

## MINUTES

A regular meeting of the Board of Light and Power was called and held on February 12, 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 R. Goodney, seconded by K. Wanberg and unanimously carried, the Board approved the January 29, 2008 regular session meeting minutes as amended to include a prepared statement read by K. Wanberg.

C. Piirala questioned a part of K. Wanberg's prepared statement regarding K. Juntila's vehicle allowance which T. Humphrey clarified. C. Stien questioned Board Attorney Kenneth Seavoy regarding the appropriateness of including prepared statements in the minutes. K. Seavoy responded the requirements of meeting minutes include the date, time of meeting, those in attendance, the motions, and actions taken. There is no legal requirement to make the minutes as extensive as they have been historically; conversely there is no legal requirement to change past practice. C. Stien said he was concerned about setting precedence that anyone could prepare a thesis and expect it to be recorded in the minutes. K. Wanberg said he wanted his comments regarding K. Juntila's contract in the minutes to provide future boards with background on Mr. Juntila's contract. He added as a Board member he has the right to request his statement be recorded in the minutes. C. Piirala, R. Goodney, T. Humphrey and C. Stien concurred. C. Piirala commented that members of the public who read a prepared statement and submit it will have it included in the Board meeting file which will be referenced in the minutes. The Board concurred. T. Humphrey commented the Board minutes historically have been a summary of the meeting and not a verbatim recap of the proceedings. K. Wanberg complimented Supervisor of Administrative Services Mary Adamini for her transcription of the minutes and added that a prepared statement by a Board member should be concise and kept to a minimum.

The reading of the Bills Payable was called and following a discussion, it was moved by C. Stien , seconded by R. Goodney and unanimously carried to approve the payment of the Bills Payable totaling \$428,947.86 with the exception of a \$150 payment to the Noquemanon Trail Network as C. Stien is an officer. It was moved by T. Humphrey, seconded by C. Piirala and carried to pay the invoice for \$150 to the Noquemanon Trail Network. C. Stien abstained.

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

There were no additions or corrections to the Agenda.

2. **Citizen Comment.**

No comments were received from citizens.

3. **Recommendation for Payment of Repair of Unit No. 2 Generator Cables.**

It was moved by K. Wanberg, seconded by C. Stien and unanimously carried to authorize payment to Hydaker Wheatlake Company totaling \$8,960.75 for repair of the Unit No. 2 Generator Cable Termination. Funds will be drawn from the Contingency Fund.

3-A. **Recommendation to Sell Interconnection Transformer.**

On a motion by R. Goodney, seconded by K. Wanberg, and unanimously carried, the Board authorized the sale of a 1974 Interconnection Transformer no longer in service to Bud Welch Sales & Engineering per their high price quote totaling \$65,000. K. Wanberg complimented Superintendent of Production John Reynolds for coordinating the sale.

4. **Recommendations to Award:**

- A. Audit Services.
- B. Unit No. 3 RATA Testing.
- C. Unit No. 3 Stack Inspection.
- D. Purchase of (3) 69kV Potential Transformers.

It was moved by T. Humphrey, seconded by C. Stien and unanimously carried to award the Audit of Financial Statements for fiscal years ending 6-30-08, 6-30-09, and 6-30-10 per their quote meeting specifications totaling \$8,800, \$9,200, and \$9,600 annually respectfully. C. Piirala questioned why the contract is for a three (3) year term? K. Juntila responded the length of the contract provides the auditor with efficiencies in understanding the Board's accounting system. K. Juntila advised the cost of conducting

the 2008 audit as quoted is \$400 higher than the cost of the 2007 audit.

K. Wanberg questioned Board liability regarding contracts that may impact future Boards? K. Seavoy responded there is no simple answer and provided a scenario of the Board entering into a three-year contract with a firm and then cancels the contract after one (1) year. He said the Board would be dealing with a legal issue by the entity whose contract was cancelled. He said the Board is mandated to make the best decisions for the public it serves and future Boards can take action to protect the Board's interest.

On a motion by K. Wanberg, seconded by C. Stien and unanimously carried, the Board awarded the required Relative Accuracy Test Audit (RATA) on the Continuous Emission Monitoring Equipment of Unit No. 3's Scrubber Inlet and Stack to Interpoll Laboratories per their low quote meeting specifications totaling \$11,450.

It was moved by C. Piirala, seconded by R. Goodney and unanimously carried to award the semi-annual Class II Chimney Inspection on Unit No. 3 Stack to R&P Industrial Chimney per their low quote meeting specifications totaling \$9,200.

