

**GREAT LAKES UTILITIES BOARD OF DIRECTORS
MEETING MINUTES**

March 19, 2014

Manitowoc, WI

CITIES REPRESENTED:

Bangor	Steve Baker (via telephone)
Clintonville	absent
Cornell	Dave DeJongh (via telephone)
Escanaba, MI	Mike Furmanski (via telephone)
Kiel	Dennis Dederling
Manitowoc	Nilaksh Kothari
Marshfield	absent
Medford	John Fales
Shawano	Brian Knapp (via telephone)
Trempealeau	Travis Cooke (via telephone)
Wisconsin Rapids	Jem Brown

Legal Counsel:	Attorney Richard Heinemann, Boardman & Clark
Absent:	Lisa Kuss, Bob Trussoni
Additional Attendees:	Andy Onesti

Jem Brown, Chair of the Board, called the meeting to order at 11:10 a.m. and called the roll. A quorum was present with nine communities represented. Those present are indicated.

MINUTES: The Regular Session Minutes from the December 17, 2013 meeting were presented for approval.

MOTION: Motion was made by John Fales and seconded by Dennis Dederling to approve the Regular Session Minutes from December 17, 2013. Motion carried unanimously.

RESOLUTION TO WITHDRAW BY SPOONER/AMENDMENT NO. 9 OF GLU ESTABLISHMENT CONTRACT: Amendment Number 9 to the GLU Establishment Contract was presented to the members for review and approval. Spooner has formally submitted a withdrawal request to the Board. Attorney Heinemann informed that by operating rules of GLU, withdrawal cannot be effective until six months from the date the Amendment is filed with the Secretary of State. Conditions of the withdrawal are the same as with the other GLU West withdrawals.

MOTION: Motion was made by John Fales and seconded by Brian Knapp to approve a resolution adopting Amendment Number 9 to the GLU Establishment Contract, which authorizes withdrawal of Spooner from GLU. Motion carried unanimously.

GLU FINANCIAL RISK MANAGEMENT POLICY REVISION: Due to difficulties in obtaining an audit opinion of LTPSC member's ability to produce sufficient revenues to support its commitments to GLU, the recommendation is to remove from the Financial Risk Management Policy the requirement of members to produce an annual creditworthiness statement. Discussion ensued.

MOTION: Motion was made by Brian Knapp and seconded by Dennis Dederig to amend the policy as recommended. Motion carried.

LAKESWIND PROJECT COMMITTEE REPORT AND RECOMMENDATIONS:

MOTION: Motion was made by John Fales and seconded by Nilaksh Kothari to approve the commercial operation date of March 19, 2014 for the Lakeswind Project. Motion carried unanimously.

UNION BANK ACQUISITION AND EXECUTION OF REQUESTED ESTOPPEL CERTIFICATE AND INCUMBENCY CERTIFICATE:

MOTION: Motion was made by Nilaksh Kothari and seconded by Dennis Dederig to ratify execution and delivery of the Estoppel Certificate and Incumbency Certificate for the Lakeswind Project as presented to the Board and recommended by the Project Committee. Motion carried unanimously.

WEST POWER SUPPLY PROJECT COMMITTEE REPORT AND RECOMMENDATIONS:

At the previous meeting, discussion was held regarding whether the West Project needs to be considered any further. The consensus was to have this item on the agenda in the near future. A brief discussion ensued on whether the West Power Supply Committee could be included as part of the Power Supply Committee.

MISO PY 2016-2018 CAPACITY CONTRACTS UPDATE FOR WEST MEMBERS: At the December 2013 meeting, the GLU Board gave the withdrawing members the option of either executing capacity contracts with a five cent adder or opting out of the capacity commitments by January 20, 2014. All of the withdrawing members notified GLU that they would opt out of the capacity contracts. Subsequently, GLU has been marketing the sale of this capacity. A discussion on the sale and timing of the excess capacity ensued. The consensus was to not sell the capacity at this time and to wait until after the 2014 capacity auction. John Fales confirmed Medford's commitment to increase the MISO PY 2017 and 2018 capacity purchase from GLU from 50% to 100% of Medford's requirements.

