

Marquette Board of Light and Power 10-09-18 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 October 09, 2018 beginning at 4:30 p.m. The meeting was called to order followed by the Pledge of Allegiance and Roll Call.

Tom Tourville, Chair

David Puskala, Vice Chair/Secretary

Jerry Irby

Robert Niemi

Ed Angeli

Absent: None

T. Tourville clarified that item 9 GRP Engineering Loop Study is also listed under 6b. Since he is requesting an additional item to the agenda – Approval of Corrective Action Plan, he would like this item listed as item 9. T. Tourville requested to address item 8 before item 7. J. Irby made a motion to accept the revised agenda with support coming from D. Puskala. Revised agenda was unanimously approved by the Board.

1. **Approval of the September 10, 2018 Regular Meeting Minutes**

E. Angeli made a motion to accept the September 10, 2018 Meeting Minutes as presented. Motion was supported by R. Niemi and unanimously approved by the Board.

2. **Approval of Bills Payable:**

Accounting Clerk, Matt Zavislak gave a short presentation to the Board regarding some modifications that have been made to the Bills Payable Report. These changes were made in an effort to offer the Board more information and better transparency, along with creating a more natural flow of matching expenses to the time period in which they occurred. The first change is the cover sheet is in two sections. The top portion is the total of everything that has been paid in the last 30 days and the bottom portion is what we intend to pay in the next 30 days. On the cash requirements report, invoices that are on hold (denoted on last column of report) are ones that have been put in the system but are waiting for final approvals. The manual checks are now listed as a check register and shows all the checks that have been sent out since the last board meeting. Checks that on the left are payments approved at the last board meeting and checks on the right are the payments to approve this meeting. E. Angeli made a motion to approve the Bills Payable, as presented, totaling \$1,716,395.13 with support coming from R. Niemi. After discussion and a question-answer period, the Board unanimously approved the Bills Payables as presented. Board thanked M. Zavislak for his presentation and the additional information.

3. **Public Comments:**

No comments were made.

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4. **Financial Discussion – Mark Link:**
Chief Financial Officer, Mark Link presented the Interim Operating Statement for the eleven months ending August 31, 2018, Projected Cash Flow Statement, Electric Revenues – Budgeted versus Actual and KWH Comparative for the Twelve Months Ending September 30. Discussion followed.
5. **Recommendation for Approval of Cash Reserve Policy:**
Executive Director, T. Carpenter stated that this is a revised copy of the policy that was brought to the Board at the last meeting. Since then, a committee including two board members Ed Angeli, Dave Puskala, Mark Link and Tom Carpenter has met and are bringing their final version for approval. D. Puskala made a motion to approve the Cash Reserve Policy presented. E. Angeli gave support. D. Puskala stated that this is the first step in establishing appropriate cash reserve targets needed for the financial health of the utility. He also thanked M. Link and T. Carpenter for their great work on this policy. T. Tourville stated that because the utility is a capital intensive business, this is the critical information needed to stabilize the utility now and in the future. By using financial discipline and following the guidelines, the Board is demonstrating good, prudent business practices. Board approved unanimously.
6. **Recommendation for Approval Letters:**
 - a. **Circuit Breaker Replacement:**
J. Irby made a motion to award Energis High Voltage Resources in the amount of \$113,267 to remove, replace and commission three (3) circuit breakers at #4 Substation. D. Puskala gave support and Board unanimously approved.
 - b. **Transmission Line Route Study: (GRP Engineering Loop Study)**
E. Angeli made a motion to approve the proposal for Professional Engineering Services to perform a two-part transmission planning study from GRP Engineering, Inc. in the amount of \$29,000. Support was given by R. Niemi and unanimously approved by the Board.
7. **MEC Noise Discussion:**
T. Carpenter informed the Board that INNOVA Global has given us a preliminary design concept proposal which includes retrofitting the walls and the roof. The proposal has been sent to the original designers of the building and he is waiting to hear from them to see if this is workable. T. Tourville asked if they could give us a piecemeal proposal so we can address each section. The primary concern is the low frequency sound coming from the roof and walls.
8. **ATC/NITS Discussion:**
With the idling of the Shiras Steam Plant, we no longer have a redundant power source to our Shiras substation if transmission service were interrupted. This places approximately 9,500 customers at risk of extended electrical service interruptions. T. Carpenter stated

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that we need to have a second transmission line by either establishing an inter 69kV loop and/or establishing a second 69kV transmission tie to American Transmission Company. The proposed study from GRP Engineering Inc. approved above (item 6b) will provide a study of transmission line routes and will determine the best routes for the inter 69KV loop and the second 69kV transmission tie to American Transmission Company (ATC). Once we have the report, the MBLP will work with ATC to determine a plan to move forward.

9. **Approval of Corrective Action Plan – Retiree Health Benefit Systems:**

According to Public Act 202, if a local unit of government is underfunded in their Retiree Health Funding Vehicle, they can develop and submit for approval a corrective action plan within 180 days from the date of notification. Chief Financial Officer, Mark Link stated that as of 9/30/18, we have met the 40 percent threshold requirement and will be funded over 50 percent by the end of the year. R. Niemi made a motion to approve the Corrective Action Plan, with support from E. Angeli. A Roll Call vote was taken: E. Angeli – yes. R. Niemi - yes, T. Tourville - yes, D, Puskala - yes and J. Irby – yes.

10. **Public Comments:**

Jen Hill, 504 Craig Street – commented on the upcoming elections in which she is running for city commission. She also talked about some of the current city issues, is interested where the transmission loop will be and talked about customers generating their own power, increase in electric vehicles and the beneficial electrification movement to run everything on electricity.

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

T. Carpenter informed the Board that the load bank testing was completed last week. Manager of Electrical Engineering Services stated that the new engines can run as an island without the Combustion Turbine and support our full load. He also stated that the testing took 10 days of set up and tear down and a total of 4 days of testing.

T. Carpenter shared that the MBLP had its First Annual 5 K Fun Run to raise funds for our new Generating Change Program that will help assist local families who are unable to pay their utility bills during the winter. We received a lot of positive comments and had 26 entries. We have received quite a few onetime donations and over 80 applications to round up. Manager of Accounting and Customer Service, Toby Smith said that they are working on finalizing the contract with Salvation Army, who will administer the funds.

T. Smith shared that there is an accounting change starting in November, where instead of billing two cycles a week on two separate days, the billing department will bill two cycles a week on the same day.

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

D. Puskala complimented the BLP staff who worked on the Fun Run. It was a great event and BLP should keep it going in the future.

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J. Irby stated that he has read that electric cars will be the thing of the future.

13. **Adjournment:**
The meeting adjourned at 6:07 p.m.



David Puskala
Vice Chair/Secretary