

CITY COUNCIL/ELECTRICAL
ADVISORY COMMITTEE

November 9, 2011 – 6:00 p.m.

Regular Meeting

CITY COUNCIL

Gilbert X. Cheves, Mayor
Leo Evans, Mayor Pro-tem
Patricia Baribeau, Council Member
Brady Nelson, Council Member
Walter Baker, Council Member

ADMINISTRATION

James V. O'Toole, City Manager
Robert S. Richards, CMC, City Clerk
Ralph B.K. Peterson, City Attorney
Mike Furmanski, Electrical Superintendent
Michael Dewar, City Controller
Thomas Butz, Power System Engineering

ELECTRICAL ADVISORY COMMITTEE

Ronald Beauchamp, Chairperson
Ann Bissell, Vice Chairperson
Larry Arkens, Committee Member
Glendon Brown, Committee Member
Donald Racicot, Committee Member
Tim Wilson, Committee Member
John Anthony, Committee Member
Vacant Seat

Escanaba City Council Chambers: 410 Ludington Street - Escanaba, MI 49829

Meeting Agenda

Wednesday, November 9, 2011

CALL TO ORDER
ROLL CALL
APPROVAL/ADJUSTMENTS TO THE AGENDA
CONFLICT OF INTEREST DECLARATION

NEW BUSINESS

- 1. Update - Electric Department –Electrical Distribution Operations**
Explanation: Electrical Superintendent Mike Furmanski will discuss current departmental activities and operations.
- 2. Update– Operation and Maintenance of Power Plant – Pro Energy Services, Inc.**
Explanation: Pro Energy Services, Inc. will update the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the power plant.
- 3. Approval – Power Plant Environmental Remediation and Due Care Plan – Power Plant.**
Explanation: Administration will lead a discussion on the development of a strategy for cost-effective remediation of environmental conditions at the power plant and will be seeking approval to retain Geosyntec Consultants of Ann Arbor, MI, in an amount of \$36,900 to complete all tasks associated with finalizing an Environmental Due Care Plan.

4. **Approval - Relay Panel Purchase – Electrical Distribution System.**

Explanation: Administration is seeking Electrical Advisory Committee and City Council approval to purchase two (2) relay panel breakers to operate with the recently purchased 69kV breakers from Systems Control of Iron Mountain, MI, in the amount of \$92,004. This item is included in the current budget.

5. **Discussion – Monthly Power Costs.**

Explanation: Administration will present a summary of monthly costs including the power costs in the MISO market.

6. **Discussion - Purchase Power Update**

Explanation: Administration will discuss the updates to the purchase power options, including the information on short-term, and long-term options.

7. **Discussion - Plant Sale Contingency Options**

Explanation: Administration will lead a discussion on options available for the Escanaba Generation facilities should a plant sale not materialize. Various option outlines and timeframes will be reviewed and discussed.

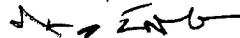
8. **Update – Power Plant Sale – Fuel Streamers Power Systems.**

Explanation: Administration will present an update of the contract negotiations with Fuel Streamers Power Systems.

GENERAL PUBLIC COMMENT
COMMISSION/STAFF COMMENT AND ANNOUNCEMENTS
ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling City Hall at (906) 786-9402.

Respectfully Submitted,



James V. O'Toole
City Manager



CITY COUNCIL/ELECTRICAL ADVISORY COMMITTEE

November 9, 2011 – 6:00 p.m.
Regular Meeting – Agenda Addendum

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Vacant Seat

Escanaba City Council Chambers: 410 Ludington Street - Escanaba, MI 49829

Meeting Agenda Addendum
Wednesday, November 9, 2011

NEW BUSINESS

9. Discussion – Great Lakes Utilities Membership.

Explanation: Administration will discuss the possibility of joining the Great Lakes Utilities group which will allow the opportunity for purchasing power in the future and networking opportunities on electric industry issues.

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Respectfully Submitted,

James V. O'Toole
City Manager

Escanaba Operating Services

PO Box 249

Wells, MI 49894

PHONE: 906-217-3100

FAX- 906-217-3103

NB# 2

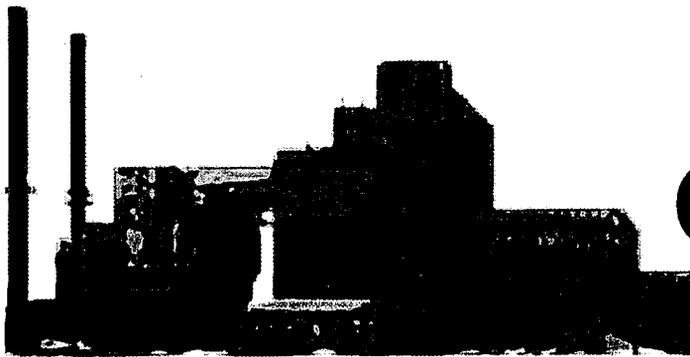
11/9/11

CC/EAC.

Escanaba Operating Services

Monthly Report

October 2011



Escanaba Generating Station

**Escanaba
Operating
Services**

Escanaba Operating Services

PO Box 249

Wells, MI 49894

PHONE: 906-217-3100

FAX- 906-217-3103

Executive Summary

Unit 1 was in operation for the entire month. Unit 2 was dispatched one (1) time for one (1) day by MISO. The Combustion Turbine was not dispatched during the month. The plant is receiving Alpha and Traxys coal deliveries from Upper Lakes Coal. The on-site coal pile was depleted in mid-October.

Unit 2 outage commenced October 22 for the "Lower Water Wall Tube Replacement".

There were no safety incidences at the Plant in October. The OSHA Lost Time Rate remains at zero (0).

Key Performance Indicators (Note: This table is for the City's fiscal year July 2011 through June 2012.)

Measure	Units	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	5,422	25,798
Unit 1 Net Electrical Generation	MWH	4,725	18,046
Unit 2 Net Electrical Generation	MWH	161	5,410
Coal Consumption	Tons	3,004	15,115
Steam Plant Net Heat Rate	BTU/KWH	15,483	15,623
Plant Availability	%	83.9%	93.8%
Combustion Turbine Gross Electrical Generation	MWH	0	82.0
Combustion Turbine Station Service	MWH	21.1	56.1
Fuel Oil Consumption	Gallons	0	14,504
Combustion Turbine Availability	%	100%	99.7%

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Operations Summary

Unit 1 started the month on line and remained on line through the end of the month. Unit 2 was dispatched on 10/20/11 and shut down on 10/21/11. The Combustion Turbine was not dispatched during this month.

