

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, April 24, 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: 4-20-12
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 April 10, 2012. (Approval recommended)
- b. Consideration of authorizing a Second Amendment to the Munson Dark Fiber Services Agreement. (Rice) (Approval recommended)

Items removed from the Consent Calendar

- a.
- b.

3. Old Business

None.

4. New Business

- a. Decorative Lighting Policy review. (Rice)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Update re: HUD Sustainable Communities Grant and Generation Survey. (Cooper)
 2. Update re: Customers Care Program. (Wheaton)
 3. Verbal update re: Conservation District Seedling Give-Away. (Wheaton)
 4. Verbal update re: pending 25% renewable energy state constitutional

- amendment. (Rice)
 - 5. Update re: 100th Anniversary Power of Art Contest. (Wheaton)
 - 6. Announcement of the Beyond the Light Switch event scheduled for May 2, 2012. (Cooper)
 - 7. Verbal update re: Bayfront Legacy Project funding process (CIF). (Rice)
 - 8. Emergency Purchase – Report to Board. (Memo from 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, April 10, 2012

Board Members -

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

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Stephanie Tvardek, Tom Olney, Jim Cooper

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

- a. Minutes of the Study Session of March 22 and Regular Meeting of March 27, 2012.

CARRIED unanimously.

Items removed from the Consent Calendar

None.

Item 3 on the Agenda being Old Business

- 3(a).** Consideration of approving the Six Year Capital Improvements Plan – 2012 and 2012-2013 Operating Budgets.

The following individuals addressed the Board:

Ed Rice, Executive Director
Tim Arends, Controller
W. Peter Doren, General Counsel
Ben Bifoss, City Manager

Moved by McGuire, seconded by Johnson, that the Light & Power Board approves the 2012-13 Operating Budgets and 2012 Six Year Capital Improvements Plan as presented and directs staff to submit them to the City Commission for their consideration.

Moved by McGuire, seconded by Johnson, that the motion be amended to provide for in-kind community services in the amount of \$75,000 in the 2012-13 Budget.

CARRIED unanimously.

Moved by Taylor, seconded by Carruthers to amend the motion to restore \$50,000 for contract labor – energy optimization and \$150,000 for increased energy optimization efforts to the 2012-13 Budget.

The following individuals from the Public addressed the Board:

Janice Hicks, 1687 David Place, Non-Ratepayer

Roll Call:

Yes – Carruthers, Taylor, Johnson, Coco

No – Budros, McGuire, Snodgrass

CARRIED.

Now, the motion before the Board is as follows: “That the Light & Power Board approves the 2012-13 Operating Budgets and 2012 Six Year Capital Improvements Plan as presented and amended and directs staff to submit them to the City Commission for their consideration.”

Roll Call:

Yes - Carruthers, Taylor, Johnson, Coco

No – Budros, McGuire, Snodgrass

CARRIED.

Item 4 on the Agenda being New Business

- 4(a).** Consideration of authorizing a Purchase Order for the LED Overhead Roadway Lighting Project.

The following individuals addressed the Board:

Ed Rice, Executive Director

Jim Cooper, Manager of Communications & Energy Services

Tom Olney, Operations Manager

Tim Arends, Controller

W. Peter Doren, General Counsel

Ben Bifoss, City Manager

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.

None.

B. From Staff.

1. Ed Rice spoke re: emergency purchase for tree trimming services from Contractor N.G. Gilbert in the amount of \$51,471.60 made during the storm of March 2012.
- C. From Board.
1. John Taylor spoke re: the “US Experience with Efficiency As a Transmission and Distribution System Resource” document provided to the Board.
 2. John Snodgrass spoke re: TCL&P purchasing power off the market. He would like to have a discussion at a later date as to how and why it is done.

Item 7 on the Agenda being Public Comment

The following individuals addressed the Board:

Janice Hicks, 1687 David Place, Non-Ratepayer

There being no objection, Chairman Coco declared the meeting adjourned at 6:39 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD



To: Light & Power Board
From: Ed Rice, Executive Director *ER*
Date: April 20, 2012
Subject: Munson Dark Fiber Services Agreement Amendment

Munson Medical Center has requested that Light & Power install dark fiber to one of its new buildings at Copper Ridge with the exclusive right to use the fibers for its purposes.

On August 29, 2007 Light & Power entered into an Agreement with Munson Medical Center for use of the utility's dark fiber system to provide connectivity to various Munson sites. The Agreement was amended in August 2008 to provide for an additional site; this request is similar to the 2008 Amendment to add another site. All other terms of the Agreement remain the same.

Light & Power estimates the cost of the fiber extension will be approximately \$18,000, of which Munson will reimburse the utility. In addition, Munson will pay a fee to Light & Power of \$1,100 per month for use of the fibers at the new site. With this new site added to the Agreement with Munson, the Fiber Fund revenue from Munson will be \$118,800 per year.

Staff is recommending approval of the Second Amendment to the Munson Agreement. This item is appearing on the consent calendar as staff deems it to be a non-controversial item. If the Board would like to discuss this item, beyond clarifying questions, it should be removed from the consent calendar for full discussion.

