

Marquette Board of Light and Power 6-13-17 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 June 13, 2017 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

Jerry Irby

Robert Niemi

David Carlson

Absent: David Puskala, Vice Chair/Secretary

D. Carlson made a motion to excuse D. Puskala from the meeting because he is out of town. J. Irby gave support and the Board unanimously approved. Chair T. Tourville appointed Robert Niemi to fill in as Acting Vice Chair/Secretary. J. Irby made a motion to accept the agenda, as presented. R. Niemi gave support and Board unanimously approved.

1. **Approval of the May 30, 2017 Regular Meeting Minutes:**

R. Niemi made a motion to accept May 30, 2017 regular meeting minutes, as presented, with support given by D. Carlson. Meeting minutes were unanimously approved by Board.

2. **Approval of Bills Payable:**

Manager of Accounting and Customer Service, Tobias Smith stated that due to our server being down for a week, there were three checks entered in two places. He handed out the revised Bills Payable. J. Irby made a motion to approve the revised Bills Payable, totaling \$762,995.29 and D. Carlson gave support. After discussion, the Bills Payable were unanimously approved by the Board.

3. **Public Comments:**

Charlie Gorton 470 South Big Creek Rd stated that he has been an employee of the MBLP for the last 13 years. Mr. Gorton stated that he and many other employees of the MBLP are concerned and disappointed regarding recent decisions made by our Board of Directors. The MBLP has recently lost Tim Kopacz and Erik Booth and with the retirement of Paul Kitti and the unexpected announcement by David Lynch of his retirement, this leaves us very thin in leadership positions. In my opinion these leadership roles are absolutely essential in keeping us on the path laid out for us by these employees. I realize many decisions have been made that are far above my pay grade. With that being said, in my opinion, I believe all employees at the MBLP deserve to know what course our Board is plotting for our future. Utilizing existing employees, such as, Mary Adamini, along with the rest of us at the MBLP can only serve to ensure decisions about our future are being made correctly! Thank you for your time.

4. **Acting Executive Director – Board Discussion:**

J. Irby made a motion to appoint Tom Carpenter as Acting Executive Director of the MBLP, effective 7/1/17 and to authorize the Chair of the Board to enter into compensation arrangements with Mr. Carpenter which is deemed suitable by the Chair and recommended by Board Legal Counsel. D. Carlson supported the motion. Board Members and staff spoke on behalf of T. Carpenter all agreeing he is a quality candidate who is respected by the Board and

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staff and he might be soft spoken but gets the job done. Executive Director Paul Kitti stated that Mr. Carpenter is very talented and his appointment goes along with the MBLP's succession planning program. With respect to David Lynch, P. Kitti stated that he was instrumental in the AMI Project, Solar Garden and RP3 Award and he has much to be proud of over his 30 years at the MBLP. Chair Tourville then addressed some of Mr. Gorton's comments and stated that he wants to have direct question and answer sessions with the MBLP staff in July, who may be hearing "rumors and innuendos" and are legitimately feeling "fear of the unknown." Board unanimously approved the appointment.

5. **Sargent & Lundy Update – Chuck Beitel – CCR Compliance Look Ahead:**
Chuck Beitel from Sargent & Lundy gave the Board some background information on Environmental Protection Agency - Coal Combustion Residuals Rule (EPA – CCR Rule) and how it applies to the Shiras Steam Plant. He stated that the main focus right now should be on Unit No. 3 Bottom Ash System Settling Basins. He explained to the Board there is a Petition to EPA to reconsider the CCR Rule and there should be a decision very soon. If the CCR Rule is upheld, he highly recommends that the MBLP begin steps to replace existing CCR settling basins with CCR compliant basins. Mr. Beitel then gave the Board possible compliance strategies and the different time frames that would be needed for each. T. Carpenter said that this issue has been in the hopper for a while and that the MBLP has some studies that will be coming in to help with the decision making process.
6. **Sargent & Lundy Presentation – Ken Mixer:**
Ken Mixer updated the Board on the MEC Project. He stated that the commissioning is 81 percent completed and is right on schedule. The compressor system is complete and fully commissioned with no delay in the schedule and no additional costs. He is very impressed with Wartsila's handling of this problem. Work that is near completion is the final site work including grading and paving of the work site, demobilizing manpower, equipment and trailers and getting the site cleared and ready for the solar garden. All three engines have been synchronized to the grid.
7. **Approval of Change Orders on GWC for the MEC Project:**
 - a. GWC Change Order #4 – Miron Construction Co., Inc.
D. Carlson made a motion to approve the change order #4 totaling \$245,600.46 which reflects the cost for 30 change items to the General Work Contract. Majority of these change items are due to changes in project scope from the original awarded project contract. S&L have reviewed and approve all the change order items. J. Irby gave support for motion and Board approved the payment.
 - b. Cooling Water System Modifications
J. Irby made a motion to approve the GWC PCI0139 in the total amount of \$173,871.08 due to changes in cooling water system scope from the original bid document. D. Carlson gave support and Board approved unanimously.
8. **Marquette Energy Center Update – John Reynolds:**
John Reynolds, Project Manager gave an update on the financial project costs summary.

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9. **Public Comments:**

John Prince, 3023 Island Beach Rd commended the Board on the appointment of Tom Carpenter saying he is a quiet, no nonsense person who gets the job done. Even though I don't work here, I have been a Board member and I care about the utility and the people working here. I think we have strong leadership in place and staff that care, I believe the MBLP is prepared and strong and will grow through this adjustment.

Jorma Lankinen 8 Marquette Drive congratulated Mr. Carpenter for taking this position and he feels good about it. Also, I think personally the Board needs to correct Tom Baldini, city commissioner who stated at last night's meeting that the MBLP borrowed \$70 million when it is \$60 million. Thank you for keeping the lights on.

Peter Zenti, Marquette stated that he wanted to thank Paul Kitti for being so community oriented. He gave a letter from the Marquette Regional History Center requesting financial support for a Historical Marker to be placed in the Collinsville location along the Noquemanon Trail Network (NTN) and MBLP trails along the Dead River. Mr. Zenti stated that the History Center would contribute by completing the application processing and paying the research fee, NTN will complete the installation of the markers but they are looking for some funding for the cost of the marker and the application fee.

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

Executive Director, Paul Kitti stated we had a wind storm last night which put over 2,000 customers out of power. But because we have the tree brushing program in place, our crews were out and able to get the power back on in a little over an hour.

As in the past it is time for the Board to decide where to "opt in" or "opt out" of the PA 295, the Low-Income Energy Assistance Program. P. Kitti explained the program that was enacted in 2013. Over the last three years, the MBLP has "opt out" of the program which means the utility cannot shut off power for non-payment, during the time period of November 1 to April 15. The MBLP does not shut off power during this time anyway and we work with local agencies to help our customers with their delinquent bills. This also means that we do not charge our customers an additional 99 cents monthly and send it to the state treasury to help fund this program. Board members asked if the money comes back to this community in which P. Kitti said not necessarily, it goes where there is need in the state. P. Kitti stated that our Customer Service Department work to the ninth degree to make sure that our customers are taken care of. D. Carlson made a motion to opt out, which was supported by J. Irby and Board approved unanimously.

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

R. Niemi thanked T. Carpenter for stepping up and taking the Acting Executive Director position.

T. Tourville stated that we have very talented and caring individuals working here who help us to transition into the future.

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12. **Adjournment:**
The meeting adjourned at 5:58 p.m.



Robert Niemi
Acting Vice Chair/Secretary