Unit Start-Ups and Shut Downs

Unit	Date	On-Line Time	Off-Line Time	Reason
2	10/20	16:58		MISO Request
2	10/21		18:01	Economics

Unit Trips and Unplanned Outages

Unit	Date	Breaker Open Time	Breaker Close Time	Duration (Hours)	Cause
N/A					

Planned Outages

Unit	Start Date	Start Time	End Date	End Time	Cause
2	10/22	0100	11/7	0100	Lower water wall tube replacement

Reduced Load Events

Start Date	Start Time	End Date	End Time	Actual Load	Cause
N/A					

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Maintenance Activities

During the month zero (0) Maintenance callouts were experienced.

Work Orders:

Closed this Month	Awaiting Outage	Awaiting Parts	Back-Log
18	7	6	24

Major Repairs Made:

Unit 1

- 1) #1 Steam Driven Oil Pump flange gasket failed
Corrective Action: Installed new gasket

Unit 2

- 1) Boiler Tube Replacement
Update: On 10/22/11 boiler outage began.
- 2) Outage Items:
 - #1 Circulating Water Pump – Repaired packing leak.
 - #1 Circulating Water Pump Motor – Sent to shop for repairs and replacement of motor leads.
 - Deaerator Inspection – 5 year inspection requirement.
 - Replaced rear wall over-fire air nozzles and reinjection tubes.
 - Nalco performed steam drum and mud drum inspections.
 - Precipitator inspection and repair of missing rapper and strike plate.
 - Oil leak on the Turbine Turning Gear Motor. Motor sent out for inspection and repair of seal.
 - Routine Preventive Maintenance Work on unit control valves.
 - The DA dump valve repairs were completed and the valve reinstalled.
 - Repaired #4 Coal Scale diverter gate.
 - Cleaned drain lines from the air ejector back to the duplex trap.

Plant Outstanding Issues:

Unit 1

- 1) Boiler Drum Hydrastep bottom electrode leaking on 7/9/11.
Corrective Action: New Hydrastep vessel ordered. Expected delivery is early November. Replacement of the unit will be scheduled after it is received.
- 2) Exciter brush wear has been decreased by changing the spring tensioners. Collector rings need to be machined back to a smooth surface.
Corrective Action: An Outage is scheduled for December 19th to machine the rings.
- 3) Circulating Water Pump discharge valves are hydraulically controlled and located in the pump house structure. The Hydraulic Cylinder's "actuators" are original equipment.
Corrective Action: Air driven actuators have been ordered and will be scheduled for installation.

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Unit 2

See outage notes above.

General Plant

- 1) Yearly Station Service Transformer oil testing is due.

Corrective action: The Plant is currently working with the City to have the oil analyzed in the three Station Service Transformers and the substation transformers.

Emissions Compliance Overview

Air

- There were no deviations for the month.
- Combustion Turbine Fuel Meter Calibration completed

Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Parameter	Cause
N/A					

Water – NPDES

- There were no deviations for the month.

Water – Groundwater

- 1) The facility had 26 deviations for flow over 10,000 gallons which is the daily limit for the settling basins. The deviations are attributed to excessive throughput to the pond.

Corrective Action: During the month of September, an application for a new groundwater discharge permit has been submitted for a higher limit for plant effluent. Concentration for acid injection will be put in place to alleviate further effluent deviations.

- 2) 1 pH deviation due to the neutralization system acid pump plugged.

Corrective Action: Spare pump put into service, PM measures are in place.

Water Monitoring Deviations

Start Date	End Date	Parameter	Cause
10/1	10/1	Flow	Normal operations > Groundwater Permit limits.
10/3	10/7	Flow	Normal operations > Groundwater Permit limits.
10/4	10/4	pH	pH Neutralization Acid Pump plugged.
10/10	10/11	Flow	Normal operations > Groundwater Permit limits.
10/13	10/27	Flow	Normal operations > Groundwater Permit limits.
10/29	10/31	Flow	Normal operations > Groundwater Permit limits.

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Occupational Health Overview

- 1) There were no OSHA recordable injuries or illnesses at the site during the month. Safe man hours worked to date is 19,448.5 since June 6. The L& I rate for the year remains at zero (0).
- 2) Quarterly inspections of ladders, and slings were completed in October.
- 3) Annual inspection of fire extinguishers, and cranes were completed.

OSHA Summary of Work Related Injuries and Illnesses

There were no OSHA related incidents during the month.

EH&S Incidents – (Near Misses and Property Damage)

- 1) No near misses were reported.

Labor Statistics

- One Coal Handler temporarily assigned as an Oiler filling the vacant position, due to Coal Handling workload reduction.
- Two employees on short term disability; one to return to work the first week of November, and one the first week of December.
- One contract Operations employee remains on site for operational coverage and procedure development.
- One contract Instrumentation & Electrical employee remains on site to assist with development of routine PM's and routine work assignments.

Labor Statistics (Note: These statistics are for the 2011 calendar year from June 6 through October 31.)

Item	Month	Year to Date
Total Man-hours Worked	3,981.5	19,448.5
Total Number of Standard Time (ST) Hours	3,325	16,806
Total Number of Overtime (OT) Hours	308.5	1,138.25
Total Number of Double Time (DT) Hours	348	1,504.25



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NB # 3
11/9/11
CC/EAC

28 October 2011

Mr. Mike Furmanski
Electrical Superintendent
City of Escanaba
1711 Sheridan Road
Escanaba, MI 49829

**Subject: Proposal for Environmental Support
Escanaba Generating Station
2000 Power Plant Road, Escanaba Michigan**

Dear Mr. Furmanski:

Geosyntec Consultants (Geosyntec) is pleased to provide the City of Escanaba (City) with this proposal for conducting site investigation activities at the Escanaba Generation Station Property located at 2000 Power Plant Road, Escanaba, Michigan (Site). The critical path to site closure includes evaluation of the discharge of metals in groundwater venting to Lake Michigan. As a result of this work, Geosyntec will develop a strategy for cost-effective remediation and pursuit of site closure. In addition, Geosyntec will prepare a Due Care Plan, as required to meet Michigan Department of Environmental Quality (MDEQ) requirements. This proposal presents the scope of work, schedule, and cost estimate for this work.

