

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**TUESDAY, November 25, 2014**

At

**5:15 p.m.**

In The

**COUNTY TRAINING ROOM**

(2<sup>nd</sup> floor, Governmental Center)  
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Stephanie Tvardek  
Administrative Assistant  
1131 Hastings Street  
Traverse City, MI 49686  
(231) 932-4543

Traverse City Light and Power  
1131 Hastings Street  
Traverse City, MI 49686  
(231) 922-4940

Posting Date: 10-20-14  
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 November 11, 2014. (Approval recommended) (p. 4)
- b. Consideration of adopting a Records Retention Policy. (Approval recommended) (Myers-Beman) (p. 7)

#### **Items Removed from the Consent Calendar**

- a.

#### **3. Unfinished Business**

None.

#### **4. New Business**

- a. Consideration of adopting a Conflict of Interest Policy. (Schroeder) (p. 19)
- b. Consideration of declaring transformer surplus. (Olney) (p. 22)

#### **5. Appointments**

None.

#### **6. Reports and Communications**

- a. From Legal Counsel.
- b. From Staff.
  1. TC Saves Program results presentation. (SEEDS) (p. 24)
  2. Presentation of fiscal year end June 30, 2014 unaudited financials. (Myers-Beman) (p. 25)
  3. Board discussion of Six Year Capital Plan – 2015 priorities. (Arends) (p. 31)

4. Review proposed 2015-16 budget schedule. (Myers-Beman) (p. 35)

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, November 11, 2014

**Board Members -**

Present: Barbara Budros, Jim Carruthers, Pat McGuire, Jeff Palisin, Jan Geht, John Taylor

Absent: Bob Spence

**Ex Officio Member -**

Absent: Jered Ottenwess, City Manager

**Others:** Tim Arends, Scott Menhart, Karla Myers-Beman, Tom Olney, Kelli Schroeder, Rod Solak, Stephanie Tvardek, Blake Wilson

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

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

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

- a. Minutes of the Regular Meeting of October 28, 2014.
- b. Resolution to Amend Board Rule 1.
- c. Motor Vehicle Record Confidential Information Policy.
- d. Resolution Certifying the Lautner Wind Generator Property to be Surplus for Operation of the Traverse City Light & Power Department.
- e. Confirming Purchase Orders in the total amount of \$75,721.09 to CDW Government for software licensing.

CARRIED unanimously. (Spence absent)

**Items Removed from the Consent Calendar**

None.

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

None.

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

- a. Pine Street – Overhead to Underground Distribution Conversion project update.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Michael McGeehan, GRP Engineering, Inc.

Moved by McGuire, seconded by Geht, that the Board authorizes the change in scope of the Pine Street – Overhead to Underground Distribution Conversion Project.

Roll Call:

Yes – Budros, McGuire, Palisin, Geht, Taylor

No – Carruthers

CARRIED. (Spence absent)

- b. Consideration of professional engineering services related to the Pine Street Underground & Uptown projects.

The following individuals addressed the Board:

Tim Arends, Executive Director

Moved by McGuire, seconded by Budros, that the Board authorizes the Chairman and Secretary to enter into an Agreement with GRP Engineering, Inc. for professional engineering services related to the Pine/State Street Underground Extension Project in the amount of \$44,000; subject to approval as to substance by the Executive Director, and as to form by General Counsel.

CARRIED unanimously. (Spence absent)

- c. Consideration of Energy Optimization Plan contract services.

The following individuals addressed the Board:

Tim Arends, Executive Director

Moved by Geht, seconded by Budros, that the Board authorizes the Chairman and Secretary to enter into a standard Consulting Agreement with Navigant Consulting, Inc. to develop a long-term energy optimization plan in the amount of \$68,850.00; subject to approval as to substance by the Executive Director, and as to form by General Counsel.

CARRIED unanimously. (Spence absent)

- d. Consideration of declaring asset surplus.

The following individuals addressed the Board:

Karla Myers-Beman, Controller  
Tim Arends, Executive Director

Moved by Palisin, seconded by McGuire, that the Board declares the furniture from Building B surplus.

CARRIED unanimously. (Spence absent)

**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. Tim Arends and Bob Dyer, RTD Consulting, presented the Integrated Resource Plan and 2016 power supply recommendations.
2. Tom Olney provided an update on the Streetlight Pole Painting Project.
3. Tom Olney and Rod Solak reviewed the Arc Flash Study and implementation report.
4. Tim Arends presented the timeline for the West Side Transmission Line Upgrade Project.

c. From Board.

None.

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

No one from the public commented.

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

/st

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Tim Arends, Secretary  
LIGHT AND POWER BOARD



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Karla Myers-Beman, Controller *KMB*  
**Date:** November 19, 2014  
**Subject:** Record Retention Policy

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Continuing with staff's process of reviewing existing TCL&P Board policies, staff determined a record retention policy needed to be adopted to adhere to State record retention guidelines.

The purpose of this policy is to 1) identify documents that must be retained permanently or temporarily due to federal and state legal requirements, 2) to provide guidance and clarification on which documents have lasting archival value, and 3) to provide for the routine and timely disposal of documents which need not be retained for legal or administrative reasons.

The policy is included for your review.

Staff recommends adoption of the Record Retention Policy as presented. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this item, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation, the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**

**THAT THE BOARD ADOPTS THE RECORD RETENTION POLICY AS PRESENTED**

**WITH AN IMMEDIATE EFFECTIVE DATE.**

## RECORDS RETENTION POLICY

The Traverse City Light & Power Board (“TCL&P”) has adopted the attached Record Retention Schedule provided by the State of Michigan and the following principles and procedures for its Record Management Program, which shall be strictly adhered to by the Board and staff.

The purpose of this Record Management Program are: 1) to identify documents that must be retained permanently or temporarily due to federal and state legal requirements, 2) to provide guidance and clarification on which documents have lasting archival value, 3) to provide for the routine and timely disposal of documents which need not be retained for legal or administrative reasons.

### Principles and Procedures

1. The responsibility for administering the Record Management Program in accordance with this policy is designated to the Controller, who shall have the title Supervisor of Records Management.
2. Destruction of specific records shall be carried out only in accordance with the authority of the Supervisor of Records Management.
3. Disposal of records should occur no less than annually.
4. All records, including those maintained on electronic data processing storage media, shall be covered by this policy.
5. Documents shall be retained for at least the minimum period as stated in applicable federal and state regulations.
6. The destruction of records shall be suspended immediately upon receipt of legal process or other notice of pending or foreseeable investigations or litigation, whether government or private. In addition, upon such notice, all of TCL&P’s records shall be secured immediately in order to prevent destruction of documents. No such suspension of the TCL&P’s Record Management Program shall be lifted except upon the written authorization of legal counsel.
7. The Controller, with the assistance of legal counsel shall be responsible for interpreting this Policy Statement for application to specific situations.
8. This policy will be automatically updated with future revised retention schedules issued by the State of Michigan.

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Timothy J. Arends  
Executive Director and Secretary  
Traverse City Light and Power Board



## Introduction

### Public Records

The Michigan Freedom of Information Act (FOIA) (MCL 15.231-15.246) defines public records as recorded information "prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created."

