

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**TUESDAY, January 10, 2012**

At

**5:15 p.m.**

In The

**COMMISSION CHAMBERS**  
(2<sup>nd</sup> 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: 1-6-12  
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 December 27, 2011.

#### 3. Old Business

None.

#### 4. New Business

- a. Consideration of adopting "L&P Customers Care" Program. (Wheaton)

#### 5. Appointments

None.

#### 6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
  1. Discussion of underground analysis: converting overhead to underground. (Rice)
  2. Update re: Community Solar. (Cooper)
  3. Discussion of Budget Review Process/Dates. (Rice)
  4. Update re: upcoming 100<sup>th</sup> Anniversary Energy Efficiency Contests. (Wheaton)
  5. Update re: L&P website. (Wheaton)
  6. Verbal update re: Kids Creek Commons Neighborhood Association meeting on January 15, 2012. (Wheaton)
  7. Verbal update re: TCL&P Co-hosting the Chamber's Energy & Energy Efficiency Business After Hours event on February 15, 2012. (Wheaton)
- c. From Board.

#### 7. Public Comment

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Commission Chambers, Governmental Center  
Tuesday, December 27, 2011

**Board Members -**

Present: Barbara Budros, Jim Carruthers, Patrick McGuire, John Snodgrass, Linda Johnson, Mike Coco

Absent: John Taylor

**Ex Officio Member -**

Absent: R. Ben Bifoss

**Others:** Ed Rice, W. Peter Doren, Tim Arends, Karen Feahr, Stephanie Tvardek, Jim Cooper, Jessica Wheaton, Denise Kuschell, Glen Dine

The meeting was called to order at 5:15 p.m. by Chairman Coco.

**Item 2 on the Agenda being Consent Calendar**

Moved by Carruthers, 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 December 13, 2011

CARRIED unanimously. (Taylor absent)

**Item 3 on the Agenda being Old Business**

None.

**Item 4 on the Agenda being New Business**

- 4(a). Consideration of Lead Lineworker Job Reclassification.

Moved by Johnson, that the L&P Board offer a letter of understanding to the Light & Power Bargaining Unit UWUA Local 295 that establishes a new wage scale and job descriptions for Grade 10 employees, as recommended by the Executive Director, with an effective date of January 1, 2012.

Motion failed due to lack of support.

Continued discussion amongst the Board regarding New Business item 4(a).

No action taken by the Board.

**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 spoke re: the process to issue a license to the Tall Ship. He has requested the City Attorney to issue an opinion and is waiting for her response.
2. W. Peter Doren gave an update on the Brewery Creek tax appeal.

B. From Staff.

1. Ed Rice spoke re: the history of L&P Contributions.
2. Ed Rice and Karen Fehr reported on the evaluation of the Kalkaska Combustion Turbine.

C. From Board.

1. Barbara Budros referenced the recent survey in the Record Eagle re: burying utility lines.
2. Mike Coco requested an update re: Community Solar at an upcoming board meeting.

**Item 7 on the Agenda being Public Comment**

No one from the public commented.

There being no objection, Chairman Coco declared the meeting adjourned at 6:32 p.m.

/st

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Edward E. Rice, Secretary  
LIGHT AND POWER BOARD



TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** Jessica Wheaton  
**Date:** January 2, 2012  
**Subject:** L&P Customers Care Program

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Due to customer interest and at the request of past board members Ralph Soffredine and Michael Estes, staff has developed the *L&P Customers Care Program*. The program would be funded completely by Traverse City Light & Power (L&P) customers who elect to participate by donating money through the payment of their monthly utility bill.

The following is an overview of the proposed *L&P Customers Care Program*:

- Customers can elect to donate an additional \$1, \$2, \$5, or \$10 per month on their utility bill or make a one-time donation in any amount.
- The donation can be started and stopped at any time the customer chooses.
- The money collected will be accounted for separately and be distributed to the Father Fred Foundation periodically.
- The Foundation will administer distributions to qualified individuals seeking assistance through their established application process.
- L&P will promote the program through bill inserts, program brochures, website and print/radio advertising.
- Customers can sign up by filling out the form included in the bill insert or by completing the form at the City Treasurer's Office.

