

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, July 12, 2011

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Stephanie Tvardek,
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940

Posting Date: 7-7-11
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Regular Meeting of June 28, 2011.

3. Old Business

None.

4. New Business

- a. Consideration of attorney-client privileged information. (Possible Closed Session) (W. Peter Doren)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Review of staff objectives. (Rice)
 2. Review of TCL&P organizational chart. (Rice)
- c. From Board.

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, June 28, 2011

Board Members -

Present: Jim Carruthers, Michael Estes, Ralph Soffredine, John Taylor, Linda Johnson, Mike Coco

Absent: John Snodgrass

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Stephanie Tvardek, Denise Kuschell

The meeting was called to order at 5:16 p.m. by Chairman Coco.

With no objection from the Board, Chairman Coco moved New Business item 4(b) to be considered before Old Business.

Item 2 on the Agenda being Consent Calendar

Moved by Soffredine, seconded by Johnson, that the following actions, as recommended on the Consent Calendar portion of the Agenda, be approved:

- a. Minutes of the Regular Meeting of June 14, 2011.
- b. 2011-2012 Budget adoption.

CARRIED unanimously. (Snodgrass absent)

Item 4 on the Agenda being New Business

- 4(b). Consideration of renewing an agreement with Traverse Bay Economic Development Corporation.

Presentation from Tino Breithaupt, Phil Franzo and Doug DeYoung of the Traverse Bay EDC.

Moved by Johnson, seconded by Soffredine that the Board authorizes the Executive Director to enter into an agreement with Traverse Bay Economic Development Corporation for 2011-2012 professional services in the amount of \$25,000.

Roll Call Vote:

Yes – Soffredine, Taylor, Johnson, Coco

No – Carruthers, Estes

CARRIED.

Item 3 on the Agenda being Old Business

- a. Consideration of Power Cost Recovery rate stabilization.

Moved by Estes, seconded by Carruthers, that the Board approves the Executive Director capping the customer Fuel Power Cost Adjustment (PCR Recovery) for all L&P residential customers at \$0.00681/kWh through June 30, 2012, pursuant to his stabilization authority under that rate.

Roll Call Vote:

Yes – Carruthers, Estes, Taylor, Johnson, Coco

No – Soffredine

CARRIED.

Item 4 on the Agenda being New Business

- 4(a). Consideration of creating an In-city Residential Rate Class.

It was the consensus of the Board to not consider this agenda item.

- 4(c). Consideration of a Light and Power Bargaining Unit Economic Increase.

No action taken.

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

- A. From Legal Counsel.

1. W. Peter Doren offered to discuss the Great Wolf Lodge court case with any interested Board members.

- B. From Staff.

1. Ed Rice spoke re: the Kalkaska Combustion Turbine.

- C. From Board.

None.

There being no objection, Chairman Coco declared the meeting adjourned at 7:07 p.m.

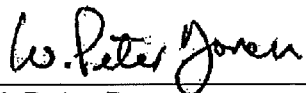


TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: W. Peter Doren, General Counsel
Date: July 7, 2011
Subject: Closed Session

I request that the Light and Power Board go into closed session to discuss Confidential Attorney-Client Privileged letters from legal counsel, John P. Racine, dated July 6, 2011 and April 19, 2010. When the Board returns to open session following that closed session, no action is being requested of the Board. Please adopt the following motion by a two-thirds vote (five affirmative votes) and upon roll call:

MOVED BY _____, SECONDED BY _____,
to go into closed session to consider material exempt from disclosure by the
Freedom of Information Act, being information subject to the attorney-client
privilege.



