MINUTES

A regular meeting of the Board of Light and Power was called and held on May 13, 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
Craig G. Stien

Absent: None

On a motion by C. Piirala, seconded by R. Goodney and unanimously carried, the Board approved the April 22, 2008 regular session meeting minutes.

The reading of the Bills Payable was called and following a discussion, it was moved by C. Stien, seconded by K. Wanberg and unanimously carried to approve the payment of the Bills Payable totaling $760,097.71.

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. **Preview of March, 2008 Financial Statement.**

Controller /Accountant Lon C. Laken reviewed the March, 2008 Financial Statement and answered questions of the Board.

4. **MBLP Earns RP3 Designation**.

Executive Director Kirby Juntila advised the Board that Superintendent of Distribution David Lynch and Supervisor of Administrative Services Mary K. Adamini applied for and received the American Public Power Association's prestigious RP3 Award (Reliable Public Power Provider). The MBLP is only one of three (3) Michigan municipal utilities to receive the award and is one of 84 municipal utilities nationwide out of approximately

2,000 to receive the award. Superintendent of Distribution David Lynch outlined the application/qualification process for the MBLP to be named a Reliable Power Provider by the American Public Power Association. Criteria included: reliability, safety, workforce development and system improvements. The MBLP earned a Gold Level designation for its first RP3 designation submittal. D. Lynch said it took approximately three months to gather information for the submittal which included safety education/training, workforce development, Mutual Aid Contracts, and black start procedures. He added K. Juntila's commitment to reinvesting in our workforce through training and development was a key component in receiving the award along with the MBLP employees' dedication and daily efforts to serve our customers. Lynch said the award shows that we are a proactive utility and he thanked the Board for its continued support of projects that improve system reliability. The RP3 designation will be featured on all MBLP vehicles with plans to resubmit for the designation at the first opportunity in two years with the goal of earning the Diamond Level, the top RP3 designation. C. Stien commented receipt of the award is a tremendous honor for the utility and is a reflection of utility staff and employee's efforts. T. Humphrey said the Board is supportive of investments that continue to improve system reliability. C. Piirala commented the award may impact insurance rates favorably.

5. **Recommendations for Payment**:

A. Unit No. 2 Air Heater Cleaning.
B. Shiras Dock Diving Services.
C. Traveling Grate Rails for Unit No. 2.
D. Replacement of Unit No. 3 Ash Pipe Elbows.

It was moved by R. Goodney, seconded by C. Stien and unanimously carried to approve payment totaling $4,890.00 to Mid Valley Industrial Services, Inc. for water blast cleaning of Unit No. 3's Air Heater.

On a motion by K. Wanberg, seconded by T. Humphrey and unanimously carried, the Board approved payment totaling $6,887.50 to Diver Down Scuba Shop, Inc. for installing retrieving, and repositioning channel buoys and searching for missing propeller from tug. K. Juntila advised the Board the tug struck an object in the Lower Harbor while leaving the MBLP's dock shearing off one of its propeller pods. The divers discovered a rudder on the bottom near the propeller pod. The incident is being investigated by the Coast Guard. T. Humphrey questioned placement of the buoys? K. Juntila responded the buoys are removed at the end of the shipping season and reinstalled in the spring at the beginning of the shipping season. He added the dock slip was dredged several years ago for sand buildup. C. Piirala questioned if any of the diver's invoice can be recouped through the Board's insurance? K. Juntila responded the MBLP's insurance carrier and

Board Legal Counsel have been appraised of the incident. R. Goodney questioned the difference in diver rates? Superintendent of Production John Reynolds responded the higher rate was due to the emergency dive to locate and retrieve the propeller.

It was moved by C. Stien, seconded by R. Goodney and unanimously carried to approve payment totaling $3,960 to Marquette Machining & Fabricating for the purchase of 10 traveling grate rails for Unit No. 2.

On a motion by K. Wanberg, seconded by C. Stien and unanimously carried, the Board authorized payment totaling $5,120.24 to Diamond Power International, Inc. for the purchase of two (2) replacement ash pipe elbows for Unit No. 3. K. Wanberg questioned the price? K. Juntila said the price of steel has doubled.

