

# Marquette Board of Light and Power 5-31-16 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 May 31, 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 Puskala  
David Carlson

Absent: None.

Executive Director, Paul Kitti requested an addition to the agenda, letter 6d. J. Irby made a motion to approve the agenda with requested additional letter. Motion was supported by D. Carlson and unanimously approved by the Board.

1. **Approval of the May 10, 2016 Regular Meeting Minutes and the May 17, 2016 Special Meeting Minutes:**

D. Puskala made a motion to accept May 10, 2016 regular meeting minutes with one revision on item 7 to change first sentence to state "J. Irby stated that he and David Puskala had a meeting with Controller Helen LaFayette and Director of Planning and Regulatory Affairs Erik Booth to discuss the financials." Motion was supported by D. Carlson and unanimously approved by the Board.

A motion was made by J. Garceau to approve the minutes from May 17, 2016 Special Meeting. D. Carlson requested his comments on item 3a be entered in the minutes. Executive Assistant, Noreen Collins responded that she would listen to the recording and include his comments in the revised minutes. D. Carlson supported motion to approve the meeting minutes with stated revisions. Motion was approved by the Board with D. Puskala abstaining because he was not in attendance at the meeting.

2. **Approval of Bills Payable:**

J. Irby made a motion to approve the Bills Payable as presented, totaling \$1,114,462.76. Motion was supported by D. Carlson and after discussion and Board questions were answered, the Board unanimously approved the Bills Payable as presented.

3. **Public Comments:**

Jorma Lankinen of 8 Marquette Dr. shared with the Board an experience he recently had at Presque Isle Park. He said that he and his wife had taken his old car to the Island, which usually gets some attention. They had a chance meeting with a couple from Germany because the wife wanted a picture of the car. In the conversation, the man stated that he had worked for six years in Finland for Wärtsilä, designing the engines and the pistons. Just goes to show you, we live in a small world.

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

Controller, H. LaFayette presented the Operating Statement for the seven months ending April 30, 2016. She also reviewed the Projected Cash Flow Statement and answered questions from the Board. Other items that H. LaFayette discussed were the timing of coal shipments, fiscal year Comparative KWH analysis and gave the Board a summary of investments in the restricted and unrestricted categories.

5. **Bond Issue Costs:**

a. Ehlers our municipal bonding financial advisors.

On a motion made by J. Irby and supported by J. Garceau, the requested payment of \$125,000.00 to Ehlers for their Municipal Advisor's Fee was approved. Their professional services were needed during the bonding process. H. LaFayette stated that they were instrumental in advising the Board and staff during this process. Board approved unanimously.

b. Dickinson Wright PLLC, our bond counsel.

A motion was made by J. Garceau and supported by D. Carlson to authorize payment to Dickinson Wright PLLC for their bond counsel services in the total amount of \$135,000.00. H. LaFayette stated that they worked closely with local counsel on all matters relating to the bonds and the Bond Anticipation Note. H. LaFayette gave an overview of their work, said that they were very thorough, and worked well with our staff. Laura Katers Reilly, Assistant City Attorney relayed Attorney Tami Seavoy's comments. T. Seavoy worked with Dickinson Wright PLLC very closely and stated that they did a very good job and despite the sticker shock, they were worth every penny. They are experts in this field and it might not have gone as well without them. J. Irby stated that they were the best of the best. The payment was unanimously approved by the Board.

6. **Recommendation to Pay:**

a. Replace four (4) Steel Beams for Bridge Repair Project.

J. Garceau made a motion to award the payment of \$18,720.00 to Ryerson for four (4) replacement steel bridge beams. The motion was supported by D. Carlson. In order to repair the original steel main beams which had a coating of lead paint on them, it was discovered that abatement work would be needed. After receiving multiple quotes for the lead paint abatement, it was decided that due to the cost of the paint abatement, the time and expense repairing the existing beams, and the money received recycling the old beams, it was decided to order new steel beams. Ryerson was chosen as the successful bidder as they were the only supplier able to meet the project schedule. J. Irby asked Director of Generation and Engineering Services, Tom Carpenter to give the process of how they will install the beams. D. Puskala questioned why Ryerson was recommended when they were not the lowest bidder. T. Carpenter explained that the difference in timing of deliver was months, not just weeks. Payment was unanimously approved by the Board.

b. Insulating the Shiras Unit No. 3 Reverse Air Fan 3B.

A motion was made by J. Garceau and supported by D. Carlson to award payment of \$4,895.00 to APi Construction Co. for insulating the Shiras Unit No. 3 RA fan 3B. Three contractors were solicited for this custom on-site, insulating work and APi Construction Co. provided the most competitive proposal. Board unanimously approved payment.

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### c. Particulate Matter Testing on Shiras Unit No. 3.

On a motion made by J. Irby and supported by D. Carlson, authorization was given to pay Mostardi Platt \$3,552.00 for conducting the additional particulate matter test. This work was performed during the 30-day performance test for mercury emissions on Shiras Unit No. 3. Director of Planning and Regulatory Affairs, Erik Booth answered questions from the Board regarding the Environmental Protection Agency's standards and rules. Board approved payment unanimously.

