

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, February 14, 2012

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: 2-10-12
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 January 24, 2012.

3. Old Business

- a. Discussion of City Commission's Increased Contribution Request. (Coco/Rice)

4. New Business

- a. Consideration of entering into closed session to discuss L&P Collective Bargaining Agreement negotiations. (Rice)
- b. Consideration of authorizing a contract for the Bay Street Project – electrical cable and equipment installation construction. (Dine)
- c. Consideration of authorizing a purchase order for 69kV cable splices for the Bay Street Undergrounding project. (Dine)
- d. South Side Distribution Substation project authorization. (Rice/Dine)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Verbal update re: Generation Survey process. (Rice)
 2. Verbal update re: DDA/Wi-Fi project. (Rice)
 3. Verbal update re: Business After Hours event on February 15, 2012. (Wheaton)
 4. Verbal update re: Old Town Neighborhood Association meeting on February 16, 2012. (Wheaton)
- c. From Board.
 1. TCL&P Efficiency Study. (Coco)

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, January 24, 2012

Board Members -

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

Absent: John Taylor

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Stephanie Tvardek, Karen Fehr, Tom Olney

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

With no objection from the Board, Ed Rice requested and Chairman Coco removed item 4(c) from the agenda.

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of January 10, 2012.

CARRIED unanimously. (Taylor absent)

Chairman Coco recognized Ralph Soffredine for his service on the Light and Power Board. Ralph Soffredine addressed the Board.

Item 3 on the Agenda being Old Business

None.

Item 4 on the Agenda being New Business

- 4(a). Consideration of a Resolution and Tall Ship License.

The following individuals addressed the Board:

Ed Rice, Executive Director
Tim Arends, Controller
W. Peter Doren, General Counsel

Moved by Carruthers, seconded by Johnson that the Board adopts the Resolution Certifying Limited License Interest in the Coal Dock to be Surplus and which approves the License

Agreement with Traverse Tall Ship Company, LLC; subject to the City Commission concurring in the certification of surplus status.

Roll Call:

Yes – Carruthers, McGuire, Johnson, Coco

No – Budros, Snodgrass

CARRIED.

4(b). Presentation of the 2010-2011 Financial Audit.

The following individuals addressed the Board:

Steve Peacock, Rhemann Robson, 107 S. Cass St., Ste. A

Ed Rice, Executive Director

Tim Arends, Controller

Ben Bifoss, City Manager

Moved by Johnson, seconded by McGuire that the financial statements for the fiscal year ended June 30, 2011, be accepted.

CARRIED unanimously. (Taylor absent)

Commissioner Barbara Budros departed the meeting at 6:14 pm.

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. Presentation from MPPA.

The following individuals addressed the Board:

Dave Walters, General Manager, Michigan Public Power Agency

Amy DeLeeuw, CFO, Michigan Public Power Agency

2. Ed Rice spoke re: Kids Creek Commons Neighborhood Association meeting held on January 15, 2012.

3. Ed Rice spoke re: North Traverse Heights Neighborhood Association meeting on January 26, 2012.

C. From Board.

1. Commissioner Jim Carruthers spoke re: Bloomberg News Weekly articles on Sustainable Energy and Fracking.
2. City Manager Ben Bifoss announced that a letter from the City Commission detailing its request of TCL&P would be forthcoming.

Item 7 on the Agenda being Public Comment

The following individuals addressed the Board:

-Rick Buckhalter, 932 Kelly Street, Ratepayer

There being no objection, Chairman Coco declared the meeting adjourned at 7:44 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD



January 27, 2012

Traverse City Light and Power Board
Attn: Ed Rice, Executive Director
1131 Hastings Street
Traverse City, MI 49686

Dear Ed:

At your Board meeting of January 10, 2012, the Light and Power Board discussed the Traverse City Mayor's requests of TCLP. At the time of that discussion, there was a concern whether the request represented the views of the majority of the City Commission. To answer that question: this matter was on the regular Study Session agenda for discussion on January 23, 2012.

To be specific, the following items were discussed:

1. Increase the contribution to the City by \$1.0 million;
2. Freeze rates for Traverse City residential customers; and
3. Have the City institute efficiency review of TCLP operations.

Please note that the Mayor has rescinded his request regarding the attorney, so that matter was not discussed.

The City Commission endorses item #1. Some concern was expressed that TCLP may need the available unrestricted net assets if a local generation project was imminent. However, it appears that any such project would not create a significant draw on TCLP funds, at least in FY 2012/13.

Please see the attached information discussed by the City Commission at the January 23, 2012 Study Session regarding the Bayfront Plan. While TCLP funding would not be required prior to the FY 2012/13, a City Commission decision will be necessary on the Scope and Scale of the Bayfront Plan in mid-February. That would allow necessary work to be accomplished this winter/spring to allow construction to commence in September, 2012. The City would greatly appreciate the support of TCLP for the Bayfront Plan.

The City Commission endorses item #2. Please note that there is no term associated with this request. The City clearly understands that every utility business relies on the ratepayers to provide necessary funds to maintain operations. However, with the TCLP unrestricted net assets increasing each of the last four fiscal years, it is seems clear that current rates are sufficient for current needs.

Traverse City Light and Power Board
January 27, 2012
Page 2

The City Commission endorses item #3. Attached, please find correspondence to the Traverse Bay Economic Development Corporation that could serve as a facilitator in that process. However, if TCLP prefers some alternate approach, the City would be open to that discussion as well. Please note the Mayor's expectation is that the contracting would be through the City, with TCLP reimbursing the City for costs incurred. TCLP would certainly be in the loop regarding those costs.

I will be in attendance at your meeting of February 14 and available for questions. Thank you for your timely attention to these matters.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Ben Bifoss".

R. Ben Bifoss
City Manager

copy: City Commission
TCLP Board
Doug Luciani, TBEDC



The City of Traverse City

Communication to the City Commission

TO: CITY COMMISSIONERS
DATE: JANUARY 20, 2012
FROM: R. BEN BIFOSS, CITY MANAGER
SUBJECT: BAYFRONT PLAN

A handwritten signature in black ink, appearing to read "R. Ben Bifoss".

The current schedule for the Bayfront Plan anticipates that construction will commence immediately after Labor Day, or September 4, 2012. Backing up from that date, in order to allow adequate time to develop plans and specifications, allow time for reviews and approvals, bidding and contracting, final decisions on the scope and scale of the project need to be determined in early February.

To date, fundraising for the Bayfront Plan totals approximately \$1.4 million. The sources of that funding are shown on the attached Exhibit 1.

The base Clinch Park Phase 1 Plan is attached as Exhibit 2. It includes a scaled down bathhouse; it does not include the terracing and it includes a partial trail system. The estimated cost of the base plan is approximately \$1.6 million.

The desired Clinch Park Phase 1 Plan is attached as Exhibit 3. It includes a more complete bathhouse and concession building, the terracing, completing the trail system through Clinch Park, and improvements to the existing Cass Street tunnel. The estimated cost of the more desirable plan is \$2.6 million.

Earlier this evening, the City Commission considered the Mayor's request to the Light and Power Board including a multi-year increase in the City fee of \$1 million. If the City Commission endorses that request and if the Light and Power Board agrees to that request, the first year's allocation could be used to complete the more desirable Clinch Park Plan. The City Manager has requested that the DDA consider funding the Cass Street tunnel improvements under any scenario that would cover the approximate \$200,000 gap between available funds and the estimated costs of the Bayfront Plan. This would be in lieu of a new tunnel in conjunction with the Hotel Indigo.