SCOPE OF WORK

Task 1: Planning Documentation

Objective Formulate data quality objectives and develop Site groundwater sampling plan that will enable data quality objectives to be fulfilled and work to be executed safely

Deliverables Sampling Plan and Health & Safety Plan

Approach Geosyntec will develop a Site sampling plan (table and figure) identifying groundwater sample locations and analyses. Geosyntec will also develop a Health & Safety Plan for installing monitoring wells and conducting groundwater sampling at the Site. This proposal will serve as a Work Plan to conduct sampling at the Site.

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engineers | scientists | innovators

Mr. Mike Furmanski
28 October 2011
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Task 2: Well Installation and Development

Objective Install and survey 3 new monitoring wells to assess groundwater venting from the Site to Little Bay de Noc

Deliverables Field notes, monitoring well logs, a table containing well survey data, and a Site map with the sample locations (will be appended to the report)

Approach Three 9-ft deep monitoring wells will be installed. MW-8 and MW-9 will be installed downgradient of the two settling ponds, while MW-10 will be installed further north, up the shoreline to delineate the potential metals impact. The wells will be screened over a 5-ft interval with the screen placed at the base of the well. After the borehole has been advanced to the target depth, the total depth of the borehole will be measured by the driller with a weighted measuring tape to verify the drilling depth.

The monitoring wells will be installed by a licensed well driller. The wells will be constructed of 2-inch schedule 40, polyvinyl chloride (PVC) 0.010 inch slot well screen with a PVC bottom cap and solid schedule 40 PVC well riser. All casing shall be new, unused. 20/40 mesh sized sandpack will be placed between the boring annulus and the well casing and will extend 1-ft above the top of the well screen. The depth to the top of the filter pack will be verified by measuring, using a weighted tape. A minimum 1-ft thick bentonite seal (chips or granular bentonite) will be placed in the annulus between the riser pipe and the borehole wall on top of the filter pack. The completed bentonite transition seal will be allowed to hydrate for at least 30 minutes prior to finishing the surface completion. The depth to the top of the transition seal will be verified by measuring, using a weighted tape. The bentonite seal will be placed in HSA borings by free fall through the augers as they are incrementally raised.

The wells shall be finished above grade with approximately 2.5 ft riser pipe and a steel protective well cover. The protective cover shall be mounted within a square concrete 1.5 ft by 1.5 ft pad. The pad shall slope away from the cover. The riser pipe shall be sealed with a locking 2-inch watertight well cap.

No PVC cements or other solvents will be used in the construction of the wells.

Prior to initiating drilling, drilling locations will be identified and the area cleared for buried utilities by MISS-DIG and the City.

Geosyntec will subcontract a registered land surveyor to survey the location, ground surface elevation and top of casing elevation for the new Site wells.

Geosyntec will coordinate the off-site disposal of investigation derived waste (IDW) once analytical results have been received.

- Assumptions**
- Three approximately 9-ft deep monitoring wells will be installed
 - Drilling activities will take no more than two days onsite to complete
 - Monitoring well development will take no more than two hours to complete
 - Survey activities will take no more than half a day onsite to complete
 - A Site benchmark is available to provide to the surveyor
 - The purge water/decontamination water and soil cuttings generated during well drilling and development activities will be containerized in 55-gallon drums and staged onsite for subsequent off-site disposal
 - Disposal of two 55-gallon drums of solid investigation derived waste (IDW) and three 55-gallon drums of liquid IDW (decontamination water and development water)
 - One sample of the liquid IDW will be collected for waste characterization. The sample will be analyzed for metals (arsenic, cadmium, copper, lead, mercury, nickel, selenium, zinc, and molybdenum), pH, BOD, volatile organic compounds, phosphorus, and ammonia.
 - No sample of the solid IDW will be required for waste characterization. Analytical results from previous disposals at the Delta County landfill will be used to characterize solid IDW (soil cuttings) generated during well installation.

Task 3: Groundwater Sampling

Objective Assess groundwater concentrations of metals discharging to Little Bay de Noc for comparison to MDEQ cleanup criteria

Deliverables Field notes and laboratory analytical report (will be appended to the report)

Approach

Groundwater samples will be collected in accordance with MDEQ low-flow minimal-drawdown procedures, utilizing a peristaltic pump with dedicated HDPE tubing. Unfiltered samples are required for total metals analysis and comparison to MDEQ and GSI criteria. Filtered (0.45 μm) and unfiltered samples will be collected to distinguish suspended (colloidal) from dissolved concentrations of iron and manganese. Field water quality parameters will be collected and recorded during purging, including include pH, oxidation-reduction potential (ORP), dissolved oxygen (DO), temperature, specific conductance, and turbidity. We will attempt to collect samples when the turbidity is less than 5 NTU. The meter used for water quality measurements will be calibrated daily. ORP calibration will be verified using a quinhydrone solution.

Using MDEQ required methods and detection limits, groundwater samples will be analyzed for:

- Potential Site COCs: Arsenic, barium, boron, cadmium, chromium (total), copper, cobalt, lead, mercury, molybdenum, nickel, selenium, silver, strontium, thallium, vanadium, and zinc. Potential Site COCs will be analyzed for totals analysis by methods 6020 and 6010.
- Groundwater Geochemistry: Totals analysis for calcium, magnesium, potassium, and sodium by method SW-846 6020; dissolved analysis (field filtered) for iron and manganese by method SW-846 6020; chloride by MCAWW method 300.0; sulfate by method MCAWW 300.0; alkalinity by method MCAWW 310.2.

A sample will also be collected from Little Bay de Noc for analysis of pH (field measurement) and hardness by method SM2340B for calculating MDEQ groundwater surface water interface (GSI) criteria.

For quality assurance and quality control (QA/QC) purposes, groundwater field duplicates and matrix spike/matrix spike duplicate [MS/MSD] will be collected. Duplicates will be collected at a rate of one duplicate per every ten samples for the Site COCs. MS/MSDs will be collected at a rate of one MS/MSD per every twenty groundwater samples for the Site COCs.

