

Marquette Board of Light and Power 8-14-18 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 August 14, 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

David Puskala, Vice Chair/Secretary

Jerry Irby

Robert Niemi

Absent: Ed Angeli

T. Tourville informed the Board that Ed Angeli was out of town. J. Irby made a motion to excuse E. Angeli from the meeting tonight with support from D. Puskala. Board approved unanimously. T. Tourville requested three changes to the agenda, 8a be added to discuss City Charter amendment proposed, 9a. Solar Power Supply Proposal from Tradewind Energy and 9b. Future Shiras Steam Plant Planning. J. Irby made a motion to accept the revised agenda. D. Puskala gave support and unanimously approved by the Board.

1. **Approval of the July 10, 2018 Regular Meeting Minutes and the July 26, 2018 Work Session:**

J. Irby made a motion to accept July 10, 2018 regular meeting minutes and the July 26, 2018 Work Session minutes, as presented. Motion was supported by R. Niemi and unanimously approved by the Board.

2. **Approval of Bills Payable:**

R. Niemi made a motion to approve the Bills Payable, as presented, totaling \$1,920,183.90 with D. Puskala giving support. After discussion, the Bills Payable were unanimously approved by the Board.

3. **Public Comments:**

Jack Gumaer of 720 W. Kaye Avenue Marquette, requested more information be included on his bill statement regarding the solar panels that he purchased in the Solar Garden and his own solar system on his property. He relayed to the Board and staff the items that he would like shown on his billing statement.

Tom Driscoll of 2212 Huron St. read a letter that he sent to the MBLP's Executive Director and Board Chairman, Marquette Township Board and their Manager and Supervisor. He stated that he is also speaking for his 86 year old father, Robert, who lives at 2242 Huron Street. He said the constant noise and vibration has adversely affected their quality of life and property values. He is urging the Board to do the right thing and fix this problem.

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

Chief Financial Officer, Mark Link presented the Interim Operating Statement for the nine months ending June 30, 2018, Projected Cash Flow Statement, Electric Revenues – Budgeted versus Actual, FY Comparative KWH Analysis and Summary of Investments at June 30, 2018. Discussion followed.

5. **Budget Discussion:**

T. Carpenter asked if the Board had any questions and if they wanted anything else added to the Budget. He asked if the Board would like to schedule a second Work Session. No comments were made.

6. **Approval of MEC Load Bank Testing – Brett Kyllonen:**

J. Irby made a motion to award Aggreko, LLC in the amount of \$154,133.94 (+/-5%) for the rental of the 25 MW Load Bank to facilitate the MEC Generator “Island Mode” Testing. Aggreko, LLC submitted the lowest proposal, meeting minimum quality standards. Support was given by D. Puskala. T. Carpenter and Brett Kyllonen, Manager of Electrical Engineering Services shared information on the importance of this testing. B. Kyllonen clarified this cost is only for the hardware. In the future, there will be labor costs and shipping costs added to this testing project. After discussion, the Board unanimously approved.

7. **MEC Noise Discussion – Mitigation Study:**

T. Carpenter gave an overview of a proposal from INNOVA Global for an acoustic assessment at the MEC. The cost is less than the \$25,000 amount needed for Board Approval, so information is just for discussion and information. T. Carpenter reviewed what has been done so far and information we have received from Shriner and Wärtsilä regarding the noise problem. INNOVA Global specializes in the design, supply and installation of acoustic mitigation and buildings for industrial facilities. They focus on satisfying the unique noise control requirements. Once the assessment is done and INNOVA Global is able to find a solution, they will guarantee the results. This is very specialized work and we sent out proposals to three companies in which the other two companies declined to submit a bid. Board Members discussed asked questions and discussed at length the process that will be taken. T. Tourville addressed Mr. Driscoll and stated that he appreciates his comments and understands their frustration because the noise problem is not fixed yet. We want to be good neighbors but we also want to make sure when we do a fix and spend a lot of money to do it, that we have done our homework. We don't want to spend a lot of money without fixing the problem. I know our staff has been pursuing and working for a long time on this issue. If they are able to find a solution, it is encouraging that INNOVA offers a guarantee. I have a lot more confidence, they will be able to fix it. Board wants this problem fixed as soon as possible and are willing to hold a Special Meeting if needed, to get it done. It was estimated that it might take a couple of months to be completed.

