

ONTONAGON VILLAGE COUNCIL MEETING
HELD AT 6:00 PM ON MONDAY, SEPTEMBER 12, 2016
AT 315 QUARTZ STREET, ONTONAGON

PUBLIC HEARING – JUNK ORDINANCE REVISIONS

PRESENT: President Waldrop; Trustees: E. Marks, J. Hamm, M. Mogan, T. Smydra, D. Chastan and Manager, J. Erickson

ABSENT: B. Seid

CALL TO ORDER:

AT 6:00 pm the meeting was called to order and the Pledge of Allegiance was led by President Waldrop.

AGENDA:

A motion was made by Hamm, second by Smydra, (CARRIED) to approve the agenda.

PUBLIC HEARING – JUNK ORDINANCE REVISIONS:

At 6:02 pm a motion was made by Smydra, second by Hamm, (CARRIED) to enter a Public Hearing to discuss the Junk Ordinance Revisions as presented.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

The Village Manager went over the Junk Ordinance Revisions. No comments from the public were made in writing prior to the meeting.

Comments from the public:

- Kim Langdon asked about storing vehicle in the yards while working on them. When restoring a car, the frame or body could be in a separate area and this is not explained in the revision. Mr. Langdon feels it should be defined on section 16.1.3.
- Ed Garcia – 430 Parker Ave. – stated there was no definite time line to restore cars and he felt there was not a clear definition of junk or cars on property for potential sale. He feels we need well established rules.
- David Rosemurgy gave comments about keeping our town and area clear of junk. He also asked about trash cans, 4 wheelers, cars, trailers, building with holes in roof and broken windows. He asked if there is a limit of how many

boats, cars, 4 wheelers, etc. permitted per property owner.

- Don Chastan stated he restores automobiles and feels they should be under temporary shelter and asked if it is considered junk especially if it is a long term project. He also stated canoes, kayak, sailboats are not licensed.
- Tony Smydra stated that some people within the Village have multiple acres of land and that a number of vehicles might not be noticeable to the public but on a small lot, more than one vehicle might become an eyesore. We need to be reasonable about the number of cars, boats, and the like that are permitted. There is a difference between a property with a small lot in the center of town and a property on the edge of town with 60 acres.
- Bill Johnson stated he didn't understand why people should be told how many boats they can have.
- Gunnard Kyllonen asked if he started a business, would he be permitted to have equipment in his yard.
- Mike Mogan stated we need to establish restoration criteria in ordinance to include that after 30 days, the car or boat will be put under cover while restoring. Councilman Mogan asked Kim Langdon if he would get involved with the guidelines. Kim Langdon stated the Hot Rod Association for restoration guidelines are available for review and it was suggested that they be included in section 16.1.3.
- Don Chastan asked to include boats to the above recommendation.

At 6:28 pm a motion was made by Smydra, second by Chastan, (CARRIED) to close the Public Hearing.

ITEMS FROM THE FLOOR: NONE

APPROVAL OF CONCENT MINUTES:

A motion was made by Hamm, second by Mogan, (CARRIED) to approve the Village Council minutes of August 22, 2016 and the Planning Commission Public Hearing minutes of September 7, 2016.

APPROVE THE CURRENT BILLS:

A motion was made by Hamm, second by Chastan, (CARRIED) to approve payment of

the Current Bills for September 2016 in the amount of \$ 637,311.86.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

Included in the above total is:

Current Bills - \$ 27,142.45

Previous bills paid \$367,942.72

Employee Payrolls (8/11, 8/25 and 9/8) - \$91,875.53

Included in Payroll

Blue Cross– Sept. - \$13,372.55

MERS - \$ 22,973.61

USDA – Sewer loan and interest - \$114,005.00

A motion was made by Marks, second by Mogan, (CARRIED) to approve 2 cd's to roll over with 1 at the Miners State Bank and 1 at State Bank of Ewen.

Revised motion was made by Marks, second by Mogan, (CARRIED) to approve 3 cd's to roll over with 1 cd at the Miners State Bank and 2 at the State Bank of Ewen.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

MANAGERS REPORT

1. Lansing – Things are quiet with elections coming up.

2. Labor Day Fest - Another successful Labor Day Fest. There was great attendance at the events and the 50/50 drawing was in excess of \$3,100 (about 90% of the tickets were sold). A few complaints were heard. The donation can at the picnic, Asprius Hospital is willing to co-sponsor the picnic next year. More garbage cans are needed near the food vendors, this will be reviewed. There are likely others that the Committee can address. On the positive side, I did hear a lot of good comments about the new message signs, and the bounce houses for the kids were a hit. Thanks go out to all the volunteers that made it all happen and to TV6 for their great coverage of the events (3 stories).

