

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, December 8, 2015

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

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

Stephanie Tvardek
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940 ext. 201

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

Posting Date: 12-04-15
12:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

None.

3. Unfinished Business

None.

4. New Business

- a. Consideration of approving minutes of the Regular Meeting of November 24, 2015. (p. 3)
- b. Consideration of the LaFranier/Barlow Transmission Line Upgrade Project Authorization Request. (Arends/GRP Engineering) (p. 5)
- c. Consideration of authorizing a professional services agreement with GRP Engineering, Inc. for engineering services related to the LaFranier/Barlow Transmission Line Upgrade Project. (Arends) (p. 12)
- d. Consideration of authorizing a construction agreement with C.C. Power, LLC for hourly rate assistance. (Wilson) (p. 17)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Emergency Purchase (August Storm) – Report to Board. (Myers-Beman) (p. 20)
 2. 2015 audit engagement letter. (Myers-Beman) (p. 22)
 3. Update regarding the PCR rate. (Myers-Beman) (p. 25)
 4. Verbal update regarding Community Solar Phase II. (Wheaton)
- c. From Board.

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Training Room, Governmental Center
Tuesday, November 24, 2015

Board Members -

Present: Pat McGuire, Amy Shamroe, Bob Spence, Jan Geht, John Taylor

Absent: Jeff Palisin, Tim Werner

Ex Officio Member -

Present: Marty Colburn, City Manager

Others: Tim Arends, Karla Myers-Beman, Stephanie Tvardek, Jessica Wheaton

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

5:17 p.m. Bob Spence joined the meeting.

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of November 10, 2015.
- b. Receive and file minutes of the Customer Survey Ad Hoc Committee Meeting of November, 10 2015.

CARRIED unanimously. (Palisin, Werner absent)

Items Removed from the Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

None.

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

- a. From Legal Counsel.

None.

b. From Staff.

1. Tim Arends introduced Pat Bowland, General Manager of MPPA. Mr. Bowland provided an overview of MPPA.
2. Karla Myers-Beman provided a recap of the East Hammond Project.

The following individuals addressed the Board:

Tim Arends, Executive Director

3. Jessica Wheaton presented the ACEEE study results.

The following individuals addressed the Board:

Tim Arends, Executive Director

4. Tim Arends presented a potential wind energy project.

The following individuals addressed the Board:

Pat Bowland, General Manager, MPPA

5. Tim Arends suggested cancelling the December 22, 2015 Regular Meeting and scheduling a Study Session for December 15, 2015 dedicated to the discussion of Advanced Metering Infrastructure.

The following individuals addressed the Board:

Marty Colburn, City Manager

c. From Board.

None.

Item 7 on the Agenda being Public Comment

Marcia Curran, 800 Cottageview Dr., Ratepayer


There being no objection, Chairman Taylor declared the meeting adjourned at 6:44 p.m.

/st

Tim Arends, Secretary
LIGHT AND POWER BOARD



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director 
Date: November 30, 2015
Subject: Project Authorization Request – LaFranier/Barlow Transmission Line Upgrade Project

Staff has prepared a packet of information and is requesting authorization from the TCL&P Board for staff to proceed with the development, design and construction of the LaFranier/Barlow Transmission Line Upgrade Project. This project was approved in the TCL&P Six Year Capital Improvements Plan.

Staff, along with Michael McGeehan from GRP Engineering, Inc., will be available and prepared to answer any questions regarding the project.

Additionally, Michael will be discussing TCL&P's entire transmission system, specifically, what the utility has done to improve the system's reliability to-date and the remaining improvements required in the future. Included in your packet is a list of the remaining transmission upgrade projects planned for reconstruction over the next few years.

Staff recommends Board approval of the project authorization for the LaFranier/Barlow Transmission Line Upgrade Project and seeks the necessary board approvals for expenditures in order to complete the project in calendar year 2016.

