

# **Electric City Power, Incorporated**

## **Regular Meeting of the Board of Directors**

December 3, 2007, 5:30 p.m.  
Gibson Room - Great Falls Civic Center

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## **Electric City Power, Incorporated**

Regular Meeting of the Board of Directors

December 3, 2007, 5:30 p.m.

Gibson Room - Great Falls Civic Center

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### **AGENDA**

Call to Order 5:30 PM

Roll Call

#### **A. EXECUTIVE DIRECTOR REPORT**

1. Highwood Generating Station financing update

#### **B. UNFINISHED BUSINESS**

#### **C. NEW BUSINESS**

1. Accept Board Meeting Minutes from November 5, 2007
2. City Commission Reappointment, Electric City Power, Inc. Board of Directors. Reappointed Robert Pancich to the Electric City Power, Inc. Board of Directors for a six year term through December 31, 2013.

#### **D. BOARD MEMBER REPORTS**

#### **E. COMMUNICATIONS**

1. Public Comment

#### **F. ADJOURN**

#### **H. NEXT BOARD MEETING**

January 7, 2008

004017

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# Electric City Power, Incorporated

## JOURNAL OF BOARD PROCEEDINGS

### November 5, 2007

Electric City Power, Incorporated (ECPI): Regular meeting of the Board of Directors  
Great Falls Civic Center, Gibson Room

**CALL TO ORDER:** 5:30 PM

**ROLL CALL:** Directors present: Chairman Bob Pancich, George Golie, Bill Ryan and Dawn Willey. Also present were the ECPI Executive Director, City Manager, Assistant City Manager and the City Clerk.

#### **EXECUTIVE DIRECTOR REPORT**

Executive Director Coleen Balzarini updated the Board on the following:

Chairman Robert Pancich's term expires December 31, 2007. The bylaws do not limit terms. Mr. Pancich is eligible to be reappointed and, if he is interested, his name will be submitted to the City Commission with the recommendation that he be reappointed to a new six year term.

Ms. Balzarini explained that the minutes have not included signature lines and there was no way to determine originals. She stated she updated all the Board minutes with the Executive Director/Secretary's signature retroactively and approved dates reflecting the date of execution.

Ms. Balzarini updated the Board on the Wholesale Power Contract between Southern Montana Electric and the City of Great Falls. Each party signed off on the agreement through the life of the Highwood Generating Station facility. The agreement is essentially the same, but adds more detail of duties and responsibilities. Bill Ryan noted that language regarding distribution system ownership was included, but he stated it is not ECPI's intention of acquiring NorthWestern Energy poles or wires. The wording was included to recognize the authority exists in the event substations or something similar is required to be purchased by ECPI to ensure energy delivery to its customers.

004018

## I. UNFINISHED BUSINESS

Ms. Balzarini advised that the PSC is in the rule making process for HB25. Counsel submitted questions to the PSC asking for clarification with regard to the effect HB25 has on ECPI's licensing requirements. George Golie asked if the attorneys were looking at where the pilot program exists in the rule making process. Ms. Balzarini stated if no changes were made to energy supply laws, it was her understanding that as pilot program customers drop off or go away, so will the program.

## II. NEW BUSINESS

Accept Board Meeting Minutes of September 10, 2007. George Golie moved to accept the Board minutes from the September 10<sup>th</sup> meeting. Bill Ryan seconded the motion, and the minutes were approved by the Board unanimously.

Approve Assignment and Assumption Agreement between ECPI and the City of Great Falls. Ms. Balzarini explained that the City is the member of SME, and the City created ECPI to serve its electric customers. This agreement is a bridge document that allows ECPI use of the customer contracts as security for HGS financing, as well as assigning duties and responsibilities related to the energy supply business created by the City to ECPI. The City Commission approved this agreement on October 2, 2007. George Golie moved to approve the Assignment and Assumption Agreement between ECPI and the City of Great Falls. Dawn Willey seconded the motion, and the agreement was approved by the Board unanimously.

