

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, August 9, 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.

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Posting Date: 8-5-11
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 July 12, 2011.

3. Old Business

- a. Consideration of approving strategic objectives. (Rice)
- b. Consideration of real property purchase. (Possible Closed Session) (Rice)

4. New Business

None.

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 - 1. Verbal report re: Cherry Republic Project. (Rice)
 - 2. Verbal report re: recent MPPA meeting. (Rice)
 - 3. Verbal report re: communication efforts with commercial and industrial customers concerning Power Supply Costs. (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, July 12, 2011

Board Members -

Present: Jim Carruthers, Michael Estes, John Snodgrass, Ralph Soffredine, Mike Coco

Absent: John Taylor, Linda Johnson

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, Tim Arends, Stephanie Tvardek, Jim Cooper, Jessica Wheaton, Denise Kuschell

The meeting was called to order at 5:17 p.m. by Chairman Coco.

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of June 28, 2011.

CARRIED unanimously. (Taylor, Johnson absent)

Item 3 on the Agenda being Old Business

None.

Item 4 on the Agenda being New Business

- 4(a). Consideration of attorney-client privileged information.

Moved by Soffredine, seconded by Snodgrass, to go into closed session immediately after Public Comment to consider material exempt from disclosure by the Freedom of Information Act, being information subject to attorney-client privilege.

Roll Call Vote:

Yes – Carruthers, Estes, Snodgrass, Soffredine, Coco

No – None

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

A. From Legal Counsel.

None.

B. From Staff.

1. Ed Rice presented staff objectives.
2. Ed Rice spoke re: TCL&P organizational chart.
3. Ed Rice spoke re: the Kalkaska Combustion Turbine.

C. From Board.

1. John Snodgrass spoke re: the PCR and the need to notify our commercial and industrial customers of its affect on their bills.

There being no objection, Chairman Coco declared the meeting adjourned at 6:45 p.m. and the Board entered into Closed Session.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Ed Rice, Executive Director *ER*
Date: August 5, 2011
Subject: Approval of Strategic Objectives

Attached for your review are staff's recommended Strategic Objectives that have been slightly modified based on the Board's input at its July 12, 2011 meeting.

Staff agrees with the board and fully understands that some objectives will have to be completed before others are undertaken; i.e., gauging public/citizen sentiment regarding local generation before staff makes a recommendation regarding same.

If the Board supports the staff objectives as presented, the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____, THAT THE BOARD APPROVES THE STAFF OBJECTIVES AS PRESENTED RELATED TO THE 2011 BOARD APPROVED STRATEGIC GOALS; AND FURTHER DIRECTS STAFF TO PROVIDE UPDATES TO THE BOARD PERIODICALLY ON THE STAFF'S PROGRESS OF THESE OBJECTIVES.

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 baseload power supply options ~~for 2016 implementation~~ and make recommendations by 6/30/12 upon completion of a public input process.
- Complete evaluation of the Kalkaska 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 by 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



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Edward E. Rice, Executive Director 
Date: August 3, 2011
Subject: Closed Session – Real Property Purchase

Pursuant to the Open Meetings Act, I request a closed hearing of the Light & Power Board to consider the purchase of real property.

A Roll Call vote is required with 5 affirmative votes.

The following recommended motion would be appropriate to do so:

MOVED BY _____, SECONDED BY _____,
THAT THE TRAVERSE CITY LIGHT & POWER BOARD GO INTO CLOSED
SESSION IMMEDIATELY AFTER PUBLIC COMMENT TO CONSIDER THE
PURCHASE OF REAL PROPERTY.