

**OFFICIAL PROCEEDINGS**  
**CITY COUNCIL**  
**ELECTRICAL ADVISORY COMMITTEE**  
**CITY OF ESCANABA, MICHIGAN**  
***Special Joint Meeting***  
***Wednesday, July 17, 2013***

Pursuit to a meeting notice posted June 21, 2013, 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 Marc D. Tall.

Absent: None

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Jon Anthony, Larry Arkens, and Ann Bissell.

Absent: Electrical Advisory Committee Members: Glendon Brown, 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 Charles DeTiege, and members of City Administration, the public, and Media.

Beauchamp moved, Tall 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.

- Did trial runs on the LED street lights;
- Fox Power did 30 pole change outs;
- Crews busy with new work;
- Commercial services coming up.

**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 June;
- No accidents or injuries were reported for the month of June;
- Plant is running right now, both units;
- An accident occurred this morning. Individual was treated at hospital and released.

**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, LLC.

- Escanaba Green Energy (EGE) representative Charles DeTiege provided an update on EGE's financing;
- EGE was no longer working with it's financial lender Provartis. EGE was currently working with its new lender Black Diamond Investments out of New Jersey on a \$36.5 million dollar loan;
- Loan was increased from \$30 million to \$36.5 million due to money lost with Provartis and funding delays;
- Royal Bank was doing the \$1 million dollar five year loan deposit to kick off loan;
- Royal Bank was sending Terms and Conditions for the \$1 million dollar loan this Friday. If agreed, closing date would be 30 to 45 days after it was sent back to Royal Bank;
- DeTiege thanked Tim Kobasic who met with himself and City Treasurer Bob Valentine to discuss the use of City funds to secure initial.

**Discussion – Senate Bill 284 – Low-Income Energy Assistance Fund.**

Administration led a discussion concerning the passage of Senate Bill 284 which created the Low-Income Energy Assistance Fund. Under the requirements of the law, the City could collect up to \$1 per month on each electric utility account which would then be used to assist low-income customers in paying their bill. However, the City can opt out provided certain conditions were met. A decision to opt out must be made by July 23, 2013.

- Charge would be \$.91 per residential site per month;
- As of today there were 5,864 residential meters, or a \$64,000 a year;
- Postage would double in price to send out utility bills;
- Would become an expense to the City of Escanaba to change our billing system;
- Can review and opt in at a later date.

After discussion, Baribeau moved, Beauchamp seconded, to opt out of the Low-Income Energy Assistance Fund.

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

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

**MOTION CARRIED.**

### **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.

- Moving forward on the new SSR Agreement and anticipating no issue;
- Administration reviewed proposed draft referendum language, which still would allow the City to sell the Power Plant.

**GENERAL PUBLIC COMMENT - None**

### **COUNCIL/COMMITTEE, STAFF REPORTS**

- Manager O'Toole stated at the next regular scheduled meeting of the City Council and EAC, Brett French from ATC would be present to provide an update on the final construction plans on the Day Light Savings project coming to Escanaba;
- Heard from the community what a fine job everybody did for the Esky 150;
- Thanked the Electrical Advisory Committee for serving.

### **ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:48 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

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