

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, January 9, 2018

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.

Jennifer J. St. Amour
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940 ext. 201

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

Posting Date: January 5, 2018
3:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Disclosure of Recusal

3. 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. Approval of the Agenda.
- b. Consideration of approving minutes of the Regular Meeting of December 12, 2017. (Approval recommended) (p.4)
- c. Consideration of approving inventory write-off declaring obsolete inventory surplus. (Approval recommended) (Dixon/Myers-Beman) (p.7)
- d. Consideration of approving an AMI Reimbursement Agreement with City of Traverse City. (Approval recommended) (Menhart) (p.14)
- e. Consideration of approving to submit the 2018 Six-Year Capital Improvement Plan as presented. (Approval recommended) (Arends/Dixon) (p.21)
- f. Consideration of approving the Website Policy. (Approval recommended) (Schroeder) (p.30)

Items Removed From Consent Calendar

4. Unfinished Business

None.

5. New Business

- a. 2016-17 Financial Audit Presentation. (Myers-Beman/Vredevelde Haefner LLC) (p.36)

6. Reports and Communications

- a. From Legal Counsel.

b. From Staff.

1. Community Solar Array Program. (Arends) (p.43)
2. September 30, 2017 Financial Statements. (Myers-Beman) (p.44)

c. From Board.

7. Public Comment

a. General.

/js

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, December 12, 2017

Board Members -

Present: Jan Geht, Pat McGuire, Jeff Palisin, Amy Shamroe, John Taylor, Tim Werner

Absent: Ross Hammersley

Ex Officio Member -

Present: Marty Colburn, City Manager

Others: Tim Arends, Daren Dixon, Scott Menhart, Karla Myers-Beman, Kelli Schroeder, Tony Chartrand, Jennifer St. Amour.

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

Item 2 on the Agenda being Disclosure of Recusal

Item 3 on the Agenda being Consent Calendar

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

- a. Approval of the Agenda.
- b. Approve Minutes of the Special Meeting of November 7, 2017 and Study Session of November 28, 2017.
- c. Receive and file minutes of FTTP Ad Hoc Committee meeting of November 21, 2017 and December 1, 2017.
- d. Consideration of approving the amended Alcohol and Drug Testing Policy.
- e. Consideration of authorizing a Letter of Agreement with the Utility Workers Union of America, AFL-CIO Local No. 295.

CARRIED unanimously. (Hammersley absent)

Items Removed from the Consent Calendar

None.

Item 4 on the Agenda being Unfinished Business

None.

Item 5 on the Agenda being New Business

None.

Item 6 on the Agenda being Reports and Communications

a. From Legal Counsel.

b. From Staff.

1. Follow-up discussion of undergrounding the Consumers Energy 46 KV line on Bay Street.

The following individuals addressed the Board:

Tim Arends, Executive Director

The Board agreed to suspend their Board Rules to allow for public comment from Mr. Cerny.

The following individuals from the Public addressed the Board:

Ralph Cerny, 707 Monroe Street, rate-payer

2. Presentation of the 2018 Six-Year Capital Improvements Plan.

The following individuals addressed the Board:

Tim Arends, Executive Director
Daren Dixon, Operations Manager

3. Continued discussion of Renewable Energy Options.

The following individuals addressed the Board:

Tim Arends, Executive Director

4. Discussion of committing utility controlled meters to the Solar Governmental Renewable Power Cost Recovery Rate.

Removed to be placed on future agenda.

5. Update from Fiber to the Premise Ad Hoc Committee.

The following individuals addressed the Board:

Amy Shamroe, City Commissioner

6. June 30, 2017 Financial Statements.

The following individuals addressed the Board:

Karla Myers-Beman, Controller

7. 2018-19 Budget Schedule.

The following individuals addressed the Board:

Tim Arends, Executive Director

c. From Board

Marty Colburn announced the hiring of DPS Director, Frank Dituri.
Jan Geht commented on the DDA tree lighting ceremony.

Item 7 on the Agenda being Public Comment

a. General

The following individuals from the Public addressed the Board:

Russell Schindler, 1123 W. Front St., rate-payer.

There being no objection, Chairman Geht declared the meeting adjourned at 7:55 p.m.

Tim Arends, Secretary
LIGHT AND POWER BOARD

DRAFT



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Karla Myers-Beman, Controller
Daren Dixon, Manager of Operations and Engineering
Date: December 29, 2017
Subject: Obsolete Inventory

In accordance with the strategic plan, staff has been reviewing and making improvements on workplace flows (new controls and processes) pertaining to inventory. One part of the overall process was for staff to identify inventory items that have no value for the utility to continue to hold it in stock.

Employees, who are involved with the inventory process, reviewed the inventory list and inventory warehouse/yard to classify any items obsolete. After review and consideration, the list included with this memo as Attachment A is a compilation of all items staff would like to declare as excess material in accordance with the Scrap or Salvage Materials Policy. The policy states, "No quantity of material with a value in excess of \$5,000 may be disposed of without receiving formal bids or through public auction. 5% of budget can be approved by the Executive Director and anything over 5% by the Light and Power Board."

The known material value does not exceed the Executive Director's authority to approve the disposal of the obsolete inventory, and even with the unknown value of the nonstock items staff believes the value is well within 5% of budget (\$1,754,727). However, staff is requesting waiver of the formal bids and public auction requirement in order to utilize Veracity, a company that specializes in selling electric utility items throughout the Midwest. Their professional fee is 15% of the sale price of the equipment or inventory item. Staff believes it will provide for an efficient disposal process since they will easily be able to handle the number of items for sale to a customer base looking for such items.

It is staff's recommendation to waive the formal bid and public auction process. 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:

(MOTION ON NEXT PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF JANUARY 9, 2018

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD WAIVES THE FORMAL BID AND PUBLIC AUCTION PROCESS
FOR THE ITEMS LISTED, AND DECLARES THOSE ITEMS SURPLUS.

ATTACHMENT A - OBSOLETE INVENTORY LIST

Item ID	Item Class	Item Description	Last Unit Cost	Qty on Hand	Item Value	% of Inv Value
076	Stock item	GE STARTER BOARD 150-400W	8.60000	16.00000	137.60	0.01
076A	Stock item	GE STARTER BOARD 35-150W		28.00000	803.85	0.05
061	Stock item	3M 2 TERMINATION KIT15KV	18.36000	23.00000	419.62	0.02
041	Stock item	100W HPS CUTOFF	108.50000	11.00000	1,193.50	0.07
041A	Stock item	100W HPS HOODED LIGHT	85.62389	5.00000	428.12	0.03
042	Stock item	250 400W HPS FLOOD	197.78000	4.00000	791.13	0.05
043	Stock item	55V HPS IGNITOR	56.00040	5.00000	280.01	0.02
044	Stock item	100V HPS IGNITOR	36.10000	48.00000	1,732.70	0.10
044A	Stock item	100 HPS BALLAST/480V	225.00000	8.00000	1,800.00	0.11
037	Stock item	250W MULTI-TAP HPS CUTOFF	218.20000	4.00000	872.80	0.05
180	Stock item	GUY ATTACHMENT	5.10000	56.00000	285.60	0.02
156	Stock item	THIMBLE CLEVIS	8.55000	95.00000	753.44	0.04
234	Stock item	STIRRUPS - 2 ACSR	6.84000	108.00000	738.73	0.04
235	Stock item	STIRRUPS - 3 0-4 0	8.37000	19.00000	159.03	0.01
059	Stock item	STRESS CONES	11.50000	18.00000	207.00	0.01
059B	Stock item	GROUNDING DEVICE	20.70000	19.00000	393.30	0.02
066	Stock item	2 URD SLEEVE	6.16000	44.00000	270.98	0.02
067	Stock item	1 0 URD SLEEVE	7.77000	8.00000	62.17	
068	Stock item	4 0 URD SLEEVE	14.03000	22.00000	308.66	0.02
069	Stock item	URD SLEEVE	12.00000	43.00000	516.14	0.03
070	Stock item	URD SLEEVE	6.92000	94.00000	650.48	0.04
071	Stock item	500MCM URD SLEEVE	6.92000	17.00000	177.22	0.01
236	Stock item	STIRRUPS - 397 - 2 0	18.96000	65.00000	1,232.50	0.07
079	Stock item	JACKET REPAIR SLEEVE 8"	9.24000	9.00000	83.16	
161A	Stock item	WEDGE DEAD END 4-2 0	13.85000	40.00000	554.00	0.03
163	Stock item	SINGLE DEAD END	17.46059	17.00000	296.83	0.02
164	Stock item	DOUBLE DEAD END	20.50000	10.00000	205.00	0.01
130	Stock item	SUBMERSIBLE SPLICE COVER	2.75000	44.00000	121.00	0.01
180T	Stock item	POLE EYE PLATE	6.02000	93.00000	528.61	0.03
049	Stock item	2 SINGLE STANDOFF	14.04000	28.00000	370.00	0.02
074	Stock item	3M 2 RUBBER TERM KIT	26.94000	44.00000	1,185.41	0.07
077	Stock item	SPLICE WRAP	4.92000	16.00000	78.70	

