

Marquette Board of Light and Power 5-09-17 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 May 9, 2017 beginning at 4:30 p.m. The meeting was called to order followed by the Pledge of Allegiance.

Present: Tom Tourville, Chair

Jerry Irby

Robert Niemi

David Carlson

Absent: David Puskala, Vice Chair/Secretary

J. Irby made a motion to excuse D. Puskala because he is out of town. Bob Niemi supported the motion and the Board unanimously approved. Chair T. Tourville appointed Robert Niemi to fill in as Vice Chair/Secretary. T. Tourville requested that we remove item 5 from the agenda tonight and have it included on the agenda at the next board meeting. D. Carlson made a motion to accept the revised agenda. J. Irby gave support and Board unanimously approved.

1. **Approval of the April 25, 2017 Regular Meeting Minutes:**

J. Irby made a motion to accept April 25, 2017 regular meeting minutes, as presented, with support given by R. Niemi. Meeting minutes were unanimously approved by Board.

2. **Approval of Bills Payable:**

R. Niemi made a motion to approve the Bills Payable as presented, totaling \$2,748,022.12 with support from D. Carlson. After discussion, the Bills Payable were unanimously approved by the Board.

3. **Public Comments:**

Jorma Lankinen 8 Marquette Dr. stated that it is a sad day in the Marquette community and offered his condolences to Representative John Kivela's family.

4. **Budget Work Session Date Discussion – Helen LaFayette:**

As result of Erik Booth's resignation, Controller H. LaFayette stated that she and Manager of Accounting and Customer Service, Tobias Smith will be working on updating the 10 year financial projection model with Dawn Lund from Utility Financial Solutions, LLC (UFS). Board members requested a work session meeting with UFS after the Board evaluates the Power Supply Planning and Dispatching Analysis from Burns and McDonnell. H. LaFayette presented the Board with a Revised Budget Schedule that includes a work session with Burns & McDonnell and a work session with UFS. J. Irby made a motion to approve the revised schedule with the tentative time frames that were presented. D. Carlson gave support and the revised schedule was unanimously approved by the Board.

5. **Integrated Resource Plan – MPSC Discussion – Jim Weeks, MMEA:**

This item was removed from the agenda and will be included in the next board meeting.

6. **Recommendation to Award – Monitoring Well Installation:**

J. Irby made a motion to award the contract for the installation of monitoring wells around the Shiras Steam Plant retention pond to Coleman Engineering in the amount of \$42,475.00.

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These monitoring wells are a requirement of Chapter 40 of the Code of Federal Regulations Part 257, Subpart D, *Standards for the Disposal of Coal Combustion Residuals in Landfills and Surface Impoundments* and Coleman submitted the lowest bid meeting minimum quality standards. D. Carlson seconded and Board unanimously approved.

7. **Sargent & Lundy Update – Ken Mixer:**
Ken Mixer joined the board meeting via teleconference. He then gave the Board an update on the MEC Project with a PowerPoint Presentation. He stated that temporary monitoring equipment is being used to test the engines with natural gas and fuel oil to meet the State requirements and to meet the Wärtsilä contract. Commissioning of the MEC is about 36 percent complete and General Work Contract is over 98 percent complete. He covered the items that have been completed since the last board meeting and what items are remaining on the project. The project is on schedule and will not be delayed due to the air compressor system. Mr. Mixer then talked about the two potential change items received regarding sales taxes. He shared that there are over 200 activities that will need to be complete in the commissioning schedule. It is projected that the general work contract final completion date will be June 5, 2017.
8. **Approval of Change Orders on MEC Project Regarding MI Sales Taxes:**
J. I made a motion to approve CGWC PCI0039 for \$97,280.56 and GWC Change Item PCI0112 for \$178,222.98 to Miron Construction Co., Inc. in the total amount of \$275,503.54 for the sales/use taxes that Miron Construction was required to pay for tangible personal property incorporated into the MEC. Motion was supported by R. Niemi and Board unanimously approved the payment.
9. **Approval of Urea Purchase (30,000 gallons) - MEC Project:**
D. Carlson made a motion to award the contract to supply approximately 30,000 gallons of 40% Urea Solution to Hydrite Chemical Company in the approximately amount of \$27,900.00. Board was informed that this bid is good for one year. J. Irby supported the motion and Board unanimously approved.
10. **Marquette Energy Center Update – John Reynolds:**
John Reynolds, Project Consultant, stated that we have spent approximately \$1.65 million out of the \$6.4 million that is in our contingency fund.
11. **Public Comments:**
No comments made at this time.
12. **Any Additional Business the Executive Director Wishes to Present:**
Executive Director, Paul Kitti notified the Board that there was an accident on Co. Rd 550 today in which the MBLP had to de-energize the electricity of 50 to 60 customers in order for the work to be completed.

This past week, he gave tours of the MEC to people from Ishpeming Township, Lake Superior Community Partnership's Leadership Class and representatives from Marquette Township.

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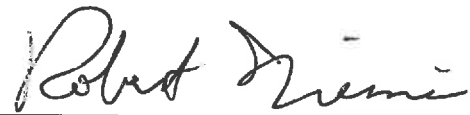
P. Kitti announced that the MBLP has received the American Public Power Association's RP3 Diamond Award this year. This is the second time, we have received the Diamond level and this Award is for three years. P. Kitti thanked Director of Planning and Regulatory Affairs Erik Booth for his work getting the application ready for submission and thanked Executive Assistant Noreen Collins, who worked closely with E. Booth during the process. Assistant Director – Utility Operation David Lynch accepted the award yesterday at the Annual APPA Engineering and Operations Technical Conference.

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

No other comments were made.

14. **Adjournment:**

The meeting adjourned at 5:38 p.m.



Robert Niemi
Acting Vice Chair/Secretary