Assumptions

- Groundwater sampling will not exceed 20 hours
- Up to 12 groundwater samples and 4 QA/QC samples will be submitted for

laboratory analysis

- Standard 2 week turnaround time for laboratory analysis
- The purge water will be containerized in two 55-gallon drums and staged onsite for subsequent off-site disposal
- No additional samples of the liquid IDW will be required for waste characterization under this Task. The liquid IDW results collected as part of Task 2 (Well Installation) will be used to characterize liquid IDW generated during groundwater sampling.

Task 4: Report

Objective Evaluate groundwater results and develop a site closure strategy

Deliverable Groundwater Investigation Report and Closure Strategy

Approach Geosyntec will prepare an investigation report summarizing the groundwater sample results. The report will include field data summary tables, a table comparing analytical results to MDEQ criteria, a figure presenting the sample locations and potentiometric surface map, well logs, and the laboratory analytical package.

Geosyntec will provide a copy of the draft report to the City for review and comment. We will conduct a conference call to discuss the results. Geosyntec will incorporate one set of comments into the final report.

Geosyntec will also develop a closure strategy for the Site. The strategy will be presented in a flowchart with a projected schedule. This flowchart will be provided to the City under separate cover.

Assumptions

- One hard copy and an electronic copy of the report will be submitted to the City of Escanaba

Task 5: MDEQ Notification and Due Care Plan

Objective Comply with MDEQ Part 201 requirements

Deliverable MDEQ Form EQP4482 (if required) and Due Care Plan

Approach

Should groundwater concentrations venting to Lake Michigan exceed MDEQ criteria, MDEQ form EQP4482 "Notice of Migration of Contamination" must be submitted within 30 days of obtaining the data. Geosyntec will assist the City of Escanaba in responding to communications received from the MDEQ. Based on previous investigations, concentrations of hazardous substances exceed MDEQ residential cleanup criteria, and the Site is defined as a "facility". Part 201 requires owners/operators of a "facility" to prepare a Due Care Plan to:

- a. Prevent exacerbation of existing contamination
- b. Prevent or mitigate unacceptable exposures to contaminants
- c. Take reasonable precautions against the reasonable foreseeable acts or omissions of a third party and the consequences that foreseeably could result from those actions
- d. Provide reasonable cooperation, assistance, and access to person authorized to conduct response activities
- e. Comply with land or resource use restrictions (deed restrictions)
- f. Not impede the effectiveness or integrity of land or resource use restrictions

Geosyntec will review existing Site data provided by the City of Escanaba, as well as new data collected in Task 3. Based on the findings Geosyntec will prepare a Due Care Plan with the following elements:

- Introduction
- Evaluation of Exposure Pathways
- Future Property Uses
- Due Care Obligations

Geosyntec will provide a copy of the draft Due Care Plan to the City for review and comment. Geosyntec will incorporate one set of comments into the final Due Care Plan.

Assumptions • One hard copy and an electronic copy of the report will be submitted to the City of Escanaba

Task 6: MDEQ Meeting

Objective Obtain MDEQ concurrence with the closure strategy

Deliverables MDEQ meeting minutes

Approach Geosyntec will prepare a project flowpath to present our closure strategy. Geosyntec will arrange for a meeting with the City and MDEQ to discuss the flowpath and obtain MDEQ concurrence for the strategy. This meeting will lay the foundation for a cooperative relationship with MDEQ.

Assumptions • Erik Petrovskis and Gary Daniels will attend an MDEQ meeting at the Gwinn District Office.

PERSONNEL AND SCHEDULE

Erik Petrovskis, Ph.D., P.E., will serve as your Project Manager. Erik has extensive Part 201 experience, including addressing GSI issues. He will be responsible for Geosyntec meeting the project scope, schedule and budget. He will provide a biweekly status report to keep you informed of scope and budget status.

Gary Daniels, P.E., is familiar with the City's needs and will provide local support to include management and coordination of survey, drilling, and field sampling activities.

Geosyntec will complete the scope of work according to the schedule below:

Task	Completion Time
Health & Safety Plan	Within 1 week of authorization
Well Installation	Within 4 weeks of authorization
Groundwater Sampling	Within 2 weeks of well installation
Draft Report	Within 4 weeks after receiving laboratory results
Final Report	Within 2 weeks of receiving the City of Escanaba comments

Mr. Mike Furmanski
28 October 2011
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Draft Due Care Plan	Within 2 weeks after completing the Final Report
Final Due Care Plan	Within 2 weeks of receiving the City of Escanaba comments

COST ESTIMATE

Geosyntec will conduct the scope of work described herein for the total estimated lump sum budget of \$36,900, as summarized below. We will not exceed this estimate without your written authorization. Geosyntec will invoice monthly based on the percent completion of each task. The work will be conducted in accordance with our Professional Services Agreement, which is attached and considered part of this proposal.

TASK		COST
Task 1	Planning Documentation	\$ 600
Task 2	Well Installation and Development	\$9,200
Task 3	Groundwater Sampling	\$9,700
Task 4	Report	\$7,300
Task 5	MDEQ Notification and Due Care Plan	\$6,500
Task 6	MDEQ Meeting	\$3,600
Total Budget Authorization Request		\$36,900

CLOSING

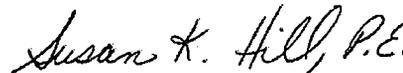
Geosyntec appreciates the opportunity to work on this assignment with the City. We look forward to initiating work upon receipt of your written authorization.

Very truly yours,

GEOSYNTEC CONSULTANTS



Erik A. Petrovskis, Ph.D., P.E.
Project Manager



Susan K. Hill, P.E.
Principal

Attachments

20111028 Geosyntec Escanaba proposal.doc

**PROJECT SPECIFIC
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
GEOSYNTEC CONSULTANTS, INC.
AND
CITY OF ESCANABA**

This Professional Services Agreement ("Agreement") is made effective as of _____, 2011, by and between Geosyntec Consultants, Inc. (hereinafter "Consultant/Engineer" or "C/E"), with its principal office located at 900 Broken Sound Parkway, Suite 200, Boca Raton, FL 33487, and City of Escanaba ("Client"), located at 1711 Sheridan Road, Escanaba, MI 49829. This Agreement shall cover Services performed by C/E in connection with Client's project known as Escanaba Power Plant Investigation and as authorized in mutually acceptable Service Orders.