Jan Tucker thanked the Labor Day Committee, the Village Manager, and the Village office staff for help during the planning of the event. Clerk Marcia Aho-Black thanked the councilmen for their help with the Village Picnic.

3. River Street Garage Roof – I contacted GEI and OHM about engineering on a new design for the roof. Only GEI replied back, and I met with them last week. I advised them of our desire to install a pitched metal roof over the existing structure. They have a structural engineer in Marquette. I received the attached proposal for their services. Their proposal is a lump sum price of \$5,200.

Councilman Smydra stated the building committee had this in line with their design.

4. Michigan Land Bank Info - Councilman Chastan requested more information on Michigan Land Banks. I have provided the attached packet of information for everyone. In reviewing the Land Bank statute, I noted that under MCL 124.773(3), the Village may enter into an intergovernmental agreement with the State Land Bank Authority (without a County Land Bank). Although the property would be under the control of the State Authority, we could apply for clean-up funds and would likely need to have their approval of the work plans for any activities. We may be eligible for \$250,000 to \$1,000,000 in funding to address blight. However, we may need to adopt or revise ordinances and hire a building inspector to be effective.

Councilman Mogan asked if there will be a need for a building inspector and suggested we seek our own inspector instead of relying on the State.

5. Meetings Attended – Planning Commission 9/7

A motion was made by Marks, second by Hamm, (CARRIED) to accept and place on file the Manager's Reports.

NEW BUSINESS:

A. JUNK ORDINANCE REVISIONS

A motion was made by Smydra, second by Marks, (CARRIED) to table the Junk Ordinance until after the Planning Commission can review the above suggestions.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

B. AXLEY REZONING REQUEST

A motion was made by Hamm, second by Chastan, (CARRIED) to approve the rezoning of 102 Mercury Street, on the SE corner of Rockland Road and Mercury Street from a R-1 to GC to accommodate her spa/salon business at that location. Public Hearing was held on the Rezoning request on Sept. 7, 2016.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

C. PLANNING COMMISSION APPOINTMENT

A motion was made by Mogan, second by Marks, (CARRIED) to appoint David Rosemurgy to the Planning Commission.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

D. GRANT WRITER INVOICE

A motion was made by Smydra, second by Mogan, (CARRIED) to approve the invoice for \$460.00 from Carol Maass for the grant writing services for seeking funds for the RICC Park on River Street.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

E. OFFER TO DONATE LAND

We received a visit from Dr. Saijad A. Syed who would like to donate his piece of property behind the Pine Street dump to the Village of Ontonagon. Attorney Ted Baird will do the necessary paperwork for the deed of the land.

A motion was made by Hamm, second by Smydra, (CARRIED) to accept the donated land behind the Pine Street dump from Dr. Saijad A. Syed to the Village of Ontonagon.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

F. WHITE PINE ELECTRIC ISSUE

Zach Halkola was present to discuss the White Pine Electric Power Plant proposed plan to shut down in late November, 2016 and the hardship it will cause. He asked for support from the community to write letters. He has attached a form letter for an example.

(See letter below). Councilman Mogan talked about what it would mean to the Upper Peninsula if this plant was shut down.

A motion was made by Mogan, second by Smydra, (CARRIED) for the Village Council to send a letter of support for the White Pine Electric Power Plant. Councilman Mogan will compose the letter.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

G. BLIGHT COMMITTEE

A blight committee meeting was set for Wednesday, Sept. 14, 2016 at 3:30 at the Village Chambers to review the ordinance; review the Civil Infraction Ordinance; the Junk Ordinance; Noxious Weed Ordinance; Valid Zoning Ordinance, Planning Commission zoning duties; Brownfield Redevelopment Authority and Participate in the Fire Insurance Withholding Fund Program.

What we don't have are a Valid Civil Infraction tickets that are approve by the State Court Administration; updated Dangerous Building Ordinance; updated Building Demolition Ordinance; Dedicated Code Enforcement Officer, Construction Code Ordinance, Building Inspector; Property Maintenance Code Ordinance; Cost Recovery Ordinance, County Land Bank and local agreement with the Sate Land Bank Fast Track Authority.

OTHER BUSINESS:

- Jill Johnson from JJ's Tackle Shack is currently leasing property from the Village and she is asking to purchase the land and her building so she can expand her business. She would like to put up a boat storage building and in the future possibly add another business on the River Road frontage. The request will be reviewed with the Building Commission. Tom Hamilton was present and supports the property purchase that he feels will help the Marina area.