165	Stock item	WISE GRIP CONNECTOR	15.00000	5.00000	75.00	
179	Stock item	STRAIGHT LUG 500 AL	21.89000	42.00000	919.38	0.05
219	Stock item	ACSR SPLICE 4 0	8.50000	15.00000	127.50	0.01
287	Stock item	TRANS HANGER - SM	51.66000	6.00000	309.96	0.02
288A	Stock item	TRANS HANGER - LG	108.65000			
296	Stock item	15.5 KV NX FUSE MTG BRKT	300.59750	4.00000	1,202.39	0.07
422	Stock item	UNIV SPAR ARM	32.97000	3.00000	129.97	0.01
017	Stock item	30 AMP FUSE LINK	3.27000	80.00000	253.50	0.01
022	Stock item	150 200AMP FUSE LINK	8.96000	30.00000	268.80	0.02
032B	Stock item	120V SMALL PHOTO EYE	7.48786		0.02	
1008	Stock item	CLAMP DE BLTD AL QUAD NOFIT	14.76000	49.00000	709.67	0.04
1070	Stock item	DEAD END SHOES	9.28000	11.00000	102.08	0.01
1122	Stock item	CONNECTOR COMP T TAP DISC AL	69.99000	14.00000	824.76	0.05
124	Stock item	HYSPLICE 1 0 1 0	4.46000	70.00000	312.20	0.02
126	Stock item	TENSION SPLICE 2 2	4.15000	85.00000	352.75	0.02
128	Stock item	UNISPLICE 3 0 3 0	9.64000	17.00000	163.88	0.01
129	Stock item	UNISPLICE 336 4 MCM	9.97000	27.00000	269.17	0.02
147	Stock item	PARTIAL TENSION SPLICE 1 0	7.82000	12.00000	93.84	0.01
167	Stock item	TAP CLAMPS - SMALL	7.28000	30.00000	218.50	0.01
169	Stock item	TAP CLAMP - LARGE	18.79000	15.00000	281.79	0.02
177	Stock item	COMP LUG - 600 CU	11.05000	142.00000	1,568.88	0.09
213	Stock item	TRANS FLAG CONN 1/2 STUD	17.11000	14.00000	239.54	0.01
213A	Stock item	TRAN FLAG CONN 3/4 STUD		7.00000	97.44	0.01
903	Stock item	Y Clevis/Ball 4 Bell 69KV		6.00000	214.29	0.01
905	Stock item	SOCKET EYE 1-3/4IN	13.95000	54.00000	753.30	0.04
918	Stock item	Connector, bolted to NEMA pad	17.82000	3.00000	53.46	
931	Stock item	3/4" x 36" Machine Bolt	8.96000	6.00000	53.76	
932	Stock item	5/8" x 50" Machine bolt	68.35000	6.00000	410.10	0.02
933	Stock item	5/8" x 48" Machine bolt	6.27000	10.00000	62.70	
934	Stock item	5/8" x 46" Machine bolt	6.10000	8.00000	48.80	
938	Stock item	5/8" X 44" Machine bolt	5.92000	12.00000	71.04	
942	Stock item	Thimble clevis DE	8.86000	4.00000	35.44	
947	Stock item	5/8" x 38" Machine bolt	5.39000	10.00000	53.90	
948	Stock item	3/4" x 38" Machine bolt	9.33000	4.00000	37.32	

949	Stock item	5/8" x 40" Machine bolt	5.57000	12.00000	66.84
951	Stock item	3/4" x 34" Machine bolt	8.58000	8.00000	68.64
952	Stock item	5/8" x 36" Machine bolt	5.23000	6.00000	31.38
953	Stock item	1" x 16 Machine bolt	8.84000	145.00000	1,281.80
954	Stock item	1" x 18 Machine bolt	9.40000	75.00000	705.00
956	Stock item	Parallel Connector 3 U-Bolt	87.08000	36.00000	3,134.88
957	Stock item	Parallel Connector 3 U-bolt	50.50000	12.00000	606.00
959	Stock item	4x4x1/4 curved washer 1-1/16	1.78000	91.00000	159.38
964	Stock item	3/4 x 32 Machine bolt	8.13000	4.00000	32.52
967	Stock item	3/4 x 28 Machine bolt	7.22000	6.00000	43.32
968	Stock item	3/4 x 26 Machine bolt	4.85000	4.00000	19.40
972	Stock item	394.5 KCM AAAC - 636KCM AL 2 U	25.11000	29.00000	948.94
997	Stock item	STEEL POLE - 3 SECTIONS	37,617.00000	1.00000	37,617.00
7035	Stock item	LOADBREAK SWITCH-SLB-3V	1,759.20000	2.00000	3,518.40
7038	Stock item	900A OMNI RUPTER SWITCH	2,709.24333	1.00000	2,709.24
7182	Serialized Stock item	333KVA TRANSFORMER	2,995.00000	3.00000	8,985.00
					\$ 68,811.03

ADDITIONAL NON-STOCK ITEMS

Non-Stock	2500KVA 13.8KV TO 277/480 TRANSFORMER	2
Non-Stock	1995 ABB 69KV TRANSFORMER BUSHING	1
Non-Stock	1987 GE 69KV TRANSFORMER BUSHING	1
Non-Stock	1976 WESTINGHOUSE 69KV TRANSFORMER BUSHING	4
Non-Stock	1976 WESTINGHOUSE 15KV TRANSFORMER BUSHING	4
Non-Stock	1982 GE 69KV TRANSFORMER BUSHING	1
Non-Stock	WESTINGHOUSE 15KV TRANSFORMER ARRESTOR	3
Non-Stock	1982 WESTINGHOUSE 69KV TRANSFORMER BUSHING	1
Non-Stock	1988 WESTINGHOUSE 69KV TRANSFORMER BUSHING	1
Non-Stock	1988 15KV TRANSFORMER BUSHING	1
416.3/466 KVA Single Phase Regulator Rated Volts :		
7620/13200 Y Untanking Weight 1990 lbs Total Weight		
Non-Stock	3850 lbs Gal of Oil 157	3
Non-Stock	Westinghouse 15kv Load Break Switch	2
Non-Stock	PSE Power Switching 69 kv 600 amps Cat No. 3GO-69-06SW	3

Non-Stock	MCOV MVN Arrester Part No MVN05GA042AA	2
Non-Stock	Techo 2 Way Switches 600 Amp	3
Non-Stock	Cooper Kyle Reclosers Type VSA-12 B.I.L 110KV Rated Max Voltage 15.5KV 800 Amp	2
Non-Stock	12 LAPP Insulators Mfg Date 1977	1 pallet
Non-Stock	McGraw Edison Recloser Type VWE BIL 110 KV Rated Maximum Voltage 15.5 KV Located in Traverse City, MI	13
Non-Stock	6 ft distribution Switch	1
Non-Stock	Kearney VACPAC Switch Max 15.5 KV B.I.L 95 KV Continuous Amp 600 3 Phase 60 HZ	2
Non-Stock	Usco & Royal Switches (on steel structure) Isco and Royal Usco Type HH-6 Mfg Date 1986 Royal Mfg Date 1988	11
Non-Stock	Sauber manufacturing - Portable Wire Puller	1
Non-Stock	USCO Switches Type AGT-22 Nom KV: 69 Mfg Date 1986	3
Non-Stock	12000/16000 KVA Cooper Transformer HV: 67000Y / 38860 LV: 13800Y / 7967 3 Phase, 60 HZ Load Tap Changing Core&Coils - 37,700 lbs Tank&Fitting - 20,100 lbs Oil - 23,950 gal Total Weight - 83,850 lbs Mfg Date: 1990	1
Non-Stock	12000/13440 KVA Kuhiman Transformer HV: 67000Y / 38680 LV: 13800 GrdY/7907 Untanking - 45,802lbs Tank&Fittings - 22,801 lbs Oil - 3,669 Gal Oil in LTC - 733 Gal Total Weight - 103,700 lbs Mfg Date: 1990	1
Non-Stock	Siemens-Allis Oil Circuit Breaker Type SDO-15-500 Serial No. 43097-1 Amps 1200 KV 14.4 Mfg Date Oct 1987 Weight 2200 lbs	1
Non-Stock	Dam Waring Sirens Model EOWS*1212	4 units (12 sirens/unit)
Non-Stock	HPS Light, Oval Head Lens	29
Non-Stock	HPS Light, Oval Head	2
Non-Stock	GE 25W Cover	2
Non-Stock	100W HPS Light, Ballast and Screw	46

Non-Stock	100W HPS Light, Ballast and Oval	14
Non-Stock	HPS Light, Small Ballast and Black Circle Outlet	20
Non-Stock	100W HPS Light, Ballast	79
Non-Stock	HPS 480V Conversion Kit	12
Non-Stock	Circle Lens	21
Non-Stock	Large Circle Lens	4
Non-Stock	Spotlight	8
Non-Stock	Semi-Oval Glass Lens	45
Non-Stock	Broken LED Heads	3
Non-Stock	HPS Barn Light Fixture	4
Non-Stock	Small Circle Director	8
Non-Stock	Tear Drop Lens and Director	1



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Scott Menhart, Manager of Telecom & Technology
Date: January 2, 2018
Subject: AMI Intergovernmental Agreement – City of Traverse City

On May 9, 2017, the TCL&P Board approved a joint AMI project between TCL&P and the City of Traverse City. As such, the following agreement was developed to define the details of the project for each entity. This includes items such as the cost sharing and the City reimbursement plan to TCL&P.

The agreement matches Staff discussions to the Board and is just a formality of the project's process. As such, this item is appearing on the Consent Calendar as it is deemed a non-controversial item by staff. Should the TCL&P Board approve the agreement as presented, it will be forwarded to the City Commission for consideration of approval. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

Please note that the agreement does reference two exhibits (A and B). Both of these exhibits were directly pulled from the executed agreement between TCL&P and Eaton. These documents contain the original Eaton bid, which was over four hundred pages. Therefore, in an effort to eliminate duplication and save on resources, they were intentionally left out of this packet. However, they can be reviewed again at any time upon request.

