

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, July 10, 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: 7-6-12
2:30 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

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

- a. Consideration of approving minutes of the Regular Meeting of June 26 and Public Utilities Element Ad Hoc Committee Meeting of July 2, 2012. (Approval recommended)
- b. Consideration of authorizing a Resolution Recognizing Renewal of the 35 Year Lease and Agreement with Wolverine Power Supply Cooperative. (Approval recommended)
(Rice)

Items removed from the Consent Calendar

- a.
- b.

3. Old Business

- a. Consideration of Community Investment Fund recommendation with a project update from the City Planning Department. (Wheaton/Soyring)
- b. Consideration of authorizing a Construction Contract for the East Hammond Substation Project. (Dine)
- c. Consideration of authorizing an Engineering Services Contract with GRP Engineering for the Pine Street Overhead to Underground Distribution Conversion Project. (Dine)

4. New Business

- a. Consideration of authorizing staff to develop and implement a Solar Rate. (Cooper)
- b. Consideration of Board feedback on the City Master Plan Public Utilities Element. (Public Utilities Element Ad Hoc Committee)
- c. Consideration of authorizing the hiring of a temporary employee – Electric Line Supervisor. (Rice)

- d. Consideration of authorizing the hiring of a temporary employee – Electric Distribution Line Designer. (Rice)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
- c. From Board.
 1. Discussion regarding MMEA opposition of the State Constitutional Amendment 25by25. (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, June 26, 2012

Board Members -

Present: Barbara Budros, Jim Carruthers, Mike Coco, John Snodgrass, Bob Spence,
Patrick McGuire

Absent: John Taylor

Ex Officio Member -

Present: R. Ben Bifoss

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

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

As requested by Spence, Agenda Item 2(b) was removed from the Consent Calendar for full discussion.

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of June 12, 2012.
- b. *Removed from the Consent Calendar.*

CARRIED unanimously. (Taylor absent)

Items removed from the Consent Calendar

- a. Consideration of adopting a Health Care Savings Program Resolution, which approves the Light & Power Department's participation in the MERS Health Care Savings Program, which is an employee savings vehicle for eligible medical care expenses.

The following individuals addressed the Board:

R. Ben Bifoss, City Manager
Ed Rice, Executive Director

Moved by Coco seconded by Budros, that the Board approve the MERS Health Care Savings Program Uniform Resolution, which transfers employees' savings programs for health savings purposes from the ICMA to MERS, with the Resolution to be effective upon final conversion between ICMA and MERS.

CARRIED unanimously. (Taylor absent)

Item 3 on the Agenda being Old Business**3(a).** Pine Street Overhead to Underground Distribution Conversion project authorization.

The following individuals addressed the Board:

Ed Rice, Executive Director
Glen Dine, Chief Engineer
R. Ben Bifoss, City Manager
W. Peter Doren, General Counsel
Bryan Crough, Executive Director, Downtown Development Authority
Tim Arends, Controller

Moved by Coco, seconded by Budros, that the Light and Power Board authorizes staff to proceed with the Pine Street Overhead to Underground Conversion Project; and

That the competitive bidding process be waived, as recommended by the City Manager, and the Executive Director be authorized to seek bids from and enter into a contract with Elmer's Crane & Dozer or other qualified contractor for underground conduit installation in an amount not to exceed the project estimate of \$265,650, with contract subject to approval as to form by Counsel.

Moved by McGuire to amend the motion to add the following language: "...Conversion Project as presented in the June 26, 2012 Project Authorization Request excepting the expenditure of \$120,000 for streetscape conduit installation, which is not approved..."

Motion failed due to lack of support.

Therefore, the motion before the Board is as follows: "That the Light and Power Board authorizes staff to proceed with the Pine Street Overhead to Underground Conversion Project; and

That the competitive bidding process be waived, as recommended by the City Manager, and the Executive Director be authorized to seek bids from and enter into a contract with Elmer's Crane & Dozer or other qualified contractor for underground conduit installation in an amount not to exceed the project estimate of \$265,650, with contract subject to approval as to form by Counsel."

Roll Call:

Yes – Budros, Carruthers, Coco, Spence, McGuire

No – Snodgrass

CARRIED. (Taylor absent)

3(b). Consideration of authorizing an Interconnection Agreement between METC and TCL&P for the East Hammond Substation Project.

The following individuals addressed the Board:

Ed Rice, Executive Director
Glen Dine, Chief Engineer

Moved by Coco, seconded by Snodgrass, that the Light and Power Board authorize the Chairman and Secretary to enter into an Interconnection Facilities Agreement between the Michigan

Electric Transmission Company, LLC and Traverse City Light and Power Department for the purpose of establishing a new 138kV transmission interconnection at an interconnection site located in the Township of East Bay, Grand Traverse County for the East Hammond Substation Project; subject to approval as to substance by the Executive Director and approval as to form by Counsel.

CARRIED unanimously. (Taylor absent)

- 3(c).** Consideration of adopting a Resolution to Approve METC Easements for the East Hammond Substation Project.

The following individuals addressed the Board:

Ed Rice, Executive Director
W. Peter Doren, General Counsel

Moved by Coco, seconded by Budros, that the Light & Power Board approve the Transmission Line Right-of-Way Easement Agreement and the Electric Substation Easement Agreement, both subject to approval as to substance by the Executive Director and approval as to form by Counsel and adopts a Resolution to approve the easements with METC related to the East Hammond Substation Project; subject to the City Commission concurrence in the certification of surplus status.

CARRIED unanimously. (Taylor absent)

Item 4 on the Agenda being New Business

- 4(a).** Consideration of approving a Hall Street Tenant Lease.

The following individuals addressed the Board:

Tim Arends, Controller
Kathleen Potter, Owner of Potters Fine Pastries, Inc.
W. Peter Doren, General Counsel

Moved by Carruthers, seconded by Snodgrass, that the Light and Power Board authorize the Executive Director to enter into a Lease Agreement with Potters Fine Pastries, Inc. at the tenant space at 130 Hall Street for a period of 36 months, with an option to extend said Lease for 60 additional months, subject to approval as to form by Counsel.

The following individuals from the public addressed the Board:

Bryan Crough, Executive Director, Downtown Development Authority

Roll Call:

Yes – Carruthers, Coco, Snodgrass, Spence, McGuire

No – Budros

CARRIED. (Taylor absent)

- 4(b).** Consideration of adopting the Executive Directors Hiring Authority Policy.

The following individuals addressed the Board:

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

Moved by Coco, seconded by Budros, that the Light and Power Board adopts the Executive Directors Hiring Authority Policy, as restated by W. Peter Doren to include the change that *“This policy does not allow the Executive Director to exceed his/her spending authority for any employee in one calendar year without Board approval.”*

Bifoss suggested a friendly amendment to the motion with the support of Coco and Budros, that the language be changed to “fiscal year” instead of “calendar year”.

Moved by Spence, seconded by Snodgrass, to amend the third paragraph of the policy to read: “...and shall fix the duties and hourly wages, *but not more than \$20 per hour of said employees...*” and add the following provision to the policy: *“However, this policy does not allow the Executive Director to exceed his/her spending authority for any employee in one fiscal year without Board approval.”*

Roll Call:

Yes – Budros, Carruthers, Snodgrass, Spence

No – Coco, McGuire

CARRIED. (Taylor absent)

W. Peter Doren restated the policy as amended.

Therefore, the motion before the Board is as follows: “That the Light and Power Board adopts the Executive Directors Hiring Authority Policy as amended.”

CARRIED unanimously. (Taylor absent)

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

A. From Legal Counsel.

None.

Bifoss departed the meeting at 6:57 p.m.

B. From Staff.

1. Karen Feahr spoke re: LBW&L annual power purchase.

The following individuals addressed the Board:

Ed Rice, Executive Director
W. Peter Doren, General Counsel

2. Jim Cooper spoke re: Solar Rate.

The following individuals addressed the Board:

Ed Rice, Executive Director
W. Peter Doren, General Counsel

C. From Board.

1. The Board discussed the Public Utilities Element for the City Master Plan.

The following individuals addressed the Board:

William Twietmeyer, Finance Director
Ed Rice, Executive Director
W. Peter Doren, General Counsel

Commissioner Budros, Commissioner Carruthers and Board Member Coco volunteered to be appointed to the Public Utilities Element Ad Hoc Committee to review and create a draft list of changes to be presented to the Board at the next Regular Board Meeting.

Chairman McGuire suggested with no objection from the Board that Commissioner Budros be named Chairman of the Public Utilities Element Ad Hoc Committee.