A motion was made by Smydra, second by Chastan, (CARRIED) to refer Jill Johnson request to purchase the JJ's Tackle Shack and land to the Building Committee.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

- Kim Langdon informed the council that the street light on the East end of town coming off Greenland Road never got moved to the corner closer to the new sign. At night it is difficult to see that intersection. The Village Manager will follow up on this.
- Bill Johnson informed the council that the Coast Guard had a meeting today at 1:00 p.m. at the Marina to discuss the desire to have a Coast Guard unit in Ontonagon. Training will be this winter and grants could be available if Village gets involved. Mr. Johnson is encouraging boaters to get involved with this program. President Waldrop asked Mr. Johnson for a write up of the program.

A motion was made by Smydra, second by Mogan, (CARRIED) to approve the expense of \$5,200.00 proposal engineering design to GEI for the DPW garage with time is of essence.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

A motion was made by Chastan, second by Smydra, (CARRIED) to request the Village Council to write a letter to U.P. Power concerning their billing errors and troubleshoot to understand their bills.

ROLL CALL:

AYES: All present at the meeting

Nays: None

ABSENT: Seid

At 7:21 pm a motion was made by Marks, second by Mogan, (CARRIED) to adjourn the meeting.

Marcia Aho-Black - Village Clerk

Date approved

August 25, 2016

Governor Rick Snyder
PO Box 30013
Lansing, MI 48909

Valerie Brader
Michigan Agency for Energy
PO Box 30221
Lansing, MI 48909

John Bear
MISO
PO Box 4202
Carmel, IN 46082

Dear Governor Snyder, Ms. Brader and Mr. Bear:

We have been reading with concern about the proposed plan for the power grid in Michigan's Western Upper Peninsula. We have always trusted that our system would become more reliable with time, not less. We understand, though we have never been contacted by MISO, ATC or any of the LSEs that are in favor of the proposal, that MISO is considering a termination of the White Pine Unit 1 SSR Agreement which has provided backup reliability in the Upper Peninsula of Michigan for the past 2-1/2 years.

We further understand that MISO plans to replace this critical generating resource with a 1998 operating protocol (so-called "radial reconfiguration") that will not provide the same level or assurance of reliability that the SSR Agreement has. In fact, we understand that the proposed "radial reconfiguration" will introduce an additional reliability risk (so-called "consequential load loss") that will directly affect the quality and reliability of electric service in our segment of the transmission system.

Although we struggle with the complexity of the change, we do appreciate the goal of lower electrical costs, and the long-term solution of generating more power in the U.P. while maintaining jobs. However, we cannot accept a degradation of electric reliability in our area because it will have a potentially devastating impact on our residents that will jeopardize the health and survival of our most rural residents who depend on a continuous and reliable power source for their daily lives.

We also struggle with the fact that MISO, ATC nor the Governor's Office have been transparent about this plan, did not inform us of their abrupt about-face of the reliability requirements and have pushed their proposal forward without subjecting it to the close scrutiny and analysis that it deserves, or to consideration by the stakeholders who will be adversely impacted by it.

We urge MISO and ATC to reconsider this proposal and, at a minimum, reassess its plan by applying at least as rigorous study as it did over the past 2-1/2 years when it repeatedly found that the White Pine 1 SSR Agreement was needed to provide electric reliability in the area.

Ontonagon Village and Ontonagon County depend on reliable power for our communities and we cannot tolerate or accept any reduction in electrical service without seriously and significantly compromising the health and wellbeing of our residents in this region of the western Upper Peninsula.

Sincerely,

Village Board of Commissioners
Ontonagon County Board of Commissioners

For Immediate Release

White Pine Electric Power Group Statement Regarding the Cancellation of the System Support Resource Agreement

White Pine, Michigan (Sept 1): The Midcontinent Independent System Operator (MISO) has executed a 90-day notice cancelling the System Support Resource (SSR) services of White Pine Electric Power, LLC, effective November 26, 2016. This decision puts Michigan citizens at risk for a reduction in electrical reliability within the Western Upper Peninsula, as stated in the study used to support the cancellation.

The MISO study used to determine the cancellation of the White Pine Unit 1 System Support Resource Agreement did not properly evaluate all of the scenarios related to unplanned power outages, putting the most vulnerable and marginalized citizens at risk. It is critical that MISO re-evaluate and properly study all systemic shortcomings in the existing system and the very real risks they pose to the citizens of the state of Michigan.

The White Pine facility provides a critical failsafe for Michigan's vulnerable power grid in the very real situations of unplanned or peak power needs throughout the Western Upper Peninsula region.