### d. Additional UG Primary Cable Needed.

D. Carlson made a motion to approve the purchase of an additional 1,950 feet of 750 MCM UG Primary cable to Powerline Supply, which will bring the total order of cable being purchased to 3,150 feet. J. Garceau supported the motion. Assistant Director – Utility Operations, David Lynch stated that by re-quoting the bid including the additional 1,950 feet needed, the MBLP was able to get a better price on all of the cable. Powerline Supply was the lowest bidder meeting minimum standards. Unanimously approved by the Board. D. Carlson asked staff if they are keeping track of everything that is being used on the MEC. D. Lynch said yes everything is being tracked. All items are bar coded and scanned as it comes in and out of the warehouse.

### 7. Reliability Report – David Lynch:

David Lynch gave the Board a presentation on the 2015 Reliability Report. Items that were covered in the presentation were: number of accounts (meters) on the system, the number of trouble calls per year, number of customer outages and duration in minutes per occurrence. All this data is analysis and the MBLP's Average Service Availability Index is 99.9936 over all of the system. D. Lynch went over the causes of trouble calls and the greatest problem is tree contact. With over 440 miles of line and only 10 percent of them underground, D. Lynch said trees on our lines are the nemesis of the utility. He also covered the number of customers affected by each outage, length in hours per call and the response time in minutes. One of the things that our linemen are most proud of is the MBLP's average response time of 17.7 minutes in the city and 23.5 minutes in the rural areas. A customer could have an outage and we can get there quicker than ordering a pizza. The Board thanked D. Lynch for his presentation.

### 8. Hydro Users Group/FERC Presentation – Erik Booth:

E. Booth gave a presentation on the hydro related issues that he deals with on a daily basis. Over the last ten years, Federal Energy Regulatory Commission (FERC) has been adding new initiatives to the safety surveillance and monitoring plans of hydro dams. Some of the items that are being studied and monitored are emergency action plans, potential failure mode analysis, stability studies and license compliance requirements. E. Booth then covered some of the ways that the MBLP continually monitors, maintains, reviews and reports to FERC. E. Booth stated that T. Skewis, Cad and Environmental Technician has taken over some of the monitoring duties and it has really helped with this process. He and Tom Skewis recently attended a Hydro Users Group and it helps to talk to other utilities to share our experiences. J. Irby said that he learned a lot from E. Booth's presentation and said that when staff attends the various conferences, he encourages them to come back and share it with the Board.

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9. **Marquette Energy Center Update:**

John Reynolds, Consultant-Technical and Engineering Support said that he and Executive Director Paul Kitti have spoken recently with representatives from Northern Natural Gas (NNG) and SEMCO. NNG will be ordering materials this week for upgrading the gate station project this September. SEMCO has also been here, planning for the new pipeline they will be installing this summer. Both projects are on schedule and we do not see any issues. Fellon McCord will be supply the gas for us. There are still things that will need to be worked through. Hardman is in the process of setting up for the auger cast pile drilling that is scheduled to start on June 20. P. Kitti stated the preliminary noise study has been completed. J. Irby stated that he would like to review it.

10. **Public Comment:**

No comments from the public.

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

P. Kitti gave kudos to Erik Booth and Tom Skewis for their work on the hydro dams. He stated that he met with the FERC inspector and he was very impressed with the dam and gave us a really good report.

P. Kitti thanked David Lynch for his presentation on reliability.

P. Kitti also shared that the MBLP will be partnering with the Marquette Harbor Lighthouse's 150<sup>th</sup> Celebration in July. The lighthouse was the first on the great lakes to be electrified in 1928.

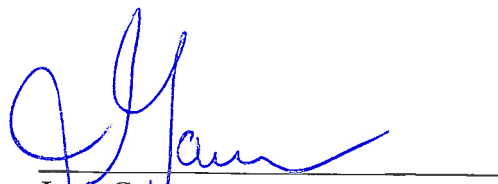
E. Booth said that Chris Lund from Utility Financial Solutions is available June 28-30 or July 19-21 for a board presentation on the Solar Renewable Valuation Study. Discussion followed on when and where we could have a public presentation. It was decided that the Board would schedule a Work Session on Tuesday 28 at 4 p.m. before the Regular Board Meeting at 5:30 p.m. It was also decided that a Community Forum Meeting would be scheduled on Wednesday, June 29. E. Booth will find an appropriate place for the public meeting.

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

No additional Board comments.

13. **Adjournment:**

The meeting adjourned at 6:55 p.m.



Jerry Garceau  
Vice Chair/Secretary

*Minutes of Regular Board Meetings are available at City Hall, the Peter White Public Library, or the MBLP Main office at 2200 Wright St., Marquette, MI 49855. The minutes can also be viewed at [www.mblp.org](http://www.mblp.org).*