

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, May 8, 2012

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) 932-4543

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

Posting Date: 5-4-12
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

Organizational Meeting (subject to City Commission appointment of new TCL&P Board Member)

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Regular Meeting of April 24, 2012. (Approval recommended)

Items removed from the Consent Calendar

- a.

3. Old Business

None.

4. New Business

- a. Consideration of authorizing a License to Use Coal Dock and Bottomlands with MHA. (Rice)
- b. 2012 Distribution Circuit Rehabilitation Circuit BW-22 project authorization. (Rice/Olney)
- c. Consideration of authorizing a contract for the 2012 Distribution Circuit Rehabilitation Circuit BW-22. (Rice/Olney)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.


1. Update re: online utility bill payment system. (Wheaton/Karla Myers-Beman)
 2. Discussion re: LBW&L annual power purchase. (Feahr)
 3. Possible tour of Campbell III Generating Facility on June 8, 2012. (Rice)
- c. From Board.
1. Executive Director Evaluation process discussion. (Board Chair)

7. Public Comment

/st



TRAVERSE CITY
LIGHT & POWER

To: Light and Power Board
From: Ed Rice, Executive Director 
Date: May 2, 2012
Subject: L&P Board Organizational Meeting

As required by City Charter Section 177(f), the board meeting of May 8, 2012 will be the annual organizational meeting in which a chairperson and vice-chairperson are elected, and a secretary is appointed by the Board. This is subject to the City Commission appointment of a new board member at its Monday, May 7, 2012 meeting. The Charter language is as follows:

“An election of officers of the Board shall be held annually at the first regular meeting following the appointment of a new Board member after the end of a regular term of office. No member shall serve as chairman for more than two (2) consecutive terms.”

All board members, with the exception of current Board Chairman Mike Coco, are eligible for nomination as board chair. Since Mr. Coco has served 2 consecutive terms as Chairman he is not eligible for nomination this year. All Board Members are eligible to serve as vice-chairperson. The following procedure would be appropriate for the organizational portion of the meeting.

- Ed Rice, as Secretary to the Board, shall initially preside over the meeting.
 - Call meeting to order – Pledge of Allegiance
 - Roll Call
 - Open the floor to nominations for chairperson (nominations need support), call for any further nominations for chairperson.
 - Close nominations
 - Public comment (specific to nominations for Board Chairperson)
 - Voice Vote (in the order nominated) – Once 4 votes are received by any one nominee that nominee becomes the new chairperson.
 - Secretary turns the meeting over to the new chairperson.
- The newly elected Chairperson follows the same process described above in electing a vice-chairperson of the Board.
- The Chairperson should then appoint a secretary to the Board with approval of a Board majority. This has historically been the Executive Director.
- Next, a Human Resources Committee should be formed consisting of 2 or 3 Board Members. City Charter Section 177(h) allows for ad hoc subcommittees, however, there can be no standing committees. Therefore, it is appropriate to have this committee’s term expire at the end of 12 months.
- Proceed to the consent calendar portion of the agenda.

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, April 24, 2012

Board Members -

Present: Barbara Budros, Jim Carruthers, Patrick McGuire, John Snodgrass, John Taylor, Linda Johnson

Absent: Mike Coco

Ex Officio Member -

Absent: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Jessica Wheaton, Scott Menhart, Jim Cooper

The meeting was called to order at 5:15 p.m. by Vice Chair Johnson.

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of April 10, 2012.
- b. Second Amendment to the Munson Dark Fiber Services Agreement.

CARRIED unanimously. (Coco absent)

Items removed from the Consent Calendar

None.

Item 3 on the Agenda being Old Business

None.

Item 4 on the Agenda being New Business

4(a). Decorative Lighting Policy review

The following individuals addressed the Board:

Ed Rice, Executive Director
W. Peter Doren, General Counsel
Tim Arends, Controller

Consideration of appointments to a Decorative Lighting Ad Hoc Committee.

Commissioner Budros, Board Member McGuire and Board Member Snodgrass volunteered to be appointed to the Decorative Lighting Ad Hoc Committee to review and create a draft policy to be

presented to the Board within 90 days.

Moved by Carruthers, seconded by Taylor to approve the creation of a Decorative Lighting Ad Hoc Committee.

CARRIED unanimously. (Coco absent)

Commissioner Budros suggested with no objection from the Board that Snodgrass be named Chairman of the Decorative Lighting Ad Hoc Committee.

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

A. From Legal Counsel.

1. W. Peter Doren gave an update on Brown Bark I v. TCLP.

B. From Staff.

1. Ed Rice spoke re: HUD Sustainable Communities Grant and Generation Survey.

The following individuals addressed the Board:

Jim Cooper, Manager of Communications & Energy Services
Deb McKeon, Executive Director of NorthSky Nonprofit Network
Matt McCauley, 207 W. 12th Street, Director of Regional Planning for
NWMCOG
Jessica Wheaton, Marketing & Community Relations Coordinator

2. Jessica Wheaton spoke re: Customers Care Program.

The following individuals addressed the Board:

Ed Rice, Executive Director

3. Jessica Wheaton spoke re: Conservation District Seedling Give-Away.
4. Ed Rice spoke re: the pending 25% renewable energy state constitutional amendment.
5. Jessica Wheaton spoke re: 100th Anniversary Power of Art Contest.
6. Jim Cooper spoke re: Beyond the Light Switch event scheduled for May 2, 2012.
7. Ed Rice spoke re: Bayfront Legacy Project funding process (CIF).

The following individuals addressed the Board:

Tim Arends, Controller
W. Peter Doren, General Counsel

8. Ed Rice spoke re: emergency purchase for assistance from Lansing Board of Water & Light in the amount of \$87,306.51 made during the storm of March 2012.

C. From Board.

1. Pat McGuire gave an update re: TBEDC Efficiency Audit Task Force.
2. John Snodgrass re: Lansing contracts.

Item 7 on the Agenda being Public Comment

No one from the public commented.


There being no objection, Vice Chair Johnson declared the meeting adjourned at 6:31 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Edward E. Rice, Executive Director 
Date: May 2, 2012
Subject: MHA License to Use Coal Dock & Bottomlands

Attached for your consideration is a License Agreement between Traverse City Light & Power and Maritime Heritage Alliance, Inc. (MHA) for the continued use of the Coal Dock and Bottomlands. Also attached for your consideration is a proposed Resolution declaring the Coal Dock as not necessary for the operation of the Light & Power Department for the term of the proposed Agreement.

This License Agreement is nearly identical to the May 2, 2010 License, with the exception of #2. Use – MHA is requesting permission to install an additional floating dock for the vessel Champion's dockage. The attached exhibit depicts the placement of the new dock within the harbor. The term of this new License Agreement will be 3 years from the date of execution.

As with the Tall Ship License, authorized by the Board earlier this year, the City Attorney's opinion is that both the L&P Board and City Commission must certify that the property is not necessary for the operation of the Light & Power Department. Attached is a Resolution for your consideration that, with your approval, will be submitted to the City Commission for their consideration.

If the Board is in agreement with staff's recommendation to approve a Resolution to declare the Coal Dock as not currently necessary for the operation of the Light & Power Department; and further, agrees that L&P should issue a License to MHA, the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD ADOPT THE RESOLUTION CERTIFYING LIMITED LICENSE INTEREST IN THE COAL DOCK TO BE SURPLUS AND APPROVE THE LICENSE AGREEMENT WITH MARITIME HERITAGE ALLIANCE, INC.; SUBJECT TO THE CITY COMMISSION CONCURRENCE IN THE CERTIFICATION OF SURPLUS STATUS.



