

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, January 11, 2012

Pursuit to a special meeting posted January 6, 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, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: Walter A. "Pete" Baker

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

Present: Electrical Advisory Committee Members: Chairperson Tim Wilson, Larry Arkens, Don Racicot, Gilbert Cheves, John Anthony, and Glendon Brown.

Absent: Ann Bissell, One vacancy

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Mike Dewar, City Attorney Ralph B.K. Peterson, Power Plant Manager Jerry Pirkola, PSE Consultant Tom Butz, guests, and Media.

Council Member Beauchamp asked to discuss the power and authority of the Electrical Advisory Committee.

Beauchamp moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as amended.

UNFINISHED BUSINESS - None

CONFLICT OF INTEREST - None

PUBLIC HEARING - None

NEW BUSINESS

Update - Electric Department –Distribution Operations

Electric Superintendent Mike Furmanski discussed current departmental activities and operations. The following was reviewed:

- American Transmission Company (ATC) update on the Chandler – 18th Road Project;
- Board Member Brown made a presentation on the history and projects ATC was working on;
- Power Plant power costs;
- Removal of Christmas lights.

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

Pro Energy Services Inc. Power Plant Manager Jerry Pirkola, 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.

- A December 2011 Monthly Report was made available to Council and Committee Members;
- CT did not run in December 2011, and was taken out of service for two weeks to replace its oil;
- Power Plant had not run since Mid December. The Power was idle. Five Pro Service Employees were laid off and heaters were brought in to heat the plant.

Update – Purchase Power Agreement.

Administration provided an update on the NextEra power purchase in terms of logistics of setting up the transaction, cooperation with UPPCO and early indications of MISO settlements showing the deal was properly structured.

- PSE Consultant Tom Butz reviewed various meetings held with NextEra regarding contracts and statements which needed to be provided to MISO;
- Reviewed transition of UPPCO to Lake States, and the Load Forecast UPPCO was providing to MISO;

Discussion– Plant Sale Update.

City Manager O'Toole advised the City received a letter of interest from ReCast Energy to purchase the Power Plant. Administration would like to perform an analysis of the letter and bring the information to the February 2012 Joint Meeting of Council and Electrical Advisory Committee.

- Committee Members were advised that this was not a proposal, only a letter of interest;
- City Administration wanted to make sure that there was going to be an actual proposal to purchase;
- Committee Members encouraged Administration to proceed aggressively and cautiously.

Bid Approval – Tree Trimming Contractor.

Administration sought approval to hire a tree trimming contractor for tree trimming near the power lines within the electrical distribution system. Six bids were sent out with three bids received on December 27, 2011. After reviewing the three bids received, who were all qualified contractors, Administration recommended Council approval from Bugle

Contracting of Gladstone, Michigan, for a not to exceed amount of \$10,000.

NB-5 Nelson moved, Beauchamp seconded, to approve the bid to hire a tree trimming contractor for tree trimming near the power lines within the electrical distribution system, from Bugle Contracting of Gladstone, Michigan, for a not to exceed amount of \$10,000.

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

Ayes: Nelson, Beauchamp, Baribeau, Evans

Nays: None

MOTION CARRIED.

Bid Approval – Distribution Pole Replacement Contractor.

Administration sought approval to hire an electrical distribution pole replacement contractor to replace defective wooden distribution poles. Bids were sent to five pole replacement contractors with three bids received and opened on January 3, 2012. Administration recommended the bid from MJ Electric of Iron Mountain, Michigan, for a not to exceed amount of \$150,000. Funds were budgeted in the current fiscal year budget.

NB-6 After review of poles being replaced, Beauchamp moved, Nelson seconded, to approve the bid to hire an electrical distribution pole replacement contractor to replace defective wooden distribution poles from MJ Electric of Iron Mountain, Michigan, for a not to exceed amount of \$150,000.

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

Ayes: Beauchamp, Nelson, Baribeau, Evans

Nays: None

MOTION CARRIED.

Electric Advisory Committee power and authority

Council Member Beauchamp stated that on December 15, 2011, Council approved a resolution regarding the City of Escanaba joining Great Lake Utilities (GLU). Mr. Beauchamp questioned what power and authority the Electric Advisory Committee had. Part of the resolution stated as follows:

“Section Five. That the City Council hereby delegates power and authority to represent the City in any matter regarding GLU to the Electric Advisory Committee and the City’s Director shall report to the Electric Advisory Committee.”

After discussion, it was the consensus of City Council and Electrical Advisory Committee that the Electrical Advisory Committee was created by Council and did not have any power or authority to make decisions for the City of Escanaba. And further more, the Electrical Advisory Committee was only advisory in nature, and could only make recommendations to City Council. It was also the consensus to contact legal Counsel so a letter of understanding could be forwarded to GLU regarding December 15, 2011 resolution.

GENERAL PUBLIC COMMENT

Mr. James Sovey stated that ATC was partnering with Blue Energy, and reviewed some of their proposed future projects.

COUNCIL/COMMITTEE, STAFF REPORTS

Manager O'Toole advised the Electrical Advisory Committee 2012 Meeting Calendar was handed out to Board Members. Manager O'Toole asked that each member keep the schedule for their reference and that the schedule be part of the minutes.

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:55 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____

Leo J. Evans, Mayor

Joint City Council & Electrical Advisory Minutes
January 11, 2012 – cont.

Attachment - A

NOTICE OF REGULAR PUBLIC MEETINGS
ELECTRICAL ADVISORY COMMITTEE

PLEASE TAKE NOTICE that the regular meetings of the Escanaba Electrical Advisory Committee are scheduled for 6:00 p.m. in Room C101, the Council Chambers of the City Hall, 410 Ludington Street, in the City of Escanaba, MI, on the following dates as listed below:

ELECTRICAL ADVISORY COMMITTEE MEETINGS – 2012
Room C101, City Hall, 6:00 p.m.

January 11, 2012
February 8, 2012
March 14, 2012
April 11, 2012
May 9, 2012
June 13, 2012
July 11, 2012
August 8, 2012
September 12, 2012
October 10, 2012
November 14, 2012
December 12, 2012

Public notice will be given regarding any changes in the above meeting dates. Minutes of the Electrical Advisory Committee Meetings are available at the City Clerk's Office, City Hall, 410 Ludington Street. Phone (906) 786-1194.

Committee Contact Person:
Mike Furmanski
1711 Sheridan Road
Escanaba, MI
(906) 786-0061