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 the Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO EXECUTE AN AGREEMENT WITH THE CITY OF TRAVERSE CITY FOR REIMBURSEMENT AND COST SHARING FOR THE AMI PROJECT, SUBJECT TO REVIEW AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND AS TO FORM

FOR THE LIGHT & POWER BOARD MEETING OF January 9, 2018

BY GENERAL COUNSEL; AND FURTHER THE EXECUTIVE DIRECTOR HAS THE AUTHORITY TO MAKE NON-SUBSTANTIVE CHANGES (*AS DETERMINED BY GENERAL COUNSEL*) IN THE BEST INTERESTS OF THE UTILITY.

**AGREEMENT BETWEEN CITY OF TRAVERSE CITY AND TRAVERSE CITY
LIGHT AND POWER FOR INSTALLATION AND OPERATION
OF ADVANCED METERING INFRASTRUCTURE**

This Agreement is made this ____ day of _____, 2017, by and between the TRAVERSE CITY LIGHT AND POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings Street., Traverse City, Michigan, 49686, ("TCL&P"), and the CITY OF TRAVERSE CITY, a Michigan municipal corporation, of 400 Boardman Avenue, Traverse City, Michigan, 49684, (the "CITY").

WHEREAS, TCL&P and the City wish to convert their respective electric and water meters to an advanced metering infrastructure (the "AMI system"); and

WHEREAS, TCL&P, on behalf of itself and the City, made a request for proposals for the AMI system which includes meters, software, server, and related equipment, as well as installation and training, which is more specifically set out in the attached contract documents (the "Contract") (attached as Exhibit A); and

WHEREAS, TCL&P, accepted a proposal from Eaton Corporation as acknowledged by the Contract; and

WHEREAS, the City and TCL&P wish to enter into an agreement to set out responsibilities and cost sharing for the AMI system where each will be responsible for the costs and coordination for the installation of their respective meters and where together they will share costs of the network installation and server installation; and

WHEREAS, the City and TCL&P wish to enter into an agreement to set out cost sharing for software support and fiber lease fees necessary for operation of the AMI system.

NOW THEREFORE, the parties mutually agree as follows:

1. Agreement to Contract. TCL&P has entered into the Contract on behalf of the City and the City hereby agrees to all sections of the Contract related to its general terms, installation of its water meters, installation of the necessary infrastructure, and the related costs which are expected to be \$ 2,703,952.03 more or less (not to exceed \$2,950,000.00 without City Commission approval) for the City's share. The City shall reimburse TCL&P within 30 days upon, receipt of invoices from TCL&P. If, pursuant to the Contract, TCL&P is found to be responsible for any additional costs that are attributable in any way to installation of the City's water meters, or its share of the AMI system as it relates to the water meters, then the City shall pay all of said additional costs. However, any such costs shall be agreed to in writing by the City

prior to them being incurred. TCL&P shall not terminate or amend the Contract or the Software License and Maintenance Agreement (Exhibit B to the Contract) without notifying the City in writing and obtaining concurrence of the City in advance. If TCL&P intends not to renew the Software License and Maintenance Agreement pursuant to Paragraph 2 of that document, it must provide the City with prior written notice. If the Software License and Maintenance Agreement is amended or terminated, and TCL&P is refunded any pre-paid maintenance fees, TCL&P shall refund the City's portion of those fees to the City.

2. Participation in Installation of Meters and Infrastructure. The Contract sets out a Scope of Services which require participation by both the City and TCL&P. The City agrees to meet the responsibilities set out in Scope of Services Paragraph 7, (A), (B), (C), (E), (F), (H), (I), (K), (L), (M), (N), (O), (P), (R), (S), and (T) for all purposes related to water meter installation.

3. Water Meter Installation Specifics. Eaton, via subcontract with Tru-Check, will install the City's water meters assuming a like for like exchange and that no additional wiring is necessary to complete installation. It is assumed that all water meter outlets rise vertically to the ceiling joist.

- a. Tru-Check will follow the City-approved meter installation procedures.
- b. Modifying drywall, finished basements, or other non-standard situations to accommodate water node installation is beyond the scope and pricing provided within the Contract.
- c. If removal of touchpad meter reading equipment or similar hardware is required by the City, any requisite repairs needed shall be the responsibility of City. Tru-Check will repair or replace any customer equipment or property that is damaged by company personnel at Tru-Check's expense. However, damage shall not include damage to or destruction of any electrical or electronic equipment that is alleged to have been damaged, or to have caused damage to other equipment or structures, as a consequence of merely exchanging the meter, when Tru-Check's representative has followed the procedure approved by the utility in performing the meter exchange.

4. Annual Shared Fees. For each year, beginning the first year of this Agreement, the City agrees to pay for 50% of the annual software support fees per the Contract. For each year, beginning the first year of this Agreement, the City also agrees to pay for 50% of the fiber lease fees, for those locations where water meters are utilizing sections of TCL&P fiber, in an amount of thirty-nine thousand six hundred dollars (\$39,600.00), more or less, for the first year. The City shall reimburse TCL&P within 30 days upon receipt of invoice from TCL&P for said fees.

5. Notices to Eaton. If any issue should arise regarding the Eaton's obligation under the Contract related to the City's water meters, TCL&P shall facilitate notice to Eaton pursuant to

the terms of the Contract on behalf of the City upon written notice of such an issue from the City. Such issues include, but are not limited to defects giving rise to a warranty claim to Eaton under Paragraph 12 of the Contract and termination for fault pursuant to Paragraph 26 of the Contract.

6. Employees. The City and TCL&P are the employer of their respective departments involved and their respective employees. Neither has responsibility for each other's employer responsibilities. If TCL&P has any complaints or concerns regarding employees of the City, it shall address them to the City Manager, and if the City has any complaints or concerns regarding employees of TCL&P, it shall address them to the Executive Director.

6. Independent Contractor. The relationship of the parties is that of an independent contractor and in accordance therewith, the parties covenant and agree to conduct themselves consistent with such status and that neither they nor their employees, officers or agents will claim to be an officer, employee or agent of the other party or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the services provided under this Agreement to be a joint endeavor.

7. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, physical or mental disability, family status, sexual orientation, gender identity, or genetic makeup. Breach of this covenant may be regarded as a material breach of this Agreement.

8. Third Party Participation. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

9. Entire Agreement. This Agreement constitutes the entire agreement of the parties and there are no valid promises, conditions or understanding which are not contained herein.

10. Amendments. Non-substantive modifications to this Agreement shall be in writing and initialed by the City Manager and TCL&P's Executive Director. Significant deviations or matters arising from the Contract or the costs shall warrant an amendment to be approved by the City Commission and TCL&P Board.

11. Assignment. The parties agree that there shall be no assignment of this Agreement or any part thereof unless mutually agreed to in writing by both parties.

12. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet

and confer to negotiate a resolution of the dispute. They further agree that if they are unable to resolve the dispute themselves, and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.

13. Venue. All meetings, hearings and actions to resolve the dispute shall be in the County of Grand Traverse, State of Michigan.

14 Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of the parties, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires.

15. Termination. The failure of either party to act in accordance with their respective responsibilities as outlined in this Agreement shall relieve the other party of any and all of its responsibilities under this Agreement. However, the City shall pay all costs and expenses for portions of the AMI system that have been performed up to the date of termination. If, pursuant to the Contract, TCL&P is found to be responsible for any additional costs that are attributable in any way to the City's water meters, or its share of the AMI system as it relates to the water meters, then the City shall pay all of said additional costs. This Agreement may be terminated only after following the dispute resolution provisions contained herein. Termination shall be made by giving ninety (90) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance instructions or requirements.

16. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in this Agreement or at such other address as either party may, from time to time, designate by written notice to the other.

17. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the date and year first above written.

TRAVERSE CITY LIGHT AND POWER

By: _____
Jan Geht, Chairman

By:
Tim Arends, Secretary

APPROVED AS TO SUBSTANCE:

Tim Arends, Executive Director

APPROVED AS TO FORM:

Jeffrey L. Jocks, General Counsel

CITY OF TRAVERSE CITY

By: _____
James C. Carruthers, Mayor

By _____
Benjamin C. Marentette, City Clerk

APPROVED AS TO SUBSTANCE:

Martin A. Colburn, City Manager

APPROVED AS TO FORM:

Lauren Tribble-Laucht, City Attorney



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director
Daren Dixon, Manager of Operations and Engineering
Date: December 29, 2017
Subject: Six Year Capital Improvements Plan - 2018

Attached for your consideration of approval is the Six Year Capital Improvements Plan – 2018 (Plan) as presented to the Board at the last meeting.

Staff recommends approval of the Plan as presented. 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 AUTHORIZES THE EXECUTIVE DIRECTOR TO SUBMIT THE
SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018 AS PRESENTED TO THE CITY
MANAGER FOR REVIEW AND APPROVAL OF THE CITY COMMISSION AND
CITY PLANNING COMMISSION.**



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018

ELECTRIC FUND

TRANSMISSION:

Transmission Line Reconstruction

Location: Existing transmission corridor from Barlow Street Substation to Parsons Road Substation, Cass Road Substation to Cass Road Junction, and Cass Road Junction to Hall Street Substation.

Character: Overhead transmission facilities to include new poles and wire.

Extent: Reconductor/rebuilding of existing 69kV transmission lines with new lines and higher poles to bring circuits to current day standards.

Fiscal Year(s): 2019-20 through 2022-23

SUBSTATION:

Substation Transformer Upgrade (NEW – only Parsons Road Substation)

Location: Cass and Parsons Road Substations (New – only Parsons Road Substation)

Character: Installation of higher rated transformers as recommended by Engineers.

