

A REGULAR MEETING
Of The
TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

Tuesday, July 10, 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 St. Amour
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

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

Posting Date: 7-6-18
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 Agenda.
- b. Consideration of approving minutes of the Regular Meeting of June 12, 2018. (Approval Recommended (p.4))
- c. Consideration of appointing Kelli Schroeder as Officer Delegate and Karla Myers-Beman as Officer Alternate Delegate to cast official votes on behalf of TCL&P at the Annual Meeting of the Municipal Employees Retirement Systems. (Approval Recommended) (Schroeder) (p.7)
- d. Consideration of authorizing a Construction Agreement for the HL-22 Distribution Circuit Rebuild Project. (Approval Recommended) (Dixon) (p.9)
- e. Consideration of approving a purchase order for material for the HL-22 Distribution Circuit Rebuild Project. (Approval Recommended) (Dixon) (p.13)

4. Unfinished Business

- a. Public Hearing regarding:
 1. Amendment to the Primary Service High Load Factor Tariff Rate effective August 1, 2018. (Myers-Beman) (p.16)

5. New Business

- a. Consideration of authorizing a Construction Agreement for renovations to Hastings Street Facility – Building D. (Hardy) (p.20)
- b. Consideration of approving a Project Authorization Request for the Lake Avenue Streetscape Lighting Project. (Dixon) (handout)

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 - 1. Structured discussion of 2018 Strategic Plan – Renewable Energy Goal.
(McGuire) (p.23)
 - 2. Fiber to the Premise Project Update. (Verbal-Menhart)
- 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, June 12, 2018

Board Members -

Present: Pat McGuire, Elysha Davila, Ross Hammersley, Jan Geht, Amy Shamroe,
Tim Werner

Absent: John Taylor

Ex Officio Member -

Absent: Marty Colburn, City Manager

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

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

Item 2 on the Agenda being Disclosure of Recusal

Item 3 on the Agenda being Consent Calendar

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

- a. Approval of Agenda
- b. Minutes of the Regular Meeting of May 8, 2018, Special Meeting and Study Session of May 15, 2018.
- c. Approval of the Electric and Fiber Fund Budgets, Six Year Capital Improvements Plan – 2018 and Cash Reserves in accordance with the Cash Reserves Policy.
- d. Approval of the 2018-19 Insurance Renewal.
- e. Adopting a Resolution in support of the 80/20 health premium cost share model to comply with the requirements of Public Act 152 of 2011.
- f. Authorizing a Construction Agreement for hourly rate assistance.
- g. Approval of a Joint Construction Agreement with Wolverine Power Supply Cooperative for Grand Traverse 138-69kV Substation equipment upgrade.
- h. Authorizing a Letter of Agreement with the Utility Workers Union of America, AFL-CIO Local No. 295 along with an update Organizational Chart.

CARRIED unanimously.

Items Removed from the Consent Calendar

None.

Item 4 on the Agenda being Unfinished Business

- a. Consideration of approving the 2018 Strategic Plan – Renewable Energy Goal.

The following individuals addressed the Board.

Tim Arends, Executive Director

NO ACTION TAKEN. MOVED TO FUTURE BOARD MEETING AS A STAFF REPORT.

Item 5 on the Agenda being New Business

- a. Consideration of amending the Primary Service-High Load Factor Rate and consideration of a public hearing.

The following individuals addressed the Board:

Karla Myers-Beman, Controller
Tim Arends, Executive Director

Moved by Werner, seconded by Shamroe, that the Board set a public hearing for proposed adoption of the amended Primary High Load Factor Tariff Rate on July 10, 2018; and further that a notice of the public hearing be posted on the utility's website and placed in the Traverse City Record Eagle and Traverse City Ticker.

CARRIED unanimously.

Item 6 on the Agenda being Reports and Communications

- a. From Legal Counsel.

- b. From Staff.

