

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, May 27, 2008

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.

Edward Rice, Executive Director
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Posting Date: 5-23-08
5:00 p.m.

Light and Power Board
May 27, 2008

1. **ROLL CALL**

2. **CONSENT CALENDAR**

A. Receive and file:

None as of May 23, 2008.

B. Approval of:

(1) Minutes of the Regular Meeting of May 13, 2008.

3. **OLD BUSINESS**

A. Approval of Light and Power's Organizational Chart.

B. Consideration of Board adding the staff position, Human Resource Supervisor.

C. Consideration of Board adding the staff position, Energy Supply Manager.

D. Consideration of Board adding the staff position, System Engineer.

4. **NEW BUSINESS**

A. Discussion regarding adjustments to Light and Power's "Private Area Lighting" Rate.

5. **REPORTS AND COMMUNICATIONS**

A. From Legal Counsel:

None as of May 23, 2008.

B. Staff Reports:

(1) Verbal report from Ed Rice re: MMEA Conference held May 14-16, 2008 at Mt. Pleasant, MI.

(2) Verbal report from Joe Kaltenbach re: CT Project.

Light and Power Board
May 27, 2008

5. **REPORTS AND COMMUNICATIONS** (cont.)

C. From Committees:

None as of May 23, 2008.

D. From Board:

None as of May 23, 2008.

6. **PUBLIC COMMENT**

28(1)

Traverse City
Light and Power Board

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

Tuesday, May 13, 2008

BOARD MEMBERS -

Present: Linda Johnson, John Welch, Joseph Zimmerman, Michael Coco, Ralph Soffredine, Chris Bzdok

Absent: James Hoogesteger

EX OFFICIO MEMBER -

Present: Richard Lewis, City Manager

OTHERS: Ed Rice, Jim Cooper, Ethel DeVries, Mark Rollenhagen, Shelly Kelley, Doug Zufelt

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

Moved by Zimmerman, seconded by Welch, that the following items, as recommended on the Consent Calendar portion of the agenda, be approved:

A. Receive and file:

None

B. Approval of:

(1) Minutes of the Regular Meeting of April 22, 2008.

Motion passed by unanimous vote.

Moved by Bzdok, seconded by Welch, that the Light and Power Board adopt the Memorandum of Understanding between the City of Traverse City and Traverse City Light and Power to utilize the City Attorney for certain legal services, at the Light and Power Executive Director's discretion for a period of one-hundred twenty days (120) days, to be revisited again at the end of that period; passed by unanimous vote.

Traverse City Light and Power Board
Minutes of Regular Meeting
Tuesday, May 13, 2008
Page 2

Moved by Welch, seconded by Zimmerman, that in the best interest of Light and Power, the Board authorize the Chairman and Secretary to execute a contract with SKF Contracting, Inc., the lowest qualified bidder for the Consumer's cut-over conduit installation, in the amount of \$33,600, subject to approval as to form by General Counsel; passed by unanimous vote.

Consideration of Board authorizing changes to Light and Power's Organizational Chart was tabled for future discussion.

Moved by Welch, seconded by Zimmerman, that the Light and Power Board approve adding the staff position Controller, Grade 9, with a pay range of \$63,534 to \$82,594 plus benefits and eliminating the Deputy Director position; passed by unanimous vote.

Board Reports:

- (1) Member Welch inquired when the Strategic Planning Meeting is scheduled in May.
- (2) Member Soffredine requested an update re: Activities at the Coal Dock.
- (3) Member Bzdok requested information re: DEQ requirements and mandates for the removal of coal at the Coal Dock area.

Staff Reports:

- (1) Update re: MPPA.
- (2) Update re: Wind Project.
- (3) Update re: Fiber Project.

Public Comment:

- Rick Buckhalter spoke re: Compact fluorescent lighting.

The meeting was adjourned at 6:40 p.m.

Ed Rice, Executive Director
LIGHT AND POWER BOARD

3B

FOR LIGHT AND POWER BOARD REGULAR MEETING OF MAY 27, 2008

interoffice
MEMORANDUM

To: Light and Power Board

From:: Ed Rice, Executive Director

ΣER

**LIGHT AND POWER
DEPARTMENT**

Date: May 21, 2008

Subject: Human Resource Supervisor - Staff Addition

This is a new, full-time position to provide human resource leadership to Light and Power employees. Many personnel issues face the department such as; retirements, legacy costs for retiree health and pension benefits, government regulations, union labor contracts, EEOC policies, Code of Conduct.