If removed from the consent calendar, and after discussion the Board is in agreement with staff's recommendation, the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE THE CHAIRMAN AND
SECRETARY TO ENTER INTO A SECOND AMENDMENT TO THE DARK FIBER
SERVICES AGREEMENT WITH MUNSON MEDICAL CENTER; SUBJECT TO
APPROVAL AS TO FORM BY COUNSEL.

SECOND AMENDMENT TO
MUNSON DARK FIBER SERVICES AGREEMENT

THIS AMENDMENT is made and entered into as of the _____ day of _____, 2012, by and between the TRAVERSE CITY LIGHT & POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings Street, Traverse City, Michigan 49686 (“TCL&P”), and MUNSON MEDICAL CENTER, whose address is 1105 6th Street, Traverse City, Michigan 49684 (“Customer”).

RECITALS

WHEREAS, TCL&P and Customer have entered into a Dark Fiber Services Agreement dated August 29, 2007, that was first amended on August 25, 2008, and wish to amend that Agreement again to add another site to be serviced by the dark fiber.

NOW THEREFORE, in consideration of the recitals and agreements contained herein and contained in the Dark Fiber Services Agreement, TCL&P and Customer hereby agree as follows:

1. TCL&P shall provide Dark Fiber Services and an exclusive right to use the Customer Fibers as set forth in Exhibit 1 attached hereto and incorporated herein by reference. The attached Exhibit 1 replaces Exhibit 1 to the Dark Fiber Services Agreement, as amended.

2. The Customer shall reimburse TCL&P the cost of extending the fiber optic network upon completion (estimated cost is \$18,231.76), and the ERU fee as set forth on Exhibit 2, attached hereto and incorporated herein by reference. The attached Exhibit 2 replaces Exhibit 2 to the Dark Fiber Services Agreement, as amended.

3. The Initial Term of the Dark Fiber Services Agreement is October 1, 2008 through September 30, 2018. The first Renewal Term is October 1, 2018 through September 30, 2023. The second Renewal Term is October 1, 2023 through September 30, 2028.

4. The Dark Fiber Services Agreement signed by the parties on August 29, 2007, and first amended on August 25, 2008, is continued in all respects except as amended as here described.

IN WITNESS WHEREOF, the parties below have entered into this Amendment on the date set forth above.

TRAVERSE CITY LIGHT & POWER DEPARTMENT

By: Mike Coco, Chairperson

APPROVED AS TO FORM

By: Edward E. Rice, Executive Director

MUNSON MEDICAL CENTER

By: Christopher J. Podges, Vice President,
Chief Information Officer

By: W. Peter Doren
Traverse City Light & Power
General Counsel

EXHIBIT 1

Location From:

<u>Fiber Count</u>	<u>Site</u>	<u>Address</u>
72	Munson Medical Center	1105 Sixth Street

Location To:

4	Munson Community Health Cntr.	550 Munson Ave.
4	Munson Diagnostics	Copper Ridge
4	North Flight Billing	1237 Hastings
4	NSMA	2651 Aero Park
48 (2X24)	Data Center	49 Hughes Dr.
4	Alpha Center	3672 N. Highway 31 South
4	Building D	Copper Ridge

8 Sites

As amended _____, 2012.

EXHIBIT 2

ERU FEE AND RECURRING CHARGE

I. Fees

A. ERU Fee.

(1) Years 1 – 10 – Initial Term

Total monthly fee: \$9,900.00

Total yearly fee: \$118,800.00

- (a) \$3,200.00 per month (\$38,400.00 per year) for the four Sites: 1105 Sixth Street, 550 Munson Ave., 1237 Hastings and Copper Ridge.**
- (b) \$1,000.00 per month (\$12,000.00 per year) for the 2651 Aero Park Site.**
- \$3,800.00 per month (\$45,600.00 per year) for the 49 Hughes Site.**
- \$800.00 per month (\$9,600.00 per year) for the 3672 N. Highway 31 South Site.**
- \$1,100.00 per month (\$13,200.00 per year) for the Building D Copper Ridge Site**
- The monthly ERU Fee shall commence for each Site as of the month of the Acceptance Date for that Site.**

(2) Years 11-15 – Renewal Term

Total monthly fee: \$9,700.00

Total yearly fee: \$116,400.00

Subject to Renewal Escalation

(3) Years 16-20 – Renewal Term

Total monthly fee: \$9,700.00

Total yearly fee: \$116,400.00

Subject to Renewal Escalation

- Recurring Charge.**

(1) Included in the ERU fee

- II. Renewal Escalation.** The ERU Fee and/or the Recurring Charge may be increased at the beginning of a Renewal Term by the increase, if any, in the Consumer Price Index - All Urban Consumers (CPI-U, U.S. City Average), published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), for the original twelve (12) month period of the prior term. In the event such index shall cease to be computed or published, TCL&P may, in its reasonable discretion, designate a successor index to be used in determining any increase to the ERU Fee or the Recurring Charge.
- III. Invoices.** The ERU Fee and Recurring Charge shall be invoiced in advance by TCL&P monthly during the Term, and any Renewal Term thereafter, and shall be paid within thirty (30) days after the date of the invoice (“Due Date”). Any sums not paid when due hereunder, if not disputed by customer, shall be subject to a late payment interest charge of twelve (12) percent per annum. In the event Customer disputes all or a portion of an invoice, Customer shall notify TCL&P in writing of the nature and amount of the dispute on or before the Due Date and shall pay the undisputed portion of the invoice on or before the Due Date. The Parties will work together in good faith to resolve properly noticed disputes. In addition to any other rights and remedies under this Agreement, failure to make any payment when due hereunder shall be a default.