1. Presentation of the RP3 Designation Award.

The following individuals addressed the Board:

Kelli Schroeder, Manager of Human Resources & Communications

2. Presentation of the BW-31 Distribution Circuit Rebuild Project.

The following individuals addressed the Board:

Daren Dixon, Operations Manager
Tim Arends, Executive Director

3. Presentation of MPPA's report card on TCL&P.

The following individuals addressed the Board:

Karla Myers-Beman, Controller
Tim Arends, Executive Director

4. Report on Annual Performance Evaluation of Executive Director.

The following individuals addressed the Board:

Kelli Schroeder, Manager of Human Resources and Communications

c. From Board

Item 7 on the Agenda being Public Comment

a. General

The following individuals from the Public addressed the Board:

Dave Petrov, 9988 Riley Rd., non-ratepayer

There being no objection, Chairman McGuire declared the meeting adjourned at 5:43 p.m.

Tim Arends, Secretary
LIGHT AND POWER BOARD

FOR THE LIGHT & POWER BOARD MEETING OF JULY 10, 2018



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Kelli Schroeder, Manager of HR & Communications *KS*
CC: Tim Arends, Executive Director
Date: July 2, 2018
Subject: MERS Annual Meeting - Delegates

The Municipal Employees Retirement System (MERS) is holding their Annual Meeting from October 4 – October 5, 2018 at the Amway Grand Plaza Hotel, Grand Rapids, Michigan.

The MERS Plan Document provides that our Employees' Delegate shall be selected by secret ballot of the employees who are members of the Retirement System. This year Linus Darga was elected as Employee Delegate.

The Employer appoints an Officer Delegate and Officer Alternate Delegate to attend this meeting. Please appoint Kelli Schroeder, Manager of HR & Communications, as Officer Delegate, and Karla Myers-Beman, Controller, as Alternate Delegate.

Attached please find the MERS 2018 Annual Meeting Delegate and Alternate Certification form appointing the Officer Delegate and Alternate. This form also indicates the Employees' selection for Delegate.

This item is appearing on the Consent Calendar as staff deems it to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation to appoint a MERS delegate and alternate.

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 KELLI SCHROEDER, MANAGER OF HR & COMMUNICATIONS AND KARLA MYERS-BEMAN, CONTROLLER, BE APPOINTED OFFICER DELEGATE AND OFFICER ALTERNATE DELEGATE RESPECTIVELY, FOR THE 2018 ANNUAL MEETING OF THE MUNICIPAL EMPLOYEES RETIREMENT SYSTEM; AND FURTHER THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO EXECUTE THE CERTIFICATION OF DELEGATES.



Municipal Employees' Retirement System of Michigan
 1134 Municipal Way • Lansing, MI 48917
 800.767.MERS (6377) • Fax: 517.703.9707
 www.mersofmich.com

2018 Officer and Employee Delegate Certification Form

MERS 72nd Annual Conference | October 4–5, 2018 | Amway Grand Plaza Hotel, Grand Rapids, MI

Please print clearly • Upload with registration and retain a copy for your records

IMPORTANT: A **voting delegate registered** to attend the **MERS Retirement Conference** is **NOT** confirmed to have voting rights until this form has been received by MERS.

The voting delegate representative must be a MERS member, defined as an **active employee on payroll** who is enrolled in either a MERS Defined Benefit Plan, Defined Contribution Plan or Hybrid Plan.

If you are NOT attending the MERS Annual Conference, you do not need to submit this form.

1. Officer (and alternate) delegate information

The officer delegate (or alternate) shall be a MERS member who holds a department head position or above, exercises management responsibilities, and is directly responsible to the legislative, executive, or judicial branch of government.

Officer Delegate name

Kelli Schroeder, Manager of HR & Communications

Officer Alternate name

Karla Myers-Beman, Controller

Officer delegate and alternate listed above were appointed to serve at the 2018 MERS Annual Conference by official action of the governing body (or chief judge for a participating court) on July 10, 2018.

2. Employee (and alternate) delegate information

The employee delegate (or alternate) shall be an employee member who is not responsible for management decisions, receives direction from management and, in general, is not directly responsible to the legislative, executive, or judicial branch of government.