2. Mike Coco passed along a compliment from a customer to the L&P staff.
3. Mike Coco spoke re: the Michigan Municipal Electric Association C.A.R.E.'s official stance regarding a November ballot item. He suggested this be added to the next Regular Meeting agenda for full discussion.
4. Bob Spence requested packets be delivered on Thursday.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 8:25 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes

Public Utilities Element Ad Hoc Committee

Held at 9:30 a.m., Committee Room, Governmental Center

Monday, July 2, 2012

Committee Members -

Present: Barbara Budros, Jim Carruthers, Mike Coco

Absent: None

The meeting was called to order at 9:30 a.m.

- 1. Consideration of making a recommendation to the full L&P Board to suggest changes to the City Commission regarding the Public Utilities Element for the City Master Plan.**

Committee members engaged discussion regarding edits/changes/suggestions to the Public Utilities Element. It was the consensus of the committee to submit rewrites to the general goals and objectives of the Electric Plan Element for review by the full L&P Board.

- 2. Public Comment**

No one from the public commented.

There being no objection, the meeting was adjourned.

/st

Barbara Budros, Ad Hoc Committee Chair
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Ed Rice, Executive Director *ER*
Date: July 5, 2012
Subject: Grand Traverse Substation – Wolverine Power Supply Cooperative, Inc. –
Additional 35 Year Lease Renewal Request

Enclosed in your packet is a proposed Resolution that recognizes the renewal for an additional 35 years of the Lease and Agreement concerning Traverse City Light and Power's Grand Traverse Substation. Renewal is allowed under an executed 1976 Lease and Agreement between Traverse City Light and Power (formerly City of Traverse City) and Wolverine Power Supply Cooperative, Inc. (formerly Northern Michigan Electric Cooperative, Inc). The renewal is retroactive to the expiration of the first 35 years – August 31, 2011.

The property is located in Garfield Township, Grand Traverse County, at 500 N. Keystone Road which is south of Diple Road.

Both TCL&P staff and Wolverine Power Supply Cooperative support the renewal which will extend the Lease and Agreement to 2046 and believe that it is in the utility's best interest to approve. Wolverine has the unilateral right to renew.

It is recommended that the Board adopt the following motion:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT & POWER BOARD ADOPTS A RESOLUTION RECOGNIZING RENEWAL OF THE 35 YEAR LEASE AND AGREEMENT WITH WOLVERINE POWER SUPPLY COOPERATIVE AT PROPERTY OWNED BY TRAVERSE CITY LIGHT AND POWER DEPARTMENT LOCATED AT 500 N. KEYSTONE ROAD, SITE OF THE GRAND TRAVERSE SUBSTATION.

TRAVERSE CITY LIGHT AND POWER DEPARTMENT
RESOLUTION
RECOGNIZING RENEWAL OF THE LEASE AND AGREEMENT
WITH WOLVERINE POWER SUPPLY COOPERATIVE
FOR THE GRAND TRAVERSE SUBSTATION

WHEREAS, on August 31, 1976, the City of Traverse City and Northern Michigan Electric Co-operative, Inc., entered into a 35 year Lease and Agreement for the Grand Traverse Substation which was signed and recorded on August 31, 1976, at Liber 398, Page 318, of the Grand Traverse County Register of Deeds office; and

WHEREAS, the City of Traverse City, by Charter Amendment and Quit Claim Deed (Liber 587, Page 118) has transferred its interest in the property of the Grand Traverse Substation to the Traverse City Light and Power Department (TCL&P); and

WHEREAS, the Northern Michigan Electric Co-operative, Inc., is now Wolverine Power Supply Cooperative, Inc. (Wolverine); and

WHEREAS, Wolverine has requested renewal of the Lease and Agreement for an additional 35 years pursuant to their right to renew within the Lease and Agreement,

NOW, THEREFORE, BE IT RESOLVED that the Traverse City Light and Power Department recognizes that the Lease and Agreement as above described has been renewed between Wolverine and TCL&P for an additional 35 years to now expire on August 31, 2046.

I hereby certify that the above Resolution was adopted on _____, 2012, at the regular TCL&P Board meeting held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Edward E. Rice
Secretary
Traverse City Light & Power Board

cc: JIM CHRISTOW
(SARFIELD TWP.)



YOUR OFFICIAL ADDRESS IS:

- New Issuance:
- Change of Address

452 N. KEYSTONE RD (OUTLET SEQUENCE)
Former Address

Parcel Code No.: 28-05-034-016-00 Re. TEL+P "GRAND TRAVERSE SUBSTATION"

Property Owner: City of Traverse City

NEW

500	N.	KEYSTONE	RD
Number	Directional	Street Name	Street Type

Traverse City	MI	49684
City	State	Zip

New Address Issued sent to: Owner: Applicant: % GLEN DINE TEL+P (F) 922-4638
 via: Fax: Mail: In person:

Initialed: RS (GTC Equalization Department)
(T)231-922-4775/(F)231-922-4658

Date of Issuance: 08/21/08

Only with this line properly signed by the Equalization Department are copies of this form sufficient evidence that an official address has been issued. NOTE: It is your (the owner's) responsibility to use copies of this form to notify others of your address, including utilities, post office, driver's license, insurance and other records.

DISPLAY YOUR ADDRESS!

Once you have your address, put the numbers up. A portion of The Grand Traverse County Street and Road Naming and Numbering Ordinance reads:

Section IV: Regulation

- A. All premises and mailboxes shall bear a distinctive street number in accordance with and as designated upon the street numbering maps on file in the office of the Grand Traverse County Equalization Department, which maps, by reference, together with any revisions thereof, shall become an operative part of this ordinance. The Master Street Index shall also become an operative part of the Ordinance, shall be updated periodically, and shall rule as to spelling.
- B. Any owners of any premises shall place upon the street front of such premises adjacent to the principal entrance and on the street mailbox on such premises such designated number, such that:
 1. Numbers on mailboxes on the premises shall be displayed in such a manner as to be plainly visible from road traffic lanes in either direction of approach. The numbers shall be of a contrasting or reflectorized color to their background and shall be not less than three (3) inches in height.
 2. Numbers in block or script displayed on building fronts shall be of contrasting color to their background and shall not be less than three (3) inches in height.
 3. If there is no street side or the street side does not have unobstructed access, the street providing principal access will be considered for numbering purposes.
- C. Where there is no mailbox on the premises or the numbers on the street front of the premises cannot be read from the street, then any owner of the premises shall place a post of suitable strength and construction adjacent to the drive-way of the premises. The height of the post shall be not less than six (6) feet above the level of the adjacent street and the assigned numbers of the premises shall be placed on both sides of the post so as to be plainly visible from road traffic lanes in either direction of approach. Such numbers shall be of a contrasting or reflectorized color to their background and shall not be less than three (3) inches in height.
- D. Where the mailbox is located on the street other than on the street of the premises as numbered, the mailbox shall show both the number assigned and the street name of the premises in contrasting or reflectorized color to their background and shall be not less than one (1) inch in height.
- E. Grouping of mailboxes shall be permitted but the grouping shall be in sequential order according to the assigned number.

(A complete copy of this ordinance is available upon request).

Form revised: 7/14/99



WOLVERINE
POWER COOPERATIVE

BRIAN E. VALICE
Staff Attorney

VIA OVERNIGHT MAI

June 18, 2012

Mayor Michael Estes
City of Traverse City
2nd Floor, Governmental Center
400 Boardman Avenue
Traverse City, Michigan 49684

Re: Grand Traverse (Keystone) Transmission Substation – Lease and Agreement,
dated August 31, 1976
Notice to Renew Lease

Dear Mayor Estes:

The purpose of this letter is to provide notice of Wolverine's right to renew the lease and easement set forth in the Lease and Agreement, dated August 31, 1976 ("Lease"), between the City of Traverse City, a political subdivision of the State of Michigan ("Traverse City") and Northern Michigan Electric Cooperative, Inc., n/k/a Wolverine Power Supply Cooperative, Inc. ("Wolverine"). I have sent this request to you since Section 11 of the Facilities Agreement, dated August 16, 1976, between Traverse City and Wolverine requires formal notices to be sent to the "executive officer of the party concerned." Enclosed for your convenience is a copy of the 1976 Lease.

Also enclosed is a draft Renewal of Lease and Easement for your review and approval. I will forward the original for the City of Traverse City's signature once I receive your approval of the document.

Thank you for your anticipated cooperation. Please contact me if you have any questions.