Extent: Upgrade existing substation transformers for system reliability due to load growth and age of transformers.

Fiscal Year(s): 2021-22 through 2022-23

Substation Switching Stations

Location: Parsons Road and Barlow Street Substation

Character: Addition of switching equipment to allow for switching load on the looped transmission system for increased reliability.

Extent: Installation of substation infrastructure and equipment.

Fiscal Year(s): 2018-19 through 2019-20

Substation Circuit Exits

Location: Cass Road, Barlow Street, and Parsons Road Substations

Character: New undergrounding from the substation to the circuits.

Extent: Installation of new wire and conduit.

Fiscal Year(s): 2018-19



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018

SUBSTATION (continued):

Grand Traverse Substation Upgrades (NEW)

Location: Keystone Road

Character: Installation of a new control system, breakers, and switches along with land improvements of removing an unused foundation and expanding the fence perimeter.

Extent: Upgrade existing equipment within the substation for system reliability due to load growth and age of equipment.

Fiscal Year(s): 2019-20 through 2020-21

DISTRIBUTION

Distribution Circuit Rebuild

Location: Throughout the entire service area. In 2017-18, PC-32 circuit, which includes East Bay Boulevard and East Avenue and HL-22 circuit, which includes alley north of Eighth Street from Lake Avenue east to Railroad Avenue. Future projects have been evaluated and currently the planned replacement schedule for future years are Grandview Parkway, PC-32 (another section), BW-30, HL-33, SS-32, CD-21, CD-31, PC-22, and PC-23.

Character: Replace deteriorated overhead/underground facilities with new wire, conduit, poles, etc. to include conversion of overhead facilities to underground as appropriate.

Extent: New circuits and upgrade of existing circuits to improve reliability and serve anticipated growth to include undergrounding facilities as appropriate.

Fiscal Year(s): 2018-19 through 2023-24 (Annual Program)

Overhead to Underground Conversion Projects

Location: Throughout the entire service area. In 2018-19 and 2019-20, BW-31 will be the primary project with future years yet to be prioritized and determined.

Character: Conversion of overhead distribution facilities to underground.

Extent: Annual Program for approved projects

Fiscal Year(s): 2018-19 through 2023-24 (Annual Program)

Line Improvements, Extensions, and New Services

Location: Throughout the entire service area

Character: Construction/replacement of overhead and underground distribution facilities involving the use of wire, poles, meters, cabinets, and transformers.

Extent: This is an annual project in which wages, benefits, and equipment charges are capitalized for upgrades to existing services or new customer services.

Fiscal Year(s): 2018-19 through 2023-24 (Annual Program)



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018

DISTRIBUTION (continued)

Critical and Large Customers

Location: Location in the Industrial Park located off Parsons Road

Character: Construction/replacement of overhead and underground distribution facilities involving the use of wire, poles, meters, cabinets, and transformers.

Extent: They are one-time projects in which wages, benefits, materials and equipment charges are capitalized for upgrades to existing services for improvements needed for our top ten and most critical customers.

Fiscal Year(s): 2018-19 through 2020-21

Hartman Road Overhead Tie

Location: Throughout the entire service area

Character: Overhead construction, poles, wires and related materials.

Extent: Allow a second feed into the circuit to enhance reliability.

Fiscal Year(s): 2018-19

Lighting (LED) System Replacements

Location: Throughout the entire utility service area

Character: LED yard lighting replacements

Extent: Removal of any old high pressure sodium yard lights and replace with LED lights.

Fiscal Year(s): 2019-20 through 2023-24

FACILITIES AND OTHER:

Hastings Service Center Facility Improvements

Location: 1131 Hastings Street

Character: Site and data infrastructure improvements to existing facility

Extent: Needed upgrades to the datacenter infrastructure for reliability purposes, which will allow for the current datacenter equipment to be used at an offsite recovery center.

Additionally included are parking lot improvements at the service center.

Fiscal Year(s): 2018-19 and 2020-21

1125 Hastings Street Building Rehabilitation (NEW)

Location: 1125 Hastings Street

Character: Renovation of existing building and site

Extent: Eliminate driveway, demolish the front office portion of the building, brick the new front of the building to match the existing service center building, install garage door at the rear of the building and construct access to existing service center building.

Fiscal Year(s): 2019-20



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018

FACILITIES AND OTHER (continued):

SCADA System Replacement (NEW)

Location: 1131 Hastings Street and Substations

Character: Installation of new SCADA equipment.

Extent: Upgrade the system to allow it to interconnect with other related systems such as AMI, billing, GIS, OMS and other technologies.

Estimated Cost: \$250,000

Fiscal Year(s): 2018-19

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS:

Upgraded Front Street Lighting Circuits and Receptacles

Location: Downtown north and south along Front Street

Character: Upgrade circuit to accommodate increased load.

Extent: New conduit, wire, and addition of event outlets.

Fiscal Year(s): 2021-22

Financial Software

Location: Hastings Street Service Center and Governmental Center

Character: Upgrade the current accounting financial software package.

Extent: New software programs for utility billing, cash receipts, general ledger, purchase orders, miscellaneous receivables, payroll, accounts payable, fixed assets, and human resources.

Fiscal Year(s): 2018-19

Eighth Street Streetscapes Lighting

Location: Boardman Avenue to Woodmere Avenue

Character: New street lighting installations in conjunction with planned corridor improvements.

Extent: To be determined in coordination with the City.

Fiscal Year(s): 2019-20 through 2020-21

Division Street Streetscapes Lighting

Location: Fourteenth Street to Grandview Parkway

Character: New street lighting installations in conjunction with planned streetscape.

Extent: To be determined in coordination with MDOT.

Fiscal Year(s): 2022-23



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS (Continued):

Alley between State and Front Street – Overhead to Underground Conversion (NEW)

Location: *Alley between State and Front Street.*

Character: *Conversion of overhead distribution facilities to underground.*

Extent: *Remove all overhead lines and transformers and install new underground lines and transformers. The utility may need to purchase easements/real estate to set equipment or purchase vaults to set in alley right of way.*

Fiscal Year(s): *2023-24*

East Front Streetscapes Lighting (NEW)

Location: *Boardman Avenue to Holiday Inn*

Character: *New street lighting installations in conjunction with planned streetscape.*

Extent: *To be determined in coordination with the City.*

Fiscal Year(s): *2019-20*

Lake Avenue Streetscapes Lighting

Location: *Cass Road to Eighth Street*

Character: *New street lighting installations in conjunction with planned streetscape.*

Extent: *To be determined in coordination with the City.*

Fiscal Year(s): *2018-19*

Park Place Overhead to Underground Conversion (NEW)

Location: *Alley between Boardman Avenue and Park Place and continuing through Park Place parking lot to the riser pole located east of Cass Street.*

Character: *Conversion of overhead distribution facilities to underground.*

Extent: *Remove all overhead lines and transformers.*

Fiscal Year(s): *2023-24*

Automated Metering Infrastructure (AMI)

Location: *Entire service area*

Character: *Electric meters and software to accommodate advanced metering capabilities.*

Extent: *A program to provide for the migration to electronic advanced meters that will assist utility customers on energy use, reliability and provide reads to utility billing. Will also drive future system engineering planning as well as provide metrics on completed items to show project results.*

Fiscal Year(s): *2018-19*



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2018

FIBER FUND

Fiber to the Premises

Location: Entire service area

Character: Fiber cable, engineering, and installation to accommodate running fiber to residents and businesses.

Extent: Deployment of a fiber optic network to the community to allow for outside ISP(s) to offer services.