**Bayfront Plan Budget to Actual Funds Pledged Comparison
Clinch Park (Phase I)**

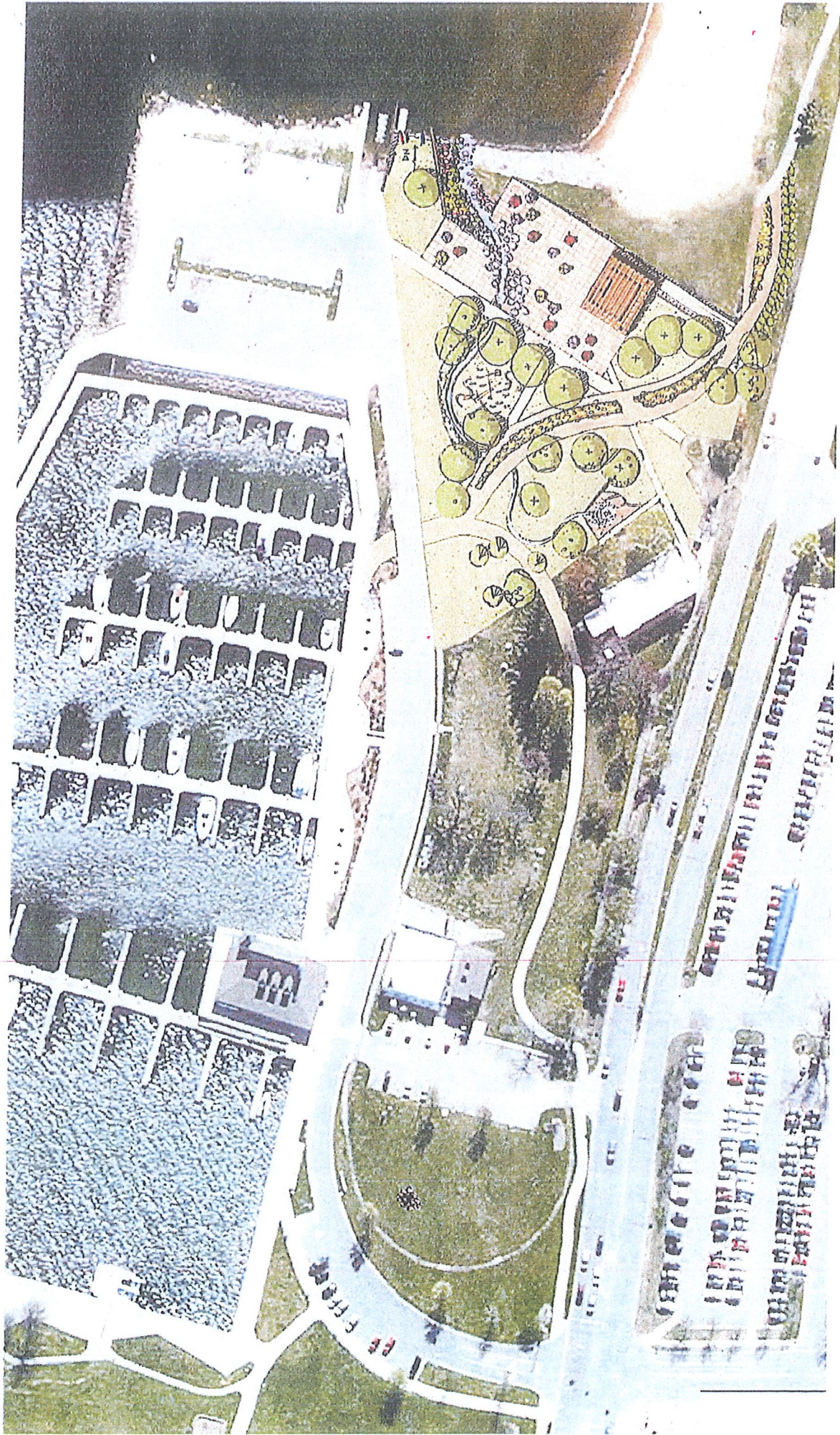
Clinch Park Phase I Budget

Scope Items	Cost
Retaining Wall Embankment Stabilization	\$50,000
Universal Access to Water	\$55,000
Universal Access to Beach	\$55,000
Universal Access Small Boat Launch	\$15,000
Splash Pad Play Area	\$300,000
Artesian Waterscape and Natural Playground	\$380,000
Non-motorized Trail Enhancement/widening	\$54,000
Site Furniture and Amenities	\$90,000
Landscaping and Lighting	\$177,000
New Bathroom	\$215,000
Subtotal	\$1,391,000
Engineering (15 %)	\$208,650
Project Total	\$1,599,650

Total Funds Pledged

Local Foundation	Pledged
Beers Family Foundation	\$7,500
Biederman Foundation	\$25,000
Consumers Energy	\$25,000
DTE Energy Foundation	\$150,000
Falconer	\$15,000
FIM Group (Utopia Foundation)	\$5,000
GT Regional Community Fdn	\$10,000
Oleson Foundation	\$50,000
Rotary Charities	\$75,000
Schmuckal Family Foundation	\$5,000
TC Chamber Foundation	\$10,000
TC Convention & Visitors Bureau	\$10,000
Traverse City Light and Power	\$15,000
Subtotal Local Funds	\$402,500
State and City Funds	
Natural Resources Trust Fund	\$450,800
Traverse City DDA	\$450,800
Subtotal State and City Funds	\$901,600
Subtotal Funds Pledged	\$1,304,100
Pending Grant Requests	
Land and Water Conservation Grant	\$100,000
Pending Grants Subtotal	\$100,000
Project Total Funds Pledged/Pending	\$1,404,100

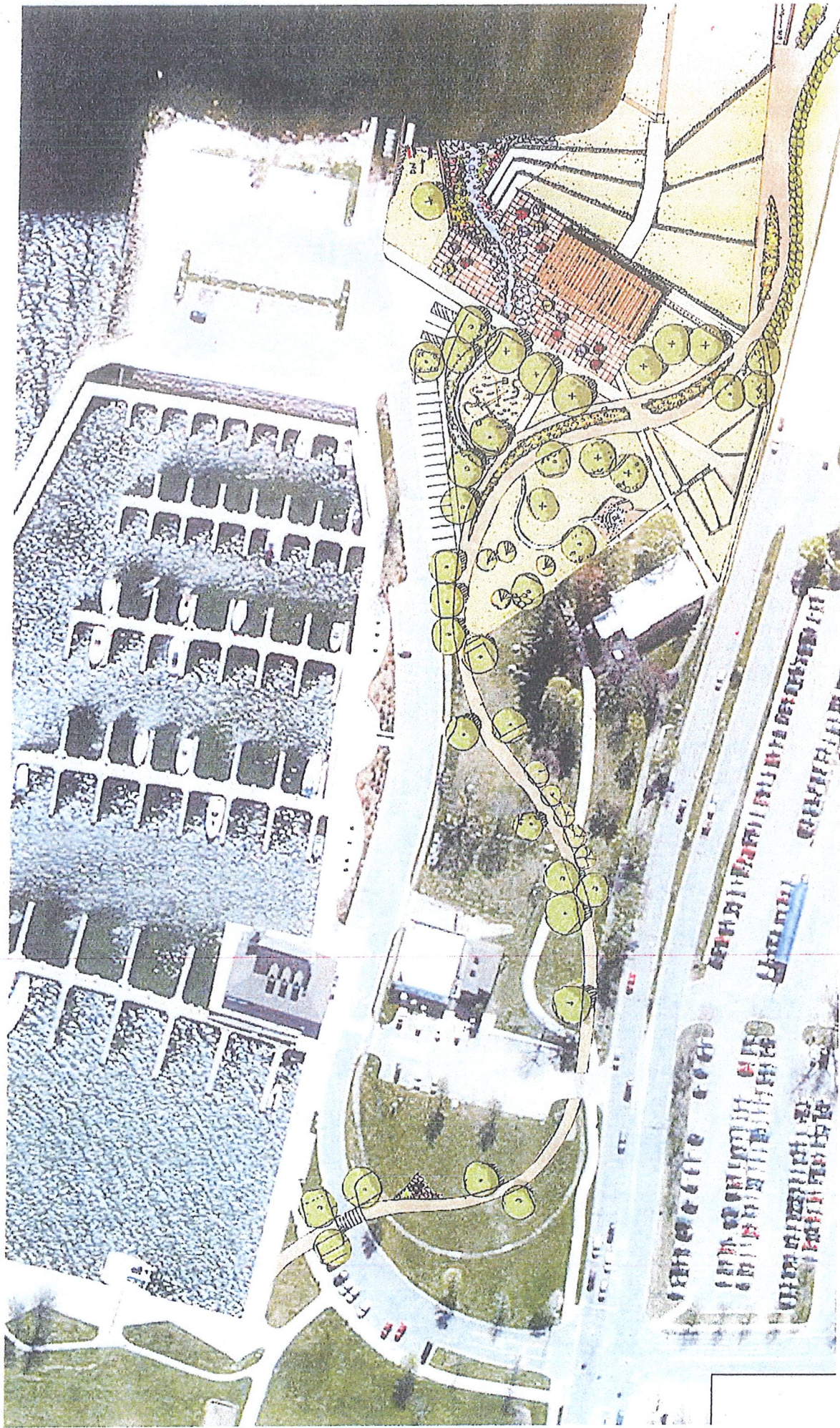
*Hagerty insurance pledged \$50,000, but it is earmarked for the Lot



