

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, October 27, 2015

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) 922-4940 ext. 201

Traverse City Light and Power
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Posting Date: 10-23-15
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

Recognition of Barbara Budros and Jim Carruthers

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 September 22, 2015. (Approval recommended) (p. 3)
- b. Consideration of declaring miscellaneous items surplus. (Approval recommended) (Arends) (p. 6)

3. Unfinished Business

None.

4. New Business

None.

5. Appointments

- a. Appointment of Secretary for the Light and Power Board. (Myers-Beman) (p. 7)

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. 2014-15 Capital Plan year-end summary. (Arends/Myers-Beman) (p. 8)
 2. Recap of October 3, 2015 Open House. (Schroeder) (p. 12)
- c. From Board.
 1. Coal dock update. (Taylor)

7. Public Comment

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, September 22, 2015

Board Members -

Present: Jim Carruthers, Pat McGuire, Jeff Palisin, Bob Spence, Jan Geht

Absent: Barbara Budros, John Taylor

Ex Officio Member -

Present: Marty Colburn, City Manager

Others: Scott Menhart, Karla Myers-Beman, Kelli Schroeder, Stephanie Tvardek,
Jessica Wheaton

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

With the consensus of the Board, Vice Chairman Geht asked that item 5a be considered first on the agenda.

Item 5 on the Agenda being Appointments

a. Appointment of Secretary for the Light and Power Board.

The following individuals addressed the Board:

Moved by Palisin, seconded by McGuire, that Marty Colburn, Acting Executive Director, be appointed Secretary for the Light and Power Board.

CARRIED unanimously. (Budros, Taylor absent)

Item 2 on the Agenda being Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

a. West Side Transmission Line Upgrade Project re-authorization.

The following individuals addressed the Board:

Karla Myers-Beman, Controller

Moved by McGuire, seconded by Palisin, that the Board authorize amending the West Side Transmission Line Upgrade Project Authorization to include the Wayne Street Distribution Line Rebuild.

CARRIED unanimously. (Budros, Taylor absent)

Item 4 on the Agenda being New Business

- a. Consideration of approving minutes of the Regular Meeting of August 25 and Special Meeting of September 2, 2015.

Moved by Carruthers, seconded by Palisin, that the minutes of the Regular Meeting of August 25 and Special Meeting of September 2, 2015 be approved.

CARRIED unanimously. (Budros, Taylor absent)

- b. Consideration of authorizing a change order to C.C. Power, LLC in the not to exceed amount of \$45,000 for the Wayne Street Distribution Line Rebuild.

The following individuals addressed the Board:

Karla Myers-Beman, Controller

Moved by McGuire, seconded by Palisin, that the Board authorizes the Acting Executive Director to execute a change order with C.C. Power, LLC not to exceed \$45,000.

CARRIED unanimously. (Budros, Taylor absent)

- c. 2015 Energy Optimization Biennial Filing.

The following individuals addressed the Board:

Jessica Wheaton, Manager of Energy Services & Key Accounts

Vice Chairman Geht opened the floor to public comment.

The following individuals from the public addressed the Board:

No one from the public commented.

Item 6 on the Agenda being Reports and Communications

- a. From Legal Counsel.

None.

- b. From Staff.

1. Tony Radjenovich, MERS regional manager, presented an overview of the MERS Retirement System, TCL&P's 12/31/14 annual actuarial valuation and outcomes of their most recent experience study.

The following individuals addressed the Board:

Karla Myers-Beman, Controller

Marty Colburn, City Manager/Acting Executive Director

2. Kelli Schroeder presented the proposal submitted by Mycoff, Fry & Prouse, LLC for Interim Executive Director and Chief Engineer placement services.

The following individuals addressed the Board:

Marty Colburn, City Manager/Acting Executive Director
Karla Myers-Beman, Controller

3. Jessica Wheaton presented the 2014 Annual Summary for the Energy Optimization and Renewable Energy Plan.
 4. Kelli Schroeder provided an update on the Market Research – Customer Survey.
 5. Karla Myers-Beman reported on an emergency purchase made for the August storm.
 6. Karla Myers-Beman announced the employee appreciation lunch scheduled for September 30, 2015.
 7. Kelli Schroeder announced the TCL&P Open House scheduled for October 3, 2015.
 8. Marty Colburn provided an update on the daily operations and activities of TCL&P.
- c. From Board.
1. Jan Geht provided a reminder for the Joint Study Session with the City Commission scheduled for September 28, 2015.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Vice Chairman Geht declared the meeting adjourned at 6:35 p.m.

/st

Martin Colburn, Secretary
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director
Date: October 21, 2015
Subject: Declare Assets Surplus

In reorganizing Building B to allow for parking of the snow plow truck, employees have determined that several items that would be considered as furniture or other property are of no use to the Utility and are requesting they be declared surplus. These items are from the coal plant and the service center when it was located on South Airport along with a few items purchased since transfer of the service center to Hastings Street.