6. **Recommendations to Award:**

A. Coal Belt Replacements.
B. Part 12 Safety Inspection/PFMA of Forestville Dam.
C. PFMA Facilitator.
D. Demolition
E. Circuit VCB 29 Construction Contract Award.
F. Wall Covering/Carpet Replacement Shiras Steam Plant Offices.

On a motion by R. Goodney, seconded by C. Piirala and unanimously carried, the Board awarded the replacement of coal belts Nos. 1 and 3 to Superior Industrial Supply per their low quote meeting specifications totaling $11,259.25 . C. Piirala questioned the timing of the belt installation? J. Reynolds said the belts will be installed after the beginning of the new fiscal year July 1.

It was moved by C. Stien, seconded by T. Humphrey and unanimously carried to award the Part 12 Safety Inspection and PFMA to Ayres Associates per their low proposal meeting specifications totaling $33,500.

On a motion by C. Piirala, seconded by K. Wanberg and unanimously carried, the Board awarded the role of PFMA Facilitator to Spaulding Consultants, LLC per their proposal meeting specifications not to exceed $6,800.

It was moved by T. Humphrey, seconded by C. Piirala and unanimously carried to award the demolition of a MBLP rental property at 110 E. Hampton and a two-car garage owned by the MBLP at 120 E. Hampton to Associated Constructors, LLC per their low quote meeting specifications totaling $9,300 which includes asbestos and lead paint removal. K.Wandberg commented he was pleased the asbestos and lead paint removal

were included in demolition price.

On a motion by K. Wanberg, seconded by C. Stien and unanimously carried, the Board awarded the contractor supplied materials and construction services for Circuit VCB 29 to Kent Power, Inc. per their bid meeting specifications totaling $68,285. C. Piirala questioned budget projections for the project. D. Lynch responded the project is on budget for Phase I. He added Phase II is projected to cost $530,000 in Fiscal Year 2009-10.

It was moved by K. Wanberg, seconded by R. Goodney and unanimously carried to award the replacement of wall coverings and carpet in the Shiras Steam Plant Offices to Karen Larson Interior Design, Inc. per her low proposal totaling $6,238.50. C. Stien commented on the difference in carpet quality. J. Reynolds responded the carpeting is a good durable grade. C. Piirala questioned the installation of the current wall coverings and carpeting. J. Reynolds responded they were installed in 1982 when Unit No. 3 was constructed.

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

K. Juntila advised the Board: 1). The annual maintenance outage of Unit No. 3 was successful and Unit No. 2 ran very well during the outage. He said staff was busy educating new employees who are now running Unit No. 2; 2). The second 40 ton shipment of Biomass product was received today with a test burn in Unit No. 2 scheduled Wednesday. He added CCI and Renewafuels are bringing in environmental specialists to take readings during the test burn and said representatives from Lansing Board of Water & Light will be on hand to observe the test burn and have indicated an interest in testing the Biomass product in their generating facility. K. Juntila said Lansing is five (5) times the size of the MBLP but they are looking to us for this guidance regarding this innovative Biomass product, adding the utility is a well-respected leader among state municipal utilities; 3) A camera installed in Unit No. 2 to observe and improve operating efficiencies is a great success and a second camera has been budgeted for Unit No. 3. He thanked the Board for its continued support of advanced technology, and; 4). the No. 2 substation Upgrade Project is underway. J. Reynolds said the foundations are being poured and steel is being erected. The projected July 18 completion will be delayed slightly due to the late spring snowstorms.

8. **Time for Citizen Comments.**

Earl Robinson of the Utility Review Committee questioned when the City will give up the Board's payment in-lieu-of taxes in return for reconstructing the Tourist Park Dam?

L. Laken responded the City agreed to forgive only a marginal amount of the payment in-lieu-of taxes for capital improvements to the No. 3 Dam once it is reconstructed.

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

R. Goodney and C. Piirala extended their congratulations to D. Lynch, M. Adamini, Staff and MBLP employees for earning the RP3 designation.

K. Wanberg commented he was pleased the Unit No. 2 camera was working well.

10. **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.