

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, June 26, 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: 6-22-12
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

Recognition of Linda Johnson

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 June 12, 2012. (Approval recommended)
- b. Consideration of adopting a Health Care Savings Program Resolution, which approves the Light & Power Department's participation in the MERS Health Care Savings Program, which is an employee savings vehicle for eligible medical care expenses. (Adoption recommended) (Kuschell)

Items removed from the Consent Calendar

- a.
- b.

3. Old Business

- a. Pine Street Overhead to Underground Distribution Conversion project authorization. (Rice/Dine)
- b. Consideration of authorizing an Interconnection Agreement between METC and TCL&P for the East Hammond Substation Project. (Rice/Dine)
- c. Consideration of adopting a Resolution to Approve METC Easements for the East Hammond Substation Project. (Rice/Dine)

4. New Business

- a. Consideration of approving a Hall Street Tenant Lease. (Rice/Arends)
- b. Consideration of adopting the Executive Directors Hiring Authority Policy. (Rice)

5. Appointments

None.

6. Reports and Communications

a. From Legal Counsel.

b. From Staff.

1. Discussion re: LWB&L annual power purchase. (Rice/Feahr)
2. Discussion re: Solar Rate. (Cooper)

c. From Board.

1. Discussion of Public Utilities Element for the City Master Plan. (Board)

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, June 12, 2012

Board Members -

Present: Barbara Budros, Jim Carruthers, Mike Coco, Bob Spence, John Taylor,
Patrick McGuire

Absent: John Snodgrass

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Stephanie Tvardek, Tom Olney,
Jessica Wheaton, Denise Kuschell, Jim Cooper

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

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Executive Director Review Ad Hoc Committee Meeting and Regular Meeting of May 22, 2012.
- b. 2012-13 Insurance Renewal.

CARRIED unanimously. (Snodgrass absent)

Items removed from the Consent Calendar

None.

Item 3 on the Agenda being Old Business

3(a). Consideration of the Bargaining Unit Agreement.

Moved by Coco, seconded by Spence, that the Light & Power Board enter into Closed Session to consider the negotiation of a Collective Bargaining Agreement for the Traverse City Light & Power Department Bargaining Unit.

Roll Call Vote:

Yes – Budros, Carruthers, Coco, Spence, Taylor, McGuire

No – None

CARRIED unanimously. (Snodgrass absent)

Board entered Closed Session at 5:19 p.m.

Board returned to Open Session at 6:27 p.m.

Moved by Coco, seconded by Spence, that the Light & Power Board Chairman execute a Collective Bargaining Agreement between the Traverse City Light & Power Department and the Utility Workers Union of America, Local 295 effective July 1, 2012 through June 30, 2017, subject to approval as to its substance by the Executive Director; and

That the Resolution for Adopting Municipal Employees' Retirement System of Michigan Defined Benefits Program (other than DB Component or Hybrid Program) which will reduce the benefit plan multiplier for new hires in the LP Division 12 be adopted.

CARRIED unanimously. (Snodgrass absent)

3(b). Consideration of authorizing a Purchase Order for the LED Overhead Roadway Lighting Project.

The following individuals addressed the Board:

Ed Rice, Executive Director
Tom Olney, Operations Manager

Moved by Carruthers, seconded by Coco, that the Board authorize the Executive Director to issue a Purchase Order to Resco for the purchase of 225 LED Cobra Head type fixtures, in the amount of \$103,185.

Budros departed the meeting at 6:32 p.m.

CARRIED unanimously. (Budros, Snodgrass absent)

Item 4 on the Agenda being New Business

4(a). Discussion of 2012 Customer Survey.

The following individuals addressed the Board:

Jessica Wheaton, Marketing and Community Relations Coordinator

Budros returned to the meeting at 6:37 p.m.

The Board reviewed and discussed the 2012 Customer Survey. No action taken by the Board.

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 spoke re: street vacation for Munson Hospital extension lawsuit.

B. From Staff.

1. Ed Rice gave an update on the Bay Street Project.
2. Jessica Wheaton spoke re: BW-22 customer communications.

3. Ed Rice made an announcement re: the All L&P Employee meeting scheduled for June 28, 2012.

C. From Board.

1. Barbara Budros spoke re: the Planning Commissions public utilities element for the City Master Plan. She suggested this item be placed on the next Regular Meeting agenda for discussion.
2. Mike Coco and Jim Carruthers spoke re: the recent tour of the Campbell 3 Generating Plant.
3. Barbara Budros spoke re: the MLUI Energy Efficiency Summit scheduled for Thursday, June 14, 2012.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 7:04 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: June 21, 2012
Subject: Health Care Savings Program

Attached is a memo from Denise Kuschell, Human Resource Specialist, recommending that the Light & Power Board adopt a Resolution that would authorize conversion of the current employee Health Care Savings Plan with ICMA to a similar Plan through MERS.

This item is on the consent calendar as it is deemed non-controversial. Staff recommends approval of this Resolution as the change will have no financial impact on L&P or cause any additional reporting efforts by L&P or City personnel once fully implemented. Approval of this item on the consent calendar means you agree with staff's recommendation.

If removed from the consent calendar it should be placed as a New Business item. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD APPROVE THE MERS HEALTH CARE SAVINGS PROGRAM UNIFORM RESOLUTION, WHICH TRANSFERS EMPLOYEES' SAVINGS PROGRAMS FOR HEALTH SAVINGS PURPOSES FROM THE ICMA TO MERS, WITH THE RESOLUTION TO BE EFFECTIVE UPON FINAL CONVERSION BETWEEN ICMA AND MERS.



TRAVERSE CITY
LIGHT & POWER

To: Edward E. Rice, Executive Director
From: Denise Kuschell, Human Resource Specialist
Date: June 21, 2012
Subject: MERS Health Care Savings Program Uniform Resolution

As you are aware, Light & Power (L&P) provides a VantageCare Retirement Health Savings (RHS) Plan through ICMA Retirement Corporation to allow current employees a way to save for retiree medical expenses with pre-tax dollars. At separation of employment, this tax free medical expense savings plan can be used for the employee, their spouse and any IRS qualifying dependent. However, under IRS guidelines, when an employee or retiree does not have a spouse or a qualifying dependent, upon death the money reverts back to the plan.

L&P learned from the City that the Municipal Employees' Retirement System (MERS) offers a substantially similar product called the Health Care Savings Program (HCSP). The main difference with the HCSP through MERS is that upon death if the employee does not have a spouse or qualifying dependent, the money does not revert back to the Plan, but rather it can be left to any designated beneficiary for taxable medical expense reimbursements.

If approved by the Board, over the course of the next two and a half months, L&P will be in the process of switching its current VantageCare RHS Plan through ICMA Retirement Corporation over to the MERS HCSP. The actual effective date of the conversion has yet to be determined due to various steps that have to be taken between ICMA's conversion team and MERS's conversion team. We anticipate this to be sometime in August. However, the first step in the process is to have the L&P Board approve participation and implementation of the HCSP through MERS by adopting the HCSP Uniform Resolution.

Please forward the attached Uniform Resolution Adopting the MERS HCSP onto the L&P Board for their consideration of approval. Also note, the City presented the same Resolution to the City Commission at its June 18, 2012 meeting which was adopted by the Commission.

MERS Health Care Savings Program Uniform Resolution



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711

www.mersofmich.com

WHEREAS, the Municipal Employees' Retirement System ("MERS") Plan Document of 1996, effective October 1, 1996, authorized the Municipal Employees' Retirement Board ("Board") to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 36(2)(a)); MCL 38.1536(2)(a)).

WHEREAS, the Board has authorized MERS' establishment of the health care savings program ("HCSP" or "Program"), which a participating municipality or court, or another eligible public employer that is a political subdivision of the State which constitutes a "municipality" under MERS Plan Document Section 2B(4); MCL 38.1502b(2) ("Eligible Employer"), may adopt for its Eligible Employees.

WHEREAS, MERS has been determined by the Internal Revenue Service to be a taxqualified "governmental plan" and trust under section 401(a) of the Internal Revenue Code of 1986, and all trust assets within MERS reserves are therefore exempt from taxation under Code section 501(a) (IRS Letter of Favorable Determination dated June 15, 2005).

WHEREAS, the Board has established a governmental trust (the "Trust Fund") to hold the assets of the HCSP, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed Program Administrator.

WHEREAS, 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 et seq. ("PA 149") provides for the creation by a public corporation of a public employee health care fund, and its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries.

WHEREAS, a separate MERS health care trust fund created under PA 149 also constitutes a governmental trust established by a public corporation ("municipality") as an Eligible Employer, provided that all such employers shall be the State of Michigan, its political subdivisions, and any public entity the income of which is excluded from gross income under Section 115 of the Internal Revenue Code; provided further, that the PA 149 trust shall not accept assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code.

WHEREAS, the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality and court enrolled in MERS Defined Benefit Plan, Health Care Savings Program, the Retiree Health Funding Vehicle, and the Investment Services Pool Program, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 45; MCL 38.1545.

WHEREAS, the Board also acts as investment fiduciary for those participating employers who are non-MERS participating municipalities and courts that have adopted the MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Service Pool Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the Annual meeting under Plan Section 45; MCL 38.1545.

MERS Health Care Savings Program Uniform Resolution

WHEREAS, adoption of this Uniform Resolution and Participation Agreement (the "Uniform Resolution") by each Eligible Employer is necessary and required in order that the benefits available under the MERS HCSP may be extended.

- It is expressly agreed and understood as an integral and nonseverable part of extension or continuation of coverage under this HCSP Resolution that Section 43B of the MERS Plan Document shall not apply to this Uniform Resolution Adopting MERS HCSP, the Participation Agreement, the Trust Plan Document, the Trust Agreement, and their administration or interpretation.
- In the event any alteration of the language, terms or conditions stated in this Uniform Resolution Adopting MERS HCSP is made or occurs, under MERS Plan Document Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty: to administer (or to have administered) the Trust; or to continue administration by the Program Administrator or by MERS directly.

WHEREAS, concurrent with this HCSP Uniform Resolution, and as a continuing obligation, this governing body has completed, approved, and submitted to MERS documents necessary for participation in and implementation of the HCSP. This obligation applies to any documents deemed necessary to the operation of the Trust by the Program Administrator.

NOW, THEREFORE, BE IT RESOLVED that the governing body adopts (or readopts) the MERS HCSP as provided below.

SECTION 1. HCSP PARTICIPATION

EFFECTIVE _____, 20____, (to be known as the ADOPTION DATE) the

MERS HCSP is hereby adopted by the Traverse City Light & Power Department
(MERS municipality or court or other eligible employer)

- (A) **CONTRIBUTIONS** shall be as allowed and specified in the MERS Health Care Savings Program Adoption Agreement. Basic Employer Contributions, Mandatory Salary Reduction Contributions, Mandatory Leave Conversion Contributions, and Post-Tax Employee Contributions, shall be remitted pursuant to MERS by the Eligible Employer, and credited to the Eligible Employer's separate fund within the MERS Trust Fund.
- (B) **INVESTMENT** of funds accumulated and held in the Health Care Savings Program Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to the Public Employee Retirement System Investment Act ("PERSIA"), 1965 PA 314, as provided by MERS Plan Document Section 39; MCL 38.1539, and PA 149.
- (C) **THE ELIGIBLE EMPLOYER** shall abide by the terms of the HCSP, including all investment, administration, and service agreements, and all applicable provisions of the Code and other law. It is affirmed that no assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code shall be transferred to, or accepted by, MERS.

MERS Health Care Savings Program Uniform Resolution

SECTION 2. IMPLEMENTATION DIRECTIONS FOR MERS

- (A) The governing body of this Eligible Employer desires that all assets placed in its MERS HCSP Trust Fund (as a sub-fund within all pooled HCSP trust funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under Public Employee Retirement System Investment Act, pursuant to PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.
- (B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS HCSP Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all HCSP funds held in trust for all Eligible Employers.
- (C) All monies in the MERS HCSP Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of “Eligible Employees” who shall constitute “qualified persons” who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.
- (D) The Eligible Employer will fund on a defined contribution, individual account, basis its MERS HCSP Trust sub-fund to provide funds for health care benefits for “Eligible Employees” who shall constitute “qualified persons.” Participation in and any coverage under HCSP shall not constitute nor be construed to constitute an “accrued financial benefit” under Article 9 Section 24 of the Michigan Constitution of 1963.
- (E) The Eligible Employer designates and incorporates as “Eligible Employees” who shall constitute “qualified persons” under this HCSP Resolution those who are “Eligible Employees as defined in the HCSP Participation Agreement under this HCSP.
- (F) The Eligible Employer may designate the appropriate employer contacts who shall receive necessary reports, notices, etc.; shall act on behalf of the Eligible Employer; and may delegate any administrative duties relating to the Fund to appropriate departments.

SECTION 3. EFFECTIVENESS OF THIS HCSP UNIFORM RESOLUTION

This Resolution shall have no legal effect until a certified copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under MERS Plan Document Section 36(2)(a), 1999 PA 149 and other relevant laws, and this Resolution have been met. Upon MERS’ determination that all necessary documents have been submitted, MERS shall record its formal approval upon this Resolution, and return a copy to the Eligible Employer’s designated primary contact.

In the event an amendatory resolution or other action by the Eligible Employer is required by MERS, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred in by this governing body and MERS (and the Program Administrator if necessary). Section 54 of the MERS Plan Document shall apply to this Resolution and all acts performed under its authority. The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

MERS Health Care Savings Program Uniform Resolution

I hereby certify that the above is a true copy of the Uniform Resolution Adopting The MERS Health Care Savings Program, adopted at the official meeting held by the governing body of this municipality:

On _____, 20____ _____
(Signature of authorized official)

Please send MERS fully executed copy of:

1. HCSP Uniform Resolution (this form, MD-169)
2. HCSP Participation Agreement (MD-170)
3. Certified minutes stating Governing Body approval, and a copy of the union contract language and/or personnel policy

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ _____
(Authorized MERS signatory)



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Glen Dine, Chief Engineer *GD*
Date: June 21, 2012
Subject: Project Authorization Request – Pine Street Overhead to Underground Distribution Conversion

At the May 22nd L&P Board meeting Staff presented a packet of information and requested authorization from the L&P Board for staff to proceed with the future conversion of overhead distribution facilities to underground along Pine Street and State Street in order to coordinate with the City's Pine/State Street improvement project scheduled to begin in the Fall 2012. As streets and sidewalks are being redone by the City, TCL&P would be installing conduit systems for future use.

There was concern expressed over the future commitment to construct the pedestrian bridge across the Boardman River. The bridge would be required for TCL&P to further extend the conduit system across the Boardman River and tie into existing distribution facilities located behind Hall Street Substation at a later date (DDA Budgeted Funds for 2012-13 – reference Memorandum Letter from Brian Crough, dated June 19, 2012). The discussion focused on the future use (and expenditure) of the conduit system to be installed this fall and what the impact would be should the pedestrian bridge installation not take place in the future.

There was also discussion on the timing of the project and the costs associated with each phase. As presented in May, the "overall project" is anticipated to take place over a three year period.

In the attachments, staff has provided preliminary details on what the 13.8kv distribution circuit conduit system would generally consist of in the street area, equipment areas and easements involved, and a revised Project Timeline and Expenditure sheet in the Project Authorization Request package.

From an engineering standpoint, the project needs to be developed, planned, and designed for in its entirety to meet "distribution system" needs.

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 26, 2012

In terms of the schedule and cost, it is anticipated that the "overall project" will take place over a three year period.

The 2012 cost estimate is \$ 503,000 - Conduit installation

The 2013 cost estimate is \$ 120,000 - Conduit installation

The 2014 cost estimate is \$ 816,000 - Electrical cable and equipment installation
and overhead removals

Some assumptions in the cost estimates are as follows:

- no allowance for environmental conditions
- material costs are influenced by market prices for raw materials such as copper
- construction costs will vary based on site conditions, contractor availability and market conditions.

As conveyed to L&P staff yesterday, after the City held a preconstruction meeting in an effort to determine contractor scheduling for the street project, the City's project is on a tight schedule and coordination could prove difficult in order to accommodate the amount of time needed for trenching and installation of TCL&P conduits this fall. Schedules and coordination are currently under discussion. This could impact TCL&P construction costs or the scope of the project.

If the Board wishes to proceed with the Pine Street Overhead to Underground Conversion project so as to coordinate with various City projects, the following motion is appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT AND POWER BOARD AUTHORIZES STAFF TO PROCEED WITH THE PINE STREET OVERHEAD TO UNDERGROUND CONVERSION PROJECT; AND

THAT THE COMPETITIVE BIDDING PROCESS BE WAIVED, AS RECOMMENDED BY THE CITY MANAGER, AND THE EXECUTIVE DIRECTOR BE AUTHORIZED TO SEEK A BID FROM AND ENTER INTO A CONTRACT WITH ELMER'S CRANE & DOZER FOR UNDERGROUND CONDUIT INSTALLATION IN AN AMOUNT NOT TO EXCEED THE PROJECT ESTIMATE OF \$265,650, WITH CONTRACT SUBJECT TO APPROVAL AS TO FORM BY COUNSEL.

Project Name: Pine Street – Overhead to Underground Distribution Conversion

Date of Board Presentation/Consideration: June 26, 2012 Resubmitted

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

Objective:

Target Completion date of November 1, 2013 for conduit installation only. Date for installation of underground cable and removal of overhead facilities TBD, but likely to occur in 2014.

Project Description:

The project generally consists of the conversion of 13.8kV distribution lines from overhead to underground along Pine Street. In 2012, the focus will be to install a 13.8kv distribution conduit system in coordination with the CITY Pine Street and State Street project areas.

Also, a limited amount of street light/decorative light conduit would be installed. The CITY is NOT planning on installing a “streetscape” project and will be installing new sidewalk only with no new low level lighting or brick pavers.

In 2013, with the pedestrian bridge being constructed across the Boardman River (per DDA memo), further conduit would be installed to extend the conduit system north across the Boardman River and tie into existing facilities behind Hall Street Substation.

Once the conduit system is fully connected, the underground cable can be installed and put into service. Only then can the overhead facilities be removed. Installation of the 13.8kv cable and overhead removals is likely to occur in 2014.

The major distribution equipment consists of padmount switchgear and transformers, approximately two new distribution riser poles, conduit, manholes, and various size electric cables.

Project Purpose and Necessity (Problem We Are Solving):

The major purpose is for the conversion of overhead to underground distribution facilities. Project need and timing is based on the CITY’s Pine/State Street project planned to begin after Labor Day 2012, AND construction of the pedestrian bridge (2013) across the Boardman River. Conduit installation would be coordinated with these CITY projects.

Project Benefits:

The overhead to underground conversion of distribution facilities will:

- coordinate with CITY projects
- eliminate portions of the overhead distribution poles and wire
- continue to support existing and future load growth in a critical section of TCL&P's service area

Other Alternatives:

None viable as the conversion involves critical distribution circuits exiting Hall Street Substation. Circuit routing is confined to existing Street right-of-way. Routing is impacted by the physical location of Hall Street Substation, the Boardman River, and routing of the existing distribution grid.

Timing of Project (Why Now):

This project has been in the capital plan for several years, waiting on coordination with CITY projects. CITY projects involved include the Pine/State Street project (Fall 2012) and the pedestrian bridge across the Boardman River (2013 project). Conduit installation would begin in the Fall 2012 and continue through portions of 2013 in order to coordinate with CITY projects.

Project Timeline and Expenditures (REVISED)2012 DISTRIBUTION CONDUIT INSTALLATION

<u>ITEMS</u>	<u>QTY</u>	<u>COST</u>	<u>EXPECTED DATE</u>
Conduit	LS	\$22,000	July 2012
Manholes	4	\$18,000	July 2012
Handholes & Box Pads	LS	\$12,000	July 2012
Construction Contract		\$153,000*	August 2012
Survey		\$30,000	July 2012
Engineering Design		\$68,000*	July 2012
Inspections		\$45,000*	July 2012
Contingency (15%)		<u>\$35,000</u>	
	Total	\$383,000	

2012 STREETSCAPE CONDUIT INSTALLATION

<u>ITEMS</u>	<u>QTY</u>	<u>COST</u>	<u>EXPECTED DATE</u>
Conduit	LS	\$8,000	July 2012
Handholes	34	\$6,000	July 2012
Construction Contract		\$78,000*	August 2012
Engineering Design		\$9,000*	July 2012
Inspections		\$5,000*	July 2012
Contingency (15%)		<u>\$14,000</u>	
	Total	\$120,000	

2013 DISTRIBUTION CONDUIT INSTALLATION

<u>ITEMS</u>	<u>QTY</u>	<u>COST</u>	<u>EXPECTED DATE</u>
Conduit	LS	\$11,000	December 2012
Handholes & Box Pads	LS	\$6,000	December 2012
Construction Contract		\$70,000*	January 2013
Inspections		\$20,000*	January 2013
Contingency (15%)		<u>\$13,000</u>	
	Total	\$120,000	

2014 ELECTRICAL CABLE & EQUIPMENT INSTALLATION

<u>ITEMS</u>	<u>QTY</u>	<u>COST</u>	<u>EXPECTED DATE</u>
15kV Cable		\$240,000*	October 2013
Switchgear & Cabinets		\$110,000*	October 2013
Transformers	2	\$16,000	October 2013
Elbows, Terminations, Indicators		\$54,000*	December 2013
Construction Contract		\$240,000*	January 2014

Engineering Design	\$24,000*	July 2012
Inspections	\$32,000*	January 2014
Contingency (15%)	<u>\$100,000</u>	
Total	\$816,000	

Preliminary Engineering Cost Estimate: \$1.439 M

Items requiring Board approval (marked *) include purchase of equipment, electric cable, construction contracts and professional engineering design/inspection services.

Critical Items

The most critical item in this project is the ability to obtain easements on private and City property for the installation of conduit, manholes and equipment. TCL&P has prepared draft easement requirements and will work through the CITY and others in order to secure areas required for equipment placement.

This is a preliminary cost estimate. The cost estimates do NOT include any low level lighting fixtures or concrete bases as a “streetscape” is not planned. The conduit associated with the low level lighting would be available for future use.

There is NO allowance for environmental investigation or to mitigate environmental conditions should they be encountered during construction.

Funding associated with the pedestrian bridge to be provided by others.

Material costs, particularly for electrical cable are subject to raw material market prices (copper). Some of the engineering and material costs or Board approvals may get shifted in the schedule.

The construction coordination with the CITY’s project will reduce the amount of time TCL&P (contractor) will have for conduit installation. This may increase contractor construction costs or the project scope.