Sincerely,



Brian E. Valice

cc/encs: R. Benn Bifoss, City Manager
Edward E. Rice, Executive Director, Traverse City Light & Power
Danny Janway, Ron Sneller

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

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

June 20, 2012

Via Email & First Class Mail

Brian Valice, Esq.
Wolverine Power Supply Cooperative, Inc.
10125 W. Watergate Road
P.O. Box 229
Cadillac, MI 49601

Re: Grand Traverse / Keystone Transmission Substation

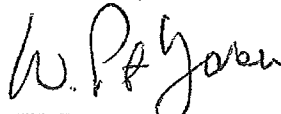
Dear Brian:

On April 2, 1979, the Charter of the City of Traverse City was amended to create the Light and Power Department of the City of Traverse City to have control and management of the City electric utility. All contracts pertaining to that utility, including the Lease and Agreement between the City and Northern Michigan Electric Cooperative, Inc., now Wolverine Power Cooperative, were at that time made an obligation of the Light and Power Department. Traverse City Charter §180(a). As you know, the Light and Power Department is managed by an appointed Traverse City Light and Power Board and Executive Director.

I have advised the Executive Director of the Traverse City Light and Power Department to process your request of June 18, 2012, addressed to the Mayor as one which was addressed to the Executive Director.

Sincerely,

SONDEE, RACINE & DOREN, PLC



W. Peter Doren

WPD/tls

c (via email):

Ed Rice
Mayor Michael Estes
R. Ben Bifoss
Lauren Tribble-Laucht

AUG 31 2 20 PM '76

John W. Chasman
REGISTER OF DEEDS

GRAND
TRAVERSE
SUB

14672
Richard C. Korman
S. S. S. S.
Boyer City 44712
Korman

LEASE AND AGREEMENT

CITY OF TRAVERSE CITY, a political subdivision of the State of Michigan, in consideration of the sum of \$1.00 and the further consideration of that sum to be determined pursuant to Paragraph 5d in that certain Contract between the Grantor herein and the Grantee executed contemporaneously herewith, receipt whereof is hereby confessed and acknowledged hereby, conveys and quit claims unto Northern Michigan Electric Cooperative, Inc., a non-profit corporation organized and existing under the laws of the State of Michigan and having its principal office and place of business at 1050 East Division in the City of Boyne City, Michigan, Grantee and to its successors and assigns for a term of thirty-five (35) years from the date hereof for the purpose of transforming, transmitting and distributing electricity, a lease with the right to erect a station and station structures and allied structures on, over, under and across a parcel of land of the Grantor described as follows:

A rectangular area, two sides of which measure approximately 160 feet in the east-west direction and two sides of which measure approximately 130 feet in the north-south direction, the northwest corner of which is located approximately 260 feet east and approximately 190 feet south of the northwest corner of the property owned by the City of Traverse City described as being a part of a parcel in the North half of the Southeast Quarter of Section 34, Town 27 North, Range 11 West, beginning at the intersection of the North line of said North Half of the Southeast Quarter with easterly line of railroad right-of-way; thence East 750 feet; thence South 400 feet; thence West to said railroad right-of-way; thence northerly along said right-of-way to the point of beginning;

The Grantor herein further gives to said Grantee and to its successors and assigns for the term of thirty-five (35) years, the easement and right to erect, lay and maintain lines consisting of poles, wires, cables, conduits and other fixtures and appurtenances on, over, under and across a strip of land approximately one hundred feet in width running northerly to the northerly boundary and southerly from the Grand Traverse Station site to the southerly boundary and an additional like strip running easterly from the South side of said site to the easterly boundary of the parcel of land owned by City described as follows;

A parcel in the North half of the Southeast Quarter of Section 34, Town 27 North, Range 11 West, beginning at the intersection of the North line of said North half of the Southeast Quarter and easterly line of railroad right-of-way; thence East 750 feet; thence South 400 feet; thence West to said railroad right-of-way; thence northerly along said right-of-way to the point of beginning.

With full right and authority to the Grantee, its successors, assigns, licensees or lessees, and its or their agents and employees, to enter at all times upon said premises for the purpose of constructing, repairing, removing, replacing, improving, enlarging and maintaining said station structures, cables, conduits and transformers, with all necessary braces, guys, anchors, and manholes; and stringing thereon and supporting and suspending therefrom lines of wire, cables and other conductors for the transmission of electric energy, and to trim and remove any trees, including such as may be adjacent to the easement which may interfere or threaten to interfere with the maintenance of such lines. It is understood that no building and no structures will be placed under such wires and/or over such cables without the written consent of Grantee. It is understood that non-use or limited use of this easement by Grantee shall not prevent Grantee from making later use of this easement to the full extent herein authorized.

All damages to persons or property resulting from the negligent use of the within lease or easement by Grantee shall be borne by Grantee.

For the sum of \$1.00 the receipt of which is hereby acknowledged, the Grantor herein for itself and its successors hereby gives and grants to the Grantee the right to renew the within lease and easement for an additional term of thirty-five (35) years by notifying Grantor in writing of its election to renew said Lease for the additional term and the consideration first above recited is and shall be deemed adequate and sufficient consideration for the giving and granting of the renewal term of said lease and easement.

Notwithstanding anything contained herein to the contrary, City shall at all times have the right-of-way and access on and over the premises herein described for any lawful purpose.

IN THE PRESENCE OF:

CITY OF TRAVERSE CITY, a Michigan municipal corporation

Lily O. Content
Lily O. Content

By: Raymond L. Sutton
Raymond L. Sutton, its Mayor

Theresa Johnson
Theresa Johnson

By: James F. Tompkins Jr.
James F. Tompkins, its Clerk
Jr.

Approved: [Signature]
As to Form: [Signature] City Attorney

As to Substance: [Signature]
City Manager

Northern Michigan Electric
Co-operative, Inc., a Michigan
non-profit corporation

Ira L. Davis
Ira L. Davis

By: Wayne B. Nordbeck
Wayne B. Nordbeck

Edward A. Thurston
Edward A. Thurston)
STATE OF MICHIGAN) ss.
COUNTY OF GRAND TRAVERSE)

By: William A. Parsons
William A. Parsons

The foregoing instrument was acknowledged before me this 30th
day of August, 1976, by Raymond L. Sutton and James
F. Tompkins Jr Mayor and Clerk, respectively, of City of Traverse
City, a Michigan municipal corporation, on behalf of the
corporation.

Hilda C. Maslowski, Grand Traverse County, Michigan
(Notary Public

Hilda C. Maslowski
Notary Public, Leelanau Co. MI.
My Commission Expires 3-18-80

Commission Expires: _____

STATE OF MICHIGAN
COUNTY OF CHARLEVOIX

) ss. (Acting in Grand Traverse County)

The foregoing instrument was acknowledged before me this 31st
day of AUGUST, 1976, by WAYNE B. NORDBECK AND
WILLIAM A. PARSONS, PRESIDENT AND SECRETARY
, respectively, of Northern Michigan
Electric Cooperative, Inc., a Michigan non-profit corporation,
on behalf of the corporation.

Edward A. Thurston
Notary Public

Commission Expires: EDWARD A. THURSTON
NOTARY PUBLIC, CHARLEVOIX COUNTY, MICH.
MY COMMISSION EXPIRES FEB. 15, 1977
BORDER THRU MICHIGAN NOTARY ANNUAL

Prepared By:
Dennis Huntley
410 Nat'l Bank Bldg.
Traverse City, Mich.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Jessica Wheaton
Date: July 2, 2012
Subject: Community Investment Fund Application

The Community Investment Fund (CIF) was adopted by the Traverse City Light & Power (TCL&P) board on March 11, 2003 and approved by the city commission on June 2, 2003. Through the CIF, the TCL&P board approved grants to local non-profits for projects supporting community development, energy related education programs and projects related to natural resources and the environment. Since 2003, TCL&P granted over \$500,000 to community organizations.

In fiscal year 2011-12, the TCL&P board did not approve funding the budget line item for the CIF. For fiscal year 2012-13, the TCL&P board approved putting \$1,000,000 in the CIF budget line item to support the City of Traverse City's Bayfront Plan Implementation project. Attached is the CIF application for this project. The attachments referenced in the application have not been included in your packet due to length, but can be viewed in person at the L&P office.

Russ Soyring, Planning Director for the City of Traverse City, will be in attendance at the meeting to provide a project update and answer questions.