Employee Delegate name

Linus Darga

Employee Alternate name

Employee delegate and alternate listed above were elected to serve at the 2018 MERS Retirement Conference by secret ballot election conducted by an authorized officer on June 25, 2018.

3. Certification

NOTE: Certification should be signed by a member of the governing body or chief administrative officer, or the chief judge for a participating court.

I certify that the officer delegate and alternate selections are true and correct, and the secret ballot election results for the employee delegate and alternate are true and correct.

Employer/municipality name*

Traverse City Light & Power

Municipality number*

2811

Email address

tarends@tclp.org

Employer address

1131 Hastings Street

Employer city

Traverse City

Employer state

MI

Employer zip code

49686

Signature of authorized authority*

Printed name

Title of authorized authority*

Executive Director

Date

* Required field

! TIP: **Scan and upload** this completed form to your computer. Then attach it to your registration when you register online to attend the conference.

www.mersofmich.com



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Daren Dixon, Manager of Operations
Date: July 5, 2018
Subject: Construction Contract – HL22 Eighth St Alley Rebuild

On July 3, 2018, three out of four requested bids were received, opened and reviewed for the construction of the HL22 Eighth St Alley Rebuild project. The following are the results of the bid process:

<u>Vendor</u>	<u>Price</u>	
C.C. Power, LLC	\$ 278,324.00	Low Bid
Kent Power, Inc.	\$ 390,624.00	
Newkirk Electric	\$ 298,590.00	

Staff is recommending Traverse City Light & Power accept the low bid from CC Power, LLC., and to issue a construction agreement in the amount of \$278,324.00. The recommended bid for construction is significantly higher than the estimate used for the project authorization, which was \$112,000. Both staff and GRP believe this is due to: 1) a compressed timeframe during busy construction season in order to get facilities out of the way for the City's paving project in the alley, 2) the project limits were extended 800' to connect with the rebuild done on BW31, and 3) a section was rerouted to remove primary from an inaccessible backyard.

This item is appearing on the Consent Calendar as it is deemed non-controversial. Staff recommends the Board accept the bid from CC Power, LLC. 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 FOLLOWING PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF APRIL 10, 2018

MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER
INTO A CONSTRUCTION AGREEMENT WITH CC POWER, LLC. IN THE AMOUNT
OF \$278,324.00 TO REBUILD OVERHEAD LINES AND RELOCATE FACILITIES
FOR THE HL22 EIGHTH ST ALLEY REBUILD PROJECT; SUBJECT TO APPROVAL
AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND AS TO FORM BY
GENERAL COUNSEL; AND FURTHER AUTHORIZES THE EXECUTIVE
DIRECTOR TO APPROVE CHANGE ORDERS IN THE BEST INTERESTS OF THE
UTILITY.

July 4, 2018
18-0922.01

Mr. Daren Dixon
Operations Manager
Traverse City Light & Power
1131 Hastings Street
Traverse City, MI 49686

**RE: HL22 Eighth Street Alley Rebuild
Construction Bid Evaluation & Recommendation**

Dear Daren:

GRP Engineering, Inc. has completed our evaluation of the Construction bids received for the HL22 Eighth Street Alley Rebuild project. Of the four (4) contractors invited to submit a bid, three (3) bids were received. CC Power, LLC submitted the low bid for the project in the amount of \$278,324.00. A complete bid tabulation is attached to this letter.

<u>Contractor</u>	<u>Total</u>	
CC Power	\$278,324.00	(Low Bid)
Kent Power	\$390,624.00	
Newkirk Electric	\$298,590.00	

CC Power's bid is approximately \$180,000 above the estimated cost for the construction portion of this project, Unit prices submitted were 2 – 3 times that for similar projects bid in 2017, therefore we believe the cost overrun is due to project schedule and contractor availability. GRP Engineering, Inc. sees no reason not to accept CC Power's bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,

GRP Engineering, Inc.



