

Marquette Board of Light and Power 4-23-19 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 April 23, 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
Ed Angeli

Absent: None

Executive Director Tom Carpenter requested three revisions to the agenda. The revisions were as follows: item 4 Superior Watershed Partnership presentation will be rescheduled to our next Board Meeting in May; change item 8 to be item 4 and change 7c to be item 8. T. Carpenter clarified that the IT Infrastructure Project will be a discussion without any decisions made tonight. J. Irby made a motion to approve the revised agenda with R. Niemi giving support. Board unanimously approved the revised agenda.

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

E. Angeli made a motion to accept the March 26, 2019 Meeting Minutes as presented. Motion was supported by J. Irby and the Board unanimously approved.

2. **Approval of Bills Payable:**

J. Prince made a motion to approve the Bills Payable, as presented, totaling \$1,303,754.85. J. Irby gave support and after discussion, the Board unanimously approved the Bills Payables as presented.

3. **Public Comments:**

No comments were made at this time.

4. **MEC Retrofitting Project Discussion:**

Executive Director Tom Carpenter stated after the INNOVA Global Company filed bankruptcy and their company was placed into receivership by the courts, the MBLP has been in discussion with the receiver company, Pricewaterhouse-Coopers, Inc. After discussion into the legalities of them finishing the Retrofitting Project, it was decided by the PWC representatives that they were unable to complete the project.

T. Carpenter stated that before the bankruptcy filing, INNOVA had almost finished the engineering package for the MBLP and we are working out a contract to obtain that package. The MBLP has already paid INNOVA Global \$180,000 and that money should cover most of the engineering package cost. Staff from INNOVA who worked on this

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project has been hired by another company and they are working out the details with their new employer to finish our project under the umbrella of their new firm. Because most of the engineering work has been completed and materials and builders are all third party providers, we are optimistic that we can still get this project done.

The MBLP plan is to finish the legal package and get another contract together with the new firm. We intend to complete this project, not to start over but continue the course.

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

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the month and six months ending March 31, 2019, Projected Cash Flow Statement, KWH Comparative vs. Prior Year and Five Year History, Trailing 13 Month Revenue by Type and Summary of Investments as of March 31, 2019. M. Link gave a summary of the Month to Date versus budget and a Year to Day commentary versus Budget. One of the key finds is that since we have begun running the MEC and buying off of the grid we been able to returned almost a half of a million dollars back to our customer's through fuel adjustment credits.

6. **Wright Street Remodeling Project Discussion:**

Even though there is no need for Board approval because the bid is below the threshold, staff wanted to inform the Board of their plans to remodel the Administrative Offices. They passed out the proposed floor plan and discussed the steps that will be taken to complete the project. This building was built in the 1970's and the siding and roof are in need of repair. In addition to safety concerns, office efficiency and the need for additional space for employees coming from the Shiras Steam Plant, the remodel is really needed at this time.

7. **Recommendation to Award bids on:**

a. Purchase of Three New 4X4 Pickup Trucks:

J. Irby made a motion to award the bid to Frei Chevrolet of Marquette in the total amount of \$87,411.00 for three (3) new 2019 model trucks meeting department specifications. Frei Chevrolet was the lowest bidder meeting minimum bid specifications. Motion was supported by J. Prince and Board unanimously approved. J. Irby questioned why there were three other local companies that didn't even put a bid in.

b. Contract for Five Year Safety Inspections on the Forestville and Tourist Park Hydroelectric Projects:

A motion was made by J. Prince to authorize staff to proceed with retaining GEI Consultants to perform the Part 12 safety inspection on the Board of Light and Power hydroelectric projects, in the amount of \$57,920. These are required safety inspections required by Federal Regulations. GEI Consultants is a local firm and has successfully completed work at the two hydroelectric plants. R. Niemi gave support and Board approved unanimously.

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8. **IT Infrastructure Project Discussion:**

Supervisor of Information Technology, Igor Kruhak gave a presentation to the Board regarding the upgrade on our IT infrastructure. He stated that it will encompass everything in the utility IT infrastructure, such as metering, billing and production.

9. **Public Comments:**

Mary Thorrington 2412 Huron Street shared with the Board that once the INNOVA Global bankruptcy was known, Tom Carpenter graciously called and reassured them that the project will still be completed. She did voice concerns about who will be ultimately responsible for the project.

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

T. Carpenter related that he has been in conversation with the Department of Natural Resources and their need for a new, secure and safer mooring location for their vessels that they use for fisheries survey and law enforcement. They are requesting that as the MBLP and city consider the future of the Shiras Steam Plant property that conversion of a small portion of the property for the DNR be considered.

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

Ed Angeli stated that he is glad that plans for a building update are in the works.

12. **Adjournment:**

The meeting adjourned at 5:51 p.m.



Robert Niemi,
Vice Chair/Secretary