

Marquette Board of Light and Power 1-10-17 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 January 10, 2017 beginning at 4:30 p.m. The meeting was called to order followed by the Pledge of Allegiance.

Present: Tom Tourville, Chair
David Puskala, Vice Chair/Secretary
David Carlson
Jerry Irby
Robert Niemi

Absent: None.

J. Irby made a motion to accept the agenda as presented, with support from D. Carlson. Board unanimously approved.

1. **Approval of the December 22, 2016 Regular Meeting Minutes:**
D. Puskala made a motion to accept December 22, 2016 regular meeting minutes, as presented. Motion was supported by R. Niemi and unanimously approved by Board.
2. **Approval of Bills Payable:**
J. Irby made a motion to approve the Bills Payable as presented, totaling \$587,002.50. Motion was supported by R. Niemi. After questions were answered, the Board unanimously approved the Bills Payable, as presented. Because we are a member of Lake Superior Community Partnership, J. Irby requested staff to schedule a presentation from them, to the Board, regarding the benefits of being a member.
3. **Public Comments:**
No comments at this time.
4. **Recommendation to Award Update to the Power Supply Planning Analysis:**
T. Tourville asked for discussion before a motion will be called. Board asked Erik Booth, Director of Planning and Regulatory Affairs to give an overview of what to expect from the study and also, to explain the importance of this analysis. After discussion, D. Puskala suggested that the Board make this a first reading because there should be more discussion before making a decision. D. Puskala also requested staff to schedule a conference call with Burns and McDonnell at the next meeting, so the Board can ask questions and listen to their explanation of what the study will include and how it will help the utility in the future. D. Puskala made a motion to table this decision at this time. J. Irby supported the motion and Board approved.
5. **Community Solar Update – Erik Booth:**
E. Booth stated that staff does not have any updates on the solar project at this time. He also suggested that we only put this item on the agenda if we do have something to discuss or share. He stated that he has been getting calls regarding this issue. T. Tourville stated that the reason he wanted it on the agenda every meeting was that the Board made a commitment to the community and he wanted to make sure the community would be aware of any changes

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and/or updates to the project. Legal counselor Ken Seavoy stated that he and David Lynch have met Michigan Energy Options' lawyer to work on the licensing but they have not heard back from them as of yet.

6. **Sargent & Lundy –Ken Mixer:**

Ken gave an update presentation, stating the engine hall building is full enclosed and has heat in it. The overall project is 75% complete with the only outstanding contract being the General Work Contract with Miron Construction. There is lots of working being done and the electrical contractor has put in a second shift. Sargent and Lundy have reviewed 23 of a potential 63 total change order items. Original the total potential change orders totaled \$306,346.10 but based on their review, the current total is \$218,667.52, which is a reduction of \$87,678.58 so far. He stated the potential change orders are under control and even including what we have paid, the contract is under budget. Last week, he stated there was a team meeting with Wärtsilä, Miron and B&B Electric, which showed good teamwork with a lot of give and take being done. He also stated that there are only two more shipments pending from Wärtsilä. Project is going well.

7. **Wärtsilä – Paul Hatch:**

Executive Director Paul Kitti introduced Paul Hatch who is the Senior Engineer for Wärtsilä. Mr. Hatch shared with the Board, his many decades of work experience in the mechanical engineering field. He said the MEC project is processing nicely and he is here in an advisory capacity to help the contractors with any questions as they progress.

8. **Marquette Energy Center Update:**

John Reynolds stated that there has not been a lot of change in the financials since last meeting. We are down to two more payments on the Wärtsilä contract. We continue to not touch the contingency fund and it is actually \$19,000.00 more than we had originally budgeted for. T. Tourville stated that not having to touch the contingency this far into the project, is just amazing.

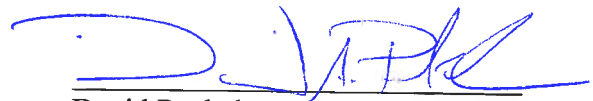
9. **Public Comments:**

Jorma Lankinen, 8 Marquette Drive. Because of some of the Board discussion in the meeting, he talked about his experience using natural gas in his business and at home.

Sara Cambensy, 225 W. Michigan Ave. introduced Becky Simmons, who is a Science Teacher from Marquette Public Schools. They have both been working on a project called Samsung Solve for Tomorrow. They completed the first step in the Samsung competition and Ms. Simmons was chosen a State Winner in which the school received \$25,000 to be used for technology in the school. The next step is to create a video in which the school could potentially win a minimum of \$50,000. Ms. Simmons gave a presentation on their project and said that the students were inspired by our Marquette Energy Project. She shared some ideas how the MBLP and the community could get involved in the project. T. Tourville stated that the Board would like to be supportive in this project. P. Kitti thanked them for their presentation and recommended they contact Noreen Collins, Executive Assistant/Community Relations Coordinator.

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10. **Any Additional Business the Executive Director Wishes to Present:**
Executive Director, Paul Kitti stated that he and John Reynolds have had some discussions with SEMCO regarding the possibility of them expanding the natural gas service in the U.P. SEMCO has applied to the MI Public Service Commission and if it goes through, this will be a \$140 million project and the MBLP and this area will have more than enough natural gas. This is a great project and hopefully, it will get approved.
11. **Any Additional Business the Board Members Wish to Present:**
J. Irby talked about a Policy Paper that was written by a student at NMU, which he was interviewed. He requested N. Collins to send a copy via email to all the Board Members. He also asked if the MBLP could monetary support the Samsung Solve for Tomorrow Project. P. Kitti said we could possibly help with safety related items. J. Irby asked about trying to recover and use the heat from the new stacks. J. Reynolds stated that he did look into it and it would be appropriately \$11 million to put in the system. P. Kitti stated that it was done in Boston and they scrapped the project because it leaked and all the steam lines are underground. P. Kitti stated that it is a high cost for what we would get out of it.
12. **Adjournment:**
The meeting adjourned at 6:08 p.m.



David Puskala
Vice Chair/Secretary