

Marquette Board of Light and Power 3-8-11 MINUTES

A regular meeting of the Board of Light and Power was called and held on March 8, 2011.

Following the Pledge of Allegiance the meeting was called to order.

Present: **Edward M. Angeli**

 John L. Sonderegger

 John H. Prince

 Jerry Garceau

 Karen Kimar Johnson

Absent: **None**

On a motion by K. Kimar Johnson, seconded by J. Garceau, and unanimously carried, the Board approved the February 22, 2011 regular meeting minutes as presented.

Following a discussion, it was moved by J. Sonderegger, seconded by K. Kimar Johnson, and unanimously carried to approve the Accounts Payable totaling \$620,089.27. K. Kimar Johnson questioned an invoice for a video? Executive Director Kirby Juntila responded the video was created to describe/explain the upcoming Automated Metering Infrastructure project and is on the MBLP's website and the City's website to positively educate customers on the process.

1. Additions or Corrections to the Agenda.

K. Juntila requested the addition of Agenda Item 4-C – Control Panels for Plant No. 4 Substation Controls Upgrade Project. He added that he will be making a request to support a soccer scoreboard at the Kaufman Sports Complex. It was moved by K. Kimar Johnson, seconded by J. Prince and unanimously carried, to accept the amended agenda as presented.

2. Time for Citizen Comment.

No comments were received from citizens.

3. Recommendations for Payment of:

- A. Atomizer Wheel Repair.
- B. Unit No. 3 Boiler Tube Repair.

It was moved by J. Prince, seconded by K. Kimar Johnson unanimously carried to authorize payment totaling \$6,848 to AllTech Tool for the repair of an atomizer wheel used in the flue gas desulphurization system. E. Angeli commented on wear of atomizer wheels and asked for a layman's description of what the wheels do? Superintendent of Production John Reynolds responded lime slurry is sprayed in the flue gas before it goes to the smoke stack. A motor spins the atomizer wheel. The wheels are subject to abrasion and wear from the lime slurry spray. Manager of Utility Compliance Erik Booth maintains the wheels on a rotating basis.

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On a motion by K. Kimar Johnson, seconded by J. Garceau and unanimously carried, the Board approved payment totaling \$12,339.52 to D.K. Services Inc. for the boiler tube repair work. E. Angeli questioned the status of the work. J. Reynolds responded the work is done to date. He added that this section of boiler tubes will be studied during the upcoming maintenance shutdown due to several tube failures in the same area. K. Juntala commented it is hoped that no major work will be required until the planned 2013 turbine overhaul. K. Kimar Johnson asked if there is a local contractor who can do the work? J. Reynolds responded there is a local contractor, Jamar, that bids on Plant work annually, but this year DK Services provided the lowest service quote.

4. Recommendation to Award the Purchase of:

- A. Boiler Tube/Tube Shields with Clips.
- B. (1) Unit No. 3 ID Fan Damper Positioner Replacement.

It was moved by J. Prince, seconded by K. Kimar Johnson, and unanimously carried to award the purchase of boiler tube and tube shields with clips to Alstom Power, Inc. per their low quote meeting specifications totaling \$5,524. E. Angeli questioned why two (2) of the bidders didn't bid on the boiler tube? J. Reynolds responded they were unable to provide all the sizes of tube needed for the project.

On a motion by K. Kimar Johnson, seconded by J. Prince and unanimously carried, the Board awarded the purchase of one replacement ID Fan Damper Positioner for Unit No. 3 to Controls International, Inc. totaling \$13,612.73. Controls International is the current supplier of these parts to maintain commonality and inventory.

It was moved by J. Prince, seconded by K. Kimar Johnson and unanimously carried, to award the purchase for the supply of Control Panels for the Plan No. 4 Substation Controls Upgrade Project to Systems Control per consultant GRP Engineering's recommendation and their low bid meeting specifications totaling \$140,177. J. Prince questioned the delivery schedule? J. Reynolds responded the delivery date is May 18. J. Reynolds said the project will include removing the controls from the Diesel Plant and putting them in the new control building in the substation. All wiring will be replaced and a completion date of August 1 is planned barring any project complication. A construction contract will be let next week. E. Angeli questioned if another letter will be submitted to the Board announcing the successful bidder? J. Reynolds responded in the affirmative adding the letter should be on the April 12 agenda. E. Angeli questioned if the project is expected to be within budget estimates? J. Reynolds responded in the affirmative. J. Prince questioned who will be invited to bid on the construction project? J. Reynolds responded an invitation to bid will only be given to substation contractors with experience.