As amended _____, 2012.



To: Light and Power Board *ER*
From: Ed Rice, Executive Director
Date: April 20, 2012
Subject: Decorative Lighting Policy Review

At the request of Board Member Snodgrass, staff has undertaken the process of rewriting the Decorative Lighting Policy with the goal of providing more clarity on the following:

- Decorative lighting defined
- Department specifications
- Types of decorative fixtures available
- Ownership, installation, and process for obtaining decorative lighting
- Replacements – end of useful life
- Funding

Attached is a draft policy that various staff members have reviewed in an attempt to make it as comprehensive as possible. Also attached is the current policy that was adopted by the Board in 1990.

At this point in the process staff is seeking input from the Board and the public on the draft policy so that the final staff recommended policy meets the Board's expectations.

Light and Power Department
City of Traverse City, MI
Adopted: November 13, 1990
Amended: _____

DECORATIVE LIGHTING POLICY

TO PROVIDE guidance to the Department in facilitating the development of Decorative Lighting Projects within the utility service area for Traverse City Light & Power Board consideration of approval. Further, to define ownership, operation & maintenance, system replacements, and funding options.

DECORATIVE LIGHTING DEFINED: A system consisting one or more luminaries where the Department has an existing distribution system with secondary voltage available that is not intended to illuminate a public street or roadway for motorist/pedestrian safety due to motor vehicle traffic. There are three types of decorative lighting systems within the community: Residential/neighborhood, Pedestrian/trail, and Commercial Districts. This policy covers only those projects that provide lighting in public areas or within the public right-of-way that are accessible to the general public. Projects within private developments and/or on private property shall be privately designed, constructed, and owned. Light & Power shall meter and bill private development projects at Board approved tariff rates.

LIGHTING SPECIFICATIONS: the Department shall design, furnish, install, and own all equipment and infrastructure comprising the decorative lighting system. Specifications will be in compliance with City of Traverse City Master Plan Urban Design Element, along with City of Traverse City regulations for lighting levels, if any. Environmental concerns and energy use are some of the factors that will be considered to limit the amount of lighting. Lighting will be installed to Department specifications, which will be regularly updated as technologies advance.

MATERIALS/EQUIPMENT: Poles and fixtures used for decorative lighting must be approved for use by the Executive Director. Approval will be based on operation, maintenance, conservation, and cost criteria. There are 2 styles of decorative fixtures that are currently approved: the acorn and the candy cane. The acorn is used in both residential and commercial districts; while the candy cane is used in the commercial districts. Fixtures other than styles supported by the Department will require approval by the Executive Director and may subject the requestor(s) to reimbursing the utility for any additional costs, including the cost of maintaining an appropriate level of inventory for repairs and/or replacement equipment and fixtures.



Candy Cane



Acorn

INSTALLATION PROCESS: This section will address when Decorative Lighting Systems will be installed and/or upgraded, the end of the service life, cost of replacement, and the approval process.

- a) **Installation/Upgrades:** Every effort will be made to install and/or upgrade Decorative Lighting Systems in conjunction with the City's plans for street reconstruction. During the annual Capital Planning Process, it is requested that the City Manager provide a written request to the Department's Executive Director on any City projects that will or could require decorative lighting additions/replacements. Additionally, the Department shall notify the City Manager in writing of any systems that are scheduled for replacement well in advance for City Capital Planning purposes.

It is anticipated that the City and the Department will work together to minimize project costs and to reduce the inconvenience/disruption to residents, businesses and visitors.

The Light & Power Board retains the right to deny or delay participation in any project.

- b) **End of Service Life:** The lighting infrastructure that the Department installs is designed to last approximately 20 to 30 years. At some point the cost to maintain the system becomes more than its present value and/or safety concerns have resulted in the infrastructure reaching the end of its usable service life. The end of service life will be determined by the Department's Executive Director. The end of service life shall not occur before all street lighting assessments are paid in full. When the end of service life is reached the Department may schedule its replacement in its Six Year Capital Improvements Plan for approval by the Board and City Commission. Approval of the Plan will determine that the system will be replaced. If the project is not approved the system will be scheduled for removal.
- c) **Cost of Replacement:** The Decorative Lighting System shall be owned, operated and maintained by the Department. Replacement of the system shall occur as follows:

- The related underground systems will be replaced, as required, with the entire cost borne by the Department. The underground distribution system supporting the Decorative Lighting System becomes part of the Departments overall distribution system upon its installation, and it shall be maintained and replaced in the same manner as any other underground distribution system.
 - The above ground equipment/fixtures shall be replaced with the cost of the equipment/fixture paid by the benefiting party. This can be done through special assessments, Tax Increment Financing, bonds, City Capital Projects Fund, or any other funding mechanism that reimburses the utility for the cost of the replacement fixtures/equipment. Whatever form of reimbursement is used, including the timeframe for reimbursement to the utility will be presented to the Board at the time the Board considers approval of the purchase or replacement equipment/fixtures.
 - The Light & Power Board retains the right to self-fund any project it deems in the best interest of the City or Light & Power.
- d) Approval Process: Time permitting; all Decorative Lighting Projects shall be included in the Light & Power Six Year Capital Improvements Plan (the “Plan”). The Plan will have been approved by the Light & Power Board, City Planning Commission and City Commission.

Initiation of a Decorative Lighting Project can be from either the City, Downtown Development Authority, neighborhood organization, or other interested parties. With approval of the Executive Director, staff will prepare conceptual plans and cost estimates for inclusion in the Plan (the cost estimate will separate the cost of fixtures, underground infrastructure and installation charges.) If outside of the Plan timing process, these conceptual plan and cost estimates shall be forwarded to the Board for consideration of participation in the project, along with a recommendation from the Executive Director.

Upon Board approval of the Plan, staff (or other party if by agreement) shall commence with engineering, design, and preparation of bid packages in coordination with the City or other party(s) so that Light & Power staff is prepared to seek bids in a timely manner for the project. Actual bids shall be submitted to the Board for final approval, as required by the Purchasing Policy.

The Department reserves the right to delay approved decorative lighting projects due to other priorities, at the discretion of the Executive Director.

FUNDING: The cost of a Decorative Lighting Project includes preliminary engineering, administration, design, installation, inspection, and final closeout. Generally, Light & Power’s contribution to Decorative Lighting Projects will include the cost of underground infrastructure, preliminary engineering, administration, installation charges, inspections, and final closeout. The

cost of fixtures, and their eventual replacement, shall be borne by the requestor or benefiting party.

- a) Decorative Lighting with Street Reconstruction Projects: Decorative lighting will be installed as part of a street reconstruction project at the request of the City and as approved by the Board. Decorative light fixtures will be purchased and installed by Light & Power. The cost of the fixtures shall be reimbursed to Light & Power as approved by the Board. Funding may come from the City's Capital Improvements Fund, TIF Funds, Grants, special assessments, or other funds.
- b) Decorative Lighting Stand Alone Projects: Decorative lighting can be installed in advance of street reconstruction or along designated recreation/pedestrian trails in the public right-of-way. Decorative light fixtures will be purchased and installed by Light & Power. The cost of the fixtures shall be reimbursed to Light & Power as approved by the Board. Funding may come from the City's Capital Improvements Fund, TIF Funds, Grants, special assessments, or other funds.
- c) Operation and Maintenance Costs: Decorative lighting that has been installed in the public right-of-way and to Light & Power standards (lighting levels and equipment used) will be owned by the utility. The operation and maintenance costs for decorative lighting are borne by Light & Power in accordance with the City of Traverse City and Traverse City Light & Power Street Lighting Operations and Maintenance Policy adopted on June 22, 2010 reference here.

As in all lighting projects, Light & Power retains the right to self-fund projects it deems in the best interests of the community or Light & Power.

This policy supersedes and replaces the Decorative Street Lighting Policy adopted on November 13, 1990, and all other policies in conflict with this policy.

DECORATIVE STREET LIGHTING POLICY

In order to facilitate the development of Decorative Street Lighting projects in Traverse City, the Light and Power Board will participate financially in such projects under the following criteria:

1. The Light and Power Board would consider installing Decorative Street Lighting, at Light and Power expense, in areas that would benefit the Traverse City community in general. The Light and Power Board retains the right to deny or delay participation in any project.
2. All other Decorative Street Lighting projects will be paid for by others, either through the establishment of a Special Assessment District (S.A.D.) by the local unit of government or the inclusion of the Capital Costs in the rates for the specific style of lighting fixture installed.
3. The Operation and Maintenance Costs (O & M) of all Decorative Street Lights shall be included in the billing to the local unit of government.
4. The City must approve any installation, or upgrade, of lighting installed on public right-of-way.
5. All lighting projects are subject to the availability of funding through the Light and Power budget process and Light and Power Board approval.

Charles R. Fricke

Charles R. Fricke
Executive Director and Secretary
Traverse City Light and Power Board



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Jim Cooper *JC*
Date: April 18, 2012
Subject: HUD Sustainable Communities Grant and Generation Survey

Staff has been working on the board approved goal of "Determine customer and community interest in local generation with a baseload goal of 30 MW". Survey questions were developed with input from several board members and Cathlyn Summerfield, Director of Research Services at NMC. After the original focus group meeting was cancelled on March 5, because of the weekend snow storm, another meeting was held on April 2. The purpose of the focus group was not to survey random customers, but to determine the customer's knowledge and understanding of the questions themselves, and to develop better ways of wording the questions if needed. The intent was to bring these results back to the board in April for review, receive input, and then to survey all L&P customers.