If the board is supportive of this application, the following motion would be appropriate:

**MOVED BY _____, SECONDED BY _____, THAT THE
LIGHT AND POWER BOARD APPROVE A GRANT REQUEST THROUGH THE
COMMUNITY INVESTMENT FUND FROM THE CITY OF TRAVERSE CITY FOR THE
BAYFRONT PLAN IMPLEMENTATION IN THE AMOUNT OF \$1,000,000**



Common Grant Application

Cover Sheet

Date of Application: 5/29/12

Legal name of organization applying: City of Traverse City
(Should be same as on IRS determination letter and as supplied on IRS Form 990.)

Year Founded: 1895 Current Operating Budget: \$ 13,991,600.00

Executive Director: R. Ben Bifoss (City Manager) Phone number (231) 922-4440
(include Area Code)

Contact person/title/phone number
(if different from executive director): Russ Soyring, City Planner, (231) 922-4465

Address *(principal/administrative office):* 400 Boardman Ave

City/State/Zip: Traverse City, MI 49684

Fax Number: (231) 922-4457 E-mail Address: rsoyring@traversecitymi.gov

List any previous support from this funder in the last five years: \$5,500 in 2007 for purchase of segway vehicle for police department; \$15,000 in 2011 for kayak launch as part of Bayfront Improvements

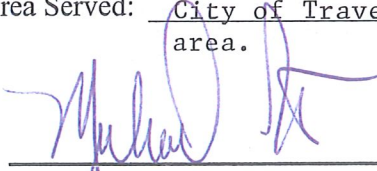
Project Name: Bayfront Plan Implementation

Purpose of Grant *(one sentence):* The City of Traverse City is seeking funds to create an exceptional public space at the City's historic waterfront, thereby delivering tangible results from an unprecedented public involvement and community planning and creating a world class destination for visitors and an economic driver for our community.

Dates of the Project: Jan 2011-May 2013 Amount Requested: \$ 1,000,000.00

Total Project Cost: \$ 2,568,703.17

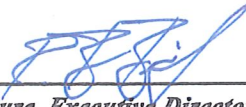
Geographic Area Served: City of Traverse City residents and visitors to the Grand Traverse area.



Signature, Chairperson, Board of Directors
Michael Estes, Mayor
Typed Name and Title

5-30-12

Date



Signature, Executive Director
R. Ben Bifoss, City Manager
Typed Name and Title

5/30/12

Date

A. Narrative

1. Executive Summary

The City of Traverse City is seeking funds to create an exceptional public space at the City's historic Waterfront, thereby delivering tangible results from an unprecedented public involvement and community planning process and creating a world class destination for visitors and an economic driver for our community.

Securing local funds to craft this unique public space will:

- Guarantee that Traverse City's Waterfront, an economic driver for our community, becomes "world class", a first choice destination for tourists and a local resource attracting entrepreneurs and the talented workers they seek.
- Result in a "model" public Waterfront – with a design crafted by the community, amenities accessible to all and construction demonstrating the City's commitment to the latest in green building techniques and energy efficiency.
- Maintain momentum and ensure continued public involvement in a process that began in 2005.
- Ensure results from an unprecedented community outreach process that has, in various arenas, collected the input of thousands of residents on what they want and value from our waterfront and crafted those values into a vision – captured in the final Waterfront Plan.

The plan clearly articulates the potential of our Waterfront. Local investment to make that vision a reality is needed now.

2. Purpose of Grant

The Waterfront – Why it's critical

The Waterfront in Traverse City has evolved over time with the changing needs of the people and the region. What was once an industrial center, providing raw materials for export and energy for consumption, now reflects our blue economy – tourism, natural resources and the draw that comes from creating a unique sense of place. Visionary and dedicated leaders, along with a willing public, understood this and began to purchase land for the public good; resulting now in two miles of nearly uninterrupted public shoreline at the foot of one of the most pristine freshwater bays in the world. From the Senior Citizens Center west to M-22, this expanse of green space, blue water and sand is at the base of our regional economy. It supports tourism, draws people not only to the beach, but downtown to shop and eat in area restaurants and provides a venue for the region's many festivals.

Visitor statistics make clear the importance of the Waterfront and its recreational amenities to our local economy. The following statistics were compiled by Travel Michigan from 2002-2004.

Survey Question	Response(s)
Primary reasons to visit the Traverse City area:	#1 Beaches, waterfront, parks (36%)
Top summer outdoor recreational activities:	#1 Swimming, #2 Golf, #3 Hiking/biking, #4 Fishing, #5 Canoeing
Top summer non-recreational activities:	#1 Beaches
Enjoyed most about Traverse City area:	#1 Bays/Water, #2 Recreational Activities

Source: Travel Michigan 2002-2004

Another important and often overlooked fact is that Traverse City offers an affordable destination for tourists in Michigan, especially during tough economic times when “staycations” are in vogue. In fact, more than 80% of the visitors to the Grand Traverse Area are from Michigan and providing free, world class recreational amenities adds to the draw.

Beyond visitors, and the jobs they create and sustain via tourism, a world class waterfront has the potential to create other things- namely quality of life, which affects economic development in another way. An entrepreneur starting or relocating a company looks for a place where there is talent and where that talent will enjoy living. Young, talented people flock to places where you can ride a bike to a festival, or take the family for a swim, then change a catch a great movie and dinner. Traverse City can attract these businesses and entrepreneurial people by successfully tying together the untapped potential of our waterfront with business-friendly development policies, creating an economic engine to lift our region out of the current downturn and a model for other communities in Michigan. However, we must invest now.

The Waterfront – Why now?

The Law of Inertia states that objects at rest will remain at rest unless acted upon by some external force. This is true with objects, organizations and especially so with planning processes. With the importance of the Waterfront well-documented and a community-supported plan complete and adopted by the City, it is critical that we move forward now, showing concrete results that validate the community’s investment of time and money into the planning process.

Funding from local foundations will:

- Critically maintain project momentum and show tangible results.
- Provide needed match for other public funding sources.
- Demonstrate a local commitment to other funders and the community.

Without secured funding at this time, the excitement accompanying the study’s end and unveiling will be lost, stalling project momentum and potentially sapping the community’s resolve to move forward.

Waterfront Plan Background - the Community's Voice

In 2005, the City of Traverse City, with help from consultants and university students, embarked on a citizen-led planning project to define what the City's waterfront should look like and how it should be used. Given the name "Your Bay, Your Say", this collaborative project gathered input from hundreds of citizens and interested stakeholders, researched other innovative waterfront projects, and, in 2007, put forth developed conceptual plans and the following key recommendations.

1. Connect the downtown and neighborhoods to the waterfront
2. Create a new Central Park, a "town square" on the water
3. Promote mixed use infill to reinforce the edges of the park
4. Provide a variety of activities and public spaces along the waterfront
5. Respect the natural beauty and ecological integrity of the bay and Boardman River

In 2009, more than 15,000 people participated in the Grand Vision process, which reinforced the findings of the "Your Bay, Your Say" process. Their voices again were clear. We have natural splendor AND untapped potential along our Bayfront. Creatively blending the two can strengthen our waterfront, our economy and our community.

Building on the conceptual planning and input from the Grand Vision, the City, in late 2009, hired a team of engineering, transportation and landscape architecture consultants to advance the designs into "achievable" projects with refined cost projections. This process was again underlain by substantial community outreach and input as the conceptual pieces were refined and culminated in June, 2010 with the comprehensive Traverse City Bayfront plan.

The plan is a vision of what our Waterfront could be, reflecting the input of thousands of community members from different walks of life and with different interests – business owners, environmental advocates, neighborhood associations, trail enthusiasts, parents, boaters – everyone had a say.

Project Description

The Traverse City Bayfront Plan encompasses a two mile stretch of waterfront from the Senior Center on the east to M-22 on the west and divides the stretch into 3 distinct planning areas: West end (M-22 to the volleyball courts), East end (east side of Clinch Park Beach to Senior Center) and Core Area (volleyball courts to Clinch Park Beach). The Core Area is further divided into the Open Space, Con Foster Commons and Clinch Park Beach areas. The complete plan is available on the City's web site.

The Core Area is the most heavily used portion of the waterfront, and community input suggested that it should also be the most developed – the "town square" on the water. The overall plan reflects this, with more site infrastructure and recreational amenities in the Core Area and less developed beaches, trails and open spaces on the East and West ends.

We are proposing targeted investment Clinch Park Beach area and implementing plan elements which offer the biggest impact in two key areas:

Universal Access – allowing people of all ages and abilities access to the Bayfront

Strategic family play/recreation - building world class attractions and amenities

Clinch Park Beach

The plan for the Clinch Park Beach includes a number of enhancements to Traverse City's premier swimming beach.