## III. BOARD MEMBER REPORTS

## IV. COMMUNICATIONS

### Public Comment.

Mary Jolley commented that the Great Falls legislators voted to buy the poles and lines from NorthWestern, but it failed. Ms. Jolley inquired what the rates will be that the City will charge when approved. Ms. Balzarini answered that the rates will be the same as the City of Great Falls is being charged.

Kathleen Gessaman requested a copy of the Assignment and Assumption Agreement between ECPI and the City of Great Falls, and Bill Ryan provided her a copy.

Ron Gessaman stated he arrived late and inquired if there was mention earlier of the Montgomery Energy lawsuit, and was informed no. Mr. Gessaman discussed the lawsuit and how it might affect the Highwood Generating Station. It was his opinion that this Board should investigate this lawsuit. Mr. Gessaman commented about the Board Member terms and the bylaws, and that a certification or attestation should be added to the minutes to swear the wording is accurate.

**ADJOURN:** Chairman Bob Pancich adjourned the meeting at 6:00 p.m. The next meeting is set for December 3, 2007, at 5:30 p.m. in the Gibson Room of the Great Falls Civic Center.

Attest:

\_\_\_\_\_  
Coleen Balzarini, Executive Director/Secretary

Date: \_\_\_\_\_

004020

ITEM Reappointment, Electric City Power, Inc. Board of Directors

INITIATED BY City Commission

ACTION REQUESTED Reappoint One Member

PRESENTED BY City Commission

**RECOMMENDATION:** It is recommended that the City Commission reappoint Robert Pancich to the Electric City Power, Inc., Board of Directors for a six-year term through December 31, 2013.

**MOTION:** I move the Commission reappoint Robert Pancich to the Electric City Power, Inc., Board of Directors for a six-year term through December 31, 2013.

**SYNOPSIS:** The Board of Directors of Electric City Power, Inc. consists of five directors. Initial appointments were made on January 3, 2006, and Robert Pancich was appointed to the staggered two-year term through December 31, 2007. Per Resolution 9484, adopted by the City Commission on May 17, 2005, members of any single Board or Commission are eligible to serve two consecutive terms, exclusive of time served on any unexpired term. Mr. Pancich is eligible for and interested in reappointment.

**BACKGROUND:** On November 1, 2005, the City Commission adopted Ordinance 2925 which restructured Electric City Power as a non-profit organization. Resolution 9529 adopted the Articles of Incorporation and Resolution 9530 adopted the Bylaws on November 15, 2005. Bylaws state that the Board of Directors shall consist of five directors to be appointed by the City Commission. The term of office will be six years, with initial appointments to be staggered terms.

Current members of this board include:

- George M. Golie (12/31/2009)
- Randy Gray (12/31/2009)
- William M. Ryan (12/31/2011)
- Dawn R. Willey (12/31/2011)

**Consent Agenda.**  
**Approved as printed.**

**CONSENT AGENDA**

7. Minutes, November 6, 2007, Commission meeting.
8. Total Expenditures of \$1,367,488 for the period of October 30 through November 14, 2007, to include claims over \$5,000, in the amount of \$1,102,609.
9. Contracts list.
10. Set public hearing for December 4, 2007, for CDBG/HOME Community Needs.
11. Set public hearing for December 4, 2007, for consideration of sale of city-owned land, west ½ of Lot 1, Block 76, Original Townsite.
12. Approve Escrow Agreement with the Montana Department of Transportation and the Montana Board of Investments regarding reconstruction of 2<sup>nd</sup> Avenue North, Park Drive to 15<sup>th</sup> Street.

**Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the City Commission approve the Consent Agenda as presented.**

Mayor Stebbins inquired if there was any comment from the public regarding the consent agenda. No one responded.

Motion carried 5-0.

**BOARDS & COMMISSIONS**

**13. REAPPOINTMENT, ELECTRIC CITY POWER, INC. BOARD OF DIRECTORS.**

**Robert Pancich**  
**reappointed to Electric**  
**City Power, Inc. Board of**  
**Directors.**

Request to reappoint Robert Pancich to the Electric City Power, Inc. Board of Directors for a six year term through December 31, 2013.

**Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the City Commission reappoint Robert Pancich to the Electric City Power, Inc. Board of Directors for a six year term through December 31, 2013.**

Mayor Stebbins inquired if there was any comment from the public regarding the reappointment of Mr. Pancich.

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue N.E., stated that he did not believe Mr. Pancich deserves reappointment; that he does a poor job in that he hasn't followed the by-laws, doesn't know the articles of incorporation and isn't here tonight to represent himself.

**George Golie**, 316 20<sup>th</sup> Avenue South, served with Mr. Pancich for the last two years on the Electric City Power Board. Mr. Golie believes Mr. Pancich is more than qualified to serve on that Board, has attended every

meeting except one, built relationships with electrical parties in the state, has done a good job, is an asset, and has been responsive to everyone that has come before the Board.

**Mary Jolley**, 1910 2<sup>nd</sup> Avenue North, requested the Commission give Mr. Pancich direction to pay attention to the by-laws and City codes, and for ECPI to sustain itself.

Commissioner Hinz added that Mr. Pancich is an asset in that he has a good working relationship with the Montana Board of Investments and worked decades in the banking business.

Motion carried 5-0.

**14. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

**CITY MANAGER**

**15. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

**CITY COMMISSION**

**16. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Commissioner Beecher brought the public up to date on the process of selecting a new City Manager.

**PETITIONS AND COMMUNICATIONS**

**17. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Mayor Stebbins opened the meeting to Petitions and Communications.

**17A. Brett Doney**, 3048 Delmar Drive, on behalf of the Great Falls Development Authority, advised that he has been working with the Air Force on the coal to liquid refinery. The Board of Directors voted unanimously this morning to recommend that the City Commission and County Commission jointly appoint a task force and urged that they involve members of the Committee of Eighty, the Chamber, the Development Authority, as well as a representative of the Governor. The Air Force is working on a Conceptual Opportunity Study, a preliminary feasibility study, which they expect to be completed by December.

Commissioner Jovick-Kuntz inquired if there is going to be a public process since this is on federal land.

Mr. Doney responded that is why they felt a City/County appointed task force that would meet in public would have greater standing in working the state