Michael P. McGeehan, P.E.
Project Manager

cc: Traverse City Light & Power
Mr. Tim Arends
Mr. Tony Chartrand

BID TABULATION

OWNER:
TRAVERSE CITY LIGHT & POWER
 1131 HASTINGS STREET
 TRAVERSE CITY, MI 49686

HL22 EIGHTH STREET ALLEY REBUILD

ENGINEER:
GRP ENGINEERING, INC.
 459 BAY STREET
 PETOSKEY, MI 49770

BIDDERS	BID SECURITY	TOTAL CONTRACTOR BASE BID PRICE	REMARKS
GC Power P.O. Box 2028 Kalkaska, MI 49646	10% Bond	\$278,324.00	Low Bid
The Hydraker-Wheatlake Company 420 N. Roth Street Reed City, MI 49677			No Bid
Kent Power 90 Spring St Kent City, MI 49330	10% Bond	\$390,624.00	
Newkirk Electric, Inc. 1875 Roberts Street Muskegon, MI 49442	10% Bond	\$298,590.00	

This is to certify that at 11:00a.m., local time on Tuesday, July 3, 2018, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.

By: Michael P. McGeehan

Michael P. McGeehan, P.E.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Daren Dixon, Manager of Operations
Date: July 5, 2018
Subject: Material Purchase for HL22 Eighth St Alley Rebuild Project

Traverse City Light & Power solicited bids for the material for the HL22 Eighth St Alley Rebuild project. Four out of five bids requested were received with the following results:

<u>Vendor</u>	<u>Price</u>	
Irby	\$47,728.24	
Power Line Supply	\$34,397.38	Low Bid
RESCO	\$37,470.24	
WESCO	\$38,421.09	

After review by staff, it is recommended TCL&P accept the low bid and issue a purchase order to Power Line Supply in the amount of \$34,397.38. Note that poles are being ordered separately for \$19,000. These costs are in line with the anticipated material costs for this project.

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 is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO ISSUE A
PURCHASE ORDER TO POWER LINE SUPPLY IN THE AMOUNT OF \$34,398.38 FOR
MATERIALS TO BE USED ON THE HL22 EIGHTH ST ALLEY REBUILD PROJECT.**

July 4, 2018
18-0922.01

Mr. Daren Dixon
Operations Manager
Traverse City Light & Power
1131 Hastings Street
Traverse City, MI 49686

**RE: HL22 Eighth Street Alley Rebuild
Material Bid Evaluation & Recommendation**

Dear Daren:

GRP Engineering, Inc. has completed our evaluation of the material bids received for the HL22 Eighth Street Alley Rebuild project. Of the five (5) vendors invited to submit a bid, four (4) bids were received. Power Line Supply submitted the low bid for the project in the amount of \$34,397.38. A complete bid tabulation is attached to this letter.

<u>Contractor</u>	<u>Total</u>	
Irby	\$47,728.24	
PLS	\$34,397.38	(Low Bid)
Resco	\$37,470.24	
Wesco	\$38,421.09	

GRP Engineering, Inc. sees no reason not to accept Power Line Supply's bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,

GRP Engineering, Inc.



Michael P. McGeehan, P.E.
Project Manager

cc: Traverse City Light & Power
Mr. Tim Arends
Mr. Tony Chartrand

BID TABULATION

OWNER:
TRAVERSE CITY LIGHT & POWER
 1131 HASTINGS STREET
 TRAVERSE CITY, MI 49686

**HL22 EIGHTH STREET ALLEY REBUILD
 MATERIAL**

ENGINEER:
GRP ENGINEERING, INC.
 459 BAY STREET
 PETOSKEY, MI 49770

BIDDERS	TOTAL BID PRICE	REMARKS
Anixter 1100 Old Slate Road Mattoon, IL 61938		No Bid
Irby 5846 Venture Way Mt. Pleasant, MI 48858	\$47,728.24	
Power Line Supply 420 Roth Street Reed City, MI 49677	\$34,397.38	Low Bid
Resco 2250 Pinehurst Drive Middelton, WI 53562	\$37,470.24	
Wesco 3440 Duncel Road Lansing, MI 48911	\$38,421.09	

This is to certify that at 11:00a.m., local time on Tuesday, July 3, 2018, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.

