

**OFFICIAL PROCEEDINGS**  
**CITY COUNCIL**  
**ELECTRICAL ADVISORY COMMITTEE**  
**CITY OF ESCANABA, MICHIGAN**  
**Special Joint Meeting**  
**Wednesday, June 12, 2013**

Pursuit to a meeting notice posted June 6, 2013, the meeting was called to order by the Mayor Leo J. Evans at 6:00 p.m. in the Main Room of the Catherine Bonifas Civic Center located at 225 North 21<sup>st</sup> Street.

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

Absent: Council Member Brady L. Nelson

Baker moved, Baribeau seconded, to excuse Council Member Nelson.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Ann Bissell (arrived at 6:04 p.m.) Larry Arkens, and Glendon Brown.

Absent: Electrical Advisory Committee Members: Jon Anthony, Two vacancies and Power Plant Liaison

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Mike Dewar, City Attorney Ralph B.K. Peterson, Pro Energy Escanaba Power Plant Manager Jack Scott, Escanaba Green Energy (EGE) representative Jon Branson and Charles DeTiege, Power Systems Engineering (PSE) Representatives Tom Butz, and members of City Administration, the public, and Media.

Beauchamp 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.

- Construction season in full swing, crews were busy;
- Fox Power was in town working on replacing utility poles;
- Eric Petrovskis of Geosyntec updated everyone on the remediation of the Settling Ponds. Mr. Petrovskis advised the arsenic levels were dropping. It appeared the remediation work was working. The well monitoring would continue for at least an

additional three more quarters, then a final report would be given to the State. Mr. Petrovskis also reviewed a Mixing Zone Determination request that would be submitted to the MDEQ asking the State to provide an alternative cleanup criteria for arsenic discharging to ground water. There were still erosion issues around the settling pond. The contractor would be called back to remedy the problem.

#### **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.

- Plant did not operate month of May. Power Plant was tentatively scheduled to run in June;
- No accidents were reported for the Month of May;
- In May, miscellaneous inspections were completed.

#### **Update – Power Plant Purchase Agreement and Closing.**

Administration provided an update on the status of power plant purchase closing with Escanaba Green Energy, LLC.

- Escanaba Green Energy (EGE) representative Jon Branson and Charles DeTiege provided a brief financing history with Provartus;
- Financing with Provartus with initial creditors did not take place in January;
- May closing did not occur because funds were locked in Hong Kong until new financial institution policies/procedures were agreed to;
- Negotiating with new US Lender and six depositors;
- As of this date no time can be given for a closing date;
- If Hong Kong funds were released next week, a quick closing could be made with Provartus.

#### **Discussion – Power Plant Future.**

Administration discussed the steps that may need to be taken regarding the future of the Escanaba Generating Station. The discussion included factors that could impact decisions going forward, such as the timing of the plant sale, the SSR agreement, timing of a possible referendum and timing of filing a new Attachment Y with MISO.

- Power Systems Engineering (PSE) Representatives Tom Butz and Administration updated Council on the filing of a new SSR agreement. SSR was signed and submitted;
- Administration reviewed proposed referendum language and August deadlines.

Joint City Council & Electrical Advisory Minutes  
June 12, 2013 – cont.

Administration advised the City needed to plan for a worse case scenario. A detailed discussion of a November 5, 2013 referendum would be on next months agenda;

- Discussed contacts City had with salvage vendors.

**GENERAL PUBLIC COMMENT - None**

**COUNCIL/COMMITTEE, STAFF REPORTS**

- Manager O'Toole presented letters between the City of Escanaba and UPPCo regarding the Generating Facilities Operating Agreement dated May 22, 2002;
- Electric Superintendent Furmanski passed out information on Average Revenue per kWh in 2011, and a calendar of when the Power Plant was run from June 15, 2012 thru May 2013 while under the SSR agreement.

**ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:33 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved:

\_\_\_\_\_  
Leo J. Evans, Mayor