W. Peter Doren



1. Ensure employee and public safety.

- Achieve APPA safety accreditation by 12/31/12
- Map location of all TCL&P electric underground facilities by 12/31/12
- Customize TCL&P electric line engineering standards by 12/31/12
- Completely rehabilitate 1 substation distribution circuit per year for the next 10 years
- Develop and implement a service center disaster drill by 7/1/12
- Revitalize TCL&P Safety Committee by 12/31/11

2. Resolve long term baseload requirement deficiencies.

- Evaluate long-term base load power supply options for 2016 implementation and make recommendations by 6/30/12
- Complete evaluation of the Kaskaska Combustion Turbine and make recommendations by 12/31/11
- Evaluate emerging and existing MPPA projects

3. Insulate customers from volatile power market prices while keeping rates competitive.

- Analyze the application for an Energy Supply Risk Management policy by 6/30/12
- Analyze Demand Side Management for commercial and industrial customers and make recommendations by 6/30/12
- Determine the Renewable Energy Credit (REC) financial benefit to TCL&P through 6/30/12
- Manage TCL&P's Distribution, Transmission and other Operating Expenses (\$10.5m) to limit a 1% annual increase (including inflation) through 2015
- Manage Purchase Power Generation expenses to not exceed \$21,500,000 per year through 2014

4. Provide a high level of transmission and distribution system reliability.

- Finalize and implement a disaster recovery plan by 6/30/12
- Completely rehabilitate 1 substation distribution circuit per year for the next 10 years
- Engineer and construct the East Side Transmission Project by 12/31/13
- Engineer and construct the South Distribution Substation Project by 6/30/13
- Replace 2000 feet per year of old and failing primary underground distribution cable per year for the next 5 years

5. Improve communication with the community.

- Attend, with Board Members, Traverse City Neighborhood Association meetings on a quarterly basis
- Launch new TCL&P website by 10/1/11
- Implement a TCL&P commercial and industrial customer newsletter by 1/1/12

- Develop an email newsletter 12/1/11
- Convene 3rd annual TCL&P open house on 10/8/11
- Develop TCL&P 100th Anniversary Program by 11/1/11
- Create program specific brochures regarding energy efficiency, net metering and community solar

6. Promote energy efficiency, conservation and provide our customers the information and tools to best manage their energy use.

- Achieve Energy Optimization reduction of 1.75% per year through 2015 (mainly focused on C&I customers)
- Replace 100 HPNa with LED street lights per year
- Analyze, design and implement a smart metering program by 12/31/12
- Develop an electric vehicle program for TCL&P by 6/30/12
- Distribute 200 Power Cost Monitors to residential customers in conjunction with an energy home audit per year for the next 10 years

7. Promote a culture of continuous improvement throughout the organization.

- Continue to convene quarterly all employee information meetings
- Develop and implement mobile computer terminals for field application by 6/30/12
- Implement Wi-Fi application for the DDA by 12/31/11
- Analyze, engineer and implement a Fiber To The Premise (FTTP) pilot program by 6/30/12
- Continue Hastings Street Service Center site re-development
- Negotiate new Bargaining Unit contract by 7/1/12


8. Determine customer and community interest in local generation with a baseload goal of 30MW.

- Attend, with Board Members, Traverse City Neighborhood Association meetings on a quarterly basis
- Develop a customer information program in conjunction with the Chamber of Commerce
- Expand meetings with TCL&P commercial and industrial customers
- Develop and implement by 12/31/11 a customer survey that is focused on customer expectations for the type and location of electric generation

9. Reduce the L&P carbon footprint through a diversified portfolio and renewable energy sources.

- Reduce TCL&P caused electric generation carbon emissions by 50% by 12/31/15
- Implement a 50kw Community Solar Project by 6/30/12
- Investigate non-carbon based forms of electric generation for economic justification