### Retention and Disposal Schedules

Michigan law (MCL 399.5 and 750.491) requires that all public records be listed on an approved Retention and Disposal Schedule that identifies the minimum amount of time that records must be kept to satisfy administrative, legal, fiscal and historical needs. Local situations may require retention beyond the periods listed, and nothing prevents an office from retaining records longer than the specified period of time. Schedules also identify when records may be destroyed, and when certain records can be sent to the Archives of Michigan for permanent preservation. *Records cannot be destroyed unless their disposition is authorized by an approved Retention and Disposal Schedule.* All schedules are approved by the Records Management Services, the Archives of Michigan and the State Administrative Board. There are two types of schedules that government agencies may use:

- A "general schedule" will cover records that are common to a particular type of government agency, such as a clerk's office. General schedules may not address every single record that a particular office may have in its possession. *General schedules do not mandate that any of the records listed on the schedule be created.* However, if they are created in the normal course of business, the schedule establishes a **minimum** retention period for them. Local governments are not required by law to adopt general schedules once they are approved by the State of Michigan; they can and should be used by local government agencies once they are approved. All general schedules approved by the State of Michigan are available online at <http://www.michigan.gov/recordsmanagement/>.
- Any record that is not covered by a general schedule must be listed on an "agency-specific schedule" that will address records that are unique to a particular government agency. Agency-specific schedules always supersede general schedules. Agency-specific schedules only address the records of the agency named on the schedule, and may not be used by another agency.

### Unofficial Documents

General Schedule #1 addresses the retention of "nonrecord" materials. These documents are broadly defined as drafts, duplicates, convenience copies, publications and other materials that do not document agency activities. These materials can be disposed of when they have served their intended purpose. Government agencies

need to identify the "office of record" when multiple offices possess copies of the same record. The "office of record" is responsible for following the retention period that is specified, duplicates do not need to be retained. A more comprehensive definition of "nonrecords" can be found in the approved schedule (available online at [http://www.michigan.gov/documents/hal\\_mhc\\_rms\\_GS1\\_local\\_110758\\_7.pdf](http://www.michigan.gov/documents/hal_mhc_rms_GS1_local_110758_7.pdf)).

## **Record Maintenance**

Records can exist in a wide variety of formats, including paper, maps, photographs, microfilm, digital images, e-mail messages, databases, etc. The retention periods listed on this general schedule do not specify the format that the record may exist in, because each government agency that adopts this schedule may choose to retain its records using different recording media. Government agencies are responsible for ensuring that all of their records (regardless of format) are properly retained and remain accessible during this entire retention period. All records need to be stored in a secure and stable environment that will protect them from tampering, damage and degradation. Electronic records are dependent upon specific hardware and software to be accessed and used. It is important to understand that the original technology that is used to create electronic records will eventually become obsolete. As a result, government agencies should work with their information technology staff to develop preservation plans for retaining electronic records with long-term (more than 10 years) retention requirements. Various laws (including the Records Reproduction Act, MCL 24.401-24.406) identify acceptable formats for retaining public records; agencies are responsible for understanding and complying with these laws.

## **Suspending Destruction**

Government agencies must immediately cease the destruction of all relevant records (even if destruction is authorized by an approved Retention and Disposal Schedule) if they receive a FOIA request, if they believe that an investigation or litigation is imminent, or if they are notified that an audit, investigation or litigation has commenced. If relevant records exist in electronic formats (such as e-mail, digital images, word processed documents, databases, backup tapes, etc.), the agency may need to notify its information technology staff. Failure to cease the destruction of relevant records could result in penalties.

## **We Can Help!**

The State of Michigan Records Management Services is available to assist government agencies with their questions about record retention and acceptable recording media. Agencies may contact the Records Management Services at (517) 335-9132. Additional information is also available from the Records Management Services' website <http://www.michigan.gov/recordsmanagement/>, including records management manuals, general schedules, e-mail retention guidelines, microfilming standards and digital imaging standards, etc.

[close print view](#)

## Definitions of Retention Codes

The retention codes that appear on Retention and Disposal Schedules are used to establish how long records are retained by the creating agency before they are destroyed (or transferred to the Archives of Michigan for permanent retention). Retention codes determine how destruction dates will be automatically calculated by Versatile (Versatile is the records management software that is used by Records Management Services to manage the retention of records), and the date upon which the calculation will be based. When one of these codes is assigned to a record series, Versatile knows how to calculate retention for any items sent to the State Record Center for storage.

In addition to the retention code, a period of time, years and/or months, can be used in the calculation. Whole numbers represent years and months are represented by fractions. For example: 5 = 5 years, 0/1 = 1 month, 0/6 = 6 months, and 2/6 = 2.5 years. The retention code plus the period of time results in a mathematical formula to determine a destruction date. Agencies can also use this formula to calculate a destruction date for records that are maintained in their offices.

### ACT = Active

This code is used for conditional retention periods and need to define what activity would cause a record to become inactive. For example, until a case or project is closed. This code can also be applied to records where a subjective decision is needed to determine when the records become inactive. For example, "while of reference value." Active should be defined in the last sentence of the series description.

### CR = Creation

This code is used when a definitive retention period can be assigned. The retention period is based on a calendar year, and when there are no conditions that must be met. The retention period begins from the date the record is created or received.

### EXP = Expiration

This code is used when records must be retained until an expiration date or other legal condition has been met.

### FY = Fiscal Year

This code is used when a definitive retention period can be assigned, however the retention is based on the end of a fiscal year (September 30), rather than a calendar year.

### SUP = Superseded

This code is used when records are updated or revised at various points during the record's lifetime, but when only the current version needs to be retained.

### EVT = Event

This code was used when the agency knew that a future action or condition needed to be met prior to destruction, but did not know exactly when the event would happen. The event should be defined in the last sentence of the series description.

### DISP = Immediate Disposal

This code is used when an agency needs authorization to dispose of obsolete records that are no longer created. Once the schedule is approved, the agency has the legal authority to dispose of the existing records.

### PERM = Permanent

This code is used when records are not authorized for destruction at any point in time, and will be retained permanently in the custody of the creating agency.

### How Versatile Calculates the Disposition Date

Retention is applied at the box level. Each box should only contain one record series, to ensure that the records are destroyed at the correct time.