Financing Method:

Cash from TCL&P fund balance as planned for. Bonding will not be required.

Additional Revenues:

Additional revenues will be based on any future load growth that may occur in the downtown area that would be served from the distribution grid being impacted.

Impact on O&M Expenses:

Existing labor force will perform normal monthly maintenance and connect new or upgraded customer service requests. On a year by year basis normal O&M is minimal. Once the underground cable begins to experience failures then cable replacement cost will become more significant as will replacement of aging major padmount switchgear.

Staff Recommendation:

Staff recommends L&P Board approval of the installation of conduit system, underground cable installation and removal of overhead facilities with the timing based upon coordination with related CITY projects.


Attachments:

Drawings of project area.

Memorandum

To: Ed Rice, Executive Director

Traverse City Light & Power

From: Bryan J. Crough, Executive Director 

Re: Pedestrian Bridge Front to Warehouse District

Date: June 19, 2012

I understand from Tim Lodge, City Engineer, that you are interested in some sort of commitment from the Downtown Development Authority regarding the planned pedestrian bridge from Front Street to the Warehouse District. As envisioned since 1997, the bridge would span the river near J & S Hamburg and allow for Light & Power to carry out the undergrounding project envisioned from the sub-station to at least Front Street.

In conjunction with the planned improvements on West Front, Pine and State Street, the DDA has earmarked sufficient funds in the 2012-13 budget to construct the pedestrian bridge.

Let me know if you need anything else.

cc: R. Ben Bifoss, City Manager

Tim Lodge, City Engineer

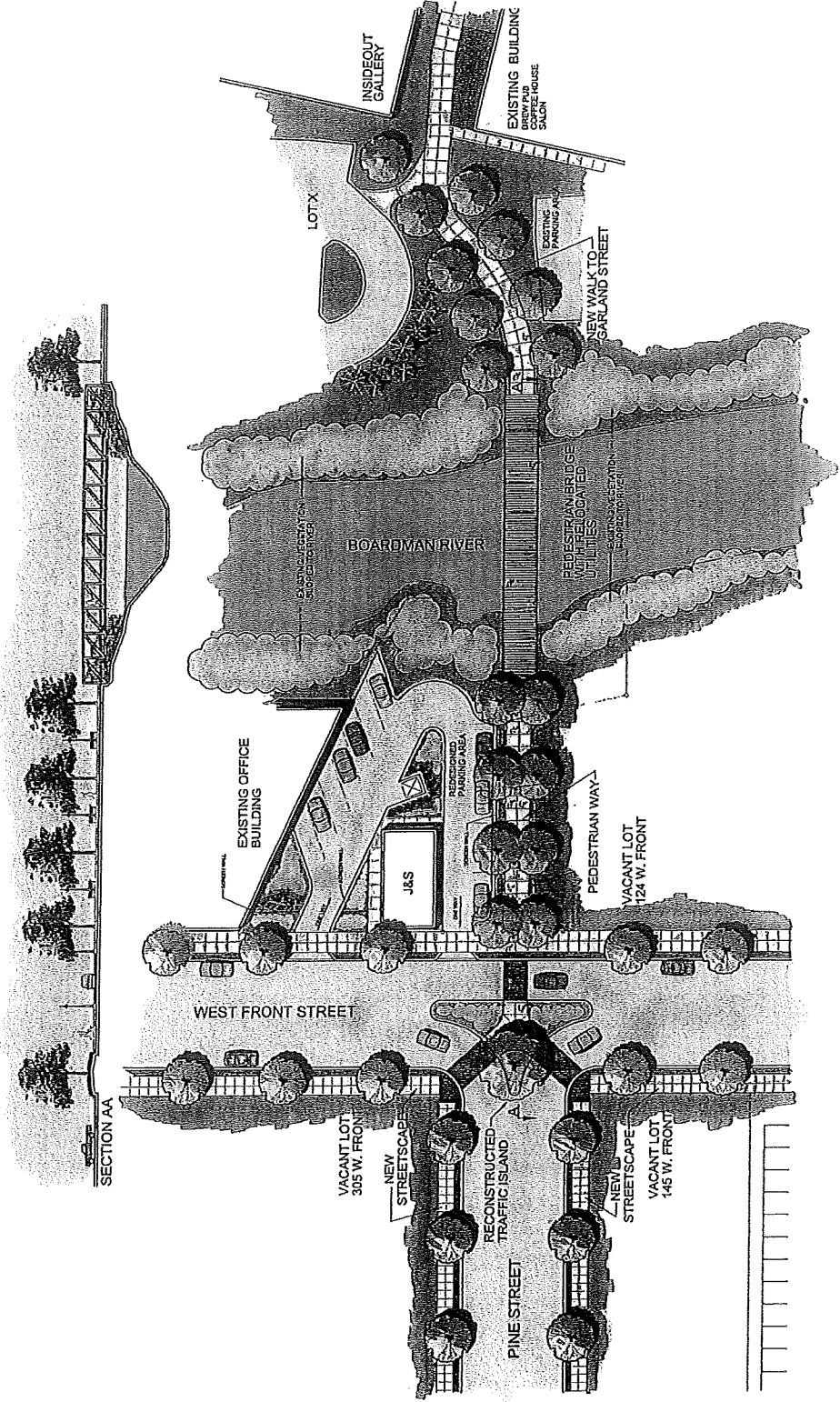


The City of Traverse City
 Planning Department
 1000 West Front Street
 Traverse City, Michigan 49781
 2011

CITY OF TRAVERSE CITY
 WAREHOUSE DISTRICT PEDESTRAIN CONNECTOR



Drawn by	_____	Date	_____
Checked by	_____		
Scale	1:27.433		
Project	PROJ.P		
Drawn	DAW		
Scale	1" = 27'		
Sheet	01		



CITY PROJECT AREA

1 of 3

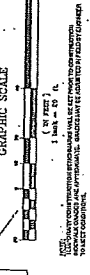
SHEET 6 OF 12 SHEETS

CITY OF TRAVERSE CITY
ENGINEERING DEPARTMENT
TRAVERSE CITY, MI 49684

DRAWING TITLE: PINE & STATE STREET RECONSTRUCTION
PLAN & PROFILE

DATE: JANUARY 2007
DRAWING NO.:
APPROVED BY:
JOB NO.: 00000K

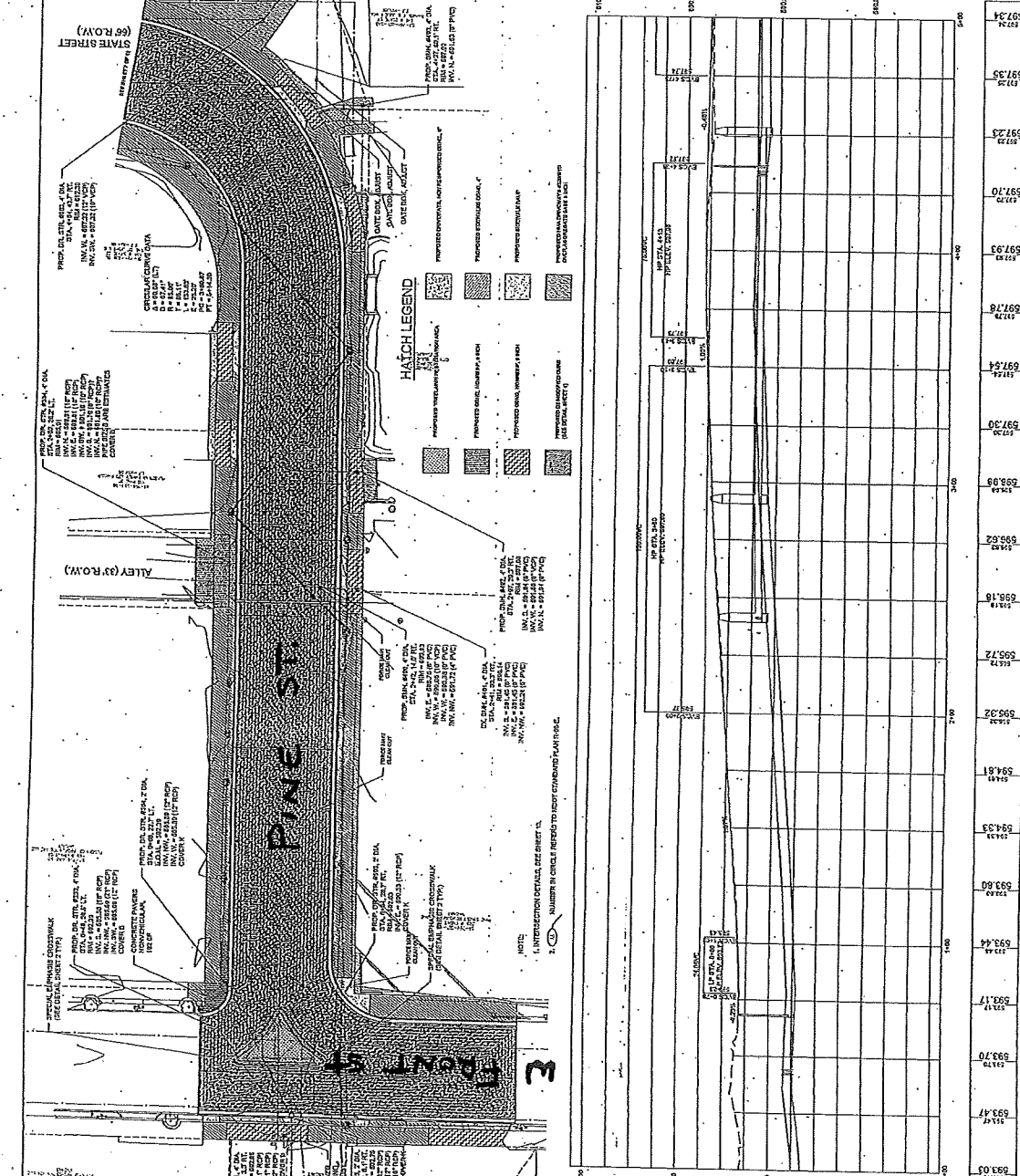
NO.	DESCRIPTION	UNIT	QTY	DATE
1	CONCRETE	CU YD	100.0	
2	ASPHALT	SQ YD	2000.0	
3	GRAVEL	CY	500.0	
4	PAVEMENT MARKING	LINEAL FT	1000.0	
5	WATER MAIN	LINEAL FT	100.0	
6	SEWER MAIN	LINEAL FT	100.0	
7	WALKWAY	SQ YD	100.0	
8	CONCRETE CURB	LINEAL FT	100.0	
9	CONCRETE SIDEWALK	SQ YD	100.0	
10	CONCRETE DRIVE	SQ YD	100.0	
11	CONCRETE DRIVE	SQ YD	100.0	
12	CONCRETE DRIVE	SQ YD	100.0	
13	CONCRETE DRIVE	SQ YD	100.0	
14	CONCRETE DRIVE	SQ YD	100.0	
15	CONCRETE DRIVE	SQ YD	100.0	
16	CONCRETE DRIVE	SQ YD	100.0	
17	CONCRETE DRIVE	SQ YD	100.0	
18	CONCRETE DRIVE	SQ YD	100.0	
19	CONCRETE DRIVE	SQ YD	100.0	
20	CONCRETE DRIVE	SQ YD	100.0	



NO.	DESCRIPTION	UNIT	QTY	DATE
1	CONCRETE	CU YD	100.0	
2	ASPHALT	SQ YD	2000.0	
3	GRAVEL	CY	500.0	
4	PAVEMENT MARKING	LINEAL FT	1000.0	
5	WATER MAIN	LINEAL FT	100.0	
6	SEWER MAIN	LINEAL FT	100.0	
7	WALKWAY	SQ YD	100.0	
8	CONCRETE CURB	LINEAL FT	100.0	
9	CONCRETE SIDEWALK	SQ YD	100.0	
10	CONCRETE DRIVE	SQ YD	100.0	
11	CONCRETE DRIVE	SQ YD	100.0	
12	CONCRETE DRIVE	SQ YD	100.0	
13	CONCRETE DRIVE	SQ YD	100.0	
14	CONCRETE DRIVE	SQ YD	100.0	
15	CONCRETE DRIVE	SQ YD	100.0	
16	CONCRETE DRIVE	SQ YD	100.0	
17	CONCRETE DRIVE	SQ YD	100.0	
18	CONCRETE DRIVE	SQ YD	100.0	
19	CONCRETE DRIVE	SQ YD	100.0	
20	CONCRETE DRIVE	SQ YD	100.0	

ESTIMATED QUANTITIES FOR THIS SHEET





NO.	DESCRIPTION	UNIT	QTY	DATE
1	CONCRETE	CU YD	100.0	
2	ASPHALT	SQ YD	2000.0	
3	GRAVEL	CY	500.0	
4	PAVEMENT MARKING	LINEAL FT	1000.0	
5	WATER MAIN	LINEAL FT	100.0	
6	SEWER MAIN	LINEAL FT	100.0	
7	WALKWAY	SQ YD	100.0	
8	CONCRETE CURB	LINEAL FT	100.0	
9	CONCRETE SIDEWALK	SQ YD	100.0	
10	CONCRETE DRIVE	SQ YD	100.0	
11	CONCRETE DRIVE	SQ YD	100.0	
12	CONCRETE DRIVE	SQ YD	100.0	
13	CONCRETE DRIVE	SQ YD	100.0	
14	CONCRETE DRIVE	SQ YD	100.0	
15	CONCRETE DRIVE	SQ YD	100.0	
16	CONCRETE DRIVE	SQ YD	100.0	
17	CONCRETE DRIVE	SQ YD	100.0	
18	CONCRETE DRIVE	SQ YD	100.0	
19	CONCRETE DRIVE	SQ YD	100.0	
20	CONCRETE DRIVE	SQ YD	100.0	



SCALE: H, 1" = 20'; V, 1" = 5'

NOTES:
 1. INTERSECTION DETAILS, SEE SHEET NO. 2
 2. NUMBER IN CIRCLE REFERS TO BEST ESTIMATE PLAN TABLE

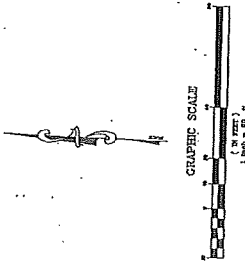
HATCH LEGEND

-  PROPOSED PAVEMENT
-  PROPOSED CONCRETE
-  PROPOSED ASPHALT
-  PROPOSED GRAVEL

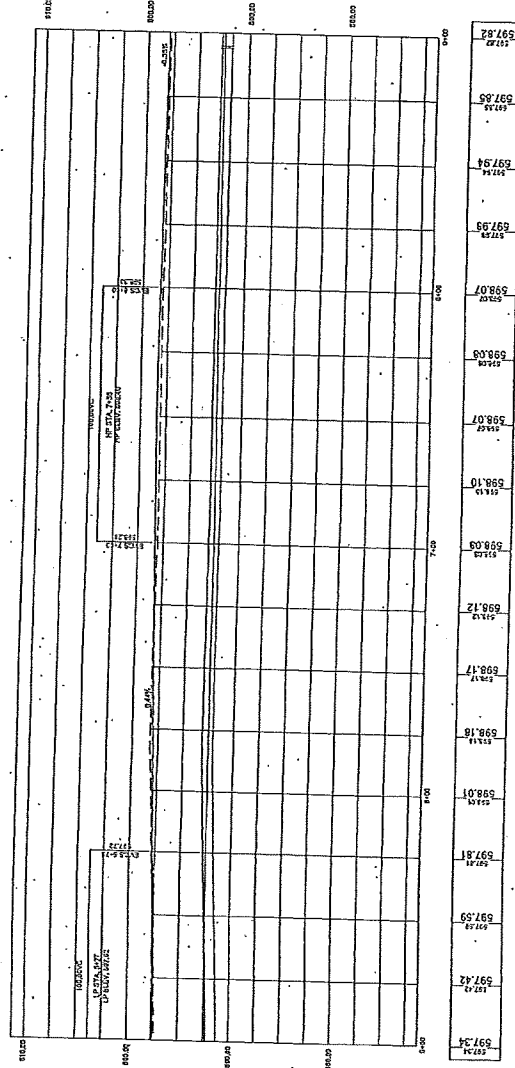
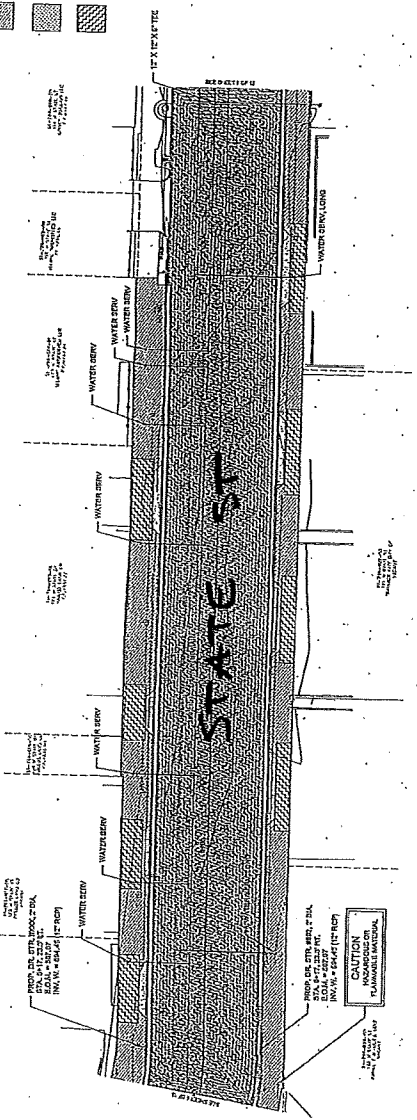
ITEM DESCRIPTION	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL COST
1. ASPHALT PAVEMENT	1000	1.50	1500.00
2. CONCRETE PAVEMENT	500	2.50	1250.00
3. GRAVEL	2000	0.50	1000.00
4. ASPHALT CURB	100	1.00	100.00
5. CONCRETE CURB	50	2.00	100.00
6. ASPHALT SIDEWALK	1000	1.00	1000.00
7. CONCRETE SIDEWALK	500	2.00	1000.00
8. GRAVEL SIDEWALK	2000	0.50	1000.00
9. ASPHALT DRIVEWAY	1000	1.50	1500.00
10. CONCRETE DRIVEWAY	500	2.50	1250.00
11. GRAVEL DRIVEWAY	2000	0.50	1000.00
12. ASPHALT DRIVEWAY CURB	100	1.00	100.00
13. CONCRETE DRIVEWAY CURB	50	2.00	100.00
14. GRAVEL DRIVEWAY CURB	2000	0.50	1000.00
15. ASPHALT DRIVEWAY SIDEWALK	1000	1.50	1500.00
16. CONCRETE DRIVEWAY SIDEWALK	500	2.50	1250.00
17. GRAVEL DRIVEWAY SIDEWALK	2000	0.50	1000.00
18. ASPHALT DRIVEWAY SIDEWALK CURB	100	1.00	100.00
19. CONCRETE DRIVEWAY SIDEWALK CURB	50	2.00	100.00
20. GRAVEL DRIVEWAY SIDEWALK CURB	2000	0.50	1000.00

STATION	STATION	STATION	STATION
1+00	1+00	1+00	1+00
1+05	1+05	1+05	1+05
1+10	1+10	1+10	1+10
1+15	1+15	1+15	1+15
1+20	1+20	1+20	1+20
1+25	1+25	1+25	1+25
1+30	1+30	1+30	1+30
1+35	1+35	1+35	1+35
1+40	1+40	1+40	1+40
1+45	1+45	1+45	1+45
1+50	1+50	1+50	1+50
1+55	1+55	1+55	1+55
1+60	1+60	1+60	1+60
1+65	1+65	1+65	1+65
1+70	1+70	1+70	1+70
1+75	1+75	1+75	1+75
1+80	1+80	1+80	1+80
1+85	1+85	1+85	1+85
1+90	1+90	1+90	1+90
1+95	1+95	1+95	1+95
2+00	2+00	2+00	2+00

NOTES:
 1. ALL DIMENSIONS ARE IN FEET AND INCHES.
 2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.