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

**MOVED BY _____, SECONDED BY _____, THAT THE
BOARD APPROVE AS PRESENTED THE LAFRANIER/ BARLOW TRANSMISSION LINE
UPGRADE PROJECT AND DIRECTS STAFF TO SOLICIT CONSTRUCTION BIDS AND
MATERIAL QUOTES FOR THE BOARD'S CONSIDERATION OF APPROVAL.**

PROJECT AUTHORIZATION REQUEST



TRAVERSE CITY
LIGHT & POWER

Project Name: LaFranier/Barlow Transmission Line Upgrade Project

Budgeted in CIP: Yes

Dollar Amount Budgeted: \$1.5 million (2017-18 year)

Date of Board Presentation: December 8, 2015

Objective: Target Completion date of November 11, 2016

Project Description:

The project includes the reconstruction of the transmission line commencing at the tap on Keystone Road just north of Hammond Road, east on Hammond Road, then north on LaFranier Road/Barlow Street and terminating at Barlow Substation for an approximate 3.3 miles of line. Transmission line design will include traditional round poles, #795 ACSS conductor on 69kV line post insulators, and optical ground wire.

Additionally, the project will include reconfiguration of the 69kV Barlow Junction. The Barlow Junction is the location in the transmission system where three 69kV lines converge, including transmission lines from South Substation, Parsons Substation and Cass Junction. Reconfiguration of this junction includes moving the junction location from just south of Barlow and Grove Street to the north edge of the City DPW property along the existing transmission right-of-way. This will include a new transmission span from this point northeast to the Barlow Substation across the recently purchased property, 743 Boyd Avenue. A steel structure, currently in inventory, may be required as there is limited real estate space preventing required guying of a wood pole.

Distribution reconstruction will be limited to new poles and assemblies (cross arms and hardware) where needed. The wire (distribution circuit) currently installed, #336.4 ACSR does not need to be upgraded.

Design for transferring existing distribution facilities owned by Consumers Energy and TCL&P to the new pole line will be included in the project. Provision for joint-use facilities (e.g. phone, CATV, fiber and et cetera) will be provided in the design.

Project Purpose and Necessity:

This section of transmission line was originally constructed in 1975 and is now been in operation for forty years. The peak system load in 2015 was 74MVA, and the new conductor installed will increase the MVA rating from 69MVA to 161MVA. The new conductor will be able to support the entire system load in the event a transmission circuit is out of service both under current peak conditions and with future load growth.

PROJECT AUTHORIZATION REQUEST



TRAVERSE CITY
LIGHT & POWER

Reconfiguration of the Barlow Junction will allow for a dual 69kV feed into Barlow Substation a significant change from the current radial feed configuration. This change will allow half of the substation to continue to operate during times when transmission lines need to be de-energized because of required maintenance. This also lengthens the times during the year to perform substation maintenance work as half of the substation can remain energized.

Project Benefits:

The transmission line is an aged transmission infrastructure on TCL&P's system, considered past its useful life and is not built to current TCL&P standards. Upgrading the line will include a larger conductor allowing for increased power flow, while maintaining the same voltage, to carry the full load required by the system in the event another transmission circuit is out of service, for whatever reason.

The benefit of the reconfiguration of the Barlow Junction will allow for a dual feed into the substation and remove it from being a radial line. This will attribute to reliability of the transmission system by allowing maintenance work to be completed on half of the substation while the other half remains operational even during peak times once transformers are upgraded.

Timing of Project:

Due to the age of the 40 year old transmission line, this project is the highest priority capital project for 2016. Typical life of a transmission and distribution line is 30-40 years.

Project Timeline:

Bidding of materials and construction contractors will commence over the winter months with a spring 2016 start date. A gant chart is included to provide the schedule of engineering design, procurement of materials, contract bidding, construction phase and project closeout.

Preliminary Engineering Cost Estimate:

\$1,836,433 -See attached detailed estimate from GRP Engineering, Inc.

