

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

Pursuit to a meeting notice posted April 9, 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, and Brady L. Nelson.

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

Absent: Ronald J. Beauchamp

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

Absent: Larry Arkens, Ann Bissell, and two vacancies

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Mike Dewar, PSE Consultant Tom Butz, Geosyntec representatives, members of the public, and Media.

City Manager O'Toole asked to add a Discussion of Smart Meters;

Nelson moved, Baker 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

Electrical Superintendent Mike Furmanski summarized the following current departmental activities and operations:

- mBank construction;
- Stephenson Avenue Poles Project;
- Tree Trimming/Line Clearing;
- Plant salvage value estimate would be available by the end of the month.

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

Electrical Superintendent Mike Furmanski, 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:

- Units 1 and 2 were both online for two weeks each in March;
- Combustion Turbine ran for 46 hours in March;
- There was still approximately over 19,000 tons of Coal on the Gladstone Docks;
- Reviewed annual May Power Plant maintenance;

Discussion – Environmental Update

Administration and Geosyntec provided an update on the Draft Due Care plan being developed at the Power Plant site. Geosyntec representative Erik Petrovskis reviewed the following information:

- Members were given Groundwater Investigation Report and the Due Care Plan Reports for the Power Plant site;
- Reviewed samples found in well sample sites. Arsenic was found in concentrations which exceeded standards. The Michigan Department of Environmental Quality (MDEQ) was notified and a Due Care Plan was proposed per MDEQ requirements;
- Reviewed a proposal for Environmental Support at the Escanaba Generating Station, which included:
 - Well Installation Development proposed Scope of Work;
 - Groundwater sampling;
 - Aquifer Testing;
 - MDEQ Mixing Zone Determination Request.

Mr. Petrovskis advised City would need to follow MDEQ criteria regarding arsenic, and an alternate criteria would need to be submitted to the State of Michigan. There were higher cleanup criteria for arsenic. Ponds may need to be excavated. He further advised the situation can be managed and the contaminated site could be excavated and could possibly be brought to the Delta County Landfill, if permissible. The buyer of the Plant may also need to adopt a Due Care Plan. He stated in the Sale of Power Plant, the City would be responsible for the removal of the site contamination;

After discussion, Nelson moved, Baribeau seconded, to approve an amount of \$53,700 to Geosyntec for Environmental Support at the City Power Plant.

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

Ayes: Nelson, Baribeau, Baker, Evans

Nays: None

MOTION CARRIED.

Discussion– Plant Sale Update.

City Manager O'Toole provided an update on the plant sale negotiations with Escanaba Green Energy. Mr. O'Toole stated the business terms were completed, and legal documents were being reviewed. Mr. O'Toole advised everything was moving in a positive direction.

Discussion – Electric Rate Study.

Electric Superintendent Mike Furmanski provided an update on the ongoing electric rate study. Mr. Furmanski stated the Cost of Service study was completed, and advised the recommended rates would be available by the end of the month.

Approval – Power System Engineering.

Administration sought approval to continue using the services of Power System Engineering (PSE) regarding the plant sale as well as power purchase agreements. Administration stated PSE had been deeply involved with every step of the Power Plant Sale and power purchase agreements. Administration advised it made perfect sense to retain their services, and would not be cost effective to bring in another consulting firm and to bring them up to date. At this time, coordination with MISO was critical, and services were needed to analyze the data. Administration recommended retaining the services of PSE in an amount not to exceed \$80,000 for the calendar year.

Nelson Moved, Baribeau seconded, to continue using the services of Power System Engineering regarding the plant sale as well as power purchase agreements for the calendar year 2012, for an amount not to exceed \$80,000.

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

Ayes: Nelson, Baribeau, Baker, Evans

Nays: None

MOTION CARRIED.

Smart Meter discussion

- Due to cost of the meters, entire City conversion would not be made for a number of years;
- The State Public Service Commission would render a statement regarding privacy issues;

- City Administration would be putting forth a City Policy for Council Approval once the Public Service Commission renders their opinion and recommendation regarding privacy;
- Reviewed court recommendations regarding cost of the new meters and passing cost to customers;
- State and House bills currently being reviewed could be changed in a number of ways before approval;
- Public Service Commission Web Site Information was given to members.

GENERAL PUBLIC COMMENT - None

COUNCIL/COMMITTEE, STAFF REPORTS

Council Member Nelson commented on the 2012/13 Budget, and he expressed to the Electrical Advisory Committee, and City staff, thanks for all their work.

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 7:01 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans, Mayor