



CITY COUNCIL/ELECTRICAL  
ADVISORY COMMITTEE

March 12, 2014 – 6:00 p.m.

Regular Meeting

CITY COUNCIL

Marc Tall, Mayor  
Leo Evans, Mayor Pro-Tem  
Patricia Baribeau, Council Member  
Ronald Beauchamp, Council Member  
Ralph Blasier, 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

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

Wednesday, March 12, 2014

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.
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 – American Transmission Company.**  
**Explanation:** Brett French from the American Transmission Company, LLC (ATC) will provide an update on the transmission system in the area.
4. **Approval – Geosyntec Consultants.**  
**Explanation:** Administration will seek Council approval of a Geosyntec proposal to do further environmental work at the power plant site as requested by the DEQ.
5. **Approval – Coal Purchase.**  
**Explanation:** Administration will seek Council approval to purchase coal from Robindale Energy Services.

Agenda - March 12, 2014

6. **Update – Power Plant Purchase Agreement/Sale.**

**Explanation:** An update on the sale of the power plant will be provided.

7. **Discussion – Power Plant Referendum.**

**Explanation:** The City Clerk will provide an update on the referendum for the May 6, 2014, general election, which if approved would grant authority to the City Council to not only sell the Power Plant for continued plant operations, but allow the City Council to dispose of the Power Plant equipment and assets including up to the 40 acres of real property where said assets are located.

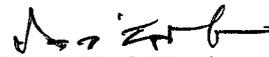
GENERAL PUBLIC COMMENT

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, February 5, 2014**

Pursuit to a meeting notice posted January 13, 2014, the meeting was called to order by the Mayor Marc D. Tall at 6:07 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Ronald J. Beauchamp, Ralph B. Blasier, and Leo J. Evans

Absent: Council Member Patricia A. Baribeau

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Jon Anthony.

Absent: EAC Members Larry Arkens, Ann Bissell, Glendon Brown, Two vacancies, and Power Plant Liaison.

Also Present: Electric Superintendent Mike Furmanski, Jack Scott of Pro Energy Services, Inc., Charles DeTiege of Escanaba Green Energy (EGE), members of the public and media.

Evans moved, Beauchamp 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 following current departmental activities.

- Department was helping Water Department with water freeze ups;
- Update on UPPCO sale;
- Timing signals on Ludington Street were checked.

**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.

- Power Plant units #1 & #2 were up and running in January. Unit #1 went out of service at the end of the month for repairs;
- No accidents or injuries during the month of January.

### **Approval – Transmission – Distribution Interconnection Agreement.**

Administration sought Council and Electrical Advisory Committee approval of an updated Transmission – Distribution Interconnection Agreement between the City and the American Transmission Company, LLC.

Electric Superintendent Furmanski reviewed the history of the agreements, and reviewed proposed agreement details. He advised during discussions there was still an ongoing issue with insurance that was not resolved. Mr. Furmanski asked to table the agreement until next month.

**NB-3** Beauchamp moved, Blaiser seconded, to table the proposed Distribution Interconnection Agreement until March 2014 City Council, Electrical Advisory Committee meeting.

### **Discussion – Sale of the Power Plant/Referendum.**

Administration updated the Council and public on the latest developments related to the sale of the Escanaba generating facility. Additionally, a referendum discussion took place concerning the potential need to place a referendum proposal before the people at the May 6, 2014, General Election, which if approved, would grant the Council the authority to dispose of the Power Plant in the event a sale does not occur.

EGE Representative Charles DeTiege reviewed the status of their proposed Power Plant Purchase. (See Letter, Attachment – A)

- Electric Superintendent Furmanski reviewed dates and deadlines of the SSR Agreement and Proposed Election dates. (See Attachment – B);
- Council Members discussed proposed and alternate ballot language;
- Administration advised the NextEra and MISO agreements would allow the City to dispose of plant, and still be a MISO participant;
- During discussion, the renewal of the SSR agreement and the election to dispose of the Power Plant, were parallel paths that may be prudent for the City to follow;
- Council advised a decision would be made at its regular meeting February 6, 2014.

**GENERAL PUBLIC COMMENT – None**

Joint City Council & Electrical Advisory Minutes  
February 5, 2014 – cont.