Dave DeJongh disconnected from the call at 11:25 a.m.

HOURLY RATES FOR 2014 MPU CONTRACT SERVICES: A revised version of Schedule B of the GLU Contract Service Agreement was presented for approval. The revision reflects 2014 salary increases for MPU employees who provide GLU contract services effective January 1, 2014. A brief discussion was held regarding the potential for a lower mark-up of MPU costs in 2015. N. Kothari will review and report back.

MOTION: Motion by John Fales and seconded by Dennis Dederig to approve the revision of Schedule B of the GLU Contract Service Agreement. Nilaksh Kothari abstained. Motion carried unanimously.

FINANCIAL REPORTS AND INVOICES FOR NOVEMBER AND DECEMBER 2013

AND JANUARY 2014: For claims lists dated November 2013, invoices from Boardman & Clark LLP; Customized Energy Solutions Ltd; Manitowoc Public Utilities; Spiegel & McDiarmid totaling \$73,620.69 and Power Supply Invoices from Marshfield Utilities; American Electric Power; Cargill Power Markets; WI Power & Light; ATC; MISO; Manitowoc Public Utilities; NextEra Energy; WPS and WE Energies totaling \$6,447,256.61, for a total of \$6,520,877.30; and for claims lists dated December 2013, invoices from Boardman & Clark, LLP; Customized Energy Solutions; Duncan Weinberg Genzer Etc.; Infinity Technology; Manitowoc Public Utilities; Midwest Renewable Energy Tracking System; MISO; North American Energy Markets Association; PRT, Inc.; Spiegel & McDiarmid totaling \$88,945.80 and Power Supply Invoices from American Electric Power; Cargill Power Markets; WI Power & Light; ATC; MISO; Marshfield Utilities; Manitowoc Public Utilities; NextEra Energy; WPS and WE Energies totaling \$7,382,037.98, for a total of \$7,470,983.78; and for claims lists dated January 2014, invoices from Arthur J. Gallagher Risk Management; Badger Power Marketing Authority; Customized Energy Solutions Ltd.; Duncan Weinberg Genzer; Nilaksh Kothari; Manitowoc Public Utilities; WPPI Energy; Wisconsin Rapids Water Works and Lighting totaling \$76,868.39 and Power Supply Invoices from American Electric Power; Cargill Power Markets; WI Power & Light; ATC; MISO; Manitowoc Public Utilities; NextEra Energy; WPS and WE Energies totaling \$7,595,303.54, for a total of \$7,672,171.93.

Discussion ensued on the services provided by Customized Energy Solutions.

MOTION: Motion was made by Dennis Dederling and seconded by John Fales to approve payments of invoices totaling \$6,936,564.26 for September and \$6,688,724.97 for October. Motion carried unanimously.

ADMINISTRATIVE MANAGER REPORT: N. Kothari updated the Board that GLU received a data request from PSCW regarding the Presque Isle System Support Resource (SSR) Agreement. A discussion ensued regarding whether to intervene at FERC and the consensus was to have DWG draft a motion to intervene on behalf of GLU. Invoices were not sent for the GLU Administrative Budget yet in 2014. There was a change in members but the costs are still the same. Discussion ensued on the G & A budget. R. Heinemann indicated that GLU received the official certificate from the federal patent and trademark office on February 7th for two of its registered marks. GLU has submitted a proposal to WE Energies in response to the RFP for selling renewable energy credits.

MOTION: Motion was made by John Fales and seconded by Travis Cooke to approve invoicing members based on a revised 2014 G & A budget of \$111,409. Motion carried unanimously.

APRIL-JUNE 2014 SCHEDULE: The schedule was presented.

ADJOURNMENT: Motion by Nilaksh Kothari and seconded by Brian Knapp to adjourn. Motion carried unanimously. Meeting adjourned at 11:55 a.m.


Dennis Dederling, Secretary