**TRAVERSE CITY LIGHT AND POWER DEPARTMENT
RESOLUTION
CERTIFYING LIMITED LICENSE INTEREST IN COAL DOCK TO BE SURPLUS
FOR MARITIME HERITAGE ALLIANCE, INC.**

WHEREAS, the Traverse City Light and Power Department owns the Coal Dock and adjacent property in Elmwood Township, Leelanau County; and

WHEREAS, pursuant to Traverse City Code of Ordinances Section 292.03, the Traverse City Light and Power Department has been given authority to engage in public wharfs, landings, yacht basins, harbors, docks, wharfs, and terminal facilities; and

WHEREAS, the Maritime Heritage Alliance, Inc., has requested limited rights to use a portion of the Coal Dock and adjacent bottomlands to dock the ships Madeline, the Welcome, and Champion and to allow persons to board and disembark from those vessels; and

WHEREAS, the limited use by the Maritime Heritage Alliance, will not interfere or impede the use of the dock for other Light and Power purposes; and

WHEREAS, a License has been negotiated with the Maritime Heritage Alliance, for a limited time and which licensee must move its vessels and equipment at the direction of the Department if necessary for its own utility purposes;

NOW, THEREFORE, BE IT RESOLVED that the limited interest in the Coal Dock described in the proposed License is certified as not necessary for the operation of the Light and Power Department; and

BE IT FURTHER RESOLVED that the Chairman and Secretary are authorized to execute the License to Use Coal Dock and Bottomlands if the surplus status of this property is confirmed by the Traverse City Commission pursuant to City Charter Section 179(b).

I hereby certify that the above Resolution was adopted on May 8, 2012, at the regular TCL&P Board meeting held in the Commission Chamber, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Edward E. Rice, Secretary
Traverse City Light & Power Board

**TRAVERSE CITY LIGHT & POWER DEPARTMENT
LICENSE TO USE COAL DOCK AND BOTTOMLANDS
BY MARITIME HERITAGE ALLIANCE, INC.**

This Agreement is made this ____ day of _____, 2012, by and between the TRAVERSE CITY LIGHT & POWER DEPARTMENT, whose address is 1131 Hastings Street, Traverse City, Michigan 49686, a Michigan municipal electric utility, (hereinafter referred to as "Licensor") and the MARITIME HERITAGE ALLIANCE, INC., a Michigan non-profit corporation, whose address is 13268 S. West Bay Shore Drive, Traverse City, Michigan 49684, (hereinafter referred to as "Licensee").

The parties agree as follows:

1. License. Licensor hereby grants to Licensee the right, privilege, and permission to install floating docks, access those docks, and utilize them, on a part of the property owned by Licensor in Elmwood Township on West Grand Traverse Bay. Licensor's property is shown on Attachment A and that part of it which is hereby made available to Licensee is also shown on Attachment A. The area shown as available to Licensee is hereinafter referred to as "the Property." This License is not exclusive. This License and Agreement supersede the Agreement between the parties dated May 11, 2010.

2. Use. The Property may be used by Licensee to install its floating docks and utilize them. Only those historic boats owned and titled to Licensee may be docked by Licensee at the Property. The main boats shall be the Madeline, the Welcome, and the Champion. They shall contain nothing but items normally associated with those boats. No maintenance shall be performed or storage shall occur on the Coal Dock part of the Property.

3. Care of Property. Licensee at all times shall keep the Property and all adjoining property clean and neat from all rubbish and other items deposited by Licensee or those acting under this License. Licensee shall take particular care to make sure that there is no spill or leakage of fuel or any other substances and, if there is such a spill or leakage, will report it immediately to the Executive Director of Licensor.

4. Waste. Licensee may cut grass and weeds, but shall not cut trees, excavate, move earth, plant trees or shrubs, or commit any waste on the Property.

5. Termination. If Licensee is not storing a boat at the Property in the off-season, from September 1 until April 15 either party may terminate this Agreement and the license at any time by specifying in writing the date of termination and giving written notice to the other party not less than 14 days prior to the date of termination specified in the notice. If Licensee is storing a boat at the Property in the off-season, either party may terminate this License by giving not less than 14 day prior notice with the effective date of termination to be May 15. From April 16 to August 31 notice of termination shall not be effective any earlier than September 15. After termination, Licensor may at Licensee's expense, remove anything on the Property including boats and the floating dock

systems placed there by Licensee. Licensee shall pay for or reimburse Licensor for all costs in connection with removal of items and shall hold harmless and indemnify Licensor.

6. Hold Harmless. Maritime Heritage Alliance, Inc., agrees to indemnify, defend, and save harmless Traverse City Light and Power Department, the City of Traverse City, and their officials and employees, from and against all loss or expense, including costs and attorney's fees, by reason of any claim against or liability imposed by law upon the City of Traverse City or Traverse City Light and Power Department, for damages because of bodily injury, including death, at any time resulting therefrom, arising out of, or in consequence of the performance of the operations of Maritime Heritage Alliance, Inc., unless such injury or damage is occasioned by the sole negligence of the City of Traverse City or Traverse City Light and Power Department, or a combination thereof. Neither the City of Traverse City nor Traverse City Light and Power Department waive the defense of governmental immunity by this Agreement or any undertaking pursuant to this Agreement.

7. Insurance. Licensee shall obtain and maintain general liability insurance with a coverage limit of not less than one million dollars (\$1,000,000) and shall name Licensor as an additional insured without restrictions under that policy. The policy shall contain a provision requiring that Licensor be given 30 days notice or more prior to cancellation of any such policy.

8. Assignment. This License is personal to Licensee and Licensee may not assign or transfer all or any part of said License without the prior written consent of Licensor.

9. Consideration. The consideration paid by Licensee to Licensor for this license is \$1 annually and the goodwill generated from allowing Licensee to utilize the Property.

10. Moving Boats. Licensor at its sole discretion may require Licensee or the owner to move boats, and all other things to other dockage or moorage as it may deem necessary for its own utility purposes, for deliveries on the coal dock, for emergencies or other use deemed necessary by Licensor.

11. Term. This License shall automatically expire three years from the date hereof unless earlier terminated.

12. MDEQ Agreement. This Agreement is subject to and conditioned upon approval of the MDEQ. Use of the Property and bottomlands by Licensee shall comply with Attachment B, Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes (MDEQ AS-162). Non-compliance with this MDEQ Agreement by Licensee shall be cause for early or immediate termination of this Agreement, at Licensor's sole determination.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above mentioned.

TRAVERSE CITY LIGHT & POWER DEPARTMENT

By: _____
L&P Board, Chairman

By: _____
Edward E. Rice, Secretary

MARITIME HERITAGE ALLIANCE, INC.