**COUNCIL/COMMITTEE, STAFF REPORTS – None**

**ADJOURNMENT**

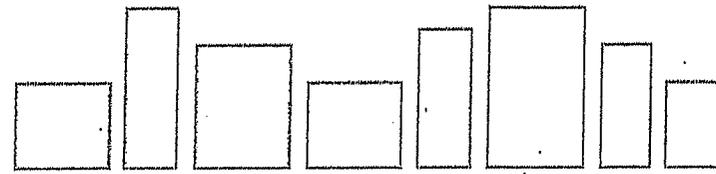
Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:42 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved: \_\_\_\_\_

Marc D. Tall, Mayor



**CORBAN INVESTMENTS  
FUNDPCC LIMITED**

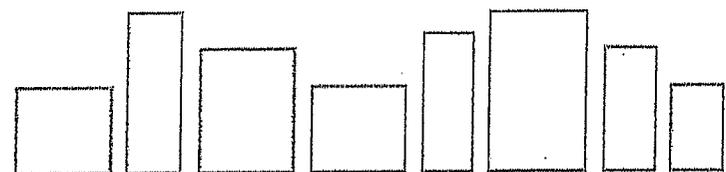
**10/8 International Commercial Centre  
Casemates Square  
Gibraltar**

If you have further questions, etc, please call me or Pat at your convenience.

Regards.

A handwritten signature in cursive script, appearing to read "Tom Thresher". The signature is written in dark ink and is positioned above the printed name.

Mr. Tom Thresher  
Director



**CORBAN INVESTMENTS  
FUND PCC LIMITED**

**10/8 International Commercial Centre  
Casemates Square  
Gibraltar**

February 5, 2014

Escanaba Green Energy, LLC  
Attn: Charles Detiege, President  
P.O. 249  
Wells, MI 49894

RE: Escanaba Green Energy Financing

Mr. Detiege:

This letter is to provide a further update to Escanaba Green Energy, LLC ("EGE") on the status of the closing of the loan financing for the purchase and renovation of the Escanaba Generating Station that is being arranged by Realty Financial Group ("RFG") through Corban Investments Fund ("Corban").

The Spanish law firm which has been engaged by Corban and is tasked with the final arrangements of the loan's funding was required to fulfill several new requirements which added several days to the arrangement's process. This work has now been done and Corban is expecting documents to be provided to RFG and EGE shortly which will confirm a timeline for the commitment of funds. Corban's counsel is actively engaged with the financial institutions involved and will advise if there are any other required conditions.

This transaction has effectively four sets of documents. The funding related documents are those being prepared by the Spanish law firm which we expect shortly. The documents associated with the RFG and EGE joint venture arrangement have been drafted by RFG and will be perfected by RFG's US based counsel and will be provided to EGE as soon as the Spanish law firm confirms that funds for venture has been moved from Spain to the United States. Standard security documents and the draw control documents will then be drafted by the US law firm and under RFG's instructions, EGE has reopened discussions with Delta Title to coordinate the draw process and title insurance requirements.

RFG anticipates that a closing date will be set in a week.

2/5/2014

- Options if MISO ends the SSR

- City could assume full costs of the plant
  - Annual fixed costs of \$4.5M
  - Rate increase of approximately 30%

- Options if MISO ends the SSR

- City could seek retirements
- Without voter approval to retire
  - Staffing at plant would be reduced
  - Estimated cost to City of \$125,000/mo
  - Wait 3 - 6 months before next vote submit Atty
  - 6 months for MISO study to allow retirement
- With voter approval to retire
  - Atty seeking retirement could be filed immediately
  - Staffing at plant would be reduced
  - Estimated cost to City of \$125,000/mo
  - 6 months for MISO study to allow retirement
- Cost difference to City of \$375k - \$750k
  - Difference due to waiting for vote
  - SSR termination not likely for a few years
  - ATCS Bay Lake Project in service summer of 2016

2/5/2014

- Possible Future #3

- City asks MISO to retire units
- Would need voter approval to retire plant
- If denied, City costs remain similar to current
- If approved, City costs decrease
- If approved, units MUST be retired
- Could make sale less desirable
- System Impact Study and Interconnection Agreement

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- Next Steps

- Continue as is, wait for plant to sell
- File another Att. Y by Dec 2014
- Seek retirement approval from MISO
- Voters need to approve retirement first

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2/5/2014

- Possible Future #1
  - Escanaba Green Energy buys plant
  - City costs for plant go to \$0

- Possible Future #2
  - MISO terminates SSR agreement
  - City costs for plant increase
  - Staffing levels adjusted to match workload
  - Estimated City cost of \$1.5M annually
  - Rate increase of approximately 10% needed

2/5/2014

• History

- The City became a MISO member in Dec 2009.
- All power needed to serve load was bought from MISO.
- All power generated was sold to MISO.
- Electric Dept took large losses in 2010 and 2011.
- Dec 2011 - signed a fixed price contract with NextEra
- Dec 2014 - filed Attachment Y for 36 month suspension of the 2 steam units. CT was not included.
- Suspension was denied.
- System Support Resource (SSR) agreement was entered into, with an effective date of June 15, 2012.

