

The Marquette County Board of Commissioners met as a Special Committee of the Whole on Thursday, June 28, 2001, 7:00 P.M., in Room 231 of the Henry A. Skewis Annex, 234 W. Baraga Avenue, Marquette, Michigan.

Chairperson Corkin called the meeting to order. Present: Comm. Arsenault, Comm. Bergdah, Comm. Joseph, Comm. Moore, Comm. Nordeen, Comm. Seppanen, Comm. Tuominen, Comm. Wallace, and Comm. Corkin. Absent and excused: Comm. Girard.

Chairperson Corkin opened the meeting for public comment, none was forthcoming.

It was moved by Comm. Bergdahl, seconded by Comm. Joseph, and unanimously carried by voice vote that the agenda be approved with the following addition: Closed Session to Discuss Written Confidential Attorney/Client Communication.

The Committee considered the Matrix Design Group, Inc. presentation on the Sawyer Utility Disposition Study. Steve Powers, County Administrator, requested the County Board allow Matrix Design Group representatives to present the Utilities Disposition Study in its entirety without being interrupted for questions. There will be time after the presentation for questions and also the Matrix Design Group will be available all day tomorrow to answer further questions. Administrator Powers then turned the meeting over to Tom Rumora, KI Sawyer Development Director.

Tom Rumora introduced a number of individuals involved with the KI Sawyer Utilities Disposition Study. First of all are the principals with the Matrix Design Group, Inc., Dan Schnepf, P.E. and John Blanchard, P.E. They have done an excellent job in preparing the study that the Commissioners will see this evening. Also present was Attorney Peter Ellsworth who specializes in utility issues and related technical matters and Roger Westenbroek from the Michigan Public Power Agency (sitting in for Gary Zimmerman, General Manager). These individuals are here to answer any legal and bureaucratic questions regarding utilities.

Mr. Rumora further noted that members of the County's four-member utilities disposition team, including Harley Andrews, Hal Pawley, Scott Erbisch, and himself will also be available to answer questions.

Harley, Andrews, Chief Civil Counsel, explained the meeting format. The Matrix Design Group will make its presentation and any discussion and questions during the open session may only be related to matters presented in the open report. During the Closed Session Commissioners will have the opportunity to discuss details regarding cost and revenues associated with the disposition of the utilities. Civil Counsel Andrews emphasized the importance of Commissioners following this meeting format. He will interrupt any discussion during the open session that should be a matter of closed session consideration.

Dan Schnepf, P.E., and John Blanchard, P.E., the principals of Matrix Design Group, Inc. made their presentation utilizing the Utilities Disposition Study Findings and Recommendations Report and slides on the overhead projector. They provided background information on the purpose of the study, definition of the study terms, disposition strategies, and their findings and recommendations.

Matrix Design Group, Inc. findings and recommended disposition of the utility systems are as follows:

The Recommended Disposition of Utility Systems

Careful consideration of financial, legal, technical and stakeholder issues have been provided over the length of the Utility Disposition Study period of seven months. The results of this study and recommendations associated with it have been enumerated throughout the chapters of the report. The hybrid recommendations selected by Matrix Design Group are based on analysis of all systems as follows:

- I. Municipalize the water and wastewater systems through county operation or through an agreement with a local township or city. Economize the operations of the wet systems through immediate wastewater system augmentation and provide a labor study to correctly staff the operations.*
- II. Privatize the gas system through a competitive RFP process that requires an upfront payment for the physical infrastructure (less encumbrances) and provides for a service*

rates agreement of 2 – 4 years and/or an annual operating stipend for economic development.

- III. *Municipalize or Privatize the electric distribution system and appurtenances. If municipalization is selected set up operating contracts with local, regional or national providers that allow for operational cost, maintenance expense, capital improvement budgeting and rate control to be exercised by the county as the system owner. If privatization is selected use the competitive RFP process to attract local, regional or national interest in the system. The RFP should require an upfront payment for physical infrastructure (less encumbrances) and provides for a service rates agreement of 2 – 4 years and/or an annual operating stipend for economic development.*
- IV. *Create an RFP for a negotiated sale of the telecommunications system that allows for local or regional competition. Require a negotiated sales price for the system infrastructure (less encumbrances) and require a preferred rate structure for aviation related telecommunications users as an economic development incentive to the airport.*

The dry utilities could be coupled under this analysis if the same entity became the privatizer of both utility systems.

It was moved by Comm. Tuominen, seconded by Comm. Arsenault, and unanimously carried on a roll call vote 9 Ayes (Comm. Tuominen, Comm. Arsenault, Comm. Bergdahl, Comm. Joseph, Comm. Moore, Comm. Nordeen, Comm. Seppanen, Comm. Wallace, and Comm. Corkin) to 0 Nays that the Committee of the Whole go into Closed Session to discuss written confidential attorney/client communications.

Chairperson Corkin declared a brief recess to clear Commission Chambers at 7:44 P.M.

.....CLOSED SESSION.....

The Committee of the Whole came back into open session at 9:41 P.M.

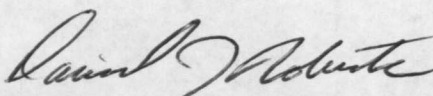
It was moved by Comm. Arsenault, seconded by Comm. Wallace, and unanimously carried by voice vote that the Committee of the Whole direct Staff to review and analyze the findings and recommendations made by Matrix Design Group, Inc. for the disposition of the utility systems at KI Sawyer, keeping all options open for further consideration at a Special Committee of the Whole meeting.

Chairperson Corkin thanked the Matrix Design Group for the excellent job and a very well done and helpful presentation.

Dan Schnepf and John Blanchard thanked Marquette County for the opportunity to serve and gratefully acknowledged the assistance of all Marquette County Staff.

There being no further business, the meeting was adjourned at 9:52 P.M.

Respectfully Submitted,



David J. Roberts
Marquette County Clerk

MARQUETTE COUNTY BOARD OF COMMISSIONERS
SPECIAL COMMITTEE OF THE WHOLE
Thursday, June 28, 2001, 7:00 P.M.
Room 231, Henry A. Skewis Annex, Marquette, MI 49855

1. ROLL CALL.
2. APPROVAL OF THE MINUTES: None.
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of Claims and Accounts: None.
6. Matrix Design, Inc. Presentation on Study of KI Sawyer Utilities Disposition.
7. *Closed Session: to discuss written confidential attorney / client*
8. *communications.*
- 9.
10. PUBLIC COMMENT.
11. COMMISSIONER COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.
12. ADJOURNMENT.