Fiscal Year(s): 2018-19 through 2020-21

**TRAVERSE CITY LIGHT & POWER
CAPITAL IMPROVEMENTS PLAN 2018**

ELECTRIC FUND Sum of Amount Row Labels	FISCAL YEARS						Grand Total
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
Transmission		\$ 475,000.00	\$ 475,000.00	\$ 430,000.00	\$ 615,000.00		\$ 1,995,000.00
Transmission Line Reconstruction		475,000.00	475,000.00	430,000.00	615,000.00		1,995,000.00
Cass Road Substation to Cass Road Junction 1.66 Miles rebuild					615,000.00		615,000.00
Cass Road Junction to Hall Street Substation 1.17 Miles rebuild				430,000.00			430,000.00
Barlow Street Substation to Parsons Road Substation 2.71 Miles rebuild		475,000.00	475,000.00				950,000.00
Substation	2,120,000.00	2,110,000.00	500,000.00	750,000.00	775,000.00		6,255,000.00
Substation Transformer Upgrades				750,000.00	775,000.00		1,525,000.00
Cass Road #1 Transformer				750,000.00			750,000.00
Parsons Road #1 Transformer (New)					775,000.00		775,000.00
Substation Switching Stations	1,560,000.00	1,610,000.00					3,170,000.00
Barlow Street Substation		1,610,000.00					1,610,000.00
Parsons Road Substation	1,560,000.00						1,560,000.00
Substation Circuit Exits	560,000.00						560,000.00
Cass Road Substation	215,000.00						215,000.00
Barlow Street Substation	200,000.00						200,000.00
Parsons Road Substation	145,000.00						145,000.00
Grand Traverse Substation Upgrades (New)		500,000.00	500,000.00				1,000,000.00
Distribution	2,970,000.00	2,550,000.00	3,630,000.00	3,156,000.00	2,545,000.00	2,345,000.00	17,196,000.00
Distribution Circuit Rebuild	535,000.00		1,030,000.00	1,431,000.00	770,000.00	520,000.00	4,286,000.00
Grandview Parkway			650,000.00	950,000.00			1,600,000.00
Install new 750 MCM CU URG & Padmount Equipment along Grandview Pkwy & Behind Bldgs North of Front St - 2.0 Miles			650,000.00	650,000.00			1,300,000.00
Install new street lighting circuit from M-72 to Front Street				300,000.00			300,000.00
PC-32 Circuit	350,000.00				400,000.00		750,000.00
OH 8th St/Hastings St Area East to Munson Avenue					400,000.00		400,000.00
OH East Bay Blvd & East Ave	350,000.00						350,000.00
BW-30 & PC-32 Circuits				189,000.00			189,000.00
OH Parsons St & Airport Access to Munson Avenue - 1.72 Miles				189,000.00			189,000.00
HL-33 Circuit				85,000.00			85,000.00
69 KV Underbuild along Wadsworth St from 5th to 13th St - .78 Miles				85,000.00			85,000.00
SS-32 Circuit						200,000.00	200,000.00
LaFranier Rd from South Sub to Hammond Road - .82 Miles						200,000.00	200,000.00
BW-30 Circuit			285,000.00				285,000.00
OH Hastings St & Carver St from Parsons St to Woodmere Avenue - 1.09 Miles			285,000.00				285,000.00
CD-21 Circuit			95,000.00				95,000.00
OH Cass St & 8th to 14th Street - .49 Miles			95,000.00				95,000.00
CD-31 Circuit				125,000.00			125,000.00
Replace Poles & Install Additional Poles on CD31 along US31 from 14th St South and on Franke Rd from Silver Lake Rd South to US 31 to improve clearance				125,000.00			125,000.00
HL-22 Circuit	185,000.00						185,000.00
OH alley north of 8th St from Lake Ave East to Railroad Ave - .45 Miles	185,000.00						185,000.00
PC-22 Circuit				82,000.00	370,000.00		452,000.00
OH in back lot area from Parsons Rd to Munson Ave - .48 Miles				82,000.00			82,000.00
OH Munson Avenue from Davis Street to 3 Mile Road - 1.43 Mile					370,000.00		370,000.00
PC-23 Circuit						320,000.00	320,000.00

**TRAVERSE CITY LIGHT & POWER
CAPITAL IMPROVEMENTS PLAN 2018**

ELECTRIC FUND							
Sum of Amount Row Labels	FISCAL YEARS						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Grand Total
OH Along Munson Avenue from Davis Street to Three Mile Road - 1.19 Miles						320,000.00	320,000.00
Overhead to Underground Conversion Projects	310,000.00	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	2,310,000.00
Line Improvements, Extensions and New Services	1,050,000.00	1,100,000.00	1,150,000.00	1,200,000.00	1,250,000.00	1,300,000.00	7,050,000.00
Critical and Large Customers	600,000.00	925,000.00	925,000.00				2,450,000.00
Hartman Road Overhead Tie	475,000.00						475,000.00
High Pressure Sodium to LED System Replacements (for future Board discussion)	-	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	625,000.00
Facilities and Other	400,000.00	250,000.00	100,000.00				750,000.00
Hastings Service Center Facility Improvements	150,000.00		100,000.00				250,000.00
1125 Hastings Street Building Rehabilitation (New)		250,000.00					250,000.00
SCADA System Upgrade (NEW)	250,000.00						250,000.00
Joint TCL&P, City of Traverse City and DDA Projects	2,105,000.00	106,000.00	50,000.00	1,340,000.00	-	2,150,000.00	5,751,000.00
Upgrade Front Street Lighting Circuits and Receptacles				1,340,000.00			1,340,000.00
Financial Software	75,000.00						75,000.00
Eighth Street Streetscapes Lighting		50,000.00	50,000.00				100,000.00
Division Street Streetscapes Lighting							-
Alley between State and Front Street - Overhead to Underground Conversion (New)						1,500,000.00	1,500,000.00
East Front Street Streetscape Lighting (New)		56,000.00					56,000.00
Lake Avenue Streetscapes Lighting	30,000.00						30,000.00
Park Place Overhead to Underground Conversion (New)						650,000.00	650,000.00
Automated Metering Infrastructure	2,000,000.00						2,000,000.00
Grand Total	\$ 7,595,000.00	\$5,491,000.00	\$4,755,000.00	\$5,676,000.00	\$3,935,000.00	\$4,495,000.00	\$31,947,000.00
Sum of Amount Row Labels	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Grand Total
Fiber	3,666,667.00	3,666,667.00	3,666,666.00	-	-	-	11,000,000.00
Fiber to the Premise	3,666,667.00	3,666,667.00	3,666,666.00	-	-	-	11,000,000.00
Grand Total	3,666,667.00	3,666,667.00	3,666,666.00	-	-	-	11,000,000.00
NOTES:							
1) THIS WORKSHEET IS FOR ILLUSTRATION PURPOSES AND ONLY IS SUPPLEMENTAL TO THE PLAN.							
2) ACTUAL FISCAL YEAR THAT A PROJECT MAY BE UNDERTAKEN MAY DIFFER FROM THE FISCAL YEAR DEPICTED IN THIS SPREADSHEET. DOLLAR AMOUNTS ARE ESTIMATES FOR INFORMATION ONLY AND ARE NOT A PART OF THE OFFICIAL PLAN.							
3) STREET LIGHTING PROJECTS ARE SUBJECT TO FUNDING REQUIREMENTS PER THE DECORATIVE LIGHTING POLICY AND STREET LIGHTING OPERATIONS AND MAINTENANCE POLICY.							



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Kelli Schroeder, Manager of HR & Communications 
CC: Timothy Arends, Executive Director
Date: January 2, 2018
Subject: Internet Website Policy

Upon recommendation by Peter Doren, and subsequent review by Karrie Zeits, included in your packet is a new Internet Website Policy. As with the Social Media Policy, this policy is a continuation of staff's efforts to draft and implement guidelines and processes with respect to our external communication channels.

Staff recommends that the Board approve the Internet Website Policy. 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 matter, other than clarifying questions, the item 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 ADOPT THE INTERNET WEBSITE POLICY AS PRESENTED
WITH AN IMMEDIATE EFFECTIVE DATE.**

Light and Power Department
City of Traverse City, MI
Approved:

TRAVERSE CITY LIGHT & POWER INTERNET WEBSITE POLICY

PURPOSE

The purpose of Traverse City Light & Power's (TCL&P) website is to provide a convenient and informative resource for its residential, commercial and industrial customers regarding TCL&P services, programs, initiatives, bidding opportunities, and news and events.

The purpose of this Policy is to establish regulations for the development, operation, and administration of the TCL&P website and to ensure that the website remains a non-public forum subject to TCL&P's exclusive use and control. TCL&P shall operate and maintain the TCL&P website as provided in this Policy.

Definitions

The following definitions shall apply to this Policy:

- a) "Traverse City Light & Power website" means the official TCL&P website available at www.tclp.org, and any additional domain name(s) that TCL&P acquires for its official use.
- b) "External Website" means a website maintained by a third party, and not by TCL&P.
- c) "External Link" is a hyperlink from the TCL&P website to a website maintained by a third party.
- d) "Security Measures" means practices for protection of physical configuration and environment, software, information-handling processes, and user practices.
- e) "User" or "Users" means an individual or individuals who access the TCL&P website through the internet.

Non-Public Forum Status

The TCL&P website is a non-public forum. While TCL&P encourages the public to use its website to access information and resources, TCL&P expressly reserves the right to impose certain restrictions on the use of its website. The TCL&P website is reserved for the exclusive control of TCL&P for the purposes of one-way communication to Users of the TCL&P website. The TCL&P website shall not be used to facilitate a general debate, public disclosure or the free exchange of ideas.

Posting of Policy

This Policy will be posted on the TCL&P website for review by the public at any time. Questions or comments regarding any subjects or issues addressed in this Policy may be direct to:

Traverse City Light & Power
Attn; Kelli Schroeder
1131 Hastings Street
Traverse City, Michigan 49686
Email: kschroeder@tclp.org

Disclaimer of Accuracy

- a) While every effort is made to keep information provided over the internet accurate and up-to-date, TCL&P does not certify the authenticity or accuracy of such information. No warranties, express or implied, are provided for the content, records, or data herein, or for their use or interpretation by the User.
- b) TCL&P, its officers, employees and agents assume no legal responsibilities for the information or accuracy contained in this data, including any action taken from reliance on any information contained herein and shall have no liability for any damages, losses, costs, or expenses, including, but not limited to attorney's fees, arising from the use or misuse of the information provided herein. The User's use thereof shall constitute an agreement by the User to release TCL&P, its officers, employees and agents from liability.
- c) By using this information, the User is stating that the above Disclaimer has been read and that he/she has full understanding and is in agreement with the contents.

Security

The TCL&P website applies Security Measures to protect from the loss, misuse and alteration of the information under TCL&P's control. From time to time, Security Measures may be upgraded or otherwise modified to meet changing needs. While TCL&P endeavors to keep secure all information it receives via the TCL&P website, TCL&P cannot guarantee the security of the information.

External Links

TCL&P has a legitimate interest in limiting persons or organizations that may be linked to from the TCL&P website to ensure that they are relevant to the purpose of the TCL&P website as set forth in this Policy. Thus, TCL&P may exercise discretion to ensure that the links on the TCL&P website are consistent with the purpose of the TCL&P website. Decisions regarding the posting of External Links will be made on a case-by-case basis utilizing the criteria set forth below. Neither the TCL&P website nor the External Links listed on the TCL&P website constitute a forum for expressive activity by members of the public.

- a) Each proposed External Link on the TCL&P website shall be reviewed to determine its relevance and appropriateness to the purpose of the TCL&P website. TCL&P shall

review the merits of the proposed External Link based upon the purpose of the TCL&P website stated in this Policy.