Financing:

No bonding or borrowing is required. Current cash reserves have been allocated within the Six Year Capital Improvements Plan. The project has been submitted for approval by MISO and once formal approval has been received this cost will be spread among all ratepayers within the MISO region and have an estimated ten year payback.

Additional Revenues:

None, other than the reimbursement from MISO for the capital costs to upgrade the transmission line which will occur over an 8-10 year period.

PROJECT AUTHORIZATION REQUEST



TRAVERSE CITY
LIGHT & POWER

Impact on O&M Expenses:

No increase. Since the line will be newly constructed the maintenance would be decreased from its current status.

Staff Recommendation:

Reconstruction of the transmission line overhead in its current utility location. It is estimated the cost to underground this line would exceed ten million.

**TRAVERSE CITY LIGHT & POWER
LAFRANIER ROAD 69kV TRANSMISSION LINE
CONSTRUCTION COST ESTIMATE**

ITEM	ITEM DESCRIPTION	UNITS	LABOR	MATERIAL	TOTAL	EXTENDED TOTAL
1	Poles (Includes one Steel)	LS	\$186,400.00	\$369,300.00	\$555,700.00	\$555,700
2	Transmission Top Assemblies	LS	\$70,950.00	\$90,200.00	\$161,150.00	\$161,150
3	Distribution Top Assemblies	LS	\$17,950.00	\$14,450.00	\$32,400.00	\$32,400
4	Phase Conductor & OPTGW	LS	\$137,243.00	\$122,355.00	\$259,598.00	\$259,598
5	Guying & Anchoring	LS	\$12,450.00	\$5,090.00	\$17,540.00	\$17,540
6	Transformers/Secondaries/Services	LS	\$7,540.00	\$710.00	\$8,250.00	\$8,250
7	Grounding	LS	\$10,200.00	\$6,650.00	\$16,850.00	\$16,850
8	Distribution Transfers	LS	\$45,920.00	\$0.00	\$45,920.00	\$45,920
9	Miscellaneous Construction	LS	\$61,970.00	\$21,205.00	\$83,175.00	\$83,175
10	Tree Trimming	LS	\$24,000.00	\$0.00	\$24,000.00	\$24,000
11	Site Restoration	LS	\$12,500.00	\$2,500.00	\$15,000.00	\$15,000
12	Demolition & Removals	LS	\$94,850.00	\$0.00	\$94,850.00	\$94,850
13	Topographic Survey	LS	\$30,000.00	\$0.00	\$30,000.00	\$30,000
14	Soil Borings & Environmental	LS	\$4,000.00	\$0.00	\$4,000.00	\$4,000
15	Traffic Control & Signage	LS	\$44,000.00	\$0.00	\$44,000.00	\$44,000
16	Mobilization	LS	\$12,000.00	\$0.00	\$12,000.00	\$12,000
17	Insurance & Bonding	LS	\$8,000.00	\$0.00	\$8,000.00	\$8,000
Subtotal						\$1,412,433
Contingency (15%)						\$212,000
Design Engineering (10%)						\$141,000
Staking & Inspections (5%)						\$71,000
Total Estimated Construction Cost						\$1,836,433

Notes:


- All costs are estimated as 2016 construction costs.
- Cost estimate is based on rebuilding the existing 69kV transmission line from Keystone Rd east on Hammond Road to LaFranier Road, then north to Barlow Substation along the same centerline.
- Cost estimate is based on traditional round wood pole construction.
- The cost estimate submitted herein is based on time-honored practices within the construction industry. As such, the Engineer does not control the cost of labor, materials, equipment or a contractor's method of determining prices and competitive bidding practices or market conditions (including commodity pricing of conductor raw materials.) The estimate contained represents our best judgement as design professionals using current information available at the time of preparation. The Engineer cannot guarantee that proposals, bids and/or construction costs will not vary from this cost estimate.