From the **To Date** field for the contents of the box

--CR  
--FY

From the **Submit Date** field--date box is entered into Versatile

--ACT\*  
--DISP  
--EXP  
--SUP

From the **Event Date** field--entered manually by user when creating the box in Versatile

--EVT\*

\* Look at the definition in the last sentence of the series description

## Section Seventeen: Public Utilities

Record Series	Minimum Retention Period	Disposition
<b>Accounting Records:</b>		
Accounts Payable Voucher Report	7 yrs	
Accounts Receivable Ledger	10 yrs	
Accounts Written Off	Audit + 4 yrs	
Annual Appropriations Ledger	10 yrs	
Annual Interest Refunds	7 yrs	
Assessments	20 yrs	
Assessments – Special	Life of assessment + 5 yrs	
Audit Reports	Permanent	If changed, contact Archives of Michigan
Bank Deposit Slips	Audit	
Bank Statements	6 yrs	
Billing Adjustments	2 yrs	
Billing Registers	3 yrs	
<b>Budget Materials:</b>		
Annual Budget	Permanent	If changed, contact Archives of Michigan
Support Documentation	Current	
Annual Financial Statements	Permanent	If changed, contact Archives of Michigan
<b>Canceled Checks</b>		
Originals	6 yrs	
Copies	Audit	
Cash Receipts and Disbursements Journal	10 yrs	
Check Registers	6yrs	
Construction Costs Ledger	10 yrs	
Departmental and Transfers Journal	10 yrs	
Deposit Receipts	Termination of account	
Deposit Refund Report	6 yrs	
Deposit Refund Checks	6 yrs	
Depreciation Schedule	25 yrs	
Fixed Asset Information	Permanent	
Gasoline Tax Record (State Form for Refund)	Audit	
Gasoline Tickets	Audit	
General Journal	20 yrs	
General Ledgers	20 yrs	
Grant Information	Permanent	
<b>Insurance Records (Property/Fleets):</b>		
While property is owned and/or maintained by the utility	Permanent	
After disposal by the utility	7 yrs	
Monthly Financial Reports/Statements	Active + 2 yrs	
Municipal Bonds		
Bond Coupons	7 yrs	

Bond Transcripts	7 yrs	
Permanent Asset Account Ledger	Permanent	
Proof of Billing Reports		
Daily	Destroy at option after 1 yr	
Monthly	Destroy at option after 1 yr	
Rate Studies	50 yrs	
Receipts (all funds)	6 yrs	
Revenue and Expense Reports		
Monthly	2 yrs	
Yearly	10 yrs	
Signature Cards, Bank Accounts	Current	
Tax Exempt Accounts Information	Destroy at option	
Vouchers and Invoices	6 yrs	
Vouchers and invoices – Capital Outlay	2 yrs after disposal of property or 6 yrs after purchase whichever is later	
Warrant and Check Registers	6 yrs	
Warrants	Audit	
Work Order Cost Sheets:		
Files detailing labor, material and other costs related to construction, maintenance and other work performed.	6 yrs	
Administrative/General Records		
Accident Reports	Active + 6 yrs. If there is a Workers Compensation claim, 30 yrs after the close of the case.	
Agreements and Contracts	Termination + 6 yrs	
Annual Reports	Permanent	If changed, contact Archives of Michigan
Board Minutes	Permanent	If changed, contact Archives of Michigan
Compliance Reports	Permanent	
Construction Project Information		
Analysis or cost reports	Permanent	
Contractor's Bonds and Insurance Policies	Active + 7 yrs	
Project Location Files	Permanent	
Work in Progress Ledgers	Permanent	
Work Order Cost Sheets	6 yrs	
Work Orders	Audit	
Correspondence and Memoranda		
General or Routine	2 yrs	
Policy	Permanent	If changed, contact Archives of Michigan
With State and Federal	Permanent	

Agencies		
Customer Records:		
Account adjustments	2 yrs	
Application for Service	Termination + 1 yr	
Change of Address Forms	Destroy at option after 1 yr	
Complaints	Settlement of issue + 2 yrs	
Connect/Disconnect Orders	2 yrs	
Credit Reports	Destroy at option after 1 yr	
Customer Account History	Life of account + 1 yr	
Demolition Form	Permanent	
Damage Claims and supporting material	2 yrs after settlement	
Job Orders and supporting materials for details of charges to customers for work done	3 yrs	
Inspections of Customers' Premises	2 yrs	
Vendoring Authorization from Department of Social Services	50 yrs	
Deeds / Property Information	Permanent	
Easements	Permanent	
Environmental Permits	Permanent	
Excavation Permits	Current + 5 yrs	
Litigation files including correspondence and legal papers:		
Indexes	Permanent	
Case files	10 yrs after case closed	
Manuals:		
Operation, Maintenance	Life of equipment	
Software	Until superseded + 6 yrs	
Maps, Plans, Tracings of System:		
Master/Original	Permanent	If changed, contact Archives of Michigan
Duplicates	Current	
Meters:		
History Records	Life of meter	
Horn Voucher	Audit	
Inventory	Audit + 1 yr	
Location Cards	Active	
Maintenance	Life of meter	
Reader Sheets	Audit + 1 yr	
Tests	Until superseding test, not less than 2 yrs	
Miss Dig Requests	1 yr	
Payroll Records:		
Daily Time Reports	3 yrs	
Deduction Authorization Cards	Current	
Employee Earnings Record	50 yrs	
Employee Retirement Record	Permanent	
Employee Service Record	Permanent	
Payroll Cost Distribution Ledger	10 yrs	

Payroll Journal	10 yrs	
Summary Time Reports	3 yrs	
Time Cards	3 yrs	
Personnel Records (if there is no Central Personnel Office, then use the schedule for Personnel Office Section 14)		
Photographic Records:		
Prints (Identify fully)	Current needs	Transfer selected to Archives of Michigan
Negatives (Identify fully)	Permanent	
Policies and Procedures	Permanent	
Purchasing Records:		
Bid Packs (include bids received)	6 yrs	
Purchase Orders	6 yrs	
Requisitions	6 yrs	
Vehicle Repair/Safety Records:		
Lubrication Reports	Audit + 1 yr	
Safety Inspections	Life of the vehicle	
Vehicle Maintenance Card	Audit + 1 yr	
Vehicle Titles	Life of vehicle	
Work Orders	Audit	
Electric Department Records:		
Distribution Service Orders and Outage Reports	7 yrs	
Electrical Inspections	7 yrs	
Electrical Licenses	Current + 10 yrs	
Electrical Equipment Catalogs	Life of equipment	
Electrical Permits	Current + 5 yrs	
Electrical Substation Information	3 yrs	
Electrical System & Substation Prints/Drawings	Permanent	
Lightning and Storm Data	3 yrs	
Interruption Logs and Reports	6yrs	
Insulator Test Records	3 yrs	
PCB information including site locations, regulations, spill reports, disposal vendors	Permanent	
Permits		
Highway	Current + 5 yrs	
Railroad	6 yrs	
Pole Attachment Agreements	Permanent	
Street Openings Reports, Inspections, and Repairs	6 yrs	
Power Production Plant Records:		
Air Flow Studies	2 yrs	
Annual Summary Sheets	10 yrs	
Boiler, Condenser, Turbine and Pump Room Logs, including supporting data	3 yrs	

Boiler and Turbine Room Reports of Equipment in Service and Performance	3 yrs	
Boiler-tube Failure Report	3 yrs	
Coal and Water Logs	3 yrs	
DNR Permits	Permanent	
Equipment Records (pole, tower, structure, etc.)	Life of equipment	
Gage Reading Reports	2 yrs, except river-flow data collected in connection with hydro operation shall be retained for the life of the operation	
Generating Station High-tension and Low-tension Load Records	3 yrs	
Generation and Output Logs with supporting data	6 yrs	
Load Curves, Temperature Logs	3 yrs	
Load Dispatcher's and Station Permits	1 yr except where the basic chart information is transferred to another record, the charts need only be retained for 6 months provided the record containing the basic data is retained 1 yr	
Monthly Summary Sheets	2 yrs	
Oil and Waste Reports	3 yrs	
Opacity Reports	2 yrs	
Purchased Power Information	6 yrs	
Recording Instrument Charts	1 yr except where the basic chart information is transferred to another record, the charts need only be retained for 6 months provided the record containing the basic data is retained 1 yr	
Station and System Generation Reports	25 yrs	
Supply Studies	Destroy at option	
Statement/Analysis of Operations	10 yrs	
Waste/Wastewater Department Records:		
Annual Summary Sheets	10 yrs	
Apparatus Failure Reports	6 yrs	
Controlled Flushing Information	25 yrs	
Daily Log Sheets	1 month	
Equipment Failure Reports and Logs	3 yrs	
Fire Hydrants:		
Location, type	Active	
Meter Pressure Test	3 yrs	



