

# Marquette Board of Light and Power 6-28-16 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 June 28, 2016. The meeting was called to order followed by the Pledge of Allegiance and roll call.

Present: Tom Tourville, Chair  
Jerry Garceau, Vice Chair/Secretary  
Jerry Irby  
David Carlson

Absent: David Puskala

J. Irby made a motion to excuse David Puskala from this meeting, J. Garceau gave support and Board unanimously approved. J. Garceau made a motion to approve the agenda as presented, seconded by J. Irby and unanimously approved by the Board.

1. **Approval of the June 14, 2016 Regular Meeting Minutes:**  
J. Irby made a motion to accept June 14, 2016 regular meeting minutes as presented, seconded by D. Carlson and unanimously approved by the Board.
2. **Approval of Bills Payable:**  
J. Garceau made a motion to approve the Bills Payable as presented, totaling \$1,419,553.31. Motion was supported by D. Carlson and the Board unanimously approved the Bills Payable as presented.
3. **Public Comments:**  
No public comments at this time.
4. **Financial Discussion – Helen LaFayette:**  
Controller, H. LaFayette gave an overview of the operating revenues and expenses for the eight months ending May 31, 2016 and the projected cash flow statement. H. LaFayette answered questions from the Board members and discussion followed.
5. **Recommendation to Pay for:**
  - a. **Engineering Support for Power Activated Carbon (PAC) Testing.**  
J. Irby made a motion to award the payment of \$9,500.00 to Sargent & Lundy for PAC testing engineering support. This is a FY2016 budgeted project. Motion was supported by J. Garceau and unanimously approved by the Board.
  - b. **Purchase of Fluepac LMC Plus Power Activated Carbon (PAC).**  
On a motion made by D. Carlson and supported by J. Garceau, the payment of \$13,065.25 was awarded to Calgon Carbon Corporation for the 22,000 pounds of PAC used in the mercury emission control system, which is installed on Shiras Unit No. 3. In order to comply with Environmental Protection Agency's (EPA) Mercury and Air Toxics Standard (MATS) Rule, PAC is being injected in the flue gas stream. Board unanimously approved the purchase. Because of the amount of PAC we burn, Director of Generation and Engineering, Tom Carpenter stated that he is working on a multi-year contract.

Marquette Board of Light and Power 6-28-16 MINUTES  
2200 Wright St., Marquette, MI 49855 (906) 228-0311

6. **Recommendation to Award Contract for:**

a. Office Construction Work.

J. Irby made a motion to award the contract for the construction of a wall and door to enclose an office for our Distribution Engineering Technician to Closner Construction in the amount of \$3,940.00. Closner Construction turned in the lowest bid meeting minimum quality standards. Motion was supported by J. Garceau and the contract was unanimously approved by the Board.

b. Purchase of 2 Fusible Disconnects and 12 Fuses for DLP Project.

A motion was made by J. Irby and supported by D. Carlson to award the purchase of 2 cluster mounted three-phase fusible disconnects and 12 – 400 amp fuses to Border States Electric Supply who turned in the lowest bid of \$16,163.14. Board unanimously approved contract.

J. Irby asked about the possibility of the Board using a Consent Agenda to approve letters of purchasing and awarding contracts. Ken Seavoy, Legal Counsel stated that is possible if Board approved. J. Garceau asked what the purchase limits are in the City, in which K. Seavoy answered the City Charter has revised the purchase limits to \$25,000.00. T. Tourville requested that the Consent Agenda issue be added to the next meeting's agenda.

c. Renewal of SSP Computerized Maintenance Management System.

On a motion made by J. Garceau and supported by D. Carlson, authorization was granted to award a one-year renewal of CMMS license for the total amount of \$3,528.00. (In order to protect our internet service and security, no company name will be listed.) Board approved unanimously.

d. Safety Valve Testing on Shiras Unit No. 2.

J. Irby made a motion to award the Shiras Unit No. 2 safety valve testing to Dowco Valve Company in the amount of \$3,770.00. They were the lowest bidder meeting minimum quality standards. Motion was supported by D. Carlson and unanimously approved by the Board.

e. Invasive Species Control Treatment for TP Wetlands.

On a motion made by J. Irby and supported by J. Garceau, authorization to perform invasive species control was given to Superior Watershed Partnership in the amount of \$12,200.00. This work is a requirement under Federal Energy Regulatory Commission and therefore, is a FY2016 budgeted maintenance item. Director of Planning and Regulatory Affairs, Erik Booth stated that we are trying to make sure the plants that have been planted are not destroyed by the invasive species. Superior Watershed Partnership has done a really good job with this project and has saved the MBLP lots of money. After discussion, Board unanimously approved.

f. Supplemental Planting in TP Mitigation Wetlands.

D. Carlson made a motion to authorize Superior Watershed Partnership to conduct supplemental planting in the Tourist Park mitigation wetlands for the not to exceed amount of \$7,769.00. Motion was supported by J. Garceau and the Board unanimously approved the work.