Universal Beach and Shore Access

On the western edge of Clinch Park Beach, additional new steps and ramps will offer universal access to/from the beach and family bathhouse. At the beach level, a removable mobility mat will provide a universally accessible pathway to the shore and east-west along the beach for pedestrians, strollers and mobility devices.

Water Feature Play Area

Substantially enhancing water play at the Bayfront, a water feature that mimics the water cycle will allow water-play at the park before Lake Michigan warms to a comfortable temperature in late spring. The Water Feature would consist of a precipitation bar, reflection pond/lake, stream/river channels, groundwater runoff, and condensation. In addition, in the Marina area, a small sculptural element will enhance the natural artesian water outlet into the bay.



William G. Milliken Water Feature interpretation of the Great Lakes water cycle.

Universal Small Boat Launch

The small boat launch will provide universal access to the bay for kayakers and canoeists with any physical ability.

Artistic Interpretation of Nature Play

Whimsical play equipment will be placed in and around the water feature in Clinch Park.

Bathhouse

A modern and newly situated bathhouse and concession stand will be located just west of Clinch Park Beach. The new location will be more convenient to serve the beachgoing public. Changing rooms and site furniture are included in the design.

Trails

The TART Trail is rerouted through the site to better utilize the park. The previous alignment went around the park due to the former zoo. The existing Time to Let Go sculpture will be relocated to the western edge of the Open Space area where the trail traverses.

Operations and Maintenance

The City of Traverse City maintains all the parks within the City's jurisdiction and has committed funds to maintain the renovated Waterfront.

Alignment with Local Planning, Land use and Development Objectives

The project elements detailed in the previous section advance the publicly supported conclusions of the "Your Bay, Your Say" initiative and Grand Vision. In addition, the project is also consistent with goals and objectives as articulated by the City and DDA. Specifically:

- The project aligns with the City's Master Plan both in the core principles laid out for the Downtown Neighborhood District and the goals of Parks and Recreation Element.
- The project aligns with the Bayfront improvements outlined in the DDA's TIF97 development plan.

3. Evaluation

As this is primarily a construction project, success will be measured by timely and cost effective completion of the project elements. All requests for proposals, contractor selection, contracts and construction activities will be overseen by the City through the Planning and Engineering departments. The City will also be responsible for grant administration and financial management.

4. Budget Narrative/Justification and Timeline

The Budget Form listing income and expenses is attached to this proposal (Attachment A). The project has a budget total of \$2,568,703.

The following construction budget lists the expenses associated with the improvements described in this proposal.

Clinch Park Development

Description	Total
Site Demolition and Preparation	216,119.93
Utilities and Lighting	135,070.00
Artesian Water Source Outlet	5,000.00
Water Feature	360,400.00
Site Improvements:	
Bath house	475,000.00
Seat wall at Bath house and play area	13,500.00
Decorative paving Bath house plaza	190,000.00
Signage	3,000.00
Concrete work	113,150.00
Asphalt paving (TART Trail)	14,287.50
Relocate TART sculpture	21,600.00
Snowmelt at tunnel entrance	25,000.00
Tunnel handrail and guardrail	22,400.00
Tunnel retaining wall	8,000.00
Kayak launch structure	30,000.00
Kayak launch sand beach	5,400.00
Retaining wall at shoreline	27,000.00
Lawn terraces/retaining walls	47,250.00
Permeable Parking lot pavers	28,500.00
Playground equipment and surfacing	82,912.50
Landscaping and Furnishings:	
lawn improvements	29,710.00
Trees/shrubs/grasses	57,800.00
Irrigation	44,355.00
Site furnishings	37,000.00
Bike loops	10,000.00
Contingency 15%	300,368.24
Construction subtotal	2,302,823.17
Current Design and Engineering Fees	195,930.00
Add'l Design and Engineering Fees	64,950.00
Permitting Allowance	5,000.00
PROJECT TOTAL (Phase 1)	2,568,703.17

Item 1: Costs for site preparation to Clinch Park site.

Item 2: Costs for landscaping, utility work and site lighting to match the existing fixtures of the Clinch Park Marina area.

Item 3: Costs for the artesian water flow outlet.

Item 4: Costs for the water cycle feature improvements.

Items 5-19: Costs for the site improvements including the bathhouse, plaza area, seat walls, concrete work, TART Trail relocations, Sculpture relocation, signage, Tunnel revitalization and reconfiguration, the installation of a universally accessible small boat launch at the west end of Clinch Park Beach and other site improvements.

Item 20: Costs to install nature play interpretive equipment.

Items 21-25: Costs to install landscaping, irrigation, site furniture including bike racks.

Contingency costs are estimated at 15%. Design, Engineering services and permit costs are included at the bottom of the budget.

The expected duration of this project is 29 months (January, 2011 – May 2013). The project is expected to go out for bids during the summer of 2012 with initial construction occurring during the fall of 2012. Construction would be complete by May 2013.

5. Organization Information

Traverse City has a Commission/City Manager form of government. The City Manager, Mr. Ben Bifoss, will oversee the grant and project. The City's organization includes a 7-member City Commission, eleven Boards and Commissions, a Housing Commission, a City Attorney, a Community Development office, City Assessor, City Clerk, and departments that oversee fire, treasury and finance, planning and zoning, public services and engineering.

B. Attachments

1. Letter from City Treasurer

2. Current City Commission list

3. Finances (Access to our 234 page budget and 160 page financial statements can be found at <http://www.ci.traverse-city.mi.us/city-treasurer/budget>

- a. 2011/2012 Annual Budget excerpt (Summary Memos from the City Manager to the Mayor and City Commission)**
- b. 2011 Annual Financial Statement excerpt (Independent Auditor's Report and Management's Discussion and Analysis)**



To: Light & Power Board
From: Glen Dine *GD*
Date: July 10, 2012
Subject: East Hammond Substation – Substation Construction Bid and Award

Staff has obtained sealed bids for the construction of the East Hammond Substation. The previously Board approved Project Authorization Request # 2012-2 is in the Board manual. This work will include installation of owner provided equipment. Work will begin in late summer or early fall.

Lump sum bids were received from pre-qualified bidders as follows:

Bidder	Base Bid
Kent Power, Inc.	\$ 775,627.00
The Hydaker-Wheatlake Co.	\$ 835,906.93
Newkirk Electric Associates, Inc.	\$ 856,140.00

Staff has had further discussion with the low bidder, Kent Power, Inc., regarding additional cost reductions of approximately \$58,000.

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 LIGHT AND POWER BOARD AUTHORIZE THE CHAIRMAN AND SECRETARY TO ENTER INTO A CONTRACT AGREEMENT WITH KENT POWER, INC., IN THE AMOUNT OF \$ 775,627.00 FOR THE EAST HAMMOND SUBSTATION CONSTRUCTION; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL; AND FURTHER AUTHORIZE THE EXECUTIVE DIRECTOR TO ADMINISTER AMENDMENTS AND CHANGE ORDERS THAT ARE IN THE BEST INTERESTS OF THE LIGHT AND POWER DEPARTMENT.

TRAVERSE CTY LIGHT & POWER DEPARTMENT

**Project Manual
For
EAST HAMMOND SUBSTATION PROJECT**

**10-0396.02
April 2012**

GRP
Engineering, Inc.

Grand Rapids Location:
660 Cascade W. Pkwy S.E. Suite 65
Grand Rapids MI 49546

Petoskey Location:
325 E Lake Street Unit 26
Petoskey MI 49770

TABLE OF CONTENTS

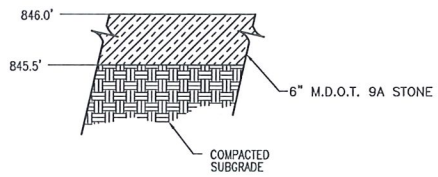
TRAVERSE CITY LIGHT & POWER DEPARTMENT EAST HAMMOND SUBSTATION PROJECT

<u>SECTION TITLE</u>	<u>PAGE NO.</u>
Invitation to Bid	A-1
Instructions to Bidders (C-200).....	00200-1 thru 00200-8
Bid Form (C-410).....	00410-1 thru 00410-4
Bid Bond (C-435).....	00435-1 thru 00435-2
Schedule of Values (EAST HAMMOND).....	EH-SV-1 thru EH-SV-5
Contract Agreement (C-520).....	00520-1 thru 0520-5
Performance Bond (C-610).....	00610-1 thru 00610-2
Payment Bond (C-615).....	00615-1 thru 00615-2
General Conditions (C-700).....	00700-1 thru 00700-40
Supplementary Conditions	SC-1 thru SC-3
 <u>Construction Specifications</u>	
Division 1 – General Requirements	01100-1 thru 01100-4
Division 2 – Site Work	02000-1 thru 02820-5
Division 3 – Concrete	03000-1 thru 03300-25
Concrete Mix Design Sheets	1 thru 2
Division 5 – Metals	05000-1 thru 05000-8
Division 16 – Electrical.....	16000-1 thru 16520-1
 Appendix “A” - Black Delecto Tag Lists	

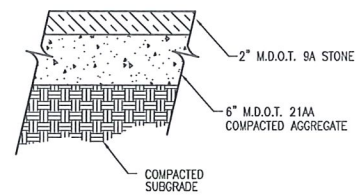
Documents C-200, C-410, C-435, C-520, C-610, C-615, and C-700 are Copyright ©2000, National Society of Professional Engineers for EJCDC and are modified herein through a license agreement dated December 2003.