**TRAVERSE CITY LIGHT & POWER
PROPOSED 69kV TRANSMISSION LINE REBUILDS**

Year	Line Section	Roadways	Length	Estimated OH Cost	Estimated UG Cost
2015	Grey Road Sub to Hall Street Sub	Barney / Hickory Hills / Wayne St	3.20 miles	\$1,200,000	\$12,000,000
2015	Keystone Road to South Sub	Hammond / LaFranier Rd	1.14 miles	\$370,500	\$4,560,000
2016	South Sub to Barlow Junction	LaFranier / Barlow St	2.15 miles	\$752,500	\$9,675,000
2017	Barlow Junc to Parsons & Airport Access	Grove / Hannah / Steele / Eighth	2.71 miles	\$948,500	\$12,601,500
2017	Hall Street Sub to Cass Rd Junction	Wadsworth / Locust / Twelfth	1.17 miles	\$427,050	\$5,557,500
2018	Cass Rd Junction to Cass Rd Sub	Cass Street	1.66 miles	\$614,200	\$8,051,000
Estimated Total Cost				\$4,312,750	\$52,445,000



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Tim Arends, Executive Director 
Date: November 30, 2015
Subject: LaFranier/Barlow Transmission Line Upgrade Project Professional Engineering Services

Should the Board approve staff's recommendation of a Project Authorization to upgrade the LaFranier/Barlow Transmission Line Upgrade Project as presented, the next action item would be consideration of professional engineering services for its upgrade. Attached is a proposal from GRP Engineering, Inc. ("GRP") for your consideration of approval.

GRP will provide transmission line design, contract administration, and project management services from the projects inception to its completion.

Staff recommends approval of the proposal as presented. 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 CHAIRMAN AND SECRETARY TO ENTER INTO AN AGREEMENT WITH GRP ENGINEERING, INC. FOR PROFESSIONAL ENGINEERING AND CONTRACT MANAGEMENT SERVICES RELATED TO THE LAFRANIER/BARLOW TRANSMISSION LINE UPGRADE PROJECT IN THE AMOUNTS OF \$113,000 AND \$45,000; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR, AND AS TO FORM BY GENERAL COUNSEL.

November 13, 2015

Mr. Tim Arends
Executive Director
Traverse City Light & Power
1131 Hastings St.
Traverse City, MI 49686

RE: Engineering Services Proposal
LaFranier Road 69kV Transmission Line

Dear Tim:

GRP Engineering, Inc. is pleased to present this proposal to Traverse City Light & Power (TCL&P) for Engineering Design & Contract Administration Services for the LaFranier Road 69kV Transmission Line Rebuild project. We are uniquely qualified to provide these services for TCL&P through our project experience on TCL&P's system, our team's local presence, and the qualifications of all our personnel. GRP Engineering, Inc. plans to complete engineering services on this project using a team approach including subcontracting to a local, Traverse City based firm as noted below:

Project Design Team

Electrical Engineering	GRP Engineering, Inc.
Civil & Geotechnical Engineering	Gosling-Czubak
Construction Staking	Gosling-Czubak

Project scope includes reconstruction of the existing 69kV transmission line commencing at the tap on Keystone Road just north of Hammond Road, east on Hammond Road, then north on LaFranier Road/Barlow Street and terminating at Barlow Substation for an approximate 3.3 miles of line. This section of transmission line was originally constructed in 1975 and is now been in operation for over forty years. Reconfiguration of the 69kV Barlow Junction is also included in this project. Distribution reconstruction will be limited to new poles and assemblies where needed. Full rebuild/reconductoring of the TCL&P distribution underbuilt circuit is not anticipated.

Transmission line design will include traditional round poles, #795ACSS conductor on 69kV linepost insulators, and optical ground wire. Laminated wood are not scheduled to be utilized on this project, but a steel structure may be required at the Barlow Junction. Line capacity will be increased from 69MVA to 161MVA under normal operating conditions. Peak system load in 2015 was 74MVA, therefore the new conductor will be able to support the entire system load. Design for transferring existing distribution facilities owned by Consumers Energy and TCL&P to the new pole line will be included in the project. Provisions for joint-use facilities (e.g. phone, CATV, fiber, etc.) will be provided in the design. Soil borings completed along the route in 2008 will be utilized for structure foundation design.

