



CITY COUNCIL/ELECTRICAL
ADVISORY COMMITTEE
November 20, 2012 – 6:00 p.m.
Regular Meeting

CITY COUNCIL

Leo Evans, Mayor
Brady Nelson, Mayor Pro-tem
Patricia Baribeau, Council Member
Ronald Beauchamp, 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

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

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

Meeting Agenda

Tuesday, November 20, 2012

CALL TO ORDER

ROLL CALL

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION

NEW BUSINESS

1. Update - Electric Department –General Operations.

Explanation: Electrical Superintendent Mike Furmanski will update the City Council, Electrical Advisory Committee and Citizens of Escanaba on the current departmental activities and the MISO Y1 contract.

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. Update – Pond Sediment Removal.

Explanation: Administration will provide an update on the sediment removal work related to the settling ponds at the power plant.

4. Update – G-TIA Liability Insurance – Power Plant

Explanation: Administration will update the City Council and Electrical Advisory Committee on the state of the G-TIA Liability Insurance Cover Policy for the Power Plant.

Agenda -November 20, 2012

5. Update – Power Plant Purchase Agreement.

Explanation: Administration will provide an update on the status of power plant purchase agreement between the City of Escanaba and Escanaba Green Energy, LLC.

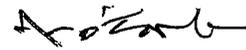
GENERAL PUBLIC COMMENT

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

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, October 10, 2012

Pursuit to a meeting notice posted October 5, 2012, the meeting was called to order by the Mayor Leo J. Evans at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Leo J. Evans, Council Members, Walter A. "Pete" Baker, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: None

Present: Electrical Advisory Committee (EAC) Members: Jon Anthony, Larry Arkens, Tim Wilson, Glendon Brown.

Mayor Evans advised he had received a letter of resignation from Board Member Don Racicot.

Absent: Electrical Advisory Committee Members: Ann Bissell, Three vacancies

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Mike Dewar, Pro Energy Escanaba Power Plant Manager Jack Scott, Escanaba Green Energy representatives Charles DeTiege and Jon Ranson, members of the public, and Media.

Baker moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as submitted.

UNFINISHED BUSINESS - None

CONFLICT OF INTEREST - None

PUBLIC HEARING - None

NEW BUSINESS

Update - Electric Department –General Operations.

Electrical Superintendent Mike Furmanski updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the current departmental activities, and the MISO Y1 contract. The following was reviewed:

- Pole maintenance;
- Updated Council and Committee Members on the approval of the MISO Y1 agreement, and required public comment. The agreement was retroactive to June 2012;
- Commented on the SSR.

Update - Operation and Maintenance of Power Plant – Pro Energy Services, Inc.

Pro Energy Services, Inc. updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the power plant. The following was reviewed:

- Provided dates of when the Generators were asked to be run;
- No accidents were reported.

Update – Pond Sediment Removal.

Administration provided an update on the sediment removal work related to the settling ponds at the power plant.

- The Contractor, Denovo, had arrived on the site and had begun working;
- Reviewed work on the Salt pond, and work on the North and South ponds.

Approval – Power Plant Purchase Agreement.

Administration provided an update on the status of power plant purchase agreement between the City of Escanaba and Escanaba Green Energy, LLC (EGE). The following was discussed:

- EGE October 9th deadline extension for the Power Plant purchase was not met;
- Discussed an EGE request for an extension to November 8, 2012, and a letter from EGE's lender Provartis stating that it was in the closing process with EGE and would include a targeted closing date in the letter;
- EGE asked to close the purchase directly instead of the closing into escrow.
- Legal counsel stated terms should be written down ahead and agreed upon;
- EGE representative John Ranson commented on the additional extension and their lender Provartis. Mr. Ranson advised the lender Provartis was still working on Insurance coverage, Title insurance, procedures for funding, and documentation itself. See attachment – A;
- Reviewed terms of September extension. EGE was funding extra Legal Counsel fee's;
- Discussed the \$200,000 Letter of Credit that the City exercised, and reviewed additional \$2,000,000 Letter of Credit which would be presented at closing at Bay Bank;
- Negotiating Committee had been in contact with EGE and Legal Counsel, and consequences if next extension was not met;
- Reviewed possible timeline of events by EGE after closing date, and the Escanaba Plant conversion;
- EGE representative John Ranson reviewed availability of fuel in the area for their biomass facility;

After further discussion, Nelson moved, Beauchamp seconded, to approve a request from Escanaba Green Energy, for an extension of the date to close the purchase transaction of the Escanaba Power Plant from October 9, 2012, to November 8, 2012, provided closing arrangements were acceptable with the City of Escanaba Legal Counsel.

Upon a call of the roll, the vote was as follows:

Ayes: Nelson, Beauchamp, Baribeau, Evans
Nays: Baker

RESOLUTION DECLARED ADOPTED.

GENERAL PUBLIC COMMENT - None

COUNCIL/COMMITTEE, STAFF REPORTS

- Administration would be coming to Council and Electrical Advisory Committee with a request for additional funds for Legal Counsel;
- Letter of appreciation will be sent to Mr. Racicot for his service on the Electrical Advisory Committee

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:59 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans, Mayor

Escanaba Operating Services

PO Box 249

Wells, MI 49894

PHONE: 906-217-3100

FAX- 906-217-3103

Escanaba Operating Services

Monthly Report

October

2012



Escanaba Generating Station

**Escanaba
Operating
Services**

Escanaba Operating Services

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Executive Summary

Units 1 and 2 remained in service for the entire month of October. Unit 2 was operated two days during the month. Unit 1 was not operated during the month. There is 14,056 tons of coal on the dock.