(All Rights Reserved.)

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A23 — **STONE SURFACE**
NOT TO SCALE



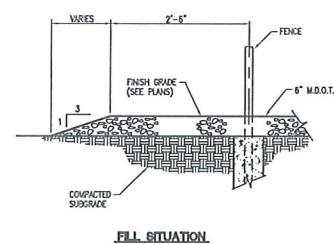
A22 — **STONE PAVING**
NOT TO SCALE



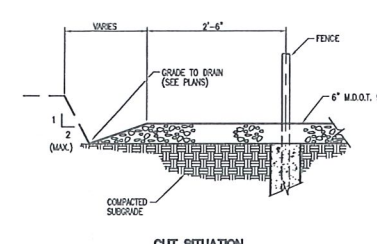
A21 — **OIL SUMP STONE**
NOT TO SCALE

NOTES:

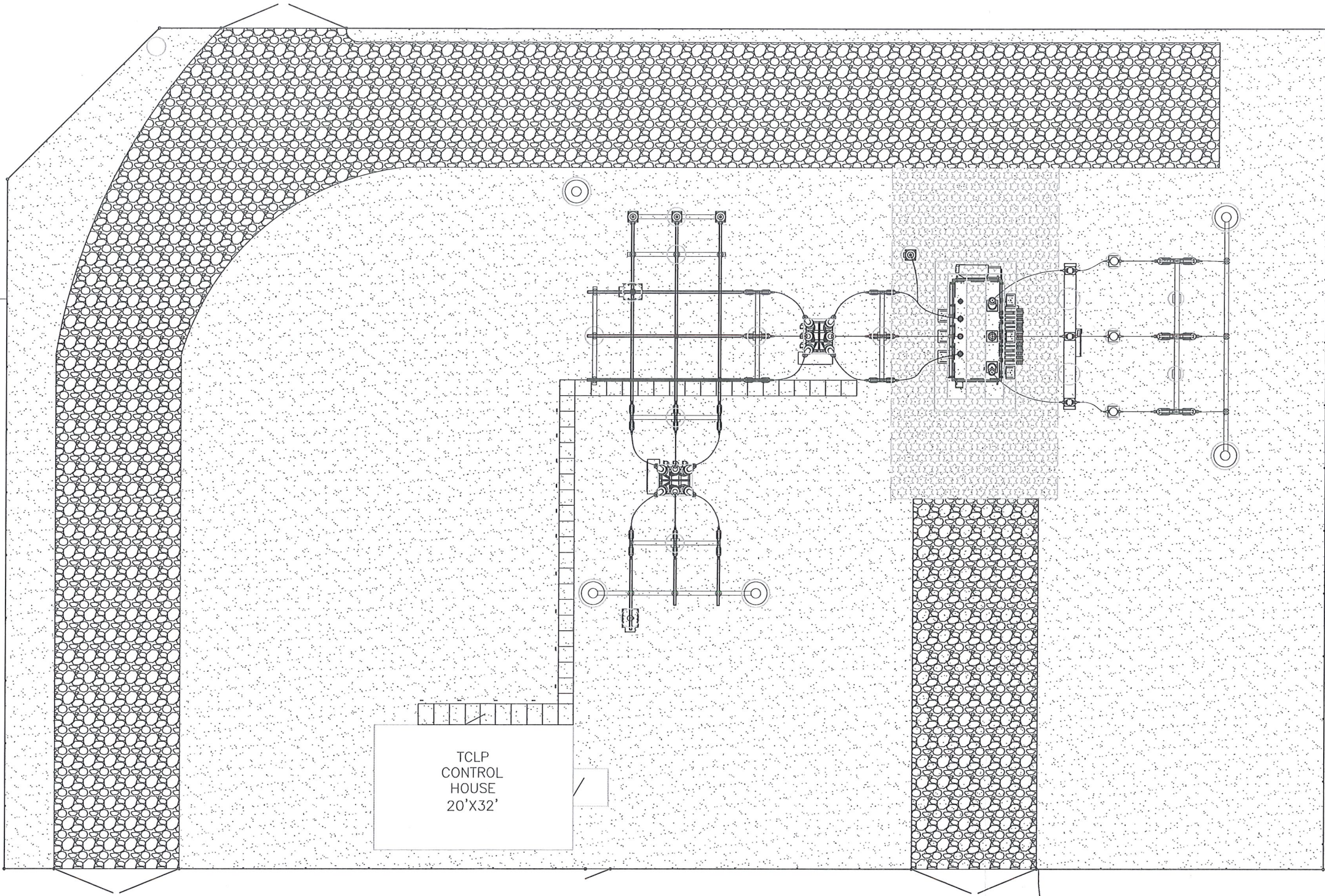
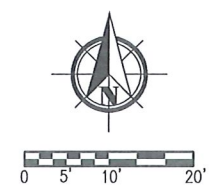
1. TOP OF CONCRETE TO BE 846.5'
2. TOP OF STONE SURFACE TO BE 846.0'
3. SUBSTATION ROUGH GRADE TO BE 845.5' (INSIDE FENCE)
4. 546.00' = PROPOSED FINISHED GRADE



STANDARD DUTY GRAVEL SECTION
NOT TO SCALE



STANDARD DUTY GRAVEL SECTION
NOT TO SCALE



ENGR	PKM		
DR	RAS		
CHK	PKM	4/30/2012	BOS & CONSTRUCTION
APP	MALANEY	4/13/2012	5% OWNER REVIEW
		2/1/2012	PRELIMINARY DESIGN
		DATE	ISSUED FOR

GRP
Engineering, Inc.
PETOSKEY, MICHIGAN, 231-439-9683
GRAND RAPIDS, MICHIGAN, 616-942-7183

TRAVERSE CITY LIGHT AND POWER
EAST HAMMOND SUBSTATION
TRAVERSE CITY, MICHIGAN
SUBSTATION - STONE SURFACING LAYOUT & DETAILS

PROJECT NUMBER	DRAWING NUMBER
10-0396.01	004



To: Light & Power Board
From: Glen Dine *GD*
Date: July 5, 2012
Subject: Engineering Services with GRP Engineering – Pine and State Street Overhead to Underground conversion project

Staff has been in discussion with GRP Engineering, Inc. for professional engineering design and construction inspection/management services for the Pine and State Street overhead to underground conversion project. The previously Board approved Project Authorization Request # 2012-4 is in the Board manual.

Work needs to proceed immediately to complete design, prepare for negotiated bids, and procure material.

Staff recommends entering into an agreement with GRP Engineering, Inc. for professional engineering design and construction management services for a total fee not to exceed \$ 202,000.00 for the Pine and State Street overhead to underground conversion project.


If the Board concurs, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE THE CHAIRMAN AND
SECRETARY TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES WITH
GRP ENGINEERING, INC., FOR A TOTAL FEE NOT TO EXCEED \$ 202,000.00
INCLUDING EXPENSES FOR DESIGN AND CONSTRUCTION MANAGEMENT
SERVICES FOR THE PINE AND STATE STREET OVERHEAD TO UNDERGROUND
CONVERSION PROJECT; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE
EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL;**

**FURTHER, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE WORK
ORDERS FOR PROFESSIONAL SERVICES AND 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: Jim Cooper, Manager of Communications & Energy Services 
Date: July 5, 2012
Subject: Board Support for Solar

It was decided at the June 26th board meeting to bring the 50 kW solar generation project back to the Board for a motion of support. If the motion passes, then staff will begin to actively investigate residential and commercial customer interest in the Sun Block Green Rate program and develop a data base of customers willing to sign up. I've outlined some of the program details below.