By: 
 Michael P. McGeehan, P.E.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Karla Myers-Beman, Controller
Date: June 27, 2018
Subject: Amendment to the Primary Service High Load Factor Tariff Rate

At the June 12, 2018 board meeting, the Board was presented an amended Primary Service High Load Factor Tariff Rate. Staff proposed this amendment for the overall purpose to ensure equitable recovery of fixed costs among the customers within the rate class. The new customer load profile who preempted the change has been informed of the amended rate and expected savings compared to their previous utility provider based on their 2017 calendar year consumption.

In accordance with the board motion made at the last board meeting, a public hearing was scheduled for this meeting with public notice provided through an advertisement in the Traverse City Record Eagle on June 23, 2018 (Traverse City Ticker does not currently provide this service, but is considering providing it in the future) and posted on the TCL&P website.

After the public hearing, if the Board concurs with implementation of the amended Primary Service High Load Factor Tariff Rate the following board motion would be appropriate:

MOVED BY _____, SECONDED BY _____, THAT

THE LIGHT & POWER BOARD APPROVES THE ADOPTION OF THE AMENDED

PRIMARY SERVICE HIGH LOAD FACTOR TARIFF RATE EFFECTIVE AUGUST 1,

2018.

City of Traverse City
Light and Power Department
Effective: July 1, 2014
Amended:

PRIMARY SERVICE-HIGH LOAD FACTOR

(Rate "I1")

Availability:

Open to any customer desiring primary voltage service for general use where the billing demand is 100 kW or more. This rate is not available for street lighting service or for resale purposes.

Nature of Service:

Alternating current, 60 hertz, single phase or three phase, the particular nature of the voltage in each case to be determined by the Department.

Where service is supplied at a nominal voltage of 15,000 volts or less, the customer shall furnish, install and maintain all necessary transforming, controlling and protective equipment.

Beginning July 1, 2014 any new the customers must purchase and retain ownership of all necessary transforming, controlling and protective equipment, and, install and maintain this equipment at their expense. The customer is responsible for all costs and liability associated with the transforming, controlling and protective equipment.

Where the Department elects to measure the service at a nominal voltage of less than 2,400 volts, 3% will be added for billing purposes to the demand and energy measurements thus made.

Monthly Rate:

Customer Charge: \$50.00 per meter per month, plus

Capacity Charge: \$11.00 per kW of on-peak billing demand

Energy Charge: 6.6¢ per kWh for all kWh consumed during the on-peak period,
November through May.

6.8¢ per kWh for all kWh consumed during the on-peak period, June
through October.

5.5¢ per kWh for all kWh consumed during the off-peak period.

City of Traverse City
Light and Power Department
Effective: July 1, 2014

Primary Service-High Load Factor (Rate "I1"), cont.

Power Service Cost Recovery:

This rate is subject to the Department's Power Service Cost Recovery.

High Load Factor Credit:

Monthly credits will be given to high load factor customers as follows:

<u>Load Factor</u>	<u>% Credit on Total Billed Amount</u>
90% - 100%	5%
80% - 89%	4%
70% - 79%	3%

Minimum Charge:

The capacity charge included in the rate.

Due Date:

The due date of the customer's bill will be shown on the bill and will be at least twenty-one (21) days. Payments received after the due date are considered late, and a penalty charge of 2% shall be imposed as a one-time charge.

On-Peak Billing Demand:

The on-peak billing demand shall be the kilowatts (kW) supplied during the 30-minute period of maximum use during on-peak hours during the month, per schedule below, but never less than 54% of the highest on-peak billing demand of the preceding billing months of June through September.

Schedule of On-Peak and Off-Peak Hours

The following schedule shall apply Monday through Friday (except holidays designated by the Department). Weekends and holidays are off-peak.

