

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Tuesday, November 20, 2012

Pursuit to a meeting notice posted November 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, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: None

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Jon Anthony, and Glendon Brown (No Quorum).

Absent: Electrical Advisory Committee Members: Ann Bissell, Larry Arkens, and 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, members of the public, and Media.

Nelson moved, Baker 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. Mr. Furmanski reviewed:

- Various ongoing projects;
- MISO Changes.

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. Mr. Jack Scott, Power Plant Manager reviewed the following:

- No accidents or injuries occurred for the month of October;
- Unit 2 was called up and operated on October 3rd and 4th;
- Reviewed CT maintenance;
- Short outage;
- Maintenance activities.

Update – Pond Sediment Removal.

Electric Superintendent Mike Furmanski provided an update on the sediment removal work related to the settling ponds at the power plant. Other than an erosion problem that would get repaired, the project was completed and came in under budget.

Update – G-TIA Liability Insurance – Power Plant.

Manager O'Toole and City Controller Mike Dewar updated the City Council and Electrical Advisory Committee on the status of the G-TIA Liability Insurance Cover Policy for the Power Plant. The following was discussed:

- A three month extension was due to Expire early December, and the current insurance provider did not wish to provide the City another extension;
- It was likely the City would need to procure a new liability insurance policy provider;
- City Controller Mike Dewar reviewed details of the G-TIA Liability Insurance policy.

After discussion, Nelson moved, Beauchamp seconded, to authorize Administration to enter into a new one year Power Plant G-TIA Liability insurance contract should the power plant sale not occur before December 5, 2012.

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

Ayes: Nelson, Beauchamp, Baker, Baribeau, Evans
Nays: None

MOTION CARRIED.

Update – 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 (EGE), LLC. Manager O'Toole stated the November deadline for the purchase of the power plant was not met. A phone conference call was conducted with Council and EGE representatives Charles DeTiege and Jon Ranson and EGE's financial representative Provartis, who reviewed EGE's purchase

status, and EGE's request to extend the purchase agreement. The following was reviewed:

- EGE was requesting an extension to purchase the Escanaba Power Plant to December 20, 2012;
- EGE would provide an additional \$60,000 to compensate the City for the time and cost that the City has incurred as a result of the delayed closing;
- At closing, Escanaba Green Energy would pay the City's additional attorney fees;
- EGE would pick up gap in the City's Power Plant liability insurance;
- EGE and Provartis stated they had a commitment on the project, and were working on insurance issues which still needed to be addressed.

After various questions were answered, Council Member Nelson moved, Council Member Baribeau seconded, to approve a request from Escanaba Green Energy (EGE), for an extension of the date to close the purchase transaction of the Escanaba Power Plant to December 20, 2012, provided EGE pays an additional \$60,000 to compensate the City for the time and cost that the City has incurred as a result of the delayed closing, EGE pay all additional City legal costs, EGE pays gap in liability insurance coverage, City does not give up termination rights, and City still has right to seek other buyers for the Power Plant.

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

Ayes: Nelson, Baribeau, Beauchamp, Baker, Evans

Nays: None

MOTION CARRIED.

GENERAL PUBLIC COMMENT - None

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 6:53 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____

Leo J. Evans, Mayor