Major duties performed by the Human Resource Supervisor are as follows:

1. Locate and acquire new employees.
2. Analyze and recommend health and benefit programs.
3. Provide a source for employee's problem resolution.
4. Union relations.

**MOVED BY _____, SECONDED BY _____, THAT THE LIGHT
AND POWER BOARD APPROVE ADDING THE STAFF POSITION - HUMAN
RESOURCE SUPERVISOR, GRADE 6, WITH A PAY RANGE OF \$50,033 TO \$63,167.**

ER:ed

Attachment: Job Description

CITY OF TRAVERSE CITY

LIGHT AND POWER

HUMAN RESOURCE SUPERVISOR

Supervised by: Executive Director, Light and Power

Supervises: No supervisory responsibilities

General Summary:

Under the general supervision of the Traverse City Light and Power's executive director. Manages Light and Power's human resource activities by initiating and implementing personnel policies. Participates in labor negotiations and administers the collective bargaining agreement. Administers Light and Power's employee compensation and benefit programs. Coordinates departmental activities with the Traverse City human resource director.

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Serves as a member of L&P's collective bargaining team. Proposes and drafts contract language and studies and reports on the potential cost and service impacts of proposed provisions. Administers the collective bargaining agreement.
2. Directs and participates in the recruitment, hiring, discipline and discharge of L&P employees. Reviews applications, conducts interviews and performs reference checks on applicants. Oversees the proper maintenance and access to personnel files.
3. Develops, in conjunction the executive director and the L&P board, employee health and retirement plans. Once the plans are approved, manages the plans.
4. Administers the employee compensation program. Oversees leave time accruals and benefits programs. Conducts surveys and job analysis to develop job descriptions and pay ranges.
5. Develops and implements, in coordination with the City H R Director, personnel policies and procedures.
6. Ensures compliance with all applicable State and Federal laws along with City and L&P policies/ procedures related to personnel administration. Ensures adherence to EEOC policies. Maintains necessary records and information, analyzes data and compiles reports required by regulatory agencies and City administration.

7. Oversees staff training programs. Administers L&P's strategic plan. Ensures employees are trained to perform their job responsibilities. Administers L&P's safety program.
8. Provides advice and information to L&P department heads, employees and the public that relates to personnel administration policies and procedures.
9. Performs audits and inspections to ensure OSHA compliance.
10. Oversees employees performance appraisal system
11. Performs related work as required.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of this position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Education requirements include a Bachelor's degree in public or business administration, human resources, labor relations or related field.
- Experience requirements include two years of labor relations, personnel administration or related experience.
- Thorough knowledge of the laws , statues and regulations pertaining to employee recruitment, hiring, discharge, record keeping, training, insurance and retirement.
- Thorough knowledge of personnel administration techniques and practices.
- Skill in counseling employees and developing appropriate personnel recommendations.
- Skill in conducting interviews and selecting the most qualified applicant.
- Skill in maintaining and updating records and documents.
- Ability to maintain records and prepare comprehensive reports on all matters related to personnel administration.
- Ability to communicate effectively and present written and oral ideas.
- Ability to solve problems and develop recommendations to address personnel issues.

Physical demands and work environment:

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk and hear. The employee frequently is required to use hands to finger, handle, or feel and reach with hands and arms. The employee occasionally is required to travel to other locations. The employee must frequently lift and/or move light weight items. Specific vision abilities required by this job include close vision, distance vision, peripheral vision, depth perception and ability to adjust focus.

While performing the duties of this job, the employee regularly works in a business office setting. The noise level in the work environment is usually quiet to moderate.

May 21, 2008

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FOR LIGHT AND POWER BOARD REGULAR MEETING OF MAY 27, 2008

interoffice
MEMORANDUM

To: Light and Power Board

**LIGHT AND POWER
DEPARTMENT**

From: Ed Rice, Executive Director

ER

Date: May 21, 2008

Subject: Energy Supply Manager - Staff Addition

This position replaces the Power Production Superintendent position to manage the short and long-term electric generation requirements and acquisitions for the customers of Traverse City Light and Power. This activity is critical to maintain reliable and low-cost electric supply. Many changes are forthcoming from both the State and Federal levels that will impact availability and cost. This position will concentrate on all relevant issues to ensure lowest-cost, yet reliable electric supply sources.

