

# Marquette Board of Light and Power 8-29-17 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 August 29, 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  
David Puskala, Vice Chair/Secretary  
Jerry Irby  
Robert Niemi  
David Carlson

Absent: None

J. Irby made a motion to accept the agenda, as presented which was supported by D. Carlson and unanimously approved by the Board.

1. **Approval of the August 8, 2017 Regular Meeting Minutes:**  
D. Puskala made a motion to accept August 8, 2017 regular meeting minutes, as presented. Motion was supported by R. Niemi and the minutes were unanimously approved by Board.
2. **Approval of Bills Payable:**  
J. Irby made a motion to approve the Bills Payable, as presented, totaling \$1,656,516.96 with R. Niemi giving support. After discussion, Board unanimously approved the bills payable.
3. **Public Comments:**  
No public comments at this time.
4. **Financial Discussion:**  
Helen LaFayette, Controller reviewed the Interim Operating Statement for the ten months ending July 31, 2017 and the Projected Cash Flow Statement. Because of the presentation tonight, she asked the Board look over the rest of the financial information and if they had questions to please call her or come in to talk to her.
5. **Recommendations to Award Contract for a new Bucket Truck:**  
R. Niemi made a motion to accept Superintendent of Distribution, Karl Benstrom's recommendation to award the contract to Terex Services in the amount of \$244,197 for the purchase of a new 4X4 bucket truck to be used in the Distribution Department. Terex Services submitted the best and lowest bid meeting specifications for operational testing and evaluation by the line department crews. K. Benstrom reported that the Terex design used the same equipment controls and installation design as existing trucks in the fleet. This will aid the crews in the safe operation of the unit. This is a 2018 budgeted item. The motion was supported by D. Carlson and unanimously approved by the Board.

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6. **Local Officers Compensation Commission's Recommissions:**

Acting Executive Director, Tom Carpenter stated that the Local Officers Compensation Commission has recommended no changes to the salary for the BLP Board Members this year. D. Carlson made a motion to send a letter to Wendy Larson stating the Board's displeasure with the recommendation. The motion was not supported.

7. **Marquette Energy Center Update:**

Acting Executive Director Tom Carpenter informed the Board that Wärtsilä turned over the keys to the MBLP, last Friday. At that time, the plant is officially owned and operated by the MBLP. According to T. Carpenter even though keys have been turned over, part of the handoff also included a punch-list of items that need to be taken care of, before the finalization of all payments are made. Board asked what the final numbers are for the total cost of the MEC. T. Carpenter stated that without any potential change orders, the cost is approximately \$62 million, which is approximately \$3 million less than was originally estimated.

8. **Utility Financial Solutions, LLC Presentation – Dawn Lund:**

Dawn Lund, Vice President at Utility Financial Solutions was introduced by T. Carpenter. Ms. Lund gave the Board a short review of their consulting firms work and said that UFS has completed many financial projection reports for the MBLP over the last 10 years. Presentation included the key financial targets of Operating Income, Cash Reserves and Debt Coverage Ratio. The report included calculations for projected rate changes, for the next 5 years, with Shiras Steam Plant and without Shiras Steam Plant in operation. Chair Tourville made it clear that no motions or decisions will be made tonight based on the information presented. The information presented is strictly informational. T. Carpenter did state that the coal contract ends this year and Coal Combustion Residual Rule will need to be addressed as soon as possible.

9. **Public Comments:**

Jorma Lankinen of 8 Marquette Drive stated that he has been working on reducing his energy consumption and is hopeful that his bill will be under \$100 this month. He asked how the solar panel sales were going.

Jennifer Hill of 503 Craig St. asked questions in regards to the fixed rate charge on her bill and how the rate increase was formulated.

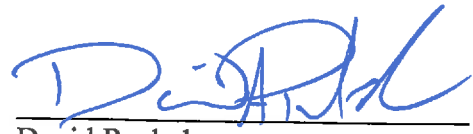
10. **Any Additional Business the Acting Executive Director Wishes to Present:**

T. Carpenter informed the Board the solar panels are all in and should be energized within the week. The MBLP has sold 316 solar panels so far.

T. Carpenter introduced Ben Collins, our new Manager of Distribution and Engineering Service, who will be working with Superintendent Karl Benstrom. He comes from Cliffs and is a good addition to the group.

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11. **Any Additional Business the Board Members Wish to Present:**  
No comments at this time.
12. **Adjournment:**  
The meeting adjourned at 5:55 p.m.



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David Puskala  
Vice Chair/Secretary