

Marquette Board of Light and Power 7-10-18 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 July 10, 2018 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

Edward Angeli

Robert Niemi

Absent: David Puskala, Vice Chair/Secretary

J. Irby made a motion to excuse David Puskala for tonight's meeting. R. Niemi gave support and Board unanimously approved. Chair T. Tourville appointed R. Niemi to fill in as Acting Vice Chair/Secretary for tonight's meeting. T. Tourville requested a couple of changes to the Agenda: move/change item 8 to 4a and move/change item 13 to 11a. R. Niemi made a motion to accept the revised agenda, with support from E. Angeli. Board unanimously approved.

1. **Approval of the June 12, 2018 Regular Meeting Minutes:**

E. Angeli made a motion to accept June 12, 2018 regular meeting minutes, as presented. Motion was supported by J. Irby and unanimously approved by the Board.

2. **Approval of Bills Payable:**

J. Irby made a motion to approve the Bills Payable, as presented, totaling \$1,582,560.49. Support was given by E. Angeli. After discussion, the Bills Payable were unanimously approved by the Board.

3. **Public Comments:**

No comments at this time.

4. **Lake Superior Community Partnership (LSCP) Presentation – Amy Clickner:**

Chief Executive Officer, Amy Clickner gave a presentation to the Board on LSCP's mission and commitment to this area through economic development strategies. She described how they are structured and all the ways they provide economic development in the Marquette, Baraga and Dickinson Counties. She went into detail all the programs they are involved in regional, nationally and internationally. Board members thanked her for her presentation.

a. **Combustion Turbine Audit Inspection – Brett Kyllonen: (moved from item 8)**

Manager of Electrical Engineering Services, Brett Kyllonen gave a presentation to the Board regarding the Combustion Turbine (CT). He stated that with the closing of the Shiras Steam Plant, the reliability of the CT has become increasingly important to the MBLP generation strategy. The CT was installed in 1978 and we normally use it a

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couple times a year but with Shiras no longer being run, we need to focus on our other assets for backup. The CT has been our emergency generator and it played a major roll during the flood of 2003, helping Presque Isle Power Plant when it was not able to run. B. Kyllonen shared that the plan is to have the CT inspected and the system evaluated to help ensure we are properly maintaining the CT and ancillary systems to the best of our ability.

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

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the eight months ending May 31, 2018, Projected Cash Flow Statement, Electric Revenues – Budgeted versus Actual and the FY Comparative KWH Analysis. Discussion followed. M. Link revised some of the reports with some additional details and the Board said they were impressed with the additional reporting.

6. **Recommendations to Authorize Delegates for Annual MERS Meeting:**

In accordance with the provisions of the Retirement Act, the governing body of the MBLP must certify to the Retirement Board the names of (2) delegates one of whom shall be an officer of the MBLP and one of whom shall be an employee of the MBLP, plus an alternate in each category to represent the utility at the Municipal Employee Retirement System's Annual Meeting. The law stipulates that the employee delegate be selected by a secret ballot which was completed with Executive Assistant, Noreen Collins being the election winner to be certified as delegate and Lineman Electrician, Nathan Chaperon as alternate. Director of Personnel and Employee Relations, Mary Adamini has recommended that the Board appoint Chief Financial Officer, Mark Link as the Officer Delegate and Manager of Accounting and Customer Service, Tobias Smith as the Officer Alternate. J. Irby made the motion to authorize M. Adamini to execute the appropriate certification documents to be forwarded to the Retirement Board. E. Angeli supported the motion and the Board unanimously approved.

7. **Board Approval for Services and Purchases:**

a. Award Three Year Contract for Testing Services on Trucks.

E. Angeli made a motion to award the three (3) year contract for testing services to American Test Center in the annual amount of \$3,215 per year. American Test Center submitted the lowest bid meeting minimum specifications. R. Niemi supported the motion and it was unanimously approved by the Board.

b. Cleaning of Charge Air Coolers on MEC Engines.

E. Angeli made a motion to pursue the recommended Wärtsilä Delta Cleaner automated system for cleaning the charge air coolers for the total cost of \$132,934. The motion was supported by J. Irby and after discussion, the Board unanimously approved.

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c. Purchase of six (6) Transformers.

A motion was made by E. Angeli with support given by J. Irby to approve the purchase of six (6) pad-mounted transformers to Power Line Supply in the amount of \$60,110.92. This purchase is to maintain minimum stocking criteria for replacing our aging infrastructure. Three vendors were solicited with two bids being returned, Power Line Supply was the lowest bidder. Board unanimously approved the purchase.

8. **Moved to item 4a:**

9. **IT Infrastructure Project Presentation – Igor Kruhak:**

Supervisor of Information Technology, Igor Kruhak gave an overview of the IT Infrastructure Project. He described where our IT Network System was, where it is now and what is planned for the future.

10. **Reliability Report – Karl Benstrom:**

Superintendent of Production, Karl Benstrom presented the Outage Management and Reliability Report. He went into great detail all the information that goes into the report, how is compiled by the American Public Power Association and prepared for the MBLP. The MBLP has a 99.972% reliability rate.

11. **MEC Noise Discussion:**

Executive Director Tom Carpenter presented a status summary from Sargent & Lundy, LLC (S&L) on the Noise Mitigation Effort which read that Wärtsilä completed an initial evaluation which identified potential issues and recommendations. S&L and MBLP staff are evaluating the report. He shared that Shiner and Associated has conducted post operational noise tests in May and we are expecting a report from them next week. Once data is confirmed by Shiner, MBLP and S&L will collaborate with Wärtsilä in developing a plan to correct the noise problem. T. Tourville stated that we are working on a proposal for this problem. The MBLP has quietly been working behind the scenes for several months to fix the problem but it takes time and money. This is not a product that we can just go buy on the shelf, it is a specialized device and we want to make sure that we don't spend a lot of money without fixing the problem.

T. Carpenter also talked about the customer complaints we have received from the neighborhood and showed a map that was created to show where the addresses are located. We are concerned and really want to fix this problem.

12. **Public Comments:**

Felicia Flack of 1999 Jenny Lane addressed the Board with her experiences on the noise issue. She can hear the engines and at certain times, they are louder than usual. It sounds like a train going through the neighborhood. Last week, it was very noticeable and it felt like her ear drums were vibrating. She asked if we have considered running at night when people are sleeping. She said that she appreciates all of the MBLP's efforts. Ray Ranta of 2043 Granite Street stated that the engines have a high whining pitch and he hears a pressure release sound sometimes. He also hears the trucks going by on Wright

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Street but that is for a few minutes. The engine noise is constant. He is willing to help in anyway and invited staff and Board members to stop by his house anytime to hear it.

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

T. Carpenter passed out a proposal change in the City Charter regarding PILT that he received from Mike Angeli, City Manager. He asked the Board to look over and the topic will be on August's Board Meeting Agenda.


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

E. Angeli informed the Board that tonight is our Township Utility Review Committee Representative, Earl Robinson last meeting. He has doing this job for the last 35 years and we want to thank him for his time and efforts. Also, E. Angeli thanked Lineman, Jon Betz for driving the MBLP truck during the 4th of July parade.

T. Tourville talked about tentatively changing the Budget Work Session scheduled for July 24 to July 31. Nothing was confirmed at this time. He thanked the staff for their efforts when the MBLP was called by MISO to disconnect which in essence made us an island for a time. Staff worked with all hands on deck and there were no blips, not even a flicker.

12. **Adjournment:**

The meeting adjourned at 6:43 p.m.



Robert Niemi
Acting Vice Chair/Secretary