**City/County Appointed  
Task Force.**

## Weighted Average Price of Electricity traded in Mid-Columbia

### 30-Day Electricity Prices at Mid-Columbia

Date	Firm On Peak	Volume MWHS	Firm On Peak High	Firm On Peak Low	Firm Off Peak	Volume MWHS	Firm Off Peak High	Firm Off Peak Low	Non Firm On Peak	Volume MWHS	Non Firm Off Peak	Volume MWHS	Sunday & NERC 24 Hr	Volume MWHS	Sunday & NERC Peak High	Sunday & NERC Peak Low
11/10/07	\$64.38	80,480	\$67.50	\$58.50	\$53.50	17,600	\$58.00	\$51.75								
11/09/07	\$64.38	80,480	\$67.50	\$58.50	\$53.50	17,600	\$58.00	\$51.75								
11/08/07	\$69.41	48,432	\$74.00	\$64.75	\$59.47	21,568	\$60.00	\$57.00								
11/07/07	\$69.41	48,432	\$74.00	\$64.75	\$59.47	21,568	\$60.00	\$57.00	\$69.38	0	\$54.24	165				
11/06/07	\$63.98	39,536	\$66.00	\$62.75	\$54.67	11,720	\$55.50	\$54.00	\$69.40	235	\$52.00	25				
11/05/07	\$65.57	50,032	\$67.50	\$63.75	\$61.10	18,312	\$62.50	\$59.00	\$60.12	798	\$52.00	6				
11/04/07	\$64.25	4,000	\$66.50	\$63.50	\$54.34	3,200	\$55.50	\$52.00	\$55.27	275	\$46.00	50	\$61.10	54,936	\$62.50	\$59.00
11/03/07	\$66.08	44,880	\$67.50	\$62.60	\$57.37	12,976	\$59.00	\$55.00	\$57.67	225	\$53.24	410				
11/02/07	\$66.08	44,880	\$67.50	\$62.60	\$57.37	12,976	\$59.00	\$55.00	\$68.00	50	\$55.00	25				
11/01/07	\$71.67	53,616	\$74.00	\$68.00	\$59.13	11,584	\$61.50	\$58.50	\$70.75	0	\$59.25	0				
10/31/07	\$72.05	42,256	\$75.00	\$70.00	\$57.95	13,176	\$60.00	\$56.75	\$54.60	125	\$57.09	335				
10/30/07	\$68.35	36,832	\$69.70	\$66.50	\$56.05	10,432	\$57.00	\$55.25	\$67.73	0	\$43.14	70				
10/29/07	\$67.21	41,216	\$69.00	\$65.75	\$59.88	9,504	\$61.00	\$58.50	\$70.00	125	\$48.00	50				
10/28/07	\$66.61	9,232	\$67.00	\$65.00	\$52.00	1,400	\$52.00	\$52.00	\$59.95	0	\$45.00	100	\$59.88	28,512	\$61.00	\$58.50
10/27/07	\$62.42	39,488	\$67.00	\$60.00	\$54.62	10,224	\$55.75	\$53.00	\$66.49	285	\$65.91	515				
10/26/07	\$62.42	39,488	\$67.00	\$60.00	\$54.62	10,224	\$55.75	\$53.00	\$62.50	0	\$55.00	80				
10/25/07	\$60.31	32,288	\$64.00	\$61.00	\$51.45	10,344	\$52.40	\$51.00	\$61.39	230	\$51.13	0				
10/24/07	\$66.96	32,656	\$68.50	\$65.50	\$55.34	9,936	\$56.25	\$54.00	\$59.64	275	\$50.00	49				
10/23/07	\$74.07	55,200	\$100.00	\$67.50	\$55.81	11,192	\$60.50	\$53.50	\$67.89	53	\$55.48	164				
10/22/07	\$66.03	48,944	\$68.00	\$65.00	\$57.93	6,608	\$58.75	\$57.00	\$62.00	35	\$58.13	0				
10/21/07	\$63.85	12,144	\$64.25	\$58.25	\$52.14	2,456	\$58.25	\$52.00	\$62.00	50	\$52.14	0	\$57.93	19,824	\$58.75	\$57.00
10/20/07	\$60.36	42,048	\$62.00	\$59.50	\$53.14	11,936	\$53.50	\$52.75	\$55.64	235	\$53.13	0				
10/19/07	\$60.36	42,048	\$62.00	\$59.50	\$53.14	11,936	\$53.50	\$52.75	\$60.75	0	\$54.44	135				
10/18/07	\$62.04	45,872	\$63.75	\$61.00	\$51.66	13,944	\$52.50	\$50.25	\$55.00	245	\$50.50	100				
10/17/07	\$62.82	39,072	\$64.50	\$60.00	\$52.59	12,696	\$53.00	\$51.00	\$57.00	15	\$52.13	0				
10/16/07	\$62.01	31,664	\$64.25	\$60.00	\$50.35	10,672	\$51.50	\$49.50	\$57.87	115	\$41.71	378				
10/15/07	\$59.36	40,704	\$60.25	\$57.75	\$54.39	7,928	\$55.00	\$52.50	\$60.00	131	\$57.05	220				
10/14/07	\$58.50	2,000	\$60.00	\$58.00	\$48.56	3,400	\$50.00	\$47.00	\$61.97	800	\$48.95	0	\$54.39	23,784	\$55.00	\$52.50
10/13/07	\$58.02	44,176	\$62.05	\$56.75	\$49.93	11,928	\$50.50	\$49.50	\$59.09	275	\$49.75	0				
10/12/07	\$58.02	44,176	\$62.05	\$56.75	\$49.93	11,928	\$50.50	\$49.50	\$59.40	0	\$47.89	435				
10/11/07	\$58.90	33,456	\$60.75	\$58.00	\$48.85	11,528	\$50.00	\$47.25	\$61.77	1,955	\$51.09	764				
10/10/07	\$57.55	19,952	\$59.25	\$56.00	\$46.97	14,888	\$49.00	\$46.25	\$59.17	113	\$47.61	115				

004024