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• Current

- 8 months into 2<sup>nd</sup> year of SSR agreement.
- MISO is paying us \$3.7M/year for plant availability.
- The City is close to breaking even with current rates.
- For 2013 the generators were used as follows:
  - Unit #1 ran 5 times for 634 hrs (26 days) = 7% Capacity Utilization of 3.6%
  - Unit #2 ran 4 times for 421 hrs (18 days) = 5% Capacity Utilization of 2.2%
  - The CT ran 4 times for 369 hours = 0.4% Capacity Utilization of 0.2%

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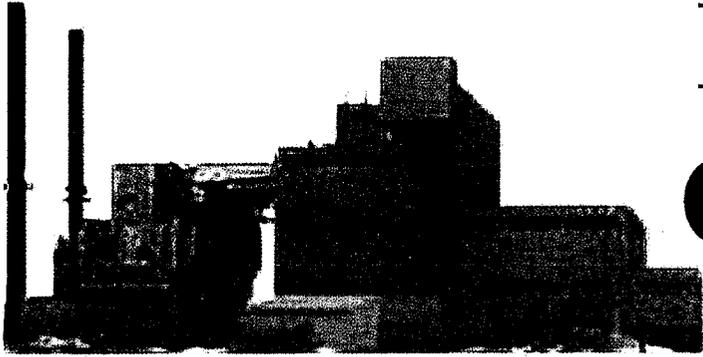
# Attachment Y Discussion

February 5, 2014

- Outline of discussion
  - History
  - Current
  - Possible Futures
  - Next Steps
  - Options if MISO ends SSR

Escanaba Operating Services  
Monthly Report  
February 2014

NB#2  
CC/EP/C  
3/12/14



*Escanaba Generating Station*

**Escanaba**  
**Operating**  
**Services**

## Executive Summary

The power plant was operated during the month of February 2014, as described in the tables below.

There is **6206** tons of coal on the dock. The OSHA incident, rate for February is zero.

## Key Performance Indicators

Measure	Unit of Measure	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	4192	7038
Unit 1 Net Electrical Generation	MWH	1789	2807
Unit 2 Net Electrical Generation	MWH	1958	3389
Unit 1 Hours of Operation	Hours	152	152
Unit 2 Hours of Operation	Hours	216.4	216.4
Coal Consumption	Tons	2513	4107
Coal on Dock	Tons	6206	6206
Steam Plant Net Heat Rate	BTU/KWH	n/a	n/a
Plant Availability	%	82%	82%
Combustion Turbine Gross Electrical Generation	MWH	132	178
Combustion Turbine Station Service	MWH	53.9	109.6
Combustion Turbine Hours of Operation	Hours	33.9	35.4
Fuel Oil Consumption	Gallons	24018	32959
Combustion Turbine Availability	%	100%	100%

## Operations Summary

### Unit Starts

Unit 1 was started 3 times during the month. Unit 2 was started 2 times during the month. The CTG was started once during the month.

Unit	Date	On-Line Time	Off-Line Time	Reason
1	2/6	0458		MISO Dispatch
1	2/8		0222	MISO Request
1	2/10	0602		MISO Dispatch
1	2/11		1819	Economizer Leak
1	2/20	2123		MISO Dispatch
2	2/6	1045		MISO Dispatch
2	2/7		2320	MISO Request
2	2/12	0653		MISO Dispatch
2	2/21		0145	Boiler Tube Leak and Wet Coal Issues.
CT	2/21	0653		MISO Dispatch
CT	2/22		0300	MISO Request

**Unit Trips and Unplanned Outages**

There were no unit trips during the month of February.

Unit	Date	Breaker Open Time	Unit Released	Duration (Hours)	Cause
1	None				
2	Note:				
CTG	None				

**Planned Outages**

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

**Forced Outages or Load Reduction Events**

Unit	Start Date	End Date	End Time	Load Limit	Cause
1	2/11	2/13	19:53	NA	Economizer Leaks
2	2/21				Boiler Tube Leaks and Poor Quality Coal
CTG	None				

**Maintenance Activities**

**Plant Major Maintenance Activities for February 2014**

**Unit 1**

Routine maintenance and equipment replacements occurred throughout the month. Boiler 1 was not available for 2 days due to leaks in the boiler economizer.