- b) A proposal for an External Link will not be denied based on the viewpoint espoused by the individual or entity.
- c) Each External Link should
 - i. enhance the value of the information that TCL&P is providing on its website;
 - ii. help the reader understand the information on TCL&P's website; or
 - iii. be relevant to the purpose of TCL&P's website
- d) Each External Link should go to reliable websites that reflect high standards in quality, site operations and maintenance.
- e) The TCL&P website will not provide External Links to any websites that:
 - i. Promote or exhibit hate, bias, discrimination, pornography, libelous or otherwise defamatory content, or obscenity.
 - ii. Have a primary purpose of advocating for or against any political party, candidate for election, political group, or any activity with respect to any federal, state or local statute, legislation, regulation, or proposed regulation .
 - iii. Violate any of TCL&P's equal opportunity policies.
 - iv. Consist of personal home pages operated by individuals.
- f) TCL&P reserves the right to determine, on a case-by-case basis, whether or not to post External Links, and how and where External Links will appear on TCL&P's website.

Application of External Link

To request the addition of an External Link on the TCL&P website, the applicant shall send the relevant URL, address, website description and purpose, brief statement as to how the proposed website fulfills the purpose of the TCL&P website as set forth in this Policy, contact name, phone number and email address by email to or by mail to:

Traverse City Light & Power
Attn: Kelli Schroeder
1131 Hastings Street
Traverse City, Michigan 49686
email: kschroeder@tclp.org

Disclaimer of External Links and External Websites

The information posted on the TCL&P website may include hypertext External Links to information created and maintained by other public and/or private organizations. TCL&P provides these links solely for the User's information and convenience.

- a) When the User selects an External Link to an External Website, the User leaves the TCL&P website and is subject to the privacy and security policies of the owners/sponsors of the External Website.
- b) TCL&P does not control or guarantee the accuracy, relevance, timeliness or completeness of information contained on an External Website accessed through the TCL&P website by External Link.

- c) TCL&P does not endorse or recommend any third party website, product, service, view or opinion, unless otherwise noted.
- d) TCL&P does not authorize the use of copyrighted materials contained on External Websites.
- e) TCL&P is not responsible for transmissions from External Websites.

Final Decision

The decision whether to place or, once placed, to remove content and/or links on the TCL&P website resides with TCL&P's Executive Director or their designee. His or her decision is final and binding. Under no circumstances will individuals or entities be entitled to compensation or damages in the event that TCL&P decides to include, exclude, or remove the content or link.

Accessibility

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Traverse City Light & Power
Attn; Kelli Schroeder
1131 Hastings Street
Traverse City, Michigan 49686
Email: kschroeder@tclp.org
Phone: (231) 932-4545

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



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Karla Myers-Beman, Controller
Date: December 29, 2017
Subject: Presentation of the 2016-17 Financial Audit

The TCL&P Financial Audit for the fiscal year ended June 30, 2017 will be presented by the audit firm of Vredevelde Haefner LLC. A copy of the audit is in your board binder along with a letter providing information on the audit process including a recommendation on the utility's inventory process. Following in the letter is staff's response concurring with the recommendation.

The public will be able to view the audit on-line at TCL&P's web page: www.tclp.org.

If after the Board's questions have been answered and it is satisfied with the report, the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

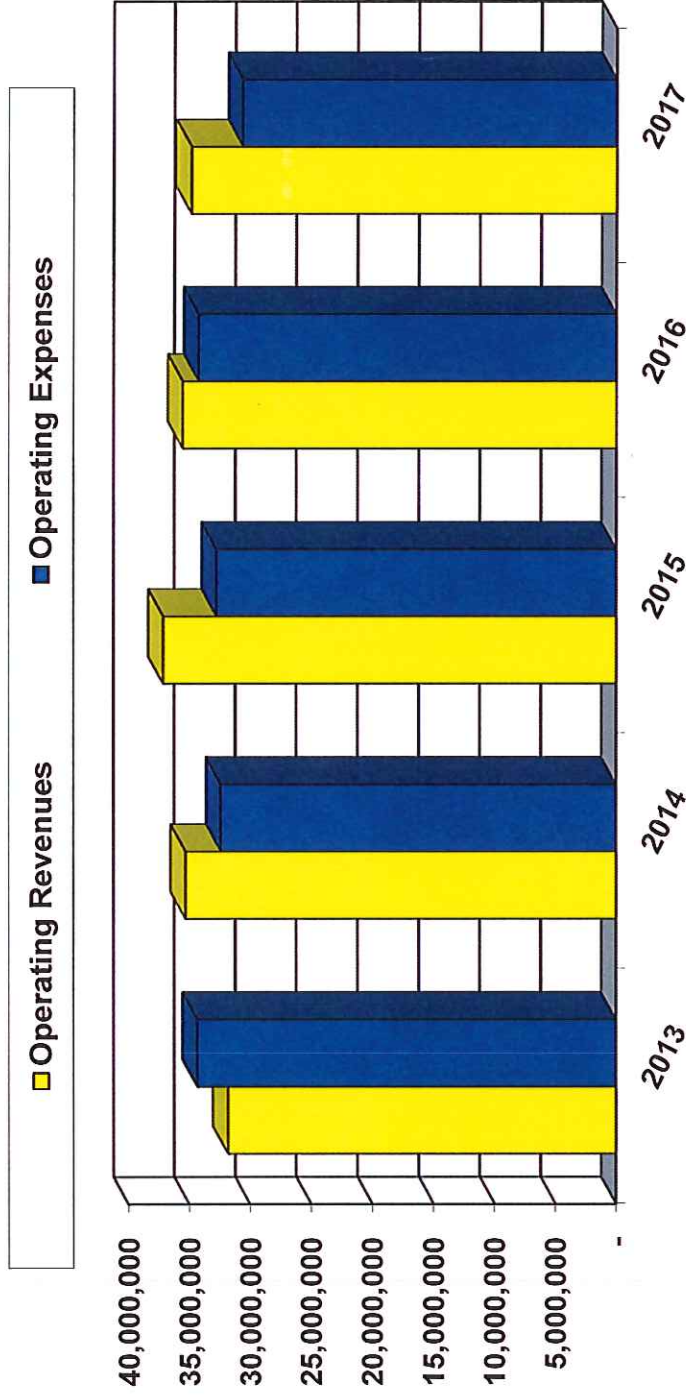
**THAT THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30,
2017, BE RECEIVED AND FILED.**

**TRAVERSE CITY LIGHT & POWER
YEAR ENDED JUNE 30, 2017**

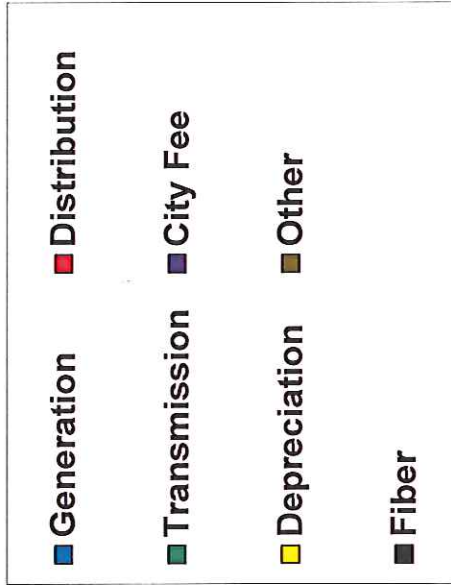
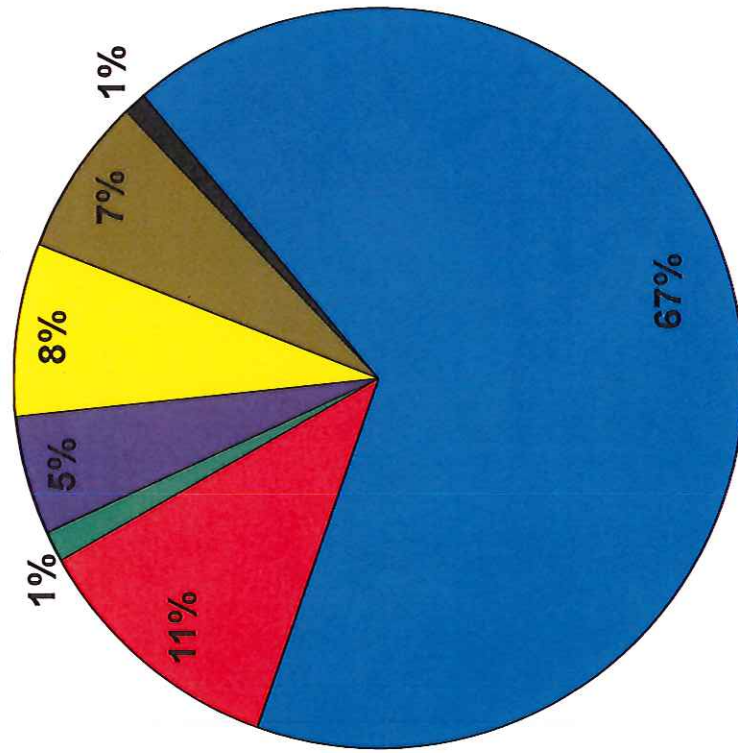
**VREDEVELD HAEFNER LLC
CPAS AND CONSULTANTS**