The OSHA incident rate remains at zero for 2012.

Key Performance Indicators (Note: This table is for the City's fiscal year July 2012 through June 2013)

Measure	Units	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	165	6409
Unit 1 Net Electrical Generation	MWH	0	2794
Unit 2 Net Electrical Generation	MWH	154	2768
Unit 1 Hours of Operation	Hours	0	483.9
Unit 2 Hours of Operation	Hours	24.3	443.9
Coal Consumption	Tons	158	3737
Coal on Dock	Tons	14056	14056
Steam Plant Net Heat Rate	BTU/KWH	n/a	n/a
Plant Availability	%	99.99%	99.99%
Combustion Turbine Gross Electrical Generation	MWH	0	208
Combustion Turbine Station Service	MWH	26.3	42.9
Combustion Turbine Hours of Operation	Hours	0	33.5
Fuel Oil Consumption	Gallons	0	34335
Combustion Turbine Availability	%	100%	100%

Operations Summary

Unit Start-Ups and Shut Downs

Unit	Date	On-Line Time	Off-Line Time	Reason
Unit 2	10/3	10:19		MISO
Unit 2	10/4		10:37	MISO
CT	10/28	8:25		MISO
CT	10/28		8:27	Unit tripped due to low oil pressure.

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Unit Trips and Unplanned Outages

The Combustion Turbine-Generator failed to start on October 28, 2012. Plant Maintenance was called in to diagnose the starting issue. The discharge pressure gauge was recalibrated and the unit started on the next attempt. After further investigation it was determined that the CT Lubrication Oil Filters were partially plugged due to dirt and water that became entrained in the filters, blocking the normal flow of oil. Further investigation disclosed that the filter media was the wrong type for this application. The proper filters are designed to "shed/reject" water and the filters are not subject to saturation. The correct filters are now installed and working properly.

Unit	Date	Breaker Open Time	Breaker Close Time	Duration (Hours)	Cause
1	None				
2	None				
CTG	10/28			35 min.	Low Oil Pressure

Planned Outages

There were no planned outages during the month of September 2012.

Unit	Start Date	Start Time	End Date	End Time	Cause
1	None				
2	None				
CTG	None				

Forced Load Reduction Events

Forced Load Reduction Events are events that limit the generating capability of a turbine/generator unit. The reductions are measured in megawatts of unavailable power due to equipment or component failure. In these situations the generating unit *continues to operate* but at a lower than design megawatt output.

Start Date	Start Time	End Date	End Time	Load Limit	Cause
10/3	10:00	10/8	16:00	8MW	Rotor Control Frequency Drive Failure

Maintenance Activities

Plant Maintenance Activities for September 2012

The plant maintenance forces focused their attention on equipment cooling water issues. During the recent installation of a new bearing water pump it was discovered that the bearing cooling water lines were approximately 90% plugged. The cooling water flow was totally insufficient for this application. The lines were filled with scale and debris. The scale was caused by age and the debris is a result of using lake water as the cooling medium. Under these circumstances it was not practical to clean the piping. The plugged piping was replaced. Other cooling water systems are being investigated in order to determine the entire scope of the restricted cooling water flow problem.

Unit 1

There were no **major** repairs made to Unit 1 during the month.

Unit 2

There were no **major** repairs made to Unit 2 during the month.

Combustion Turbine

The Combustion Turbine operated once during the month.

Plant Outstanding Issues:

The only outstanding operational issue continues to be the replacement of the #1 Circulating Water Pump. It is estimated the new pump will be delivered in April 2013.

Emissions Compliance Overview-Air/Water

- There were no Air deviations for the month of October.

Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Opacity Parameter	Cause
None					

Water – NPDES Permit Deviations

- There were no NPDES deviations for the month of October.

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Water – Groundwater

- 1) The plant was over the 10,000 gallon limit on one day during the month. **Corrective Action:** An application for a new groundwater discharge permit has been submitted for a higher plant effluent limit. The DEQ has given the facility a draft permit, which was reviewed and approved by both the DEQ and the facility. A permit for public comment will arrive shortly. Hopefully the limit will be modified as a result of these actions.

Water Monitoring Deviations

Start Date	End Date	Parameter	Cause
10/6	10/7	pH	Operator Probe Calibration Error (Employee retrained on probe calibration)
10/14	10/14	Flow	Wet Layup of Unit #2 Boiler

Occupational Health Overview

OSHA Summary of Work Related Injuries and Illnesses

- 1) There were no OSHA recordable injuries or illnesses during the month of October. Safe manhours worked to date are 31159.9 since January 1, 2012. The Illness and Incident Rate for the year remains at zero (0).

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

None

Labor Statistics

Labor Statistics (Note: These statistics are for the 2012 calendar year from Jan 1 through December 31.)

Item	Month	Year to Date
Total Man-hours Worked	3082.75	31159.9
Total Number of Standard Time (ST) Hours	2748.5	26921.3
Total Number of Overtime (OT) Hours	121.25	1758.1
Total Number of Double Time (DT) Hours	213	2480.5