**Unit 2**

#3 Coal Scale failed. Coal was fed in bypass mode.

**Combustion Turbine**

There were no repairs required on the Combustion Turbine/Generator.

**Balance of Plant Outstanding Issues:**

None

## Emissions Compliance Overview-Air/Water

- There were no Air Monitoring deviations in the month of February.

### Air Monitoring Deviations

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

### Water – NPDES Permit Deviations

- There were no NPDES violations during the month of February.

### Water – Groundwater

- There were no Groundwater deviations during the month of February.

### Water Monitoring Deviations

Start Date	End Date	Parameter	Cause
None			

## Occupational Safety and Health Overview

### OSHA Summary of Work Related Injuries and Illnesses

1) There were no OSHA work related injuries or illnesses during the month of February in spite of the severely cold weather conditions.

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

1) There were no lost time accidents, near misses or property damage during the month.

## Labor Statistics

Labor Statistics (Note: These statistics are for the 2014 calendar year from Jan 1 through December 31.)

Item	Month	Year to Date
Total Man-Hours Worked	3070.75	6484.5
Total Number of Standard Time (ST) Hours	2503	5317
Total Number of Overtime (OT) Hours	317.75	646.75
Total Number of Double Time (DT) Hours	250	520.75



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www.geosyntec.com

NB #4  
OC/EAC  
3/12/14

5 March 2014

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

**Subject: Proposal for Mixing Zone/De Minimis Discharge Determination  
Escanaba Generating Station  
2000 Power Plant Road  
Escanaba, Michigan**

Dear Mr. Furmanski:

Geosyntec Consultants (Geosyntec) is pleased to provide the City of Escanaba (City) this proposal for environmental services at the Escanaba Generation Station Property located at 2000 Power Plant Road, Escanaba, Michigan (Site). Arsenic concentrations detected in Site groundwater exceed the Michigan Department of Environmental Quality (MDEQ) Groundwater Surface Water Interface (GSI) criterion. In our meeting in February 2014, MDEQ indicated that additional site investigation is required to fully characterize the groundwater discharge of arsenic and to submit a mixing zone or de minimis discharge determination to close the site.

In pursuit of site closure, Geosyntec recommends: 1) installation of additional monitoring wells and groundwater sampling from several temporary well locations; 2) one year of quarterly groundwater monitoring of the Site monitoring wells; 3) field verification of drainage ditch inlet(s) source; 4) fate and transport modeling of arsenic in groundwater; 5) a conceptual site model and 6) submittal of a mixing zone or de minimis determination request to MDEQ.

MDEQ also requested additional groundwater investigation at the north property boundary to characterize the previously identified recognized environmental conditions (RECs).

## **SCOPE OF WORK**

### **Task 1: Drilling Activities**

**Objective** Install and survey two new permanent monitoring wells (MW-10D and MW-11, see proposed location in attached Figure) to assess the vertical and horizontal

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Mr. Mike Furmanski

5 March 2014

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extent of groundwater impact potentially venting from the Site to Little Bay de Noc. Collect groundwater from temporary monitoring wells to assess groundwater conditions along the northern property boundary. Collect two soil samples near MW-9 to assess solid phase arsenic concentrations.

***Deliverables*** Field notes, monitoring well logs, a table containing well survey data, a Site map with well locations, temporary well groundwater analytical results and soil sample analytical results

***Approach*** ***Well Installation***

One approximately 16-ft deep monitoring well will be installed adjacent to MW-10 (proposed location for MW-10D is shown on the attached Figure). A second monitoring well will be installed northwest of the settling ponds in between MW-8 and MW-9 (proposed location for MW-11 is shown on the attached Figure) at an approximate 9-foot depth. 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 screens with a PVC bottom cap and solid schedule 40 PVC well risers. All casing shall be new and 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 the borings by free fall through the augers as they are incrementally raised.

The wells shall be finished above grade with approximately 2.5 ft of riser pipe

and a steel protective well cover. The protective cover shall be mounted within a square cement 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. Two bumper posts shall be installed next to MW-11.

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

For development, a pump/tubing will be lowered to the middle of the well screen and water will be pumped to the surface containerized. The pump will need to be repeatedly raised and lowered through the screened interval to develop the filter pack and to remove fines that had accumulated during well installation. Approximately 3 to 10 well volumes of water will be removed during development. Turbidity will be monitored and recorded and water will be purged until stabilization has been reached.