PHASE 1- CURRENT BUDGET

Clinch Park Traverse City

EXHIBIT 2



hamiltonanderson

PHASE 1 - RECOMMENDED

Clinch Park (Private City)

EXHIBIT 3

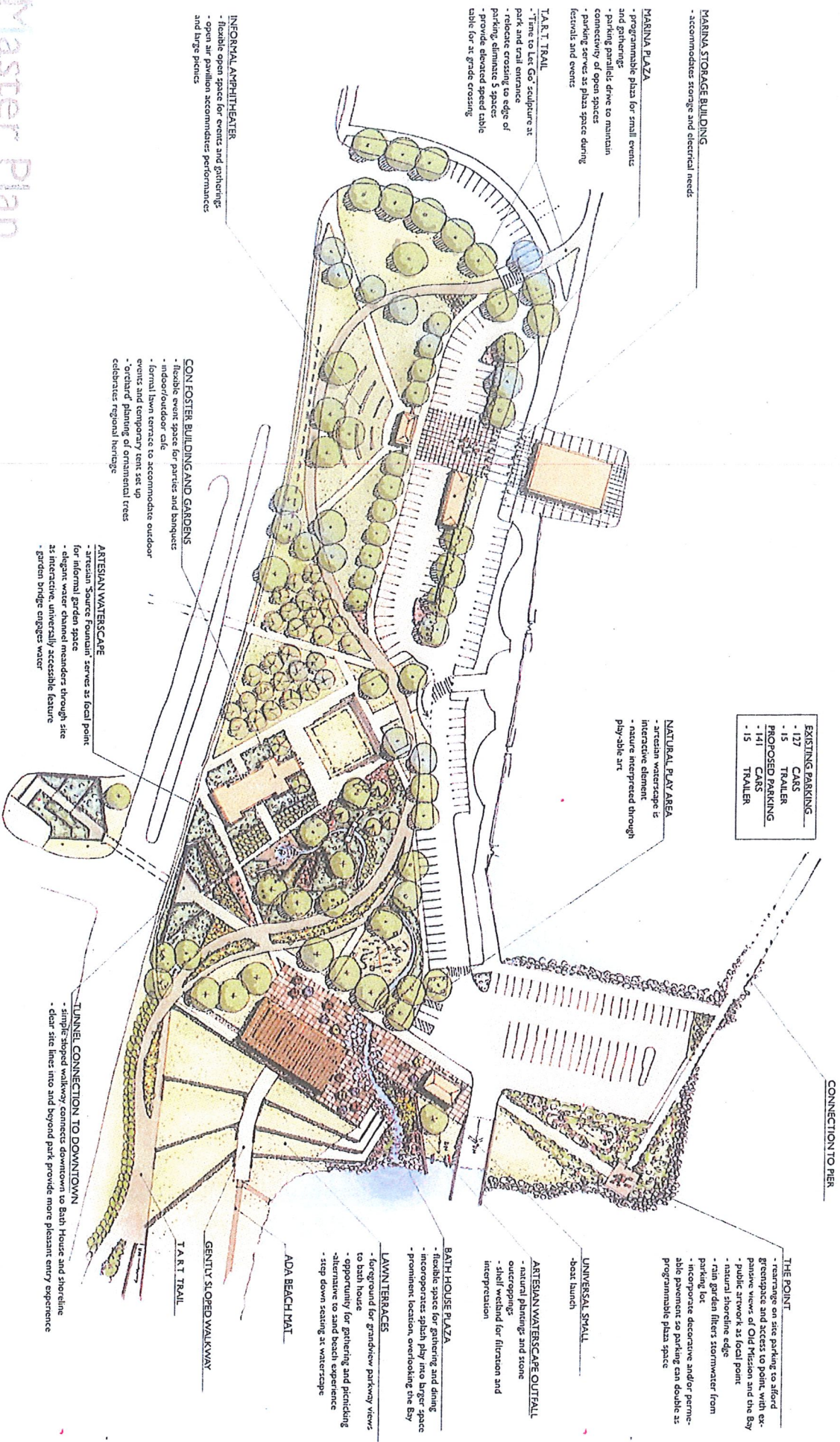


EXHIBIT 4

Conceptual Estimate of Probable Costs DRAFT

Description	Qty	Units	Cost/Unit	Total		
Phase 1						
Site Demolition and Preparation						
1 Mobilization 3%	1	Allowance	57,144.60	57,144.60		
2 Existing building removal	1	Allowance	50,000.00	50,000.00		
3 Underground electrical removal	1	Allowance	5,000.00	5,000.00		
4 Tree removal and clearing	1	Allowance	8,000.00	8,000.00		
5 Tree protection	20	EA	250.00	5,000.00		
6 Train track removal (Phase 1 Area)	900	LF	10.00	9,000.00		
7 Train track removal (Remaining Area)	1,200	LF	10.00	12,000.00		
8 Train station / trestle removal	1	Allowance	5,000.00	5,000.00		
9 Concrete wall removal	450	LF	25.00	11,250.00		
10 Concrete steps removal	220	LF	20.00	4,400.00		
11 Concrete & brick pavement removal	1,400	SY	5.00	7,000.00		
12 Asphalt removal	700	SY	3.50	2,450.00		
13 Sign removal	5	EA	200.00	1,000.00		
14 Light pole and base removal	5	EA	500.00	2,500.00		
15 Flag pole and base removal	1	EA	500.00	500.00		
16 Fence removal	70	lf	3.00	210.00		
17 Shoreline quarry stone relocated	1	Allowance	10,000.00	10,000.00	subtotal	
18 Earthwork/Grading	1	Allowance	40,000.00	40,000.00	\$ 230,454.60	
Utilities						
20 Watermain Relocation @ Plaza	299	LF	105.00	31,395.00		
21 Utility connections to Bath House	1	Allowance	15,000.00	15,000.00		
22 Dewatering	2	Wk	6,000.00	12,000.00		
23 Plaza drainage culvert	225	LF	28.00	6,300.00		
24 Plaza drainage structure	2	EA	1,850.00	3,700.00	subtotal	
25 Site Lighting	1	Allowance	100,000.00	100,000.00	\$ 168,395.00	
Artesian Water Source						
27 Artesian Water Source Piping	725	LF	70.00	50,750.00		
28 Artesian Water Source Valves	2	EA	1,250.00	2,500.00		
29 Artesian Water Source 6' Structure	1	EA	2,450.00	2,450.00		
30 Artesian Water Source Pavement Removal & Repair	150	SYD	40.00	6,000.00		
31 Artesian Water Source Curb Removal & Repair	45	LF	20.00	900.00		
32 Artesian channel	400	LF	125.00	50,000.00		
33 Artesian 'Source' fountain	1	Allowance	40,000.00	40,000.00		
34 Artesian outlet (planting and natural boulders)	4,500	SF	5.00	22,500.00		
35 TART stream crossing culvert	40	LF	250.00	10,000.00	subtotal	
36 Sidewalk stream crossing culvert	20	LF	250.00	5,000.00	\$ 190,100.00	
Site Improvements						
38 Bath house	1	Allowance	450,000.00	450,000.00		
39 Decorative paving at Bath House Plaza	10,000	SF	20.00	200,000.00		
40 Dry laid retaining wall at lawn terraces	1100	LF	90.00	99,000.00		
41 Concrete walk (5")	9,100	SF	5.00	45,500.00		
42 Asphalt paving (TART Trail)	10,000	SF	2.25	22,500.00		
43 Completion of TART Trail within park (includes minor grading and prep)	8,500	SF	3.00	25,500.00		
44 Relocate TART sculpture	1	Allowance	10,000.00	10,000.00		
45 Concrete retaining wall (small boat launch)	150	LF	125.00	18,750.00		
46 Splash pad (Plumbing, Equipment, lighting and installation)	1	Allowance	125,000.00	125,000.00		
47 Playscape	1	Allowance	30,000.00	30,000.00		
48 Sculptural Play Features	1	Allowance	30,000.00	30,000.00	subtotal	
49 Tunnel entrances and transition to Con Foster (see cost breakdown below)	1	Lump Sum	181,040.00	181,040.00	\$ 1,237,290.00	
Landscaping, Furnishings and Site Lighting						
51 Sodded lawn (includes 4" of topsoil)	34,500	SF	0.50	17,250.00		
52 Shade trees	10	EA	600.00	6,000.00		
53 Shrubs and grasses (includes planting soil and mulch)	9,000	SF	4.00	36,000.00		
54 Irrigation, (shrubs and grasses)	1055	SY	9.00	9,495.00		
55 Irrigation, (lawn)	3830	SY	6.00	22,980.00		
56 Table and seating	4	EA	5,000.00	20,000.00		
57 Benches	4	EA	3,500.00	14,000.00		
58 Trash receptacles	2	EA	2,000.00	4,000.00		
59 Drinking Fountain	1	EA	3,000.00	3,000.00	subtotal	
60 Bike loops	4	EA	750.00	3,000.00	\$ 135,725.00	
Contingency	20%			392,392.92		
				Construction Subtotal	2,354,357.52	
					195,930.00	
Current Design and Engineering Fees						
Add'l Design and Engineering Fees - 10% of added scope*						
Permitting Allowance					5,000.00	
PROJECT TOTAL (Phase 1)					\$ 2,654,723.27	
Recommended Additional Phase I items (numbers below include 20% contingency)						
Asphalt parking spaces along entry drive	5,800	SF	5.00	34,800.00		

* Current fee is based on a construction cost of \$1.36 Million.

