approval to Purchase:**

a. **Engineering Workshop Laptop**

J. Irby made a motion to approve the purchase of an Engineering Workshop Laptop including onsite training from Wärtsilä North America, Inc. for the total amount of \$43,968. E. Angeli supported the motion and after discussion, Board approved unanimously.

b. **69 KV Circuit Breaker for #4 Substation**

A motion was made by E. Angeli to approve the purchase of one (1) 69 KV Circuit Breaker from GE Grid Solutions for a total amount of \$41,980. D. Puskala gave support. Competitive bids were not received because GE Grid Solutions are the sole provider of the 69 KV Alstom breakers that have been standardized as replacement breakers for all MBLP substations. Board approved unanimously.

c. **Two 15 KV Circuit Breakers for #4 Substation**

J. Irby made a motion to approve the purchase of two (2) 15 KV circuit breakers for replacements at #4 substation in the amount of \$53,864 to Primus Marketing Group. Competitive bids were not received because the ABB R-Mag breakers have been standardized as replacement breakers in all MBLP feeder breakers. D. Puskala gave support and after discussion, Board approved the purchase unanimously.

8. **Discussion on Burns & McDonnell Study:**

Tom Carpenter gave a presentation and overview of the Burns and McDonnell's Power Supply Planning Analysis (PSPA) Study. He stated the goal of the analysis was to look at all of the possible modes of operation for the MBLP generation units and determine which resource mix would provide the highest level of reliability in the most economical way. The study revealed that based on current projections, by taking advantage of the operational flexibility of the MEC and utilizing the MISO markets to our advantage, we can reduce power supply costs by more than \$100 million dollars over the next 20 years. Burns and McDonnell and staff recommendations are to utilize the MEC and MISO market purchases as our primary supply of energy and put Shiras Steam Plant in a layup status with every effort made to preserve the asset in a way that the integrity of the facility is maintained. After much discussion, J. Irby made a motion to follow this strategy going forward, utilizing the MEC and MISO market purchases as our primary supply of energy. R. Niemi gave support. T. Carpenter commented that unfortunately, this is happening to other utilities, almost on a daily basis, all over the country.

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

Executive Assistant Noreen Collins gave an overview of the new program proposed to assist MBLP's low income customers with their electric bill during the winter months of November through March. R. Niemi made a motion to approve staff to move forward with the program. D. Puskala gave support and the Board unanimously approved.

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7. **Solar Rate Recommendation:**

E. Angeli made a motion to accept Utility Financial Solutions and MBLP staff's recommendations for residential rooftop solar avoided cost value at \$0.06414 per kWh and small commercial rooftop solar avoided cost value at \$0.06972 per kWh. D. Puskala gave support to the motion and stated that this rate is actually higher than market wholesale prices. B. Collins gave more information on the statistics that were used in the analysis and that there will be periodic reviews of these values as significant assumptions change in the future. T. Carpenter stated that we cannot pay more money than we can quantify or we would be subsidizing certain rate classes. Board unanimously approved the stated rates.

8. **a. Executive Director Position**

J. Irby made a motion to direct Board Chair Tom Tourville to complete the employment contract with Tom Carpenter as the MBLP's Executive Director. R. Niemi supported the motion and Board unanimously approved.

b. Consent Agenda Discussion

R. Niemi brought up for discussion, the Board using a consent agenda for MBLP Board Meetings. Items that would be included in the consent agenda would be the minutes, bills payable and board letters. R. Niemi stated that board members would always have the opportunity to put items out of the consent agenda if they wanted discussion, otherwise, these items would be approved with one motion. After discussion, D. Puskala recommended that R. Niemi and J. Irby work with staff on the process and procedure of using a consent agenda. E. Angeli said that he would like to have more education on how the process works before making a decision.

9. **Public Comments:**

Jorma Lankinen 8 Marquette Drive – He stated that Marquette Commission uses the consent agenda and seems to be very easy to use. He also congratulated Tom Carpenter on his new position.

Earl Robinson, Twp. Representative spoke about the low income customer assistance program and suggested that we reach out to businesses for donations to the program.

Ian Omsted 102 W. Washington St. stated that the Board's decision on solar rates was equitable and thanked the Board for their time.

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

T. Carpenter invited the Board Members to attend the Michigan Public Power Agency's 2018 Stakeholders Meeting in May.

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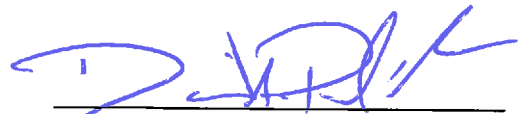
11. **Any Additional Business the Board Members Wish to Present:**

All Board Members thanked Tom Carpenter on accepting the Executive Director position and congratulated him.

E. Angeli stated that after last board meeting and Mr. Forslin's comments, I had a chance to really look at our website and I was impressed with what we do have. But as we move forward, if we can get ideas from our customers or staff members to help Noreen to make the webpage even better, it would be in the best interests of all of us.

12. **Adjournment:**

The meeting adjourned at 5:55 p.m.



David Puskala
Vice Chair/Secretary