By: _____
Rod Jones, President

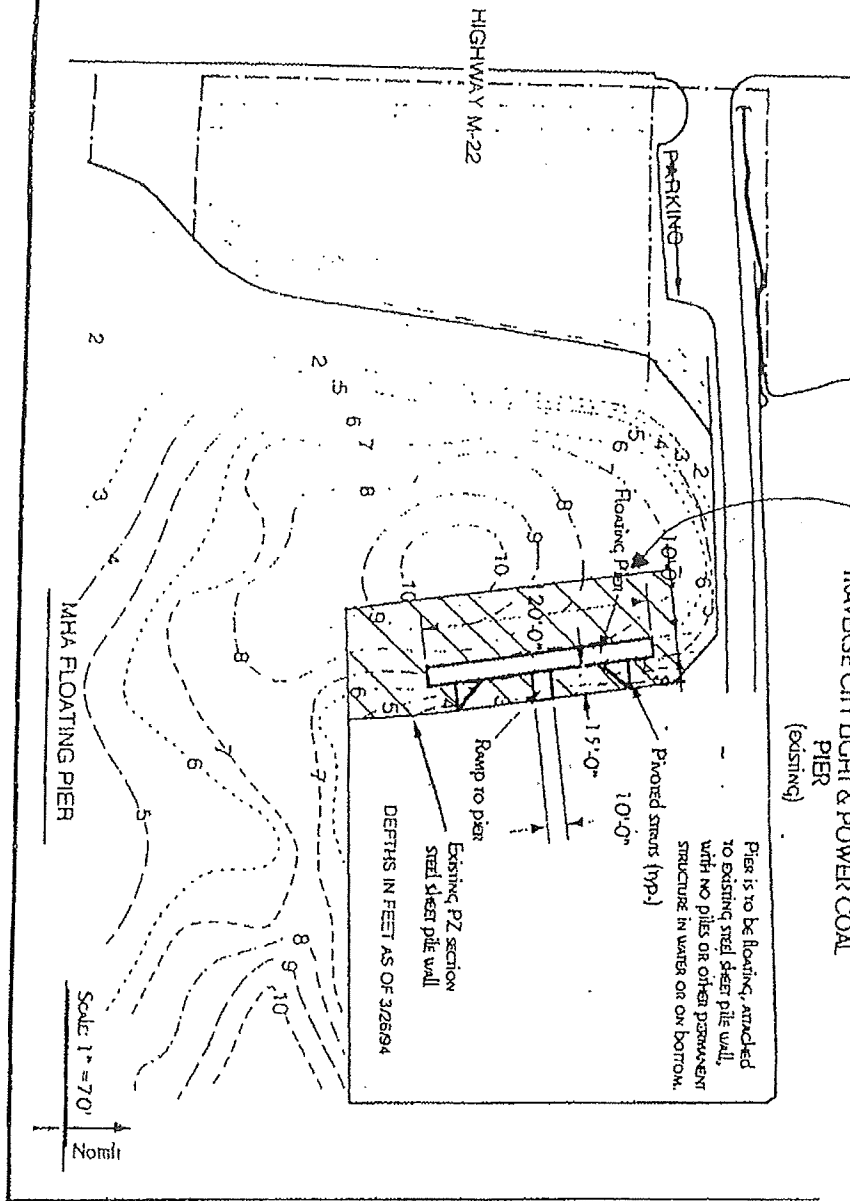
APPROVED AS TO SUBSTANCE

Edward E. Rice, Executive Director
Traverse City Light and Power

APPROVED AS TO FORM:

W. Peter Doren, General Counsel
Traverse City Light & Power
General Counsel

LIBER 442 PAGE 759

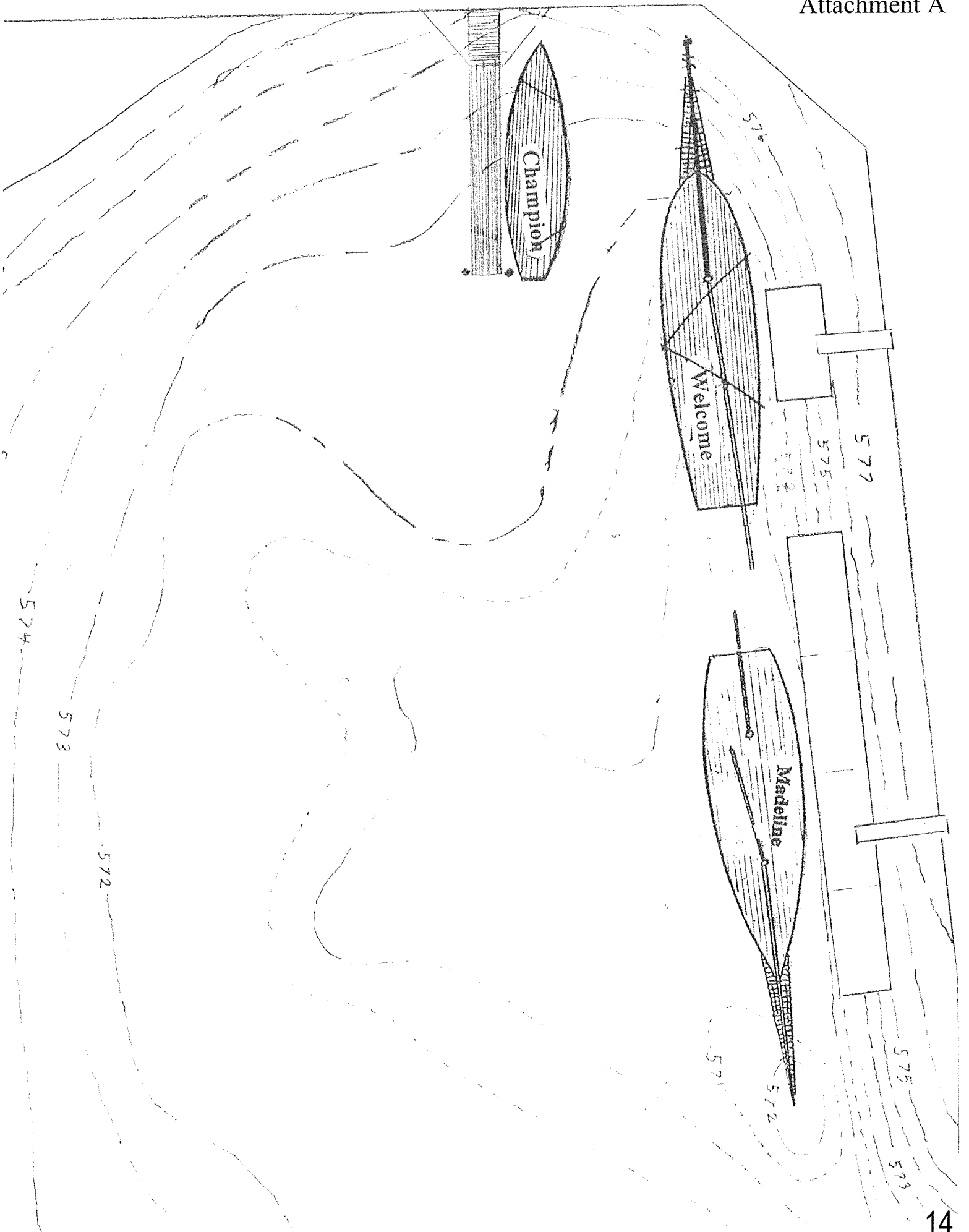


Private Use Agreement
 AS-107
 0.25 acres

MHA / Floating Dock Project
 Grand Traverse Bay
 Elmwood Trwp, Leelanau Co

The Property available to Licensee is highlighted.

ATTACHMENT A



Barbara Kirt 8P
Leelanau Register of Deeds
Recording Fees: 35.00
SUE Date 01/09/2006 Time 14:48:57
Page 1 of 8 01 887/484



AS-162

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND AND WATER MANAGEMENT DIVISION

AGREEMENT TO USE AND OCCUPY UNPATENTED GREAT LAKES
BOTTOMLANDS FOR PRIVATE PURPOSES

Pursuant to Part 325, Great Lakes Submerged Lands, of the Natural Resources and
Environmental Protection Act, 1994 PA 451, as amended (NREPA)

THIS AGREEMENT, made and executed this 13th day of December, 2005, between the
DEPARTMENT OF ENVIRONMENTAL QUALITY (DEPARTMENT) OF THE STATE OF MICHIGAN,
P.O. Box 30458, Lansing, Michigan 48909-7958, under the authority vested in said Department by
Part 325 of the NREPA, herein referred to as the grantor and Traverse City Light and Power, a
Michigan municipal electric utility department, 1131 Hastings Street, Traverse City, Michigan 49686
herein referred to as Grantee.

WITNESSETH:

WHEREAS, Grantee has applied for an agreement to use waters of the Great Lakes and to
occupy unpatented Great Lakes bottomlands herein described, the private purpose of viewing,
displaying, and interpretation of historical vessels for the general public. These premises may also be
used by the City of Traverse City for non-commercial municipal purposes.

WHEREAS, Grantee has represented himself to be an occupant of or a riparian or littoral
owner or owners of property touching or situated opposite the unpatented bottomland and water area
of the Great Lakes that is the subject of this agreement, as hereinafter described.