Flow Test Data Sheet	Current + 5 yrs	
Log Books	6 yrs	
Maintenance/Repair Records	Permanent	
Manhole Sewer Inspections	6 yrs	
Maps, Prints, Drawings of Water System	Permanent	
Monthly Operation Report	2 yrs	
Pipelines, Structures and other equipment records	Life of equipment	
Plumbing Permits	Current + 5 yrs	
Recording Instrument Charts	3 yrs	
Sewer Claims	Current + 5 yrs	
Sewer/Water Connection Agreements	Termination + 6 yrs	
Street Openings Reports on Inspections and Repairs	6 yrs	
Tanker Filling Log	4 yrs	
Water Main Test Report	7 yrs	
Water System Grid Pressure Information	Active	
Water Processing Plant Records:		
Bacteria Tests of Water Samples	5 yrs	
Boiler, Condenser, Turbine and Pump Room Logs, including supporting data	3 yrs	
Chemical Tests of Water Samples	10 yrs	
Filter Log Sheets	6 yrs	
Lead Sampling	12 yrs	
Monthly Operation Reports	2 yrs	
Monthly Report to Michigan Department of Health	2 yrs	
Pumping Output Logs with supporting data	3 yrs	
Record Charts	1 yr	
Residential Sampling Records	5 yrs	
Sources, water supplied to the distribution system	15 yrs or 3 yrs after source is abandoned whichever is shorter	
Station Output Records	25 yrs	
Test Wells Information	4 yrs	
Water Level Charts	4 yrs	
Wastewater Treatment Plant Records:		
Daily Operating Records	6 yrs	
Flow Charts	Current + 5 yrs	
Industrial User Records		
Influent Compliance and Limit Reports	Current + 5 yrs	
Inspection Reports	6 yrs	
Lab Reports/Analysis	Current + 5 yrs	
Lift Station Alarm Data	Permanent	

Log Books	6 yrs	
Monthly Summary Sheets	2 yrs	
Oil and Waste Reports	3 yrs	
Operator's Daily Logs and Reports	6 yrs	
Pollution Control Lab Reports	Current + 5 yrs	
Pretreatment Performance Summary	Current + 5 yrs	
Sample Data	Current + 5 yrs	
Sample Schedule	Current + 5 yrs	
Statement of Operations Analysis	10 yrs	
Wastewater Analysis Information	Current + 5 yrs	



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Kelli Schroeder, Manager of HR & Communications  
**Date:** November 19, 2014  
**Subject:** Conflicts of Interest Policy

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A handwritten signature in black ink, appearing to be "Kelli Schroeder", is written over the "From:" line of the memo.

Currently, TCL&P does not have a policy in place that would address a situation where an employee has or is perceived to have a conflict between their personal interest and the interests of the utility. Staff is proposing the adoption of a new Conflicts of Interest Policy which has been enclosed for your review.

Staff recommends that the Board approve the proposed policy to ensure that guidelines are in place that deters employees from having, maintaining or developing a conflict of interest with TCL&P now and in the future. If the Board is in agreement, the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**

**THAT THE BOARD ADOPTS THE CONFLICTS OF INTEREST POLICY AS  
PRESENTED WITH AN IMMEDIATE EFFECTIVE DATE.**

## CONFLICTS OF INTEREST POLICY

This Policy is applicable to all of the Traverse City Light and Power Department (TCL&P) and covers all its administrative and bargaining unit employees. It does not cover situations involving a conflict of interest and a contract with TCL&P, which situations are regulated exclusively by state statute. MCL 15.321.

Under Michigan common law, a public utility employee has a fiduciary relationship to the public utility he or she serves.

In addition to the legal responsibility, it is the duty of every such employee to act in the best interest of TCL&P and to refrain from placing himself/herself in a position which might produce a conflict or appearance between his/her self-interest and the interests of TCL&P.

It is the practice of TCL&P to respect the rights of the privacy of its employees and to respect their activities which are private in nature and which do not react or reflect detrimentally to the best interest of TCL&P.

The purpose of this Policy is to ensure that no employee of TCL&P will have, maintain, or develop a conflict of interest with TCL&P.

Whenever a situation arises that may result in a potential conflict or the appearance of such a conflict between an employee's personal interest and the interests of TCL&P, the employee should discuss the situation with his/her immediate supervisor. Particular attention, although not all inclusive, should be paid to the following prohibited actions:

1. General. Pursuant to City Charter Section 154(c), an employee who has a financial interest, direct or indirect, in any matter to be decided by TCL&P or the City, other than with respect to a contract, shall make that interest known and shall refrain from participating in the making of any decision involved with that conflict. Pursuant to the Charter an employee violating that provision is guilty of a misdemeanor, and upon conviction shall forfeit office. After full disclosure, the Traverse City Light and Power Board may waive the conflict and shall so notify the City Commission who may reverse the Light and Power Board's waiver.
  
2. Gifts. Soliciting or accepting payments, gifts of value (defined as having a retail value of \$10 or more), or loans from vendors or companies seeking to and/or doing business with TCL&P or the City of Traverse City (City). "Gift" does not include reasonable costs for meals or gifts of value (such as certificates) that are

available to the public at large and are not specific to TCL&P employment status. Exceptions to this rule, such as food items shared by an entire department or division, may be approved by the Supervisor.

No employee or group of employees may directly or indirectly solicit any firm or individual for any gift, favor or privilege, having any value whatsoever, for himself/herself or other TCL&P employees.

No employee may directly or indirectly engage in soliciting firms or individuals for money, gifts, favors or privileges on behalf of other parties or groups, by using his or her employment status with TCL&P as a means of identification.

Any employee who is offered a gift of value by any firm or nonrelated person having an existing or potential business relationship with the TCL&P or the City, shall refuse acceptance with the explanation that such practice is not allowed.

In the event that a gift of value from such a person or firm is delivered to a TCL&P employee, it shall be promptly returned to the sender.

3. Profit. Using an employee's official position with TCL&P to make a profit from another person or business is not allowed.
4. Competitors. Maintaining a substantial financial interest with a competitor is not allowed.

Supervisory personnel shall have the responsibility of bringing to the attention of the Executive Director any present or potential conflict of interest situation involving themselves or employees under their supervision.

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Timothy J. Arends  
Executive Director and Secretary  
Traverse City Light and Power Board



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Tom Olney, Operations Manager  
**Date:** November 6, 2014  
**Subject:** Declare Asset Surplus

---

TCL&P purchased a spare substation transformer in 1976 at a cost of approximately \$90,000 for the purpose of system reliability in the event a substation transformer was to fail. To staffs' best knowledge it has never been placed in service. With the increase of substations placed in service on our system (East Hammond and South) along with the completion of the system being fully looped, there is no longer a need for this spare transformer. In accordance with TCL&P's Capital Asset policy, any capital asset dispositions not considered scrap should be approved for disposal by the Light and Power Board.