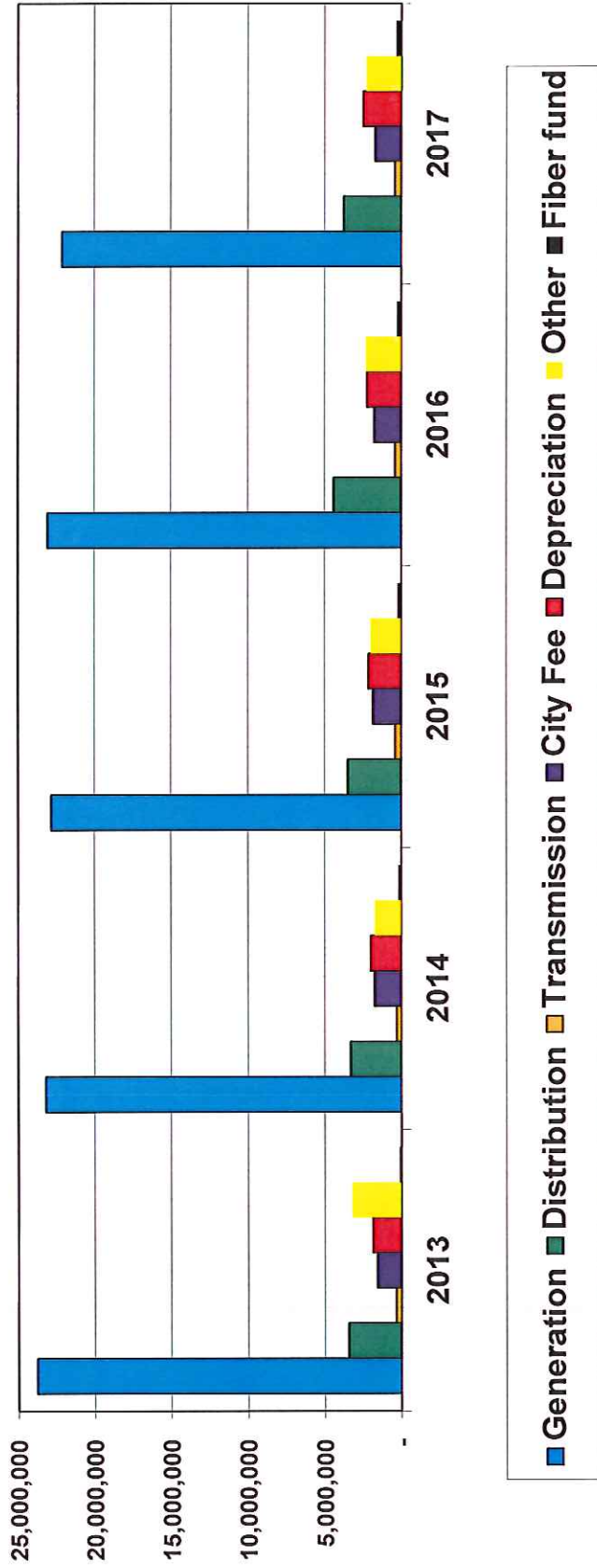
LIGHT & POWER FUND OPERATING REVENUES AND EXPENSES INCLUDING PILOT



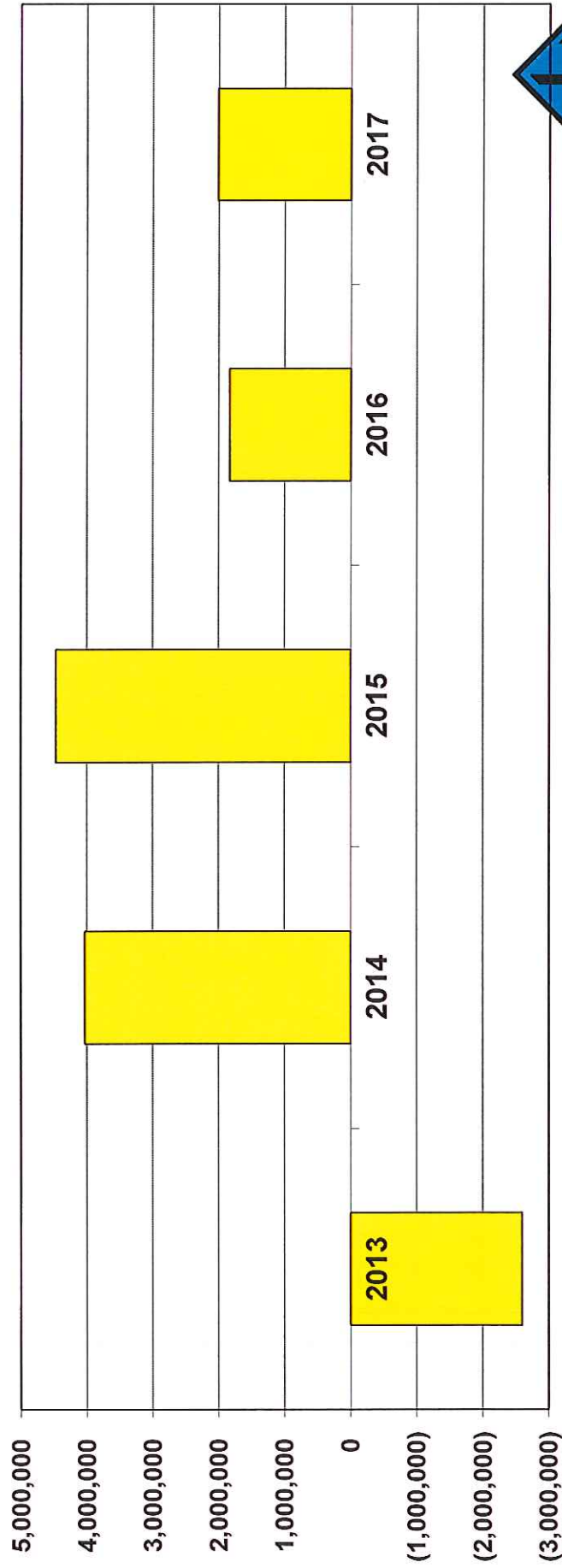
LIGHT & POWER AND FIBER FUNDS OPERATING EXPENSES



LIGHT & POWER AND FIBER OPERATING EXPENSES INCLUDING PILOT



LIGHT & POWER FUND CHANGE IN NET POSITION



CONTACT US!

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Partner
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Vredeveld Haefner LLC





To: Light and Power Board
From: Tim Arends, Executive Director
Date: January 2, 2018
Subject: Community Solar

Recently, there has been an increase in interest from customers to participate in a renewable generation program. A way to provide this opportunity for our customers is through continuation of the community solar program established by the Sun Alliance Program (inter-utility program through Cherryland and TCL&P).

Spartan Energy Corporation has offered to provide an additional 300 solar panels (equivalent of 100 kW) for our customers at their existing solar array located in Cadillac, Michigan. Each panel will cost \$600 with anticipated generation revenue of \$40 a year. Traverse City Light and Power will continue to offer at a minimum a \$75 rebate through the utility's Energy Waste Reduction Program bringing down the payback to an estimated 13.125 years using current pricing.

Staff will move forward and bring back a new contract for this project for approval at a future meeting.



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Karla Myers-Beman, Controller
Date: December 29, 2017
Subject: Quarterly Financial Report

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

Electric Utility Fund

As of September 30, 2017 (25% through the fiscal year), operating revenues are 24.20% of budgeted operating revenues. Residential, commercial and industrial sales have declined over the prior year, most likely attributed to each summer month's mean temperature being lower than the previous years with a warm-up at the end of September.

Total operating expenses are at 21.91% of budget year-to-date, with purchase power costs at 22.31%. Other categories with lower than anticipated expenditures to date are transmission costs at 15.22% because of expenses not yet incurred such as the joint pole use agreement annual costs with Consumers Energy. Along with public service costs are at 11.03% relating to funds not expended for the energy waste reduction program.

Net income through the first quarter is \$1,016,416, which is approximately \$61,500 decrease over the prior year.

Cash flow statement shows approximately \$870,000 expended in capital assets, primarily for the BW-31 Circuit Rebuild and the Cherryland Exchange Project.

Fiber Fund

Revenues in the Fiber Fund are 23.95% of budgeted operating revenues while expenses are 25.28% of budget year-to-date. WIFI Operations and Maintenance is at 72.91% of budget relating to Merit Network expenses incurred this quarter relating for the WIFI system internet feed, a primary expense of this line item. The Fund has a net loss or change in net position of \$(27,433).