WHEREAS, the Department has determined: 1) that the Grantee is an occupant or a riparian
or littoral owner or owners of the property situated opposite the unpatented bottomland or water area
over that area that is the subject of this agreement, 2) may develop, occupy and use the water area
and the unpatented bottom lands hereinafter described without impairing or substantially injuring the
public trust, and 3) has further determined that it is in the public interest to enter into an agreement
with the Grantee to use the waters and occupy the bottomlands described hereinafter for the
purposes stated and on the terms and conditions set forth hereinafter and,

WHEREAS, the State Administrative Board has duly considered the application of the Grantee
and at its meeting held on May 17, 2005, approved the issuance of this agreement, and,

WHEREAS, the Attorney General considered and approved this agreement contract as to
legal form,

NOW, THEREFORE, the grantor, for and in consideration of the fee hereinafter specified and
other good and valuable consideration, hereby authorizes Grantee to use all of the following
bottomlands of the Great Lakes or bays and harbors thereof belonging to the state of Michigan and
held in trust by it, situated and being in and adjacent to the county of Leelanau, state of Michigan, and
described as follows, to wit:

A parcel of unpatented Lake Michigan public trust bottomlands adjacent and contiguous to Government Lots 1 and 2, Section 33, Township 28 North, Range 11 West, Elmwood Township, Leelanau County, Michigan, more fully described as follows: commencing at the North 1/4 Corner of said Section 33; thence along the North line of said section N 89° 56' 59" E 1493.76 feet to the centerline of State Highway M-22; thence along said centerline 488.54 feet along the arc of a 1910.05 foot radius curve to the left, the chord of which bears S 00° 37' 48" E 487.20 feet; S 07° 57' 26" E 315.61 feet; and 373.25 feet along the arc of a 2864.98 foot radius curve to the right, the chord of which bears S 04° 13' 30" E 372.99 feet; thence leaving said centerline S 89° 39' 00" E 38.20 feet; thence S 89° 24' 45" E 120.17 feet; thence N 89° 24' 15" E 413.33 feet; thence S 01° 39' 15" W 233.35 feet to the point of beginning; thence N 89° 02' 45" W 204.53 feet; thence N 05° 50' 45" W 179.94 feet; thence N 50° 56' 45" W 31.12 feet; thence N 87° 56' 45" W 109.50 feet to the Ordinary High Water Mark (OHWM) of Lake Michigan; thence along said OHWM on the following five courses: S 42° 55' 49" W 52.08 feet; S 15° 31' 14" W 61.07 feet; S 08° 40' 20" W 76.37 feet; S 19° 28' 57" W 79.82 feet; and S 37° 02' 54" W 36.21 feet; thence S 89° 21' 43" E 466.04 feet; thence N 01° 39' 15" E 75.91 feet to the point of beginning containing 1.64 acres more or less, subject to all easements, conditions, reservations, exceptions, and restrictions contained in prior conveyances of record.

TO HAVE AND TO HOLD, the above-described premises for the purposes hereinafter designated, with the rights and privileges thereto attaching and belonging unto the Grantee for and during the term of 25 years, beginning 12-13-05. One renewal period of 25 years is available to the Grantee provided the Grantee makes written request at least three (3) months before expiration of the original twenty-five (25) year agreement period, provides satisfactory evidence of the Grantee's right to occupy the adjacent uplands, complies with the statutory requirements for leasing submerged Great Lakes bottomlands at the time of the expiration of the agreement, and the grantor determines that the Grantee complied with all the terms and conditions of the agreement during the original twenty-five (25) year agreement period, is not then in default, and subject to redetermination of the annual rent based upon the grantor's appraisal at the time.

PURPOSE OF LEASE AND LIMITATIONS ON USE AND TRANSFER OF LANDS

(A) The purpose of this agreement is to authorize the Grantee to utilize the state-owned unpatented bottomland and waters for the private purpose of viewing, displaying, and interpretation of historical vessels for the general public. These premises may also be used by the City of Traverse City for non-commercial municipal purposes and not for any other purpose. The Grantee agrees not to use the premises in any way or to allow or suffer the premises to be used in any way that unreasonably interferes with the public or any other riparian's use of any adjacent or adjoining public waters or bottomlands.

(B) The bottomlands interest and right to occupy associated waters conveyed herein are extended to the Grantee as owner or occupant of the adjacent upland for viewing, displaying, and interpretation of historical vessels for the general public. These premises may also be used by the City of Traverse City for non-commercial municipal purposes in connection with the Grantee's use of the adjacent upland. If the Grantee transfers occupancy, ownership, or control of the adjacent upland to any third party, said action is an act of default under this agreement and a forfeiture of the subject premises. No interest in the premises conveyed, or any part thereof, may be assigned, sublet, or conveyed to any other person in any form whatsoever. By way of illustration but without limitation, no condominium interest made up of or in any way including, the lands and/or waters of the premises conveyed may be conveyed to any third party or parties.

(C) Notwithstanding paragraph B, the Department may authorize Grantee to assign its entire remaining right and obligation under this agreement to a designated third party.

CONSIDERATION

(A) Grantee agrees to pay the grantor the sum of \$200 per year as the annual use fee for said premises. The use fee for the first year or proportionate part thereof is to be paid upon the signing of this agreement, and thereafter the use fee shall be paid each year in advance on or before the first day of each calendar year, payable at the Office of the Cashier, Department of Environmental Quality, P.O. Box 30473, Lansing, Michigan 48909-7973. The use fee rate shall be adjusted every five (5) years, with the first adjustment in 2010. The adjustment shall be directly proportional to the change in the Bureau of Labor "all-items" index or its successor index.

(A) Grantee covenants and agrees to obtain all required permits authorizing the uses contemplated herein prior to the expiration of the calendar year next following the creation of this right of use, and that upon failure to obtain said permit(s), the Grantee will be in default. Grantee further covenants and agrees that in the event any agency of the United States of America, the state of Michigan, or any political subdivision thereof, denies or disapproves any portion of any application by the Grantee for the stated use of the subject premises, or any portion thereof, this agreement shall be void as to the denied or disapproved use as of the date of such denial or disapproval and Grantee shall be in default. Failure of the Grantee to abide by or conform to the terms and conditions of any such permit(s) granted shall be an event of default under this agreement.

(B) Grantee covenants and agrees to comply with all federal, state, and local fair employment practices and equal opportunity laws, and Grantee covenants and agrees that it shall not discriminate against any employee or applicant for employment to be employed in the performance of this real estate contract, with respect to his or her hire, tenure, terms, conditions, or privileges; nor shall Grantee use or allow the use of the subject premises in any manner that discriminates against employees, customers, or clients, based upon race, sex, religion, or national origin.

(C) Grantee covenants and agrees to maintain the premises in compliance with the barrier free design requirements of 1966 PA 1, as amended, MCL 125.1351, *et seq* (Utilization of Public Facilities By Physically Handicap Act), applying to public facilities and facilities used by the public.

(D) Grantee covenants and agrees that the occupation and use of the property is subject to and will be exercised according to all applicable state, federal, and municipal statutes and ordinances and that this agreement does not limit the power of the state of Michigan, its political subdivisions or the United States of America to enact and enforce legislation, or to adopt and enforce regulations or ordinances affecting directly or indirectly, the activity of the Grantee or its agents in connection with this agreement or the value of the interest held under this agreement.

PAYMENT OF TAXES AND OTHER CHARGES

(A) Grantee covenants and agrees to bear, pay and discharge, in addition to the designated use fee, all rates, charges for revenue, and other assignments, levies, taxes real and personal, general and special, ordinary and extraordinary, of every name, nature, and kind whatsoever, which may be assessed, levied or imposed upon the subject premises interest hereby created so long as the Grantee shall occupy said premises under the terms and provisions appearing herein.

IMPROVEMENTS

(A) Grantee covenants and agrees to construct and maintain suitable buildings, structures, pilings, facilities and appurtenances upon said premises at its own expense and with grantor's permission. The Grantee covenants and agrees to comply with all applicable laws, rules, regulations, and ordinances in the construction of buildings, structures, pilings, facilities and appurtenances on said premises. All other structures, improvements, machinery, appliances, apparatuses or adjuncts now on the premises covered by said agreement or which may be constructed or placed upon it during the term of this agreement or any extension or renewal thereof, shall remain the property of the Grantee and shall be removed therefrom by the Grantee at its own expense upon the expiration of the agreement, as required by the grantor.

(B) Grantee covenants and agrees to inform the grantor of the name, address, and telephone number of its managing agent who can, on behalf of Grantee, order the repair or restoration of the facility or any part thereof, and to keep the grantor informed of the name, address, and telephone number of the owner of the facility.

(C) Attached to and made a part of this agreement as Exhibit A is a drawing representing the configuration of improvements authorized for the subject premises. Grantee agrees to update this drawing to reflect any changes in that configuration or in the authorization.

MAINTENANCE AND RESTORATION

(A) The Grantee covenants and agrees that it will at all times during the term of this agreement, at its sole cost, charge, and expense, put, keep and maintain in good and sufficient order

and repair the premises herein devised in accordance with all police, sanitary and other regulations imposed by any governmental authority and guard against fire or other damage thereto; prevent any pollution of adjacent or adjoining waters by and through said use of said premises; maintain said premises in a manner to protect game and fish in or on adjacent or adjoining waters and lands; and, upon request, permit the grantor or its authorized representatives to have free access at all times to said premises and any buildings or appurtenances thereon for inspection purposes.