On-Peak Hours: 10:00 a.m. to 5:00 p.m.
Off-Peak Hours: 5:00 p.m. to 10:00 a.m.

City of Traverse City
Light and Power Department
Effective: July 1, 2014

Primary Service-High Load Factor (Rate "I1"), cont.

Holidays designated by the Department

The following are designated as holidays by the Department:

New Year's Day Independence Day Thanksgiving Day

Memorial Day Labor Day Christmas Day

Adjustment for Power Factor:

This rate requires a determination of the average power factor maintained by the customer during the billing period. Such average power factor will be determined through metering of lagging kilovar hours and kilowatt hours during the billing period. The calculated ratio of lagging kilovar hours to kilowatt hours will then be converted to the average power factor for the billing period by using the appropriate conversion factor. Whenever the average power factor during the billing period is above 0.899 or below 0.800, the capacity charge will be adjusted as follows:

- a. If the average power factor during the billing period is 0.900 or higher, the capacity charge will be reduced by 2%. This credit shall not in any case be used to reduce the prescribed minimum charge.
- b. If the average power factor during the billing period is less than 0.800, the capacity charge will be increased by the ratio that 0.800 bears to the customer's average power factor during the billing period.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Jacob Hardy, Energy Technician
Date: June 29, 2018
Subject: Renovations to Hastings Street Facility – Building D

In July of 2017 Traverse City Light & Power (TCL&P) purchased the building at 1125 Hastings Street (Building D) (recently the parcel has been combined with 1131 Hastings Street) to be used for subcontractor office space and the storage of new meters for the upcoming AMI Project. As included in the six-year capital improvements plan, some renovations are needed, such as bricking in the new front to match the existing service center at 1131 Hastings Street, installing a garage door at the rear of the building and constructing access to the existing service center building. TCL&P contracted with AAI to prepare the design and manage the bidding process for the installation of the rear garage door, removal and blocking of an existing garage door, and the construction of the access to the existing service center building. In lieu of bricking the front of Building D, the contractor will be painting the front half of the building to blend with the existing service center. AAI issued a Request for Proposals for this work and bids were received as follows:

<u>Vendor</u>	<u>Price</u>
Grand Traverse Construction	NO BID
Hallmark Construction	NO BID
Spence Brothers Construction	\$ 72,800

Staff is recommending TCL&P accept the bid from Spence Brothers Construction and enter into a construction agreement in the amount of \$72,800.

If after Board discussion you agree with staff's recommendation, the following motion is recommended:

(MOTION ON THE FOLLOWING PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF JULY 10, 2018

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZE THE CHAIRMAN AND SECRETARY TO ENTER INTO A CONSTRUCTION AGREEMENT FOR RENOVATIONS TO BUILDING D WITH SPENCE BROTHERS CONSTRUCTION IN THE AMOUNT OF \$72,800, MORE OR LESS; SUBJECT TO APPROVAL AS TO FORM BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY GENERAL COUNSEL. FURTHER, THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO APPROVE CHANGE ORDERS IN THE BEST INTERESTS OF THE UTILITY.



Project Name: Renovations to Hastings Street Storage Building Project No. 0218

BIDDER	SURETY BOND (5% REQUIRED)	TOTAL CONTRACTOR LUMP SUM BID PRICE	REMARKS
SPENCE BROTHERS	YES	\$72,800	90 DAY COMPLETION

This is to certify that at 2:00PM, local time on Wednesday June 20, 2018, the bids tabulated herein were publicly opened and read.

By: 
Jacob Hardy, Energy Technician

FOR THE LIGHT & POWER BOARD MEETING OF JULY 10, 2018



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Daren Dixon, Operations Manager
Date: July 6, 2018
Subject: Project Authorization Request – Lake Ave Streetscape Lighting

Staff is requesting authorization from the Board to issue a purchase order to the City in the amount of \$72,700.32 for TCL&P's portion of a new lighting circuit on both sides of Lake Avenue from Cass St. to Eighth St.