#### ***Soil Sampling for Arsenic Characterization***

One soil boring will be advanced to approximately 15 feet below ground surface (bgs) adjacent to MW-9. The soil core will be examined visually to identify any evidence of contamination, such as odors or staining. Two soil samples will be collected from the boring and will be analyzed for arsenic by USEPA method 6010B. The soil samples will be collected to assess solid phase arsenic concentrations for use in fate and transport modeling (see Task 4) at the depth of the existing wells screened interval: MW-9 (4-9 ft bgs) and MW-9D (11-15 ft bgs).

#### ***Northern Property Boundary Evaluation***

Six boring locations will be advanced to approximately 9 feet below ground surface and a groundwater sample will be collected at each of the locations. Temporary wells will be installed consisting of 1-inch diameter PVC well screens installed within the boreholes. The depths and screen intervals for the temporary wells will be determined in the field based on the results of the lithology boring. The height of the well above ground surface at the time of sampling and the water level will be recorded at the time of sampling. Groundwater samples will be submitted to a laboratory for analysis of

Mr. Mike Furmanski

5 March 2014

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semivolatile organic compounds (SVOCs, method 8270), volatile organic compounds (VOCs, method 8260), and Michigan metals.

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

A registered land surveyor will survey the location, ground surface elevation and top of casing elevation for the new Site wells and the location and ground surface elevation for each temporary well boring.

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

*Assumptions*

- Drilling activities will take no more than three days onsite to complete.
- Monitoring well development will take no more than two hours to complete per well.
- Groundwater samples will be collected from up to 6 soil borings and up to 3 QA/QC samples will be submitted for laboratory analysis.
- Two soil samples will be collected from one boring
- Standard two week turnaround time for laboratory analysis
- Survey activities will take no more than one half day onsite to complete
- A Site benchmark is available for the surveyor's use
- 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 as non-hazardous waste
- No more than ten 55-gallon drums of solid investigation derived waste (IDW) and three 55-gallon drums of liquid IDW (decontamination water and development water) will be disposed
- Previous solid and liquid IDW analyses are sufficient for waste

characterization and no further analyses are needed.

## **Task 2: Groundwater Quarterly Monitoring**

**Objective** Evaluate seasonal groundwater concentrations of arsenic discharging to Little Bay de Noc for comparison to MDEQ cleanup criteria

**Deliverables** Field notes and laboratory analytical reports

**Approach** Groundwater samples will be collected from existing wells MW-9, MW-9D, MW-9DD, and MW-10 and from proposed wells MW-10D and MW-11. Quarterly samples will be collected in four consecutive quarterly events starting in May 2014. 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 GSI criteria. Field water quality parameters will be collected and recorded during purging, including 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 MDEQ required methods and detection limits, groundwater samples will be analyzed for arsenic by method 6020; dissolved and total iron by method 6010B; and sulfate/sulfide by method 300.

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

Prior to sampling, a round of synoptic water levels will be collected from the monitoring wells. The water level of Little Bay de Noc will also be measured at the same time.

Following the final monitoring event, a letter report summarizing the methods, field measurements and analytical results will be prepared for your review. The report will include potentiometric surface maps, analytical tables and figures depicting quarterly arsenic analytical results. We will incorporate your edits/comments in a final submittal to the MDEQ.

- Assumptions**
- Groundwater sampling will not exceed 10 hours per event
  - Groundwater samples from six locations and three QA/QC samples will be submitted for laboratory analysis during each quarter
  - Standard two week turnaround time for laboratory analysis
  - The purge water will be containerized in 55-gallon drums and staged onsite for subsequent off-site disposal.
  - One hard copy report will be submitted to the MDEQ. Electronic copies will be provided to the City.

### **Task 3: Field Verification of the Drainage Ditch**

**Objective** Identify water sources in the drainage ditch located north of MW-4 during dry conditions

**Deliverable** Photographs, map and description of the ditch

**Approach** Verify condition and location of the drainage ditch and identify potential water inlet sources. A walk over of the Site drainage ditch will be completed during wet and dry Site conditions.

### **Task 4: Arsenic Fate and Transport Analysis**

**Objective** Understand the geochemical and hydrological controls on arsenic transport from the former source area to Little Bay de Noc.

**Deliverable** Section of Conceptual Site Model (task 5)

**Approach** A geochemical fate and transport model will be used to interpret current and

historic groundwater conditions in relation to arsenic speciation, stability, and mobility. Attenuation processes at the Site will be identified, and equilibrium models will be used to predict arsenic leaching and transport. Results of the fate and transport modeling will be used to define the arsenic plume and potential discharge rate.