Cherryland Electric and Consumers Energy both have similar programs. Cherryland's program, Cherryland Cares, in-part allows its customers the opportunity to round their utility bill up to the nearest dollar. Individuals and businesses seeking assistance must submit an application and the volunteer board reviews the applications on a monthly basis. Over the last five years Cherryland Cares has awarded more than \$250,000 in assistance.

Consumers Energy's program, PeopleCare, allows its customers to pay an additional monthly or one-time fee on their electric bill. The funds collected are given to the Salvation Army to help those seeking assistance with food, clothing, shelter, medicine and other emergency services. Consumers Energy also funds energy bill credits. Last year, \$850,000 was given to Salvation Army and Consumers Energy provided \$1.5 million in bill credits.

Attached is W. Peter Doren's legal opinion regarding the *L&P Customers Care Program*. Mr. Doren will be at the meeting to answer any questions you may have regarding his opinion.

FOR THE LIGHT & POWER BOARD MEETING OF JANUARY 10, 2012

If the Board is supportive of the *L&P Customers Care Program*, the following motion is recommended:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,  
THAT THE LIGHT AND POWER BOARD ADOPTS THE L&P CUSTOMERS CARE  
PROGRAM AND AUTHORIZES STAFF PROCEED WITH PROGRAM  
IMPLEMENTATION.**

RONALD W. SONDEE  
JOHN P. RACINE JR.  
W. PETER DOREN  
JOHN A. MACNEAL  
MAURICE A. BORDEN  
MICHAEL B. NEWMAN

310 WEST FRONT STREET  
SUITE 300  
TRAVERSE CITY MICHIGAN 49684  
TEL (231) 947-0400  
FAX (231) 947-0748  
www.sondeeracine.com

January 5, 2012

*Via Email & First Class Mail*

Mr. Ed Rice  
Executive Director  
*Traverse City Light & Power*  
1131 Hastings Street  
Traverse City, MI 49686

Re: Customers Care Program

Dear Ed:

You have asked me to review a draft of the Customers Care Program being considered by TCL&P and to address any legal issues. A draft of that Program is attached. Under this Program, TCL&P customers would be donating money in trust to TCL&P for distribution to the Father Fred Foundation to assist other TCL&P customers having difficulty paying their TCL&P utility bill.

Under this Program, TCL&P would be making distributions of other persons' gifts to the Foundation. The gifts would be made by the customer and TCL&P would be acting as trustee. Therefore, the statute dealing with utility gifts would not apply. MCL 123.391.

It is quite common for governmental agencies to act as a trustee. Traverse City Charter §129 specifically addresses many trust funds that the City administers.

I also note that political subdivisions are included within the definition of "organization" which in turn is included within the definition of "person" under the Estates and Protected Individuals Act (EPIC). MCL 700.1106. The Michigan Court Rules provide for a person to be appointed as trustee. MCR 5.501(D). While the Court Rules do not specifically incorporate the definitions of EPIC, I think that they would be interpreted to be the same. Thus, the law contemplates that political subdivisions are eligible to become trustees.

Under the proposed Customers Care Program, the trustee activities of TCL&P would be a part of its utility operation. The funds would be given by utility customers and be dedicated for the purpose of helping utility customers. As such, I think it is within the scope of authority of the Traverse City Light and Power Department pursuant to Traverse City Charter Chapter XVIII.

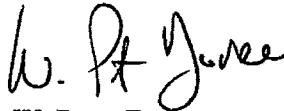
Mr. Ed Rice  
January 5, 2012  
Page 2

If the utility decides to proceed with this Program, it should have a specific written trust document adopted which would comply with the requirements of EPIC and other laws. You should also register with the Attorney General's office under the Supervision of Trustees for Charitable Purposes Act. MCL 14.251 et seq; 700.7405(3).

Also before you proceed further, I recommend that you consult with a qualified CPA to determine all IRS filing and reporting obligations. If you intend to represent to the customers that their contributions are tax deductible, we will need to obtain an advance ruling from the IRS or another suitable opinion.

