

Marquette Board of Light and Power 3-22-16 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 March 22, 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
David Carlson

Absent: None.

P. Kitti requested that item (7) Financial discussion be addressed after item (3) public comment. J. Irby made a motion to approve the agenda with revision, motion was supported by D. Carlson and unanimously approved by Board.

1. **Approval of the March 8, 2016 Regular Meeting Minutes:**
D. Puskala made a motion to accept March 8, 2016 regular meeting minutes as presented. Motion was supported by J. Garceau and unanimously approved by Board.
2. **Approval of Bills Payable:**
J. Garceau made a motion to approve the Bills Payable, totaling \$869,051.32. J. Irby supported the motion and after discussion, Board unanimously approved the Bills Payable as presented.
3. **Public Comments:**
There was no public comment at this time.
7. **Financial Discussion – Helen LaFayette, Controller:**
Controller H. LaFayette presented the operating statement for the five months ending February 29, 2016 and the projected cash flow statement. Discussion followed. H. LaFayette stated that the annual spring maintenance shut down began on March 11 and expenses related to the shutdown will be reflected on the March financials.
4. **Bond Anticipation Note Discussion – Ehlers Teleconference:**
Brian Reilly and Sean Lentz from Ehlers joined the Board Meeting via a teleconference. Sean Lentz updated the Board on the progress of the revenue bond process. He also gave the Board information on legal options and discussed a bond anticipation note for some of the capital projects that will need to be paid in April of this year. Tami Seavoy, MBLP legal consultant explained how the process would work. J. Irby made a motion to hold a Special Meeting on Tuesday, March 29, 2016, D. Puskala supported motion and Board unanimously approved. Discussion also followed in the possible investment of the borrowed bond funds during the construction time. B. Reilly reviewed a couple of the options available to the Board and stated that various strategies could be brought to the Board at the Special Meeting.

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5. **Recommendation to Pay:**

a. Reconditioning of Shiras Steam Plant Unit No. 3 Atomizer Motor.

It was moved by D. Puskala and supported by J. Irby to pay the invoice from Malton Electric Company in the amount of \$3,615.00 for reconditioning the Shiras Steam Plant's Unit No. 3 atomizer motor. T. Carpenter, Superintendent of Production stated that the motor damage was found during routine maintenance work and to expedite repairs due to the criticality of the motor, competitive bids were not received. Board unanimously approved the motion.

b. Installation of Activation Carbon Injection System.

On a motion made by D. Carlson and seconded by J. Garceau, the Board unanimously approved the payment of \$55,404.39 to CR Meyer for the cost of installation of an Activated Carbon Injection (ACI) System. The invoice also included labor, materials and equipment. CR Meyers submitted the lowest bid received of \$75,224.00 for the complete job and this is a partial invoice payment of \$55,404.39. This ACI system was included in the budget under capital projects to comply with the Environmental Protection Agency's Mercury and Air Toxics Standards (MATS) rule with goes into effect April 16, 2016.

c. Purchase of Hydrogen Control Panel for Unit No. 3.

A motion was made by J. Irby and supported by D. Puskala to pay an invoice from Environment One Corporation for the purchase of a hydrogen control panel in the amount of \$67,349.28. Competitive bidding was not received for this equipment as alternate suppliers of a direct replacement system could not be found. Board approved payment unanimously.

d. Purchase of Miscellaneous Lubricants for Support Work being done during spring maintenance.

D. Puskala made a motion to authorize the payment of \$5,557.55 to Halron Lubricants Inc. for the cost of miscellaneous lubricants required to support work being performed during the Unit No. 3 spring maintenance outage. Due to compatibility issues with different lubricants from different suppliers, Halron has been the sole supplier of plant lubricants for a number of years and competitive bidding was not received. Motion was supported by D. Carlson and Board waived the bidding requirements and unanimously approved the purchase.

6. **Recommendation to Award Natural Gas Facility and Transportation Agreement with SEMCO Energy.**

On a motion was made by J. Irby and seconded by J. Garceau, to grant the execution of a ten-year SEMCO Energy Natural Gas Facility and Transportation Agreement for the Marquette Energy Center for a total cost of \$1,956,960.00 over the ten years. The Facility Agreement includes installation of a new 6 inch-3,000 foot, steel gas line and a new regulating/metering station. Discussion followed with clarification and questions answered by Tami Seavoy, MBLP legal consultant. Board approved the signing of the 10-year agreement 4-1 with D. Puskala voting in opposition.

8. **Marquette BLP Energy Center:**

John Reynolds, Consultant-Technical and Engineering Support, discussed the various options of hauling the engines from the ships to the Wright Street location and gave an update on the Project Cost Summary.

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9. **Time for Public Comment:**

No comments at this time.

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

T. Carpenter gave an update on the annual maintenance shut down and said that some of the repairs were significantly higher than was expected.

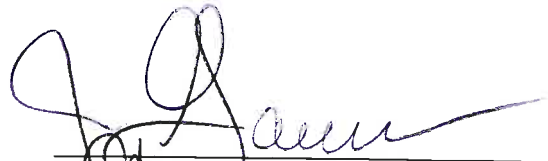
Executive Director, Paul Kitti thanked the staff members and board member who went to New York City with him to give interview with the bonding companies. He stated that he is certain that the MBLP board member and staff gave a favorable impression of our utility.

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

T. Tourville thanked the MBLP management team who were apart of the interviewing process held in New York City. He stated that the staff were well prepared and knew what they were doing. We fulfilled our mission and did a great job.

12. **Adjournment:**

The meeting adjourned at 6:47 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.