Tunnel entrance North (included in Phase 1 costs)

Site Demo				
Concrete wall removal	375	LF	25.00	9,375.00
Concrete steps removal	250	LF	10.00	2,500.00
Concrete & brick pavement removal	400	SY	6.50	2,600.00
Earthwork/Grading	1	Allowance	5,000.00	5,000.00
Site Improvements				
Concrete walk (5")	1,400	SF	5.00	7,000.00
Concrete steps	150	LF	60.00	9,000.00
Concrete retaining wall (+ 6' ht.)	100	LF	500.00	50,000.00
Concrete retaining wall	100	LF	150.00	15,000.00
Shrubs and grasses (includes planting soil and mulch)	6,000	SF	4.00	24,000.00
Irrigation, (shrubs and grasses)	667	SY	9.00	6,000.00
Lights (pole, fixture and foundation)	2	EA	4,000.00	8,000.00
Benches	2	EA	3,500.00	7,000.00
Trash receptacles	2	EA	1,500.00	3,000.00
			Subtotal \$	148,475.00

Tunnel entrance South (included in Phase 1 costs)

Site Demo				
Concrete wall removal	35	LF	25.00	875.00
Wood steps removal	300	SF	2.00	600.00
Concrete pavement removal	150	SY	5.00	750.00
Earthwork/Grading	1	Allowance	2,000.00	2,000.00
Site Improvements				
Concrete pavement (5")	800	SF	5.00	4,000.00
Concrete ramp	600	SF	10.00	6,000.00
Concrete retaining wall wall repair and painting	1	Allowance	5,000.00	5,000.00
Shrubs and grasses (includes planting soil and mulch)	1,200	SF	4.00	4,800.00
Irrigation, (shrubs and grasses)	135	SY	4.00	540.00
Lights (pole, fixture and foundation)	2	EA	4,000.00	8,000.00
			Subtotal \$	32,565.00

Total Tunnel Entrance Work
181,040.00

Future Phases				
Kayak rental				
Decorative paving	3,000	SF	20.00	60,000.00
Kayak rental structure	1	Allowance	50,000.00	50,000.00
Contingency	20%			22,000.00
Design and Engineering Fees	10%			13,200.00
			Subtotal	145,200.00
The Garden				
Earthwork/Grading	1	Allowance	5,000.00	5,000.00
Decomposed granite path	1,520	SF	4.00	6,080.00
Path bridge	1	Allowance	10,000.00	10,000.00
Garden shrubs and grasses (includes planting soil and mulch)	15,300	SF	6.00	91,800.00
Irrigation, (shrubs and grasses)	1690	SY	9.00	15,210
Shade trees	6	EA	600.00	3,600.00
Flowering trees	6	EA	400.00	2,400.00
Benches	2	EA	3,500.00	7,000.00
Contingency	20%			28,218.00
Design and Engineering Fees	10%			16,930.80
			Subtotal \$	186,238.80
Con Foster Commons				
Site Demo				
Existing building removal	1	Allowance	10,000.00	10,000.00
Electrical removal and relocation	1	Allowance	10,000.00	10,000.00
Tree removal and clearing	1	Allowance	2,000.00	2,000.00
Concrete wall removal	110	LF	25.00	2,750.00
Concrete & brick pavement removal (sidewalk)	318	SY	5.00	1,590.00
Light Pole and Base removal	2	EA	500.00	1,000.00
Sign Removal	3	EA	200.00	600.00
Fence removal	160	lf	3.00	480.00
Earthwork/Grading	1	Allowance	15,000.00	15,000.00
Site Improvements				
Building renovation and relocate HVAC to rooftop			TBD	
Concrete walk (5")	8,400	SF	5.00	42,000.00
Asphalt paving	1,500	SF	2.40	3,600.00
Terraced seating	530	LF	80.00	42,400.00
Sodded lawn (includes 4" of topsoil)	17,250	SF	0.50	8,625.00
Shrubs and grasses (includes planting soil and mulch)	5,100	SF	4.00	20,400.00
Irrigation, (shrubs and grasses)	570	SY	9.00	5,130.00
Irrigation, (lawn)	1910	SY	6.00	11,460.00
Shade trees	5	EA	600.00	3,000.00
Flowering trees	4	EA	400.00	1,600.00
Orchard trees	18	EA	400.00	7,200.00
Site lighting	1	Allowance	20,000.00	20,000.00
Benches	2	EA	3,500.00	7,000.00
Trash receptacles	2	EA	1,500.00	3,000.00
Contingency	20%			43,767.00
Design and Engineering Fees	10%			26,260.20
			Subtotal \$	288,862.20
The Point				
Site Demo				
Tree removal and clearing	1	Allowance	1,000.00	1,000.00
Concrete & brick pavement removal	251	SY	5.00	1,255.00
Asphalt removal	990	SY	3.50	3,465.00
Light Pole and base removal	4	EA	500.00	2,000.00
Sign removal	6	EA	200.00	1,200.00
Site Improvements				
Earthwork/Grading	1	Allowance	5,000.00	5,000.00
Concrete walk (5")	200	SF	5.00	1,000.00
Concrete bridge (6' wide)	80	LF	150.00	12,000.00
Asphalt paving	2,600	SF	2.40	6,240.00
Public artwork	1	Allowance	25,000.00	25,000.00
Concrete retaining wall (at public artwork)	90	LF	150.00	13,500.00
Sodded lawn (includes 4" of topsoil)	4,500	SF	0.50	2,250.00
Shrubs and grasses (includes planting soil and mulch)	4,400	SF	4.00	17,600.00
Rain garden	5,750	SF	8.00	46,000.00
Irrigation, (shrubs, grasses and rain garden)	960	SY	9.00	8,640.00
Irrigation, (lawn)	500	SY	6.00	3,000.00
Natural boulders	3,500	SF	10.00	35,000.00
Site lighting	1	Allowance	16,000.00	16,000.00
Benches	2	EA	3,500.00	7,000.00
Contingency	20%			41,430.00
Design and Engineering Fees	10%			24,858.00
			Subtotal \$	273,438.00


Amphitheater				
Site Demo				
Mobilization 3%	1	Allowance	20,763.00	20,763.00
Existing building removal	1	Allowance	15,000.00	15,000.00
Underground electrical removal	1	Allowance	5,000.00	5,000.00
Tree removal and clearing	1	Allowance	4,000.00	4,000.00
Tree protection	10	EA	250.00	2,500.00
Concrete wall removal	50	LF	25.00	1,250.00
Concrete steps removal	220	LF	10.00	2,200.00
Concrete & brick pavement removal	440	SY	5.00	2,200.00
Asphalt removal	1,100	SY	3.50	3,850.00
Light Pole and base removal	8	EA	500.00	4,000.00
Signage removal	5	EA	200.00	1,000.00
Swing gate removal	2	EA	500.00	1,000.00
Earthwork/Grading	1	Allowance	30,000.00	30,000.00
Site Improvements				
Marina storage structure	1	Allowance	100,000.00	100,000.00
Concrete walk (5")	5,600	SF	5.00	28,000.00
Decorative pavement	4,800	SF	20.00	96,000.00
Permeable concrete	11,500	SF	10.00	115,000.00
Asphalt paving	6,500	SF	2.40	15,600.00
Amphitheater steps	150	LF	60.00	9,000.00
Amphitheater walls	100	LF	150.00	15,000.00
Amphitheater structure (open air)	1	Allowance	50,000.00	50,000.00
Play sculpture	1	Allowance	20,000.00	20,000.00
Sodded lawn (includes 4" of topsoil)	54,400	SF	0.50	27,200.00
Shrubs and grasses (includes planting soil and mulch)	3,100	SF	4.00	12,400.00
Irrigation, (shrubs and grasses)	400	SY	9.00	3,600.00
Irrigation, (lawn)	6050	SY	6.00	36,300.00
Shade trees	20	EA	600.00	12,000.00
Site lighting	1	Allowance	40,000.00	40,000.00
Bollards	20	EA	800.00	16,000.00
Benches	6	EA	3,500.00	21,000.00
Trash receptacles	2	EA	1,500.00	3,000.00
Contingency	20%			142,572.60
Design and Engineering Fees	10%			85,543.56
			Subtotal \$	940,979.16
			Project total \$	4,637,916.43