### **Task 5: Conceptual Site Model**

**Objective** Present a comprehensive understanding of contaminant fate and transport and exposure pathways to facilitate MDEQ understanding of Site conditions

**Deliverable** Conceptual Site Model Report

**Approach** Geosyntec will prepare a Conceptual Site Model Report. The report will be structured to allow for later inclusion into a *Remedial Action Plan (RAP)*. The Conceptual Site Model will include the following elements:

- General Site Setting/History: Site location and physical description, description of past and current operations, history of environmental investigations/remediation and previously identified RECs
- Geology and hydrogeology
- Nature and extent of contamination
- Arsenic fate and transport modeling
- Exposure pathway analysis (15 pathways per RAP guidance)
- Supporting tables, figures, and appendices

If available, boring logs for the US Department of Defense Fuel Supply Point (DFSP) Escanaba (located in Delta County, Wells Township EPA ID # MI2971590003) will be reviewed and used to describe the local lithology profile at depth.

**Assumptions** • One hard copy report will be submitted to MDEQ. Electronic copies will be provided to the City.

### **Task 6: MDEQ Mixing Zone/De Minimis Determination Request and Meetings**

- Objective** Obtain a determination from MDEQ for revised GSI cleanup criteria and/or obtain concurrence that the arsenic discharge from the Site is de minimis and no further action is needed.
- Deliverable** Mixing Zone/De Minimis Determination Request
- Approach** Geosyntec will submit the Conceptual Site Model report and a Mixing Zone/De Minimis Determination Request to MDEQ. Geosyntec and the City will participate in a peer review meeting with MDEQ at the Marquette office to discuss the request. We will conduct two additional conference calls to address outstanding issues.

### **PERSONNEL**

**Erik Petrovskis, Ph.D., P.E.**, will serve as your Project Manager. Erik will be responsible for Geosyntec meeting the project scope, schedule and budget. He will provide a monthly 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 field sampling activities.

### **COST ESTIMATE**

Geosyntec will conduct the scope of work described herein for the total estimated lump sum budget of **\$74,800**, 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, dated 2 December 2011.

Mr. Mike Furmanski

5 March 2014

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TASK		COST
Task 1	Drilling Activities	\$26,400
Task 2	Quarterly Groundwater Monitoring	\$24,200
Task 3	Field Verification of Drainage Ditch	\$1,000
Task 4	Arsenic Fate and Transport Analysis	\$6,600
Task 5	Conceptual Site Model	\$10,600
Task 6	MDEQ Submittal and Meetings	\$6,000
<b>Total Budget Authorization Request</b>		<b>\$74,800</b>