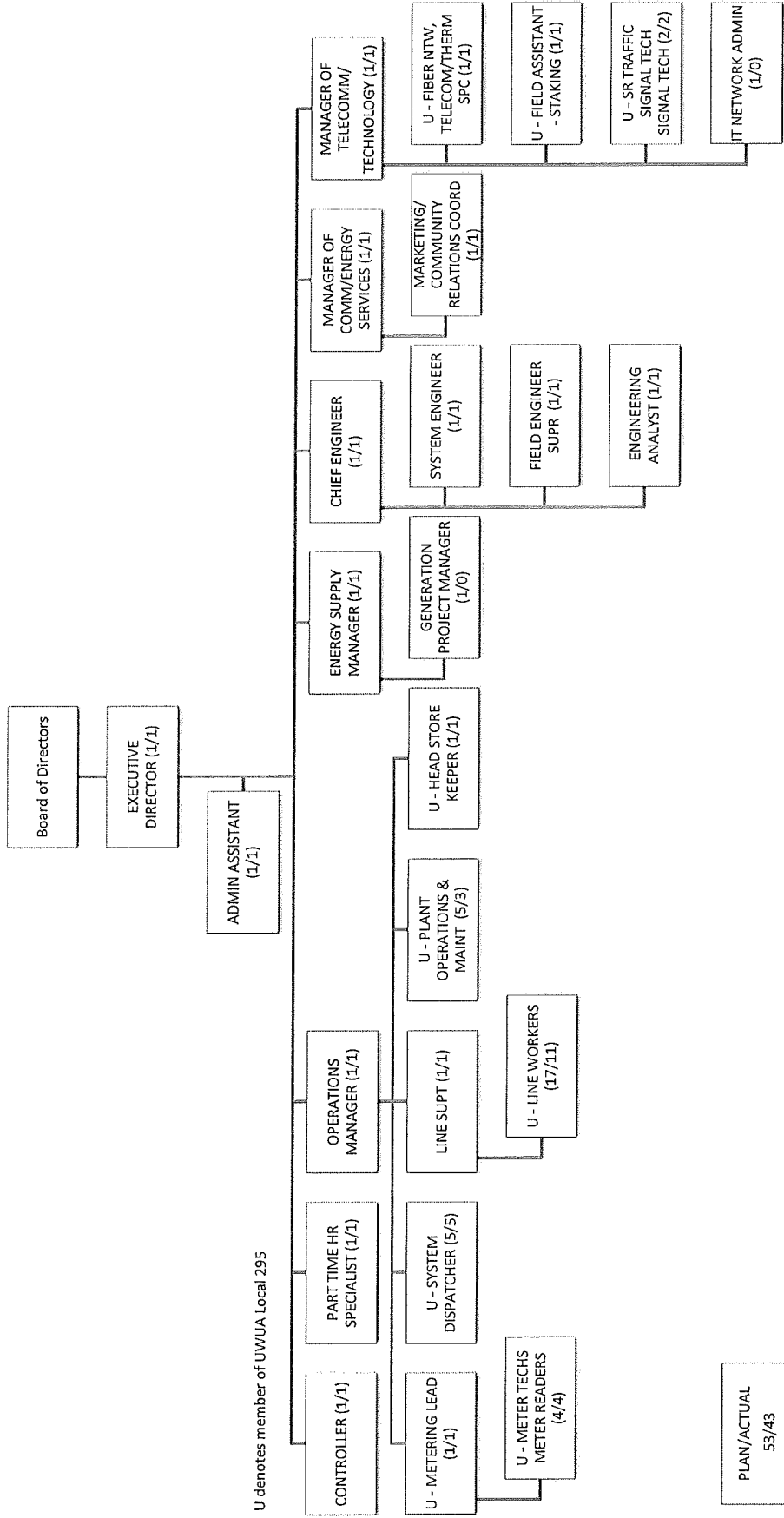
To: Light & Power Board
From: Ed Rice 
Date: July 7, 2011
Subject: Organizational Chart

Attached is the organization chart for the Light & Power (L&P) Department.

Board Member Estes has requested the chart be provided for board discussion and review to achieve a better understanding of the functions of the L&P department.

I believe the current L&P organization chart, which was approved by the board on February 23, 2010, contains the necessary positions and structure to achieve the goals of the Board as L&P continues to provide safe, reliable and cost effective electric service to the citizens and businesses of Traverse City and the surrounding area.

Traverse City Light Power Organizational Chart



Date Approved: February 23, 2010