Inquiries were sent to ten broker companies who might be interested in purchasing this transformer. While most declined to make an offer or even respond, we received four offers in total, two of which were to come and pick up the transformer on a cost-neutral basis. One company offered to purchase the transformer for \$8,000 if TCL&P provided the crane to lift it onto their trailer. Crane expenses to lift the transformer would total approximately \$1,500 making the offer worth \$6,500 to TCL&P.

The final offer received was from Utility Transformer Brokers (UTB) – see full offer attached. Their offer is to market the transformer on behalf of TCL&P for twelve months and they will pay TCL&P \$35,000 once the unit is sold. UTB pays all other expenses which includes all testing, prepping the transformer for transit, as well as transporting the transformer to another location. If the transformer does not sell in twelve months, the agreement will be terminated at no cost to TCL&P. TCL&P would be free to pursue another avenue to sell the transformer. In summary, TCL&P incurs no expenses if the transformer does not sell in twelve months.

Staff recommends the Board declare the asset surplus in accordance with TCL&P's Capital Asset Policy. This item is on the Consent Calendar as it is deemed non-controversial. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**

**THAT THE BOARD DECLARES THE TRANSFORMER SURPLUS.**



Utility Transformer Brokers, LLC

PO Box 724

Salem, UT 84653

[www.utilitytransformerbr.com](http://www.utilitytransformerbr.com)

**Brett Carter**

Sales Manager

Phone: 855-214-0975 x701

Fax: 855-845-3497

Email: [brettc@utilitytransformerbr.com](mailto:brettc@utilitytransformerbr.com)

## Traverse City Light & Power

November 4<sup>th</sup>, 2014

### Proposal to Market Transformer:

**Westinghouse 10 MVA 67000 Wye – 13800 Wye Substation Transformer**

UTB will market the TRANSFORMER described above for **12 Months** and will pay the OWNER **\$35000.00** for the TRANSFORMER once the unit is sold. Terms and Conditions are as follows

#### Terms & Conditions:

- UTB will use their contacts and knowledge of the transformer industry to market the transformer for the length of the Agreement. UTB will post the transformer for sale on industry websites and include it on their email marketing, direct mail marketing, & fax marketing advertisements.
- OWNER will store and maintain the transformer for the length of the agreement
- Once UTB finds a buyer, the unit will be tested to verify it is electrically okay. If the transformer fails testing, UTB's contract with the OWNER will be terminated and they will be free to sell the transformer to another party. The OWNER will not be responsible for any testing costs.
- The transformer is being sold "as is" with no warranty
- All testing, prep, disassembly, loading, and transportation will be arranged and paid for by UTB
- UTB will pay for the transformer in full prior to loading
- OWNER will guarantee free and clear access to the site for the contractor and equipment used to dismantle, test, & load the transformers.







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**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Jessica Wheaton, Manager of Energy Services & Key Accounts  
**Date:** October 21, 2014  
**Subject:** TC Saves Program Update

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Since 2011, when TC Saves was first introduced, Traverse City Light & Power (TCL&P) has played an active role in helping support the program. When the BetterBuildings for Michigan grant funds were no longer available, TCL&P decided to partner with Michigan Land Use Institute (MLUI) and SEEDS to continue to offer the program to TCL&P customers.

In August of 2013 the TCL&P Board approved a one year agreement with MLUI and SEEDS to support the continuation of the program with the goal of assessing 150 additional homes. Sarna Salzman, Executive Director of SEEDS will be at the Board meeting to present a final report on the past year's program successes.

Moving forward, TCL&P staff is planning to take the implementation of the TC Saves program in-house to continue to offer whole-home energy assessments to interested TCL&P customers. Program transition will occur in early 2015.



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light and Power Board  
**From:** Karla Myers-Beman, Controller *KMB*  
**Date:** November 19, 2014  
**Subject:** Quarterly Financial Report

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Enclosed in your packet are the fourth quarter financial statements for the Electric and Fiber Funds.

**Electric Utility Fund:**

As of June 30, 2014, operating revenues are 108% of budgeted operating revenues. The Board's action to remove the cap on the Power Cost Recovery Rate (PCR) as of October 1, 2013 has resulted in the overall increase in revenues over the prior year along with a slight increase in kWh sales.

Total operating expenses are at 97.9% of budget year-to-date, or very nearly on-budget. Overall purchased power costs are at 101.5% of budget. Transmission expense is under budget due to the allocation factor of Attachment O being lower than expected and no contingent maintenance on the transmission lines needed in the fiscal year. Metering and Customer Service Distribution are under budget, because meter reading wages being distributed to other departments based on actual work performed and human resource allocation was recorded under General Administration this year. Conservation and Public Services is significantly under budget at 42.8% because of the additional allocation of PA 295 funds during the budget process that will not be expended until a plan is developed in the 2014-2015 fiscal year. General Administration expense is under budget because of positions not being filled.

Net income through the third quarter is \$4.03 million, which is ahead of budget.

**Fiber Fund:**

Revenues in the Fiber Fund are on-budget while expenses exceeded budget (unfavorable). Net income of \$31,271 is 49.2% of budget through June.

Total operating expenses are at 119.7% of budget year-to-date, or very nearly on-budget. Supervision and Maintenance has the largest difference between budget and actual. The difference was from the assistance provided to GTACS in starting up their connection to our fiber network, which is offset by the reimbursements received in non-operating revenues.

**TRAVERSE CITY LIGHT & POWER**

**Balance Sheet**

**6/30/2014**

<b>ASSETS</b>		<b>LIABILITIES AND NET ASSETS</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and cash equivalents	\$5,239,576	Accounts payable	\$1,987,395
Investments	15,852,407	Customer deposits & credits	99,849
Receivables		Accrued expenses & other liabilities	775,585
Customer (net of allowance)	3,728,260	Due to primary government	215,851
Accrued interest	56,287		
Taxes	2,156	<b>Total current liabilities</b>	<b>3,078,680</b>
Other	698,039		
Inventories	1,990,709	<b>Long-term liabilities</b>	
Prepaid expenses	5,600	Compensated absences	162,633
<b>Total current assets</b>	<b>27,573,034</b>	<b>Total liabilities</b>	<b>3,241,313</b>
<b>Long-term assets</b>		<b>Net assets</b>	
Long-term advances & OPEB assets	1,234,281	Invested in capital assets	47,750,850
Land and land improvements	1,395,691	Unrestricted	25,566,002
Construction in progress	1,712,092		
Capital assets, net	44,643,067	<b>Total net assets</b>	<b>73,316,852</b>
<b>Total long-term assets</b>	<b>48,985,131</b>		
		<b>Total liabilities and net assets</b>	<b>\$76,558,165</b>
<b>Total assets</b>	<b>\$76,558,165</b>		
		<b>Total Cash &amp; Investments</b>	<b>\$ 21,091,983.00</b>
		<b>Difference</b>	<b>\$ -</b>

