

MINUTES

A regular meeting of the Board of Light and Power was called and held on April 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
Richard J. Goodney
Kenneth C. Wanberg

Absent: Craig G. Stien

The Board excused the absence of C. Stien as he is out of town.

On a motion by K. Wanberg, seconded by R. Goodney and unanimously carried, the Board approved the March 25, 2008 regular session meeting minutes.

The reading of the Bills Payable was called and following a discussion, it was moved by R. Goodney, seconded by K. Wanberg and unanimously carried to approve the payment of the Bills Payable totaling \$566,615.43.

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 Unit No. 3 Atomizer Power Supplies/Motor.**

It was moved by T. Humphrey, seconded by R. Goodney and unanimously carried to approve payment totaling \$5,559.40 to Werner Electric Supply for the cost of two (2) power supplies and one (1) motor starter for Unit No. 3's atomizer. Competitive bidding was waived.

4. **Recommendations for Payment:**

- A. Paper-Based Fuel/Wood-Based Fuel.
- B. Steam Plant Office Copier.

On a motion by K. Wanberg, seconded by C. Piirala and unanimously carried, the Board awarded the purchase of 40 tons of paper-based fuel and 40 tons of wood-based fuel to Renewafuel, LLC for a test burn in Unit No. 2. Renewafuel is the only known supplier of this paper and wood-based fuel.

T. Humphrey questioned the quantity purchased in the previous test burn? Executive Director K. Juntila responded 40 tons were purchased. He added following the last test burn the fuel prototype is being modified in anticipation of a better burn. The price of the paper-based fuel is \$38/ton vs. the wood-based product at \$60/ton. The Michigan Department of Environmental Quality has been updated and approved plans for a second test burn in Unit 2. R. Goodney questioned if the material will be combined with coal or burned separately? K. Juntila responded a test burn of the pure wood-based product is planned with emission data to be recorded. R. Goodney questioned if all the wood-based fuel was burned during the last test burn and asked how long the prototype supply will last? K. Juntila responded all the wood-based fuel was used in the last test burn and anticipates the test burn to be approximately 12 hours. He said Plant personnel will use the existing automated bunker system for the next test burn. C. Piirala questioned why Renewafuel will retain a portion of the sample per the contract? K. Juntila said that is boilerplate fuel contract language in case of dispute.

It was moved by C. Piirala, seconded by R. Goodney and unanimously carried to award the purchase of a new office copier for the Shiras Steam Plant to The Office Planning Group, Inc. per their quote totaling \$6,600 for the purchase of a Canon copier and 5-year estimated maintenance cost based on 80,000 copies/year and is billable as used. C. Piirala questioned service response time. Supervisor of Administrative Services Mary Adamini responded their office is local and offer same day service.

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

K. Juntila advised the Board: 1). Last week's snowstorm resulted in 2,800 customers being out of power due to 25-plus inches of heavy, wet snow that fell on the Marquette area. He complimented the exemplary efforts of the Distribution Department under very difficult working conditions to restore power to all customers by day's end. Mr. Juntila said line crews' outstanding efforts in the field during the storm combined with the annual rotating line brushing program to remove trees from coming into contact with

power lines has proven to be invaluable. He said a storm of this magnitude in other parts of the country could easily have left customers without electric service for three (3) to five (5) days. Mr. Juntala again praised the Distribution Department's efforts and commended past and present Boards who approve the funding of the annual brushing program; 2) a joint venture between the City and the utility to improve the aesthetics at the entrance of the Shiras Steam Plant is planned this year. The City and utility will plant trees to establish a park setting in the triangular piece of land adjacent to the bike path and Plant entrance. The project will also serve as a demonstration of the types of trees that can safely be planted under and around electric power lines. City Arborist Paul Albert is coordinating the project. The utility has budgeted funds for the work in the current fiscal budget and additional funds will be budgeted in 2009; 3). talks with Alger-Delta are continuing regarding their future power supply. K. Wanberg questioned the role of Public Act 141 in the process. K. Juntala said it protects the utility from other providers being able to come into our service territory, but it doesn't protect the utility if service is provided off our system. He said the MBLP is not a member of MISO and at this time it's not in the Board's best interest to join MISO due to higher market prices. C. Piirala said she read that PA 141 is up for review and some of the larger private utilities are spending a lot of money to have it changed. K. Juntala agreed adding that the Michigan Municipal Electric Association, of which the Board is a member, is taking part in the discussions to make sure the municipal utilities' interests are represented in the discussions. K. Wanberg questioned rate discussions with Alger-Delta. K. Juntala said he and staff along with consultant Mark Beauchamp had a recent discussion on the Board's new rate structure and its impact on Alger-Delta. T. Humphrey questioned system capacity? K. Juntala responded system capacity is sufficient through 2018. Currently, environmentally there are a lot of unknowns with at least 50 large electric utility expansion projects being put on hold because of pending/proposed environmental regulations which may impact the ability to build additional electric capacity in Michigan.

Director of Human Resources and Administration Paul Kitti said he had given the Board two (2) items for their information including a memorandum from the Marquette Police Department (MPD) regarding recent Billing Department personnel training to diffuse potentially volatile customer situations. He said the memo will be included in a grant application for the recent installation of security equipment in the Main Office and Distribution Department Material Yard. He added that the MPD also partnered with the utility recently to provide invaluable winter driving safety information for Distribution Department personnel. M. Adamini said two (2) grant applications will be reviewed for reimbursement of up to 50 percent of the cost of recent building/security enhancements by the utility's risk management insurance carrier. Following a Risk Management Assessment, the utility installed electronic handicap door opening equipment to the front

entry doors and added a heated sidewalk to reduce the potential for slips and falls. A second grant for the installation of security cameras, duress alarms, and an alarm control panel is also being submitted. The utility is seeking reimbursement totaling \$9,000 for both grant applications. P. Kitti said the utility is investing in the safety of its employees while reinvesting in its facilities. K. Juntila said the security enhancements also are considered in insurance premium renewals and thanked P. Kitti and M. Adamini for their efforts to control costs through various health care, life insurance and risk management initiatives. R. Goodney and T. Humphrey commented enhancing security is money well spent. K. Wanberg questioned false alarm charges. P. Kitti responded no false alarms have occurred. P. Kitti said he had copied an article from the Grand Forks Herald regarding a recent 14 percent electric rate hike by Excel Energy in contrast to the utility's recent rate increase averaging 3.5 percent adding the utility's rates remain very competitive.

6. **Time for Citizen Comments.**

Lou Chappell of 2021 Woodland, Marquette, commented positively on the utility's security efforts and shared other security enhancements used at another facility.

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

R. Goodney said the test burn of alternative fuels in Unit No. 2 is very exciting. K. Juntila commented Plant staff is very engaged in the project and Renewafuels is working to engineer a product we will be able to successfully use.

C. Piirala thanked M. Adamini for her grant application efforts.

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K. Wanberg questioned dock preparations for the upcoming coal shipment. Assistant Director of Operations William Pyle responded plans are to zero out the coal piles this year which will include grading the area to establish a new base. K. Wanberg questioned the status of the Unit No. 3 Bonds. K. Juntila said the bonds will be paid off July 1.

T. Humphrey, R. Goodney, and C. Stien will be out of town for the regular April 29 meeting. T. Humphrey suggested rescheduling the meeting to Tuesday, April 22. The Board concurred.

8. **Adjournment.**

The meeting adjourned at 6:12 p.m.

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.