To address that vulnerability the decision has been made to begin construction on two 170 megawatt generators that will come on line in 2020. However that still leaves four years until this new infrastructure is constructed, which means four years of vulnerability for the majority of the Western Upper Peninsula. The reliability of the system is in a compromised position, especially since it sits in one of the most unpredictable regions for weather in the entire country.¹

"White Pine provides a reliable service in very specific and potentially catastrophic situations such as unplanned outages resulting from ice storms and other natural disasters, as well as providing backup power when other facilities are down for planned maintenance," said Brent Zettl, Chairman of the Board, White Pine Electric Power. "This is a short-sighted decision by MISO that they claim is about utility rates. It should be about ensuring that there is reliable power for all residents in the Western Upper Peninsula until the new generators are fully functional. We are talking here about the equivalent to a cup of coffee per month to keep White Pine operational in critical situations."

Since the White Pine Unit 1 System Support Resource Agreement was signed in 2014, the facility has been called upon multiple times, providing up to 17,500 kilowatt hours of energy within the area. The MISO study concluded that the removal of the White Pine Support Agreement would continue to reduce the electrical reliability in the state and increase the risk of consequential load loss.

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For more information please contact:

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Dara Willis Communications
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ⁱ <http://fivethirtyeight.com/features/which-city-has-the-most-unpredictable-weather/>



P.M. Power Group, Inc.

29639 Willow Road, P.O. Box 695, White Pine, MI, 49971 · Phone: (906) 885-7100 · Fax: (906) 885-7400

White Pine Electric Power Comments

<http://whitepineelectric.com/index.html> and look up White Pine Electric Power on Facebook.

1. Reliable, state-of-the-art technology: White Pine Electric is a clean burning (natural gas) facility, fully converted from coal in 2014. All coal-related equipment was removed. White Pine's turbine was then completely refurbished in 2015 ensuring full function and reliability through 2025
2. White Pine Electric has been 100% reliable when called upon by MISO to operate. The 2015 outage was preplanned and approved to support the turbine refurbishment (overhaul). White Pine operates at peak capacity 20 megawatt net – 17 megawatt output when called upon.
3. The White Pine SSR is a short term "bridge" to ensure electrical reliability for the citizens of Michigan. All parties were clear that the need of the White Pine SSR would be for 3-5 years while other investments into power generation were complete, and the ATC Power Line to the U.P would be complete (neither of which have begun to date). And if neither of these options came online, White Pine could stay active until the new electrical generator comes on stream expected in 2020.
4. Reduced Electrical Reliability: Premature closure of the White Pine SSR puts people and businesses at serious risk, due to a significant reduction in electrical reliability for 72 to 74% of the Western Upper Peninsula. Simply, this means that during any power outage, the Western U.P. will be without power until whatever failed or malfunctioned is fixed.
5. Although the ATC Proposal, which includes the plan of using radial configuration when necessary, leaves the electrical reliability strong in the Eastern U.P., ATC has ignored the shortfalls of this plan when the Western U.P. is taken into consideration. This proposal places approximately ⅓ of the households and businesses of the Western U.P. at serious risk. Western U.P. businesses and households would need to secure/purchase their own backup generators.
6. Both UPPCO & MAE have misled the public, citing "cost" as the rationale for closing White Pine. This, while benefiting from a unilaterally from a 4.47% rate increase, equating to \$4,647,975 revenue for UPPCO, a significantly larger burden on ratepayers than the \$2.50 per meter charge for White Pine's service as the cost effective "emergency backup generator" for the Western U.P. Without a doubt, any outage lasting more than two day would result in a cost greater than the \$7M attributable to the federally-approved White Pine SSR
7. Most importantly, the human element has been completely ignored throughout the ATC radial configuration plan and MISO's subsequent evaluation. Although closing White Pine technically meets the "planning criteria" and "acceptable load loss", it further guarantees a reduction in electrical reliability thereby marginalizing the employers and families of the Western U.P. A load loss up to three weeks would be disastrous for this region.
8. This really is a classic case of Regulatory Manipulation vs. the Human Element. Sound familiar?



P.M. Power Group, Inc.

29639 Willow Road, P.O. Box 695, White Pine, MI, 49971 · Phone: (906) 885-7100 · Fax: (906) 885-7400

Conclusion: Energy reliability in the Western U.P.—as in the rest of the state of Michigan—is best served via redundant systems to minimize the risk of planned and unplanned power outages. The White Pine SSR should be allowed to continue operating until either new generation or ATC's transmission upgrades are completed, as originally planned and approved by regulatory agencies.