Major duties performed by the Energy Supply Manager are as follows:

1. Responsible for electric supply resource planning and acquisition.
2. Development of power purchase contracts.
3. Development and management of internal generation initiatives - i.e. Wind Farm.

**MOVED BY _____, SECONDED BY _____, THAT THE
LIGHT AND POWER BOARD APPROVE ADDING THE STAFF POSITION -
ENERGY SUPPLY MANAGER, GRADE 4, WITH A PAY RANGE OF \$63,534 TO
\$82,594.**

ER:ed

Attachment: Job Description

**CITY OF TRAVERSE CITY
LIGHT AND POWER**

ENERGY SUPPLY MANAGER

Supervised By: Executive Director, Light and Power

Supervises: No supervisory responsibilities

General Summary:

Under the general supervision of the Executive Director, is responsible for the acquisition and administrative control of the electric supply requirements of the utility. Is responsible for: 1) assuring that reliable and low cost electric generation is available to the utility for the long and short term; 2) the development of proper procedures, processes and risk management policies, as they pertain to generation requirements; 3) the development of strategies and business plans to meet the electric generation requirements of the utility; 4) the development of power purchase contracts and internal generation initiatives, and 5) liaison with MPPA, APPA and other relative governmental agencies. This position performs power resource planning to determine long and short term electric supply requirements.

Essential Job Functions:

An employee in this position may be call upon to perform and or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Work is performed with little direction or supervision and exercises a maximum amount of initiative and independence within general established overall policies.
2. Responsible for electric power resource planning and acquisition that produces reliable, competitively priced electric power that is adequate to meet the present and future requirements of all customers.
3. Development of long term financial models for power resource acquisition.
4. Performs research, compiles information, analyzes data and creates standard and special reports on various issues as requested. Investigates funding sources, organize grant applications, funding proposals and administers special projects.
5. Maintain a professional level of requisite knowledge in power resource planning and acquisition, rates and budgetary programs and projections.
6. Assists with the development and implementation of policies, departmental rules and regulations.
7. Attends Light and Power board meeting as well as APPA and MPPA meetings as directed the executive director.
8. Develop and manage electric generation projects.
9. Keep abreast of state and federal legislative initiatives and analyze operational and financial Impacts.
10. Responsible for other duties as assigned.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Bachelors degree in electrical engineering. Additional professional training in utility rate structure, financial planning and risk management.
- Excellent oral/written communication and negotiation skills.
- Ability to:
 - plan, direct and manage the work of others
 - organize, plan and prioritize projects
 - identify problems and propose and implement solutions
 - conduct group presentations
 - grasp and communicate complex electric supply issues

Knowledge of:

- use of mainframe applications
- software applications to include Word, Excel and system supply computer models
- departmental procedures and functions
- utility rate structures, investment portfolio theory and capital markets
- process design
- project management software

May 21, 2008

FOR LIGHT AND POWER BOARD REGULAR MEETING OF MAY 27, 2008

interoffice
MEMORANDUM



To: Light and Power Board

From:: Ed Rice, Executive Director

ERR

**LIGHT AND POWER
DEPARTMENT**

Date: May 21, 2008

Subject: System Engineer - Staff Addition

This is a new, full-time position to provide an electric System Engineer to provide system load analysis.

Major duties performed by the System Engineer are as follows:

1. Perform load flow analysis on the Transmission and Distribution System to identify present and future deficiencies.
2. Recommend system configurations for optimal use of assets.
3. Develop system models that reflect present and future loads for system reinforcement recommendations.
4. Identify and make recommendations for contingency planning for critical loads and customers.

**MOVED BY _____, SECONDED BY _____, THAT THE
LIGHT AND POWER BOARD APPROVE ADDING THE STAFF POSITION - SYSTEM
ENGINEER, GRADE 4, WITH A PAY RANGE OF \$44,326 TO \$55,963.**

ER:ed

Attachment: Job Description

CITY OF TRAVERSE CITY

LIGHT AND POWER

SYSTEM ENGINEER

Supervised By: Staff Engineer, Light and Power

Supervises: No direct supervisory responsibility

General Summary:

Under the direction of the staff engineer, performs electric system load analysis and makes recommendations for proper utilization of system assets. Also assists the staff engineer in the planning, design and project management of generation, transmission, distribution, metering and utility services. Develops major project scheduling processes to ensure the meeting of project commitments including completion dates and dollar expenditures.