Sincerely,

SONDEE, RACINE & DOREN, PLC



W. Peter Doren

WPD:tls  
Enclosure





Adopted: \_\_\_\_\_

### **L&P CUSTOMERS CARE PROGRAM**

Due to customer interest, Traverse City Light & Power (L&P) is offering an opportunity for customers to assist other customers facing termination of their electric service for non-payment of their utility bill. In partnership with the Father Fred Foundation, L&P has developed the L&P Customers Care Program which allows customers to donate money through payment of their monthly utility bill to assist customers in need. The program will be funded by residential and commercial customers who elect to participate in this program.

Customers who elected to participate will have the monthly or one-time charge show up on their utility bill as a separate line item. The money collected will be accounted for separately by the City Treasurer's department and will be distributed to the Father Fred Foundation periodically. The Father Fred Foundation will administer distributions to qualified individuals seeking assistance through their established application process.

For its part, L&P will promote this program in a variety of ways: through a section on the L&P website, through utility bill inserts, and through print and radio advertisements throughout the year.

Customers who are interested in participating in the program can sign up by filling out the form included in the bill insert and returning it with their monthly bill payment or by completing the form at the City Treasurer's office in the Governmental Center.

**BROCHURE TEXT**

**L&P Customers Care Program**

*"We make a living by what we get, but we make a life by what we give."*

-Winston Churchill

**Help keep the lights on**

The need for utility shut-off assistance in the Traverse City area is greater than ever. According to the Father Fred Foundation, utility assistance requests have increased by 35% over the past year alone.

For this reason, and at the request of L&P customers, Traverse City Light & Power (L&P) is partnering with the Father Fred Foundation to offer the *L&P Customers Care Program*, where L&P customers can help support other L&P customers – your neighbors – who are having trouble paying their utility bills.

In 2011 the Foundation distributed \$253,760 in utility shut-off assistance to 1,124 families in the community. Of that, \$9,769 was spent on 61 L&P customers that were in need of utility shut-off assistance.

In 2012, state and federal budget reductions for utility assistance are projected to increase, thus placing a larger burden on individual communities to provide assistance to those in need.

**How can I help?**

You may elect to donate a specific amount every month on your utility bill. L&P will pass 100% of the money donated by its customers to the Father Fred Foundation, who will administer distributions to qualified individuals seeking assistance through their existing application process. Donations may be tax deductible (contributors should consult their tax advisors).

To enroll, fill out the form on the back and return it with your monthly bill payment. You may also obtain a form from our website, [tclp.org](http://tclp.org), or at the City Treasurer's office located in the Governmental Center, 400 Boardman Avenue, Traverse City, MI 49684.

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YES! I would like to participate in the L&P Customers Care Program and join Father Fred Foundation and Traverse City Light & Power in helping our neighbors in need.

Name:

Account #:

Address:

Phone #:

Email (optional):

I would like to make a monthly donation in the amount of:

\$1 \_\_\_ \$2 \_\_\_ \$5 \_\_\_ \$10 \_\_\_

I would like to make a one-time donation on my utility bill in the amount of \$\_\_\_\_\_

Authorization: By signing below I agree that the Traverse City Light & Power Department can add the amount indicated above to my monthly (or one-time) utility bill.

Form must be signed by the name on the Customer Account.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



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TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** Jim Cooper  
**Date:** January 4, 2012  
**Subject:** Community Solar Update

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Staff has been investigating various aspects of Community Solar for several months. The basic premise involves allowing L&P customers to purchase or rent photovoltaic (pv) panels which are located at one central site. These panels are “virtual metered”, meaning the customer is not directly receiving electricity from these panels, which is exactly the way the “green rate” worked with L&P’s first wind turbine. The customer would receive credit on their bill each month for the amount of electricity that was generated by the panels they purchased or rented. This term of ownership could be up to 25 years and the customer could sell their share if they moved. The utility would not be involved in any agreements after the original purchase. This set up allows any customer to support pv generation even though they may not have a good location or the desire to install pv panels on their own property. Phone conferences have been held with Community Solar program leaders in California, Colorado, and Arizona.