TRAVERSE CITY LIGHT & POWER DEPARTMENT
 Projected Cash Flow Statement
 For the Fiscal Years 2011-2012 through 2012-2013

\$29,596,646	Cash & Investments @ 6-30-2011
(\$12,000,000)	Cash Reserved for Catastrophic Events
(1,900,000)	Reserved for Rate Stabilization - MPPA Investment
4,030,000	Projected Net Income 2011-12 & 2012-13 (without PCR cap)
(2,642,100)	Commercial & Residential Rate Cap Reduction in Revenues
3,430,000	Add: Non Cash Items - Depreciation Expense
\$20,514,546	Amount Available for Capital Improvements
(\$400,000)	Community Solar Project
(500,000)	Bay Street Overhead to Underground - Balance to Complete Project
(2,500,000)	Overhead to Underground Conversion Projects
(1,950,000)	Line Improvements, Extensions, New Services (normal operations)
(4,500,000)	Distribution Substation Reliability Project
(500,000)	DDA Wi-Fi Project & Fiber Customer Installations/Extensions
(5,200,000)	Transmission Substation Reliability Project
(1,000,000)	Pine Street Overhead to Underground Conversion Project
(4,100,000)	Neighborhood Distribution Line Rehabilitation Projects
(150,000)	SCADA Improvements - Reliability/Response Recovery
(\$285,454)	Surplus Cash & Investments @ 6-30-2013



Communication to the Board of Directors

DATE: FEBRUARY 8, 2012
FROM: EDWARD E. RICE, EXECUTIVE DIRECTOR 
SUBJECT: CLOSED SESSION – COLLECTIVE BARGAINING

Pursuant to the Open Meeting Act, I recommend the Light & Power Board enter into closed session immediately following public comment. A roll call vote is required with four affirmative votes.

The following recommended motion would be appropriate to do so:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT & POWER BOARD ENTER INTO CLOSED SESSION IMMEDIATELY FOLLOWING THE PUBLIC COMMENT PORTION OF THE AGENDA TO CONSIDER THE STRATEGY AND NEGOTIATION OF THE COLLECTIVE BARGAINING AGREEMENT FOR THE TRAVERSE CITY LIGHT & POWER DEPARTMENT BARGAINING UNIT.



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Glen Dine *GD*
Date: February 14, 2012
Subject: Bay Street Project – Electrical Cable & Equipment Installation Construction Contract Award

Bids were obtained for the electrical cable and equipment installation and overhead removals on Bay Street. Construction is expected to begin in March and completed by July 1st.

Bids were as follows:

<u>Bidder</u>	<u>Base Bid</u>
Kent Power, Inc.	\$ 479,841.75
Newkirk Electric Associates, Inc.	\$ 646,614.53
The Hydaker-Wheatlake Co.	No Bid

This work will complete the Bay Street conversion of overhead facilities to underground which began last spring. Staff will be issuing public service announcements alerting the public of the project activities taking place as well as road closures. Staff will also notify particular customers along Bay Street that will be directly impacted.

There will be times when particular sections of either the transmission system or distribution system are taken out of service to facilitate construction. An unanticipated problem during these time frames may result in wide area outages to customers that could last for several hours until either the problem is resolved or the line segment impacted by construction activities can be returned to service. Construction is scheduled for the month of March through June.

Staff is recommending that the low bid from Kent Power be accepted. If the Board is in agreement, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZE THE CHAIRMAN AND SECRETARY TO ENTER INTO
A CONSTRUCTION CONTRACT AGREEMENT WITH KENT POWER, INC., IN THE
AMOUNT OF \$ 479,841.75 FOR THE BAY STREET INSTALLATION OF ELECTRICAL
UNDERGROUND CABLE AND EQUIPMENT, ALONG WITH REMOVAL OF OVERHEAD
ELECTRICAL FACILITIES; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE
EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL; AND
AUTHORIZE THE EXECUTIVE DIRECTOR TO ADMINISTER AMENDMENTS AND
CHANGE ORDERS THAT ARE IN THE BEST INTERESTS OF THE LIGHT AND POWER
DEPARTMENT.**



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Glen Dine *[Signature]*
Date: February 9, 2012
Subject: Bay Street Underground – 69kV Cable Splices

Staff has obtained competitive vendor quotes for the purchase of 69kV cable splices for the Bay Street project as follows:

<u>Vendor</u>	<u>Quote</u>
Power Line Supply; Reed City MI	\$ 45,473.76
HD Supply; Mattoon, IL	\$ 47,268.90
RESCO; Madison, WI	\$ 48,384.00

Staff recommends issuing a purchase order to Power Line Supply in the amount of \$ 45,473.76

If the Board concurs, the following motion is recommended:

MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE THE EXECUTIVE DIRECTOR
TO ISSUE A PURCHASE ORDER TO POWER LINE SUPPLY IN THE AMOUNT OF
\$45,473.76.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board *ER*
From: Ed Rice, Executive Director
Date: January 20, 2012
Subject: Project Authorization Request – South Side Distribution Substation

Staff has prepared a packet of information and is requesting authorization from the L&P Board for staff to proceed with the development, design and construction of the South Side Distribution Substation project. This project is identified in the L&P Capital Plan.

Details for this project are included in your packet. Staff will be prepared to answer any questions.

Staff recommends L&P Board approval of the South Side Distribution Substation Project and necessary expenditures in order to provide safe and reliable distribution service to its customers. If the Board concurs, the following motion is appropriate:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE STAFF TO PROCEED WITH THE
SOUTH SIDE DISTRIBUTION SUBSTATION PROJECT AND SEEK THE NECESSARY
BOARD APPROVALS FOR EXPENDITURES.**

Project Name: 69/13.8kv South Side Distribution Substation

Date of Board Presentation/Consideration: January 24, 2012

Board Action: Approved Not Approved No Action

Budgeted in Capital Plan: Yes **CIP:** \$5,000,000

Objective: Target Completion date of July 1, 2013

Project Description:

Construct a new 12 MVA 69/13.8kv distribution substation and connect to the adjacent 69kv and 13.8kv lines on the south side of the TCL&P electric system. The major substation equipment will include: one 12/16/20 MVA transformer; two 69kv FS₆ breakers; one 69kv circuit switcher; aluminum bus with supporting structures; control house with equipment; five distribution recloser exits and other equipment necessary to connect to the existing 69kv and 13.8kv system.

Site plan development will include other items such as landscape buffer and driveway access.

Reference: Substation Layout Drawing.

Project Purpose and Necessity (Problem We Are Solving):

As background information, TCL&P has four existing distribution substations, three of which are located on the north half of the system, including one substation located next to the Sara Lee Corporation. TCL&P has not constructed a new distribution substation necessitated by reliability or load increase since 1987 or 25 years ago. The TCL&P load at that time was 40 MW (192,000 MWH and \$13M in annual sales). The current load has increased to 71MW (347,600 MWH and \$28.9M in annual sales). Growth and new development in the community drives the need for critical electrical infrastructure that is safe and reliable.

Load increase on the south part of the system has been the result of Traverse Field Industrial Park; Cherry Capital Airport expansion; developments along South US 31 Corridor, Cass Road s/o S.Airport Road, Barlow/Woodmere area, LaFranier and Garfield corridors. This load growth has increased the loading on all four existing substations and caused long distribution line extensions to serve this load. This has led to numerous outages, particularly to the newer south side loads such as Traverse Field Industrial Park. Due to the length of the distribution circuit in this area which originates from Barlow Substation, this line length exposure and decreased reliability will remain until such time a south side substation is constructed. Traverse Field Industrial Park and other south side customers experienced 4 major interruptions in 2011. This particular circuit has a high outage rate on TCL&P's system compared to other circuits. During

required substation maintenance activities or emergency outages, it is becoming very difficult or impossible to transfer loads without overloading existing substation equipment or distribution circuits. Exceeding equipment ratings is not safe for the public or employees. A catastrophic event at Cass Road substation could cause Sara Lee to experience an extended outage unless other load is shed to restore that service.