However, several events may have altered this approach. Recently, the Northwest Michigan Council of Governments (NWMCOG) received a \$660,000 HUD Sustainable Communities Grant. Deb McKeon, Executive Director of the Northsky Nonprofit Network, and Matt McCauley, Director of Regional Planning, will attend the board meeting to review the attached grant information sheet and explain how their proposed energy planning survey related to generation, capacity, efficiency and conservation could be used to achieve the same results as a separate L&P survey. The benefits of the grant survey include an educational element before the survey is conducted and more of a partnership relationship with area groups who are trying to engage the public on a breadth of energy topics. The area wide survey can also be customized for L&P customers.

After considering this new information and the possibilities of working with NWMCOG to help develop the questions, staff now recommends that the specific L&P generation survey be postponed or eliminated depending on the outcome of the grant survey. Some electric generation questions can also be asked during the regular L&P customer satisfaction survey which will be conducted later this spring.

HUD Sustainable Communities Grant
Grand Vision to Grand Action: Regional Plan for Sustainable Development

Purpose: To move the Grand Vision to a Plan of Strategy and Action and augment the Grand Vision Region's planning and implementation capacity to build economically competitive, healthy, environmentally sustainable, and opportunity-rich communities through the regional efforts.

Role of the Grand Vision Energy Network (w/ support from the NWMCOG and its contractors):

- Act as Grand Vision to Grand Action Consortium members
- Share plans, data, projects, ideas
- Plan content and convene work sessions in each GV County
- Conduct a public survey throughout the Region
- Assist with the development of the Regional Energy Plan components and the energy and climate change goals, objectives and implementation recommendations

Energy/Climate Change

The *Grand Vision Energy Network's* guiding principle is to provide education and information about the issues relating to energy utilization, production, infrastructure, economics, efficiency and conservation and the impact on the Grand Vision Region.

The Grand Vision Energy Network will help compile information on all modes of energy production, access, and consumption; identify data gaps; gather the data and additional materials; research amount and types of energy consumed in the Region; review building codes and architecture and design; gather green build recommendations and LEED requirements; compile goals, objectives and actions from U.S. Department of Energy program, State of Michigan programs, utilities, other local programs/projects, and businesses; perform greenhouse gas emission inventories; review transportation patterns and usage; U.S. Environmental Protection Agency's Policy Statement on Climate Change Adaptation – to Develop a *EPA Climate-Change Adaptation Plan* (June 2012); U.S. Department of Energy programs, local utility plans, the City of Traverse City and Grand Traverse County Climate Action Plans, NWMCOG's *Energy Efficiency and Renewable Energy for Local Governments* project; other local programs and projects, and businesses. Develop the regional energy plan.

Regional Energy Plan – integrated with the Land Use, Housing and Transportation Plans

- Not replicating the Grand Vision: identify parts of the Grand Vision that can be updated
- Create a locally adoptable strategy to successfully integrate this plan with local decision and policy making; including, master plans, zoning ordinances, site plan reviews, and building codes
- To be more sustainable and proactive to network and integrate the energy plan with other issues that are impacting community infrastructure such as housing, economic development, land use and transportation.

Energy Components:

- The Inventory and Compilation of Energy Production
- Identified Energy Use
- Identified Plans, Policies and Programs
- Goals, Objectives and Implementation Recommendations

Climate Change Components:

- The Inventory of Emissions
- Review climate change impact assessments
- Identified Plans, Strategies, and Programs
- Goals, Objectives and Implementation Recommendations



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Jessica Wheaton
Date: April 19, 2012
Subject: Postponement of L&P Customers Care Program

At the January 10th board meeting, staff presented the outline of the proposed L&P Customers Care Program. At that time the board approved staff to begin program implementation, which included having a review of the program performed by L&P auditors. Attached is the report from Rehmann Robson with their recommendations.

It has recently been brought to staff's attention that the Governor's proposed FY 2013 budget includes a proposal for \$60 million to fund a heating assistance program for low income residents, which would come from gas and electric utility rates. An excerpt from the press release announcing the proposed FY 2013 budget, dated February 9, 2012, as it pertains to the heating assistance program, is below.

Vulnerable Residents

"Establishing the new Home Heating Assistance for the Vulnerable program as a permanent source of funding for heating assistance for the poor. It is funded by \$60 million in revenue generated from gas and electric utility rates."

Previously the heating assistance program was funded solely by investor owned utilities like Consumers Energy and Detroit Edison. However, recent discussions at the legislative level have proposed funding by all utilities, including CO-OPS and municipal utilities.

Due to the possibility of this new program, which customers would be mandated to pay for and the amount of staff time (specifically the City Treasurer's Office) needed to complete program execution, staff recommends postponing the implementation of the L&P Customers Care Program until further details are released on the Governor's proposal.