# Marquette Board of Light and Power 6-28-16 MINUTES

## 2200 Wright St., Marquette, MI 49855 (906) 228-0311

g. Civil General Work Contract for the MEC Project.

A motion was made by J. Irby to authorize the Civil General Work Contract (CGWC) to Miron Construction Co., Inc. who submitted the lowest evaluated price proposal of \$3,917,719.00 which includes \$24,527.00 for 100% payment and performance bonds. D. Carlson supported the motion. Ken Mixer stated that this is \$1.5 million less than was budgeted for. Sargent and Lundy submitted a letter of recommendation which summarized their process for evaluating the proposals. Board unanimously approved the contract.

7. **Change Orders for Awarded Contracts:**

a. Additional Site Work for Curbed Entrances.

D. Carlson made a motion to accept the revised proposal from Oberstar, Inc. in the amount of \$37,480.00 to provide for the revised site work of the curbed entrances required by the City Planning and Engineering Department. This motion was supported by J. Garceau and unanimously approved by the Board.

b. Electrical Building Contract Change.

J. Garceau made a motion to approve CR Meyer, the Pre-engineered Electrical Building contract changes and scope additions for the Marquette Energy Center, in the total “not to exceed” price of \$186,283.35. Sargent and Lundy recommended and summarized the evaluation of changes and additional scope of work. Motion for support was given by D. Carlson. Board unanimously approved the contract changes and scope additions.

c. Noise Study Review – Ken Mixer, Sargent & Lundy.

Ken Mixer, from Sargent & Lundy gave a PowerPoint presentation titled Noise Assessment Update. (Environmental Noise Assessment completed by Shiner was included in the Board Packets for review before the presentation.) Mr. Mixer informed the Board of the additional noise attenuation options being implemented and other options the Board might consider. T. Tourville commented that this report explains how the MBLP has taken the initiative to go to great lengths to minimize the MEC’s impact on our neighbors.

d. Additional three (3) Engine Silencers.

On a motion made by J. Irby and supported by J. Garceau, authorization was granted to award Wärtsilä Change Order #003 to provide three (3) engine silencers including design modifications and equipment for the total amount of \$70,572.00. Board unanimously approved the change in their contract.

e. Change Air Baffles and extended Duct Ventilation.

J. Garceau made a motion to award Wärtsilä Change Order #004 to provide Charge Air Baffles and Duct including design modifications and equipment for the Marquette Energy Center in the total amount of \$125,805.00. Motion was supported by D. Carlson and Board unanimously approved.

8. **Marquette Energy Center Update:**

a. Ken Mixer from Sargent and Lundy.

Ken Mixer gave the Board an update of where the project is at this time. The project is still under budget and the Board has awarded 17 of the 24 contracts needed to complete the MEC.

Marquette Board of Light and Power 6-28-16 MINUTES  
2200 Wright St., Marquette, MI 49855 (906) 228-0311

b. Gary Routhier from Wärtsilä North America.

Gary Routhier informed the Board that regarding the transportation of the engines, the City of Marquette, Northern Michigan University and the State of Michigan have all given their approval of the plan. We have not heard from the Army of Corp Engineers as of yet. Once all involved have approved the plan, a method statement will be created and permits will be processed. He stated that he would invite the heavy haulers to come and give a presentation to the Board.

9. Public Comment:

Jorma Lankinen 8 Marquette Dr. stated that he has received a lot of good information this afternoon. He encouraged the MBLP to work hard on saving money and if the contingency fund were not used, it would help everyone.

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

Executive Director Paul Kitti invited the Board to tour the construction site during working hours but to please check in with Assistant Director David Lynch or myself before doing so. For safety reasons, we will provide hardhats and escort you around the work site.

P. Kitti informed the Board that Director of Planning and Regulatory Affairs, Erik Booth and Supervisor of Metering and Energy Programs Kevin Downs recently gave a presentation to Sands Township.

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

D. Carlson commented on the Solar Project by stating that the Board will need to spend a lot of time on distribution aspect of the project.

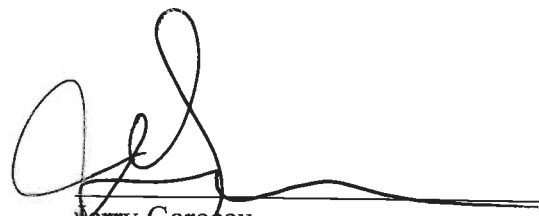
J. Garceau asked how many customers are receiving the net metering retail rate. D. Lynch answered that the MBLP has 11 solar customers and one wind customer.

J. Irby stated that the Board needs to take baby steps with the solar project. We will need to take our time so we do not have customers subsidizing the solar customers. J. Irby thanked Ken Mixer and Gary Routhier for being here tonight.

T. Tourville stated we need to take our time and work on a long-term plan for the Solar Project. Once, we have a plan and strategy, we can create a policy. He commented, there is no urgency here and I am not willing to make a decision right now.

12. Adjournment:

The meeting adjourned at 7:22 p.m.



Jerry Garceau  
Vice Chair/Secretary