MINUTES

A regular meeting of the Board of Light and Power was called and held on September 29, 2009.

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

Present: Richard J. Goodney, Chair
Carolyn M. Piirala, Secretary/Vice Chair
Kenneth C. Wanberg
Edward M. Angeli
John L. Sonderegger

Absent: None

On a motion by E. Angeli, seconded by J. Sonderegger, and unanimously carried, the Board approved the September 8, 2009 regular meeting minutes as presented.

Following a discussion it was moved by K. Wanberg, seconded by C. Piirala and unanimously carried to approve the Accounts Payable totaling $910,118.94 with the exception of an invoice from Closner Construction totaling $887.50. It was moved by K. Wanberg, seconded by E. Angeli, and carried to approve the payment to Closner Construction. R. Goodney abstained as he is employed by Closner Construction. E. Angeli questioned the purchase of chemicals for use at the Steam Plant. Executive Director Kirby Juntila said a variety of chemicals are purchased for use in the boiler to keep impurities from going through the system and cause damage.

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

There were no additions or corrections to the agenda. It was moved by K. Wanberg, seconded by R. Goodney and unanimously carried to accept the agenda as presented.

2. **Citizen Comment**.

Justin Edge of 1900 Clark St., Marquette, asked the Board to reconsider its decision to rebuild the Tourist Park Dam citing the cost and minimal rate of return, the recovery of the Dead River's cold water fishery since the May 2003 flood which destroyed the dam, and the network of trails alongside the river enjoyed by area residents. He suggested the Board consider purchasing and installing a wind turbine as a cheaper alternative to rebuilding the dam.

3. **Recommendations to Award:**

A. Security Fencing at Shiars Steam Plant.
B. Repair of Unit 3B Bottom Ash Pump.
C. Annual Meter Testing.
D. Recommendation to Award Aerial Device/Chassis.
E. Recommendation to Award Uniform/Laundering Services Contract.

It was moved by K. Wanberg, seconded by E. Angeli, and unanimously carried to award the installation of security fencing at the Shiras Steam Plant in accordance with the Department of Homeland Security to Custom Fence, Inc. per their low proposal meeting

specifications totaling $9,346. K. Wanberg questioned where the fencing would be installed? K. Juntila responded immediately behind the barriers limiting pedestrian access at the site when boats are at the dock. He added that following 9-11, the utility was required by the Department of Homeland Security to secure the dock/plant. This fencing will simplify operations when boats are in port. E. Angeli questioned if access for fishing is being maintained?. K. Juntila responded in the affirmative adding that fishing is restricted when a boat is at the dock per Homeland Security rules. R. Goodney questioned the number of vessels at the dock annually? Superintendent of Production John Reynolds responded less than 50 boats a year use the utility's dock.

On a motion by E. Angeli, seconded by K. Wanberg, and unanimously carried, the Board awarded the repair of Unit 3B Bottom Ash Overflow Sump Pump to Northern Machining & Repair, Inc. per their low proposal meeting specifications totaling $6,668.82. C. Piirala questioned the difference in quotes received? J. Reynolds responded Northern Machining will make the parts while the other bidder would have to buy them which impacts the cost.

It was moved by J. Sonderegger, seconded by R. Goodney, and unanimously carried to award the annual watt-hour meter and meter package testing of the Board's largest customers and Board facilities to HD Supply per their low quote meeting specifications totaling $6,542. K. Wanberg questioned if the quote was a firm price? Superintendent of Distribution David Lynch responded in the affirmative as the utility has all the parts needed if repairs are required. E. Angeli questioned the number of meters tested and if it is cost effective to do it annually? D. Lynch responded on average 75 meters are tested for accuracy. Although not governed by the Michigan Public Service Commission, D. Lynch said the utility follows its testing guidelines to verify meter accuracy.

On a motion by E. Angeli, seconded by C. Piirala, and unanimously carried, the Board awarded the purchase of a new International 4x4 cab and High Ranger Aerial Device and Brand FX body from Dueco Inc. in the amount of $190,849 with a hybrid option pending grant funding from the Clean Energy Coalition of Michigan and subsequent Board approval. K. Juntila asked D. Lynch to explain the hybrid system. He said the new cab and chassis are standard and that the hybrid package allows the aerial to run on batteries. Current fleet vehicles aren't turned off when the aerial device is being used. E. Angeli expressed concern about the potential cost of replacement batteries and R. Goodney asked what the payback is for the life of the vehicle. D. Lynch responded there is an eight (8) year payback with a 12 year vehicle life. He added that both vendors demonstrated vehicles which were evaluated by the utility's Line Electricians.