### 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 of our Service Order.

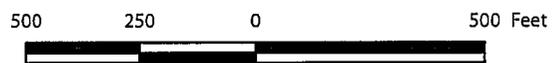
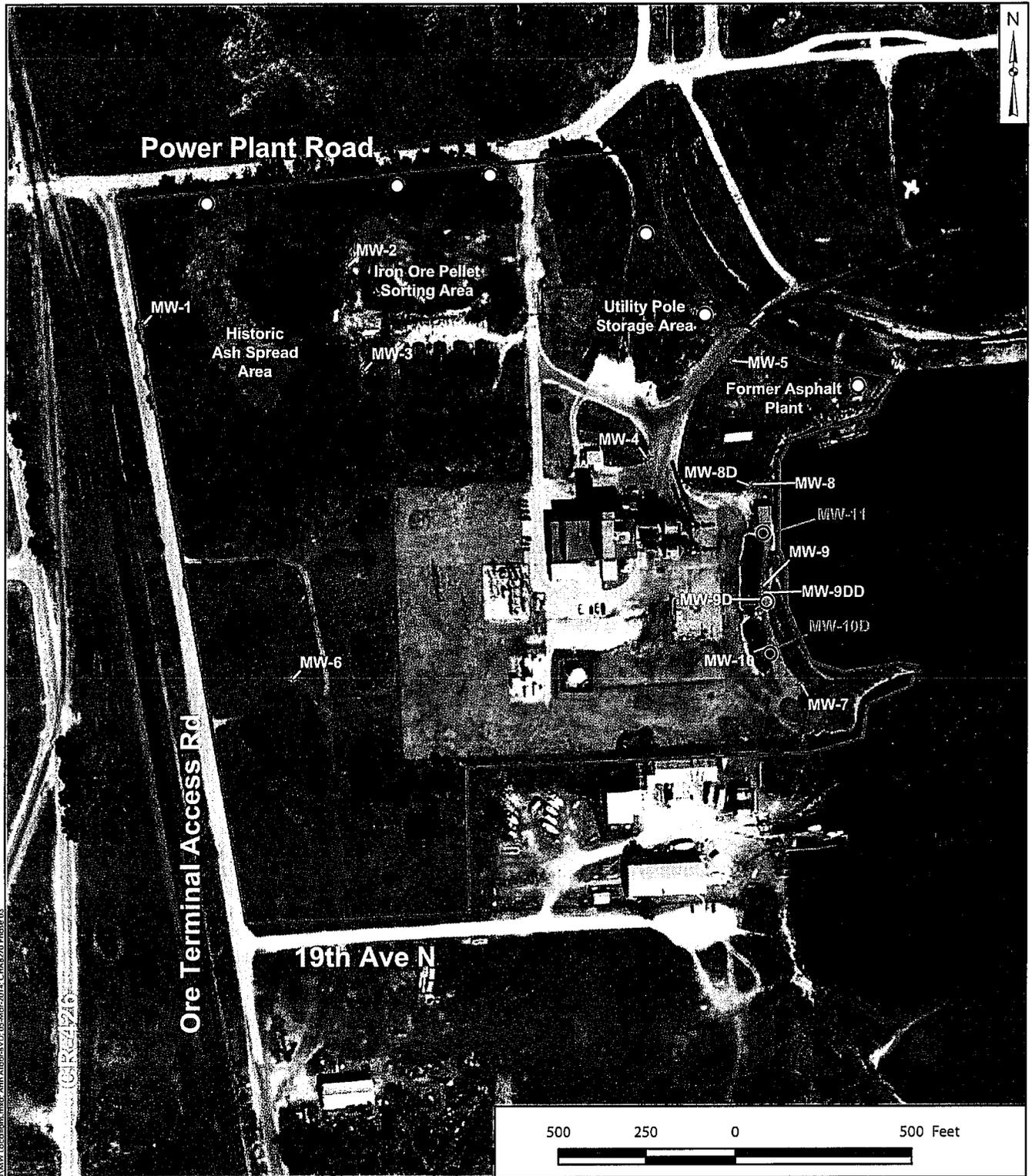
Very truly yours,

GEOSYNTEC CONSULTANTS



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

Project Manager



**Legend**

-  Monitoring Wells
-  Property Boundary
-  Proposed Temporary Well
-  Proposed Permanent Well
-  Proposed Soil Boring

**Monitoring Well Locations  
Escanaba Power Plant  
Escanaba, Michigan**

**Notes**

- Imagery and roads layer courtesy of Microsoft Corporation

**Geosyntec<sup>®</sup>**  
consultants

Figure  
**1**

Ann Arbor, Michigan

05-Mar-2014

C:\Users\jvanderhulst\Documents\Graphics\Esri\MapServer\CH48370\AWI\_LocateBore.mxd; Ann Arbor, MI; 05-Mar-2014; CH48370; Photo; 03

MEMORANDUM

NB #5  
CC/EAC  
3/12/14

To: Jim O'Toole

From: Mike Furmanski

Date: 07MAR14

Re: Coal update

MISO has been requesting the plant to run daily since February 10<sup>th</sup>. We have been watching our coal inventory and had started making inquiries regarding other coal supplies. On February 18<sup>th</sup>, I was informed that the coal we had left was frozen solid into 1 large mass and we had very little deliverable coal left. The last load of our coal that was delivered to the plant had a very high moisture content, which caused many operational issues in the plant.

Robindale Energy Services had a pile of coal on the Upper Lakes Coal dock in Gladstone. In talks with Robindale, they were willing to make up to 5800 tons available to us. The coal met our specifications. This coal had been placed there for a customer of Robindale. They offered this coal to us for \$123/ton. We were faced with either shutting down the plant and not following MISO's orders or paying this higher price for coal. The decision was made to purchase coal from Robindale to keep the plant running. We quickly checked with 2 other possible sources of coal. 1 possible supplier quoted us a price higher than \$123/ton. And the other supplier is still checking on what they could offer us.

We still have a fair amount of coal on the dock in Gladstone. However, this coal is not usable in its current condition. Once our coal thaws out, we will need to work it to dry it out to get it back to a usable condition.



NB#6  
CC/EGC  
3/12/14

March 6, 2014

Dear Jim:

Here is EGE's latest update.

As you know representatives of Corban/Realty Financial Group went to Spain over the weekend to meet with both the Spanish law firm and the funding banks. These meetings were completed successfully as any last closing conditions and obstacles to having funds sent to the US were checked off. The moving of the funds should take place this week or Monday.