MEMORANDUM
March 8, 2012

TO: Traverse City Light and Power Board
Mr. Ed Rice, Executive Director

FROM: Cathy Shoemaker, CPA Tax Manager
Kerry Nelson, CPA, Tax Principal

RE: L & P Customer Care Program Donations

Facts: Traverse City Light and Power would like to offer a program to their customers that would allow them to round up their monthly utility bill payment. These additional funds would be used to directly support the Father Fred Foundation.

Issue: What are the options available to Traverse City Light and Power to initiate the customer care program and allow their customers a charitable contribution deduction?

Analysis: W. Peter Doren, in a letter drafted on January 5, 2012, suggested a charitable trust be established by Traverse City Light and Power. We were asked to provide guidance on the federal filing requirements for this trust. Charitable trusts are generally exempt from income tax under IRC Sec. 501(a) if they are described in IRC Section 501(c)(3). The trust, as a separate entity from Traverse City Light and Power, would be required to request tax-exempt status under IRC Section 501(c)(3) by completing and filing Form 1023. It would also need to file the required informational return Form 990 or 990EZ on an annual basis.

Alternatively, the municipal utility could set up a special revenue fund and enter into an agency agreement with the Father Fred Foundation.

Recommendation:

Our recommendation would be to establish a special revenue fund and enter into an agency agreement with the Father Fred Foundation.

Revenue Ruling 85-184 allows utility customers, who pay additional amounts on their utility bills to a utility company acting as an agent for a charitable organization that assists individuals with emergency energy needs, a charitable deduction for that additional amount

To ensure compliance with Treasury Department regulations, we inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

This memo and any attachments are intended for the sole use of the addressee listed. It may contain confidential, proprietary and/or legally privileged information. If you are not the intended recipient please notify the sender by calling us at the telephone number above. Unauthorized use, dissemination, distribution or copying of this memo or attachments, in whole or in part, is strictly prohibited and may be unlawful. When addressed to our clients, any opinions or advice contained in this memo are subject to the terms and conditions included in specific engagement letters or contracts. Please note that we shall not be responsible or liable for the proper and complete transmission of the information contained in this memo or any delay in its receipt. Thank you.

in the year paid. Traverse City Light & Power would enter into an agency agreement with the Father Fred Foundation. (Legal guidance is suggested in drafting this agreement.) The contribution amounts must be specifically marked as such by the customer on their bill as to not be considered part of their utility payment. Traverse City Light & Power would then establish a special revenue fund, over which they have no dominion or control. Funds would then be disbursed from the fund to the Father Fred Foundation on a regular basis.

Section 170(f)(8)(A) provides that no deduction is allowed under § 170(a) for any contribution of \$250 or more unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgment of the contribution by the donee organization that meets the requirements of § 170(f)(8)(B).

We would recommend that the Father Fred Foundation supply this acknowledgment.

DISCLOSURE UNDER TREASURY CIRCULAR 230

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To ensure compliance with Treasury Department regulations, we inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

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TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Jessica Wheaton
Date: April 19, 2012
Subject: 100th Anniversary Power of Art Contest

Traverse City Light & Power launched the 100th Anniversary Power of Art Contest in February 2012. The purpose of the contest was to educate students and community members about the importance of energy efficiency in our community.

The winning two dimensional piece of art was submitted by Evan Norgaard, a 7th grader at Traverse City Christian Schools. Evan won an energy efficiency classroom sponsorship to be used to support supplies and curriculum in her classroom. Evan's teacher also received a Downtown Traverse City gift certificate for making the contest part of her class's curriculum.

The winning student video was submitted by Emma Simon and Taylor Weckstein, 8th graders at East Middle School. Emma and Taylor split the prize of Downtown Traverse City gift certificates.

In place of the awards ceremony, L&P staff presented the awards at the schools of the winning students.

All entries were judged by a panel of local video and art professionals. Entries were rated on overall impact, effectiveness of conveying the theme, artistic merit and technical proficiency.

The winning two dimensional piece of art and the first, second and third place videos are posted on L&P's website for public viewing. I will also bring the winning two dimensional piece of art and show the first place video at the board meeting Tuesday night.



Beyond the Light Switch: What will the future of energy look like?

Wednesday, May 2, 6 – 9 PM
Milliken Auditorium at the Dennon Museum Center
Northwestern Michigan College, Traverse City

This highly relevant two-part PBS documentary brings a comprehensive and timely presentation that takes a close look at our country's current electric energy status and the challenges we face. Gain a much needed, balanced perspective of the issues. Hear from land-owners, energy company CEO's, environmentalists, researchers and everyday people as they discuss some of the today's most pressing electric infrastructure challenges.

Local Panel Discussion

Debates on these issues are presently underway here in our community. Join us for this thought-provoking documentary with localized panel discussion moderated by the documentary's producer Ed Moore of Detroit Public Television .



TRAVERSE CITY
LIGHT & POWER



Admission - \$5 at the Door, to Reserve a Seat

Call Extended Education: 995-1700

Walk Ins Welcome, All Area Students Free

Special Thanks To The Following Presentation Supporters

American Institute of Architects

Traverse Area Association of Realtors©



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@traverscitymi.gov



April 13, 2012

Jessica Wheaton
Traverse City Light and Power
1131 Hastings St.
Traverse City, MI 49686

Dear Jessica,

The City of Traverse City would like to thank Traverse City Light and Power for your support of the Traverse City Bayfront Plan's implementation. Without your support, the revitalization of the Bayfront, our premiere attraction and one of the primary drivers of our local economy, would not have been possible.