The initial interest in solar generation came from both L&P customers and customers of other utilities. The current capital plan contains \$350,000 for the solar project. The considered project size is 50 kW at an installed cost of \$250,000 before interest, O & M, distribution, and other costs are added.

The basic format includes the following:

- All project costs to be recovered through subscribing customers only
- Participation is by purchase of 100 kWh Sun Blocks as a premium on their monthly bill
- This 100 kWh purchase replaces 100 kWh of mostly coal generation
- Customers can purchase more than one Sun Block
- The program is open to both residential and commercial customers
- 59 customers would need to sign up for one Sun Block to cover the program costs

Total project costs are based on a 25 year panel life and include: O&M, the cost of money, a major component contingency fund, and distribution charges. Based on this analysis the 100 kWh Sun Block premium would be \$15.90 per month. The customer would also continue to pay his/her full regular bill so the actual total cost for the 100 kWh is closer to \$25.90. This reflects the total true costs. Final costs will not be known until an RFP is issued and a site location is determined.

Staff will discuss this memo, and variables such as location, timing, and the changing solar industry at the meeting. A typical foot print for a 50 kW solar pv system would require around two acres.

**MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZE L&P STAFF TO INVESTIGATE CUSTOMER SUPPORT
FOR A SUN BLOCK GREEN RATE SOLAR PROGRAM.**



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: L&P Public Utilities Ad Hoc Committee
Date: July 5, 2012
Subject: Public Utilities Element of the City Master Plan

The Public Utilities Element Ad Hoc Committee met to review and discuss the proposed Public Utilities Element of the City Master Plan. Attached are the suggested revisions from the Committee for the Board's consideration.

If after discussion the Board comes to an agreement on its recommendation, the following motion would be appropriate:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT & POWER BOARD FORWARD ITS FEEDBACK REGARDING THE
PUBLIC UTILITIES ELEMENT OF THE CITY MASTER PLAN AS PRESENTED (OR AS
AMENDED) TO THE PUBLIC UTILITIES ELEMENT COMMITTEE CHAIR, BILL
TWIETMEYER.**

Traverse City Light & Power

Public Utilities Element Ad Hoc Committee

July 2, 2012

Ad Hoc Committee Recommendations to TCLP Board for submission to Planning Commission:

- First element should be: Ensure employee and public safety.
- 1. (No change) The electric system should continue its upgrades with state of the art technology.
- 2. An ongoing evaluation and assessment of the distribution and transmission systems should be conducted.
- 3. (No change) In order to maintain reliability, a system with redundancy is encouraged.
- 4. Sufficient local generation including distributive generation should be pursued commensurate with local support for such projects.
- 5. (No change) Coordination amongst all City utilities should be required for all infrastructure improvements.
- 6. (No change) Campus plans should include an assessment of electric requirements.
- 7. User rates should be kept competitive.
- 8. A balance between aesthetics and cost efficiency should be considered in determining the benefit of a capital project to the system as a whole.
- 9. Encourage energy conservation and educate customers to utilize electricity more economically.
- Add additional element: Provide for proper disaster planning.
- Add additional element: Any growth in the utility's service footprint should benefit the City residents and businesses.

Comment [MC1]: There are multiple reasons for pursuing local and distributive generation in addition to disaster planning.

Deleted: In order to provide proper disaster planning, s

Deleted: to ensure the public's health, safety and welfare in the City

Deleted: as low as possible as an inducement to all City residents and businesses to become customers of the City owned electric utility

Deleted: their

Comment [MC2]: Removed "with incentives for purchasing efficient operating equipment and fixtures" because there are more ways to encourage energy conservation and efficiency. We do not want to limit the "how to" options for this element.


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To: Light and Power Board
From: Ed Rice, Executive Director 
Date: July 5, 2012
Subject: Temporary Employee – Electric Line Supervisor

Traverse City Light & Power (TCL&P) requires the services of an experienced Electric Line Supervisor to manage the activities associated with the contractors who are performing system upgrades and rehabilitation on the Barlow Substation – Circuit 22 Project (BW-22).

The position responsibilities will include, but are not limited to:

- Organize a work plan to facilitate contract crew productivity
- Arrange for project associated materials
- Coordinate system planned outages with TCL&P system control
- Communicate with affected customers for planned work activities
- Review contract crew work methods and safety practices
- Accept and approve contract crew work results
- Approve contract crew timesheets
- Provide quality control

A Construction Management Contractor position was identified in the Board approved BW-22 project at an estimated total amount of \$120,000 (or \$80/hour). Staff has determined that hiring a temporary employee at \$62/hour would be a more efficient and cost effective delivery of the services needed for the project. As per the new board policy, this position would be limited to 1,000 hours per year and receive no associated employee benefits.

Staff recommends that the Board authorize the Executive Director to retain the services of a temporary employee for the above described duties. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT AND POWER BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO HIRE A TEMPORARY EMPLOYEE AT A RATE OF \$62/HOUR TO SUPERVISE THE BW-22 PROJECT CONSTRUCTION CREW.



To: Light and Power Board
From: Ed Rice, Executive Director *ER*
Date: July 5, 2012
Subject: Temporary Employee – Electric Distribution Line Designer

Traverse City Light & Power (TCL&P) requires the services of an experienced Electric Distribution Line Designer. This position is necessary to analyze and design TCL&P electric distribution circuit rehabilitation and upgrades to ensure the safety of employees and the general public, and to provide for high level electric service reliability to the customers of TCL&P. This activity is identified in the Capital Improvement Plan with an annual projected expense of \$1.9 million for the next six years. It is expected this will be a ten year program.

This position will also be responsible for identifying and designing portions of the overhead distribution system that could be converted to underground facilities for operational efficiency. The position is also responsible for identifying and designing the replacement of existing underground conductors that have met or have exceeded their service life.

TCL&P analyzed the cost of these services through contract engineering consultants who would charge between \$100 to \$120/hour and determined the most efficient and cost effective delivery of the services would be through hiring a temporary employee at a rate of \$65/hour. As per the new board policy, this position would be limited to 1,000 hours per year and receive no associated employee benefits.

Staff recommends that the Board authorize the Executive Director to retain the services of a temporary employee for the above described duties. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT AND POWER BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO HIRE A TEMPORARY EMPLOYEE AT A RATE OF \$65/HOUR TO ANALYZE AND DESIGN SYSTEM CIRCUITS FOR FUTURE REHABILITATION.



The creation of a 10 percent renewable energy standard in 2008 put Michigan squarely on the path to a greener energy future. Electricity providers already are making significant progress toward meeting that standard, which was established by the Legislature with overwhelming bipartisan support.

Now, there's a proposal to jack up that standard to 25 percent, even though such an increase will cost Michigan tens of billions of dollars, depending on which renewable sources are used. Even worse, backers of this proposal want to lock that mandate into the Michigan Constitution, eliminating any flexibility and guaranteeing a future full of rate increases for customers.

Michigan's families and businesses can't afford to pay tens of billions of dollars more for a radical green energy standard. The proposal's backers claim there will be a 1 percent cap on annual rate increases, but that's no guarantee. Courts could strike down the so-called cap. That raises the specter of taxpayer-funded subsidies to help hold down the customer costs for the projects needed to meet the 25 percent mandate.

It's a mandate that would forever change the face of Michigan. Meeting the 25 percent mandate with just wind energy would require as many as 3,100 wind turbines, each taller than the state Capitol. All told, those turbines would require nearly a half a million acres of land, an area 17 times the city of Grand Rapids, and possibly force wind turbines to be built in the Great Lakes.

The constitution isn't the place for energy policy. This proposal would lock a radical renewable energy mandate into the Michigan Constitution and eliminate the flexibility needed to deal with volatile markets, changing customer needs, and to provide families and businesses with cleaner, reliable and affordable electric service.

Michigan is already on a smart – and affordable – path to a greener energy future. We encourage all Michigan families and businesses to oppose this “25 x 25” mandate.

Join the Clean Affordable Renewable Energy (CARE) for Michigan Coalition to help fight this unprecedented threat to Michigan's energy future and the state's economy.



Introduction

The Michigan Legislature passed a comprehensive energy law with overwhelming bipartisan support in 2008. This landmark legislation was crafted to ensure reliable, clean and affordable energy for Michigan families and businesses for years to come.