**TRAVERSE CITY LIGHT & POWER**  
**Schedule of Revenues & Expenses - Budget and Actual**  
**For the Month Ended June 30, 2014**

	Current Month	Y-T-D Actual	Annual Budget	% of Budget
Operating revenues - sales	\$ 2,134,921	\$ 32,516,825	\$ 29,971,000	108.5%
Other operating revenues	213,544	2,775,301	2,704,000	102.6%
<b>Total operating revenues</b>	<b>2,348,465</b>	<b>35,292,126</b>	<b>32,675,000</b>	<b>108.0%</b>
<b>Generation expense:</b>				
Purchased power	525,079	6,079,198	6,440,000	94.4%
Stoney corners-wind energy	188,200	2,890,566	2,970,000	97.3%
Combustion turbine	252,002	3,081,983	3,978,000	77.5%
Campbell/belle river	606,921	10,563,963	8,840,000	119.5%
Landfill gas	36,648	396,367	460,000	86.2%
Bilateral contract	100	3,345	0	#DIV/0!
Other operations & maintenance	18,779	203,704	78,000	261.2%
<b>Total generation expenses</b>	<b>1,627,730</b>	<b>23,219,126</b>	<b>22,766,000</b>	<b>102.0%</b>
<b>Distribution expense:</b>				
Operations & maintenance	436,561	3,355,752	3,470,000	96.7%
<b>Transmission expense:</b>				
Operations & maintenance	32,013	299,449	420,900	71.1%
<b>Other operating expense:</b>				
Metering & customer accounting	69,454	479,851	573,400	83.7%
Conservation & public services	53,268	440,260	1,027,750	42.8%
General administration	45,106	753,148	1,163,950	64.7%
Insurance	5,655	59,502	66,350	89.7%
Depreciation expense	304,785	2,027,184	1,982,000	102.3%
City fee	120,000	1,775,851	1,634,700	108.6%
<b>Total other operating expenses</b>	<b>598,267</b>	<b>5,535,796</b>	<b>6,448,150</b>	<b>85.9%</b>
<b>Total operating expenses</b>	<b>2,694,571</b>	<b>32,410,123</b>	<b>33,105,050</b>	<b>97.9%</b>
<b>Operating income/(loss)</b>	<b>(346,107)</b>	<b>2,882,003</b>	<b>(430,050)</b>	<b>-670.2%</b>
<b>Other revenues/(expenses):</b>				
Non-operating revenues	142,580	1,149,156	430,050	267.2%
Non-operating expenses	0	0	0	---
<b>Net income</b>	<b>\$ (203,526)</b>	<b>\$ 4,031,159</b>	<b>\$ -</b>	

TRAVERSE CITY LIGHT & POWER  
Revenue & Expenses Compared

	June 2014		June 2013		Y-T-D 6/30/2014		Y-T-D 6/30/2013		Increase/Decrease		%
	\$	#DIV/0!	\$	#DIV/0!	\$	#DIV/0!	\$	#DIV/0!	\$	#DIV/0!	
Federal Grants											
State Grant - Other											
Residential Sales	250,147.15	4.8	238,591.00	4.8	6,352,044.00	4.8	5,543,163.00	838,881.00	15.1		
Commercial Sales	922,167.55	(3.1)	951,407.00	(3.1)	15,612,427.00	(3.1)	14,143,835.00	1,468,592.00	10.4		
Industrial Sales	918,223.45	11.7	821,726.00	11.7	9,950,825.00	11.7	9,020,921.00	929,904.00	10.3		
Public Authority Sales	23,845.22	(16.9)	28,679.00	(16.9)	296,800.00	(16.9)	274,590.00	22,210.00	8.1		
Street Lighting Sales	16,344.64	1.3	16,140.00	1.3	195,178.00	1.3	194,708.00	470.00	0.2		
Yard Light Sales	4,193.01	(21.8)	5,365.00	(21.8)	79,551.00	(21.8)	77,197.00	2,354.00	3.0		
Forfeited Discounts	3,413.16	(1.3)	3,457.00	(1.3)	57,695.00	(1.3)	56,978.00	717.00	1.3		
Merchandise & Jobbing	5,462.92	(50.1)	10,954.00	(50.1)	43,443.00	(50.1)	40,647.00	2,796.00	6.9		
Interest & Dividend Earnings	90,097.08	(119.3)	(465,914.00)	(119.3)	402,878.00	(119.3)	(285,545.00)	688,423.00	(241.1)		
Rents & Royalties	22,045.00	1,394.6	1,475.00	1,394.6	47,282.00	1,394.6	23,635.00	23,647.00	100.1		
Sale of Fixed Assets		#DIV/0!		#DIV/0!	46,931.00	#DIV/0!	-	46,931.00	#DIV/0!		
Reimbursements	30,438.38	1.5	30,001.00	1.5	616,140.00	1.5	163,980.00	452,160.00	275.7		
Recovery of Bad Debts	44.80	(2.6)	46.00	(2.6)	188.00	(2.6)	109.00	79.00	72.5		
Sales of Scrap	699.64	4.3	671.00	4.3	34,332.00	4.3	50,958.00	(16,626.00)	(32.6)		
Miscellaneous Income	5,140.43	27.6	4,027.00	27.6	37,383.00	27.6	51,047.00	(13,664.00)	(26.8)		
Refunds & Rebates	6.00	#DIV/0!	-	#DIV/0!	1,413.00	#DIV/0!	2,223.00	(810.00)	(36.4)		
Pole Rentals		#DIV/0!		#DIV/0!	35,925.00	#DIV/0!	41,593.00	(5,668.00)	(13.6)		
MISO Revenues	198,776.68	9.5	181,611.00	9.5	2,600,847.00	9.5	2,353,289.00	247,558.00	10.5		
<b>Total Revenues</b>	<b>\$ 2,491,045.11</b>	<b>36.3</b>	<b>\$ 1,828,236.00</b>	<b>36.3</b>	<b>\$ 36,441,282.00</b>	<b>36.3</b>	<b>\$ 31,753,328.00</b>	<b>\$ 4,687,954.00</b>	<b>14.8</b>		
<b>Expenses:</b>											
Generation Operations & Maint	\$ 1,627,730.02	(5.7)	\$ 1,726,392.00	(5.7)	\$ 23,219,126.00	(5.7)	\$ 23,783,427.00	\$ (564,301.00)	(2.4)		
Distribution Operations & Maint	436,560.73	23.7	352,803.00	23.7	3,355,752.00	23.7	3,493,024.00	(137,272.00)	(3.9)		
Transmission Operations & Maint	32,013.00	34.1	23,867.00	34.1	299,449.00	34.1	366,978.00	(67,529.00)	(18.4)		
Metering & Customer Accounting	69,453.56	(1.8)	70,760.00	(1.8)	479,851.00	(1.8)	516,919.00	(37,068.00)	(7.2)		
Conservation & Public Services	53,267.89	(41.4)	90,927.00	(41.4)	440,260.00	(41.4)	1,689,992.00	(1,249,732.00)	(73.9)		
Administration	45,105.51	51.2	29,839.00	51.2	753,148.00	51.2	959,602.00	(206,454.00)	(21.5)		
Other	430,440.53	(1.3)	435,976.00	(1.3)	3,862,537.00	(1.3)	3,538,543.00	323,994.00	9.2		
<b>Total Expenses</b>	<b>\$ 2,694,571.24</b>	<b>(1.3)</b>	<b>\$ 2,730,564.00</b>	<b>(1.3)</b>	<b>\$ 32,410,123.00</b>	<b>(1.3)</b>	<b>\$ 34,348,485.00</b>	<b>\$ (1,938,362.00)</b>	<b>(5.6)</b>		
<b>Net Income</b>	<b>\$ (203,526.13)</b>	<b>(77.4)</b>	<b>\$ (902,328.00)</b>	<b>(77.4)</b>	<b>\$ 4,031,159.00</b>	<b>(77.4)</b>	<b>\$ (2,595,157.00)</b>	<b>\$ 6,626,316.00</b>	<b>(255.3)</b>		