NOW, THEREFORE, in consideration of the promises set forth below, the parties hereby agree as follows:

1. SERVICE ORDERS

The Scope of Services ("Services") and the schedule and charges for the Services are to be set forth in a written Service Order or Service Orders to this Agreement. The terms and conditions of this Agreement shall apply to each Service Order, except to the extent expressly modified by the Service Order. Unless otherwise stated in the Service Order, the method of charging for the Services shall be on a time and materials basis, shall be in US dollars, and shall be based on the Rate Schedule in effect when the Services are performed, unless otherwise provided in C/E's proposal. The rates shall be subject to annual adjustment based on the mutual consent of the parties. The rates are inclusive of all taxes except such value added, sales, service or withholding taxes that are imposed in some jurisdictions, for which such taxes shall be reimbursable by Client. Where charges are "not to exceed" a specified sum, C/E shall notify Client before such sum is exceeded and shall not continue to provide the Services beyond such sum unless Client authorizes an increase in the sum. If a "not to exceed" sum is broken down into budgets for specific tasks, the task budget may be exceeded without Client authorization as long as the total sum is not exceeded. Rates for days of actual testimony at depositions, trials, or hearings will be two times the rate shown on the Rate Schedule.

2. PAYMENT CONDITIONS

C/E periodically shall submit invoices to Client. Client shall pay each invoice within thirty (30) days of the date of the invoice. However, if Client objects to all or any portion of any invoice, Client shall notify C/E of the objection within fifteen (15) days from the date of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. Client shall pay an additional charge of one percent (1%) of the amount of the invoice per month or the maximum percentage allowed by law, whichever is the lesser, for any payment received by C/E more than thirty (30) days from the date of the invoice. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal. The additional charge shall not apply to any disputed portion of any invoice resolved in favor of Client. In the event of a legal action brought by C/E against Client for invoice amounts not paid, attorneys' fees, court costs, and other related expenses shall be paid to the prevailing party by the other party.

In addition to the above, if payment of C/E invoices is not maintained on a thirty (30) day current basis, C/E may, by ten (10) days' written notice to Client, suspend further performance and withhold any and all data from Client until such invoice payments are restored to a current basis.

3. CONSTRUCTION PROCEDURES

C/E shall not be responsible for the acts or omissions of other parties engaged by Client, and shall not have control or charge of and shall not be responsible for their construction means, methods, techniques, sequences, or procedures, or for their safety precautions and programs.

4. RECOGNITION OF RISK

Client recognizes that opinions relating to environmental, geologic, and geotechnical conditions are based on limited data and that actual conditions may vary from those encountered at the times and locations where data are obtained, and that the limited data results in uncertainty with respect to the interpretation of these conditions, despite the use of due professional care. It is further recognized that the state of practice, particularly with respect to contaminated site and waste conditions, is changing and evolving, and, further, that certain of the governmental regulations relating to hazardous waste sites purport to require achievement of results which cannot be accomplished in an absolute sense (e.g., the construction of entirely impermeable liners).

5. STANDARD OF CARE

C/E shall be obligated to comply with applicable professional standards of care in the performance of the Services but does not guarantee results. C/E shall also comply with all applicable state, federal, and local laws, executive orders, rules, and regulations.

6. RISK ALLOCATION

The liability of C/E, its employees, agents, and subcontractors (hereinafter for purposes of this Section 6 referred to collectively as "C/E"), for Client's claims of loss, injury, death, damage, or expense, including, without limitation, third party claims for contribution and indemnification with respect to such claims, relating to services rendered or obligations imposed under this Agreement or any Service Order issued hereunder (hereinafter "Client's Claims"), shall not exceed, in the aggregate, the greater of \$100,000 or C/E's charges under the applicable Service Order ("the Limit"). If Client seeks recovery of damages in excess of the Limit from third parties, Client shall defend and indemnify C/E against any resulting claims by such third parties back against C/E with respect to such excess.

In addition, neither Client nor C/E shall be liable for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors.

The foregoing limitations of liability shall apply regardless of whether the claim is caused by breach of contract or negligent act or omission or other wrongful act, but shall not apply if caused by willful misconduct.

7. INDEMNIFICATION

If any claim is brought against Client and/or C/E, its employees, agents, and subcontractors (hereinafter for purposes of this Section 7 referred to collectively as "C/E"), by a third party, relating in any way to services under this Agreement, including all Service Orders, then, subject to the allocation of risk under Section 6 above, C/E and Client shall each indemnify the other against any loss or judgment on a comparative responsibility basis under comparative negligence principles (Client responsibility to include that of its agents, employees, and other contractors). Unless C/E was guilty of negligence, breach of contract, or willful misconduct which in whole or in part caused the damage, injury, or loss asserted in the third-party claim, Client shall indemnify, defend, and hold C/E harmless against the claim, liability, loss, legal fees, consulting fees, and other costs of defense reasonably incurred.

8. **INSURANCE**

C/E shall maintain during the term of this Agreement the following minimum insurance coverage:

- | | | |
|-------|---|-------------------------------------|
| (i) | Workers' Compensation | - Statutory |
| | Employer's Liability | - \$1,000,000 per occurrence |
| (ii) | Commercial General Liability | - \$1,000,000 combined single limit |
| (iii) | Comprehensive Automobile Liability | - \$1,000,000 combined single limit |
| (iv) | Professional Liability | - \$1,000,000 per claim |

C/E shall provide Client with an insurance certificate upon Client's request.

9. **RIGHT OF ENTRY**

Client grants to C/E, and, if the project site is not owned by Client, warrants that permission has been granted for, a right of entry from time to time by C/E, its employees, agents, and subcontractors, upon the project site for the purpose of providing the Services.

