MINUTES

A regular meeting of the Board of Light and Power was called and held on December 8, 2009.

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

Present: Karen Kimar Johnson
Kenneth C. Wanberg
Edward M. Angeli
John L. Sonderegger
John H. Prince
Absent: None

On a motion K. Wanberg, seconded by John Prince, and unanimously carried, the Board approved the November 24, 2009 regular meeting minutes as presented.

Following a discussion it was moved by K. Kimar Johnson, seconded by K. Wanberg and unanimously carried to approve the Accounts Payable totaling $689,091.24. J. Prince questioned camera software upgrades. Superintendent of Production John Reynolds said the software allows networking several cameras together and provides many security advantages

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

K. Juntila requested the addition of Agenda Item 3-A – Recommendation for Payment of Unit No. 3 Fluid Drive. The Board concurred.

2. **Time for Citizen Comment.**

Justin Edge of 1900 Clark St., Marquette, said he was disappointed with the lack of communication by the BLP regarding tree and brush removal work at the Tourist Park Basin in preparation for rebuilding the dam when the project hasn't been finalized. He questioned why some property owners were not informed of work being done at the site ahead of time? He added he was advised by the Federal Energy Regulatory Commission (FERC) that public comment on the project opened December 2, but was not aware of any notice provided by the utility. Mr. Edge said the Environmental Assessment (EA) by the Board's consultant AECOM didn't cover the "no action alternative" but focused on the rebuild alternative. He said as a research biologist he was concerned about sediment being impacted by the use of heavy machinery at the site. He questioned several statements made in the EA he did not agree with. He added the Tourist Park Dam is not about power production but about getting the lake and beach back and suggested that there would be better recreational opportunities if the river was left as it is.

Ron Sundell of 130 W. Hewitt Ave., Marquette, said he has spoken to the Board several times regarding his concerns about rebuilding the dam and also contacted FERC regarding public comment on the EA and the utility's lack of communication regarding the process. He commented the "no action" alternative in the EA should be taken seriously. He questioned why trees and brush were being removed from the basin without prior approval and said the Board should reconsider its decision to rebuild the dam when other communities are removing small dams. He said the utility is in the power business not the recreation business and that despite the City Commission's desire to have the lake back the site is currently being used by canoers and kayakers who don't remember what it was like when the lake was there. He added that he is hoping that the Board will reconsider its decision to rebuild the dam as the river is being restored the way it is now.

3. **Recommendation for Payment of Front End Loader Service Work.**

It was moved by J. Prince, seconded by K. Wanberg, and unanimously carried to authorize payment to FABCO Equipment Inc. for its service work on the 980 Cat Front End Loader totaling $3,266. E. Angeli questioned if the utility has a service contract with FABCO? Superintendent of Production John Reynolds responded in the affirmative and that regular maintenance is performed after so many hours of use. The tractor, which is four (4) years old, has routine scheduled maintenance at hourly rates.

3-A. **Recommendation for Payment of Unit No. 3 Fluid Drive Repair.**

On a motion by K. Kimar Johnson, seconded by K. Wanberg, and unanimously carried, the Board authorized payment totaling $23,205.49 to Howden Buffalo Inc. for its Unit No. 3 Fluid Drive Repair. J. Reynolds said the ID fan has a 1250 horse motor and variable speed drive which became noisy. He said worn parts were replaced and realignment was conducted. The last work on the Fluid Drive was performed approximately three (3) years ago. This work was scheduled as part of the annual maintenance shut down of Unit No. 3 this year. Executive Director Kirby Juntila said the work is typically performed on a five-year cycle. He added that the fan is 25 years old and may have been misaligned during original installation.

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

K. Juntila advised the Board he would prepare a Board e-mail by week's end which will include his response to comments made by Mr. Edge and Mr. Sundell.

5. **Time for Citizen Comments.**

No comments were received from citizens.

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

K. Wanberg questioned Board participation in its electric street car project? K. Juntila said staff has been contacted by the Marquette County Historical Society regarding the street car project and also possibly a permanent display on the MBLP at the museum. A meeting to discuss the same will be scheduled with museum and Board personnel.

J. Sonderegger asked about rules and notification regarding brushing work at the Tourist Park Dam? K. Juntila said the utility followed the rules regarding the public notice period and had worked with the Michigan Department of Environmental Quality and Michigan Department of Natural Resources prior to beginning the brushing at the basin
He added that the utility has flood rights to a certain elevation and was not cutting on private property. He asked how much has been spent to date on the dam rebuild? K. Juntila said approximately $600,000 has been spent to date primarily on engineering and licensing requirements. He said the dam rebuild is expected to cost between $4 and $4.5 million.

J. Prince questioned if incentives will be offered to businesses to upgrade lighting efficiencies like in other communities? K. Juntila said incentives programs are slow in coming and are being created by MECA, the group the MBLP joined to design an Energy Optimization Program for the utility and other small municipal utilities and cooperatives in the Upper Peninsula. The schedule will be to implement plans for low income customers, residential customers, followed by commercial customers.

E. Angeli asked if the utility is sponsoring a Christmas lighting contest this year? K. Juntila responded in the affirmative

7. **Adjournment:**

The meeting was adjourned at 6:10 p.m.

8. **Work Session: Capacity Presentation**.

K. Juntila gave a presentation on the utility's generation capacity including Units 2 and 3, the Combustion Turbine and the Hydros. He said the possibility of repurposing Unit 1

which was laid up in 1986 may include using natural gas to produce generation. He added current growth projections are negative 3.2 percent due to the current economy compared to 1-2 percent annual growth for the past 20 years. He said the state mandated Energy Optimization Program will also further reduce electric load due to incentives to conserve energy. K. Juntila said NMU is still planning to construct a biomass wood burning facility with natural gas as a backup. K. Wanberg questioned if NMU can build a generation facility? K. Juntila responded they can self-generate but they cannot seek out other customers as suggested in a recent newspaper article. He said he talked to NMU and they have no plans to provide generation to a large customer of the MBLP. If NMU and the Kennecott Mine don' require generation, it will delay the utility's need for additional generation through 2022. He said plans to upgrade the capacity of Unit 3 were studied and is doable; however, the manufacturer couldn't guarantee the upgrade would meet environmental regulations because the unit would be considered a "retrofit." He added plans to burn biomass fuel cubes in Unit 2 will extend the life of the unit which currently uses Eastern coal which is expensive and has increasing environmental regulations attached to its use.

_____

John L. Sonderegger,
Vice Chair/Secretary

Minutes of Regular Board Meetings can be viewed 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.