The “Utilization of Carbon Offsets in a Community Solar Project” is a report that was completed by SEEDS which describes the second part of the proposed program. This carbon offset program was developed because only L&P customers can take part in the benefits of the kWhrs generated by their pv panel purchases, and there seemed to be a demand for people living outside the L&P service territory to help support pv generation. This draft report will be refined and presented to the Board within the next 2 months. This explains how the Community Solar program can also allow carbon offset purchases to help support and build new pv installations. This program is similar to many carbon offset programs existing today where, for example, a person can purchase carbon offsets to offset the additional green house gasses that are produced for driving, flying, or regular household use. ([www.terrapass.com](http://www.terrapass.com)).

The major remaining issues include: legal, how to administer the program, and project location.



TRAVERSE CITY  
LIGHT & POWER

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**To:** Ed Rice, Executive Director  
**From:** Tim Arends, Controller  
**Date:** January 6, 2012  
**Subject:** 2012-2013 Budget Schedule

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Following is a summary of our recent discussions and plan of action concerning the 2012-2013 Light & Power Budget and Capital Planning Process:

Last year the budget study session/process was delayed due to Strategic Planning and did not begin until April. In the end, the Board requested that budget and capital plan review begin a month earlier this year. Staff will begin the budget development/review process in January and February with the expectation that an approved budget and capital plan would be to the City Commission by the first of April. One month ahead of last year.

In preparing for the 2012 Six Year Capital Improvements Plan and the 2012-2013 budget planning we should dedicate two meetings with the Board to review/consider these documents before submission to the City Commission.

**Six Year Capital Plan & Budget Review:**

Charter Section 179 (o) requires: "The Board shall submit to the City Commission annually with its budget a capital improvements plan for the next six (6) years."

Charter Section 179 (i) requires: "The Board shall submit to the City Commission on or before the last regular meeting of the City Commission in the month of April of each year an itemized budget conforming to the system of accounts required by the State of Michigan."

**Tuesday, March 6, 2012 – Study Session – Budget & Capital Improvements Plan review. (Light & Power Service Ctr. – Hastings St @ 5:15 p.m.)**


**Tuesday, March 27, 2012 - Regular Meeting - L&P Board consideration of approval to submit its recommended budget and capital plan to the City for consideration (Government Center @ 5:15 p.m.)**

This schedule will allow sufficient time between the study session and approval consideration to incorporate changes, or investigate specific issues raised by the Board; Additionally, L&P documents will be delivered to the City one month ahead of last year and allow more time for changes and re-submission, if necessary, before the City Commission would be required by Charter to approve the budget and capital plan.



TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** Jessica Wheaton   
**Date:** January 3, 2012  
**Subject:** 100<sup>th</sup> Anniversary Energy Efficiency Contests

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2012 marks the 100-year anniversary for Traverse City Light & Power (L&P). As part of the strategic objective to develop a 100<sup>th</sup> anniversary program, L&P has developed the "Power of Art" competition that incorporates energy efficiency education and the anniversary.

The goal of the "Power of Art" competition is to engage the community in a way that will enhance their interest and understanding of the role that energy efficiency plays in the prosperity of this community. The competition has two categories: 2 dimensional (2-D) and video.

The 2-D competition is open to art students grades 6-12. Students will be asked to research and design a work of art that is in keeping with the theme: "The power of energy efficiency". Each art teacher will be allowed to submit three pieces of art per class. The art will be judged by grade level by a jury of retired art teachers and local energy efficiency experts. This competition is open to public, private and home school art classes in the Traverse City area. L&P has already reached out to the art teachers in the area to make sure this competition is something that the classes will be able to participate in and the feedback has been positive.

The video contest is open to the community in the Traverse City area. Local videographers will be asked to research and create a 30-60 second video on energy efficiency. There will be two different judging categories for video submissions: student (K-12) and community. All entries will be judged by a panel of local video experts.

Submissions will be accepted until March 15, 2012. Winners of the video and 2-D art competition will be announced at the group exhibition held at the Hagerty Center on April 4. The winning video and 2-D entries will be displayed at a downtown exhibit following the April 4 event, so that the public has every chance to learn about energy efficiency through the art of our community.

All entries will become the property of L&P and will be used on the website and in future energy efficiency program promotions.