DATE: JANUARY 2012	SCALE: 1" = 20'
DESIGNED BY: [Name]	CHECKED BY: [Name]
DRAWING TITLE: PINE & STATE STREET RECONSTRUCTION PLAN & PROFILE	SHEET: 7 OF 12 SHEETS
CITY OF TRAVERSE CITY ENGINEERING DEPARTMENT 400 BOARDMAN AVE TRAVERSE CITY, MI 49864	



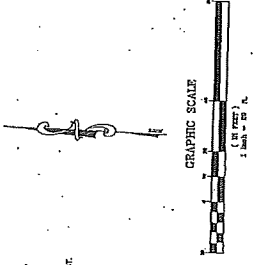
CITY PROJECT AREA
 2 of 3

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE
1.000	1.000	1.000	1.000
2.000	2.000	2.000	2.000
3.000	3.000	3.000	3.000
4.000	4.000	4.000	4.000
5.000	5.000	5.000	5.000
6.000	6.000	6.000	6.000
7.000	7.000	7.000	7.000
8.000	8.000	8.000	8.000
9.000	9.000	9.000	9.000
10.000	10.000	10.000	10.000
11.000	11.000	11.000	11.000
12.000	12.000	12.000	12.000
13.000	13.000	13.000	13.000
14.000	14.000	14.000	14.000
15.000	15.000	15.000	15.000
16.000	16.000	16.000	16.000
17.000	17.000	17.000	17.000
18.000	18.000	18.000	18.000
19.000	19.000	19.000	19.000
20.000	20.000	20.000	20.000
21.000	21.000	21.000	21.000
22.000	22.000	22.000	22.000
23.000	23.000	23.000	23.000
24.000	24.000	24.000	24.000
25.000	25.000	25.000	25.000
26.000	26.000	26.000	26.000
27.000	27.000	27.000	27.000
28.000	28.000	28.000	28.000
29.000	29.000	29.000	29.000
30.000	30.000	30.000	30.000
31.000	31.000	31.000	31.000
32.000	32.000	32.000	32.000
33.000	33.000	33.000	33.000
34.000	34.000	34.000	34.000
35.000	35.000	35.000	35.000
36.000	36.000	36.000	36.000
37.000	37.000	37.000	37.000
38.000	38.000	38.000	38.000
39.000	39.000	39.000	39.000
40.000	40.000	40.000	40.000
41.000	41.000	41.000	41.000
42.000	42.000	42.000	42.000
43.000	43.000	43.000	43.000
44.000	44.000	44.000	44.000
45.000	45.000	45.000	45.000
46.000	46.000	46.000	46.000
47.000	47.000	47.000	47.000
48.000	48.000	48.000	48.000
49.000	49.000	49.000	49.000
50.000	50.000	50.000	50.000

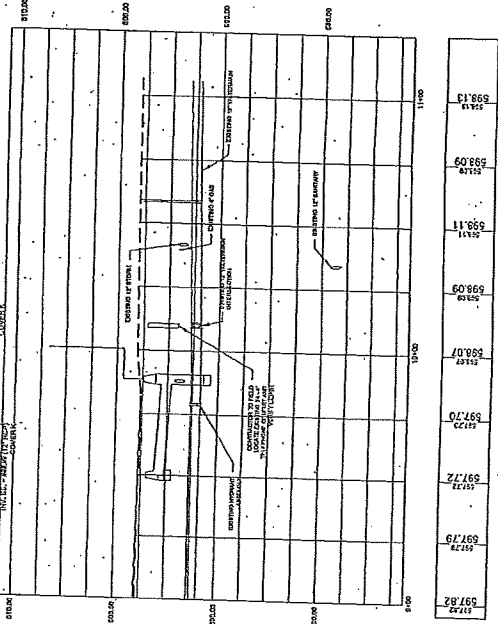
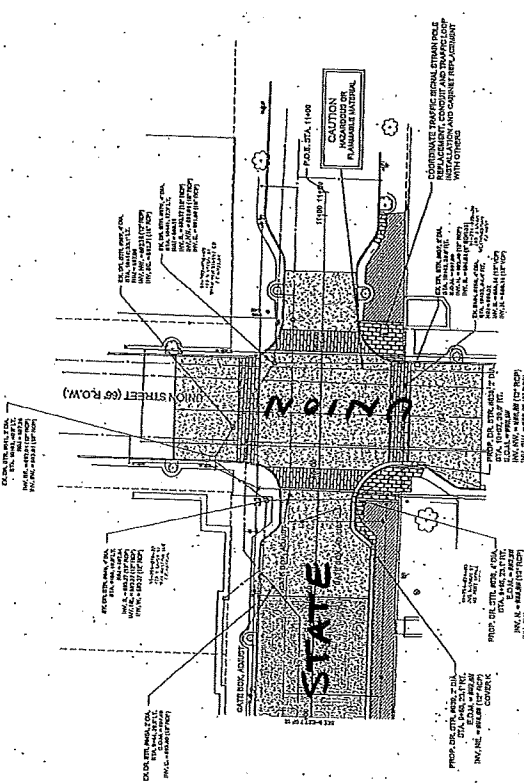
HATCH LEGEND

- PROPOSED PAVEMENT RECONSTRUCTION
- PROPOSED ASPHALT PAVEMENT
- PROPOSED GRAVEL BASE
- PROPOSED SAND
- PROPOSED CURB
- PROPOSED SIDEWALK
- PROPOSED BIKEWAY
- PROPOSED TREE
- PROPOSED LANDSCAPE
- PROPOSED LIGHT FIXTURE
- PROPOSED SIGN
- PROPOSED UTILITY
- PROPOSED FENCE
- PROPOSED WALL
- PROPOSED DRIVEWAY
- PROPOSED GARAGE
- PROPOSED PORCH
- PROPOSED DECK
- PROPOSED PATIO
- PROPOSED STAIR
- PROPOSED RAMP
- PROPOSED ELEVATOR
- PROPOSED ESCAPE ROUTE
- PROPOSED ACCESSIBLE ROUTE
- PROPOSED BARRIER
- PROPOSED CURB CUT
- PROPOSED TRAVEL LANE
- PROPOSED SHOULDER
- PROPOSED MEDIAN
- PROPOSED DIVIDER
- PROPOSED ISLAND
- PROPOSED PLANTER
- PROPOSED BIKEWAY MARKING
- PROPOSED CROSSWALK MARKING
- PROPOSED TRANSVERSE MARKING
- PROPOSED LONGITUDINAL MARKING
- PROPOSED STOP MARKING
- PROPOSED YIELD MARKING
- PROPOSED AHEAD OF STOP MARKING
- PROPOSED AHEAD OF YIELD MARKING
- PROPOSED AHEAD OF STOP AND YIELD MARKING
- PROPOSED STOP AND YIELD MARKING
- PROPOSED STOP AND YIELD MARKING WITH STOP SIGN
- PROPOSED STOP AND YIELD MARKING WITH YIELD SIGN
- PROPOSED STOP AND YIELD MARKING WITH STOP AND YIELD SIGN
- PROPOSED STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP SIGN
- PROPOSED STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND YIELD SIGN
- PROPOSED STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP AND YIELD SIGN
- PROPOSED STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP AND YIELD SIGN AND STOP SIGN
- PROPOSED STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP AND YIELD SIGN AND YIELD SIGN

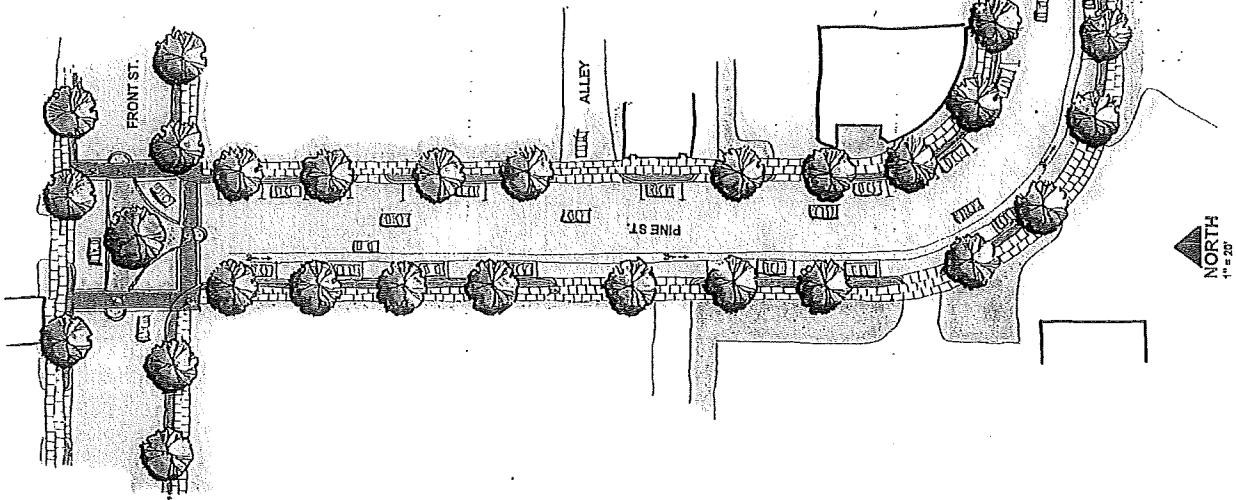
ALL DIMENSIONS UNLESS OTHERWISE SPECIFIED SHALL BE IN FEET AND INCHES. DIMENSIONS SHALL BE GIVEN TO THE CENTERLINE OF THE ROAD OR TO THE FACE OF THE CURB OR TO THE FACE OF THE SIDEWALK OR TO THE FACE OF THE BIKEWAY OR TO THE FACE OF THE FENCE OR TO THE FACE OF THE WALL OR TO THE FACE OF THE DRIVEWAY OR TO THE FACE OF THE GARAGE OR TO THE FACE OF THE PORCH OR TO THE FACE OF THE DECK OR TO THE FACE OF THE PATIO OR TO THE FACE OF THE STAIR OR TO THE FACE OF THE RAMP OR TO THE FACE OF THE ELEVATOR OR TO THE FACE OF THE ESCAPE ROUTE OR TO THE FACE OF THE ACCESSIBLE ROUTE OR TO THE FACE OF THE BARRIER OR TO THE FACE OF THE CURB CUT OR TO THE FACE OF THE TRAVEL LANE OR TO THE FACE OF THE SHOULDER OR TO THE FACE OF THE MEDIAN OR TO THE FACE OF THE DIVIDER OR TO THE FACE OF THE ISLAND OR TO THE FACE OF THE PLANTER OR TO THE FACE OF THE BIKEWAY MARKING OR TO THE FACE OF THE CROSSWALK MARKING OR TO THE FACE OF THE TRANSVERSE MARKING OR TO THE FACE OF THE LONGITUDINAL MARKING OR TO THE FACE OF THE STOP MARKING OR TO THE FACE OF THE YIELD MARKING OR TO THE FACE OF THE AHEAD OF STOP MARKING OR TO THE FACE OF THE AHEAD OF YIELD MARKING OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH YIELD SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP AND YIELD SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND YIELD SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP AND YIELD SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP AND YIELD SIGN AND STOP SIGN OR TO THE FACE OF THE AHEAD OF STOP AND YIELD MARKING WITH STOP AND YIELD SIGN AND STOP AND YIELD SIGN AND YIELD SIGN



DATE: 01-20-22	DATE: 01-20-22
BY: [Signature]	DATE: 01-20-22
CITY OF TRAVERSE CITY ENGINEERING DEPARTMENT 147 CHADMAN AVE. TRAVERSE CITY, MI 49884	
DRAWING TITLE: PINE & STATE STREET RECONSTRUCTION PLAN & PROFILE	
PROJECT NO.: 2000000 SHEET NO.: 8 OF 12 SHEETS	SCALE: 1" = 20' V, 1" = 5' DATE: JANUARY 2022 DRAWING NO.: APPROVED BY:



CITY PROJECT AREA
3 of 3



This streetscape plan is NOT included
 in the CITY's 2012 Pine and State Street
 Project

STREETSCAPE CONCEPTUAL PLAN
 PINE AND STATE STREET
 (Future?)

**TRAVERSE CITY LIGHT & POWER
PINE AND STATE STREET UNDERGROUND
BOARDMAN RIVER PEDESTRIAN BRIDGE CONDUIT AND CONDUCTOR WEIGHT**

CONDUIT #	CONDUIT DESCRIPTION	ITEM FILL	WEIGHT/FT	QUANTITY	TOTAL (#/FT)
1	6" XW CONDUIT - HL20		3.500	1	3.500
		750kCM, 15kV, CU, POWER CABLE	3.533	3	10.599
		500kCM, 600V, RHW, NEUTRAL	1.674	1	1.674
2	6" XW CONDUIT - HL22		3.500	1	3.500
		750kCM, 15kV, CU, POWER CABLE	3.533	3	10.599
		500kCM, 600V, RHW, NEUTRAL	1.674	1	1.674
3	6" XW CONDUIT - HL30		3.500	1	3.500
		750kCM, 15kV, CU, POWER CABLE	3.533	3	10.599
		500kCM, 600V, RHW, NEUTRAL	1.674	1	1.674
4	6" XW CONDUIT - HL31		3.500	1	3.500
		750kCM, 15kV, CU, POWER CABLE	3.533	3	10.599
		500kCM, 600V, RHW, NEUTRAL	1.674	1	1.674
5	3" XW CONDUIT - SECONDARY		1.820	1	1.820
		#4/0 USE - SWEETBRIAR	0.740	1	0.740
6	4" XW CONDUIT - COMMUNICATIONS		2.380	1	2.380
		1" INNERDUCT - CATV FIBER	0.215	1	0.215
		1 1/4" INNERDUCT - CATV COAX	0.118	2	0.236
		0.625 COAX	0.291	1	0.291
		1 1/4" INNERDUCT - TCL&P FIBER	0.205	1	0.205
7&8	6" XW CONDUIT - HL 31 & HL 20 SPARE		0.291	1	0.291
		72 CNT ARMORED FIBER	0.118	1	0.118
			3.500	2	7.000

lbs/ft

TOTAL (# / FT)

76.4

Excludes future cable weights in spare conduits

6/19/2012

Pedestrian Bridge Elec Weights

12-0503.01

To: Mr. Glen Dine
Firm: TCL&P
From: Davin H. Peterson

Client: Traverse City Light & Power
Project Name: Pine and State Street Underground
Project No: 12-0503.01
Issue Date: June 14, 2012

Subject: Easement Location Descriptions

GRP Engineering, Inc. has completed a review of required easement locations for the Pine and State Street Underground Project. Potential locations were field reviewed on June 4, 2012. The easement areas are required to provide adequate space for padmount electrical equipment and workspace access. The areas that are to be considered for obtaining an easement are reviewed in this memorandum.

Easement Locations

Easement Area #1 – Located along the river’s edge and at the northeast corner of the property owned by Federated Properties. A 15 foot wide easement is needed for conduit which is to be located near the river’s edge, which may have to be revised based on a survey of the sanitary location. An equipment area of 15’ X 15’ will be needed on the property starting at a useable distance from the river’s edge on the east edge of the property. (Refer to Figure 1)

Easement Area #2 – Located in the southeast corner of the City Parking Lot on the west side of Pine Street. The easement starts even with the south edge of the parking lot and even with the sidewalk. The equipment will be placed in the existing parking lot. The area for the easement is a 20’ X 35’ to provide room for a four foot by four foot handhole, two sets of padmount switchgear, and a sectionalizing cabinet. The 20’ width is to accommodate the width of a handhole, space between to run the conduits from the handhole to the switchgear, as well as the switchgear. The 35’ in length is to place the equipment off of the street. The area is also to provide room for the future placement of a transformer to be used for the streetscape lighting. The equipment area will also provide a tap point to serve any future transformer that would be needed for future development. The south property line for this area needs to be verified as it appears incorrect on the basemap. (Refer to Figure 2)

Easement Area #3 – The third easement location is located on the southeast corner of 150 Pine Street. The area currently has a bus stop location placed on it and has a large landscaped berm. There are two options for this equipment area. The first and proposed option is to flatten the berm and utilize it as an equipment area. In doing so, the area will be newly landscaped and re-curbed as part of the construction. The area for construction is a 25’ X 30’ section, or the current green area and bus stop. This option includes removal of the trees temporary removal of the bus stop, flattening of the berm, and an easement area of 15’ X 25’. The 15’ width is to accommodate the switchgear equipment and working area. The 25’ in length is to provide space behind the bus stop for switchgear and a sectionalizing cabinet. The existing foliage would be replaced with new after the equipment is placed and bus stop reinstalled

The second option for the easement is to locate the equipment area to the parking spaces behind (west) of the berm with conduits being trenched through the center of the berm. This option requires an easement area that is 25' X 45' which would allow the conduits to run through the center of the berm and would allow the foliage and bus stop to remain in place. Installing conduit through the berm requires a large trench to be made. Excavating a large trench so close to the trees and landscaping may have adverse effects on the plants health. This option requires the largest easement area since it salvages the large maple tree within the landscaped area.

The first option is recommended which includes flattening the berm and installing the equipment closer to the street curb, allowing for a smaller easement area. (Refer to Figure 3)

Easement Area #4 – The fifth easement is located on the northeast corner of the Traverse City parking lot located on State Street next to the U.S. Post Office. The 15' X 20' area will have a pair of sectionalizing cabinets and a switchgear. This equipment area will be utilized for future service requirements. (Refer to Figure 4)



Figure 1: Easement Area #1



Figure 2: Easement Area #2



Figure 3: Easement Area #3

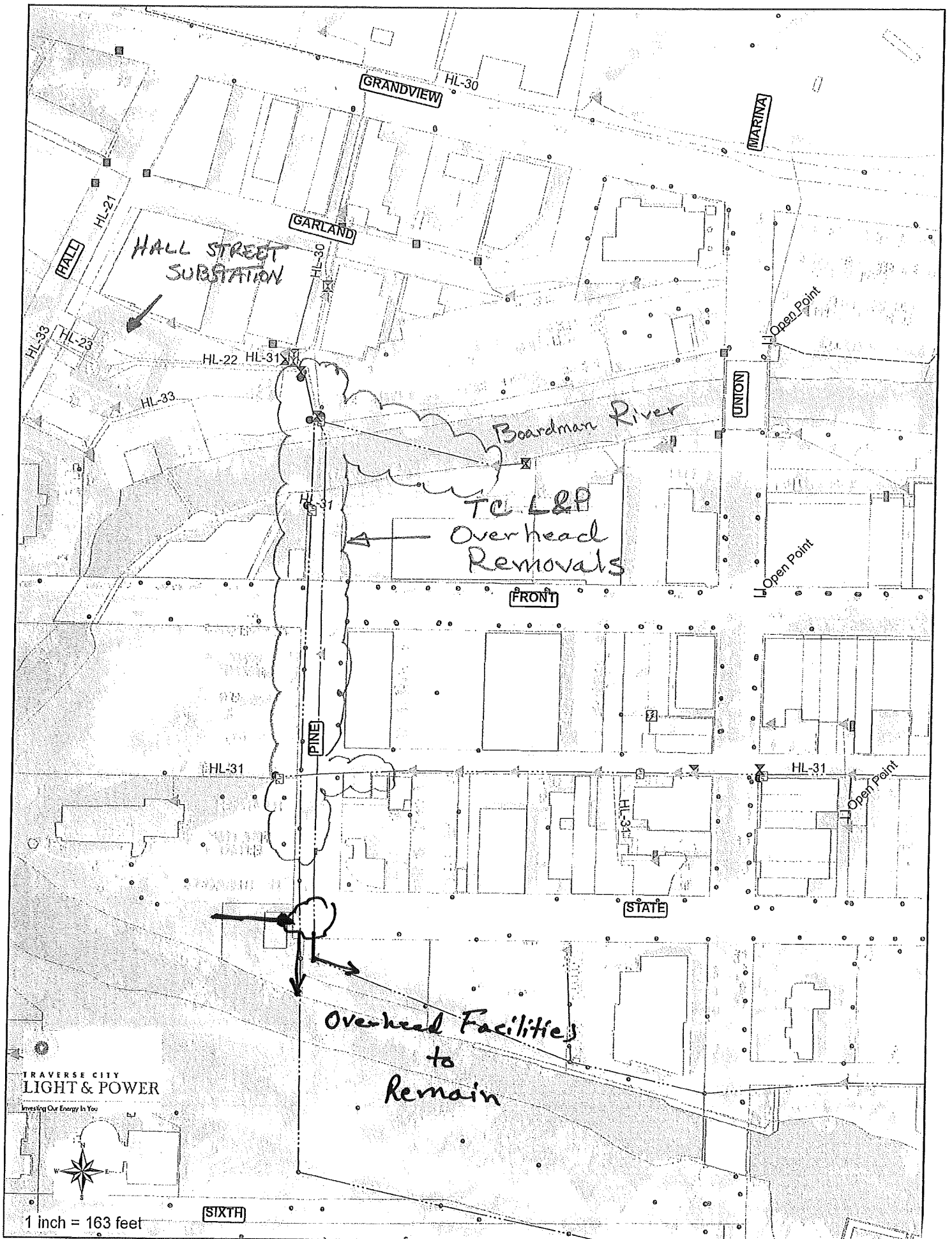


Figure 4: Easement Area #4

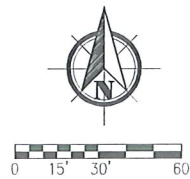
660 Cascade West Pkwy SE Suite 65
Grand Rapids MI 49546
P: 616.942.7183
F: 616.285.6448

www.grp-engineering.com

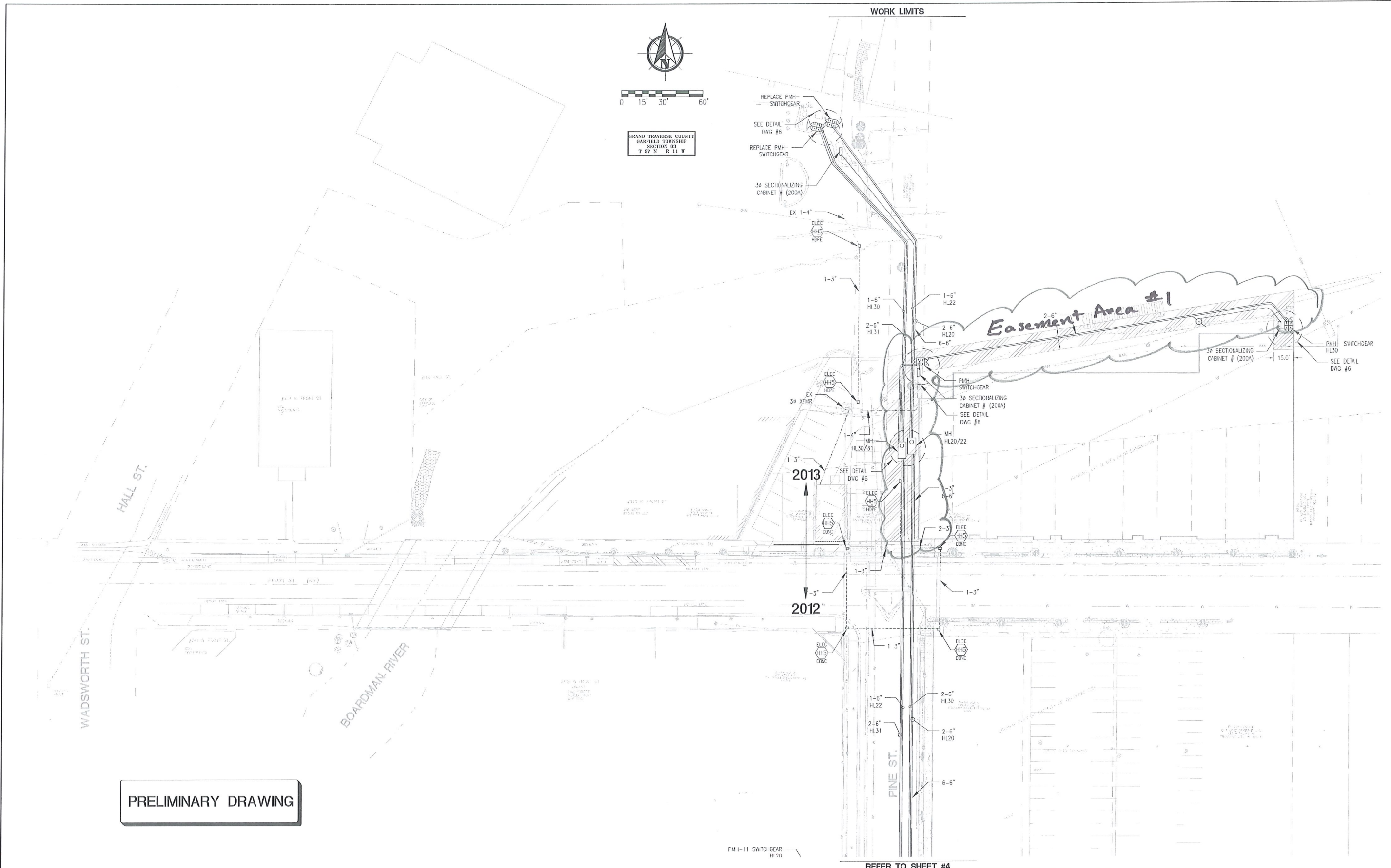
325 East Lake Street Suite 26
Petoskey MI 49770
P: 231.439.9683
F: 231.439.9698



WORK LIMITS



GRAND TRAVERSE COUNTY
GARFIELD TOWNSHIP
SECTION 03
T 27 N. R 11 W



PRELIMINARY DRAWING

REFER TO SHEET #4



ENG.	MPM		
DR	KMW		
CK	MPM		
APP	MPM		
		06-02-2012	EASEMENT ACQUISITION
		DATE	ISSUED FOR

GRP
Engineering, Inc.
PETOSKEY, MICHIGAN, 231-439-9683
GRAND RAPIDS, MICHIGAN, 616-942-7183

TRAVERSE CITY LIGHT & POWER

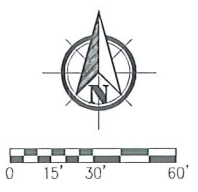
PINE STREET & STATE STREET UNDERGROUND

TRAVERSE CITY, MICHIGAN

RIVER CROSSING & PINE STREET LAYOUT

PROJECT NUMBER
10-0503.01

DRAWING NUMBER
3



GRAND TRAVERSE COUNTY
GARFIELD TOWNSHIP
SECTION 03
T 27 N R 11 W

Easement Area #2

REFER TO SHEET #3

SOUTH ALLEY/WEST FRONT STREET

PINE ST.

STATE ST.

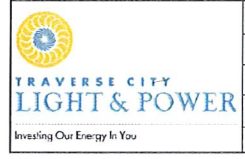
Easement Area #4

Easement Area #3

Overhead Facilities to Remain

WORK LIMITS

PRELIMINARY DRAWING

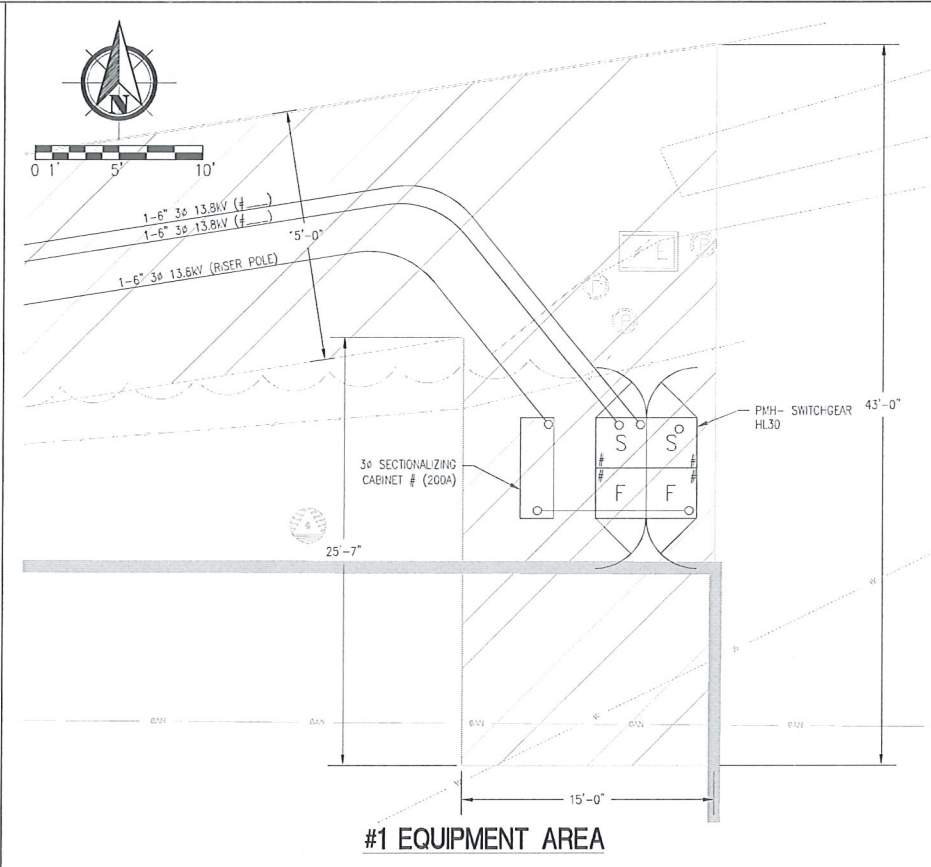


ENG.	MPM		
DR	KMW		
CK	MPM		
APP	MPM		
DATE	06-08-2012	EASEMENT ACQUISITION	ISSUED FOR

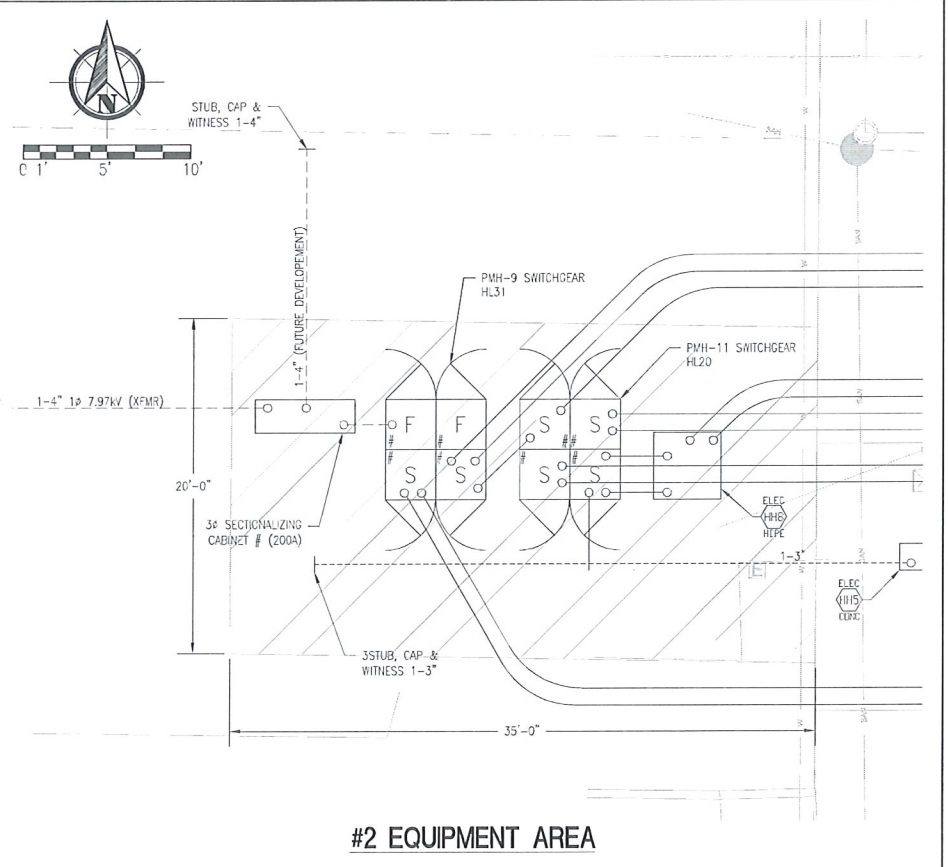
GRP
Engineering, Inc.
PETOSKEY, MICHIGAN, 231-439-9663
GRAND RAPIDS, MICHIGAN, 616-942-7183

TRAVERSE CITY LIGHT & POWER
PINE STREET & STATE STREET UNDERGROUND
TRAVERSE CITY, MICHIGAN
PINE STREET & STATE STREET UNDERGROUND LAYOUT

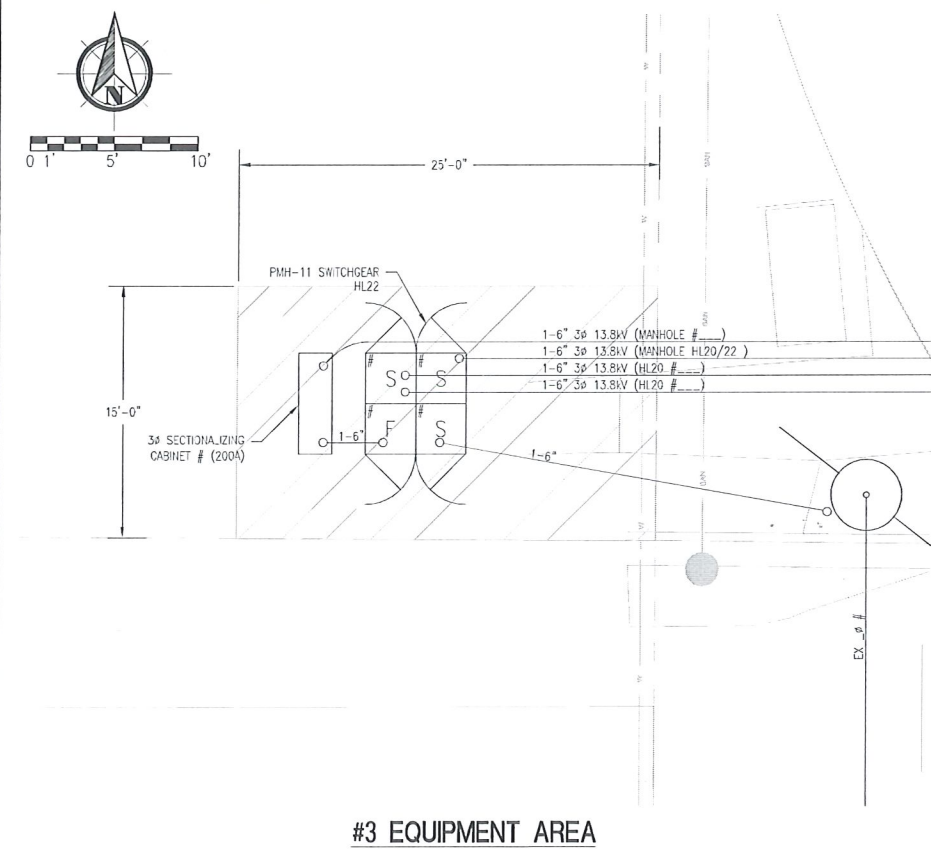
PROJECT NUMBER	DRAWING NUMBER
10-0503.01	4



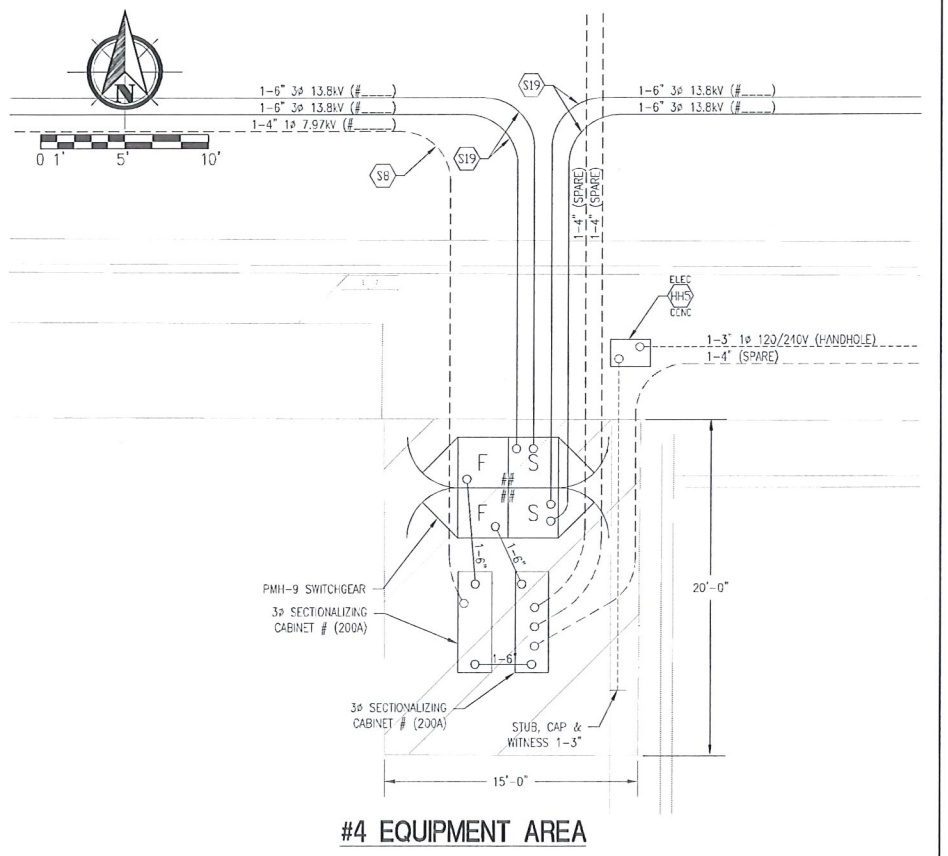
#1 EQUIPMENT AREA



#2 EQUIPMENT AREA

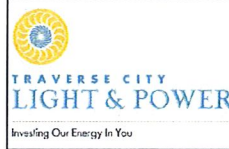


#3 EQUIPMENT AREA



#4 EQUIPMENT AREA

PRELIMINARY DRAWING



ENG	MPM		
DR	KMW		
CK	MPM		
APP	MPM		
		05-02-2012	EASEMENT ACQUISITION
		DATE	ISSUED FOR

GRP
Engineering, Inc.
PETOSKEY, MICHIGAN, 231-439-9663
GRAND RAPIDS, MICHIGAN, 616-942-7183

TRAVERSE CITY LIGHT & POWER
PINE STREET & STATE STREET UNDERGROUND
TRAVERSE CITY, MICHIGAN
PROPOSED EASEMENTS

PROJECT NUMBER	DRAWING NUMBER
10-0503.01	5E



TO: TRVERSE CITY LIGHT & POWER BOARD
DATE: JUNE 22, 2012
FROM: R. BEN BIFOSS, CITY MANAGER
SUBJECT: STATE AND PINE

A handwritten signature in blue ink, appearing to read "R. B. Bifoss", is written over the "FROM:" line of the memo.

For many years the City has considered Pine and State Streets, from Front to Union, a high priority for reconstruction. This is a primary entrance to our downtown. Our hope has been that this reconstruction project could coincide with private redevelopment around the intersection of Pine and Front, but we cannot continue to wait on this hope. The City has received a \$375,000 grant from MDOT for this project and we are contracted to proceed immediately after Labor Day this year.

This project includes significant underground work on the water, sewer and storm sewer systems. We have planned on coordinating the underground work with Light and Power to underground the electrical system in this area as well. The coordination of this work is consistent with City policies and is cost effective as the cost of all of the street work is only undertaken one time rather than having to be redone if L&P were to underground the electric system at a later date. In this project, the entire street reconstruction cost is borne by the City.

As you know, undergrounding the electric on State and Pine is part of a larger project. The DDA Executive Director has earlier advised you that the pedestrian bridge over the Boardman River to the Garland Street area and eventually the Bayfront is included in the DDA budget and CIP for the 2012/13 Fiscal Year. The plan and expectation is that L&P can use the pedestrian bridge to further enhance the aesthetics of what we believe will become a primary link between Front Street and the Bayfront.

Because we are using MDOT funds, we must follow MDOT bidding and contracting requirements. Under those rules, the actual construction contract will be held by MDOT. Through a competitive bidding process, MDOT has contracted with Elmers for our utility, street and sidewalk work. We respectfully request that L&P approve a change order to this contract that would allow the necessary

electrical conduit to be installed by Elmers in conjunction with the MDOT contract. There are two primary reasons for this request.

First, having two different underground contractors working on the same site creates significant room for conflict. Each contractor has the opportunity to blame the other for construction conflicts and delays. The work would not proceed in a linear fashion; one contractor may proceed from Front to State and then wait until the other contractor comes back to repeat the sequence. Delays are inevitable.

Second, L&P has recently bid significant underground work on Bay Street. We believe it possible to ensure reasonable pricing by using those bids to establish price points for this project.

Street work is under reasonable time constraints. This project must be completed by November 1 to meet those constraints. In order to ensure a reasonable construction schedule and avoid construction delays due to contractor conflicts, we request that you authorize a change order to the current Elmers contract to include the installation of electrical conduit on State and Pine. The actual work of undergrounding the electrical utility can be bid and contracted at a later time. Thank you for your consideration.



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Ed Rice, Executive Director *ER*
Date: June 21, 2012
Subject: Interconnection Facilities Agreement Between Michigan Electric Transmission Company, LLC and Traverse City Light and Power Department

Staff and counsel have been in discussion and negotiations with the Michigan Electric Transmission Company, LLC to establish a new 138kV interconnection on property purchased by Traverse City Light and Power, located in East Bay Township, Grand Traverse County.

An Interconnection Facilities Agreement has been developed between the two parties that describes the general ownership and description of facilities, obligations and rights of each, and other general procedures necessary to maintain safety, reliability and integrity of the transmission system as a result of the new interconnection facilities to be constructed.

Staff recommends L&P Board approval of the Interconnection Facilities Agreement Between Michigan Electric Transmission Company, LLC and Traverse City Light and Power Department. If the Board concurs, the following motion is appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT AND POWER BOARD AUTHORIZE THE CHAIRMAN AND SECRETARY TO ENTER INTO AN INTERCONNECTION FACILITIES AGREEMENT BETWEEN THE MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC AND TRAVERSE CITY LIGHT AND POWER DEPARTMENT FOR THE PURPOSE OF ESTABLISHING A NEW 138KV TRANSMISSION INTERCONNECTION AT AN INTERCONNECTION SITE LOCATED IN THE TOWNSHIP OF EAST BAY, GRAND TRAVERSE COUNTY FOR THE EAST HAMMOND SUBSTATION PROJECT; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL.

INTERCONNECTION FACILITIES AGREEMENT
BETWEEN
MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC
AND
TRAVERSE CITY LIGHT & POWER DEPARTMENT

This **INTERCONNECTION FACILITIES AGREEMENT**, herein termed “Agreement”, is made and entered into as of the ____ day of _____ 2012, between MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan Limited Liability Company, 27175 Energy Way, Novi, Michigan, herein termed “Transmission Owner”, and TRAVERSE CITY LIGHT & POWER DEPARTMENT, a Michigan municipal electric utility, 1131 Hastings Street, Traverse City, Michigan 49686, herein termed “Interconnection Customer”. Transmission Owner and Interconnection Customer are sometimes referred to individually as “Party” and collectively as “Parties” where appropriate.

WHEREAS, Transmission Owner and Interconnection Customer desire to enter into this Interconnection Facilities Agreement for the purposes, among others, of **(a)** describing the general facilities, and the ownership thereof, that shall be used at the interconnection site and establishing the respective ownership of facilities, obligations and rights of each of the Parties with respect to procurement, installation, operation and maintenance of such facilities, and **(b)** describing other procedures that are necessary to maintain safety, reliability and integrity on Transmission Owner’s system and Interconnection Customer’s system as a result of installing the facilities at the interconnection site.

NOW, THEREFORE, In consideration of the mutual covenants and agreements below, the Parties agree as follows:

SECTION 1. CONNECTION FACILITIES

1.1 General. The Parties will provide, as specified in this Section 1, certain 138 kV electric facilities and associated appurtenances which will be used in the connection of the new Interconnection Customer substation.

1.1.1 The facilities comprising the interconnection are all located in the Township of East Bay, Grand Traverse County, Michigan and shown as Parcel “A”, in Exhibit A, the attached survey recorded at 2011S-00036 Grand Traverse County Register of Deeds.

1.1.2 The facilities and associated appurtenances include connection, switching, control, and protective relaying equipment required as a result of installing facilities for the Traverse City Light & Power Department.

1.1.3 The Transmission Owner's 138 kV transmission connection facilities, the Interconnection Customer's connection facilities and their associated appurtenances, as described in Subsections 1.2 and 1.3 are sometimes referred to as the "Connection Facilities", as generally shown in Exhibit B.

1.1.4 Each Party shall bear the cost of its Connection Facilities unless otherwise specified in this Agreement. Interconnection Customer shall solely assume the risk that Transmission Owner may be unable to complete its Connection Facilities due to factors beyond Transmission Owner's reasonable control. Transmission Owner shall solely assume the risk that Interconnection Customer may be unable to complete its Connection Facilities due to factors beyond Interconnection Customer's reasonable control.

1.1.5 In the event future changes in either (i) design or operation of Interconnection Customer's system, (ii) Federal, state or local laws, regulations or codes, or (iii) design or operation of Transmission Owner's system, later necessitate additional facilities or modifications to the then existing Connection Facilities herein, the Parties shall undertake such additions or modifications as may be necessary.

1.1.5.1 Before undertaking such future additions or modifications, the Parties shall consult with each other, develop plans and coordinate schedules of activities.

1.1.5.2 The cost of such future additions or modifications to the Connection Facilities shall be borne by the Party requiring the additions or modifications, unless agreed otherwise at the time.

1.1.5.3 The ownership, operation and maintenance responsibilities for any such future additions or modifications shall be made consistent with the responsibilities allocated in this Agreement.

1.1.6 If an attachment, exhibit, notice or other document related to this Agreement references ITC or ITC Holdings Corp., that reference shall mean Michigan Electric Transmission Company, LLC.

1.2 Interconnection Customer's Connection Facilities

Interconnection Customer shall continue to own (except for those Transmission Owner's Connection Facilities stated in Subsection 1.3) facilities at the interconnection, including but not limited to the following:

1.2.1 One (1) 138/69 kV, 90/120/150 MVA transformer, some length of 138 kV conductor, one (1) 138 kV manual-operated disconnect switch including support structures and one (1) 138kV circuit switcher;

1.2.2 Three (3) combination 138 kV VT/CT metering units, one in each phase;

1.2.3 Protective relaying and other protective equipment acceptable to both parties;

1.2.4 A substation control house or switchgear with space inside that is suitable for the location and protection of the billing metering equipment and any associated Remote Transmitting Unit ("RTU"). The Interconnection Customer shall provide to the applicable Meter Data Management Agent (the "MDMA") and Transmission Owner, if necessary, and to those third parties that require such data to calculate network load (i.e., presently Consumers Energy) direct dial-in access to the billing metering data. Such access shall be at the sole expense of the requesting third party. Third parties shall be bound by any applicable Code-of-Conduct rules. The MDMA shall be responsible for reporting such data to the Midwest Independent Transmission System Operator, Inc. ("MISO").

1.3 Transmission Owner's Connection Facilities

1.3.1 Transmission Owner shall provide, install, own, operate and maintain adjacent to Interconnection Customer's Connection Facilities on the site a new 3-breaker 138 kV switching station looped into and directly adjacent to the existing Keystone-Acme-Plum 138 kV line to feed the Interconnection Customer's new 138/69 kV substation.

1.3.2 The Transmission Owner will comply with all applicable local laws, regulations and ordinances and with the following subsections of Section 4 Decisions and Conditions of Approval of SLU6-11 and SPR7-11 as shown in Exhibit C: Subsections (a), (b), (d), and (e).

1.4 Transmission Owner Equipment Relocation Requested by Interconnection Customer

If at any time Interconnection Customer requires those facilities located on its premises, but provided and owned by Transmission Owner, to be relocated on such premises, Transmission Owner shall at Interconnection Customer's expense and upon Interconnection Customer's

request relocate the same or give permission for Interconnection Customer to relocate the same.

1.5 Facilities Added in the Future

If and when additional facilities are added at the interconnection site, Parcel "A", by Interconnection Customer or by Transmission Owner, each Party requiring new facilities shall, at no cost to the other Party, install (or cause to be installed) facilities and/or protective relay systems that shall provide for the isolation of any electrical faults that occur on the interconnected systems of either the Interconnection Customer or Transmission Owner from having an effect on the other's interconnected system.

1.5.1 The facilities and/or protective relay systems shall be designed to fit into the electrical system configuration and shall be acceptable to the Parties.

1.5.2 Transmission Owner and Interconnection Customer shall give advance notice to the other Party of any such additions which it may contemplate making so as to attain the best practicable coordination of future system plans and the design of any necessary facilities.

SECTION 2. DESIGN AND CONSTRUCTION OF THE CONNECTION FACILITIES

2.1 Authority for Performance

Except as provided in Subsection 2.1.1, Interconnection Customer shall have sole authority to manage, design, supervise, construct, procure materials for, and control, and shall take all steps which it deems necessary or appropriate for the installation of, its Connection Facilities required pursuant to Subsection 1.2, the "Interconnection Customer's Connection Facilities."

2.1.1 The design, specifications, installation and construction of the Interconnection Customer's 138 kV Connection Facilities required pursuant to Subsection 1.2 shall be in accordance with standards no less stringent than those now used by Transmission Owner for its own 138 kV installations.

2.1.2 The design and specifications of the Connection Facilities required pursuant to Subsection 1.2 shall be subject to the inspection of and comment by Transmission Owner prior to being placed into initial operation; *provided*, that Transmission Owner shall have no obligation or responsibility with respect to such design, plans, specifications, installation or construction because of its inspection and comment thereon.

2.1.3 Transmission Owner shall connect to Interconnection Customer's Connection Facilities if, and only if, the specifications, design, installation and construction of Interconnection Customer's Connection Facilities are in accordance with standards no less stringent than those now used by Transmission Owner for its own 138 kV installations.

2.1.4 Transmission Owner shall have sole authority to manage, design, supervise, construct, procure materials for, and control, and shall take all steps which it deems necessary or appropriate for the installation and connection of, its Connection Facilities required pursuant to Subsection 1.3, the "Transmission Owner's Connection Facilities."

2.2 Coordination of Construction Program

The Parties **(a)** shall utilize their best efforts to ensure that the installation of the Connection Facilities and all construction activities to be provided by both Interconnection Customer and Transmission Owner, as herein described, will be completed and ready to connect Interconnection Customer's interconnection to Transmission Owner's system by December 31, 2012, or by such other date as mutually agreed, **(b)** shall coordinate their respective construction programs essential to carrying out the installation by Interconnection Customer of its Connection Facilities required pursuant to Subsection 1.2 and the installation by Transmission Owner of its Connection Facilities required pursuant to Subsection 1.3 and shall cooperate to ensure, as closely as practicable, the simultaneous completion of the installation of the Connection Facilities to be installed by Interconnection Customer and Transmission Owner, respectively, and **(c)** shall require all contractors and suppliers who are working at the interconnection site to coordinate their activities.

2.3 Connection of Interconnection Customer's Interconnection

Connection of the interconnection to Transmission Owner's system shall be made after the following conditions precedent have been satisfied:

2.3.1 Transmission Owner has declared its Connection Facilities ready for service;

2.3.2 Interconnection Customer has met the design, specifications, installation, and construction requirements of Subsection 2.1.1; and

2.3.3 Interconnection Customer has provided adequate protective equipment to protect the equipment and service of Transmission Owner from damage or interruption from electrical faults occurring on Interconnection Customer's system.

SECTION 3. OPERATION AND MAINTENANCE

3.1 Operation and Maintenance by Transmission Owner

3.1.1 Transmission Owner **(a)** shall have sole authority and responsibility to operate and maintain Transmission Owner owned Connection Facilities required pursuant to Subsection 1.3 in accordance with the applicable standards of Transmission Owner, and **(b)** may perform emergency maintenance, or make system modifications, when necessary, on the Transmission Owner owned Connection Facilities.

3.2 Operation and Maintenance by Interconnection Customer

Interconnection Customer shall have sole authority and responsibility to operate and maintain the Interconnection Customer owned Connection Facilities required pursuant to Subsection 1.2 in accordance with “Good Utility Practice”. Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, including compliance with FERC-approved Reliability Standards of the North American Electric Reliability Corporation, or its successor organization, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather intended to include acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4). Should the Interconnection Customer fail to maintain its equipment according to Good Utility Practice, the Transmission Owner shall notify the Interconnection Customer of such and shall have sole authority to either disconnect the Interconnection Customer’s facilities until such time the maintenance work is completed or perform the necessary maintenance work at the Interconnection Customer’s expense. The Interconnection Customer shall operate and maintain the meter and provide services associated with the metering, including preventive maintenance services.

3.3 Insurance

Each Party shall acquire and maintain property insurance on its Connection Facilities and comprehensive general liability insurance as such insurances relate to the Connection Facilities and to the site upon which the Connection Facilities are to be located. Such insurance policies shall name the other Party as an additional insured. Upon request of a Party, the other Party shall deliver a certificate of insurance as it relates to this Agreement.

3.4 Taxes

Any taxes or assessments levied or incurred as a result of a Party's Connection Facilities or business activities, shall be the responsibility of that Party. Each Party shall indemnify and hold harmless the other Party on account of any such taxes and assessments. Taxes include, but are not limited to, real and personal property taxes.

3.5 Environmental Safety

Each Party agrees to construct, maintain and operate its Connection Facilities so as not to create or exacerbate any environmental hazard or risk. If a Party creates an environmental hazard at the site, that Party agrees to promptly and at its sole expense remediate the hazard and be responsible for all due care activities.

SECTION 4. CONNECTION POINTS

4.1 Connection Point, Point of Change in Facility Ownership and Point of Delivery

The Connection Point and the point of change in facility ownership between the Parties shall be the point at which the Interconnection Customer's Connection Facilities connect to the Transmission Owner's bus between 138 kV disconnect switches numbered 6W4 and 6M6. The point of delivery shall be at the Connection Point. Meter readings are to be adjusted to the point of delivery, as applicable.

SECTION 5. SERVICE CONDITIONS

5.1 Reactive Control

Control of reactive power will be per Balancing Authority specifications and procedures. The administration and control of kilovar flow shall be in accordance with "Good Utility Practice".

5.2 Continuity of Service

Each Party shall exercise reasonable care to maintain continuity of service as provided under this Agreement.

5.2.1 If continuity of service becomes interrupted for any reason, the cause of the interruption shall be removed and normal operating conditions restored as soon as practicable.

5.2.2 Neither Party shall be responsible to the other Party for any damage or loss of revenue or other liability, damage or expense of any kind whatsoever, caused by or resulting from or in connection with any interruption.

5.2.3 Settlement of strikes and labor disturbances shall be wholly within the discretion of the Party having the difficulty.

5.3 Access Rights

Upon reasonable notice, each Party **(a)** shall furnish *at no cost* to the other Party any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the furnishing Party that are necessary to enable the other Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: **(i)** interconnect the Connection Facilities; **(ii)** operate and maintain the Party's Connection Facilities; and **(iii)** disconnect or remove the other Party's facilities and equipment upon termination of this Agreement, and **(b)** shall grant to the other Party any easements necessary to establish the interconnection in a form that is acceptable to the other Party.

SECTION 6. INDEMNITY; LIMITATION ON LIABILITY; FORCE MAJEURE

6.1 Indemnity

Each Party shall at all times assume all liability for, and shall indemnify and save the other Party and its officers, directors, employees, affiliate companies, and agents harmless from, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses for injury to or death of any person or persons whomsoever occurring on its own system, or for any loss, destruction of or damage to any property of third persons, firms, corporations or other entities occurring on its own system, arising out of or resulting from, either directly or indirectly, its own facilities, or arising out of or resulting from, either directly or indirectly, any electric energy furnished to it after such energy has been delivered to it by such other Party, unless caused by the sole negligence or intentional wrongdoing of the other Party, its officers, directors, employees, agents, or invitees.

6.2 Limitation on Liability

NEITHER PARTY SHALL IN ANY EVENT BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES SUCH AS, BUT NOT LIMITED TO, LOST PROFITS, REVENUE OR GOODWILL, INTEREST, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF EQUIPMENT OR MACHINERY, INCREASED EXPENSE OF OPERATION OF EQUIPMENT OR MACHINERY, COST OF PURCHASED OR REPLACEMENT POWER OR SERVICES OR CLAIMS BY CUSTOMERS, WHETHER SUCH LOSS IS BASED ON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6.3 Force Majeure

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY ACT, OMISSION OR CIRCUMSTANCE OCCASIONED BY OR IN CONSEQUENCE OF ANY ACT OF GOD, LABOR DISTURBANCE, ACT OF THE PUBLIC ENEMY, WAR, INSURRECTION, RIOT, FIRE, STORM OR FLOOD, EXPLOSION, BREAKAGE OR ACCIDENT TO MACHINERY OR EQUIPMENT, CURTAILMENT, ORDER, REGULATION OR RESTRICTION IMPOSED BY GOVERNMENTAL, MILITARY OR LAWFULLY ESTABLISHED CIVILIAN AUTHORITIES OR BY THE MAKING OF NECESSARY REPAIRS UPON THE PROPERTY OR EQUIPMENT OF EITHER PARTY, OR BY ANY OTHER CAUSE OR CAUSES BEYOND EITHER PARTY'S REASONABLE CONTROL. NEITHER PARTY SHALL BE REQUIRED TO SETTLE ANY STRIKE OR OTHER LABOR PROBLEM IN A MANNER NOT COMPLETELY SATISFACTORY TO IT.

SECTION 7. SUCCESSORS AND ASSIGNS

7.1 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective Parties.

7.2 Assignment

Neither Party shall assign, transfer or otherwise alienate its interest in this Agreement in whole or in part without the prior written consent of the other Party, which consent shall not be

unreasonably withheld. Any attempted assignment without securing the consent of the other Party shall be null and void, and of no force and effect.

SECTION 8. NOTICE TO PARTIES

Unless otherwise provided in this Agreement, any notice, consent or other communication required to be made under this Agreement shall be in writing and shall be mailed by first class US mail, postage prepaid or delivered to the address set forth below or such other address as the receiving Party may designate in writing.

8.1 If to Transmission Owner:

**Michigan Electric Transmission Company, LLC
General Counsel – Utility Operations
27175 Energy Way
Novi, MI 48377**

8.2 If to Interconnection Customer:

**Traverse City Light & Power Department
Attn: Executive Director
1131 Hastings Street
Traverse City, MI 49686**

- All notices shall be effective when received.
- For questions and concerns of Emergency Operations, contact the Transmission Owner Operations Control Room (OCR).
- For Interconnection Customer questions concerning maintenance activities, contact the Transmission Owner's _____.
- For Transmission Owner's questions, contact the Interconnection Customer's control center.

SECTION 9. GOVERNING LAW

This Agreement shall be deemed to be a Michigan contract and shall be construed in accordance with and governed by the laws of Michigan, exclusive of its conflict of laws principles.

SECTION 10. EFFECTIVE DATE. TERM AND TERMINATION

This Agreement shall become effective _____, 2012, or as otherwise accepted or ordered by the FERC and shall have an initial term of ten (10) years. This Agreement shall remain in full force and effect until terminated, which may occur at any time after ten (10) years by mutual agreement of the Parties or upon not less than 48 months written notice given by either of the Parties.

SECTION 11. RETIREMENT

At such time as the interconnection is no longer required, then the retirement of the facilities comprising the interconnection, as described in Subsection 1.2 and Subsection 1.3.1, shall be the responsibility of the Party owning such facilities. The retirement and removal of facilities shall be done in a reasonable amount of time unless Transmission Owner is able to establish that it possesses real estate rights to allow it to remain at the property located in the Township of East Bay, Grand Traverse County, Michigan and shown as Parcel "A", in Exhibit A in which case it will not be required to remove its facilities.

SECTION 12. ENTIRE AGREEMENT. THIRD PARTIES AND AMENDMENTS

This Agreement supersedes all previous representations, understandings, negotiations and agreements either written or oral between the Parties or their representatives and constitutes the entire agreement of the Parties about the interconnection. This Agreement is intended for the benefit of the Parties only and does not grant any rights to any third parties unless otherwise specifically stated. No amendments or changes to this Agreement shall be binding unless made in writing and duly executed by both Parties.

SECTION 13. NO JOINT VENTURE OR PARTNERSHIP

This Agreement does not and is not intended to create a joint venture or partnership between the Parties. The rights and obligations of the Parties are entirely contained within this Agreement.

SECTION 14. NO THIRD-PARTY BENEFICIARIES

This Agreement confers no rights or remedies on any third party, other than to Consumers Energy under Subsection 1.2.4 so long as it complies with all requirements of Subsection 1.2.4.

SECTION 15. NON-DISCRIMINATION

The Parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight or marital status. Breach of this covenant may be regarded as a material breach of this Agreement.

SECTION 16. ELECTRONIC TRANSACTIONS

The Parties agree to conduct this transaction by electronic means. This Agreement may be executed by providing an electronic signature under the terms of the Uniform Electronic Transactions Act. This Agreement may not be denied legal effect or admissibility as evidence solely because it is in electronic form, permits the completion of the business transaction referenced herein electronically instead of in person, or has been stored electronically. As an alternative to physical delivery, any document, including any signed document or written notice may be delivered in electronic form only by the following indicated methods: Facsimile Email Internet No Electronic Delivery. Documents with original signatures shall be provided upon request of any Party.

SECTION 17. DISPUTE RESOLUTION

The Parties agree to use the dispute resolution procedures of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, as they may be amended from time to time, for all disputes, modified as necessary to be applicable to disputes not involving MISO.

MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan limited liability company

By: ITC Holdings Corp., its manager

By: _____
Name: Gregory Ioanidis
Title Vice President

TRAVERSE CITY LIGHT & POWER DEPARTMENT

By: _____

Name:

Title: Chairman

By: _____

Name: Edward E. Rice

Title: Executive Director/Secretary



CERTIFICATE OF SURVEY

Patricia C. Groleau
4542 Albert Courtade Road, Traverse City, MI 49696
NORTH 1/2 OF THE NW 1/4, SECTION 28, T27N, R10W,
EAST BAY TOWNSHIP GRAND TRAVERSE COUNTY, MICHIGAN

I, the undersigned, being a Professional Surveyor, hereby certify that I have surveyed and mapped the above parcel of land, that the ratio of closure of the unadjusted field observations is noted, and within limits and that I have fully complied with the regulations of Act 132, P.A. 1970 as amended. The basis for bearings is: Michigan State Plane Coordinate System, (NAD83) (CORS96), Central Zone. Error of Closure is 1:5000 ±.

David P. Gillette P.S. #41916

2011S-00036
STATE OF MICHIGAN
GRAND TRAVERSE COUNTY
RECORDED
10/07/2011 3:38 PM PAGE 1 OF 2
PEGGY HAINES REGISTER OF DEEDS

P:\2010\2010\2010\CAD\Drawings\2010\Topography\dwg\Certified Survey Groleau.dwg Tab: Sheet 1 Saved by: magraf 09/13/11, 5:18pm Plotted by: magraf 09/14/11, 2:22pm

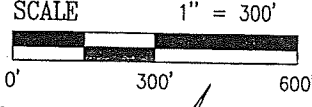
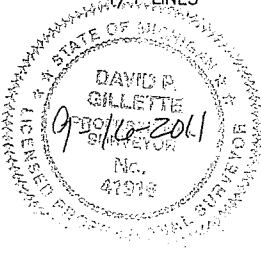
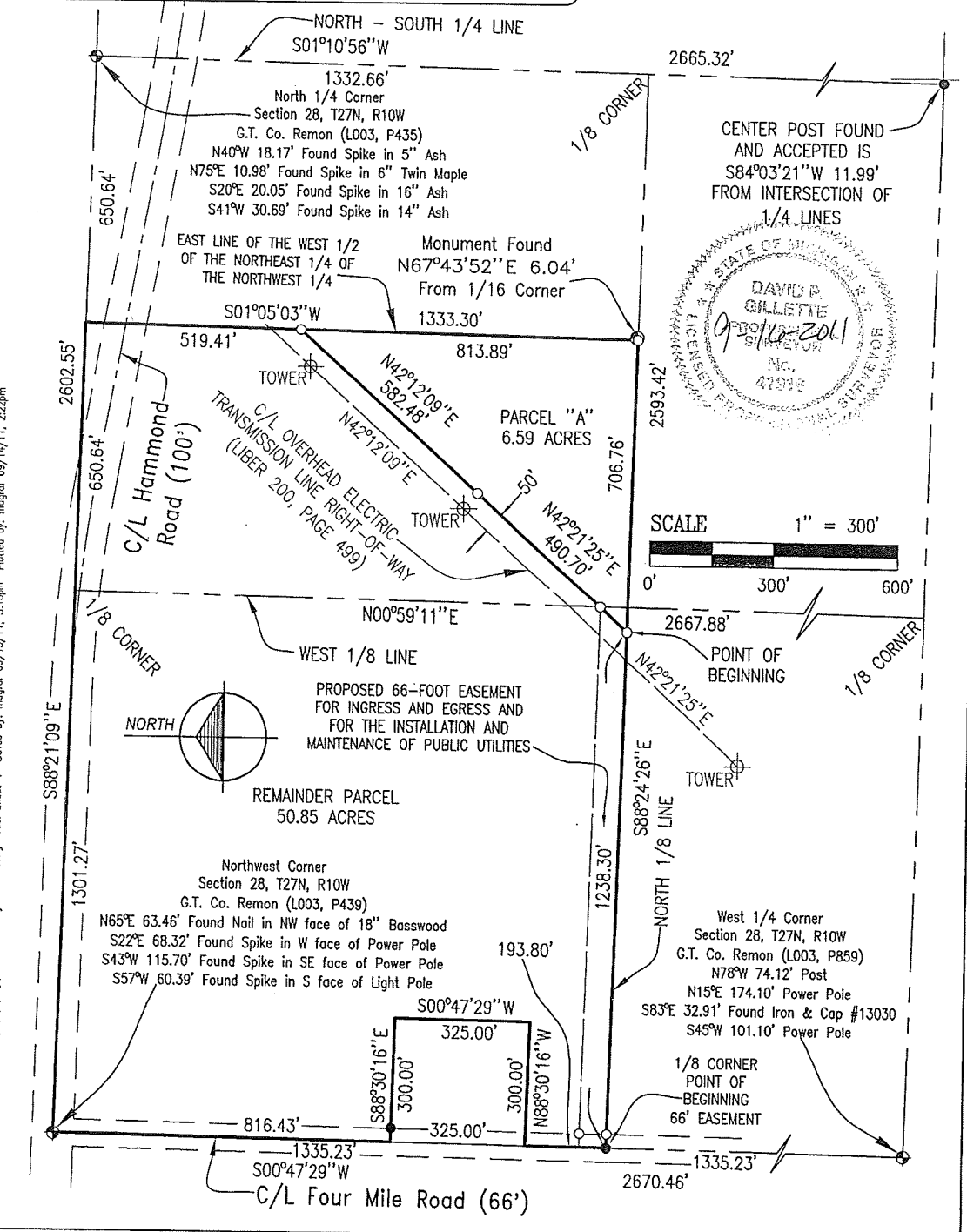


Table with 2 columns: Legend (Monument Found, Iron Found, Nail Found, Wood Stake Found, Recorded, Iron Set, Nail Set, Wood Stake Set) and Date/Scale/Drawn/Chkd/Rev. info.

Gosling Czuhak engineering sciences, inc. logo and contact information: 1280 Business Park Drive, Traverse City, MI 49686-8607, 231-945-9191, 800-968-1062, Fax: 231-941-4603. Services: Engineers, Surveyors, Environmental Services, Landscape Architecture.

Job No.: 2010720.02

Sheet: 1 of 2

CERTIFICATE OF SURVEY

Patricia C. Groleau
4542 Albert Courtade Road, Traverse City, MI 49696
NORTH 1/2 OF THE NW 1/4, SECTION 28, T27N, R10W,
EAST BAY TOWNSHIP GRAND TRAVERSE COUNTY, MICHIGAN

DESCRIPTION - PARCEL "A"

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1238.30 feet to the Point of Beginning; thence parallel with and 50.00 feet to the Southeast of the centerline of an existing overhead electric transmission line right-of-way (recorded in Liber 200, Page 499) N42°21'25"E 490.70 feet; and N42°12'09"E 582.48 feet to the East line of the West 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 28; thence along said East line S01°05'03"W 813.89 feet to said North 1/8 line; thence along said 1/8 line N88°24'26"W 706.76 feet to the Point of Beginning, containing 6.59 acres of land, more or less.

Together with a proposed easement, 66.00 feet in width, for ingress and egress and for the installation and maintenance of public utilities described as follows:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section and the Point of Beginning; thence 66.00 feet North of and contiguous with the following described line: along the North 1/8 line of said section S88°24'26"E 1238.30 feet to the Point of Ending, the sidelines of the above easement shorten or lengthen to originate at the West line of said Section 28 and to terminate at a line bearing N42°21'25"E from the Point of Ending.

PARENT PARCEL DESCRIPTION

From First American Title Insurance Company Commitment No. TC-09-3088

The North one-half of the Northwest one-quarter of Section 28, Town 27 North, Range 10 West

EXCEPT, that part of the North one-half of the Northwest one-quarter lying with in the following parcel described as lying Southerly of a County Road, more fully described as: Commencing at the North quarter corner of said Section 28; thence North 89°14' West, 442.00 feet along the North line of said Section 28 to the center line of county road and the Point of Beginning; thence Southeasterly, 215.79 feet along said center line and the arc of a 451.52 foot radius curve to the right, the chord of which bears South 75°32'30" East, 213.75 feet; thence South 61°51' East, 217.01 feet, along the center line; thence Southeasterly, 217.06 feet along said center line and the arc of a 544.86 foot radius curve to the left, the chord of which bears South 73°15'50" East, 215.65 feet; thence South 84°40'40" East, 916.12 feet along the said centerline; thence South 84°34'55" East, 211.87 feet along said center line to the East one-eighth line of said section ; thence South 0°25' East, 1032.67 feet along said East one-eighth line to the North one-eighth line of said Section 28; thence North 89°14'25" West, 1288.10 feet along said North one-eighth line to the North and South quarter line of said Section 28; thence North 89°17'50" West, 650.94 feet along said North one-eighth line to the west line of said East half of the Northwest quarter of the Northwest quarter; thence north 0°00'25" West, 1333.23 feet along said West line to said North Section line and center line; thence South 89°14' East, 208.80 feet, along said North Section line to the Point of Beginning.

Also, EXCEPT, that part of the Northwest one-quarter of the Northwest one-quarter of Section 28, Town 27 North, Range 10 West, more fully described as: Commencing at the Northwest corner of Section 28; thence South 00°52'45" East, 816.43 feet along the West line of said Section 28 to the Point of Beginning; thence continuing south 00°52'45" East, 325.00 feet along said West line of Section 28; thence North 89°49'30" East, 300.00 feet parallel with the North one-sixteenth line of said Section 28; thence North 00°52'45" West, 325.00 feet parallel with the said West line of said Section 28; thence South 89°49'30" West, 300.00 feet parallel with said North one-sixteenth line of Section 28 to the Point of Beginning.

Subject to the right of way of 4 Mile Road and Hammond Road.

REMAINDER PARCEL DESCRIPTION

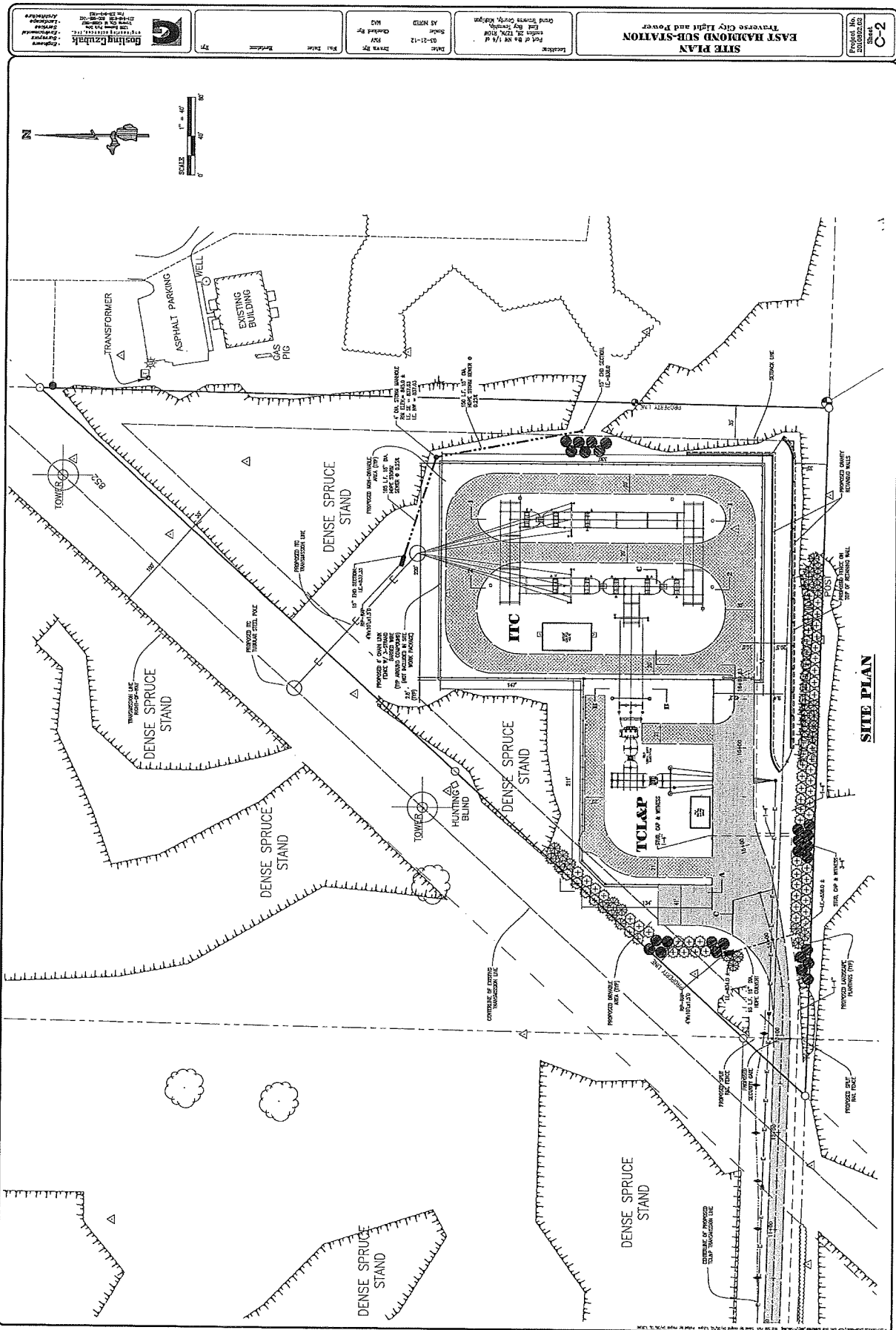
Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Beginning at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 816.43 feet; thence S88°30'16"E 300.00 feet; thence S00°47'29"W 325.00 feet; thence N88°30'16"W 300.00 feet to said West section line; thence along said section line S00°47'29"W 193.80 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1238.30 feet; thence parallel with and 50.00 feet to the Southeast of the centerline of an existing overhead electric transmission line right-of-way (recorded in Liber 200, Page 499) N42°21'25"E 490.70 feet; and N42°12'09"E 582.48 feet to the East line of the West 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 28; thence along said East line N01°05'03"E 519.41 feet to the North line of said Section 28; thence along said North line N88°21'09"W 1951.91 feet to the Point of Beginning, containing 50.85 acres of land, more or less.

Subject to the right of way of Four Mile Road and Hammond Road.

P:\2010720.02\CAD-DATA\TCL&P Topography\wg\Certified Survey Groleaudwg Tab: Sheet 2 Saved by: mgagr 09/13/11, 5:18pm Plotted by: mgagr 09/14/11, 2:22pm

Job No.: 2010720.02 Date: 11/11/2010 Scale: AS NOTED Drawn: W.W.A. Chkd.: J.A.J. Rev.: Sheet: 2 of 2 Gosling Czubak engineering sciences, inc. 1280 Business Park Drive, Traverse City, MI 49696-8607 231-946-9191 800-968-1062 Fax: 231-941-4603 Engineers, Surveyors, Environmental Services, Landscape Architecture



 Traverse City Light & Power Department Special Land Use, Findings of Fact

East Bay Charter Township Planning Commission

Special Land Use: SLU 6-11, SPR 7-11 for

Traverse City Light & Power Department

Date: December 6, 2011

FINDINGS OF FACT

Background. The City of Traverse City Light & Power Department is a municipally-owned utility that provides domestic electrical service to a significant portion of the region. ITC Holdings LLC, owns and operates a large electrical transmission network, including the existing 138kV line adjacent to the site. The proposed substation will be located on its own parcel with an adjoining non-exclusive access easement 66-feet in width to provide a connection to Four Mile Road. The substation site will be located about 1,200 feet east of Four Mile Road in an area of rolling hills and dense stands of spruce trees. The facility will be well screened from view from surrounding parcels and roads by existing vegetation, proposed plantings and the rolling nature of the terrain. The two adjoining substations will occupy a fenced area consuming about one-half of the 6.5 acre site, with the remainder consisting of new or existing vegetation, setbacks and drive areas. Because of the extent of elevation change across the site, a fairly deep cut will be undertaken along the southern boundary. This will be stabilized with a retaining wall to minimize grading. The transmission line routing along Four Mile Road will consist of a pole-for-pole replacement whenever possible, although somewhat taller poles will be necessary to provide required clearances for cables and conductors. The property is a conforming lot in the Agricultural (AG) district and the proposed replacement substation will occupy about 6.59 acres. The proposed facility is considered a Major Essential Service Facilities and it is treated as a special land use in the AG district.

The Planning Commission thoroughly considered the proposal in public hearing on December 6, 2011 following proper public notice and ultimately took the following action: Conditional approval of the special land use and site plan, subject to the findings and conditions presented below.

The following Exhibits support these findings of fact and the decision the decisions of the Planning Commission:

- ◆ Special Land Use Application and attached additional information, including Exhibits A through E, dated 10/7/2011;
- ◆ GRP Engineering Site Plan Set, including Sheets, T, TC-EL, ITC-EL, R-1, R-2 and D-1, and Gosling-Czubak sheets C-1, C-2, C-3, C-4 and L-1; all dated 11/2/2001;

FINDINGS

The approval process for a Special Land Use requires attention to the specific provisions applicable to such facilities at Section 628, the general standards applicable to all special land uses and the

specific site plan approval standards. The following section addresses each of these provisions and the findings of the Planning Commission:

1. Section 628, Major Essential Service Facilities.

- a. "Any above ground major essential service facility shall be fully secured from unauthorized entry either by construction of the facility itself or through fencing which meets the requirements of this ordinance."

The entire site will be fenced and the site plan indicates the fence will be eight feet high chain-link fence topped with three strands of barbed wire. Subject to the conditions of approval calling for relocation of the fence to include the retaining wall or to top the wall, the Planning Commission finds that this meets the ordinance requirement.

- b. "As a condition of approval of a special land use permit, the Planning Commission may require remote monitoring of major essential service facilities that may be vulnerable to damage or disruption."

- c. "Major essential service facilities located out-of-doors shall be screened from view from adjoining properties and from public road rights-of-way with evergreen plantings planted at such intervals as to provide an opaque screen within one-year of planting. Equipment buildings intended to house major essential service facilities, such as well houses, pump buildings or equipment shelters, shall be constructed of face brick, decorative masonry, cement board or wood lap siding designed to resemble nearby structures. Provided, that a side of such equipment building that is not visible from a public right-of-way, may be constructed of common cement block or metal panels, if further screened with evergreen landscaping."

The two control building are proposed to have a metal panel exterior, but given the isolated distance of the site from surrounding roads and the rolling and wooded nature of the site, the Planning Commission finds that the buildings will not be readily visible from a public roadway and therefore this will meet the ordinance requirement.

- d. "All above ground major essential service facilities shall be located in conformance with the yard, lot width and lot area standards of this ordinance. With the exception of elevated water storage facilities and electrical transmission towers and poles, major essential service facilities shall not exceed the maximum height requirements of the zoning district in which they are located."

The Planning Commission finds that because the proposed facility will consist of electrical transmissions towers and poles the special land use is not impacted by the height limitations of the underlying zoning district.

- e. "A major essential service facility shall be considered an accessory use to any other permitted or special land use, if it occupies no more than ten (10) percent of the parcel which is shared with the principal use. A major essential service facility located on an otherwise vacant parcel shall be considered the principal use of that parcel."

As the only use on this parcel, the substations would be considered the principal use of the property. The Planning Commission finds that the requirements of the ordinance are met with respect to this condition.

- f. “An above ground major essential service facility which is fenced or which is housed in an equipment building shall include a sign placard of not more than two square feet which shall indicate the owner or operator’s name, address and emergency contact information. In addition, such facilities may include any required hazard warning signage.”

The Planning Commission finds that while the site plan provides proposed signage which shall be appropriately located and sized to meet ordinance requirements pursuant to the conditions of approval and the Planning Commission finds that this will meet the ordinance requirement.

2. Section 602, 1, Special Land Use Approval Standards.

- a. “Be consistent with the adopted Township Comprehensive Plan.”

The Planning Commission finds that this standard is met as the Comprehensive Plan designates the site as Residential – Medium to High Density even though its current zoning is Agricultural. Ultimately the Township expects agricultural use of the site to give way to residential development and such growth will require adequate and reliable electrical energy which the substation can help to supply. In addition, because existing and replanted vegetation and the rolling terrain will provide effective screening, the scale of the facility can be mitigated even as future residential land uses begin to emerge.

- b. “Be designed, constructed, operated and maintained to be consistent with the existing or intended character of the general vicinity and that such a use will not change the essential character of the area in which it is proposed.”

The Planning Commission finds that the new substation will be a departure from the current character of the property itself. However, the vegetation and rolling terrain will screen it from view and help to mitigate any impact on the character of the area surrounding the site. In addition, while the facility will include some poles or towers that exceed the height standard of the AG district, the impact on neighboring properties is effectively mitigated both by intervening tree cover and the terrain of the site. Furthermore, the existing power line that crosses the site has included taller transmission towers for many years, so the introduction of additional transmission poles is not felt to be a significant departure from current conditions. The Planning Commission finds that this standard is met.

- c. “Not be hazardous or disturbing to existing or future uses in the same general vicinity and in the community as a whole.”

The potential hazards of a high-voltage substation are well understood and the proposed design includes fencing and signage to help protect the facility from unauthorized entry. The tall retaining wall which is necessary to minimize grading and the loss of natural

features, does create a potential hazard which needs to be addressed as outlined herein. Subject to the conditions of approval, the Planning Commission finds that this standard is met.

- d. "Be served adequately by essential public facilities and services, such as highways, streets, police and fire protection, stormwater drainage, refuse disposal, water and sewage facilities and schools or persons or agencies responsible for the establishment of the proposed use shall be able to provide adequately for such services."

As an unoccupied facility, the substation will not place additional demands on municipal services. Stormwater impacts will be addressed through the permeable surface throughout much of the site and the two small detention basins along the access drive. The Planning Commission finds that this standard is met, subject to the approval of the Road Commission, MDOT, Metro Fire Department and Drain Commissioner.

- e. "Not create excessive additional requirements at public cost for facilities and services and will not be detrimental to the economic welfare of the community."

The proposed facility does not include any features that increase public costs for facilities or services. The Planning Commission finds that this meets the ordinance requirement.

- f. "Not involve uses, activities, processes, materials and equipment or conditions of operation that will be detrimental to any person, property or general welfare by reason of excessive production of traffic, noise, vibration, smoke, fumes, glare or odors."

While the facility may generate some transformer noise, it will be mitigated both by the isolation of the site and the surrounding land forms. The nearest residence is located about 300 feet from the facility with a significant intervening stand of spruce trees and about 14 feet of elevation difference to muffle and deflect audible noise. The Planning Commission finds that this meets the ordinance requirement.

- g. "Ensure that the environment shall be preserved in its natural state, insofar as practicable, by minimizing tree and soil removal, and by topographic modifications that result in maximum harmony with adjacent areas."

The Planning Commission finds that while the footprint of the site will be changed, the proposal to transplant many of the trees on the site and the effort to minimize grade changes through the use of the retaining wall, helps to preserve much of the natural features, insofar as practical. Beyond the site, the impact of this facility will be effectively mitigated by the existing and transplanted trees and by the rolling terrain. The Planning Commission finds that this standard is met.

- h. Meet the intent and purpose of the Zoning Ordinance; be related to the standards established in the Ordinance for the land use or activity under consideration; and will be in compliance with these standards.

The Zoning Ordinance provides standards for Major Essential Service Facilities, and as outlined here and subject to the conditions of approval, the proposed design appropriately addresses those requirements. Within the AG district, the Township seeks to encourage commercial agriculture. The passive nature of the substation is compatible with agricultural activities and it will help to assure sufficient electrical energy within the growth boundary over the long term, even as commercial agriculture continues at present. The Planning Commission finds that this standard is met.


3. **Section 820, 7, Site Plan Approval Standards.** Section 820, 7, provides criteria for the review of site plans and the following paragraphs highlight issues regarding the site plan the Planning Commission has considered
 - a. Ownership and easements. The applicant for special land use approval is the City of Traverse City Light & Power Department which has an option to acquire the site of the substations from the land owner. In addition, the Light & Power Department will grant an easement to ITC Holdings, LLC, over a portion of the site for their switchyard. Finally, Light & Power will utilize Consumers Energy poles to transmit power to its substation on Parsons Road. In granting special land use approval pursuant to this application, the applicant assures that the terms of approval are binding on all the various parties, and such assurance is subject to review and confirmation by the Township Attorney.
 2. Retaining wall. The nearly 20-foot tall retaining wall to be located immediately south of the substation presents a potential hazard to someone on foot or in an ATV and it provides an elevated perspective into the substation which could be a security risk. As outlined in the conditions of approval, the safety and security of this feature shall be addressed.
 3. Exterior lighting for the facility includes both convenience lights at the entrances to the control buildings and 30-foot tall yard lighting to be used during non-daylight emergency or maintenance activities. The site plan does not include any detail for these light fixtures, but Section 210 requires night sky compliant design with 100% cut-off shielding and no fixture mounted higher than 20 feet above the average grade of the site. According to the attachment to the special land use application, these lights will normally not be in use, but will be needed for emergency repairs, when they will be turned on manually. The elevation of the property varies by about 40 feet making allowing some flexibility in the maximum height of the light fixtures.
 4. Signage. Detail on the proposed signs is provided on the site plan, but the proposed location is not. Section 215, 9 would permit a single, four square foot free-standing sign at the entrance drive. Such a sign could include information on both the Light & Power facility and the ITC facility. In addition, smaller two square foot hazard warning signs may be affixed to the fence and would be regarded as exempt per Section 215, 4, j.
 5. Remote monitoring. The site is fairly isolated location of the facility and it will be manned infrequently. The application mentions remote monitoring but does not provide further detail. In verbal commentary before the Planning Commission, the applicant indicated

that remote monitoring will include systems to monitor the functionality of the equipment as well as a security alarm on the access gates.

6. Transmission lines along Four Mile and the MDOT Rail Right-of-Way. The existing Consumers Energy power poles along Four Mile Road are proposed to be replaced “pole-for-pole” to accommodate the new transmission lines. In addition, the Light & Power Department lines will be upgraded along the MDOT rail right-of-way which includes the TART trail. The applicant and Planning Commission have discussed the process to remove and replace these structures and measures that will be taken to minimize disruption of traffic on the road and trail usage.
 7. Landscaping Irrigation Waiver. Healthy and generous landscaping will be important to softening the visual impact of this facility. The proposal to relocate existing trees on the site will be helpful to providing an effective buffer at the outset, if the relocated trees survive the transplanting operation. Section 229, 3, f, requires a two-year landscape replacement surety and this can be supplemented by a perpetual replacement requirement as a condition of approval.
4. **DECISION AND CONDITIONS OF APPROVAL.** Based on the foregoing review and findings of fact, the proposed special land use and site plan is hereby approved, subject to the following conditions:
- a. No preliminary or final earthwork, grading or timber removal shall be undertaken on the site until a land use permit has been issued; provided that limited timber removal may be undertaken solely for the purposes of completing soil borings.
 - b. The ownership and easement documents associated with the proposal shall be made available to the Township Attorney to assure that there are no provisions in any of the documents that might conflict with a conditional approval by the Planning Commission.
 - c. The site plan shall be revised to realign the security fencing to include the retaining wall within the fenced area.
 - d. The applicant shall submit documentation satisfactory to the Zoning Administrator that all exterior lighting shall comply with the requirements of Section 210; provided that emergency work lighting to provide for the safety of workers on site may be exempted from this requirement so long as it is illuminated only for such emergency repairs.
 - e. The signage on the facility shall include one free-standing sign at the entrance road in accordance with Section 215, 9 as well as appropriate warning information and emergency contact information as required by the ordinance and subject to final approval by the Zoning Administrator.
 - f. The required irrigation of transplanted plantings shall be waived but approval shall be conditioned on a requirement that the applicant shall post with the Township the required surety for landscape viability and further shall replace any plantings that fail to become established for as long as the facility is in existence.

- g. Approval of the special land use and site plan shall be conditioned on the final comments (if any) of the Road Commission, MDOT, Metro Fire Department and Drain Commissioner.



To: Light and Power Board
From: Ed Rice, Executive Director 
Date: June 21, 2012
Subject: METC Easements for East Hammond (formerly East Side) Substation Project

Enclosed in your packet is a proposed Resolution that approves two easements.

The first easement, Transmission Line Right-Of-Way Easement Agreement, allows the Michigan Electric Transmission Company (METC) to tap into their existing pole line adjacent to Traverse City Light and Power's (TCL&P) property and connect a new 138kV transmission line into METC's Electric Substation to be constructed.

The second easement, Electric Substation Easement Agreement, allows for the construction of METC's substation on TCL&P's property, which will be adjacent to the Traverse City Light and Power substation scheduled for construction.

TCL&P is also conveying access rights to use a 66ft easement obtained by TCL&P for ingress/egress (driveway corridor to the property).

TCL&P staff and counsel have thoroughly reviewed and analyzed the proposed easements and believe they are in the utility's best interest to approve.

If the Board is in agreement with Staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT & POWER BOARD APPROVE THE TRANSMISSION LINE RIGHT-OF-WAY EASEMENT AGREEMENT AND THE ELECTRIC SUBSTATION EASEMENT AGREEMENT, BOTH SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY COUNSEL AND ADOPTS A RESOLUTION TO APPROVE THE EASEMENTS WITH METC RELATED TO THE EAST HAMMOND SUBSTATION PROJECT; SUBJECT TO THE CITY COMMISSION CONCURRENCE IN THE CERTIFICATION OF SURPLUS STATUS.



**TRAVERSE CITY LIGHT AND POWER DEPARTMENT
RESOLUTION
CERTIFYING EASEMENT INTERESTS IN EAST HAMMOND SUBSTATION
PROPERTY TO BE SURPLUS**

WHEREAS, the Traverse City Light and Power Department (“TCL&P”) owns property in East Bay Township, Grand Traverse County purchased for the East Hammond Substation; and

WHEREAS, the East Hammond Substation needs to interconnect with the transmission line adjacent to that property owned by the Michigan Electric Transmission Company, LLC (METC); and

WHEREAS, METC has requested easements to use a portion of the property for interconnection facilities; and

WHEREAS, the use by METC is needed for the TCL&P substation to function; and

WHEREAS, the area to be occupied by METC is space not needed for the TCL&P substation, and is surplus; and

WHEREAS, Easements have been negotiated with METC for its interconnection facilities and transmission connection;

NOW, THEREFORE, BE IT RESOLVED that the limited easements described in the proposed Easements are 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 Electric Substation Easement Agreement and the Transmission Line Right-of-Way Easement Agreement 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 _____, 2012, at the Regular TCL&P Board Meeting held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Edward E. Rice
TCL&P Board Secretary

TRANSMISSION LINE RIGHT-OF-WAY EASEMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that, on the _____ day of July, 2012, TRAVERSE CITY LIGHT and POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings Street, Traverse City, Michigan 49686 (“**Owner**”), for good and valuable consideration in the amount of \$1.00, the receipt of which is hereby acknowledged, does grant, warrant and convey a transmission line right-of-way easement (“**Easement**”) unto MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan limited liability company, whose address is 27175 Energy Way, Novi, Michigan 48377 (“**Grantee**”), its successors and assigns, for the perpetual right of its or their agents, contractors, and employees to enter at all times upon and to place, construct, operate, maintain or to reconstruct, repair, upgrade, and replace an electric transmission line or lines, related facilities including fiber optic cable and any buried grounding system thereof and to transmit electricity on said transmission line or lines, and any grounding system upon land situated in Section 28, T27N, R10W, Township of East Bay, County of Grand Traverse, State of Michigan, more particularly described as the Transmission Line Easement Area as defined later in this Transmission Line Right-of-Way Easement Agreement,

together with all rights and privileges therein necessary or convenient for the full enjoyment or use thereof for the purposes described including, but not limited to, the right of ingress and egress to and from said easement on, over and across a gravel drive along the southern side of Owner’s Land.

“**Owner’s Land**” is more particularly described as follows:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1238.30 feet to the Point of Beginning; thence parallel with and 50.00 feet to the Southeast of the centerline of an existing overhead electric transmission line right-of-way (recorded in Liber 200, Page 499) N42°21'25"E 490.70 feet; and N42°12'09"E 582.48 feet to the East line of the West 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 28; thence along said East line S01°05'03"W 813.89 feet to said North 1/8 line; thence along said 1/8 line N88°24'26"W 706.76 feet to the Point of Beginning, containing 6.59 acres of land, more or less.

Together with an easement, 66.00 feet in width, for ingress and egress and for the installation and maintenance of public and private utilities more particularly described in that certain Easement dated April 5, 2012, and recorded on April 9, 2012, as Document Number 2012R-06216, in the Grand Traverse County Records, State of Michigan (the "Access Easement"), more fully described as follows:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section and the Point of Beginning; thence 66.00 feet North of and contiguous with the following described line: along the North 1/8 line of said section S88°24'26"E 1238.30 feet to the Point of Ending, the sidelines of the above easement shorten or lengthen to originate at the West line of said Section 28 and to terminate at a line bearing N42°21'25"E from the Point of Ending.

Subject to the Right of Way of Four Mile Road.

TRANSMISSION LINE EASEMENT AREA is described as:

Easement Description

A 160 foot wide Transmission Line Easement in that part of the North ½ of the Northwest ¼ of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, lying 80 feet each side of and coincident to a centerline described as:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1665.21 feet, thence N00°00'25"E 390.40 feet thence S90°00'00"E 127.29 feet to the Point of Beginning of the Easement Centerline; thence N00°00'00"E 24.62 feet, thence N47°47'51"W 138.31 feet to the Point of Ending of the Easement Centerline.

The sidelines of the above easement lengthen or shorten to begin at the north line of a fenced substation easement, to meet at all angle points, and to end at the westerly East Hammond Road Substation property line.

Exhibit A is a sketch of the Grantor's Land and the Transmission Line Easement Area and is attached hereto and is incorporated herein.

1. **Vegetation Management.** The full right is conveyed to Grantee, its successors or assigns and its or their agents, contractors, or employees to trim, cut, remove, destroy or otherwise control and treat with herbicides all trees, bushes or brush or vegetation now or

hereafter standing or growing under or within Transmission Line Easement Area Owner reserves the right to plant low-growing shrubs to serve as a vegetation screen and Grantee agrees to protect such vegetation screen from damage when exercising the rights herein granted. Notwithstanding the foregoing, prior to Owner's planting of low-growing shrubs or other vegetation described in the preceding sentence, Owner must receive the prior written consent of Grantee relative to the size, type and location of landscaping or the planting of vegetation described in the preceding paragraph. Such consent shall be consistent with East Bay Township zoning requirements for vegetative screening.

2. **Compliance with Laws.** Grantee shall use Owner's Land in compliance with all applicable Federal, State, and local laws, regulations, ordinances and in accordance with the Decision and Conditions of Approval set forth in Section 4(a), Section 4(b), Section 4(d) and Section 4(e) of the East Bay Charter Township Planning Commission Special Land Use approval 6-11 and Site Plan Review 7-11 dated December 6, 2011.

3. **Assignment of the Access Easement.** Grantor hereby grants to Grantee, its successors and assigns, and its agents, contractors and employees, the perpetual right to enter at all times and to use the Access Easement and Grantor's future gravel access driveway from Four Mile Road. Grantor hereby assigns to Grantee, and its successors and assigns, the Access Easement and the right to use, in perpetuity, its ingress and egress easement described in the Access Easement, for the purposes of this Easement.

4. **Poles and Facilities.** Grantee agrees that all poles, towers, wires, and other facilities, shall be installed on the aforementioned easement at Grantee's expense, and the same shall remain the property of Grantee.

5. **Structures.** No buildings or other above-ground structures, except fencing, shall be installed, constructed or permitted in the Transmission Line Easement Area without Grantee's prior written consent which consent may be given or withheld in Grantee's sole discretion. However, any fencing installed within the Transmission Line Easement Area pursuant to the terms of the preceding sentence must be approved by Grantee prior to the construction of said fencing. Grantee may remove prohibited structures from the Transmission Line Easement Area without prior notice and without responsibility for any damages that occurs as a result of such removal.

6. **Abandonment or Termination.** Should the easement herein conveyed not be used by Grantee, its successors and assigns, for any purpose herein granted for a period of two years, from and after the date of issuance, or otherwise be abandoned by Grantee, then and in that event said easement shall terminate. Grantee herein, for itself, its successors and assigns, further agrees upon complete abandonment of its facility by Grantee as deemed by Grantee or upon termination and upon request of the Owner of said land showing a prima facie title to same, to release and quit-claim all rights secured hereby on said land to the then Owner. In the event of abandonment or termination of the rights herein conveyed, Grantee agrees to remove its property from Owner's property in a good and workmanlike manner.

7. **Interconnection Agreement.** This easement shall remain in full force and effect until such time as any applicable interconnection agreement between the two Parties is terminated, including time allowed for retirement and removal of facilities in a reasonable amount of time unless otherwise mutually agreed to. Notwithstanding the foregoing, in the event any applicable interconnection agreement between the two Parties is terminated as set forth in the preceding sentence, Grantee shall have the unconditional, first and primary right to purchase Owner's Land from Grantor at fair market value. In the event Grantee exercises its right to purchase the Owner's Land from Grantor as described in the preceding sentence, the Access Easement shall continue in full force and effect and Grantor, upon request by Grantee, shall provide documentation which confirms the continuation of the grant of the Access Easement to Grantee in recordable form.

8. **Title and Assignment.** The undersigned warrants that the undersigned owns the aforementioned lands and that said lands are free and clear of all encumbrances and liens. This Easement shall be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, licensees, lessees, successors and assigns.

9. **Taxes.** This Easement is exempt from County real estate transfer tax pursuant to MCL §207.505(f) and exempt from State real estate transfer tax pursuant to MCL §207.526(f). This Easement is personal property under the General Property Tax Act of the State of Michigan. MCL 211.8(g). Grantor is a tax exempt organization. All taxes resulting from Grantee's facilities are the obligation of Grantee.

WHEREFORE, the Parties have executed this Transmission Line Right-of-Way Easement Agreement effective on the date first written above.

OWNER:

TRAVERSE CITY LIGHT & POWER
DEPARTMENT

By: Edward E. Rice
Its: Executive Director

Dated: _____, 2012

ACKNOWLEDGMENT

STATE OF MICHIGAN)

) SS.
COUNTY OF GRAND TRAVERSE)

On this the _____ day of _____, 2012, before me a Notary Public in and for said county, Edward E. Rice, Executive Director, Traverse City Light and Power Department, individually appeared to me, known to be the person described in and who executed the within instrument and who duly acknowledged the same to be his free act and deed.

_____, Notary Public
_____, County, Michigan
Acting in the County of _____
My Commission expires: _____

GRANTEE:

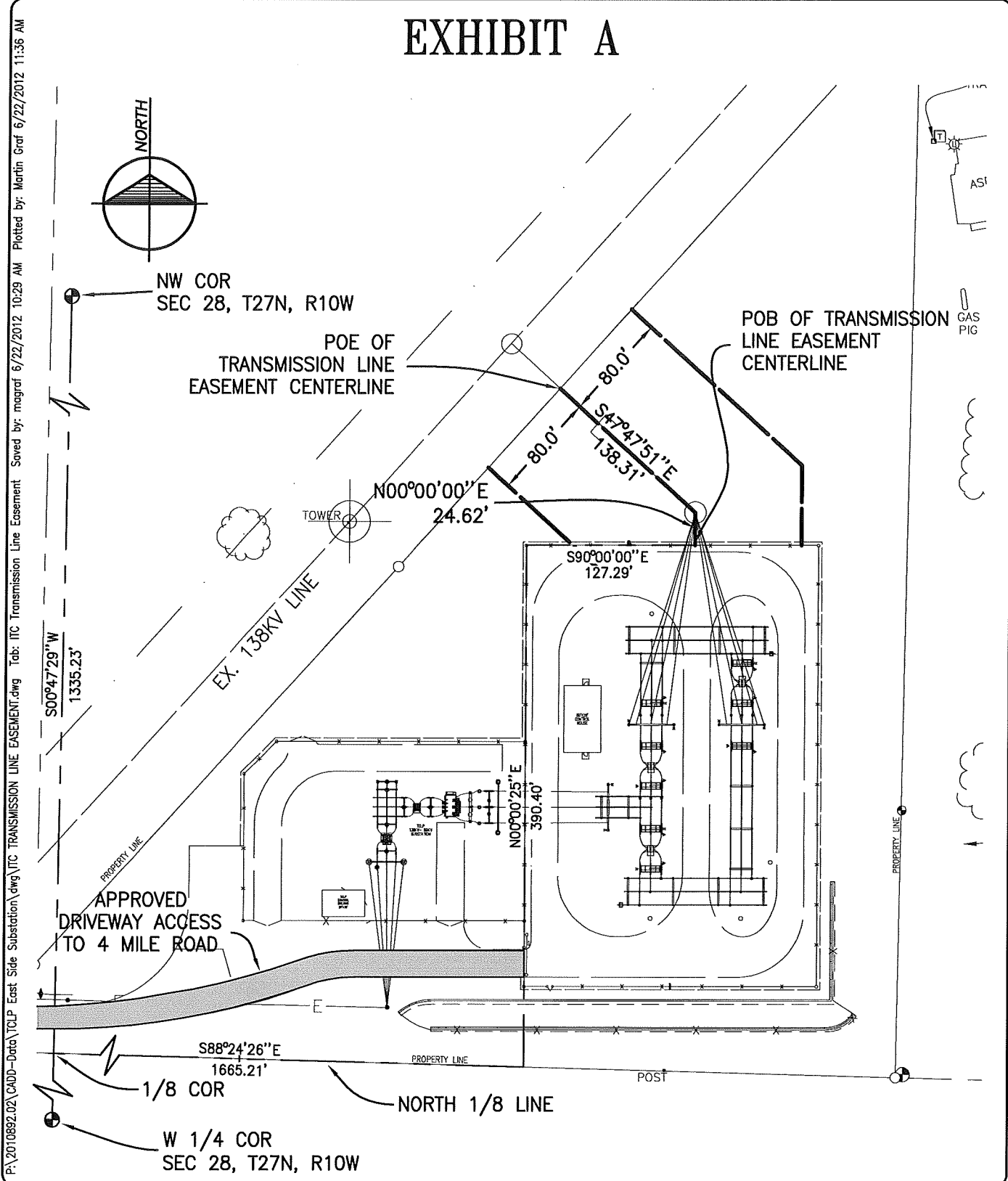
MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC,
a Michigan limited liability company

By: ITC Holdings Corp., its manager

By: _____
Name: Christine Mason Soneral
Title: Vice President and General Counsel- Utility Operations

Dated: _____, 2012

EXHIBIT A



P:\2010892.02\CADD-Data\TOLP_East Side Substation\dwg\TTC_TRANSMISSION LINE EASEMENT.dwg Tab: TTC Transmission Line Easement Saved by: magraf 6/22/2012 10:29 AM Plotted by: Martin Graf 6/22/2012 11:36 AM

Client: **TRAVERSE CITY LIGHT & POWER**
EAST HAMMOND SUBSTATION
 Part of the NW 1/4 of section 28, T27N, R10W
 East Bay Township, Grand Traverse County, Michigan

Sheet 1 of 2

Job No.: 2012720.71
 Date: 06/22/12
 Scale: 1"=100'
 Drawn: MAG
 Chk'd.: DPG
 Rev.:

Gosling Czubak
 engineering sciences, Inc.
 1280 Business Park Drive
 Traverse City, MI 49688-8607
 231-946-9191 800-968-1062
 Fax: 231-941-4603

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

P:\2010882.02\CADD-Data\TOLP_East Side Substation\dwg\TTC TRANSMISSION LINE EASEMENT.dwg Tab: TTC Transmission Line Easement Description Saved by: magraf 6/22/2012 10:29 AM Plotted by: Martin Graf 6/22/2012 11:37 AM

EXHIBIT A

EASEMENT DESCRIPTION


A 160 foot wide Transmission Line Easement in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, lying 80 feet each side of and coincident to a centerline described as:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1665.21 feet, thence N00°00'25"E 390.40 feet thence S90°00'00"E 127.29 feet to the Point of Beginning of the Easement Centerline; thence N00°00'00"E 24.62 feet, thence N47°47'51"W 138.31 feet to the Point of Ending of the Easement Centerline.

The sidelines of the above easement lengthen or shorten to begin at the north line of a fenced substation easement, to meet at all angle points, and to end at the westerly East Hammond Road Substation property line.

Client: Sheet 2 of 2
**TRAVERSE CITY LIGHT & POWER
EAST HAMMOND SUBSTATION**
Part of the NW 1/4 of section 28, T27N, R10W
East Bay Township, Grand Traverse County, Michigan

Job No.: 2012720.71
Date: 06/22/12
Scale: AS NOTED
Drawn: MAG
Chk'd.: DPG
Rev.:



Gosling Czubak
engineering sciences, inc.
1280 Business Park Drive
Traverse City, MI 49686-8607
231-946-9191 800-968-1062
Fax: 231-941-4603

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

ELECTRIC SUBSTATION EASEMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that, on the _____ day of July, 2012, for good and valuable consideration in the amount of \$1.00, the receipt of which is hereby acknowledged, Grantor grants to Grantee, its successors and assigns, a permanent electric substation easement over, under, across and through a part of a certain parcel of real estate owned by Grantor described herein as “**Grantor’s Land**” and the easement to Grantee is described herein as the “**Easement Area.**”

Grantor: TRAVERSE CITY LIGHT and POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings Street, Traverse City, Michigan 49686.

Grantee: MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan limited liability company, whose address is 27175 Energy Way, Novi, Michigan 48377.

Grantor and Grantee are each referred to herein as a “**Party,**” are collectively referred to herein as the “**Parties.**”

Grantor’s Land is described as:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1238.30 feet to the Point of Beginning; thence parallel with and 50.00 feet to the Southeast of the centerline of an existing overhead electric transmission line right-of-way (recorded in Liber 200, Page 499) N42°21'25"E 490.70 feet; and N42°12'09"E 582.48 feet to the East line of the West 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 28; thence along said East line S01°05'03"W 813.89 feet to said North 1/8 line; thence along said 1/8 line N88°24'26"W 706.76 feet to the Point of Beginning, containing 6.59 acres of land, more or less.

Together with an easement, 66.00 feet in width, for ingress and

gress and for the installation and maintenance of public and private utilities more particularly described in that certain Easement dated April 5, 2012, and recorded on April 9, 2012, as Document Number 2012R-06216, in the Grand Traverse County Records, State of Michigan (the "Access Easement"), more fully described as follows:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section $S00^{\circ}47'29''W$ 1335.23 feet to the North 1/8 line of said section and the Point of Beginning; thence 66.00 feet North of and contiguous with the following described line: along the North 1/8 line of said section $S88^{\circ}24'26''E$ 1238.30 feet to the Point of Ending, the sidelines of the above easement shorten or lengthen to originate at the West line of said Section 28 and to terminate at a line bearing $N42^{\circ}21'25''E$ from the Point of Ending.

Subject to the Right of Way of Four Mile Road.

The **Easement Area** is described as:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section $S00^{\circ}47'29''W$ 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line $S88^{\circ}24'26''E$ 1665.21 feet, thence $N00^{\circ}00'25''E$ 60.39 feet to the Point of Beginning; thence $N00^{\circ}00'25''E$ 330.01 feet, thence $S90^{\circ}00'00''E$ 220.00 feet, thence $S00^{\circ}00'00''W$ 330.01 feet, thence $N90^{\circ}00'00''W$ 220.04 feet to the Point of Beginning, containing 1.67 acres of land, more or less.

The **Construction, Maintenance and Access Easement Area** is described as:

An easement for a Construction, Maintenance, and Access Area in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

A strip of land 20 feet in width, lying between the Easement Area and the following described line; Commencing at the Northwest Corner of said Section 28; thence along the West line of said section $S00^{\circ}47'29''W$ 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line $S88^{\circ}24'26''E$ 1665.21 feet, thence $N00^{\circ}00'25''E$ 60.39 feet to the Southwest Corner of said Easement Area; thence continuing $N00^{\circ}00'25''E$ along the West Line of said Easement Area 183.05 feet to the north fence line of a fenced Traverse City Light and Power substation facility and the Point of Beginning; thence along said north fence line $N89^{\circ}59'50''W$ 20.00 feet; thence parallel with said Substation Easement the following five (5) courses, $N00^{\circ}00'25''E$ 166.96 feet, $S90^{\circ}00'00''E$ 260.00 feet,

S00°00'00"W 370.01 feet, N90°00'00"W 260.04 feet, and N00°00'25"E 69.02 feet to the south fence line of said fenced Traverse City Light and Power substation facility; thence along said south fence line S89°59'50"E 20.00 feet to said Easement Area and the Point of ending.

Said Construction, Maintenance, and Access Easement Area to be encumbered by a retaining wall along the south line and along a portion of the east line of the Construction, Maintenance, and Access Easement Area, with the retaining wall to be a minimum of 10 feet outside the Easement Area.

The Easement Area together with the Access Easement and Construction, Maintenance and Access Easement Area shall be collectively referred to herein as the "Substation Easement Area".

Exhibit A is a sketch of the Grantor's Land and the Substation Easement Area and is attached hereto and is incorporated herein.

Exhibit B is a sketch of the Grantor's Land and the Construction, Maintenance, and Access Easement Area and is attached hereto and is incorporated herein.

This Easement is subject to the following:

1. Purpose. The purpose of this Easement is to construct, operate, reconstruct, repair, modify, improve, upgrade, maintain, replace and remove an electric substation within the Easement Area consisting of poles, towers, conductors, insulators, transformers, capacitors, conduits, cross-arms, wires, cables, control center buildings, and other miscellaneous equipment for the transformation, switching, and transmission of electricity. It is understood that the Easement Area described above is located within Grantor's Land and is to be fenced. In addition, the purpose of this Easement is to grant Grantee the right to enter upon the Construction, Maintenance and Access Easement Area to construct, maintain, access, construct, operate, reconstruct, repair, modify, improve, upgrade, maintain, replace and remove the electric substation facilities and equipment to be located on the Easement Area pursuant to the terms of this Easement.

2. Compliance with Laws. Grantee shall use Grantor's Land in compliance with all applicable Federal, State, and local laws, regulations, ordinances and in accordance with the Decision and Conditions of Approval set forth in Section 4(a), Section 4(b), Section 4(d) and Section 4(e) of the East Bay Charter Township Planning Commission Special Land Use approval 6-11 and Site Plan Review 7-11 dated December 6, 2011.

3. Assignment of the Access Easement. Grantor hereby grants to Grantee, its successors and assigns, and its agents, contractors and employees, the perpetual right to enter at all times

and to use the Access Easement and Grantor's future gravel access driveway from Four Mile Road located within the Access Easement. Grantor hereby assigns to Grantee and its successors and assigns, the Access Easement and the right to use, in perpetuity, its ingress and egress easement described in the Access Easement for the purposes of this Easement.

4. Vegetation Management. Grantee may trim, cut, remove, destroy or otherwise control or treat with herbicides any trees, bushes, branches, weeds, grasses, vegetation and roots growing in the Easement Area or that could, in Grantee's opinion, grow into the Easement Area, EXCEPT, Grantee may not trim, cut down, remove, or otherwise control any landscaping planted by Grantor without the express written consent of Grantor, which consent shall not be unreasonably denied, conditioned or delayed. Notwithstanding the foregoing, prior to Grantor's planting of landscaping or other vegetation described in the preceding sentence, Grantor must receive the prior written consent of Grantee relative to the size, type and location of landscaping or the planting of vegetation described in the preceding paragraph. Such consent shall be consistent with East Bay Township zoning requirements for vegetative screening. Grantee shall notify Grantor prior to any herbicide use in accordance with applicable law. Only EPA-approved herbicides for electric substations may be applied.

5. Restoration of Property Damage. If Grantee, its employees, contractors, agents, or their vehicles or equipment, cause damage to Grantor's Land while using Grantor's Land for the purposes stated in this Easement, then Grantee shall restore Grantor's Land as nearly as can be to its original condition.

6. Indemnification. Grantee shall indemnify, defend and hold the owner of Grantor's Land harmless from and against all claims, liabilities, damages and expenses (including reasonable attorneys' fees) relating to accidents, injuries, loss, or damage of or to any person or property arising from Grantee's sole negligence or intentional or willful acts or omissions of Grantee, its employees, contractors, agents, licensees, lessees, successors and assigns, and those acting on behalf of the Grantee.