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8. Public Comments:

Jorma Lankinen 8 Marquette Dr. complimented the Board and our accountant for doing a nice job on relaying information and thanked them for keeping the lights on.

James Gallant of 538 Yalmer Road, Skandia stated that he is representing the Marquette County Suicide Prevention Coalition. Because of what happened to Mayor John Kivela, he asked that the Board make a personnel policy that if our employees witness a person trying to attempt suicide that they immediately report it and pursue a mental health hold of 72 hours. He then commented on the Board's discussion on an action item without having a motion first, stating this is a direct violation of Robert's Rules of Order. Then gave some other examples of other things that he believes is in direct violation of the City of Marquette's Ethics Ordinance. They need to have a motion every time. He believes that is what is causing a lot of the suicidal behavior in our society, people on this side of the podium, a lot of them feel they don't stand a chance against folks in the public office because they are not following the rules. We really don't stand a chance. Unless you are following the rules, we don't have a chance to win the debate. I ask that you please refer this to the City attorney, Ron Keefe because this was determined by Ron Keefe that this is in violation of the rules. I don't know the process of filing a complaint but I would like to from the floor here, file a complaint with this Board and the City Assistant Attorney that this is a violation of Ethics Ordinance.

a. City Charter Amendment Proposal

A brief discussion was held regarding the recently city approved amendment to the City Charter which will be placed on the November Ballots. T. Carpenter explained that the MBLP has always paid Payment In Lieu of Taxes (PILT) to the city and the amendment is just to change how the PILT is calculated each year. The previous PILT formula was based on total capital assets and required annual adjustments in coordination with the city assessor's office. The Amendment would simplify the calculation to a mutually agreed upon percentage of operating revenues. The change will make the calculation simpler, save a lot of time administratively and will help the city and MBLP in their budgeting process. T. Tourville stated that the amendment would not raise or lower our property taxes, does not change how the taxes are allocated and there will be no changes in our rates. The only thing that will change is how it will be calculated.

9. Natural Gas Supplier Options:

a. Power Supply Proposal from Tradewind Energy.

b. Future Shiras Policy Planning.

At 5:43 p.m., R. Niemi made a motion to enter into a closed session to discuss items 9, 9a and 9b, according to the Open Meetings Act 267 of 1976, MCL 15.268 (h), closed session to discuss material otherwise exempt from disclosure under state law, the proprietary pricing information being exempt from disclosure under FOIA (MCL 15.423(1) (f), commercial information provided to a public body for use in developing policy provided upon a promise of confidentiality by executive director. J. Irby

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supported the motion. Roll Call Vote was taken: R. Niemi – yes, T. Tourville – yes, D. Puskala – yes, J. Irby – yes.

At 6:21 p.m., D. Puskala made a motion to open the session. J. Irby gave support. Roll call vote was taken: R. Niemi – yes, T. Tourville – yes, D. Puskala – yes, J. Irby – yes.

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

T. Carpenter said that he was approached by representatives of the Michigan Agency for Energy to help with a program to provide solar power, renewable energy and weatherization types of services to low income customers. They were wondering if we had enough solar panels left that they could buy them and then give them to customers in our service territory. We have 90 panels left.

He will be bring to the Board, perhaps at the next meeting, a draft copy of a study to mitigate some of contingencies at #5 substation.

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

No comments

12. **Adjournment:**

The meeting adjourned at 6:24 p.m.



David Puskala
Vice Chair/Secretary