(B) Grantee covenants and agrees that in the event the improvements and structures placed on the subject premises are substantially destroyed by fire or other casualty, and Grantee does not, within two (2) years following said casualty, rebuild or replace the affected improvements and structures, grantor may cancel the agreement upon thirty (30) days notice to Grantee. Such rebuilding shall not be undertaken by Grantee without the prior written approval of the grantor.

INDEMNIFICATION AND SECURITY

(A) Notwithstanding any concurrent negligence by the state of Michigan and/or the Department or their agents, officers or employees, Grantee agrees to defend, or cause to be defended, and to indemnify and hold the state of Michigan, the Department, their officers, agents and employees, harmless from all costs, damages, suits, actions at law, liability, or claims of liability, including reasonable attorney's fees, which may arise or grow out of any injury or death of persons or loss or damage to property arising out of, in whole or in part, the use or occupancy of subject premises by Grantee, its agents, contractors, employees, guests, invitees, permittees, or licensees.

In addition to the general indemnity agreement set forth in the immediately preceding paragraph, Grantee also specifically agrees to defend, or cause to be defended, the state of Michigan and the Department, their agents, officers, and employees, from any and all cost, damages, claims, suits at law or equity which may arise or grow out of grantor's reliance upon Grantee's representation that Grantee has a right to occupy the uplands adjacent to the subject premises and to exercise riparian rights in connection therewith.

(B) Grantee covenants and agrees to secure and maintain throughout the term of this agreement a liability insurance policy naming the Department as an additional insured providing coverage in a commercially reasonable amount to be determined by the Grantee but with a combined single limit coverage of not less than one million dollars for any claims or liability for bodily injury or property damage arising out of the ownership, use, occupancy, condition or maintenance of the subject property and all improvements located thereon. Such proof of a liability insurance policy naming the Department as an additional insured shall be provided to the Department.

(C) Grantee covenants and agrees to secure and maintain in force throughout the term of this agreement a surety bond or other assurance satisfactory to the Department to secure Grantee's performance of its obligations under this agreement and to protect grantor in the event of any abandonment, relinquishment, termination, forfeiture, cancellation, or default of this agreement. Said bond or other assurance shall be on such form and in such amount as the grantor shall approve and accept. The amount of said bond or other assurance shall be \$10,000. Such proof of a surety bond or other satisfactory assurance shall be provided to the Department with the annual use fee payment as described in the CONSIDERATION paragraph.

TERMINATION

Grantee shall have the right to terminate this agreement by notifying grantor at least thirty (30) days prior to the termination date. Upon termination, Grantee agrees to vacate the subject premises and remove all structures and personal property of Grantee located thereon, as required by the grantor. Use fees paid by Grantee for such terminated use shall be forfeited, unless otherwise agreed in writing by the grantor.

FORFEITURE, DEFAULT AND CANCELLATION

The following, as well as any other breach of covenant of this agreement, shall be deemed an event of default:

1. Failure of Grantee to pay when due any fee payable under this agreement.
2. Use of the premises by Grantee or by any others with Grantee's consent or sufferance for purposes or in any manner contrary to law or ordinance or for any purposes or in any manner other than for the purposes as set forth above, or contrary to the intent of such statement of purpose.

3. Failure of Grantee to start and proceed with due diligence to cause the development of the authorized use within a period of two (2) years from the date of this agreement.
4. Failure of Grantee to abide by or conform to the terms and conditions of any permit required to authorize the uses contemplated by this agreement.
5. Failure of Grantee to use the premises consecutively for a period of two (2) years.
6. Failure to pay in a timely fashion any taxes or other charges required to be paid by this agreement.
7. Abandonment of the premises by the Grantee.
8. Any alteration of the improvements or the relationship of the improvements without prior written consent of the grantor.
9. Any failure to maintain the premises and any improvements in accord with the obligations of this agreement.
10. Any transfer of Grantee in fraud of creditors, or petition initiated by Grantee or adjudication of Grantee as bankrupt or insolvent in any proceeding.
11. Appointment of a receiver or trustee for all, or substantially all, assets of Grantee.
12. Transfer or attempted transfer of the use, occupation, control or ownership of the adjacent upland interest upon which this agreement was authorized.
13. Failure to maintain the insurance policy and security bond required by the agreement in full force and effect at all times during the term of this agreement.

Upon the occurrence of any event of default, grantor may, in addition to and not instead of, any other remedies available at law and equity, cancel this agreement without prior notice or demand to Grantee and enter onto and take possession of the subject premises. Grantee shall be liable to grantor for any loss and expenses incurred by grantor by reason of such entry.

If, prior to cancellation as provided for in the previous paragraph, the grantor chooses to notify lessee of any breach of covenant or of the events of default described in paragraphs 1, 2, 4, 6, 7 or 9 above, Grantee shall have thirty (30) days in which to cure such default before grantor may cancel the agreement.

Transfer of the occupation, control, or ownership of the adjacent upland interest upon which this agreement was authorized is, in addition to a default, a forfeiture of the Grantee's interest in the subject property.

In the event of any default, cancellation or termination of this agreement or if this agreement become void, Grantee covenants and agrees to quit, deliver up and surrender possession of the premises in good, sanitary, and marketable condition, order and repair, and free from any environmental contamination, and to execute and deliver a recordable release to any and all rights under the agreement to the grantor.

WAIVER

The receipt of compensation by the grantor, with or without knowledge of any default on the part of the Grantee, is not a waiver of any provision of this agreement. No failure on the part of the grantor to enforce any covenant or condition of this agreement, nor the waiver of any right under this agreement by the grantor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the grantor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation of the grantor after determination or any notice of determination will not reinstate, continue, or extend this agreement, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to the receipt of the compensation, unless specifically stated by the grantor in writing.

RENEWAL

Upon normal expiration of the term of this agreement and upon fulfillment of all terms, conditions, and covenants of this agreement, and satisfaction of the terms and conditions for entry into a bottomlands agreement then operative, the Grantee shall be entitled to renew this agreement upon such terms and conditions as the grantor may deem proper.

RESERVATION OF RIGHTS

It is expressly agreed between the grantor and Grantee that the grantor shall save and except and always reserve unto itself all minerals, including but not limited to coal, oil, gas, sand, gravel, stone or other materials or products, lying and being on, within, or under the said [lands hereby leased][interest hereby conveyed], with full and free liberty and power to itself, its duly authorized officers, representatives and assigns, and its or their lessees, agents, and workman, and all other persons by its or their authority or permission, whether already given or hereafter to be given, at

anytime and from any time to time, to enter upon said lands and take all usual, necessary, or convenient means for exploring, mining, working, piping, getting, laying up, storing, dressing, making merchantable, and taking away the said minerals, pursuant to the provisions of section 32503, Part 325 of the NREPA.

IN WITNESS WHEREOF, the Department has hereunto subscribed its name and affixed the seal of said Department the day and year first hereinabove written.

Signed, Sealed and Delivered in Presence

DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF MICHIGAN

BY Mary Ellen Cromwell 12/13/05
Date
Mary Ellen Cromwell

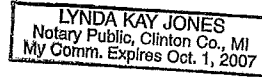
STATE OF MICHIGAN

County of Ingham

)
) ss.
)

On this 13th day of December, 2005, personally appeared Mary Ellen Cromwell of the Department of Environmental before me, a Notary Public in and for the county of Ingham, Quality (DEQ) personally known to me to be the same person who executed the foregoing instrument, and who acknowledged the same to be her free act and deed, and the free act and deed of the DEQ in whose behalf acts, and for the purpose in said instrument set forth.

Lynda Kay Jones
Notary Public, Clinton County
My Commission Expires: 10/01/07
Acting in Ingham County



BY Traverse City Light and Power
Grantee

By Linda Johnson
Linda Johnson

Its Chairperson

And Richard Smith
Richard Smith

Its Executive Director

Dated _____

STATE OF MICHIGAN

County of

)
) ss.
)

On this 2nd day of Dec, 2005, appeared Linda Johnson and Rich Smith to me personally known, and being by me duly sworn, did say that they are respectively the Chairman and ex-director of the TELAP, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors and _____ and _____ acknowledge said instrument to be the free act and deed of said corporation.

Jane W. Coop
Notary Public, Grand Traverse County
My Commission Expires: 7/28/2011
Acting in the County of Grand Traverse

STATE OF MICHIGAN

County of

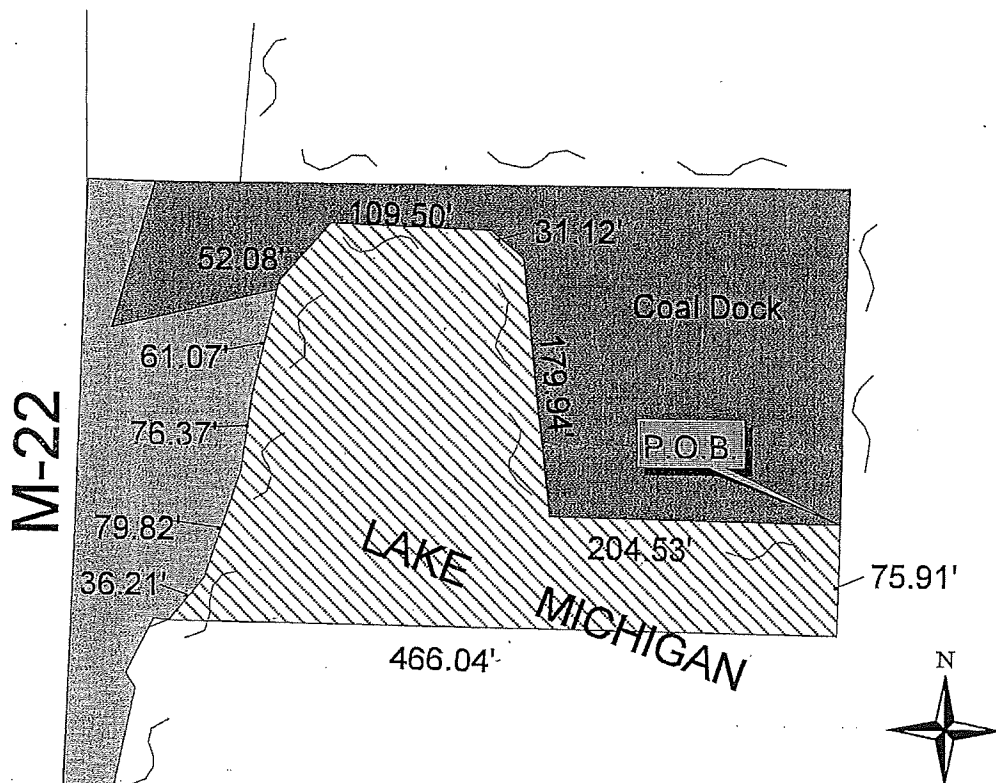
)
) ss.
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On this _____ day of _____, 2005, personally appeared _____ before me, a Notary Public in and for the county of _____, known to me to be the person named in and who executed the above instrument, and acknowledged that _____ executed the same for the intent and purposes therein mentioned

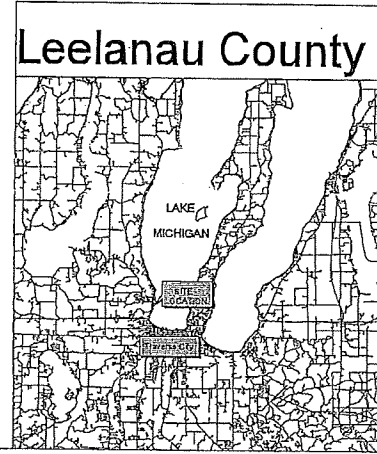
Notary Public, _____ County
My Commission Expires: _____

Prepared by and Return To:
Department of Environmental Quality
Land and Water Management Division
Wetlands and Submerged Lands Management Unit
P.O. Box 30458
Lansing, Michigan 48909-7958

Private Use Agreement of 1.64 Acres of Lake Michigan Public Trust Bottomlands in Elmwood Township, Leelanau County
 To: Traverse City Light and Power




-  Riparian Upland
-  Previously Deeded Area
-  Private Use Agreement





TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Ed Rice, Executive Director 
Date: May 4, 2012
Subject: Project Authorization Request – 2012 Distribution Circuit Rehabilitation Circuit BW-22

Staff has prepared a packet of information and is requesting authorization from the L&P Board for staff to proceed with the development, design and construction of the 2012 Distribution Circuit Rehabilitation Circuit BW-22. This project is identified in the L&P Capital Plan.

Details for this project are included in your packet. Staff will be prepared to answer any questions.

Staff recommends L&P Board approval of the 2012 Distribution Circuit Rehabilitation Project, Circuit BW-22, and necessary expenditures in order to provide safe and reliable distribution service to its customers. If the Board concurs, the following motion is appropriate:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE STAFF TO PROCEED WITH THE
2012 DISTRIBUTION CIRCUIT REHABILITATION PROJECT, CIRCUIT BW-22, AND
SEEK THE NECESSARY BOARD APPROVALS FOR EXPENDITURES.**

Project Name: 2012 Distribution Circuit Rehabilitation Circuit BW-22

Date of Board Presentation/Consideration: May 8, 2012

Board Action: Approved Not Approved No Action

Budgeted in Capital Plan: Yes **CIP:** \$1,400,000

Objective: Target Completion date of June 1, 2013

Project Description:

Rehabilitate distribution facilities on the Barlow Circuit BW-22 to improve reliability and public safety. This project includes replacing over 100 deteriorated poles, over 8 miles of conductor and 65 transformers. This project affects 1,244 Traverse City Light & Power (TCL&P) customers. The location involves the areas south of Eighth Street between Woodmere and Garfield and to South Airport Road plus LaFranier over to Hammond Road. This project also includes the Traverse Heights neighborhood.

Selection Method:

The Barlow Circuit BW-22 was chosen from 22 distribution circuits based on number of customers as well as reliability history- see attached decision matrix.

Project Purpose and Necessity (Problem We Are Solving):

Many years of being exposed to ice, wind, rain, and snow have left the Barlow Circuit BW-22 in need of repair. While poles, wires, and other pieces of equipment continue to deteriorate, the risk of poles and wires falling on the ground continues to increase -- posing a public safety concern. In addition, more interruptions of service to our customers will occur with longer durations.

Project Benefits:

The 2012 Distribution Circuit Rehabilitation Barlow Circuit BW-22 will:

- Improve public safety by reducing the chance of poles and wires falling down
- Improve customer service by reducing outages as well as duration of outages.
- Reduce energy needs by reducing losses in older and smaller conductors.
- Reduce maintenance costs associated with emergency repairs.

Other Alternatives:

Do nothing. Public safety could be jeopardized by falling wires and poles. Customer satisfaction will decline as the number of outages along with the duration of outages will climb. Maintenance costs will increase as more money will be spent on emergency repairs. There will be no conservation of energy since the smaller and older conductors will continue to cause higher line losses as compared to installing new larger conductors.

Timing of Project (Why Now):

TCL&P currently has 22 distribution circuits. Most will require at least one-half to one full year rehabilitation in the up-coming years. This yearly rehabilitation project must begin now in order for us to perform timely repairs on the various circuits.

Project Timeline (See Attached Gant Chart)

<u>BW-22 Circuit Rehab Costs</u>	<u>Quantity</u>	<u>Cost</u>	<u>Expected Board Approval Date</u>
• Estimated Materials	Lot	450k	As Required
• General Construction Contract – Labor and Equipment	-	800k	May 2012
• Const Mgmt Contract - Labor	-	122k	May/June 2012
• Contingency (10%)	-	45k	
PROJECT TOTAL		\$1.417M	

Financing Method:

Cash from TCL&P fund balance and as planned for in the six year Capital Plan. Bonding will not be required.

Impact on O&M Expenses:

A reduction in annual maintenance costs associated with normal maintenance and emergency repairs will occur.

Staff Recommendation:

Staff recommends the TCL&P Board approval of the 2012 Distribution Circuit Rehabilitation of Barlow Circuit BW-22 and all necessary expenditures in order to maintain safe and reliable distribution service to its customers.

Distribution System Rebuild Decision Matrix

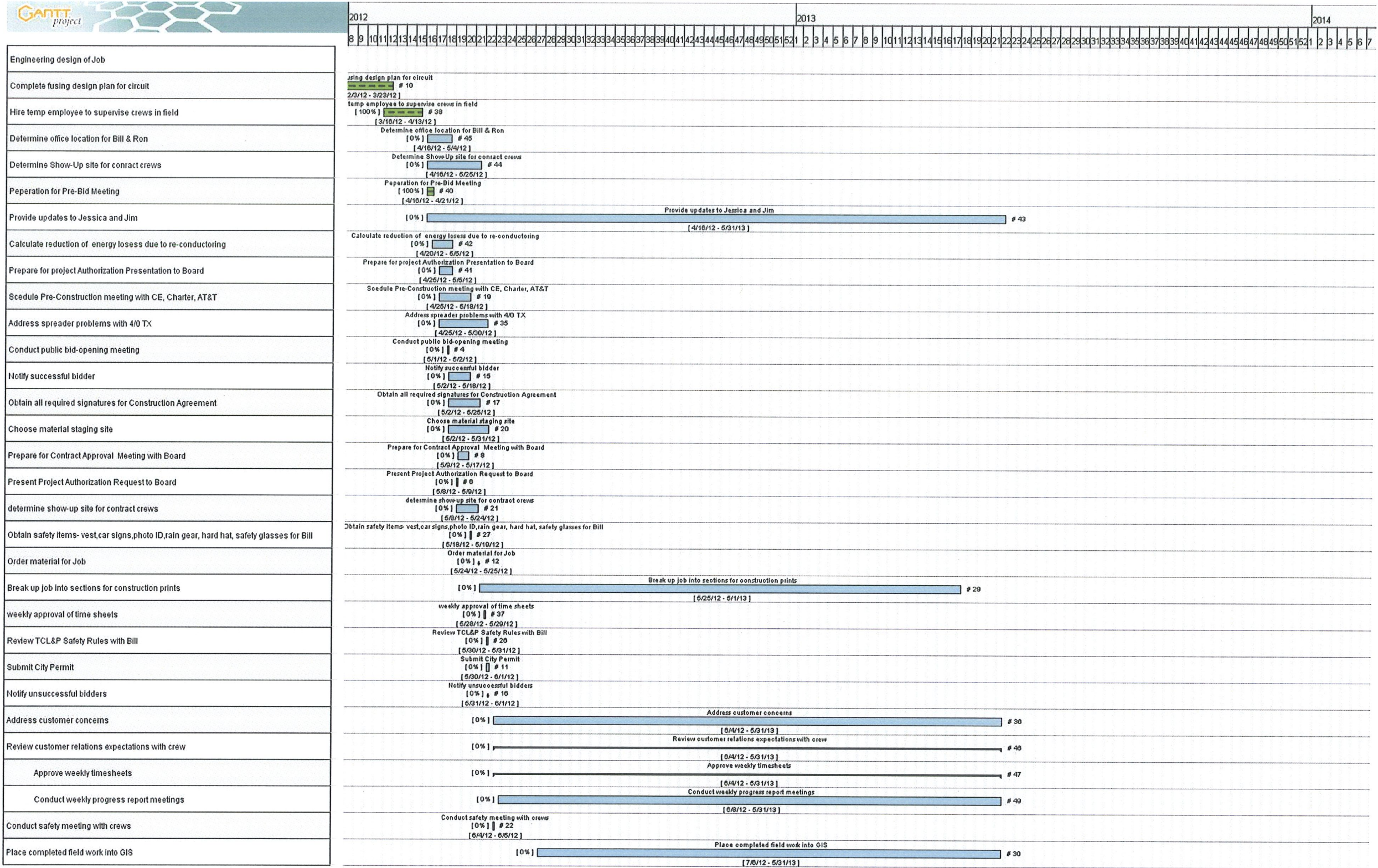
Circuit	2010 Peak (MW)	Number of Customers	SubStation Events	Number of Outages	Total Duration of Outages (hrs)	X-fmrs Overloaded	Total Score
BW22	6.19	1244	10	18	39.13	30	28.1
BW23	2.87	885	13	14	53.88	30	21.4
BW30	3.2	571	1	9	21.03	19	13.1
BW31	6.28	1430	12	46	111.59	50	36.3
PC21	0	1	0	0	0	0	0.0
PC22	3.86	325	6	12	24.64	8	8.3
PC23	3.34	276	0	5	13.43	7	6.4
PC30	3.77	1	1	0	0	0	0.1
PC31	0.66	1	2	1	0.93	0	0.2
CD21	2.85	520	0	4	19.25	13	11.6
CD22	5.62	1	0	0	0	0	0.1
CD23	2.18	245	1	4	7.35	23	5.9
CD30	2.23	963	0	10	15.21	17	20.6
CD31	5.25	171	0	5	13.25	5	4.3
HL20	0	0	0	0	0	0	0.0
HL21	3.18	1010	1	10	33.31	23	22.5
HL22	5.03	802	2	8	18.94	30	17.8
HL23	0	0	0	0	0	0	0.0
HL30	1.65	78	1	0	0	1	1.6
HL31	5.47	428	1	6	8.33	9	9.4
HL32	1.94	311	0	6	8.73	11	7.0
HL33	1.99	1001	1	9	20.24	20	21.6

NOTES:

Number of SubStation Events are for the Year to Date of 2011


Number of Outages are for the year 2009 and 2010

Criteria	Values
2010 Peak	1
Number of customers	2
Substation Events	3
Number of Outages	4
Total Duration of Outages	4
X-fmrs Overloaded	2





**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Ed Rice, Executive Director 
Date: May 4, 2012
Subject: Bids for 2012 Distribution Circuit Rehabilitation Circuit BW-22

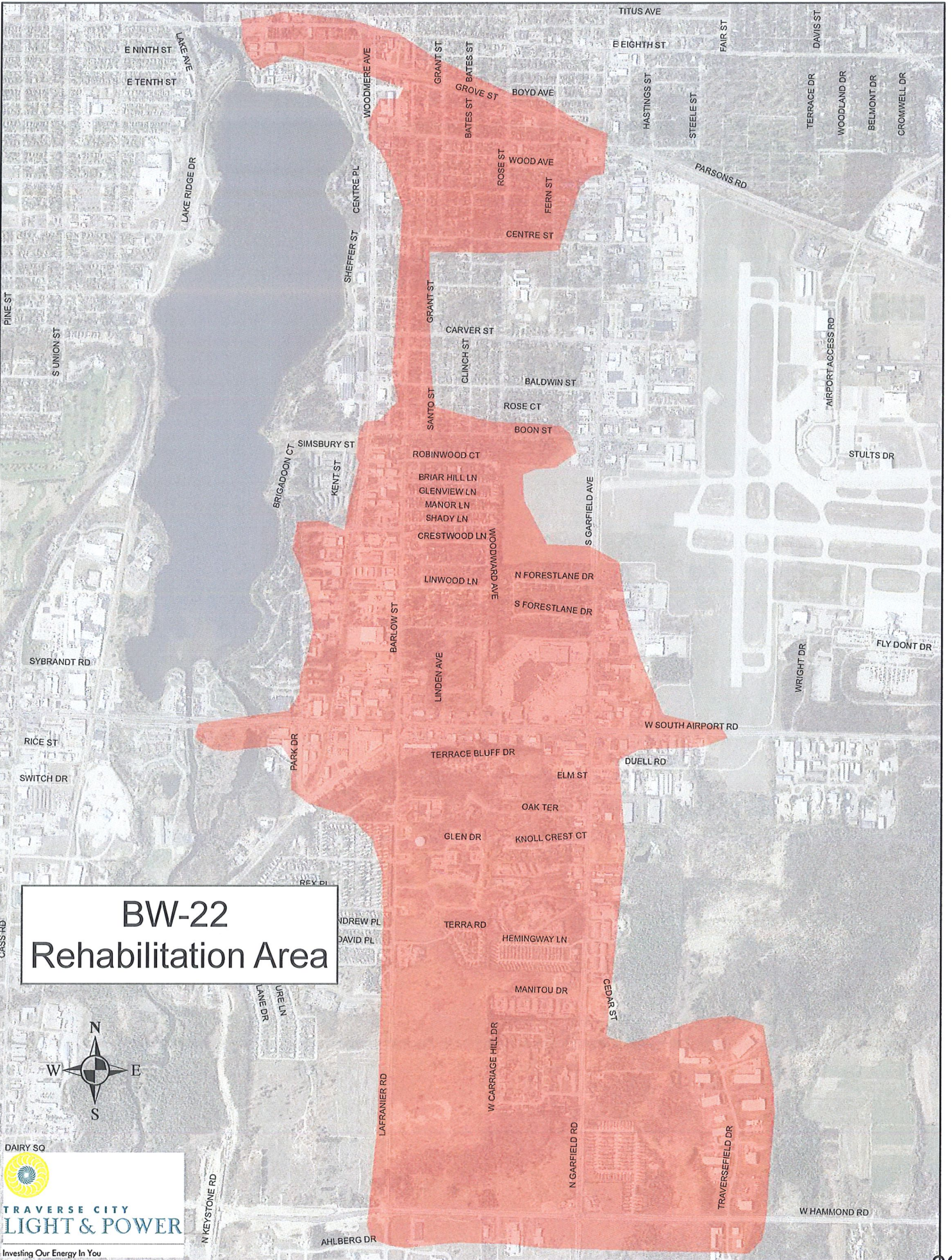
Bids have been obtained for construction of the 2012 Distribution Circuit Rehabilitation Circuit project as well as possible emergency work on the TCL&P electrical system. Bids were based on the contractor providing one working Foreman and three Journeyman Lineworkers, plus equipment to work on the system for 52 weeks. A Pre-Bid Meeting was conducted on April 24th with four pre-qualified bidders: Kent Power, CC Power, SKF Electrical and Hydaker-Wheatlake. Sealed bids were turned in by all four and opened on May 1st with the following results:

<u>Bidder</u>	<u>Total Rate Per Hour</u>	<u>Total Cost for 52 Weeks</u>
CC Power	\$316.00	\$657,280.00
SKF Electrical	\$320.00	\$665,600.00
Kent Power	\$355.00	\$738,400.00
Hydaker-Wheatlake	\$430.28	\$895,190.40

In the current six year capital plan, there is an existing line item for “annual” circuit rehabilitation expenditures as well as in the pending six capital plan beginning in 2012-13.


Staff is recommending that the low bid from CC Power be accepted. If the Board is in agreement, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE THE CHAIRMAN AND
SECRETARY TO ENTER INTO AN AGREEMENT WITH CC POWER, LLC TO
PERFORM DESCRIBED WORK ON THE LIGHT AND POWER ELECTRICAL SYSTEM
FOR A TOTAL COST NOT TO EXCEED \$657,280.00 FOR UP TO A 52 WEEK PERIOD,
BASED ON HOURLY RATES; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE
EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL; AND
AUTHORIZE THE EXECUTIVE DIRECTOR TO ADMINISTER AMENDMENTS AND
CHANGE ORDERS THAT ARE IN THE BEST INTERESTS OF THE LIGHT AND POWER
DEPARTMENT.**



**BW-22
Rehabilitation Area**



DAIRY SQ

**TRAVERSE CITY
LIGHT & POWER**
Investing Our Energy In You



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Jessica Wheaton
Date: May 2, 2012
Subject: Online Utility Bill Payment System

The City of Traverse City and Traverse City Light & Power (L&P) have launched an online bill payment system where customers can view and pay their electric, water and sewer utility bill online.

The new online payment system provides customers access to billing and payment history, account information, past electric, water and sewer usage data and offers an online utility bill payment option.

The online bill payment system can be accessed through L&P's website or by visiting <http://utilities.traversecitymi.gov/Click2GovCX> (the web address is case sensitive).

Customers are also able to take advantage of a paperless billing option. Customers interested in enrolling in paperless billing will need to contact the Utility Accounting department to set up this option. Customers should be prepared to provide their account number and email address.

Customers who use a credit card to pay their utility bill using the online payment system will be charged a convenience fee of 2.85%, with a \$1 minimum. Customers who prefer not to pay the convenience fee can have their utility bill payments automatically debited from their bank account every month for free.

Karla Myers-Beman, City Deputy Treasurer, has led the online bill payment implementation process and will be at the board meeting to answer any questions.



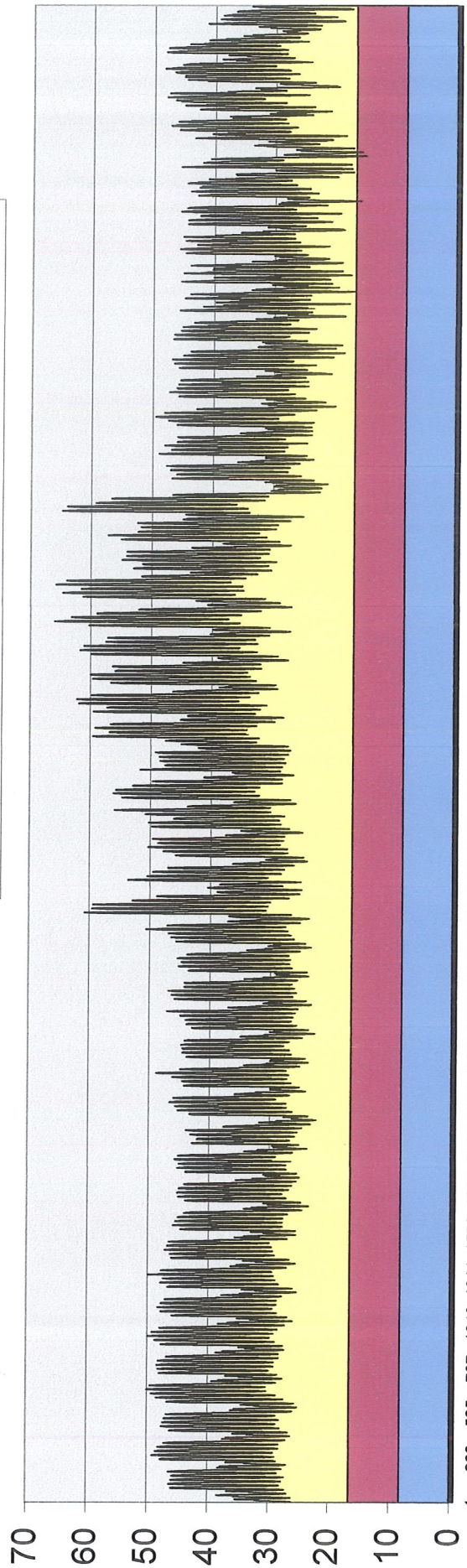
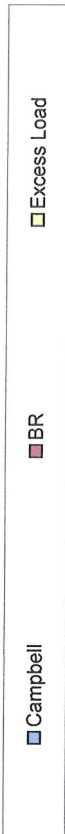
To: Light and Power Board
From: ^{KEH} Karen Feahr, Energy Supply Manager
Date: May 8, 2012
Subject: LBW&L Annual Power Purchase Determined

At the request of Board Member Snodgrass, a presentation will be given to the Board with an explanation of how annual purchases from the Lansing Board of Water & Light are determined. The presentation will summarize 1) the purchase requirements of the Power Purchase Agreement between Light & Power and Lansing Board of Water & Light, 2) the forecasting information L&P uses and 3) the process used to determine how much power to purchase from LBW&L within the allowed parameters.

**POWER PURCHASE AGREEMENT
BETWEEN
TCL&P AND LBW&L**

- **Term** - January 1, 2011 – December 31, 2015 (5 Years).
- **Energy Delivery Requirements** – Base Block, Peaking Block and Peaking Option Block
- **Base Block Energy Quantity** – Fixed quantity of 10 to 20 MW for every hour of the year.
- **Peaking Block Energy Quantity** - Fixed quantity of 7 to 15 MW for on-peak hours only.
- **Peaking Option Block Energy Quantity** – Fixed quantity of 0 to 10 MW for on-peak hours only.
- **Energy Scheduling Requirements** – By October 1 of each year, TCLP shall notify LBWL of the quantity of energy under each block to be delivered for each month of the subsequent calendar year.

Traverse City CY2012



1 263 525 787 1049 1311 1573 1835 2097 2359 2621 2883 3145 3407 3669 3931 4193 4455 4717 4979 5241 5503 5765 6027 6289 6551 6813 7075 7337 7599 7861 8123 8385 8647

April

Flexible Blocks -