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Performs electric load flow analysis on the transmission and distribution systems to identify present and future system deficiencies.
2. Recommends electric system configurations for optimal use of assets.
3. Develops electric system models that includes projected load growth to determine required projects for system reinforcement.
4. Develops project management models to reflect critical path project components including actual expenditure tracking versus the plan.
5. Identifies and makes recommendations for contingency planning for critical loads and customers.

6. Completes engineering plans and design work required to expand or adjust service capacity. Completes supportive documentation, reports and drawings.
7. Keeps abreast of changes in electric generation, transmission and distribution regulations.
8. Performs related work as required.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skill, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Educational requirements include a Bachelor's degree in electrical engineering from an accredited engineering institution. A power option is preferred.
- Registration as a Professional Engineer (PE) or EIT with intent to become a (PE) is desirable.
- A good understanding of electric generation, transmission, distribution and metering principals is required.
- A rudimentary understanding of business management, contract administration, and project management is required.
- Must possess knowledge of the NESC, NEC and other codes and regulations.
- Possess excellent written, oral and presentation skills to all audiences.
- Possess knowledge of computer hardware, software and programming related to computer aided design, geographic information systems, spreadsheet, word processing and database useage.
- Skill in designing and developing electric generation, transmission and distribution systems.
- Skill in utilizing a variety of electrical testing and control devises.

- Ability to analyze and make decisions.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with peers, vendors, manufactures, contractors, other public utility professionals, administrators, regulators and the public.

Physical demands and Work Environment:

The physical demands and work environmental characteristics described here are representative of those an employee encounters while performing essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job the employee is regularly to talk and hear; stand; walk; use hands to finger, handle, or feel; and reach with hands and arms. The employee frequently is required to sit; climb or balance; stoop, kneel, crouch or crawl and travel to other locations. The employee must occasionally lift and/or move objects of moderate weight. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision and ability to adjust focus.

While performing the duties of this job, the employee is occasionally exposed to moving mechanical parts; outside weather conditions; risk of electrical shock; vibration; precarious places; fumes or airborne particles; toxic or caustic chemicals. The noise level in the work environment is normally quite but can occasionally be very loud.

May 21, 2008

interoffice
MEMORANDUM

To: Light and Power Board

**LIGHT AND POWER
DEPARTMENT**

From: Jim Cooper *JC*

Date: May 20, 2008

Subject: Adjustments to L&P Private Area Lighting Service

When L&P rates were adjusted in 2006 the Private Area Lighting rate included a 8.5% cost of capital or interest rate (see attachment). This figure was a carry over from previous rates.

It may be more appropriate to link the cost of capital or interest rate to a common or current financial value such as the prime lending rate or 90 day Treasury bill.

Staff would like to have a discussion to obtain the Board's opinion regarding this issue. Some options are as follows:

- Leave the rate fixed
- Eliminate any light financing
- Link the rate to a current financial value so it will encourage use, e.g. prime minus 1%.
- Link the rate to a current financial value to be competitive with banks, e.g. prime or prime plus 2%.

After discussions with staff and the City Treasurer a recommendation can be brought back to the Board for a public hearing and approval.

JC:ed

Attachment: Rate "PAL"

City of Traverse City
Light and Power Department
Effective October 1, 2006

PRIVATE AREA LIGHTING SERVICE

(Rate "PAL")

Availability:

Open to any customer desiring photoelectric-controlled, un-metered Private Area Lighting (also referred to as "Security Lighting" or "Dusk-to-Dawn" lighting).

Nature of Service:

The Department will install, own and maintain un-metered, photoelectric-controlled luminaries in mutually-agreeable locations as required by the customer. Standard overhead equipment includes wood poles and non-decorative fixtures. Any lighting system other than this will be charged based on expected life and an 8.5% carrying cost of capital. The Light and Power Board retains the right to self-fund special lighting projects that it determines are in the best interest of the City.

Monthly Rate:

One existing pole:

100 Watt HPS 8,500 Lumens	\$6.43 per month
250 Watt HPS 24,000 Lumens	\$9.59 per month
35 Watt Low Level Pedestrian Light	\$11.22 per month

For each additional pole required:	\$1.63 per month
For each alternate cut-off, decorative fixture:	\$1.51 per month

Terms and Conditions:

Initial minimum term is one (1) year for each installation.