TRAVERSE CITY LIGHT AND POWER
(A Component Unit of the City of Traverse City, Michigan)
ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Month to Month Comparison		Year to Year Comparison		Budget to Year to date Comparison		% of Budget
	Month to date Actual	Month to date Prior Year	Year to date Actual	Year to date Prior Year	Year to date Actual	Favorable (Unfavorable)	
Operating revenues - sales							
Residential	\$ 545,199	\$ 575,022	\$ 1,488,583	\$ 1,623,555	\$ 1,488,583	\$ (4,911,417)	23.26%
Commercial	1,323,276	1,373,759	3,758,238	3,747,117	3,758,238	(11,801,762)	24.15%
Industrial	832,609	897,774	2,342,030	2,615,173	2,342,030	(7,707,970)	23.30%
Public authority	32,762	32,363	102,331	119,248	102,331	(197,669)	34.11%
Street lighting	19,317	16,695	54,214	45,065	225,000	(170,786)	24.10%
Yard lights	10,506	8,241	29,099	21,791	29,099	(125,901)	18.77%
Total operating revenues - sales	2,763,670	2,903,854	7,774,494	8,171,949	7,774,494	(24,915,506)	23.78%
Other operating revenues							
Forfeited discounts	4,235	4,587	16,830	13,775	16,830	(43,170)	28.05%
Merchandise and jobbing	18,881	21,811	26,532	25,333	26,532	(43,468)	37.90%
Sale of scrap	11,082	1,712	11,919	3,620	35,000	11,919	34.05%
Recovery of bad debts	-	-	-	-	200	(200)	0.00%
MISO income	298,709	349,565	915,741	1,019,851	915,741	(2,254,259)	28.89%
Miscellaneous	3,373	3,625	8,849	9,284	8,849	(31,151)	22.12%
Total other operating revenues	336,280	381,300	979,870	1,071,863	979,870	(2,395,330)	29.03%
Nonoperating revenues							
Rental income	2,063	1,475	26,758	24,995	26,758	(19,743)	57.54%
Pole rental income	-	-	17,169	4,420	17,169	(50,831)	25.25%
Reimbursements	7,578	5,168	4,881	6,896	91,300	(86,420)	5.35%
Interest income	10,555	4,400	58,106	29,101	58,106	(291,894)	16.60%
Gain/loss on sale of assets	355	8,000	355	8,000	355	355	#DIV/0!
Total nonoperating revenues	20,550	19,043	107,268	73,413	107,268	(448,532)	19.30%
Total revenues	3,120,500	3,304,196	8,861,633	9,317,225	8,861,633	(27,759,367)	24.20%
Generation expense							
Non purchase power expenses	54,801	40,275	69,353	97,310	69,353	259,697	21.08%
Capacity costs	71,746	69,372	215,315	210,412	215,315	594,685	26.58%
MISO	(209,086)	45,940	(181,297)	394,350	(181,297)	2,821,297	-6.87%
Stoney Corners	150,528	238,561	449,333	543,274	449,333	2,720,667	14.17%
M-72 Wind Turbine	1,558	2,154	4,517	5,454	48,000	43,483	9.41%
Combustion Turbine	444,398	372,449	1,210,672	1,309,510	4,500,000	3,289,328	26.90%
Campbell Coal Plant	387,479	370,206	1,111,486	859,115	1,111,486	3,411,014	24.58%
Belle River Coal Plant	353,365	343,861	918,802	1,065,426	3,800,000	2,881,198	24.18%
Landfill Gas	70,059	67,461	237,272	204,245	980,000	742,728	24.21%
Bilateral contracts	436,338	361,958	1,337,561	1,183,493	3,300,000	1,962,439	40.53%
Purchase power expenses	1,706,386	1,871,962	5,303,661	5,775,279	5,303,661	18,466,839	22.31%

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Month to Month Comparison			Year to Year Comparison			Amended Budget	Budget to Year to date Comparison		% of budget
	Month to date Actual	Month to date Prior Year	Month to date Difference	Year to date Actual	Year to date Prior Year	Year to date Difference		Year to date Actual	Favorable (Unfavorable)	
Distribution	\$ 313,236	\$ 289,230	\$ 24,007	\$ 906,378	\$ 873,889	\$ 32,489	\$ 4,261,500	\$ 906,378	\$ 3,355,122	21.27%
Transmission	27,466	30,115	(2,649)	83,090	93,668	(10,578)	525,100	83,090	442,010	15.82%
Customer accounting	37,010	40,012	(3,003)	138,268	138,056	212	561,550	138,268	423,282	24.62%
Public service	19,045	32,002	(12,958)	65,437	66,654	(1,217)	593,000	65,437	527,563	11.03%
General administration expense	89,438	78,137	11,301	258,860	226,246	32,614	1,276,100	258,860	1,017,240	20.29%
Other expenses										
Insurance	6,430	5,611	820	17,419	16,931	489	70,720	17,419	53,301	24.63%
City fee	125,000	125,000	-	375,000	375,000	-	1,820,000	375,000	1,445,000	20.60%
Depreciation	209,250	192,101	17,149	627,750	576,302	51,448	2,605,000	627,750	1,977,250	24.10%
Total expenses	2,588,062	2,704,446	(116,384)	7,845,217	8,239,335	(394,118)	35,812,520	7,845,217	27,967,303	21.91%
Income before transfers	532,438	599,751	(67,313)	1,016,416	1,077,890	(61,473)	808,480	1,016,416	207,936	0
Transfers in	-	-	-	-	-	-	125,000	-	(125,000)	#DIV/0!
Change in net position	\$ 532,438	\$ 599,751	\$ (67,313)	\$ 1,016,416	\$ 1,077,890	\$ (61,473)	\$ 933,480	\$ 1,016,416	\$ 82,936	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

Cash flows from operating activities	
Cash received from customers	\$ 9,213,979
Cash payments to employees	(1,514,029)
Cash payments to suppliers for goods and services	(6,119,325)
Cash payments of City fee	<u>(375,000)</u>
Net cash provided by operating activities	<u>1,205,624</u>
Cash flows from noncapital financing activities	
Customer deposits paid	1,035
Rental income received	43,927
Reimbursements received	<u>4,881</u>
Net cash provided by noncapital financing activities	<u>49,842</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>(867,506)</u>
Cash flows from investing activities	
Purchase of investments	(330)
Interest and dividends	<u>58,106</u>
Net cash provided by investing activities	<u>57,776</u>
Net increase in cash and cash equivalents	445,737
Cash and cash equivalents, beginning of year	<u>5,464,241</u>
Cash and cash equivalents, end of year	<u>\$ 5,909,978</u>

TRAVERSE CITY LIGHT AND POWER
(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

SALES	KWH month	KWH year to date	Monthly revenue	Year to date revenue	Current month	Prior year month	Revenue/Sales monthly variance	Year to date	Prior year to date	Revenue/Sales year to date variance
		date	\$	\$	\$	\$	\$	\$	\$	\$
Residential Sales	5,305,610	15,022,561	569,374	1,621,376	0.1073	0.1055	0.0018	0.1079	0.1049	0.0030
Commercial Sales	15,262,309	39,223,299	1,611,692	4,136,125	0.1056	0.1025	0.0031	0.1055	0.1022	0.0033
Industrial Sales	10,631,670	31,691,520	832,609	2,508,348	0.0783	0.0782	0.0001	0.0791	0.0773	0.0018
Yard and Street Lights	113,622	305,056	32,021	88,577	0.2818	0.1978	0.0840	0.2904	0.1973	0.0931
Total Sales	31,313,211	86,242,436	\$ 3,045,696	\$ 8,354,426						
Note: Revenues do not agree to income statement because of monthly accruals.										
PURCHASED POWER	KWH month	KWH year to date	Monthly cost	Year to date cost	Cost per kWh for the month	Cost per kWh for the year to date				
		date								
MISO Account										
MISO	(92,519)	4,682,922	(101,434.96)	(72,752.49)	1.096	(0.016)				
Wolverine	not applicable	not applicable	2,385.93	7,061.15	not applicable	not applicable				
Transmission	not applicable	not applicable	(110,036.92)	(115,605.20)	not applicable	not applicable				
Subtotal	(92,519)	4,682,922	(209,085.95)	(181,296.54)	2.260	(0.039)				
Bilateral Contract	12,293,900	33,876,700	436,337.68	1,337,560.56	0.035	0.039				
Campbell #3	7,660,214	22,819,379	387,479.39	1,111,485.56	0.051	0.049				
Belle River	5,124,957	16,529,437	353,364.92	918,801.94	0.069	0.056				
Combustion Turbine	3,168,254	7,354,486	444,398.32	1,210,672.36	0.140	0.165				
Landfill Gas	954,613	2,522,130	70,059.00	237,273.49	0.073	0.094				
Stoney Corners	1,273,075	3,800,174	150,528.39	449,332.58	0.118	0.118				
M-72 Wind Turbine	20,272	62,553	1,557.57	4,517.24	0.077	0.072				
MPPA Capacity Costs (market)	not applicable	not applicable	71,746.40	215,314.80	not applicable	not applicable				
Total	30,402,766	91,647,781	\$ 1,706,385.72	\$ 5,303,661.99	\$ 0.056	\$ 0.058				

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Amended Budget	Year to date Actual	Favorable (Unfavorable)	Percentage of Budget
Operating revenues				
Charges for services	\$ 319,000	\$ 76,410	\$ (242,590)	23.95%
Merchandising and jobbing	-	-	-	#DIV/0!
Total operating revenues	319,000	76,410	(242,590)	#DIV/0!
Operating expenses				
Salaries and wages	80,800	10,935	69,865	13.53%
Fringe benefits	94,600	20,958	73,642	22.15%
Supplies	6,400	951	5,449	14.86%
Pole attachments	-	11,016	(11,016)	#DIV/0!
WiFi Operations and maintenance	29,800	21,728	8,072	72.91%
Professional and contractual	1,500	-	1,500	0.00%
Professional development	2,500	-	2,500	0.00%
Insurance	1,000	117	883	11.67%
Repairs and maintenance	20,000	300	19,700	1.50%
Vehicle Rental	13,000	2,025	10,975	15.58%
City fee	15,975	-	15,975	0.00%
Depreciation	145,000	35,748	109,252	24.65%
Total operating expenses	410,575	103,778	306,797	25.28%
Operating income	(91,575)	(27,368)	64,207	
Nonoperating revenues				
Reimbursements	53,400	(65)	(53,465)	-0.12%
Interest income	500	-	(375)	25.00%
Total nonoperating revenues	53,900	(65)	(53,840)	0
Income before transfers	(37,675)	(27,433)	(10,242)	
Transfers out	(125,000)	-	(125,000)	#DIV/0!
Change in net position	(162,675)	(27,433)	(135,242)	
Net position, beginning of year	1,573,791	1,573,791	-	
Net position, end of year	\$ 1,411,116	\$ 1,546,358	\$ (135,242)	