MINUTES

A regular meeting of the Board of Light and Power was called and held on January 8, 2008 at 5:30 p.m. in the Board Meeting Room at 2200 Wright St.

Present:

Thomas G. Humphrey, Chair
Carolyn M. Piirala, Vice Chair/Secretary
Kenneth C. Wanberg
Craig G. Stien
Richard J. Goodney

Absent: None

On a motion by K. Wanberg, seconded by C. Stien and unanimously carried, the Board approved the December 20, 2007 regular session meeting minutes as presented.

The reading of the Bills Payable was called and following a discussion, it was moved by R. Goodney, seconded by C. Stien and unanimously carried to approve the payment of the Bills Payable totaling $616,260.51.

1. **Additions or Corrections to the Agenda.**

Executive Director Kirby Juntila presented no additions or corrections to the agenda.

2. **Citizen Comment**.

No citizen comments were presented.

3. **Recommendation for Payment of Coal Mill Springs.**

It was moved by K. Wanberg, seconded by T. Humphrey and unanimously carried to authorize payment totaling $7,625 to Alstom Power, Inc. for the purchase of 19 replacement springs including shipping for Unit No. 3's coal mills. Alstom Power is the only known supplier. C. Piirala questioned shipping costs. Superintendent of Production John Reynolds responded Alstom shipped its entire spring inventory located in three (3) separate locations which resulted in separate shipping fees.

4. **Recommendations to Award:**

A. Construction Bids for Plants 2, 4, and 5 Substation Improvement Project.

B. Unit 3B High Pressure Sluice Pump Rebuild.
C. Unit No. 3 Furnace Camera.

On a motion by K. Wanberg, seconded by C. Piirala and unanimously carried, the Board awarded the construction for Plants 2, 4, and 5 Substations Improvment Project to Hydaker-Wheatlake Co. totaling $524,621 as recommended by Board consultant Lutz, Daily and Brain. T. Humphrey questioned escalation of copper costs? J. Reynolds responded possible fluctuation in copper costs are included in the contract which may result in a credit or additional costs. K. Wanberg asked for a summary of the project. J. Reynolds said the size of the No. 2 Substation will be doubled with some upgrade to be performed at the No. 4 Substation on a smaller scale. No 5 Substation improvement project will enhance backup transmission relays. C. Stien questioned if the project will improve reliability? J. Reynolds responded in the affirmative adding it will enable the load to be spread among the three (3) substations. Executive Director Kirby Juntila added a second phase of this project will address circuit loading along Wright Street and into the City. R. Goodney questioned the difference in bids received? J. Reynolds said the company that submitted the highest bid primarily works in transmission.

It was moved by C. Stien, seconded by K. Wanberg and unanimously carried to award the rebuild of Unit 3B High Pressure Sluice Pump to Rotating Equipment Repair, Inc. to Rotating Equipment Repair, Inc. per their low bid meeting specifications totaling $33,704. C. Stien questioned if the pumps would be repaired one at a time? J. Reynolds responded in the affirmative. R. Goodney questioned the cost of a new pump? J. Reynolds responded the lowest quote for a new pump was $82,820.

On a motion by R. Goodney, seconded by K. Wanberg and unanimously carried, the Board awarded the purchase of one (1) furnace camera for Unit No. 3 totaling $13,024 to Lenox Instrument Company per their low proposal meeting specifications. C. Piirala questioned if utility personnel would be doing the installation and if the utility has the computer equipment to operate the camera? J. Reynolds responded in the affirmative adding the camera will be added to the Plant's computer network. He said the camera will allow personnel to see flame deviation in the boiler. It can also be used to observe fire in Unit No. 2's boiler.

5. **Recommendation to Purchase Cast Iron Decorative Street Light Poles**.

It was moved by T. Humphrey, seconded by C. Piirala, and unanimously carried to purchase eight (8) cast iron decorative street light poles from U.P. Electric of Marquette per their low proposal meeting specifications totaling $13,221.53 with a 10 week delivery. C. Stien questioned if quantities of the poles are bought regularly and

inventoried? K. Juntila responded in the affirmative. K. Wanberg questioned if the new pole bases hold up to salt and wet conditions? K. Juntila said he was not aware of an integrity problem with the bases adding summer students spend considerable time painting and preserving the poles.

6. **Any Additional Business the Executive Director Wishes to Present**.

K. Juntila informed the Board: 1). The first MBLP Corporate Ski Outing at the Forestville NTM Trail Head is scheduled from 1-3 p.m. Sunday for MBLP employees and families. He and his wife, Debi, will be providing cross country ski instruction and snowshoeing will also be available. The event is being sponsored by the MBLP's Health/Wellness Committee and free rental equipment will be available. A second event is planned Feb. 17 and the Board was encouraged to attend; 2). A summary of a five (5) year strategic plan with project completion dates was distributed to the Board for its review and information, and; 3) the Board was polled for availability to judge the annual Electrical Safety Posters at 5:30 p.m. January 15. The Board will judge the posters at 5:30 January 15, and; 4). Assistant Director of Operations William Pyle was asked to provide the Board with updates on the status of the reconstruction of the Tourist Park Dam. W. Pyle said with the failure of the Silver Lake Dam which destroyed the Tourist Park Dam and a third dam in Missouri, the Federal Energy Regulatory Commission began considering revising dam requirements and when combined with the retirement of its former director will impact the process as the Board seeks to restore the Tourist Park Dam. Staff is working to preserve work that has already been done such as the results of the Board of Review and PFMA meeting already conducted as required in the Environmental Assessment done for the relicensing effort. He added Gannett Fleming is pursuing discussions with FERC about this work already completed.

7. **Time for Citizen Comments.**

No comments were received from citizens.

8. **Any Additional Business the Board Members Wish to Present**.

K. Wanberg questioned why the Board is unable to secure a longer term contract with Alger-Delta. K. Juntila responded Alger-Delta is not prepared to make a longer commitment due to WPPI possibly becoming its energy supplier in 2011. He added the proposed Kennecott Mining project will have a major impact on its operations. K. Wanberg said the proposed salary increase for the Board and City is now in effect and questioned liability insurance coverage for Board members. Director of Human Resources and Administration Paul Kitti responded the Board members have a $5 million

policy through the Michigan Municipal Risk Management Authority. He questioned responsibility for flood clean up. W. Pyle responded UPPCo. is responsible for flood clean up below the Tourist Park Dam and the Board is responsible for clean up of the Tourist Park footprint. Confusion regarding the settlement and the Department of Environmental Quality is currently being discussed. K. Wanberg added that Lou Chappell had filed paperwork to run for a seat on the Board.

C. Stien asked if information regarding payment of legal services by other municipal utilities had been compiled. P. Kitti responded his report is not yet complete.

T. Humphrey advised the Board it needs to complete a performance evaluation for K. Juntila and that a new contract between the Board and K. Juntila needs to drafted in an effort to retain Mr. Juntila. C. Pirrala and C. Stien will review the performance evaluations and meet with P. Kitti to discuss the evaluations and formulate a contract. C. Piirala said K. Juntila's performance review should be an agenda item January 29. P. Kitti will also share his report on the payment for legal services provided to the Board.

R. Goodney concurred that the rate assigned to Alger-Delta should remain as calculated by Utility Financial Solutions in the Rate Design.

9. **Adjournment.**

The meeting adjourned at 6:17 p.m.

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Carolyn M. Piirala,
Vice Chair/Secretary