5. Recommendation to Adopt Bond Resolution.

Controller/Accountant Lon Laken reviewed the Bond Resolution and answered questions of the Board. The bonds will be competitively bid with a bid opening date of March 29. E. Angeli questioned if the cost of the bonds? L. Laken responded the bonds will total \$8.6 million for the AMI and Tourist Park Dam Reconstruction projects. He added the bond total includes

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engineering costs and other costs expended to date. E. Angeli questioned the reserve requirement to be used? L. Laken responded a cash bond reserve will be used. E. Angeli asked about paying off the bonds early? L. Laken responded the bonds are callable three (3) years before they are due with no premium/penalty. It was moved by J. Sondregger, seconded by J. Garceau and unanimously carried to adopt the Bond Resolution. E. Angeli said a lot of time and energy has been spent on this financing but it will be well worth it as the utility continues to move forward.

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

K. Juntila advised the Board: 1). The burning of Renewafuel biomass fuel cubes has been delayed another four to six weeks due to equipment sizing issues; 2). A total of 471 of the 800 new digital Automated Metering Infrastructure (AMI) meters have been deployed with the balance of meters expected to be installed by the end of this month. The project schedule includes installing residential meters followed by commercial meter installations; 3). The new billing system is running with some minor issues yet to be resolved. The new system will be used to interface with AMI; 3). The utility has received official notice to proceed with the reconstruction of the Tourist Park Dam from the Federal Energy Regulatory Commission. Staff met with the MDNRE and EPA regarding wetland mitigation at the site with no objections to date. The utility is waiting for approval of the coffer dam design for the project by the MDNRE. He added that staff met with State Senator Tom Casperson and the Governor's UP Aide Greg Andrews regarding issues with obtaining permits for the Tourist Park Dam reconstruction. The government representatives said they are working to change how business is done in the state and appreciated staff comments; 4). Staff will have a conference call with Moody's (a bond rating company) regarding the utility's bondability and said the utility is in good shape and expects to receive a high rating and; 5). Annually the utility has participated in a variety of community projects ranging from the installation of playground equipment at Kid's Cove Playground to electrifying the cross country ski trail at Blueberry Ridge. He said this year the local soccer association has approached the utility for its support and in-kind services for the erection of a score board at the Kaufman Complex which is located on Board property. The Superiorland Soccer Association Committee is comprised of 17 people and last year used monies raised to construct a concession pavilion at the site. Soccer committee representative Steve Annelin said the \$5,000 score board would be 10 feet wide by 5 feet high. He asked for a Board matching contribution of \$2,500 with MBLP personnel to contribute in-kind services including wiring/installation of the scoreboard. J. Prince questioned if the scoreboard was weather-proof? S. Annelin responded in the affirmative adding that it will not have to be covered during the winter months. E. Angeli questioned how many youth participate in soccer? K. Juntila responded there are nearly 1,000 kids that play soccer. At the high school, there were 52 boys and 48 girls who played on the varsity and junior varsity teams. J. Garceau asked if the new sign would be installed for the spring season? S. Annelin responded in the affirmative adding if approved by the Board, the scoreboard will be delivered in four to six weeks and will be ready for the girl's high school season. It was moved by J. Prince, seconded by K. Kimar Johnson and unanimously carried to contribute a \$2,500 match and to provide in-kind services

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for the installation of a scoreboard at Kaufman Sports Complex. S. Annelin thanked the Board for its contribution and said the City has done a great job maintaining the soccer fields.

7. Time for Citizen Comments.

No comments were received from citizens.

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

J. Prince asked if the utility has bonded for projects before? L. Laken responded the last bond issue by the Board was in 1982 for the construction of Unit No. 3. He asked if hiring a contractor to assist with the AMI meter installation is budgeted? L. Laken responded in the affirmative.

E. Angeli thanked staff for providing the preliminary 2011-12 budget. He questioned if further discussions regarding the utility doing the water billing have taken place? K. Juntala responded in the negative, but that he will renew the discussion with the City. He added the City has also expressed positive interest in the utility doing their water billing.

9. Adjournment.

The meeting adjourned at a 6:12 p.m.

John L. Sonderegger,
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