The items to be declared surplus consist of 3 lockers, 2 half size filing cabinets, 2 open metal shelving units, metal working table, metal bookshelf cabinet, a wood close door shelving unit, wall hanging cabinet, truckbed storage unit, wood bookshelf unit, explosion meter, 2 – tube testers, voltage reader, millivolt potentiometer, battery load tester, amp probe and a walk behind flail mower combination sweeper that was determined unrepairable. These items need to be declared surplus in accordance with TCL&P’s Capital Asset Policy which states, “Any capital asset dispositions not considered scrap should be approved for disposal by the Light and Power Board.”

It is staff’s recommendation to declare these items 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 ITEMS DESCRIBED ABOVE AS SURPLUS.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: October 23, 2015
Subject: Appointment of Board Secretary

At the September 22, 2015 board meeting, the Board appointed Marty Colburn, City Manager, as Secretary for the Light and Power Board during the absence of Tim Arends, Executive Director. Mr. Arends has since returned and should be reappointed Secretary for the Light and Power Board.

If the Board concurs, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____, THAT
TIM ARENDS, EXECUTIVE DIRECTOR, BE APPOINTED SECRETARY FOR THE
LIGHT AND POWER BOARD.**



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director
Date: October 21, 2015
Subject: Capital Plan Update

Below is a summary recap of the capital plan for the fiscal year 2014-15. The capital plan provided for \$9,772,000 in capital expenses for the 2014-15 fiscal year end. The actual capital expenses for the 2014-15 fiscal year end is approximately \$6,600,000.

GENERATION

Decommission M-72 Wind Turbine (\$200,000):

The turbine was sold in December 2013 to Heritage Sustainable Energy, LLC removing the decommissioning costs from Traverse City Light & Power.

DISTRIBUTION AND SUBSTATION

Line Improvements, Extension and New Services (\$850,000):

The amount incurred to date is approximately \$1.4M exceeding the capital plan budget amount of \$850,000 by approximately \$550,000. This capital plan category represents completion of projects with internal labor, equipment and materials with amounts provided through the work order system. Explanations of the overages are one-time special project costs that occurred during the fiscal year. They are as follows:

- Consumers Energy Cutover that occurred in the summer of 2014 costing approximately \$170,000
- New service installation to Park Place costing approximately \$80,000
- Washington Street development costing approximately \$72,000
- Upgrading street lighting conduit along the parkway costing approximately \$43,000
- 147 E Eighth Street costing approximately \$38,000
- 3186 Cass Road costing approximately \$32,000
- Silver Drive conduit installation for the new street lights costing approximately \$30,000
- New services installed to the Depot Neighborhood costing approximately \$30,000

Distribution Circuit Rebuild (\$900,000):

Due to higher priority projects listed above, and because the operations department has been without a crew since May, the BW-31 circuit rehab project has been delayed.

MOVED TO 2015-16 CAPITAL PLAN

FOR THE LIGHT & POWER BOARD MEETING OF OCTOBER 27, 2015

South Substation (\$3.4M):

The transformers were removed from South Substation by Wyandotte Municipal Services in September. The new transformers are scheduled to arrive the week of October 26, 2015 and the week of November 2, 2015. Final installation is expected by the end of November with the new substation fully operational at that time. At the completion of the project a recap of the capital costs (net of reimbursements from GRP's insurance company) will be provided to the Board.

Overhead to Underground Projects (\$250,000):

The Spruce Street project planned for this year was postponed until this fall with construction planned to start the week of October 26, 2015.

MOVED TO 2015-16 CAPITAL PLAN

Pine Street Overhead to Underground Conversion (\$1,665,000):

The Board approved the expanded project authorization at the June 9, 2015 meeting along with the authorization of the construction contract agreement for conduit installation and electrical cable and equipment and materials. Balance spent as of fiscal year end June 30, 2015 is approximately \$525K relating to the project costs incurred in previous years.

As of this writing, the temporary overhead circuits across the river are complete and old overhead circuits have been removed. The equipment area behind Hall Street Substation is complete and the new HL-20 circuit's conductors have been installed from substation to the equipment area behind Hall Street Substation. Union Street alley conduit installation is complete along with the conduits from Union Street from State Street south to the alley. At the completion of the project a recap of the capital costs will be provided to the Board.

MOVED TO 2015-16 CAPITAL PLAN

Cowell Family Cancer Center Feed (\$190,000):

The Board approved the construction contract for the electrical cable and equipment installation along with the redundant feed conduit installation and the switchgear needed at the April 28, 2015 board meeting. As of the fiscal year end the amount incurred was approximately \$8,000.

As of this writing, the cable installation is complete. The elbows are installed with the exception of the ATO switch, which GRP is completing the settings. Sidewalk replacement is completed.

Recloser Upgrades (\$100,000):

The recloser upgrades were approved by the Board at the April 28, 2015 board meeting. Materials are being stored onsite until installation occurs this fall.