Lafranier Road 69kV Transmission Line Rebuild Design Phase

- Project administration (maintain correspondence & meeting minutes.)
- Project planning & control (design schedules & cost estimates.)
- Project kickoff meeting and preliminary field design review with TCL&P staff.
- Detailed transmission & distribution design engineering. All transmission line design will be completed in PLS-CADD and will meet current National Electric Safety Code (NESC) design requirements.
- Design for reconstruction of Barlow Junction including switch installation and steel pole foundation (as required.)
- Preparation of construction assembly drawings meeting TCL&P standards.
- Preparation of distribution line construction staking sheets and associated drawings.
- Preparation of 13.8kV construction assembly units required for the project to meet TCL&P standards.
- Determination of system outages and switching requirements for reconstruction of the two line sections north & south of South Substation, plus Barlow Junction.
- Coordination with Consumers Energy for transfer of their facilities to the new transmission line.
- Design review meetings with TCL&P staff as required.
- Meetings with affected property owners as requested by TCL&P.
- Attendance at three TCL&P Board Meetings for material & contractor bid presentations.
- Preparation and processing of required county road commission permits for structure replacement and conductors in road rights-of-way.
- Coordination with TCL&P staff on trimming/clearing required for line construction.
- Preparation and processing of required FAA/MDOT Aeronautical permits.
- Preparation of one construction contract plus assistance with bid and award.
- Printing & shipping of all required construction drawings sets.
- Determination of new relay settings at South Substation & East Hammond Substation.
- Assistance with Owner-Furnished material procurement including wood poles, conductor, OPGW, insulators, and hardware.
- Prepare all necessary contract close-out documents.
- Provide record drawings including two (2) bound sets and files in AutoCAD 2013 format.

GRP Engineering, Inc. will provide the engineering design services for Lafranier Road 69kV Transmission Line Rebuild project for a lump sum fee of \$113,000 including expenses and all subcontracted services.

Lafranier Road 69kV Transmission Line Rebuild Contract Administration Phase

- Attendance at TCL&P project preconstruction meetings.
- Shop drawing review and approval for all procurement and construction contracts.
- Construction staking of all transmission and distribution structures.
- On-site representation during construction at critical times.
- Monitoring and verification of construction compliance with engineering drawings and specifications and all NESC requirements
- Construction coordination between TCL&P, construction contractors, and other affected projects and parties including City of Traverse City, CE, WPCI, CEC, METC/ITC, and MISO.
- Preparation of monthly progress reports, which will include contractor performance and any work quality issues.

- Relay setting installation oversight at South Substation & East Hammond Substations, plus submittal of test reports and setting documentation. Testing to be completed by others.
- Attendance at TCL&P project status, coordination, and switching order review meetings.
- Process all contractor invoicing and change orders.
- Final inventory and inspection and preparation of punch lists and energization release forms for the new 69kV transmission line.

GRP Engineering, Inc. will provide the Contract Administration Phase services for the Lafranier Road 69kV Transmission Line Rebuild Project on an hourly basis for a fee not to exceed \$45,000, including expenses.

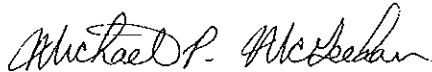
All services performed for Traverse City Light & Power within this scope will be billed on a monthly basis. Should additional services be required outside the scope of this proposal, GRP Engineering, Inc. will complete those tasks on an hourly basis via the attached rate sheet.

This proposal does not include topographic survey services or soil density testing services.

We appreciate the opportunity to submit this proposal and look forward to being of service to you. Please contact me should you have any questions regarding this proposal.

Sincerely,

GRP Engineering, Inc.