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**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Jessica Wheaton   
**Date:** January 5, 2012  
**Subject:** New TCL&P Website

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One of the staff objectives is to launch a new Traverse City Light & Power website. I am happy to announce that the new site is anticipated to go live by weeks end (January 13).

Attached is a screen print of the new homepage. This should give you an initial idea of the new look and feel of the site.



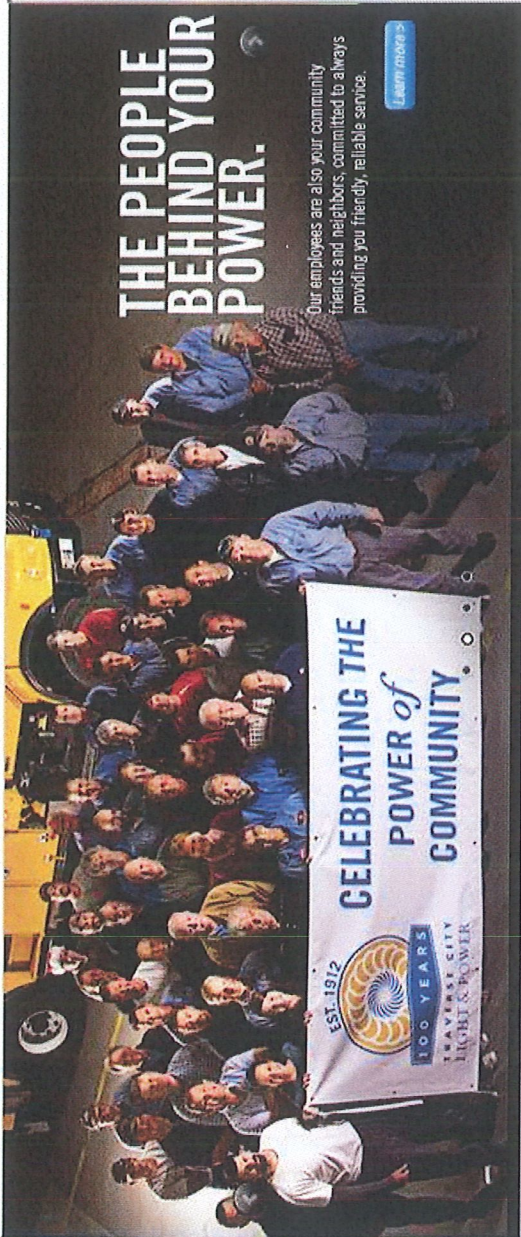
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- Commercial
- Our Community
- Energy Smart
- About L&P
- FAQ

Search

Power Outage

Online Bill Payment



# THE PEOPLE BEHIND YOUR POWER.

Our employees are also your community friends and neighbors, committed to always providing you friendly, reliable service.

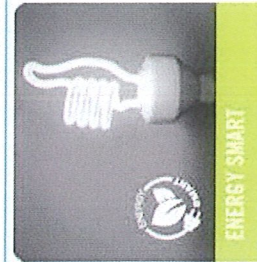
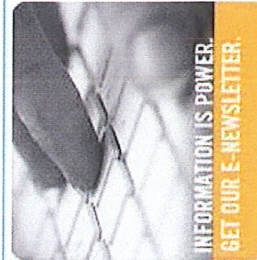
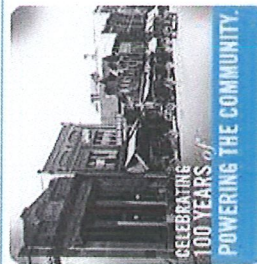
[Learn more >](#)

## Events

- 12/26/2011: Christmas Tree Drop-Off
- 12/2/2011: L&P Kicks-Off its 100th Year Anniversary
- 11/6/2011: Clean Up and Green Up Event
- 10/8/2011: Celebrate Public Power Week

## News

- L&P Distributing Nearly \$23,000 to Local Charities
- L&P Kicks Off 100th Year Anniversary
- L&P Rewarding \$15 Credit to Customers
- L&P Hosting Open House Oct. 8 with Free Giveaways...
- L&P Contributing \$1.5 Million to the City of Traverse...



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