Street Lighting (LED) System Replacements (\$180,000):

The crews completed installation of approximately 20% of the lights this year. The special projects mentioned in the line improvements, extensions, and new services have caused the delay in the installation of the LED lights in the street lighting system. Staff plans to complete the remaining 80% during the upcoming winter.

MOVED TO 2015-16 CAPITAL PLAN

FOR THE LIGHT & POWER BOARD MEETING OF OCTOBER 27, 2015

FACILITIES AND OTHER

Stringing Trailer (\$60,000):

The trailer was brought onsite in May 2015 for demo and was provided for use in August 2015. This was approved for purchase by the Board at the August 25, 2015 board meeting. Actual cost for the trailer was \$60,906.

Telephone System Upgrade (\$65,000):

Staff worked with Ascomm North and upgraded the phone box and software to the most current version in attempt to expand the current system life rather than fully replace the telephone system. This was a reduction in cost of approximately \$55,000. The system will be continually evaluated to ensure it is meeting the needs of the utility.

Meter Test Board (\$40,000):

This was approved by the Board at the April 14, 2015 board meeting and it was delivered and installed and became operational in May 2015. Actual cost for the meter test board was \$48,550.

System Modeling Software (\$80,000):

Staff put this project on hold until the completion of Infogeographics, Inc. consulting agreement which consists of electric modeling updates to the GIS System approved at the August 25, 2015 board meeting. After completion, staff will re-evaluate the necessity and return on investment of this software program.

Hastings Service Center Facility Improvements (\$350,000):

The upgrade to Building B was approved by the Board on August 12, 2014 and final completion was July 2015 with capital costs incurred at fiscal year-end in the amount of \$384,000.

JOINT TCL&P, CITY OF TRAVERSE CITY AND DDA PROJECTS

Work Order and Asset Management Software System (\$92,000):

This was approved by the Board at the July 28, 2015 board meeting. Contracts have been sent to Novotx for signatures and scheduling of the software implementation and training will occur in the near future. While scheduled under "joint projects" it was determined by TCL&P and the City that the two organizations benefited by securing different software systems.

W. Front Street Hall Street to Oak Street Streetscapes (\$150,000):

The scope of the project changed with the City being awarded a \$1M grant from the State of Michigan that extended the project to Division Street. The utility agreed to contribute \$527,000 to cover the high and low level lighting costs and conduit associated with the project. The project was substantially completed this past summer.

MOVED TO 2015-16 CAPITAL PLAN

Riverwalk Lighting (N Side of Boardman River) (\$200,000):

This project did not occur in the current year.

MOVED TO 2015-16 CAPITAL PLAN

FOR THE LIGHT & POWER BOARD MEETING OF OCTOBER 27, 2015

Garland Street Streetscapes (\$200,000):

This project did not occur in the current year.

MOVED TO 2015-16 CAPITAL PLAN

Park Street Streetscapes (\$100,000):

This project did not occur in the current year.

MOVED TO 2015-16 CAPITAL PLAN

WIFI Project – DDA (\$700,000):

This project was substantially complete in July 2015 with expense incurred to date in the approximate amount of \$450,000. The DDA reimbursed TCL&P for the systems capital costs as required by agreement.

UPDATES ON OTHER PROJECTS: CURRENTLY IN PROGRESS NOT INCLUDED IN THE 2014-15 CAPITAL PLAN

West Side Transmission Line (\$1.665M):

The work relating to the first section (Barney Road poles #0 - #17) is complete with the exception of relocating a Cherryland Electric Cooperative riser pole in the golf course and may be completed by the time of the board meeting. Transmission line construction along Wayne Street is completed. All of the poles in Hickory Hills and the Meadows are set including the laminated poles. Conductor installation began the week of October 19, 2015 with plans of having the restoration the following week along the transmission corridor in Hickory Meadows. GRP is completing relay settings updates for Hall Street and Gray Substation along with energization of the line which is scheduled to occur the week of November 2, 2015. At the completion of the project a recap of the capital costs will be provided to the Board.

Hickory Hills Underground (\$164,000):

The directional boring from the West Side Transmission Line to Hickory Hills is complete with the cable and installation started the week of October 19, 2015. At the completion of the project a recap of the capital costs will be provided to the Board.

Wayne Street Distribution Line (\$69,400):

All but five distribution poles are set on Wayne Street with conductor installation beginning the week of October 19, 2015 with an expected completion date of November 2, 2015. At the completion of the project a recap of the capital costs will be provided to the Board.



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Kelli Schroeder, Manager of HR & Communications
Date: October 22, 2015
Subject: 2015 TCL&P Open House

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

The October 3rd Open House had approximately 140 participants, down from previous years' attendance due in large part to competition from athletic events, downtown fall festivities and cold, windy weather. Feedback was positive from those that did attend, and the kids and adults enjoyed watching the electrical demonstrations that included bucket truck, digger truck and transformer displays; pole climbing; signal operations; meter testing; and the Pedal-A-Watt Bike interactive demonstration. Handouts such as "hard hats" to the first 200 kids, water bottles and informational brochures were available along with a free hot dog lunch.