Michael P. McGeehan, P.E.
President

Enclosures

**GRP ENGINEERING, INC.
HOURLY BILLING RATES**

Employee Title	Engineer Level	Hourly Rate Range
Senior Project Manager	8	\$125 - \$150
Project Manager	7	\$105 - \$120
Senior Engineer	6	\$90 - \$105
Project Engineer	4 - 5	\$80 - \$90
Engineer	2 - 3	\$70 - \$80
Entry Level Engineer	1	\$50 - \$70
Engineering Technician		\$40 - \$50
Engineering Support		\$30 - \$43
Administrative Support		\$35 - \$50

Expenses will be invoiced at cost including, but not limited to, mileage, meals, lodging, printing and reproduction.

All subcontracted services will be invoiced at cost, with no additional markup.

Rates are valid through December 31, 2016



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Rod Solak, Line Superintendent *RS*
Date: November 30, 2015
Subject: Electric Line Distribution Construction Contractor Services

Traverse City Light & Power (TCL&P) has been short a line crew since May 2015. While the crews have worked hard through the busy construction season to maintain customer requests and capital improvement projects, routine maintenance work had to take a lower priority. To prevent further deferral of maintenance, TCL&P issued a Request for Proposals for an hourly rate to assist on the following types of work:

- **Joint Pole Transfers** When replacing a pole that has another utility attached through a joint pole attachment agreement, coordinating work between both utilities to remove and install their appropriate facilities can be difficult and time consuming. It is often easier and less time intensive to have a contract crew perform that work as they can remove and install facilities for both utilities at the same time.
- **Rear Lot Line Work** When work is required in a rear lot line, accessibility is an issue and often extends the length of time required to perform the work. Contracting this work out frees up internal crews to maintain their work load. Contractors also have access to equipment that TCL&P does not, that would allow the work to be completed more efficiently.
- **Expedited Work** Jobs will sometimes arise that require immediate attention due to customer demands or maintaining system reliability. If internal crews are heavily involved in a customer job or maintenance issue, in the interest of efficiency, it can be best to utilize a contract crew for this type of work, rather than pulling internal crews from their projects.
- **Non-Standard Equipment** On occasion, a job will require the use of equipment that is not part of the TCL&P fleet. Larger companies, such as those who submitted bids, have a larger array of equipment to pull from to perform this type of work.
- **Customer Service** If TCL&P internal crews are unable to meet a customer request within a three week timeframe due to workload, the contract crew will be used to maintain our high level of customer service.

Bids were sought for a contract crew to provide construction and maintenance services on the electrical distribution system on an as needed basis. The intent is to use this contract crew for short duration jobs, 1-5 days, and any larger projects will be bid out separately. Requests were sent out to three companies and bids were received as follows:

FOR THE LIGHT & POWER BOARD MEETING OF DECEMBER 8, 2015

<u>Bidder</u>	<u>Hourly Crew Rate</u>	<u>Hourly Equipment Rate</u>	<u>Total Hourly Rate</u>
C.C. Power, LLC	\$169.00	\$71.00	\$240.00
Harlan Electric Company	\$301.20	\$102.05	\$403.25
Hooper Corporation	\$207.48	\$78.35	\$285.83
The Hydaker-Wheatlake Co.	\$199.07	\$88.80	\$287.87
J. Ranck Electric, Inc.	\$290.00	\$120.00	\$410.00
Kent Power, Inc.	\$230.43	\$94.00	\$324.43

Bidders were asked to provide hourly rates for a list of various personnel and equipment. Bidders had the option of providing a 13.8 kV and a 69 kV hourly rate, or a single standard rate. All bidders provided a single standard rate. The attached bid sheet shows the breakdown of pricing for each personnel and equipment listed. A typical crew providing the requested line work would consist of a working foreman, lineman and equipment operator, and the typical equipment would include a pickup truck, line truck and bucket truck. For ease of comparison, a subtotal was created for these three items in each category.

C.C. Power, LLC (C.C. Power) was the low bidder based both on the hourly “crew” and “equipment” rate as well as individual pricing in all categories. C.C. Power has done work for TCL&P in the past and is a local company based in Kalkaska, MI.