It was moved by K. Wanberg, seconded by E. Angeli, and unanimously carried to award the contract for uniform and laundering services to Unifirst per their low proposal meeting specifications totaling $28,862.08 annually for five (5) years. R. Goodney commented positively on the cost savings to the utility during the term of the contract.

4. **Recommendation to Purchase Penstock Pipe Bands.**

On a motion by J. Sonderegger, seconded by K. Wanberg and unanimously carried, the Board awarded the purchase of 100 Penstock Pipe Bands to International Tank & Pipe Company totaling $12,700. They are the only known supplier of the pipe bands. R. Goodney questioned the thickness of the bands? J. Reynolds responded the bands are ¾" thick. K. Wanberg questioned if the purchase included the feet for the bands? J. Reynolds responded in the affirmative.

5. **Recommendation to Adopt Updated Electric Interconnection/Net Metering Policy.**

It was moved by E. Angeli, seconded by R. Goodney, and unanimously carried to update the Board's Electric Interconnection/net Metering Policy for compliance with newly enacted State of Michigan Public Act 295. D. Lynch said the Board's previous policy was adopted in 1987 which didn't address new technology available today and the updated policy will enable the utility to accommodate businesses/individuals interested in connecting generators to the distribution system and cited a vertical axis generator installed at 41 Lumber in Marquette Township. K. Juntila thanked D. Lynch for his work on updating the policy and said the utility is very proactive and has been asked by other municipal utilities regarding policies in use. R. Goodney concurred.

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

K. Juntila advised the Board: 1). The MMEA Fall Conference hosted by the MBLP begins Wednesday which is bringing more than 100 people to Marquette which is good for the community and business. He said the utility hosted a conference here 12 years ago and the conference will be a great opportunity to showcase Marquette. He added a new 3-D presentation on the history of Marquette by Jack Deo will be presented after dinner Thursday.

7. **Time for Citizen Comments.**

Rick Weesen, MBLP mechanic, commented in his opinion the Board should proceed with caution regarding purchasing a hybrid vehicle system until more data is available on the new technology. He added that the batteries are only projected to last 3-5 years and are expensive to replace. He said that if a vehicle doesn't function the way the Line Electricians need it to they won't want to use it. E. Angeli said a replacement battery on a hybrid car costs $7,500. K. Wanberg commented the hybrid package will only be purchased if grant funding is available and will need Board approval.

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

K. Wanberg questioned the number of Line Electricians on call on the weekends? D. Lynch responded the utility has two (2) Line Electricians on call. K. Wanberg said he was pleased to hear this following a tragic death of a lineman in the U.P. last week who was apparently alone when he was electrocuted. D. Lynch responded an investigation is being conducted on the incident but added that an initial report indicated the victim was part of a crew.

E. Angeli said he had heard positive comments regarding the utility's response to recent power outages. D. Lynch responded power could have been restored sooner to one of the outage areas but that traffic and onlookers near the lake had inhibited the crews' ability to get to the scene. R. Goodney commented it was remarkable with the wind and rain that so few outages occurred and it is a testimony to the brushing work done by the utility and to the employees that keep this utility running day to day. He added the community is well served by the MBLP.

K. Wanberg said he read Wisconsin Electric is raising its rates 12 percent this year and another 33 percent next year. He said we are lucky to have our own generation to provide low rates to our customers.

C. Piirala said she wanted to correct a few points made by Mr. Edge regarding the Tourist Park Dam. She said the Board didn't vote against rebuilding the dam but voted to seek additional funding from the City in order to proceed with the dam restoration. She said the Board commissioned a Wind Study but said the study indicated that Marquette doesn't have great wind potential and added that you can't store wind power but that you can store hydropower. She also commented on the team effort to restore power in a timely manner and appreciates that utility staff give credit where credit is due. She said MBLP staff should wear their RP3 pins during the MMEA conference. She will not be attendance at the next meeting October 13.

J. Sonderegger said the utility's power restoration efforts are commendable and appreciated. He said Jack Deo is presenting his 3-D presentation on Marquette's history tonight at 7 p.m. at Kaufman Auditorium as a fundraiser for the Historical Society and encouraged attendance.

R. Goodney said he appreciates the whole team effort by the utility on a day to day basis and that the efforts are appreciated by the community.

9. **Adjournment:**

The meeting was adjourned at 6: 30 p.m.

_____

Carolyn M. Piirala,
Vice Chair/Secretary

Board Meeting Minutes are available at the City Clerk's Office, Peter White Public Library, MBLP's Main Office at 2200 Wright St., or at www.mblp.org.