This project is in the TCL&P Six Year Capital Improvements Plan and is coincidental with the City's Lake Avenue streetscape project. The lighting will provide improved visibility in this area which has increasingly heavy amounts of pedestrians, bicycles and vehicles, particularly at night due to the nature of businesses in the area.

Staff recommends Board approval of the Lake Ave Streetscape Lighting Project and seeks the necessary Board approvals for expenditures in order to complete the project by November 30, 2018.

If the Board concurs, the following motion is recommended:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD APPROVE AS PRESENTED THE LAKE AVE. STREETSCAPE LIGHTING PROJECT AND AUTHORIZES REIMBURSEMENT TO THE CITY IN THE AMOUNT OF \$72,700.32 FOR THE CONSTRUCTION OF THE UNDERGROUND LIGHTING CIRCUIT INFRASTRUCTURE.

PROJECT AUTHORIZATION REQUEST



TRAVERSE CITY
LIGHT & POWER

Project Name: Lake Avenue Streetscape Lighting

Budgeted in CIP: Yes

Dollar Amount Budgeted: \$30,000

Date of Board Presentation: July 10, 2018

Objective:

Target Completion date of November 30, 2018

Project Description:

The City is hiring a contractor to install a new underground streetlighting circuit and 24 standard decorative acorn-style streetlights along both sides of Lake Avenue between Cass St. and Eighth St. There will be additional minor internal costs for TCL&P employees to connect the lighting circuit to the existing distribution system.

Project Purpose and Necessity:

The City wants pedestrian scale lighting installed as part of a streetscaping project in this area, which is subject to heavy pedestrian and vehicular traffic due to local establishments catering to nightlife. Additionally, the Decorative Streetlighting Policy specifies that TCL&P will consider installing decorative lights in conjunction with City's plans for street reconstructions.

As per the Policy, TCL&P is responsible for the costs of the underground infrastructure, the monthly cost of operating and maintaining the lights, and the City is responsible for the costs of the light fixtures and poles. The original City estimate for TCL&P's portion of this project was \$31,350. After receiving bids for the entire streetscape project, TCL&P's cost responsibility from the low bid is \$72,700.32.

Project Benefits:

Installing lighting along this stretch will improve visibility for pedestrians and vehicles, reducing risk of safety incidents. Additionally, lit commercial streets are typically more inviting for patrons, which can help local businesses thrive during the darker hours.

Alternatives:

Do nothing; the City would have to decide whether or not to install their own metered lighting system.

PROJECT AUTHORIZATION REQUEST



TRAVERSE CITY
LIGHT & POWER

Timeline:

City Award Construction Contract: July 14, 2018
Construction Start: August 1, 2018
Construction Complete: November 30, 2018

Financing Methods:

TCL&P's contribution will be cash from TCL&P fund balance. Bonding will not be required. The City plans to fund the costs of the poles and fixtures from TIF fund and an SID.

Revenues:

There are no revenues from this project.

Impact on O&M Expenses:

As per the City of Traverse City and TCL&P Streetlighting Operations and Maintenance Policy, the operation and maintenance costs for decorative lighting are borne by TCL&P.

Staff Recommendation:

Staff recommends that the Board Authorize the Executive Director to issue a P.O. to the City in the amount of \$72,700.32

Budget:

Contract labor & Materials:	\$61,820.00
5% Contingency:	\$ 3,091.00
Engineering:	<u>\$ 7,789.32</u>
Total	\$72,700.32



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Tim Arends, Executive Director
Date: June 29, 2018
Subject: Strategic Plan – Renewable Energy Goal

At the direction of the Board, staff is bringing back the Strategic Plan's Renewable Energy Goal for discussion under staff reports with the expectation the Board will vote for approval at the August board meeting.

In addition to staff's proposed renewable energy goal, Board member's Ross Hammersley and Jan Geht's renewable energy goal statements are included for your review.