The 2008 law requires Michigan to generate 10 percent of its electricity from renewable sources such as wind, solar, hydro and biomass by 2015 and was negotiated after more than two years of thoughtful debate.

Now a multimillion-dollar ballot campaign is trying to manipulate the state constitution to set a different, arbitrary standard – 25 percent by 2025 – even though it will cost Michigan tens of billions of dollars.

What’s wrong with “25 x 25”?

It’s outrageously expensive

Under “25 x 25,” the Michigan Constitution would require energy providers to meet the arbitrary 25 percent goal *regardless* of the cost to Michigan families and businesses. Energy experts peg the cost in the tens of billions of dollars, depending on which renewable sources are used.

Michigan’s families and businesses can’t afford to pay tens of billions of dollars more for a radical green energy standard. The proposal’s backers claim there will be a 1 percent cap on annual rate increases, but that’s no guarantee. Courts could strike down the so-called cap.

That raises the specter of taxpayer-funded subsidies to help hold down costs to customers for the projects needed to meet the 25 percent.

It’s reckless – cementing energy policy in the Michigan Constitution, even though the state needs flexibility to meet evolving energy needs.

Constitutionally mandating that 25 percent of Michigan’s electricity come from renewable sources will strip the state of the flexibility it needs to provide families and businesses with safe, reliable and affordable electric service. The constitution is a foundational document, meant to establish basic rights for the long term. It is not the place for energy policy.

It's short-sighted – dramatically changing Michigan's landscape.

To meet a 25 percent renewable standard, Michigan would need 5,000 to 13,700 megawatts more of renewable energy generating capacity. If the state relied solely on wind energy to meet the requirement, it would need as many as 3,100 wind turbines, each taller than the state Capitol, all across Michigan – and maybe even in the Great Lakes. These wind farms would require about 500,000 acres of land, nearly six times the size of Detroit or 17 times the size of Grand Rapids.

Relying primarily on solar energy would significantly raise the price tag, although requiring a little less land. And erecting that many wind turbines or solar panels in such a short time period would likely require the state to override local government control to reach 25 percent by 2025.

It's dangerously vague – just 277 words to guide Michigan's vital energy future.

Early legal review suggests there are potential federal constitutional issues with the proposal. It is perilously vague on such basic issues as which renewable sources would be considered to meet the 25 percent standard.

And the job-creation guarantee that backers are touting is nowhere to be found in the amendment itself.

Michigan already has a long-term energy plan that's working.

Michigan's 2008 energy law was approved with overwhelming bipartisan support, after careful evaluation of its impact on energy bills, the electricity needs of Michigan families and businesses, how renewable energy fits in with the state's generating fleet, and the price of power on the wholesale markets. Smart policy requires thoughtful consideration.

Michigan's energy providers are making excellent progress toward reaching our current standard of 10 percent by 2015. Consumers Energy will invest \$585 million in renewable energy over the next five years, and DTE Energy will spend \$1.5 billion in direct capital investments. But there is still more work to do.

Any consideration of raising the state's renewable energy standard should wait until after 2015, when the 10 percent standard can be evaluated on a number of key factors. Then state policymakers can decide if the standard should be raised or if there are other options, such as raising the state's energy efficiency standards, to meet the energy needs of customers in an environmentally responsible manner.



What can I do to help safeguard Michigan’s energy future?

We encourage all Michigan families and businesses to oppose “25 x 25.”

Michigan is already on a smart – and affordable – path to a cleaner energy future. Please join the Clean Affordable Renewable Energy (CARE) for Michigan Coalition to help fight this unprecedented threat to Michigan’s energy future. Complete the form below and we will keep you updated on our progress. Of course, fighting a ballot proposal like this is costly, so we also encourage you to donate to the cause.

Return to:

To: LaToya English

Email: LEnglish@truscottrossman.com

Fax: 517-487-5080

I, _____, am confident that Michigan is already on the right path to meet its future energy needs and I strongly oppose the constitutional amendment that requires an arbitrary 25 percent renewable energy standard. As such, I do hereby endorse CARE for Michigan’s mission and I authorize my endorsement to be used in voter communications.

- I am an individual who would like to join CARE for Michigan.
- My business or organization would like to join CARE for Michigan.

Contact Name: _____

Address: _____

City/State: _____

Email: _____

Zip Code: _____

Business or Organization: _____



Q: What is the “25 x 25” ballot proposal and why should I care?

A: Supporters of the “25 x 25” ballot proposal want to amend our state constitution to require Michigan energy providers to produce 25 percent of the state’s electricity from renewable sources, such as wind and solar, by 2025.

What they don’t say is that it will cost tens of billions of dollars to meet that mandate and Michigan families and businesses will be paying for it for years to come.

Q: Why would “25 x 25” cost so much?

A: Energy experts say it will cost Michigan tens of billions of dollars, depending on which renewable sources are used.

If it’s approved in November, this radical proposal would *constitutionally require* Michigan’s energy providers to meet the 25 percent standard, *regardless of the cost*.

Q: Is energy policy supposed to be in the state constitution?

A: No. The constitution is a foundational document, meant to establish basic rights for the long-term stability of the state. Energy policy should instead be flexible, to meet changing needs. Generally, Michigan’s energy policy is set by the Legislature, which worked for more than two years to produce the state’s 2008 energy law. That law set a reasonable and affordable 10 percent renewable energy standard. Michigan energy providers are making good progress on meeting that challenging but achievable goal by 2015.

In contrast, “25 x 25” backers are trying to avoid the usual deliberative process, bypassing lawmakers and trying to lock an expensive and reckless renewable energy standard into the constitution without regard for the long-term consequences to Michiganders.

Q: Aren’t petition drives like “25 x 25” examples of democracy in action?

A: Absolutely not. Those aren’t your fellow citizens asking for your signature to put this on the ballot. They’re professional signature gatherers who are paid \$2 or more per name.

Q: What’s wrong with putting a renewable standard in the state constitution?

A.: The constitution isn’t the place for energy policy. The “25 x 25” proposal would lock specific energy policy into the Michigan Constitution, even though the state instead needs flexibility to ensure families and businesses have the affordable, reliable power they need.

The “25 x 25” mandate would undermine Michigan’s long-term energy plan, which the Michigan Legislature reviews to evaluate progress being made. That regular review process wouldn’t be possible for an energy mandate in the state constitution.

Q: Why should I worry about the cost when “25 x 25” has a 1 percent cap on electric rate increases?

A: The 1 percent cap is not guaranteed. Legal experts note that the courts could strike down the so-called cap. If that happened, families and businesses would face steep increases in their electric bills.

It also raises the possibility of taxpayer-funded subsidies to help hold down costs to customers for the projects needed to meet the 25 percent mandate.

Q: Isn’t Michigan a great place for harnessing wind power?

A: There is potential for wind power here, but the unintended consequences may forever change the face of our state. Tourism is a \$17 billion industry in Michigan, but will visitors come to see a landscape full of wind turbines? Meeting the 25 percent standard with just wind energy would require as many as 3,100 wind turbines – each taller than the state Capitol – all across Michigan and perhaps even in the Great Lakes.

Q: What about all the jobs that expanding the renewable energy industry in Michigan could create?

A: Despite what “25 x 25” supporters say, there is absolutely no jobs guarantee in their proposal. Recent headlines provide ample evidence of renewable energy companies falling far short of rosy job-creation estimates. United Solar Ovonix in Greenville is a good example. The company, which made solar energy components, promised 1,200 new jobs in 2006 but employed only 474 at its peak. In February the company filed for Chapter 11 bankruptcy.

Q: Isn’t more renewable energy good for the health of Michigan’s kids, especially those with asthma and other lung diseases?

A: The air in Michigan is the cleanest that it’s been in two generations, thanks in part to Michigan’s energy providers, which have invested billions in environmental controls. Michigan energy providers and their families live here, too, so clean air is a top concern for them.

Q: If a 25 percent renewable standard is way too high, what’s a reasonable standard?

Thanks to the 2008 energy law, Michigan is already on a smart – and affordable – path to a cleaner energy future. Michigan’s energy providers are making excellent progress toward reaching our current standard of 10 percent by 2015. Consumers Energy will invest \$585 million in renewable energy over the next five years, and DTE Energy will spend \$1.5 billion in direct capital investments. But there is still more work to do. Any consideration of raising the state’s renewable energy standard should wait until after 2015, when the 10 percent standard can be evaluated based a number of key factors. Then state policymakers can decide if the standard should be raised or if there are other options, such as raising the state’s energy efficiency standards, to meet the energy needs of customers in an environmentally responsible manner.