As you also know EGE has received all documents related to the closing and they are now being reviewed by EGE and its counsel. The documents are in large part acceptable so finishing this piece of the closing appears to be able to be accomplished very quickly.

Instructions for Delta Title and the title insurance policy have been outlined. Final arrangements for the lender's compliance engineer - firm responsible for approving work being done on the project and draws - are being completed. EGE has selected two possible compliance firms and Corban RFG will select one. This scope and process have already been established.

Corban and the law firm have suggested that a call is not necessary since EGE has received a letter confirming the funds and will receive a closing date when the funds are in a US account. EGE is able to share the letter with you but it is not a document that can be put on the public record for confidentiality reasons.

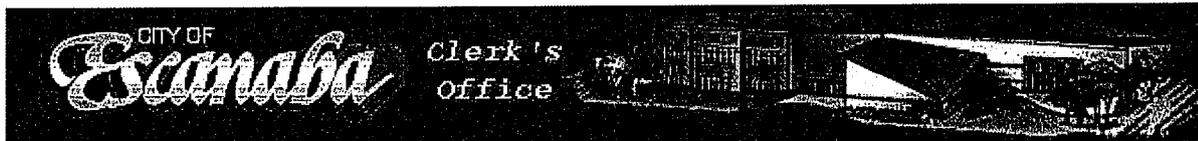
RFG anticipates that it will be ready to close in the next two weeks.

As always, if you have questions or concerns, please call me.

Regards.

(original signed)

Charles Detiege



NB#7  
CC/EAC  
3/12/14

March 5, 2014

## MEMORANDUM

**TO:** City Council, Electric Advisory Committee  
Jim O'Toole, City Manager

**FROM:** Robert S. Richards, CMC *RSR*  
City Clerk

**SUBJECT:** March 12<sup>th</sup> Council/EAC Joint Meeting – Special Election

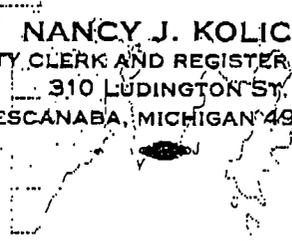
The following represents the status for the May 6, 2014, City Special Election regarding the Power Plant referendum as of this date:

- Ballots were proofed and sent for approval to the State of Michigan. Ballots will be available by March 22<sup>nd</sup> per State and Federal MOVE ACT requirements;
- Election workers are being sought and will be approved by the City Election Commission;
- The following represents approximate charges for the election:

○ Registration and Election Notices (2)	\$ 352.00
○ Absent Voter Envelopes (1,000 ea.)	390.00
○ Ballots – 40% turnout (based on previous election)	1,500.00
○ Election workers (13 hours)	1,800.00
○ Precinct Kits (5)	200.00
○ Memory Card Programing (by County Clerk)	<u>750.00</u>
	<b>\$ 4,992.00 Approximate Total</b>

# COUNTY OF DELTA

NANCY J. KOLICH  
COUNTY CLERK AND REGISTER OF DEEDS  
310 LUDINGTON ST.  
ESCANABA, MICHIGAN 49829



HOPE I. RUDDEN  
CHIEF DEPUTY CLERK

SUSANNE DUBORD  
DEPUTY CLERK

PHONE: (906) 789-5105  
FAX: (906) 789-5196

WEBSITE:  
www.deltacountymi.org  
clerk@deltacountymi.org

### FAX COVER SHEET

TO: Bob Richards - City of Escanaba

FAX #: 789-7349

FROM: Nancy Kolich

DATE: 3-5-14

RE: May Ballot

Number of pages including cover sheet 2

If you do not receive the number of pages indicated please call (906) 789-5105.

FAX NUMBER: (906) 789-5196

### Ballot order

Prec 1	1100
2	1300
3	1200
4	600

Sample ballots - 10 per precinct  
 test ballots - 20 per precinct  
 Total # ballots 4320

**OFFICIAL BALLOT**  
**Special Election**  
**Tuesday, May 6, 2014**  
**Delta County, Michigan**  
**City of Escanaba, Precinct 1**

**PROPOSAL SECTION**

**CITY**

**CITY OF ESCANABA POWER PLANT PROPOSAL**

In addition to the authority granted to the City Council to sell the Power Plant for continued plant operations, shall the City Council be authorized to dispose of the Power Plant equipment and assets including up to the 40 acres of real property where said assets are located?

YES   
NO

Printed by Authority of the City of Escanaba Election Commission