**TRAVERSE CITY LIGHT & POWER  
FIBER FUND**  
Schedule of Revenues & Expenses - Budget and Actual  
For the Month Ended June 30, 2014

	Current Month	Y-T-D Actual	Annual Budget	% of Budget
<b><u>Operating revenues:</u></b>				
Charges for services	\$ 17,480	\$ 229,120	\$ 229,000	100.1%
<b>Total operating revenues</b>	<b>17,480</b>	<b>229,120</b>	<b>229,000</b>	<b>100.1%</b>
<b><u>Operating expenses:</u></b>				
Office & operating supplies	6	1,184	2,000	59.2%
Supervision & maintenance	4,697	65,803	41,000	160.5%
Overhead & underground lines	2,975	19,522	16,000	122.0%
Customer installations	-	2,187	6,500	33.6%
Termination boxes	5,394	23,834	16,500	144.4%
Tools	-	-	150	0.0%
Professional & Contractual Svcs.	-	1,095	-	---
Legal Services	-	3,655	-	---
City fee	11,464	11,464	10,100	113.5%
Professional development	-	-	2,150	0.0%
Insurance	76	791	1,000	79.1%
Repairs and Maintenance	-	-	500	0.0%
Depreciation expense	10,156	90,109	87,600	102.9%
<b>Total operating expenses</b>	<b>34,768</b>	<b>219,644</b>	<b>183,500</b>	<b>119.7%</b>
<b>Operating income/(loss)</b>	<b>(17,288)</b>	<b>9,476</b>	<b>45,500</b>	<b>20.8%</b>
<b><u>Non-operating revenues:</u></b>				
Interest revenue	167	167	-	---
Reimbursements	2,000	21,628	18,000	120.2%
<b>Total nonoperating revenue</b>	<b>2,167</b>	<b>21,795</b>	<b>18,000</b>	<b>121.1%</b>
<b>Net income</b>	<b>\$ (15,121)</b>	<b>\$ 31,271</b>	<b>\$ 63,500</b>	<b>49.2%</b>



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director   
**Date:** November 19, 2014  
**Subject:** Six Year Capital Improvements Plan - 2015

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Included in your packet is a first draft of the Six Year Capital Improvements Plan – 2015 (Plan) that will be the focus of a Board/staff discussion at your meeting on Tuesday. Staff, with assistance from GRP Engineering and City Engineering, has put together what it believes are the priorities of the utility in the coming years based on the previously approved Plan and projects that have surfaced over this past year.

This review is months earlier than in previous year's for the purpose of allowing the Board to be more involved in the process for planning the utility's priorities in this area. It is my hope that this review will better engage the Board and allow for its input into the projects; and be inclusive of priority projects of the Board that may not appear in this first draft.

Staff will plan to incorporate all ideas and suggestions (supported by the majority) into the Plan by the end of the year and bring a final Plan to the Board for its consideration of approval at the Board's first meeting in January. This new process will allow for better inclusion of L&P's capital projects into the City's overall capital plan for Planning and City Commission review and approval. In addition, it will allow for a more focused review of the proposed budget by separating the review of these two vital guiding documents.



**TRAVERSE CITY LIGHT & POWER**  
**SIX YEAR CAPITAL IMPROVEMENTS PLAN 2015 - DRAFT**

*(This worksheet is for illustration purposes only and is supplemental information to the Plan)*

		Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Project Totals	Project Notes	2014 Funding Level	Change
<b>Generation:</b>											
NO CHANGE	Community Solar Garden Phase II (project to be similar as the 2013 joint TCL&P/Cherryland project - No cost of land included - location to be determined)	\$ 250,000	---	---	---	---	---	\$ 250,000	Possible locations include Glen Loomis School, Airport Industrial Park, or Traversefield Industrial Park.	\$ 250,000	\$ -
DELETED	Decommission M-72 Wind Turbine (will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ 200,000	\$ (200,000)
NEW	Cogeneration Plant - Airport Industrial Park (distributed generation - 2MW to 3 MW)	---	---	---	---	---	---	-	Visionary - seeking grant funding for feasibility study	\$ -	\$ -
<b>Total Generation</b>		<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>		<b>450,000</b>	<b>(200,000)</b>
<b>Distribution and Substation:</b>											
NO CHANGE	Line Improvements, Extensions, and New Services	900,000	950,000	1,000,000	1,100,000	1,150,000	1,200,000	6,300,000	Annual Program - In-house construction	\$ 5,950,000	\$ 350,000
NO CHANGE	Distribution Circuit Rebuild (completion of BW-31 in 2015-16)	950,000	1,000,000	1,050,000	1,100,000	1,150,000	1,200,000	6,450,000	Annual Program - In-house construction	\$ 6,150,000	\$ 300,000
DELETED	69kV/13.8kV Distribution South Substation (will be completed by 6/30/2015)	---	---	---	---	---	---	-	In-service date 12/31/2014	\$ 3,400,000	\$ (3,400,000)
NO CHANGE	OH to URG Conversion Projects (residential projects to enhance system reliability - 2015-16 includes Spruce Street Undergrounding)	350,000	450,000	550,000	650,000	750,000	850,000	3,600,000	Annual Program to move inaccessible circuits to road ROW	\$ 2,000,000	\$ 1,600,000
CHANGE	Pine Street Overhead to Underground Conversion (Increased extent to include uptown development undergrounding - includes added circuit to support Front Street reliability during peak times)	1,330,000	---	---	---	---	---	1,330,000	Coordinated with City and DDA Pedestrian Bridge Project	\$ 1,665,000	\$ (335,000)
DELETED	Street Lighting System - Expanded (Central Neighborhood)	---	---	---	---	---	---	-	No requests have been received for additional neighborhood lighting projects	\$ 200,000	\$ (200,000)
DELETED	Cowell Family Cancer Center Alternate Feed (redundant feed for the Cancer Center - will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ 190,000	\$ (190,000)
NO CHANGE	Parsons Switching Station	100,000	600,000	---	---	---	---	700,000	GRP to provide cost estimate	\$ 700,000	\$ -
NO CHANGE	Recloser Upgrades	175,000	---	---	---	---	---	175,000		\$ 200,000	\$ (25,000)