On a motion by K. Wanberg, seconded by R. Goodney and unanimously carried, the Board awarded the purchase of three (3) Potential Transformers for No. 4 Plant Substation to Electrical Resources Company per their low quote meeting specifications totaling \$10,596. C. Piirala commented on the proactive substation maintenance by J. Reynolds and staff. J. Reynolds added the timing of the replacement is beneficial as the substation will be de-energized.

5. **Recommendation to Adopt 2008-09 Budget Work Session Schedule.**

It was moved by, C. Stien, seconded by K. Wanberg and unanimously carried to adopt the 2008-09 Budget Work Session Schedule as presented. The first budget work session will be Thursday, May 8 at 5:30 p.m. with a second work session scheduled after the regular May 27 Board meeting if needed.

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

K. Juntala advised the Board: 1). a second cross country ski outing for employees and their families is scheduled from 1 to 2:30 p.m. Sunday at the Noquemanon Forestville Trail Head sponsored by the Health/Wellness Committee; 2) the news article in tonight's Mining Journal is a well-written account of the planned test burn of a wood composite in Unit No. 2 next week, and; 3) Assistant Director William Pyle provided an update on the

Tourist Park Dam. He said he has been talking to the Federal Energy Regulatory Commission, various environmental agencies, and consultant Gannett Fleming regarding its final dam design. He added it appears that the required environmental assessment will only have to deal with the environmental impact of the dam construction vs. a full environmental assessment of the project as originally anticipated. T. Humphrey questioned a possible viewing of the test burn. K. Juntila said there will be a second test burn and suggested waiting until the second test burn which will allow personnel to gain experience working with the new material and make adjustments as needed. K. Wanberg questioned how the material will be handled? K. Juntila responded a portable conveyor will be set up at No. 1 Coal bunker which will allow the speed to be varied to fine tune the mix of the wood composite and coal. He added this is an exciting opportunity for the utility. T. Humphrey questioned if Northern Michigan University is now looking at the composite wood material for use in its proposed facility vs. scrap wood material? K. Juntila responded in the affirmative.

7. **Time for Citizen Comments.**

Earl Robinson of the Utility Review Committee questioned where the wood composite would be housed since moisture is a factor? K. Juntila responded the utility has the idle No. 1 coal bunker which could house the composite wood material. C. Stein questioned the size of the coal bunker? K. Juntila responded it's quite large -- approximately 70 feet high and can hold approximately 200 tons of the material. K. Wanberg questioned the possibility of spontaneous combustion? K. Juntila said the manufacturer recommends storing the composite product separately from the coal to prevent spontaneous combustion.

Lou Chappell of 1021 Woodland complimented the utility on being proactive and suggested allowing the news media observe the test burn as a positive story for the community. He added the article about the composite wood material in tonight's paper was well done.

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

K. Wanberg said retired MBLP Lineman Chuck Billings passed away February 10. M. Adamini responded employees have been taking up a collection and signing a card for his family. K. Wanberg made a contribution and asked to have his name added to the card.

C. Piirala commented that on the City's TV channel the City Commissioners have a background featuring the U.S. flag and asked if they could also provide some kind of new background for the plain screen used for the members of the MBLP. K. Juntila welcomed C. Piirala to participate in the suggestion and said he would have staff contact

the City regarding the same.

T. Humphrey, R. Goodney, C. Stien and C. Piirala said they have not received any negative comments on the recent news article regarding K. Juntila's new contract and raise. T. Humphrey said some of the positive comments included, "you get what you pay for," and "you need to spend money to keep good people." R. Goodney echoed T. Humphrey's comments adding people recognize you have to pay a competitive salary with benefits to keep and retain good employees. T. Humphrey said the story was actually good public relations for the utility because the community is now more aware of the skills and qualifications required to be the utility's Executive Director. He added when combined with the recent article on the environmentally friendly soybean transformer oil being used and the test burn of the wood composite material article tonight reinforces to the public we are a progressive utility. K. Juntila added the utility is going to be featured in the March issue of Energy Executive Magazine and copies will be provided to the Board.

9. **Adjournment.**

The meeting adjourned at 6:15 p.m.

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Carolyn M. Piirala,  
Vice Chair/Secretary

Regular Meeting Minutes are on file at the MBLP Office at 2200 Wright St., City Hall, and the Peter White Public Library.