Staff is recommending TCL&P accept the bid from C.C. Power and enter into a construction agreement in the not to exceed amount of \$100,000 for the period of December 15, 2015 through December 14, 2016. If the Board is in agreement, the following motion is recommended:

MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZE THE CHAIRMAN AND SECRETARY TO ENTER
INTO A CONSTRUCTION AGREEMENT FOR ELECTRIC LINE DISTRIBUTION
CONSTRUCTION SERVICES WITH C.C. POWER, LLC IN THE NOT TO EXCEED
AMOUNT OF \$100,000, BILLINGS TO BE BASED ON THE HOURLY RATE
PROVIDED IN THE BID; SUBJECT TO APPROVAL AS TO FORM BY THE
EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY GENERAL COUNSEL.

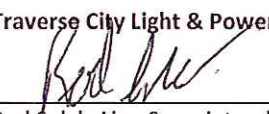
Project Name: Electric Line Distribution Construction Contractor Services

BIDDER:	Harlan Electric Company	The Hydaker-Wheatlake Company	Hydaker-Wheatlake Rate Descriptions	J. Ranck Electric, Inc.	Hooper Corporation	C.C. Power, LLC	Kent Power, Inc.
	Standard Rate	Standard Rate		Standard Rate	Standard Rate	Standard Rate	Standard Rate
PERSONNEL							
Working Foreman	\$ 121.75	\$ 82.76	Foreman	\$ 120.00	\$ 83.41	\$ 62.00	\$ 94.68
Journeyman Lineman	\$ 119.10	\$ 75.21	Journeyman Lineman	\$ 105.00	\$ 80.35	\$ 57.00	\$ 85.85
Lineman (Apprentice)	\$ 89.65	\$ 58.09	4th Step Apprentice	\$ 95.00	\$ 61.97	\$ 57.00	\$ 69.80
Equipment Operator	\$ 89.80	\$ 58.22	Operator - Over 1 Year	\$ 75.00	\$ 62.10	\$ 50.00	\$ 65.95
Ground Man	\$ 78.70	\$ 49.69	Groundman Truck Driver - Over 6 Months	\$ 70.00	\$ 52.93	\$ 45.00	\$ 55.96
Other	\$ 141.70	No Bid		No Bid	No Bid	No Bid	No Bid
EQUIPMENT							
Pickup Truck	\$ 18.15	\$ 16.30	3/4 Ton Pickup - 4 Wheel Drive	\$ 20.00	\$ 14.35	\$ 11.00	\$ 16.00
Service Truck	\$ 37.50	\$ 32.50	35'-49' Bucket Truck	\$ 35.00	\$ 18.15	No Bid	\$ 39.00
Line Truck	\$ 41.40	\$ 37.50	41'-50' Digger Derrick	\$ 50.00	\$ 34.60	\$ 30.00	\$ 39.00
Pole/Material Trailer	\$ 4.65	\$ 7.65	Single Axle Pole Trailer	\$ 20.00	\$ 5.80	No Charge	\$ 15.00
Wire Reel & Tensioner Unit	\$ 32.65	\$ 47.00	4,000# Four Drum Puller	\$ 35.00	\$ 16.20	No Charge	\$ 70.00
Bucket Truck (48' - 52' Reach)	\$ 42.50	\$ 35.00	50'-60' Bucket Truck	\$ 50.00	\$ 29.40	\$ 30.00	\$ 39.00
Bucket Truck (65' Reach)	\$ 62.30	\$ 39.00	61'-75' Bucket Truck	\$ 75.00	\$ 37.60	\$ 40.00	\$ 49.00
Rubber Tired Backhoe	\$ 43.55	\$ 29.00	4X4 Backhoe with Extendahoe	\$ 50.00	\$ 25.40	\$ 35.00	\$ 33.00
Track Mounted Excavator	\$ 55.25	\$ 35.55	Mini Excavator	\$ 65.00	\$ 18.76	\$ 85.00	\$ 66.00
Crew Rate	\$ 301.20	\$ 199.07		\$ 290.00	\$ 207.48	\$ 169.00	\$ 230.43
Equipment Rate	\$ 102.05	\$ 88.80		\$ 120.00	\$ 78.35	\$ 71.00	\$ 94.00

This is to certify that at 10:00:00 AM, local time on Monday, November 30, 2015, the bids tabulated herein were publicly opened and read.