Strategic Plan regarding the renewable energy issue:

Traverse City Light & Power commits to setting a long-term goal of providing 100% renewable power to its customers. In the shorter term, Traverse City Light & Power sets goals of at least 35% of its energy mix from renewable energy by 2028 and at least 50% by 2038, in a fiscally responsible manner without losing focus on the longer-term goal of one day being at 100%.

It is important to understand current constraints in TCL&P achieving the goal in the near-term. Some of these constraints include: remaining terms of existing contracts, availability of suitable renewable energy projects, the risk of future costs associated with changing operating conditions imposed by MISO, and the feasibility of developing our own local, utility scale renewable energy.

In anticipation of existing power contracts expiring, the utility will work with its joint action agency and/or outside power supply professionals to proactively pursue opportunities to replace those contracts with lower greenhouse gas emissions output options, if not entirely renewable power sources,¹ while remaining focused on how any new contracts will affect customer rates. We will also seek to alleviate current constraints and reduce barriers to future renewable energy expansion by investing in opportunities that will enhance the grid value of intermittent renewable energy, including energy storage, electric vehicles, energy efficiency, and demand response.

¹ We define “renewable power” as wind, solar, hydropower, geothermal, and landfill gas.

Strategic Plan for Clean & Renewable Energy:

Traverse City Light & Power aims to provide as much renewable power to its customers as possible in a fiscally responsible manner. As such, the utility will work to progress from its current renewable portfolio of roughly 12% to achieve the following targets:

1. First, by 2021, TCL&P will meet or exceed the statutory mandate of 15% energy generation from clean & renewable sources;
2. Second, by 2025, TCL&P intends to fulfill at least 40% of its energy portfolio requirements with renewable energy;
3. Finally, by 2040, the utility will aim to provide 100% renewable power to its customers.

The utility will pursue the following strategies to achieve these targets:

- In anticipation of existing power contracts expiring – including downstate coal contracts that expire in 2028-2029 – the utility will proactively pursue opportunities to replace those contracts with renewable power sources, including, potentially, to examine fiscally responsible strategies to replace those contracts prior to their expiration dates.
- TCL&P will continue to facilitate local generation of renewable energy and pursue shares of joint action agency contracts for renewable energy through its partners at MPPA. As it enters into new contracts, TCL&P will continue to ensure that its customers are protected from potential risks, such as fluctuations of fossil fuel generation as well as exposure to MISO markets, while remaining focused on how any new contracts will affect customer rates.
- The utility will continue to pursue and develop projects promoting reduction of energy consumption and more efficient use by its ratepayers.
- TCL&P will also proactively seek to alleviate current constraints and reduce barriers to future renewable energy expansion by investing in opportunities that will enhance the grid value of intermittent renewable energy, including, potentially energy storage, electric vehicles, energy efficiency, demand response, and alternative financing strategies.

From: Jan Geht [geht@traverselaw.com]
Sent: Thursday, May 17, 2018 4:14 PM
To: Tim Arends
Subject: RE: Renewable goal statement

Traverse City Light & Power is aware that there is some community support for it to adopt a goal of providing 100% renewable power to its customers.

Any discussion of such a goal, however, requires an understanding of certain constraints which affect the utility's ability to achieve any goal, let alone a 100% goal. Some of those constraints include: Remaining terms of existing contracts, the uncertainty of future MISO tariff adjustments, availability of suitable renewable energy projects, additional market costs associated with intermittent generation, and unfavorable economics of developing our own local, utility scale renewable energy.

The acknowledgement of those constraints, however, does not diminish the utility's preference for cleaner and greener power supply. Accordingly, as existing power contracts expire, or are set to expire, the utility will pursue opportunities to replace those contracts with lower greenhouse gas emissions output options, if not with entirely renewable power sources, while remaining focused on how any new contracts will affect customer rates.

In the shorter term, Traverse City Light & Power sets goals of at least 30% of its energy mix from renewable energy by 2028 and at least 45% by 2038, in a fiscally responsible manner. It is the Board's intent to consider any energy contract that does not exceed 115% of the avoided cost as a fiscally responsible contract.