10. **HAZARDOUS SUBSTANCES**

All nonhazardous samples and by-products from sampling processes in connection with the Services shall be disposed of by C/E in accordance with applicable law; provided, however, that any and all such materials, including wastes, that cannot be introduced back into the environment under existing law without additional treatment, and all hazardous wastes, radioactive wastes, hazardous materials, or hazardous substances ("Hazardous Substances") related to the Services, shall be packaged in accordance with applicable law by C/E and turned over to Client for appropriate shipping and disposal. C/E shall not arrange or otherwise dispose of Hazardous Substances in connection with this Agreement. C/E, at Client's request, may assist Client in identifying appropriate alternatives for off-site treatment, storage or disposal of the Hazardous Substances, but C/E shall not make any independent determination relating to the selection of a treatment, storage, or disposal facility nor subcontract such activities through transporters or others. Client shall sign all necessary manifests for the disposal of Hazardous Substances. If Client insists upon the signing of such manifests by C/E's agents or employees, such signing shall be as Client's agent so that C/E will not be considered to be a generator, transporter, or disposer of such Hazardous Substances, and Client shall indemnify C/E against any claim or loss resulting from such signing and from C/E's non-negligent handling of Hazardous Substances. If unanticipated Hazardous Substances or conditions are encountered, C/E may suspend work for safety reasons until mutually agreeable arrangements are made, which may involve amendments to this Agreement.

11. **CONFIDENTIALITY**

C/E will maintain as confidential any documents or information provided by Client and will not release, distribute, or publish same or C/E's test results to any third party without prior permission from Client, unless compelled by law or order of a court or regulatory body of competent jurisdiction. Such release will occur only after prior notice to Client.

12. **USE OF DOCUMENTS**

Provided that C/E has been fully paid for the Services, Client shall have the right to use the documents, maps, photographs, drawings, and specifications resulting from C/E's efforts on the project. Reuse of any such materials by Client on any extension of this project or any other project without C/E's written authorization shall be at Client's sole risk. C/E shall have the right to retain copies of all such materials. C/E retains the right of ownership with respect to any patentable concepts or copyrightable materials arising from its Services. Because work products delivered in electronic form are subject to anomalies, errors, misinterpretation, deterioration, and unauthorized modification, or may be draft or incomplete work products, electronic documents provided by C/E are furnished solely for convenience and only those professional work products in hard-copy format bearing C/E's signature or professional stamp may be relied upon by Client or other recipients. Client may perform acceptance tests or

procedures regarding electronic versions of final documents (not drafts) for a period of sixty (60) days after transmission. Any errors detected on electronic versions of such final documents within the 60-day acceptance period will be corrected by C/E at no additional charge to Client.

13. CLIENT RESPONSIBILITY

Client shall: (1) provide C/E, in writing, all information relating to Client's requirements for the project; (2) give C/E prompt written notice of any suspected deficiency in the Services; and (3) with reasonable promptness, provide required approvals and decisions. When the Services include on-site activities, Client shall also (4) correctly identify the location of subsurface structures, such as pipes, tanks, cables, and utilities; and (5) notify C/E of any potential hazardous substances or other health and safety hazards or conditions known to Client existing on or near the project site.

14. DELAYS AND FORCE MAJEURE

In the event that C/E field or technical work is interrupted due to causes outside of its control, C/E shall be equitably compensated (in accordance with C/E's current Rate Schedule) for the additional labor, equipment, and other charges associated with maintaining its work force and equipment available during the interruption, and for such similar charges that are incurred by C/E for demobilization and subsequent remobilization.

Except for the foregoing provision, neither party shall hold the other responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond the reasonable control of the other party. Delays within the scope of this Section which cumulatively exceed forty-five (45) days shall, at the option of either party, make the applicable Service Order subject to termination for convenience or to renegotiation.

15. TERMINATION

Client may terminate all or any portion of the Services for convenience, at its option, by sending a written Notice to C/E. Either party can terminate this Agreement or a Service Order for cause if the other commits a material, uncured breach of this Agreement or becomes insolvent. Termination for cause shall be effective twenty (20) days after receipt of a Notice of Termination, unless a later date is specified in the Notice. The Notice of Termination for cause shall contain specific reasons for termination, and both parties shall cooperate in good faith to cure the causes for termination stated in the Notice. Termination for cause shall not be effective if reasonable action to cure the breach has been taken before the effective date of the termination. Client shall pay C/E upon invoice for services performed and charges incurred prior to termination, plus termination charges. Termination charges shall include, without limitation, the putting of project documents and analyses in order and all other related charges incurred which are directly attributable to termination. In the event of termination for cause, the parties shall have their remedies at law as to other rights and obligations between them, subject to the other terms and conditions of this Agreement.

16. ASSIGNMENTS

Neither party to this Agreement shall assign its duties and obligations hereunder without the prior written consent of the other party.

17. VALIDITY

The provisions of this Agreement shall be enforced to the fullest extent permitted by law. If any provision of this Agreement is found to be invalid or unenforceable, the provision shall be construed and applied in a way that comes as close as possible to expressing the intention of the parties with regard to the provisions and that saves the validity and enforceability of the provision.

18. NO THIRD-PARTY RIGHTS

This Agreement shall not create any rights or benefits to parties other than Client and C/E. No third party shall have the right to rely on C/E's opinions rendered in connection with the Services without C/E's written consent

which may be conditioned on the third party's agreement to be bound to acceptable conditions and limitations similar to this Agreement.

19. INTEGRATED WRITING

This Agreement constitutes a final and complete repository of the agreements between Client and C/E. It supersedes all prior or contemporaneous communications, representations, or agreements, whether oral or written, relating to the subject matter of this Agreement. Modifications of this Agreement shall not be binding unless made in writing and signed by an Authorized Representative of each party.

20. NOTICES, SIGNATURES, AND AUTHORIZED REPRESENTATIVES

The following signatories of this Agreement are the Authorized Representatives of Client and C/E for the execution of this Agreement. Each Service Order shall set forth the name and address of the respective Authorized Representatives of the parties for the administration of that Service Order. Any information or notices required or permitted under this Agreement or any Service Order shall be deemed to have been sufficiently given if in writing and delivered either personally or by mail to the undersigned representative or any other Authorized Representative identified in the applicable Service Order. Notice given by mail shall also be transmitted by facsimile at the time of mailing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, as follows:

CLIENT

CONSULTANT/ENGINEER

Signature

Signature

Typed or Printed Name

Erik Petrovskis

Typed or Printed Name

Title

Associate

Title

Date of Signature

Date of Signature



Service Order
Effective Date: _____

This Service Order shall, upon execution of the parties, be incorporated into the Professional Services Agreement between City of Escanaba ("Client") and Geosyntec Consultants, Inc. dated _____, 20_____.

