

# Marquette Board of Light and Power 12-22-16 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 December 22, 2016 beginning at 5:00 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.

T. Tourville requested that the Board discuss items 6 and 7 right after item 3 public comment due to the presenter's schedules. J. Irby made a motion to accept the agenda as presented with the changes requested. Motion was supported by D. Puskala and the Board unanimously approved.

1. **Approval of the December 13, 2016 Regular Meeting Minutes:**

J. Irby made a motion to accept December 13, 2016 regular meeting minutes, as presented. Motion was supported by R. Niemi and unanimously approved by Board.

2. **Approval of Bills Payable:**

R. Niemi made a motion to approve the Bills Payable as presented, totaling \$1,193,921.42. Motion was supported by D. Carlson. After discussion, the Board unanimously approved the Bills Payable, as presented.

3. **Public Comments:**

None at this time.

4. **Financial Discussion – Helen LaFayette, Controller:**

Helen LaFayette, Controller gave an update to the Board on the Interim Operating Financial Statement for the two months ending November 30, 2016. She also reviewed the Projected Cash Flow Statement and the FY 2017 Electric Revenues and KWH Comparison graphs. Discussion followed.

5. **Sargent & Lundy – Teleconference with Ken Mixer:**

Ken Mixer informed the Board of some of the highlights that have been done over the last two weeks. He covered some of the shipments that are expected in the next couple of weeks. In regards to the general work contract, we have potentially 51 change orders. We have received 19 of them and have approved 15 change orders for a total of \$13,953.51 and four in review. Of the original 19 change orders received, the original cost was \$151,000.00 and by review and drilling down on the change orders, we have reduced the total to \$82,749.00 as of now which is a savings of over \$68,000.00. After last Board Meeting, Miron's electrical subcontractor had gone out to another Wärtsilä sight to get some ideas of what would be needed and after talking to the contractor, they found out the electrical contractor is behind schedule. They were supposed to be complete in November and they are only 75 percent complete now. So this raised the red flag for Miron to make sure that does not happen here.

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Miron will be adding a night shift to make sure we get a good start on the electrical cabling so we do not delay the electrical contractor and they keep the project on schedule. K. Mixer also informed the Board that there is a meeting planned the first week of January with Miron Construction, B&B Electric and Wärtsilä to ensure everyone is on track. B&B Electric will have 40 electrical workers on site in the next couple of weeks. The site will be real busy in the coming months.

P. Kitti stated that Jack Deo, local photographer was on site taking pictures for a Trades Magazine article on the Marquette Energy Center. This publication will go out to over 45,000 subscribers in the State of Michigan.

6. **IT Security Update – Igor Kruhak:**

I. Kruhak gave a presentation on our cyber security and what has happened in the past and what we do now to protect our information and our computer system. I. Kruhak stated that the utility is in high alert at all times. He stated that it is critical that all employees are properly educated on internet security.

7. **MARSEC Presentation – Tom St. John:**

T. St. John stated that he would be giving an overview presentation on maritime security, which was enacted by Congress in 2002. Under this act, the Department of Homeland Security issued new regulations for the protection of vessels and their ports and the U.S. Coast Guard is in charge of implementing and enforcing the regulations. Because of the sensitive security information, the actual procedures are guarded by Federal Statute 33 CFR Part 105 and he will not disclose any of the actual processes.

8. **Community Solar Update:**

Assistant Director – Utility Operations, David Lynch said that as of today, he has a commitment from the Energy Optimization folks to provide a buy down of \$50 a panel. A while ago, our goal was to get the price down below \$600 and with this buy down, it put the price, per the construction estimate, at \$526.85 per panel. This should be very attractive for our customers. We are also going to limit the purchase of the panels to a maximize of 30 panels per customer which will provide enough electricity for the average home in Marquette. We are also working with Michigan Energy Options our contractor on the rollout and their lawyer, Kate Redman for the licensing and the purchase agreement of the panels.

9. **Gatekeeper Program Update – Noreen Collins:**

Executive Assistant Noreen Collins gave an update on the Gatekeeper Program. This fall, we had three people that were referred to me by staff and our service department. After talking to the senior citizen and family members, we were able to help get them the services they needed through the local senior centers. One person had recently lost his wife and his children lived away from here so through long distance phone calls we were able to help coordinate some of the services for them. N. Collins stated that the Marquette Senior Center really does a good job of reaching out to our seniors in this area.

10. **Marquette Energy Center Update:**

Project Consultant – Technical and Engineering Support John Reynolds said that there has not been a lot of change in the financials since the last meeting and the contingency is the same.

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11. **Time Change for Board Meetings:**

Discussion followed on possibly making a permanent time change for the start of the regular Board Meetings. Board members and staff discussed the pros and cons of starting the Board Meetings at 4:00 p.m., 4:30 p.m. or 5:00 p.m. Ken Seavoy, legal counsel stated that according to the City Charter, the board has to meet twice a month and the Board can set the times. After extensive discussion with opinions taken from the audience, D. Puskala made a motion for 4:30 p.m. to begin the first meeting in January through March and review it at the first meeting in April. J. Irby supported the motion. Board approved unanimously.

12. **Public Comments:**

No comments.

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

Executive Director, Paul Kitti thanked Noreen for an outstanding Lighting Contest again this year and thanked the helpers, Helen LaFayette, Kevin Downs and Mary Adamini.

D. Lynch stated that he was in Washington DC for the American Public Power Association RP3 Board Meetings where we do all the final ratings of all the applications that we receive. He was elected the Chair of the Committee this year with 18 members. We will be releasing the scores at the Annual Engineering & Operations Technical Conference in early May.

For the Marquette Energy Center, we needed some underground work done and we bided it out. One bid came back for \$82,000.00; another bid for \$40,000, our guys completed the job for \$25,950.00. The crew did an excellent job and we are really proud of our workers.

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

J. Irby asked staff to look at the Headlee Amendment as it relates to the Shiras Steam Plant. K. Seavoy responded that it does not apply to the MBLP.

D. Puskala wished everyone a Merry Christmas and encouraged everyone to slow down and enjoy the holidays.

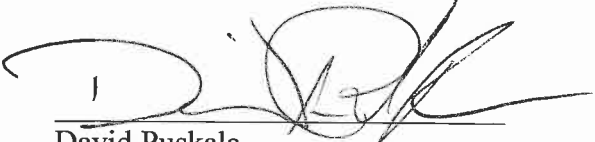
R. Niemi wished everyone Happy Holidays.

D. Carlson wished everyone Happy Holidays too.

T. Tourville said the next meeting would be on January 10 at 4:30 pm. He also requested that sometime after the first of the year, Mr. Seavoy take some time to share some of the history of the PILT (Payment in Lieu of Taxes) to our new Board Members, Robert Niemi and Dave Puskala.

15. **Adjournment:**

The meeting adjourned at 6:35 p.m.



David Puskala  
Vice Chair/Secretary