We wanted to provide an update on the project for you and your organization.

In the summer of 2011, the City of Traverse City selected Hamilton Anderson Associates to complete Final Engineering and Design of the Bayfront – Phase I. As the design progressed through the fall of 2011, several changes were considered by the City and the contractor with the result that the construction schedule was pushed back and additional funds were needed to complete the agreed upon design. The City has aggressively sought and secured additional funds from state, federal and local sources and all the needed funds are in place. The Bayfront Plan is in the final stages of engineering and design with bid letting expected in the spring of 2012 and construction slated to begin in September, 2012 and be completed by May of 2013 (see attached project schedule).

We are very excited to see the community's vision take shape along our Bayfront, and we are very grateful for your partnership and support in making this vision a reality for Traverse City.

Sincerely,

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

R. Ben Bifoss, City Manager
City of Traverse City

Proposed Project Schedule

UPDATED 01-10-12

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	
Proposed Project Schedule																			
Conduct site visit Review existing information Topographic survey Procure and coordinate Geotechnical Services																			
SCHEMATIC PLAN Prepare preliminary schematic site and arch plans for bathhouse Attend one meeting with City Representatives to review design Revise Final Schematic Site and Arch plans Prepare budgetary construction cost estimate for phase 1 Attend one meeting w/ City Brds and Commissions to present final design																			
Prepare design development plans, sections, elevations, construction details Design Development Owner Review Prepare design development plans CD 50% Owner Review Revise per City Comments, Update cost estimate CD 90% Owner Review Submit for DEQ Permit Revise per City Comments Final 100% Owner Review Finalize Bid Documents Submit for bids																			
Package drawings and specifications for plan room distribution Coord with City Advertisement to Bid Pre-Bid Meeting Bidding Period Bids Due Recommend Contract Award Construction (Begins After September 3 - Labor Day)																			

LEGEND
 Meetings ●
 Due Date ○
 Working period ■



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Ed Rice, Executive Director *ER*
Date: April 20, 2012
Subject: Emergency Purchase Report to Board

Due to the emergency created by the snow storm of March 2-3, 2012, L&P called-in additional line crew support from other municipal utilities in the state that assisted with the work required to restore electric service to L&P customers.

The charges from Lansing Board of Water & Light were \$87,306.51 which is beyond the monetary spending limit set by the Board for the Executive Director. The Board approved purchasing policy does allow for emergency purchases by the Executive Director beyond the monetary spending authority, with conditions.

This communication to the Board is made to comply with the reporting requirement as identified in the Purchasing Policy (relevant section attached).



Board of Water & Light
 P.O. Box 13007
 Lansing, MI 48901-3007

Customer Service (Local): (517) 702-6006
 Toll Free (Long Distance): 1-800-493-8009
 Email: custservice@lbwl.com
 www.lbwl.com

Invoice

Sold To:
 Traverse City Light & Power
 1131 Hastings St.
 Traverse City, MI 49686

Invoice Number:
 110465

Invoice Date:
 4/16/12

Page:
 1

Attn:

Customer ID: TraverseCity-Light&P

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Net 30 Days	6	5/16/12

Description	Amount								
Contribution in Aid of Construction- Storm restoration work for Traverse City Light and Power. Charges for all labor , equipment and travel expenses for storm restoration work- 1 ESW, 3 Line workers, 2 vehicles. Labor Cost- \$ 82,146.31 Equipment Cost- \$ 4,108.69 Meals/Travel Expenses- \$ 1,051.51	87,306.51								
<table border="1"> <tr> <td><input type="checkbox"/> Generation</td> <td><input type="checkbox"/> Service</td> </tr> <tr> <td><input type="checkbox"/> Metering</td> <td><input type="checkbox"/> Fiber</td> </tr> <tr> <td><input type="checkbox"/> Engineering</td> <td><input type="checkbox"/> Marketing</td> </tr> <tr> <td><input type="checkbox"/> H.R</td> <td><input type="checkbox"/> Admin</td> </tr> </table>		<input type="checkbox"/> Generation	<input type="checkbox"/> Service	<input type="checkbox"/> Metering	<input type="checkbox"/> Fiber	<input type="checkbox"/> Engineering	<input type="checkbox"/> Marketing	<input type="checkbox"/> H.R	<input type="checkbox"/> Admin
<input type="checkbox"/> Generation	<input type="checkbox"/> Service								
<input type="checkbox"/> Metering	<input type="checkbox"/> Fiber								
<input type="checkbox"/> Engineering	<input type="checkbox"/> Marketing								
<input type="checkbox"/> H.R	<input type="checkbox"/> Admin								
Acc: 582-510-716.00 Storm Approval: <i>[Signature]</i> 4/19/12									

Subtotal	87,306.51
Sales Tax	
Total Invoice Amount	87,306.51
Payment Received	
TOTAL	87,306.51