Another concern being addressed is associated with the automatic transfer of the Sewage Treatment Facility load onto the “alternate utility source”, being the BW22 distribution circuit from Barlow Substation. An outage event at Hall St Substation or HL22 (“primary utility source” is the HL22 distribution circuit) causes the Sewage Treatment Facility load to transfer to the BW22 circuit. The south side substation will alleviate possible overload conditions on the BW22 distribution circuit and Barlow Substation facilities under these conditions.

TCL&P will be acquiring approximately 2MW of additional load from Consumers Energy in 2014 from a 1998 settlement that adds to the facility loading issues.

Reference: Substation System Load Maps

Project Benefits:

This South Side Substation Project will:

- reduce loading on existing substation equipment
- reduce loading on distribution circuits
- prevent unsafe overload of equipment
- provide for a safe working environment for employees
- maintain public safety
- improve reliability to customers
- reduce length of main distribution circuits
- provide safe and efficient load transfer capabilities during planned preventive maintenance/testing and emergency (unplanned or forced) conditions.
- provide necessary distribution capacity (substation and distribution circuits) to support existing and future load growth in a critical section of TCL&P’s service area

Other Alternatives:

- None viable that will meet planning objectives

Staff has reviewed loading on other existing distribution substations and distribution circuits, and reviewed circuit configurations for possible improvements or changes. These facilities cannot be improved to the extent necessary in order to fully meet prudent utility planning objectives. It should be pointed out that the physical boundaries of Boardman Lake and the Airport have a direct (negative) impact on the configuration of the distribution grid and interconnections between substations.

Timing of Project (Why Now):

This project has been in the capital plan for several years. Initially there was some consideration given to siting the substation north of South Airport Road. However, finding an appropriate site proved difficult and expensive in this area. The recent recession allowed staff additional time to find a viable site. In December 2011 staff acquired a 12 month option to purchase property, which allows the necessary time to perform due diligence on the property and complete site plan approval with Garfield Township. Other activities will include final design, preparation of bids, material procurement and construction with a target completion date of July 1, 2013. The in-service date will coordinate well with the planned load transfer from Consumers Energy scheduled for 2014 and the recent recovery and increase in TCL&P system demand.

Reference: Historical TCL&P Demand

Project Timeline (Gant Charts) and Expenditures

	<u>Quantity</u>	<u>Cost</u>	<u>Prelim. Board Approval Date</u>
• Property	-	530k	February 2012
• Engineering/Design/Const Mgmt	-	290k	February 2012
• Site Work	-	125k	August 2012
• T&D Material	-	573k	September 2012
• T&D Constrtn Contract	1	416k	September 2012
• Transformer	1	650k	October 2012
• 15kv Reclosures	5	100k	October 2012
• Circuit Breakers	2	98k	October 2012
• Relaying/control panels	5	82k	October 2012
• 69kv Switches.	9	54k	October 2012
• Circuit Switcher	1	48k	October 2012
• Control House	1	48k	October 2012
• Substation Constrtn Contract	1	563k	February 2013
• Contingency (10%)	-	267k	

Preliminary Engineering Cost Estimate: \$3.8 M Completion date of July 1, 2013

Financing Method:

Cash from TCL&P fund balance as planned for. Bonding will not be required.

Additional Revenues:

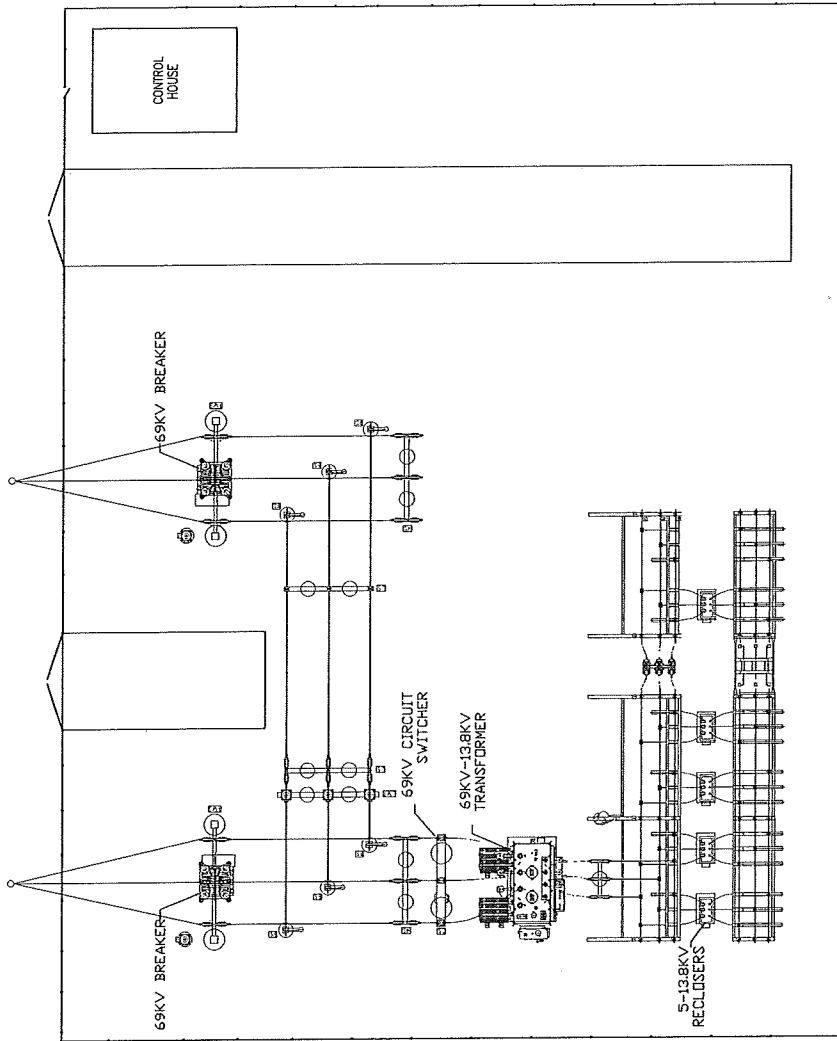
Estimated distribution (customer) load served off this facility will be 29,433,600 kwh per year or annual sales of \$ 1.8 M. Annual load growth is estimated between 1 and 2 percent per year as well as additional load transfer from Consumers Energy in 2014. Additional revenues will be minimal and based on future load growth.

Impact on O&M Expenses:

Existing labor force will operate (TCL&P System Control Center) and perform normal monthly substation inspections (Line Department). Major Substation equipment can last as long as 50 years with proper maintenance and normal loading conditions. The major maintenance activities at a substation includes periodic preventive maintenance and testing of the power transformer, breakers, and reclosers, generally on a five year cycle at a cost of approximately \$40,000 for outside services.

Staff Recommendation:

Staff recommends L&P Board approval of the South Side Substation Project and necessary expenditures in order to provide safe and reliable distribution service to its customers.



