

Marquette Board of Light and Power 5-28-19 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 May 28, 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

T. Carpenter requested an additional item be included, 6a regarding Fitch Rating Upgrade. J. Prince made a motion to approve the revised agenda and E. Angeli gave support. Board unanimously approved the revised agenda.

1. **Approval of the April 23, 2019 Regular Meeting Minutes and May 7, 2019 Special Meeting Minutes:**

E. Angeli made a motion to accept the April 23, 2019 Regular Meeting Minutes as presented. J. Irby gave support and Board unanimously approved meeting. R. Niemi made a motion to approve May 7, 2019 Special Meeting Minutes, as presented. Motion was supported by J. Prince and the Board unanimously approved.

2. **Approval of Bills Payable:**

J. Prince made a motion to approve the payments made between 4/19/19 through 5/24/19 and R. Niemi gave support. Board approved with J. Irby abstaining from the vote because he had received a travel reimbursement check during that time. J. Irby made a motion to approve the Bills Payable, as presented, totaling \$643,979.18. R. Niemi 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. **Superior Watershed Partnership Presentation:**

Karl Lindquist gave a presentation to the Board regarding the long history they have enjoyed working with the MBLP. There have been many different projects over the years, including the removal of the Collinsville Dam, recovery work and repair after the flood in 2003, establishing wetlands on the Dead River, planting of native plants, building bridges, bridge walks, building trails and other environmental restoration work.

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They were recently commissioned to create an inventory of the over 300 dams in the Lake Superior Watershed, which includes Wisconsin, Minnesota and Canada. In recent years, they are in charge of administering the Energy Assistance Program for the entire Upper Peninsula, working to help low income families with their utility bills.

Right now, the partnership is working with the City of Marquette on the Lakeshore Boulevard Reconstruction Project. They received a \$2.5 million grant from the National Fish and Wildlife Foundation Coastal Resilience Fund for the restoration of Lake Superior shoreline and the City has matched it with \$3 million. The plan is to move the road inland approximately 300 feet and have mostly green spaces between the road and the lake.

Also, Mr. Lindquist stated that the SWP would be happy to help the MBLP in any way they can with the Shiras Steam Plant Project. Board expressed thanks and Executive Director Tom Carpenter stated that he will keep in touch with them regarding the progress with the project.

5. **MEC Retrofitting Project:**

Executive Director Tom Carpenter updated the Board on the progress of the Retrofitting Project on the MEC. He stated that SLR Consulting Limited were here last week to do the baseline sound testing which concurred with INNOVA's analysis. Also last week, the onsite engineers, along with the builders were here. We will start ordering the parts that we need from the detailed list that we received from the receivership company Pricewaterhouse-Coopers. He also said that by ordering the materials ourselves, it will save us some money. Universal Builders will be here within the next two weeks to begin and the project will take about 10 weeks once they start working.

Discussion followed with questions on whether or not each invoice would need to be approved by the Board individually because the bills would be over the \$25,000 limit, or if the Board could waive the bidding process because INNOVA already did the bidding process for us. After consult with legal counsel, Laura Kates Reilly, E. Angeli moved to waive bidding provision in City Charter for purchases in excess of \$25,000, based on the recommendations of the Director, because in the case of the retrofit for MEC noise, there would be no advantage to the MBLP. The competitive bidding was already provided by INNOVA and they provided us with a list of the best bids meeting specific requirements. However, the total purchases shall not exceed \$1.8 million for the project. J. Irby gave support to the motion and the Board unanimously approved.

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

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the month and seven months ending April 30, 2019, Projected Cash Flow Statement, KWH Comparative vs. Prior Year and Five Year History, Trending Actual Revenue versus Budget. Discussion followed.

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- a. T. Carpenter shared with the Board that Fitch Ratings has upgraded the rating on the utility's system revenue and refunding bonds, series 2016A to "AA-". CFO M. Link stated that every 2 to 3 years, they re-evaluate the ratings. T. Tourville stated that this speaks to the solid foundation that we are on right now and is a big positive to our financial checkup.
7. **Award Bid for IT Infrastructure Project:**

J. Irby made a motion to award the bid for computer hardware and system support to the low bid meeting requirements for computer hardware and backup services. J. Prince gave his support. Because of system security, the company that received the bid will not be listed in the minutes. Igor Kruhak gave an overview of the upgrade system and answered questions from the Board members. He stated that this upgrade will allow for improved resiliency, redundancy, network performance and monitoring, and disaster recovery providing a robust IT environment for the future. Board approved unanimously.
8. **Approval of MBLP Sand Sales Pricing:**

E. Angeli made a motion to authorize setting sand pricing from the MBLP sand pit at \$1.50/cubic yard for 2019 and \$1.55/cubic yard for 2020. R. Niemi gave support. Director of Operations and Maintenance, J. Hendrickson said that the sand is good and the location is good. He added by set pricing this will help the contractors when they are bidding out work. Board approved unanimously.
9. **Transmission Discussion:**

Executive Director Tom Carpenter and Manager of Distribution Engineering Services Ben Collins gave a presentation on the transmission issues that face MBLP. There is a need for a second 69 KV line to Shiras and a need for a second interconnection with American Transmission Company (ATC). T. Carpenter and B. Collins then went over the various options for configuring the MBLP owned 69KV assets in MISO.
10. **Public Comments:**

No comments were made at this time.
11. **Any Additional Business the Executive Director Wishes to Present:**

T. Carpenter reminded the Board that the UP Energy Summit will be held at NMU on Friday, June 14 and encouraged all Board members to attend. He also stated that J. Irby, Karl Benstrom, Ben Collins and himself all attended the Michigan Public Power Agency Stakeholders Meeting last week in Grand Rapids.
12. **Any Additional Business the Board Members Wish to Present:**

J. Irby commented on some of the things that he learned at the MPPA meeting.

E. Angeli stated that he was told by a lady in the community that during the power outage yesterday, she was very impressed with the service she received by a guy named Jake. Mary Adamini shared that Jake Parske was on the phones during the outage. E. Angeli asked staff to share the comments with Jake and he wanted to thank him for his excellent

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service. E. Angeli asked how the hydros were running with all the excessive water this year. T. Carpenter commented that the wheels are wide open and producing power.

13. **Adjournment:**
The meeting adjourned at 6:15 p.m.



Robert Niemi,
Vice Chair/Secretary