

# Marquette Board of Light and Power 3-26-19 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 March 26, 2019 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  
Robert Niemi, Vice Chair/Secretary  
Jerry Irby  
John Prince

Absent: Ed Angeli

J. Irby made a motion to excuse Ed Angeli due to his being out of town tonight. R. Niemi gave support and Board unanimously approved. J. Prince made a motion to approve the agenda as presented with J. Irby giving his support. Board unanimously approved the agenda as presented.

1. **Approval of the February 26, 2019 Regular Meeting Minutes**

J. Prince made a motion to accept the February 26, 2019 Meeting Minutes as presented. Motion was supported by R. Niemi and they were unanimously approved by the Board.

2. **Approval of Bills Payable:**

J. Irby made a motion to approve the Bills Payable, as presented, totaling \$917,125.81. J. Prince gave support and after discussion, the Board unanimously approved the Bills Payables as presented. J. Irby pointed out that he is not related to the Stuart C. Irby Co. Who received a payment from MBLP.

3. **Public Comments:**

No comments were made at this time.

4. **MEC Noise Mitigation Update:**

Executive Director Tom Carpenter gave an updated schedule on the MEC Mitigation Project. Mobilization and site construction of the project will begin at the end of April and expect to be done by the end of June. They will be doing some pre-testing beginning next week.

Yesterday Shriner & Associates conducted their vibration testing at three different homes, one on Jenny Lane, one on Huron Street and one on Norwood Street. We don't have the final report yet but their preliminary findings were that there was absolutely no change in physical vibration through the ground to the grade level in the basements when the engines were on or off. This does not mean the people are not experiencing vibration but the sound experts think that there is a path for airborne induced vibrations that will excite mass through the air frequency. We are expecting the full report from Shriner sometime next week.

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Wärtsilä was here and had a couple of different covers for the engines and did some testing on that. We took their data and gave it to INNOVA to see how it might impact the whole project. We are hoping that we can take what INNOVA has done and make it even better by using both.

Brett Kyllonen, Manager of Electrical Engineering Services shared that he has been working with Sargent & Lundy and Wärtsilä on the high frequency noise from the radiators and are looking at some potential drive parameters that we can change to see if that will help. Hopefully in the next couple of weeks, we will have some sort of results. T. Carpenter said that they will try everything that they can but if it doesn't work, we will shift directions and go back to a barrier.

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

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the month and five months ending February 28, 2019, Projected Cash Flow Statement, KWH Comparative vs. Prior Year and Five Year History and Trailing 13 Month Revenue by Type. M. Link gave a summary and stated that revenue were on target with the budget. We did experience some unfavorable distribution expenses of \$120,000 which were driven entirely by storm related expenses.

6. **Recommendation to Outsource Bill Print, Mail Services and Implement Online Customer Portal:**

J. Irby made a motion to approve M. Link's recommendation of partnering with Utilitec to outsource our bill print and mail services and to implement an online customer portal. J. Prince supported the motion. J. Irby asked by doing this, will this jeopardize any employment here. T. Carpenter stated no jobs will be decreased and staff will be doing more valuable work instead of stuffing envelopes. T. Carpenter stated that the biggest thing is the online customer portal which is asked for all the time. M. Link gave an overview of how the process would work. Board unanimously approved the outsourcing our bill print and mail services and customer online portal.

7. **Presentation on AMI Software Update:**

Kevin Downs, Supervisor of Metering and Energy Programs and Chris Nelson, AMI Metering/Distribution Coordinator gave a presentation on the AMI Software System upgrade that has been purchased. This purchase was necessary for the continued use of the AMI system due to the pending retirement and subsequent nonsupport of the current software. Total cost for the upgrade implementation is \$20,200 and the annual support cost has increased an additional \$2,025 per year. They made it clear that the cost is not for the software but for the implementation of the software. They both said that the support service cost is really valued. The plan is to have it implemented in June after the new servers are installed. The upgrade will vastly improve the recording ability and we will be able to do much more with the data. Manager of Distribution and Engineering Services, Ben Collins stated from an engineering standpoint, outage management and data management, it makes turning data into useful information a lot easier and faster.