Check No:

Detach and return this portion with payment to: LANSING BOARD OF WATER & LIGHT - P.O. BOX 13007 - LANSING, MI 48901-3007

Traverse City Light & Power
 1131 Hastings St.
 Traverse City, MI 49686

Invoice No. 110465

Invoice Amount 87306.51



**TRAVERSE CITY
LIGHT & POWER**

No. S 2012- 0234

VENDOR NAME AND ADDRESS:

Lansing Board of Water & Light
P.O. Box 13007
Lansing, MI 48901-3007

SERVICE ORDER

1131 HASTINGS STREET
TRAVERSE CITY, MI 49686
Telephone: (231) 922-4940

Account: 582-510-776.00

Date: 4/19/2012

THE FOLLOWING SERVICES ARE TO BE PROVIDED BY THE CONTRACTOR FOR LIGHT AND POWER

Emergency Assistance During Storm Outage

-Labor \$82,146.31
-Equipment 4,108.69
-Travel/Meals 1,051.51

SERVICE ORDER TOTAL \$87,306.51

VENDOR: Please sign the "Contractor Line" on both copies of the Service Order, keep the "Vendor's Copy" and return the "Purchasing Division" copy to the address above. Thank you.

TO BE COMPLETED BY	TCL&P CONTACT PERSON/PHONE NUMBER
Complete	NA
The reverse side of this document contains additional terms and conditions which are part of this contract. The Contractor acknowledges that the terms and conditions have been read and further agrees to be bound by them.	

WORK SHALL NOT COMMENCE UNTIL SIGNED SERVICE ORDER HAS BEEN RETURNED TO THE PURCHASING AGENT

L&P AUTHORIZED SIGNATURE

NA

CONTRACTOR: sign and return to the purchasing agent for TCL&P

INSTRUCTIONS TO VENDOR:

1. Send all invoices to TRAVERSE CITY LIGHT & POWER, 1131 Hastings Street, Traverse City, MI 49686
2. Service Order Number must be shown on all documents, packages, and correspondence.
3. A separate invoice must be submitted for each service order.
4. As a municipality, our purchases are not subject to State Sales Tax.

VENDOR'S COPY

CITY TREASURER

DEPARTMENT COPY

PURCHASING DIVISION

TERMS AND CONDITIONS

1. INDEPENDENT CONTRACTOR. The relationship of the Contractor to Light and Power is that of an independent contractor and in accordance therewith Contractor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers, or agents will claim to be an officer, employee, or agent of Light and Power.
2. CONTRACTOR RESPONSIBILITY. The contractor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. Contractor shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property. Contractor agrees to indemnify and hold harmless Light and Power from any and all claims, demands or liabilities of whatsoever kind or nature which in any way arise out of Contractor's work whether or not such claims, demands or liabilities arose in part from the negligence of Light and Power but not where any such claim, demand or liability arises from the sole negligence of Light and Power.
3. INSURANCE. (A) General Liability. The Contractor shall maintain, during the life of this Agreement, general liability insurance. General liability insurance coverage must protect the Contractor, subcontractors, Traverse City Light and Power, the public, and any engineer hired for the job, from claims for bodily and property damages which may arise from operations or completed operations under this Agreement.

Such coverage shall specifically include premises/operations, underground explosion and collapse hazard, products and completed operations, contractual liability, independent contractors, broad form property damage, broad form general liability. Such coverage shall be for a minimum total, unimpaired, combined single limit of \$250,000.00

(b) Worker's Compensation. The contractor shall maintain, during the life of this Agreement, worker's compensation for all employees doing any work related to this job; and, if any work is subcontracted, the Contractor shall require that the subcontractor(s), similarly, provide worker's compensation for all of its employees unless such employees are covered by the Contractor's worker's compensation insurance.
4. NON-DISCRIMINATION. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this Agreement.
5. NOTICE. Whenever it is provided in this agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in this Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.
6. AMENDMENTS. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.
7. ASSIGNMENT. There shall be no assignment or transfer of this Agreement or any part thereof unless mutually agreed to in writing by both parties.
8. VENUE. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.
9. ENTIRE AGREEMENT. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein. It is understood that should Contractor recommend further work concerning the project, Light and Power is under no obligation to engage Contractor in such work.

C. EMERGENCIES

1. **Emergency Defined.** Emergency is defined as a threat to the public safety or welfare, or where timely action is required to restore electric service or avoid reduction of electric service or an anticipated outage.
2. **Executive Director Authority.** The Executive Director is authorized to enter into such contracts, purchase orders and service orders without Board approval in the amount necessary to alleviate or avoid an emergency. The Executive Director may delegate in writing to a Department Head authority to authorize that Department Head to exercise his or her emergency authority.
3. **Reporting.** When the Executive Director engages in an emergency transaction beyond the monetary spending limit of the Executive Director, he shall report such activity as soon as possible to the Board members and place the matter on the agenda of the next regular or special TCL&P Board Meeting for the information of the Board.

Edward E. Rice

Edward E. Rice
Secretary
Traverse City Light & Power Board