Traverse City Light & Power

By:


 Rod Solak, Line Superintendent



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: December 2, 2015
Subject: Emergency Purchase Report to Board – Lansing Board of Water and Light (LBWL)

Due to the emergency created by the wind storm of August 3-7, 2015, TCL&P called-in additional line crews from LBWL to assist with restoring service to TCL&P customers.

The charges from LBWL are expected to be \$48,317.82 which is beyond the monetary spending limit set by the Board for the Executive Director. The Board approved Purchasing Policy does allow for emergency purchases by the Executive Director beyond the monetary spending authority, with conditions.

The invoice will be provided at the Board meeting.

This communication to the Board is made to comply with the reporting requirement as identified in the Purchasing Policy (relevant section attached).

C. EMERGENCIES

1. **Emergency Defined.** Emergency is defined as a threat to the public safety or welfare, or where timely action is required to restore electric service or avoid reduction of electric service or an anticipated outage.
2. **Executive Director Authority.** The Executive Director is authorized to enter into such contracts, purchase orders and service orders without Board approval in the amount necessary to alleviate or avoid an emergency. The Executive Director may delegate in writing to a Department Head authority to authorize that Department Head to exercise his or her emergency authority.
3. **Reporting.** When the Executive Director engages in an emergency transaction beyond the monetary spending limit of the Executive Director, he shall report such activity as soon as possible to the Board members and place the matter on the agenda of the next regular or special TCL&P Board Meeting for the information of the Board.

Edward E. Rice

Edward E. Rice
Secretary
Traverse City Light & Power Board



To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: December 2, 2015
Subject: Audit

Included within your board packet is the audit engagement letter with Abraham & Gaffney P.C.

The audit engagement letter summarizes their responsibilities in accordance with Generally Accepted Auditing Standards and Government Auditing Standards along with their planned scope and timing of the audit.

Financial statements and supporting workpapers were provided to the auditors for the fieldwork the week of November 16, 2015. They plan to be onsite the week of December 14, 2015 to perform a final review of the financial statements and clear up any outstanding items.

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



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To the Honorable Chairman and Members of the
Traverse City Light and Power Board
Traverse City, Michigan

We are engaged to audit the financial statements of the business-type activities and each major fund of Traverse City Light and Power (the Department), a component unit of the City of Traverse City, for the year ended June 30, 2015. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated July 19, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Department. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis and pension and employee benefit information, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the other supplementary, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We are scheduled for year-end fieldwork in November 2015 and expect to issue our report before December 31, 2015.

This information is intended solely for the use of the Board of Directors and management of Traverse City Light and Power and is not intended to be, and should not be, used by anyone other than these specified parties.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

November 13, 2015



To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: December 2, 2015
Subject: Power Cost Recovery Rate

Staff wanted to provide an update to the Board on the current power cost recovery (PCR) rate.

As you know, in March 2015 during the budget process, staff informed the Board of the new averaging formula whereby twelve months of actual power supply costs and kilowatt hours will be averaged instead of the PCR unit price, providing a more accurate pass through revenue amount.

The combination of the wholesale cost of power declining (June 30, 2014 - \$.0776, June 30, 2015 - \$.0667 and through October 2015 - \$.0622) and the new averaging formula has reduced the PCR rate. In December 2014 and 2015 the PCR rate was \$.01624 and \$.001957, respectively. Projecting this savings out to a year would provide an annual savings of \$85.74 for an average residential customer who uses 500kWh a month.