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8. **Transmission System Update:**

T. Carpenter gave a review of some of the behind the scene discussions he has had recently with Midcontinent Independent System Operator (MISO) and American Transmission Company (ATC) in regards to how much it would cost to join Network Integration Transmission Service (NITS) with a guarantee from them to have access to 100 percent of our load, anytime we need it. After doing a number of studies, they came back and said that we could have NITS once the Upper Michigan Energy Resource Corporation (UMERC) has the facilities in Negaunee Township and Pelkie completed and operational.

Also, we have always needed and wanted a second point of interconnection down at Shiras for redundancy on our 69K substation. A second tie line would give us redundancy to Shiras and the city of Marquette so we could not be islanded. We have been working with ATC for several months and we asked ATC if they would consider building a second tie line connection. They said that if we became a transmission and distribution customer, and their Best Value Planning Process (BVPP) says that it is in the best interest of the load being served to build that line, they would actually socialize that cost among ATC's footprint as part of their tariff.

We have until June 1 to decide where or not we will join NITS and hopefully by then ATC will have made a decision on the findings of their BVPP study. T. Tourville stated that this would be a huge leap forward for the MBLP and our community.

9. **Recommendation for Shiras Steam Plant:**

J. Irby made a motion to officially retire the Shiras Steam Plant, which was supported by J. Prince. T. Carpenter reviewed the power supply study performed by Burns and McDonnell which showed that the most economical way to supply energy to our community would to be to close SSP and run the MEC in an economic manner with the grid. In order to maintain the Shiras facility in a condition that would allow future use, if needed, would cost \$10 million in the short term. By using Burns and McDonnell's optimized dispatch strategy, MBLP will save over \$100 million in the next 20 years. The Board and staff discussed options of depositing of the building. T. Carpenter stated that this process will take time and we plan on doing it very methodically. He assured the Board that through attrition in the next few years, we will be right where we need to be without cutting any job positions. We are still running a plant 24/7.

Also, T. Carpenter shared that since we shut SSP off (June, 2018) we have been able to give our customers a fuel adjustment credit on their bill for 11 out of the last 12 months. Shiras was built in 1983 and has served the community well for the last 35 years. Board unanimously approved the retiring of Shiras Steam Plant.

10. **Executive Director Annual Review:**

R. Niemi made a motion to increase executive director's base salary by five percent and adopt the amendment in the employment agreement. J. Irby gave support. R. Niemi said that the results of the review were very good with all top reviews across the board and no

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concerns but much appreciation for his very capable and conscientious work on our behalf. All board members stated that Tom has done a great job over the last two years. Board unanimously approved the raise of his base salary by 5 percent and adopted the amended contract.

11. **Public Comments:**

Jorma Lankinen 8 Marquette Drive congratulated the Board for hiring Tom to continue running the plant. He is glad that they have voted to retire Shiras and stated that this is a positive thing for all the ratepayers.

Mary Thorrrington 2412 Huron Street stated that they went through the vibration testing and hopes that they will be involved in the sound testing.

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

T. Carpenter requested that Toby Smith, Manager of Accounting and Customer Service give an update on the Generating Change Program. As of March 25, we collected over \$16,000 with one donation of \$10,000 coming from MBank and one anonymous donation of \$5,000. We were able to assist 16 customers with payments totaling \$5,600. The balance will be rolled over to assist with bills next year. End of April, we plan on meeting with Salvation Army to do a review of the program and to see if we can come up with more ideas to promote this program.

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

R. Niemi stated that it is nice to be moving forward and nice to have made a final decision on Shiras.

J. Prince asked if we have a contingency fund to help with storms. M. Link stated that the last storm cost about \$100,000.

14. **Adjournment:**

The meeting adjourned at 6:09 p.m.



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Robert Niemi,  
Vice Chair/Secretary