NO CHANGE	Street Lighting (LED) System Replacements (accelerated funding to complete 400 changeovers a year)	180,000	60,000	---	---	---	---	240,000	T Olney reviewing estimates	\$ 420,000	\$ (180,000)
NEW	Washington Place Underground Conversion	230,000	---	---	---	---	---	230,000		\$ -	\$ 230,000
NEW	Removal and transfer of Hickory Meadows distribution line to Randolph Street	370,000	---	---	---	---	---	370,000		\$ -	\$ 370,000
Total Distribution and Substation		3,985,000	3,060,000	2,600,000	2,850,000	3,050,000	3,250,000	18,795,000		20,875,000	(2,080,000)

**Transmission and Substation:**

NO CHANGE	Substation Transformer Upgrades	---	---	---	---	1,500,000	1,500,000	3,000,000	Visionary	\$ 3,000,000	\$ -
NO CHANGE	Transmission Line Reconductor (west side transmission project in 2015-16)	1,665,000	600,000	1,500,000	600,000	---	---	4,365,000		\$ 4,275,000	\$ 90,000
Total Transmission and Substation		1,665,000	600,000	1,500,000	600,000	1,500,000	1,500,000	7,365,000		7,275,000	90,000

**Facilities and Other:**

DELETED	Stringing Trailer (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 60,000	\$ (60,000)
DELETED	Telephone System Upgrade (will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ 65,000	\$ (65,000)
DELETED	Meter Test Board (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 40,000	\$ (40,000)
DELETED	System Modeling Software (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 80,000	\$ (80,000)
NO CHANGE	Hasting Service Center Facility Improvements (new Building C and covered storage area for inventory and equipment - covered storage in 2015-16)	380,000	570,000	---	---	---	---	950,000		\$ 1,300,000	\$ (350,000)
Total Facilities and Other		380,000	570,000	0	0	0	0	950,000		1,545,000	(595,000)

**SCADA, Communications, and Other Items:**

NO CHANGE	Smart Metering Technologies (AMI) PILOT	50,000	200,000	1,000,000	1,000,000	---	---	2,250,000	Airport Industrial Park	\$ 2,250,000	\$ -
NO CHANGE	SCADA System Replacement	350,000	---	---	---	---	---	350,000		\$ 350,000	\$ -
DELETED	Substation Security Cameras (project will be completed by 6/30/2015)	---	---	---	---	---	---	-		\$ -	\$ -
DELETED	Work Order and Asset Management Software System (will be purchased by 6/30/2015)	---	---	---	---	---	---	-		\$ 92,000	\$ (92,000)
Total SCADA, Communications, and Other Items		400,000	200,000	1,000,000	1,000,000	0	0	2,600,000		2,692,000	(92,000)

**Joint TCL&P, City of Traverse City, and DDA Projects**

NO CHANGE	Disaster Recovery Center (renovation of DPS building to include installation of equipment for backup operational site - in coordination with City)	---	250,000	100,000	---	---	---	350,000	Visionary project - no details at this time	\$ 350,000	\$ -
NO CHANGE	Corridor Improvement Projects (in coordination with City)	---	---	---	---	---	---	-	Project costs unknown at this time.	\$ -	\$ -
NO CHANGE	Upgraded Front Street Lighting Circuits and Receptacles	---	400,000	400,000	---	---	---	800,000	GRP to provide cost estimate	\$ 800,000	\$ -

CHANGE	W. Front Street Reconstruction from Pine Street to Division Street (project expanded from Oak Street to Division Street)	300,000	---	---	---	---	---	---	300,000	GRP to provide cost estimate	\$ 150,000	\$ 150,000
NO CHANGE	Riverwalk Lighting (N Side of Boardman River)	---	200,000	---	---	---	---	---	200,000	Grant Funding Reimbursement	\$ 200,000	\$ -
NO CHANGE	Cass & Lake Street Streetscapes	---	350,000	---	---	---	---	---	350,000	Special Assessment Fund	\$ 350,000	\$ -
NO CHANGE	East Front Street Streetscapes	---	400,000	---	---	---	---	---	400,000	Special Assessment Fund	\$ 400,000	\$ -
NO CHANGE	Garland Street Streetscapes	200,000	---	---	---	---	---	---	200,000	Special Assessment Fund	\$ 300,000	\$ (100,000)
NO CHANGE	Park Street Streetscapes	---	100,000	---	---	---	---	---	100,000	Special Assessment Fund	\$ 100,000	\$ -
NEW	Division Street Lighting (Fourteenth Street to Grandview Parkway)	350,000	---	---	---	---	---	---	350,000		\$ -	\$ 350,000
NEW	Eighth Street Decorative Lighting (Woodmere Avenue to Lake Avenue)	---	---	350,000	---	---	---	---	350,000	Scheduled for 2017-18	\$ -	\$ 350,000
Total Joint TCL&P, City of Traverse City and DDA Projects		500,000	1,700,000	500,000	0	0	0	0	2,700,000		2,650,000	50,000
<b>TOTAL</b>		<b>\$ 7,180,000</b>	<b>\$ 6,130,000</b>	<b>\$ 5,600,000</b>	<b>\$ 4,450,000</b>	<b>\$ 4,550,000</b>	<b>\$ 4,750,000</b>	<b>\$ 32,660,000</b>			<b>\$ 35,487,000</b>	<b>\$ (2,827,000)</b>

**FIBER FUND PROJECTS:**

DELETED	Wi-Fi Project - DDA (project will be completed by 6/30/2015)	---	---	---	---	---	---	---	---	Funding to come from Downtown Development Authority	\$ 700,000	\$ (700,000)
NEW	Wi-Fi Backhaul System	---	---	---	---	---	---	---	---	Scott to provide estimated cost	\$ -	\$ -
Total Fiber Fund Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 700,000	\$ (700,000)

(Actual fiscal year that a project may be undertaken may differ from the fiscal year depicted in this spreadsheet. Dollar amounts are estimates.)



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**To:** Light & Power Board  
**From:** Karla Myers-Beman, Controller *KMB*  
**Date:** November 19, 2014  
**Subject:** Proposed 2015-16 Budget Schedule

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In preparing the 2015-16 Six Year Capital Improvements Plan and Operating Budgets, staff plans to present a budget and capital plan incorporating the goals set forth in the Strategic Plan to the Board before submission to the City Commission.

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

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

Charter Section 179 (i) requires: "The Board shall submit to the City Commission on or before the last regular meeting of the City Commission in the month of April (20th in 2015) of each year an itemized budget conforming to the system of accounts required by the State of Michigan."

Below is the schedule:

- |                                    |   |
|------------------------------------|---|
| <b>Tuesday, November 25, 2014:</b> | <b>Regular Meeting – initial presentation and discussion of the capital plan.</b>   |
| <b>Tuesday, January 13, 2015:</b>  | <b>Regular Meeting – initial presentation and discussion of the Fiber Fund budget and further discussion and consideration of approval of the capital plan.</b> |
| <b>Tuesday, February 24, 2015:</b> | <b>Regular Meeting – initial presentation and discussion of the Electric Utility Fund budget.</b>   |
| <b>Tuesday, March 10, 2015:</b>    | <b>Regular Meeting – approval of the Electric Utility and Fiber Fund budgets.</b>   |

If further discussion is needed, the March 10, 2015 meeting can be utilized and the consideration of approval to submit the recommended budget and capital plan to the City can be moved to March 24, 2015.