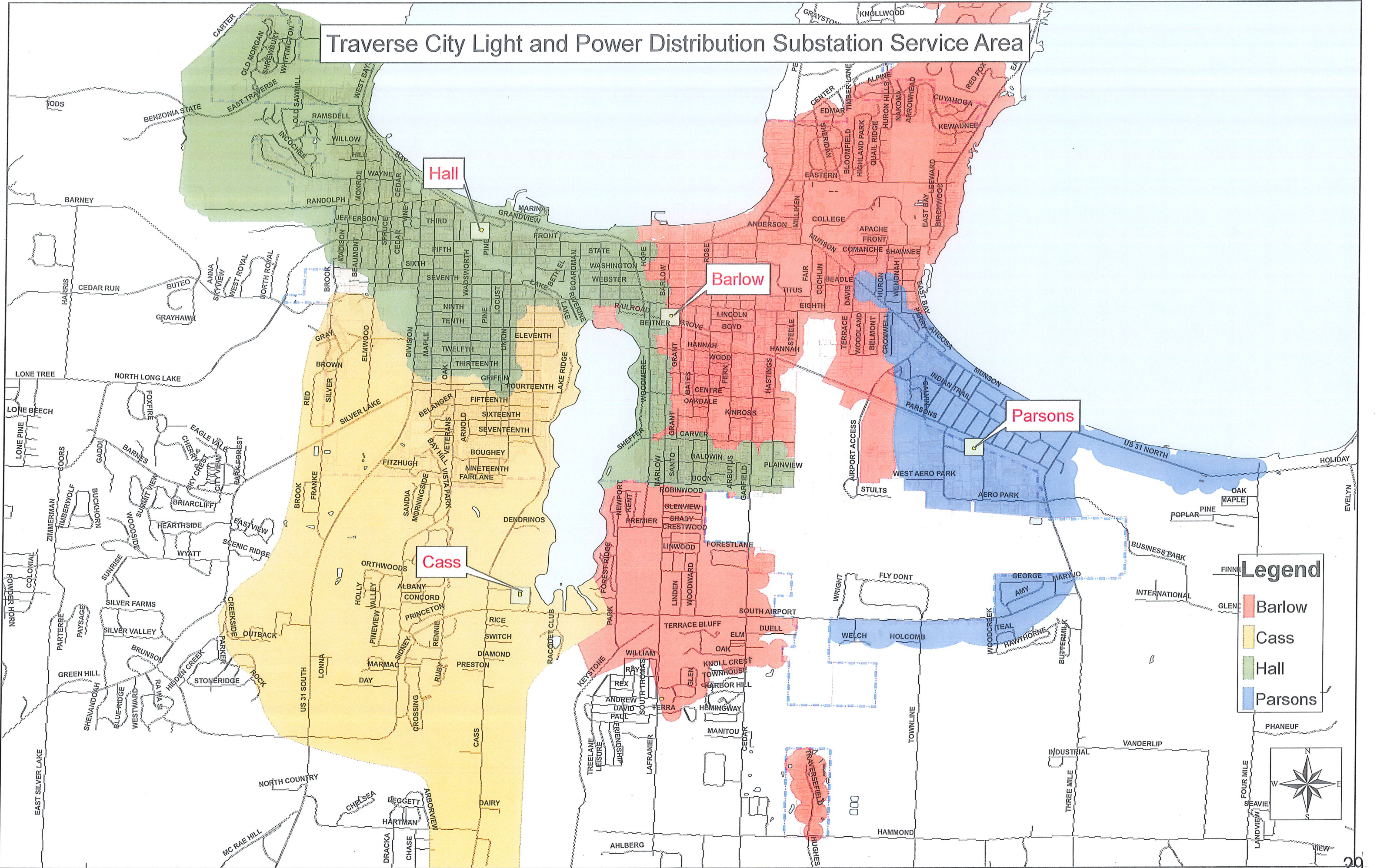
CONCEPTUAL SUBSTATION LAYOUT

Historical TCL&P Demand (Kilowatts)

Calendar Year	Demand (kW)
1988	40,305
1989	40,084
1990	38,925
1991	42,693
1992	41,200
1993	40,022
1994	43,546
1995	47,319
1996	46,778
1997	47,058
1998	54,314
1999	54,003
2000	54,775
2001	64,705
2002	63,290
2003	63,432
2004	61,028
2005	68,072
2006	72,229
2007	69,567
2008	64,936
2009	65,366
2010	66,097
2011	70,648

