

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, May 14, 2014

Pursuit to a meeting notice posted May 9, 2014, the meeting was called to order by the Mayor Marc D. Tall at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, and Ralph B. Blasier.

Absent: Council Member Michael R. Sattem who was out of the community.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Wilson (arrived at 6:18 p.m.), Jon Anthony, Larry Arkens, Ann Bissell, and Glendon Brown

Absent: Two vacancies, and Power Plant Liaison.

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, Jack Scott of Pro Energy Services, Inc., Charles DeTiege of Escanaba Green Energy (EGE), members of the public and media.

Beauchamp moved, Blasier 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. He advised his department was primarily preparing for new construction season sites.

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

Jack Scott of 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.

- Reviewed dates and hours Power Plant Units ran in April;

- There was 6,343 tons of coal on the dock;
- No accidents or injuries were reported in April;
- Reviewed maintenance with Units 1 & 2, and reported no repairs with the Combustion Turbine;
- No Air Monitoring deviations in the month of April.

Approval – Transmission – Distribution Interconnection Agreement.

Administration sought Council approval of an updated Transmission – Distribution Interconnection Agreement between the City of Escanaba and American Transmission Company, LLC.

Electric Superintendent Furmanski briefly reviewed the agreement and advised the issue regarding insurance requirements was corrected and, at this time, requested Council approval of the Distribution Interconnection Agreement between the City of Escanaba and American Transmission Company, LLC.

NB-3 Beauchamp moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to approve of an updated Transmission – Distribution Interconnection Agreement between the City of Escanaba and American Transmission Company, LLC.

Approval – Coal Purchase- Escanaba Generation Station.

Administration sought Council approval to purchase coal needed at the Escanaba Generation Station.

Electric Superintendent Furmanski briefly reviewed the history of the approved last purchase agreement, the preparation needed for dock coal, and C. Reiss Coal delay. He advised, with the delays, and quality of dock coal, other vendors had submitted proposals to supplement the Power Plant coal needs. Mr. Furmanski recommended Council approve spot coal supplement agreement received from Upper Lakes Coal Company, Inc.

NB-4 Blasier moved, Baribeau seconded, to approve the purchase of 2000 tons of coal from Upper Lakes Coal Company delivered at \$91.50 per ton for coal needed at the Escanaba Generation Station.

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

Ayes: Blasier, Baribeau, Beauchamp, Tall
Nays: None

MOTION CARRIED.

Approval – Coal Storage and Transportation Agreement.

Administration sought Council approval of an updated Storage and Transportation Agreement between the City and Upper Lakes Coal Company for the coal currently being stored on the Upper Great Lakes Coal Company dock in Gladstone, MI.

Electric Superintendent Furmanski briefly reviewed updated changes to the agreement between the City and Upper Lakes Coal Company for the coal which was currently being stored on the Upper Great Lakes Coal Company dock in Gladstone, MI.

NB-5 Baribeau moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve of an updated Storage and Transportation Agreement between the City and Upper Lakes Coal Company for the coal currently being stored on the Upper Great Lakes Coal Company dock in Gladstone, MI.

Approval – LED Street Lights Purchase - Citywide.

Administration sought Council approval to purchase LED streetlights from Prime Supply Co. of Iron Mountain, MI in the amount of \$95,843.40. This purchase was included in the current budget.

Electric Superintendent Furmanski briefly reviewed the scope of the agreement.

NB-6 After discussion, Blasier moved, Beauchamp seconded, to purchase LED streetlights from Prime Supply Co. of Iron Mountain, MI in the amount of \$95,843.40.

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

Ayes: Blasier, Beauchamp, Baribeau, Tall
Nays: None

MOTION CARRIED.

Approval – Regulator Purchase – Westside Substation.

Administration reviewed and sought Council approval to purchase 3 voltage regulators for installation into the West Side Substation for an amount not to exceed \$150,000. This purchase was included in the current operating budget.

NB-7 Beauchamp moved, Baribeau seconded, to purchase three (3) voltage regulators for installation into the West Side Substation for an amount not to exceed \$150,000.

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

Ayes: Beauchamp, Baribeau, Blasier, Tall
Nays: None

MOTION CARRIED.

Update – NextEra Energy Purchase Agreement and Capacity.

Administration provided an update on the current wholesale energy agreement between the City and NextEra Energy Power Marketing, LLC.

- Reviewed prices from December, February, and May. Prices had jumped for a variety of reasons;
- Currently, it was recommended not to renew the whole agreement;
- There were options to lock in half of our energy now and the other half later;
- Administration recommended to sit tight and continue to review.

Update – Power Plant Purchase Agreement/Sale.

Charles DeTiege of EGE updated Council and the Electrical Advisory Committee on the sale of the Power Plant. Mr. DeTiege advised there were changes in closing conditions which prohibited EGE to proceed with closing the sale last week. He stated EGE still had their financing, and those closing conditions have now been met. EGE expected a new closing date shortly.

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 6:32 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor