

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, August 12, 2015

Pursuit to a meeting notice posted August 10, 2015, 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, Ralph B. Blasier, and Michael R. Sattem.

Absent: None.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, John Mellinger, Ann Bissell, and Glendon Brown.

Absent: Electrical Advisory Committee (EAC) Members: Larry Arkens, John Anthony, One vacancy and Power Plant Liaison.

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Melissa Becotte, members of the public and media.

ADJUSTMENTS TO THE AGENDA

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve the Joint City Council & Electrical Advisory Committee Agenda as submitted.

CONFLICT OF INTEREST – None

PUBLIC HEARING (S)

Energy Optimization and Renewable Energy Plans.

A public hearing was conducted on the City of Escanaba Energy Optimization Plan and Renewable Energy Plan as required by Public Act 295, the Clean, Renewable, and Efficient Energy Act.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no public comment, Mayor Tall closed the public hearing.

No action was required by City Council.

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.

- Staff was working on Commercial/Industrial jobs with 4 more to go;
- City had a Mutual-aid agreement with other Municipalities. A request was received to help out communities struck by storms in the lower peninsula. Two employees were sent to lower Michigan for two days to help out affected communities;
- New substation was progressing;
- Geo syntact on environmental conditions at the Power Plant;
- UP Energy Summit scheduled for September 30 in Marquette Michigan.

Update – Coal Supply Reconciliation.

Administration updated the City Council, Electrical Advisory Committee, and Citizens of Escanaba on the status to reconcile coal inventory.

- Over several months, Administration had been working on trying to reconcile the shortage of coal received from Alpha Coal Sales, and Upper Lakes Coal Co;
- Both companies were blaming each other for the shortage;
- Coal Shortage was just under \$500,000 according to usage reports from the Power Plant;
- Administration requested Council direct Administration to have the City Attorney file a lawsuit against both firms in order for the City to obtain funds for coal paid for but did not receive. It was noted that Alpha Coal Sales has since filed bankruptcy;

NB-2 After discussion, Beauchamp moved, Blasier seconded, to direct Administration proceed with the filing legal action against Alpha Coal Sales, and Upper Lakes Coal Company for the City of Escanaba to be reimbursed for the coal shortage.

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

Ayes: Beauchamp, Blasier, Baribeau, Sattem, Tall

Nays: None

MOTION CARRIED.

Discussion – Recommended Local Changes to Senate Bill 282.

Electric Superintendent Mike Furmanski and Electrical Advisory Committee Member Brown led a discussion on suggested changes to Senate Bill 282, a bill to regulate the siting and construction of certain electric transmission lines.

- Committee Member Brown suggested the bill was a terrible piece of legislation and hoped it would never pass. Mr. Brown also stated companies should be mandated

- to declare their electric load so they do not fall behind the meter;
- There were many questions regarding the legislation. Sending a marked up bill may give them the wrong impression that the City was in support of the legislation;
 - Administration stated informational edits would be sent to Lansing with a disclaimer with a list of our additional questions.

Update – Power Plant Layup.

Administration updated the City Council, Electrical Advisory Committee, and the Citizens of Escanaba regarding the layup of the power plant recently completed by Pro Energy Services on behalf of the City of Escanaba. ProEnergy submitted their final report. Committee Member Brown and Superintendent Furmanski would be available to answer questions.

Update – Power Plant Sale.

The administration updated the City Council, Electrical Advisory Committee, and the Citizens of Escanaba regarding the sale of the plant.

- Manager forwarded email to everyone advising that Sterling Energy filed for Corporate restructuring;
- If Sterling Energy contacts the City stating they were still interested in purchasing the Power Plant, Administration would request a substantial down payment;
- Manager O'Toole reported the Delta County Circuit Court directed Escanaba Green Energy to repay the City of Escanaba legal fees as per the agreements signed by both parties.

GENERAL PUBLIC COMMENT – None

COUNCIL/COMMITTEE, STAFF REPORTS

Brown shared a report on electric use over the last 20 years in the United States.

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:47 p.m.

Respectfully submitted,

Robert S. Richards
City Clerk

Approved: _____

Marc D. Tall, Mayor