Project #: _____



Authorized Representatives:

Client:

Geosyntec:

Name:

Name: Erik Petrovskis

Address: 2395 Oak Valley Drive, Suite 110, Ann Arbor, MI 48103

Telephone #: 734-332-8004

Email Address: epetrovskis@geosyntec.com

Address:

Telephone #:

Email Address:

Scope of Services and Schedule:

Geosyntec will perform the services in accordance with the scope and schedule set forth in Geosyntec's proposal dated 28 October 2011 ("Proposal") or on separate pages attached to this Service Order and incorporated herein.

Rates and Price:

The total price for this Service Order is:

\$_____ on a time and materials basis which will not be exceeded without Client written consent.

\$36,900 on a lump sum/fixed price basis.

For time and materials services, Geosyntec will invoice Client at the rates set forth in the Agreement. If rates are not included in the Agreement, Geosyntec will invoice Client in accordance with its Proposal and/or current standard rates.

The terms and conditions of the Professional Services Agreement referenced above shall apply to this Service Order. Any modification to this Service Order must be approved in writing by authorized representatives of the parties.

Acceptance of the terms of this Service Order is acknowledged by the following signatures of the Authorized Representatives.

For Client:

For Geosyntec Consultants, Inc.:

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Krause Power Engineering, LLC
2029 County Highway 1, Suite 1
Chippewa Falls, WI 54729
TEL 715 577 1369 FAX 715 861 3916
WEB www.krausepowerengineering.com

October 24, 2011

NB# 4
11/9/11
CC/EAC

Mr. Mike Furmanski
City of Escanaba
410 Ludington Street
P.O. Box 948
Escanaba, MI 49829

SUBJECT: Recommendation for Power Plant Substation – Relay Panels
Project # ESC-11-05.1

Dear Mr. Furmanski:

I have reviewed and evaluated the responses received for your relay panel bids as part of your Power Plant Substation Modifications project. These bids were received during the bid opening held at the City of Escanaba at 2:00 p.m. EDT on October 20, 2011. There were three vendors who requested copies of the Specifications and Bidding Documents. Not all vendors elected to bid this project. Please see the attached Bidder's Tabulation Form for bidding details.

At the bid opening, stated prices ranged from \$92,004 to \$122,875. Upon evaluation of each vendor's bid, I recommend that Systems Control of Iron Mountain, Michigan, be awarded the relay panel contract. Systems Control submitted the lowest purchase price at \$92,004. Previous experience with Systems Control has shown that they are able and qualified to provide the bid item as submitted.

After you approve a supplier, we will assemble and send contract documents to the successful bidder for this purchase. Once the supplier reviews, bonds and signs the contract documents we will review their submittals and forward the contracts to you for final signatures.

If you have any questions regarding these recommendations, I can be contacted by telephone at 715-577-1369 or by email at dkrause@krausepowerengineering.com.

Sincerely,

Dave Krause, P.E.

Enclosure

ADVERTISEMENT FOR BIDS - 00 11 13

**POWER PLANT SUBSTATION – RELAY PANELS
Escanaba, Michigan**

Notice is hereby given that sealed bids will be received by the City of Escanaba of Escanaba, Michigan, until 2:00 p.m. EDT on October 20, 2011, at which time they will be publicly opened and read aloud, for the supply and delivery of transmission line relay panels.

~~Bids shall be on the forms provided for that purpose and according to the Contract Documents prepared by Krause Power Engineering, LLC, 2029 County Highway I, Suite 1, Chippewa Falls, Wisconsin, 54729, dated September 22, 2011. Bid forms and Contract Documents may be seen at the office of the City of Escanaba and at the office of the above-named Engineer.~~

Suppliers desiring a copy of the Bid Forms and Contract Documents may obtain them from the office of the above-named Engineer in accordance with the Instructions to Bidders upon payment of \$30.00/set. Checks should be made out to Krause Power Engineering, LLC. No refunds will be provided. Questions regarding delivery of the Bid Forms and Contract Documents should be directed to 715-577-5558. Technical questions should be directed to the Engineer by calling 715-577-1369 or by email at dkrause@krausepowerengineering.com.

Bid security in the amount of five (5) percent of the bid must accompany each bid in accordance with the Instructions to Bidders.

Bids shall be directed to the attention of Mike Furmanski at the City of Escanaba, located at 410 Ludington Street, Escanaba, Michigan, 49829, securely sealed and endorsed upon the outside wrapper, "BID FOR RELAY PANELS."

A pre-bid conference will not be held. Bidder's Qualifications must be submitted to Krause Power Engineering, LLC, at least five (5) days prior to the date set for opening and receiving of bids.

The City of Escanaba reserves the right to reject any and all bids, to waive irregularities and informalities therein and to award the Contract in the best interests of the Utility.

Mr. Mike Furmanski
City of Escanaba
410 Ludington Street
Escanaba, MI 49829

BIDDER'S TABULATION FORM – 00 43 99

Client's Name: City of Escanaba

Project Number/Name: ESC-11-05.1 / Power Plant Substation – Relay Panels

Bid Opening Date/Time: October 20, 2011, at 2:00 p.m. EDT

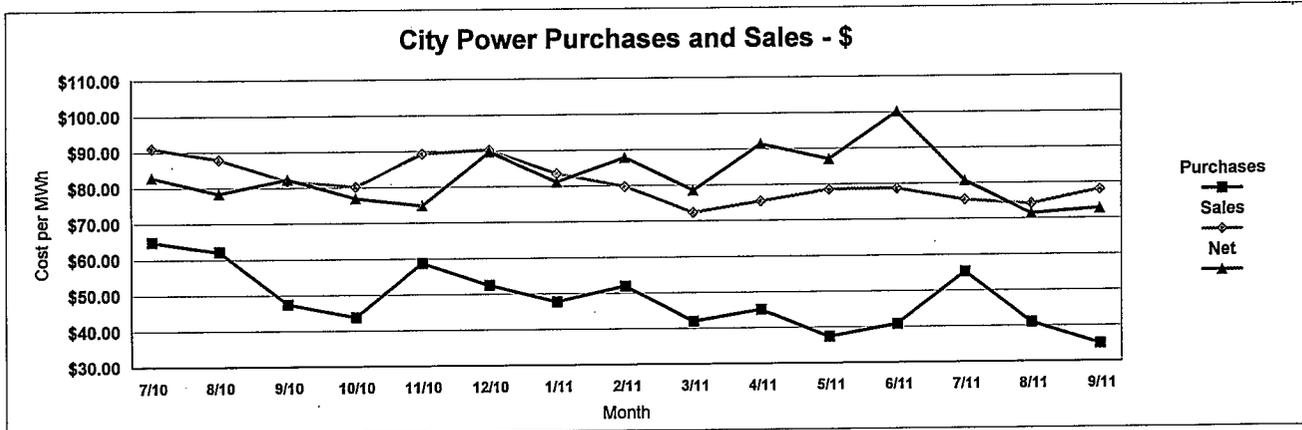
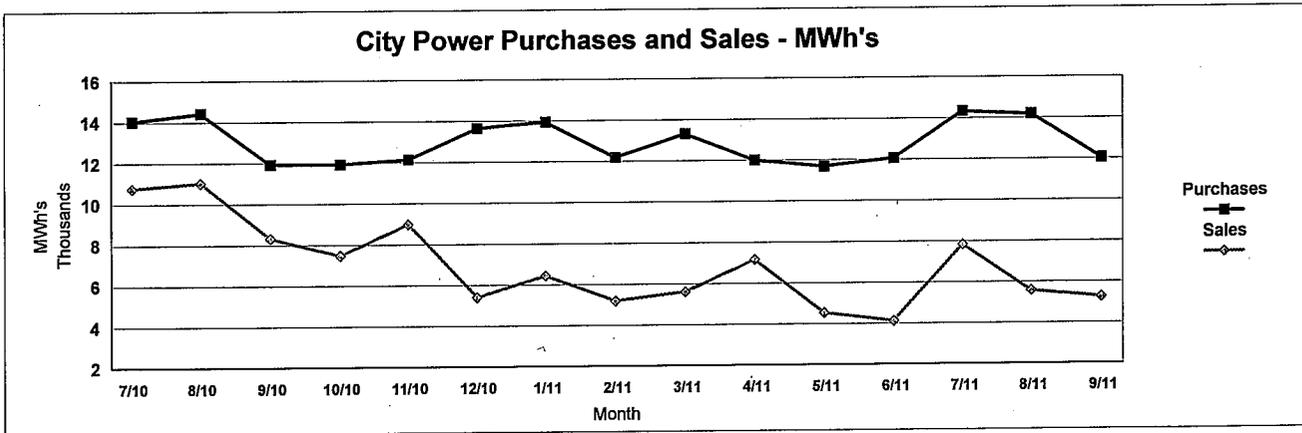
Bidder's Name	Bid Bond (Y/N)	Base Bid
Energis High-Voltage Resources, Inc.	Y	\$122,875.00
RSI Global	Cashiers Check	\$113,114.00
Systems Control	Y	\$92,004.00

CITY OF ESCANABA
Electric Utility Fund Operations
 September 2011

u:\123R3\ELECTRIC\PowerCosts201112\MISOSummary

NB #5
11/9/11
CC/EAC

		<u>This Year</u>		<u>Last Year</u>		<u>% Change</u>
Power Purchased	September	12,048.83	MWh's	11,920.61	MWh's	1.08%
	Year to Date	40,597.10	MWh's	40,392.61	MWh's	0.51%
Power Costs	September	\$34.98	Per MWh	\$47.44	Per MWh	-26.27%
	Year to Date	\$44.31	Per MWh	\$58.81	Per MWh	-24.66%
Power Generated	September	5,266.83	MWh's	8,320.76	MWh's	-36.70%
	Year to Date	18,684.46	MWh's	30,116.99	MWh's	-37.96%
Power Revenues	September	\$78.08	Per MWh	\$81.94	Per MWh	-4.72%
	Year to Date	\$75.81	Per MWh	\$87.40	Per MWh	-13.26%
Sales in Excess of Fuel/Ash Costs	September	\$25,065		\$106,467		-76.46%
	Year to Date	\$118,173		\$474,286		-75.08%
MISO Make Whole Payments	September	\$221,026		\$257,480		-14.16%
	Year to Date	\$526,549		\$628,532		-16.23%
NET Power Cost	September	\$72.73	Per MWh	\$82.32	Per MWh	-11.64%
	Year to Date	\$75.11	Per MWh	\$81.14	Per MWh	-7.43%
	FY 10/11 Actual			\$82.53	Per MWh	
	FY 11/12 Budget	\$84.28	Per MWh			



From: Butz, "Tom" <butzt@powersystem.org> Previous
To: "jotoole@escanaba.org" <jotoole@escanaba.org>, "Mike Furmanski (mfurmanski@escanaba.org)" <mfurmanski@escanaba.org>
Subject: description of Great Lakes Utilities Membership - Draft agenda description -

Date: Sunday, November 06, 2011 9:58 PM
[HTML](#) | [Plain Text](#) | [Header](#) | [Raw Content](#)

The city of Escanaba has contracted with Great Lakes Utilities to purchase Meter Data Management and MISO real time set point data services. The Real time set point services have been in service since the first day of having Pro Energy operate the plant. The Real Time set point was provided by UPPCO, and was not available after the termination of the UPPCO contract on June 5, 2011. The MDMA services are still in the process of being set up, and involve selling the # 2 line from Delta to the plant to ATC as well as a number of other steps related to getting meters and RTUs installed. The contract with Great Lakes Utilities for the real time set point data and the MDMA services included a provision for the City of Escanaba to join GLU by January 1, 2012. Joining GLU does not obligate the City to purchase power from GLU at any point, but the membership would be required if the City desires to purchase power from GLU. The timing of bringing up the need to approve becoming a member of GLU. Membership in GLU allow the opportunity for purchasing power in the future and networking opportunities on electric industry issues. Estimated costs for membership are \$9,000 per year.

Thomas J. Butz, P.E.
Power System Engineering

10710 Town Square Drive NE, Suite 201
Minneapolis, MN 55449

V - 763.783.5343
F - 763.755.7028
C - 612.961.9495