Compiled: 12-Jan-12
By: Glen Dine

Traverse City Light and Power Distribution Substation Service Area

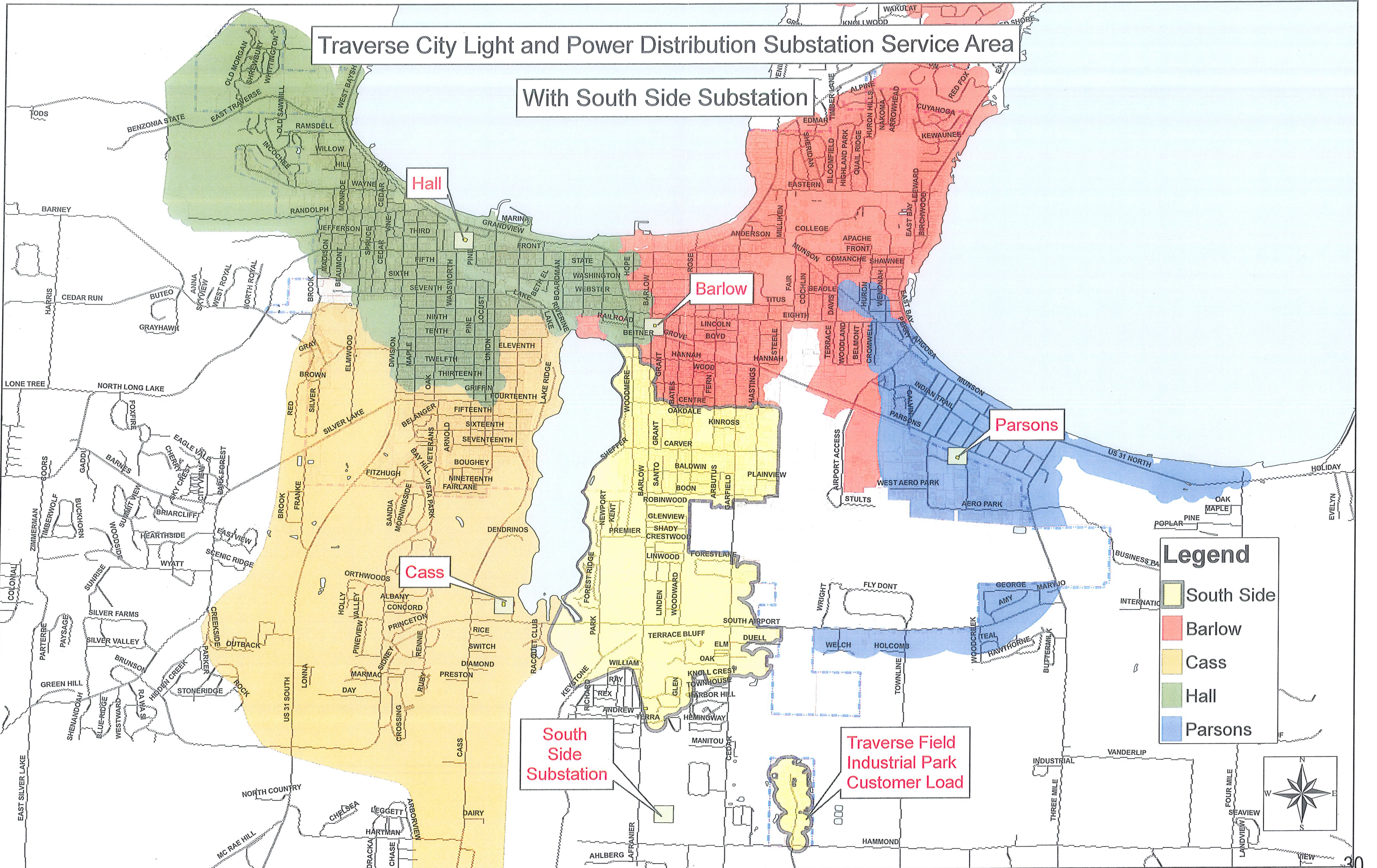


Legend

- Barlow
- Cass
- Hall
- Parsons

Traverse City Light and Power Distribution Substation Service Area

With South Side Substation



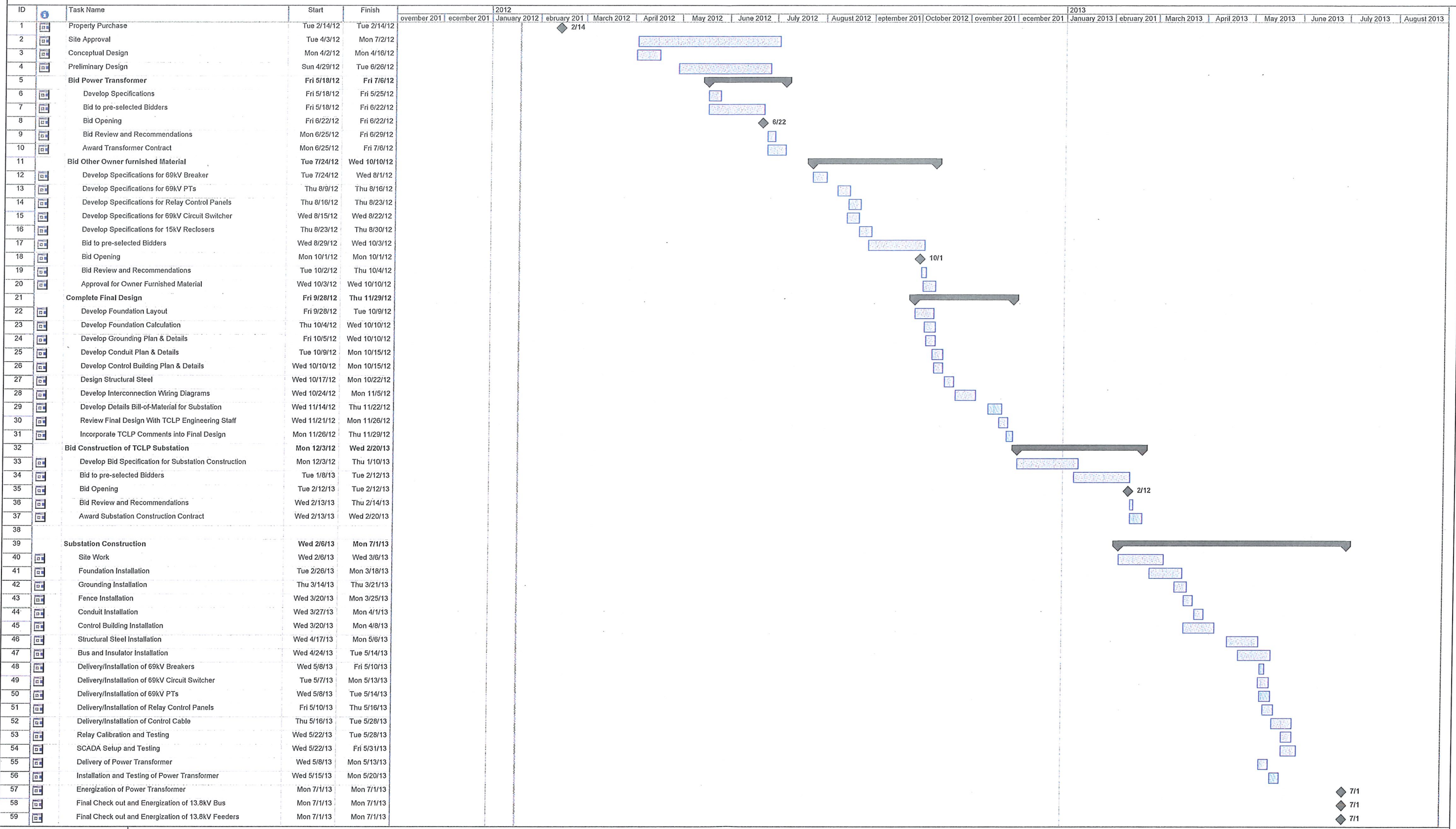
Legend

- South Side
- Barlow
- Cass
- Hall
- Parsons

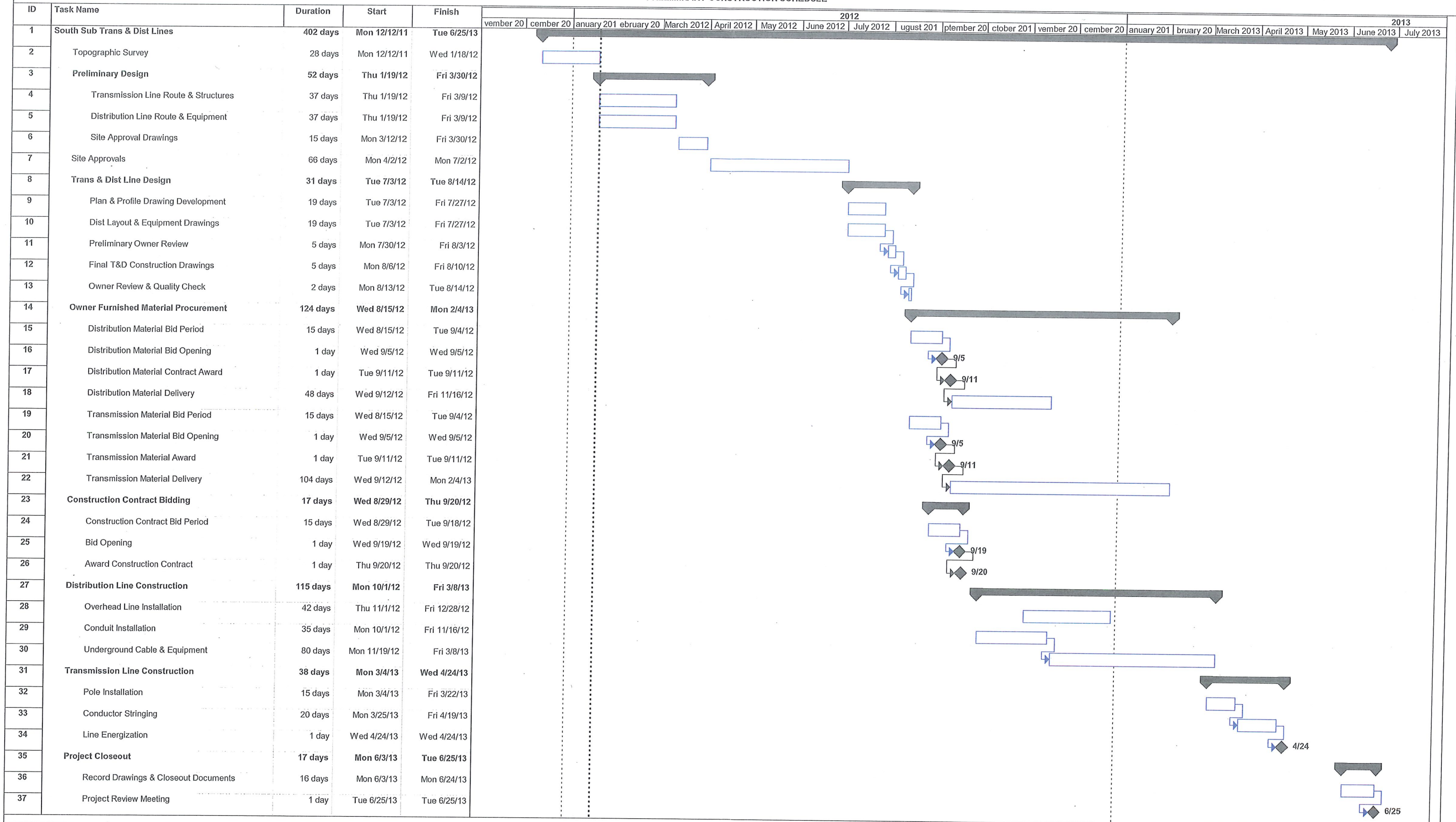
South Side Substation

Traverse Field Industrial Park Customer Load

TRAVERSE CITY LIGHT & POWER SOUTH SIDE SUBSTATION PRELIMINARY CONSTRUCTION SCHEDULE



TRAVERSE CITY LIGHT & POWER
SOUTH SUBSTATION TRANSMISSION & DISTRIBUTION LINES
PRELIMINARY CONSTRUCTION SCHEDULE



GRP Engineering, Inc.
Thu 1/19/12

Task		Milestone		Rolled Up Task		Rolled Up Progress		Project Summary		Rolled Up Split		Deadline	
Progress		Summary		Rolled Up Milestone		External Tasks		Split		External Milestone			

The City of Traverse City

Office of the City Manager

GOVERNMENTAL CENTER
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4440
(231) 922-4476 Fax
tcmanage@traversecitymi.gov



January 27, 2012

Mr. Doug Luciani
President, TBEDC
202 East Grandview Parkway
Traverse City, MI 49684

Subject: **Traverse City Light and Power: Operations Audit**

Dear Doug:

On Monday, January 23, 2012, the Traverse City City Commission discussed a possible Operations Audit of Traverse City Light and Power (TCLP). The primary questions involve whether there may be operational and/or staffing efficiencies available at TCLP.

It is important that any Operations Audit not be, or not be perceived, in an adversarial light between the City and TCLP. It is also important that any Operations Audit be independent and not viewed through the lens of either the City or TCLP. That leads to the purpose of this correspondence.

In the past, the TBEDC has served as a facilitator to address and resolve community issues. Would you be willing to serve in that capacity regarding this issue? Anticipated administrative services would include establishing the process, in conjunction with a working group, to select a qualified firm to undertake an Operations Audit of TCLP and managing that process through to its conclusion.

If the TBEDC is interested in providing such services, please provide to me an estimate for the schedule and administrative fees, along with information on the people you expect might be involved.

You timely attention is appreciated. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Ben Biloss".

R. Ben Biloss
City Manager

RBB/jd

copy: City Commission
TCLP Board