

**OFFICIAL PROCEEDINGS**  
**CITY COUNCIL**  
**ELECTRIC ADVISORY BOARD**  
**CITY OF ESCANABA, MICHIGAN**  
**Special Joint Meeting**  
**Wednesday, March 16, 2010**

Pursuit to a special meeting posted March 9, 2010, the meeting was called to order by the Mayor Gilbert X. Cheves at 6:02 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Gilbert X. Cheves, Council Members Pete Baker, and Leo J. Evans.

Absent: Council Members Patricia A. Baribeau and Brady L. Nelson.

Evans moved, Baker seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Baribeau.

Evans moved, Baker seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Nelson.

Present: Electrical Advisory Board Members: Chairman Ronald Beauchamp, Tim Wilson, John Anthony (left at 7:35 p.m.), Glendon Brown, and Don Racicot

Absent: Ann Bissell, Larry Arkens, John Mellinger

Also Present: Electric Superintendent Mike Furmanski, Power Plant Manager Jerry Pirkola, Wisconsin Public Service Corp (WPS) representative Engineer Mark Jensky, and members of the public, and media.

Evans moved, Baker seconded, **CARRIED UNANIMOUSLY**, to add Energy Optimization Plan to the agenda as recommended by City Administration.

**UNFINISHED BUSINESS** – None

**CONFLICT OF INTEREST** - None

**NEW BUSINESS**

**Update-Electric Department.**

Administration provided an overview and status report on activities and issues concerning the Electric Department including current coal issues. The following items were reviewed:

- General Operations/Electrical Distribution Update;
- Substation Request for Proposal(s) Update;
- Coal/Dock Storage Lease Agreement Update.

No action was taken at this time.

### **Update-Power Generation.**

Gerry Pirkola, Escanaba Generating Plant operator, provided an overview and status report on activities and issues concerning the Power Plant, discussions included:

- Power Plant Update;
- Peaking Generator (CT) Update;  
Gerry Pirkola and Mark Jensky of WPS made a presentation on CT equipment parts in question which could be the root of the problem which was preventing the CT from starting, specifically, worn out fuel nozzles. A time line quote would be given to Electric Superintendent Furmanski who would make a recommendation to Administration. (See Attachment – A)

No action was taken at this time.

### **Management Briefing and Discussion – Various Issues.**

Administration updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the various issues being evaluated with respect to the power supply scenarios and related issues. No action was taken at the meeting. Discussion topics included:

All Requirements Power Purchase Proposal(s) – Electric Superintendent Furmanski provided an update on the status of the short and long-term power supply options. (See Attachment – B)

Plant Sale Negotiations – Electric Superintendent Furmanski provided an update on the status of the plant sale negotiations. (See Attachment – B)

Mayor Cheves stated everything regarding Power Purchase Proposal(s) and Plant Sale Negotiations were on track and current.

Professional Services Costs and Power Generation/Purchase Costs – August 2009 to Present – Electric Superintendent Furmanski provided an update on the costs incurred for professional services related to the sale of the power plant and obtaining an all requirements power purchase agreement. Mr. Furmanski further provided an overview on the costs related to power generation and power purchase. Additionally discussed how the information should be brought to the public in a form they could understand, and what was going to be done with the remaining coal sitting on the docks.

Wholesale Power Pricing Concept - Fix to Float Analysis – Electric Superintendent Furmanski discussed a Fix to Float Block Power Purchase analysis/concept which could potentially fix the price for a share of power purchases in the upcoming months. Information

would be analyzed further based on the Month of March information and a recommendation would be brought forward.

Phase II, Environmental Site Assessment – Administration provided an update on the status of obtaining a Phase II, Environmental Site Assessment. Information would be provided by the end of week.

Energy Optimization Plan. Furmanski provided an update on the status of the process. Since there was not a quorum of the Electrical Advisory Committee, further information would be sent out.

### **GENERAL PUBLIC COMMENT**

Don Racicot commented on meetings Traxys held with Power Plant employees. Mr. Racicot advised not much has been heard from Traxys lately. Mr. Racicot encouraged the Council and City Administration to keep talks progressing along.

### **COUNCIL/COMMITTEE, STAFF REPORTS**

Information on the next joint meeting of City Council and Electrical Advisory Committee would be forwarded due to a scheduling conflict in April.

### **ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee and Council, the meeting adjourned at 8:00 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved: \_\_\_\_\_  
Gilbert X. Cheves, Mayor