7. Insurance. Throughout the term of this Easement, the Grantee shall procure and maintain commercial general liability insurance against claims for personal injury (including contractual liability arising under the indemnity contained in Paragraph 6 above), death, or property damage occurring upon the Easement Area, with combined single limit coverage of not less than an aggregate of Two Million Dollars (\$2,000,000.00) and naming the owner of the Grantor's Land (provided the Grantee has been supplied with the name of the owner of the Grantor's Land in the event of a change thereof) as an additional insured, and at all times provide evidence of such coverage to the owner of the Grantor's Land, upon written request therefor.

8. Successors. This Easement runs with the land and binds and benefits Grantor's and Grantee's successors and assigns.

9. Abandonment or Termination. Should the easement herein conveyed not be used by Grantee, its successors and assigns, for any purpose herein granted for a period of two years,

from and after the date of issuance, or otherwise be abandoned by Grantee, then and in that event said easement shall terminate. Grantee herein, for itself, its successors and assigns, further agrees upon complete abandonment of its facility by Grantee as deemed by Grantee or upon termination and upon request of the Owner of said land showing a prima facie title to same, to release and quit-claim all rights secured hereby on said land to the then Owner. In the event of abandonment or termination of the rights herein conveyed, Grantee agrees to remove its property from Owner's property in a good and workmanlike manner.

10. **Interconnection Agreement.** This easement shall remain in full force and effect until such time as any applicable interconnection agreement between the two Parties is terminated, including time allowed for retirement and removal of facilities in a reasonable amount of time unless otherwise mutually agreed to. Notwithstanding the foregoing, in the event any applicable interconnection agreement between the two Parties is terminated as set forth in the preceding sentence, Grantee shall have the unconditional, first and primary right to purchase Grantor's Land from Grantor at fair market value. In the event Grantee exercises its right to purchase the Grantor's Land from Grantor as described in the preceding sentence, the Access Easement shall continue in full force and effect and Grantor, upon request by Grantee, shall provide documentation which confirms the continuation of the grant of the Access Easement to Grantee in recordable form.

11. **Notice.** All notices shall be sent by the United States Postal Service, or electronic mail, properly addressed to the Parties at their addresses listed below, or may be served personally, on the following authorized representative, or their successors, of the Party to whom the notice is directed:

Grantor's Representative:

Executive Director
Traverse City Light & Power
1131 Hastings Street
Traverse City, MI 49686

Grantee's Representative:

Christine Mason Soneral
VP and General Counsel, Utility Operations
ITC Holdings Corporation
27175 Energy Way
Novi, MI 48377
Email: csoneral@itctransco.com

12. **Taxes.** Grantor is a tax exempt organization. All taxes resulting from any of Grantee's facilities are the obligation of Grantee. This Easement is personal property under the General Property Tax Act of the State of Michigan. MCL 211.8(g).

This Easement is exempt from County real estate transfer tax pursuant to MCL §207.505(f) and exempt from State real estate transfer tax pursuant to MCL §207.526(f).

WHEREFORE, the Parties have entered into this Electric Substation Easement Agreement

effective on the date first written above.

TRAVERSE CITY LIGHT & POWER
DEPARTMENT

Dated: _____, 2012

By: Edward E. Rice
Its: Executive Director

ACKNOWLEDGMENT

STATE OF MICHIGAN)
) SS.
COUNTY OF GRAND TRAVERSE)

On this the _____ day of _____, 2012, before me a Notary Public in and for said county, Edward E. Rice, Executive Director, Traverse City Light and Power Department, individually appeared to me, known to be the person described in and who executed the within instrument and who duly acknowledged the same to be his free act and deed.

_____, Notary Public
_____ County, Michigan
Acting in the County of _____
My Commission expires: _____

MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC,
a Michigan limited liability company

By: ITC Holdings Corp., its manager

By: _____
Name: Christine Mason Soneral
Title: Vice President and General Counsel- Utility Operations

Dated: _____, 2012

ACKNOWLEDGMENT

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

On this the _____ day of _____, 2012, before me a Notary Public in and for said county, Christine Mason Soneral, the Vice President and General Counsel- Utility Operations of ITC Holdings Corp., the Manager of Michigan Electric Transmission Company, LLC, individually appeared to me, known to be the person described in and who executed the within instrument and who duly acknowledged the same to be her free act and deed.

_____, Notary Public

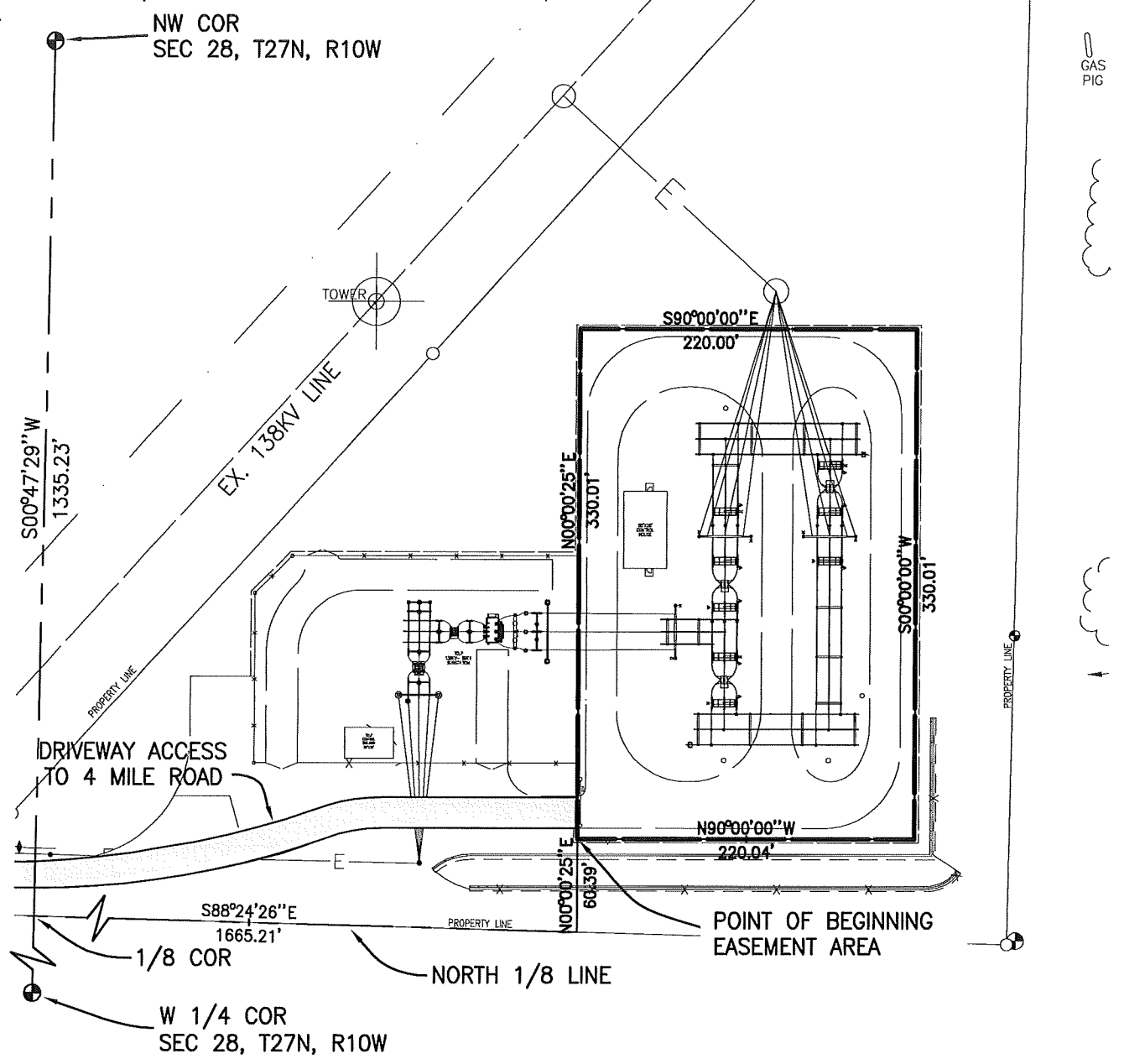
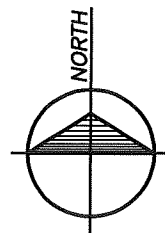
_____, County, Michigan
Acting in the County of _____
My Commission expires: _____

This instrument drafted by:
W. Peter Doren, Esq. (P23637)
Sondee, Racine & Doren, PLC
310 W. Front Street, Suite 300
Traverse City, MI 49684

When recorded return to:
Elaine Clifford
ITC Holdings Corp.
27175 Energy Way
Novi, MI 48377
Attn: Real Estate Dept.

EXHIBIT A EASEMENT AREA

P:\2010892\02\CADD-Data\TOLP East Side Substation\dwg\TIC SUBSTATION EASEMENT.dwg Tab: TIC Substation Easement Saved by: magraf 6/22/2012 11:05 AM Plotted by: Martin Graf 6/22/2012 11:32 AM



Client: **TRAVERSE CITY LIGHT & POWER**
EAST HAMMOND SUBSTATION
 Part of the NW 1/4 of Section 28, T27N, R10W
 East Bay Township, Grand Traverse County, Michigan

Sheet 1 of 2

Job No.: 2012720.71
 Date: 06/22/12
 Scale: 1"=100'
 Drawn: MAG
 Chk'd.: DPG
 Rev.:

Gosling Czubak
engineering sciences, inc.
 1280 Business Park Drive
 Traverse City, MI 49686-8607
 231-946-9191 800-968-1062
 Fax: 231-941-4803

- **Engineers**
- **Surveyors**
- **Environmental Services**
- **Landscape Architecture**

EXHIBIT A EASEMENT AREA

EASEMENT AREA DESCRIPTION

An easement for an electric substation in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1665.21 feet, thence N00°00'25"E 60.39 feet to the Point of Beginning; thence N00°00'25"E 330.01 feet, thence S90°00'00"E 220.00 feet, thence S00°00'00"W 330.01 feet, thence N90°00'00"W 220.04 feet to the Point of Beginning, containing 1.67 acres of land, more or less.

P:\2010892.02\CADD-Data\TCLP East Side Substation\ITC SUBSTATION EASEMENT.dwg Tab: ITC Easement Description Saved by: magraf 6/22/2012 11:05 AM Plotted by: Martin Graf 6/22/2012 11:34 AM

Client:

Sheet 2 of 2

TRAVERSE CITY LIGHT & POWER EAST HAMMOND SUBSTATION

Part of the NW 1/4 of Section 28, T27N, R10W
East Bay Township, Grand Traverse County, Michigan

Job No.: 2012720.71
Date: 06/21/12
Scale: AS NOTED
Drawn: MAG
Chk'd.: DPG
Rev.:

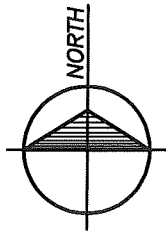


Gosling Czubak
engineering sciences, inc.
1280 Business Park Drive
Traverse City, MI 49686-8607
231-946-9191 800-968-1062
Fax: 231-941-4603

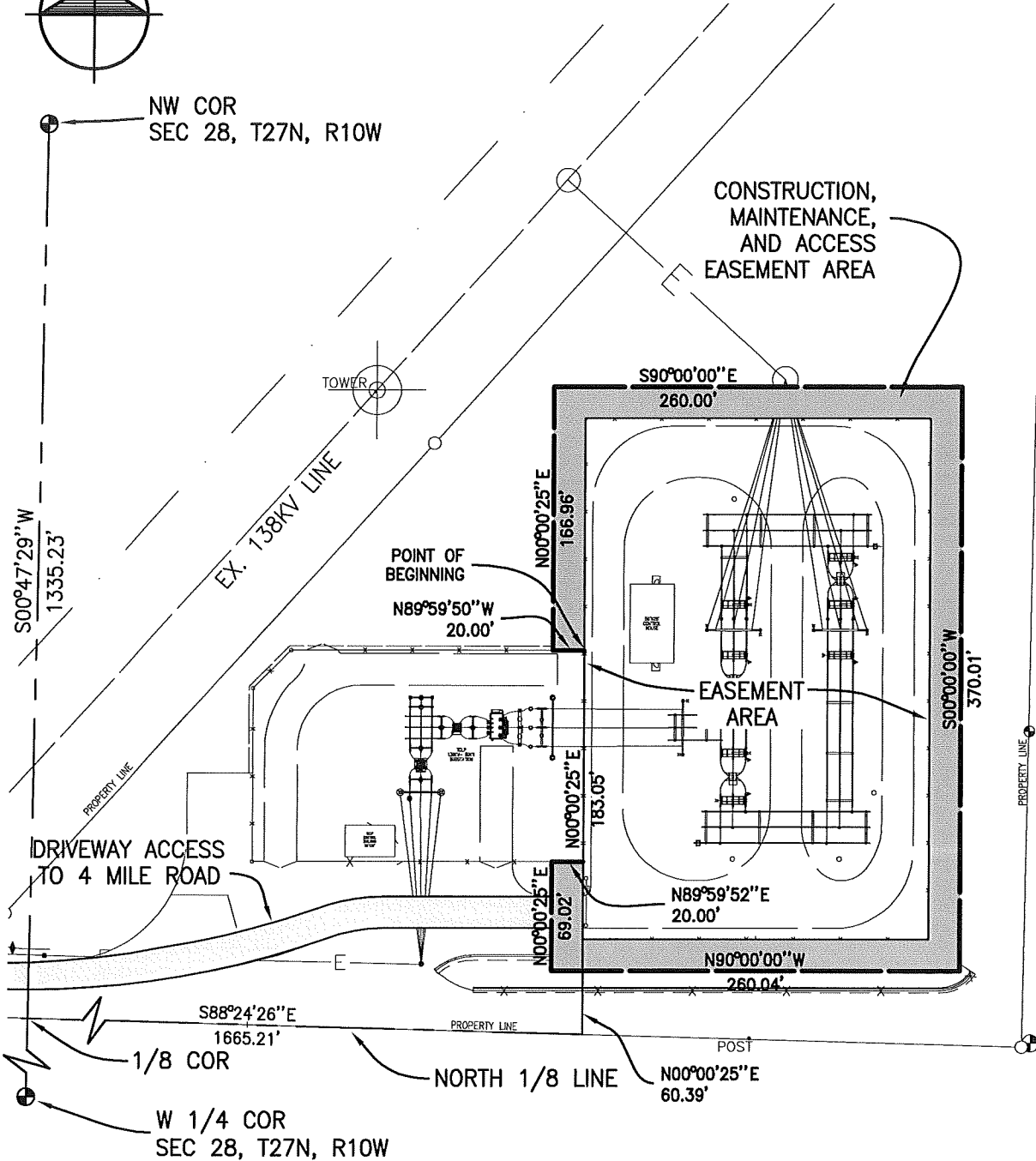
- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

EXHIBIT B

CONSTRUCTION, MAINTENANCE, AND ACCESS EASEMENT AREA



P:\2010892\02\CADD-Data\TOLP East Side Substation\dwg\ITC Substation Maintenance Easement Saved by: magraf 6/22/2012 11:05 AM Plotted by: Martin Graf 6/22/2012 11:33 AM



Client: TRAVERSE CITY LIGHT & POWER
 EAST HAMMOND SUBSTATION

Sheet 1 of 2

Part of the NW 1/4 of Section 28, T27N, R10W
 East Bay Township, Grand Traverse County, Michigan

Job No.: 2012720.71
 Date: 06/21/12
 Scale: 1"=100'
 Drawn: MAG
 Chk'd.: DPG
 Rev.:

Gosling Czubak
 engineering sciences, Inc.

1280 Business Park Drive
 Traverse City, MI 49686-8607
 231-946-9191 800-968-1062
 Fax: 231-941-4603

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

P:\2010892.02\CADD-Data\TCLP_East Side Substation\dwg\TTC SUBSTATION EASEMENT.dwg Tab: TTC Construction Maintenance Description Saved by: mograf 6/22/2012 11:05 AM Plotted by: Martin Graf 6/22/2012 11:35 AM

EXHIBIT B

CONSTRUCTION, MAINTENANCE, AND ACCESS EASEMENT AREA

CONSTRUCTION, MAINTENANCE, AND ACCESS EASEMENT AREA DESCRIPTION

An easement for a Construction, Maintenance, and Access Area in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

A strip of land 20 feet in width, lying between the Easement Area and the following described line; Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1665.21 feet, thence N00°00'25"E 60.39 feet to the Southwest Corner of said Easement Area; thence continuing N00°00'25"E along the West Line of said Easement Area 183.05 feet to the north fence line of a fenced Traverse City Light and Power substation facility and the Point of Beginning; thence along said north fence line N89°59'50"W 20.00 feet; thence parallel with said Substation Easement the following five (5) courses, N00°00'25"E 166.96 feet, S90°00'00"E 260.00 feet, S00°00'00"W 370.01 feet, N90°00'00"W 260.04 feet, and N00°00'25"E 69.02 feet to the south fence line of said fenced Traverse City Light and Power substation facility; thence along said south fence line S89°59'50"E 20.00 feet to said Easement Area and the Point of ending.

Said Construction, Maintenance, and Access Easement Area to be encumbered by a retaining wall along the south line and along a portion of the east line of the Construction, Maintenance, and Access Easement Area, with the retaining wall to be a minimum of 10 feet outside the Easement Area

Client:

Sheet 2 of 2

TRAVERSE CITY LIGHT & POWER EAST HAMMOND SUBSTATION

Part of the NW 1/4 of Section 28, T27N, R10W
East Bay Township, Grand Traverse County, Michigan

Job No.: 2012720.71
Date: 06/21/12
Scale: AS NOTED
Drawn: MAG
Chk'd.: DPG
Rev.:



Gosling Czubak

engineering sciences, inc.

1280 Business Park Drive
Traverse City, MI 49686-8607
231-946-9191 800-968-1062
Fax: 231-941-4603

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture



To: Light and Power Board
From: Ed Rice, Executive Director *ER*
Date: June 22, 2012
Subject: Hall Street Tenant Lease Agreement

Attached is a lease agreement between Traverse City Light & Power and Potters Fine Pastries, Inc. for the tenant space at 130 Hall Street for your consideration.

Potters Fine Pastries, Inc. is local company that has been in business in the city and a customer of Light & Power for many years. They plan to offer an additional retail store for their products which will include soups, salads, wraps, Panini sandwiches, ice cream, and baked goods. Most items will be prepared at their 8th Street location and brought over to the Hall Street location.

Staff recommends approval of a 36 month lease with an option to renew for another 60 months. The monthly rental rate is competitive with rates in this area and allow for inflationary increased in the future. A financial statement is attached for your information. If you concur with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____

THAT THE LIGHT AND POWER BOARD AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A LEASE AGREEMENT WITH POTTERS FINE PASTRIES, INC. AT THE TENANT SPACE AT 130 HALL STREET FOR A PERIOD OF 36 MONTHS, WITH AN OPTION TO EXTEND SAID LEASE FOR 60 ADDITIONAL MONTHS, SUBJECT TO APPROVAL AS TO FORM BY COUNSEL.

TRAVERSE CITY LIGHT & POWER

Potter's Pastries

Hall Street Rental Space Projected Income Statement

	\$14.20/sq ft	\$14.20/sq ft	\$14.20/sq ft
	2012-13	2013-14	2014-15

Income:

Rental Income	\$ 21,300	\$ 21,300	\$ 21,300
---------------	-----------	-----------	-----------

Expenses:

Utilities-Electric	3,600	3,600	3,600
Taxes	4,765	5,003	5,253
Management Fees	2,130	2,130	2,130
Brokerage Fee	3,195	-	-
Total Expenses	13,690	10,733	10,983

Net Income	\$ 7,610	\$ 10,567	\$ 10,317
-------------------	-----------------	------------------	------------------

<i>Cummulative</i>	<i>\$ 7,610</i>	<i>\$ 18,177</i>	<i>\$ 28,494</i>
--------------------	-----------------	------------------	------------------

LEASE

THIS LEASE, made this 26th day of June, 2012, by and between the TRAVERSE CITY LIGHT & POWER DEPARTMENT, a Michigan municipal electric utility, of 1131 Hastings Street, Traverse City, Michigan 49684 (“Landlord”) and, POTTERS FINE PASTRIES, INC., a Michigan profit corporation, and MICHAEL POTTER, and KATHLEEN POTTER, jointly and severally, of 908 E. 8th Street, Traverse City, Michigan 49686, (“Tenant”).

WITNESSETH:

ARTICLE 1: Premises.

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and on the conditions hereinafter provided, the space consisting of (i) approximately one thousand five hundred (1,500) square feet of ground floor area, and (ii) five (5) parking spaces, all as depicted on the plan attached hereto and by this reference made a part hereof as Exhibit A, and all appurtenances thereto, located in the building owned by Landlord situated in the City of Traverse City, State of Michigan, and generally known as 130 Hall Street. Tenant acknowledges that access to and use of the parking spaces may not be available during the National Cherry Festival or during emergency or maintenance situations occurring at or near Landlords property, including the James P Price Trap/Transfer Harvest Facility. Landlord shall, when possible, provide Tenant advance notice of such situations.

The space described above and leased to Tenant is hereinafter called the “premises” and the structure on such premises enclosing the ground floor area is hereinafter called the “building.”

ARTICLE 2: Use.

The building is hereby leased for retail or office purposes. The parking spaces are hereby leased only for parking.

Notwithstanding anything contained herein to the contrary, it is expressly understood that Landlord shall not be construed or held to be a joint venturer, partner, or associate of Tenant in the conduct of its business, the relationship between the parties hereto being at all times that of landlord

and tenant, and it is also agreed that Tenant shall be under no obligation or duty to continuously operate its business at the premises.

ARTICLE 3: Term.

The premises are hereby leased to Tenant to have and to hold for a term commencing on the “Commencement Date” (as herein defined) and continuing for a partial month, if any, and three (3) years, unless said term shall be terminated earlier or extended, as provided in this lease.

Provided that Tenant is not in default under this Lease during the original term and Tenant gives proper notice, Tenant shall have the option to extend this lease agreement for one additional term of five (5) years by providing Landlord written notice of its exercise of this option to renew not less than 90 days before the end of the original term. The additional term shall be of the same terms and conditions as this lease agreement, except for the provisions regarding rent and additional rent which shall be modified as noted in Article 7.

ARTICLE 4: Delivery of Possession.

June 29, 2012 shall be the “Commencement Date” and the date of delivery of the premises to Tenant. After signing this lease, Tenant may enter the premises and perform, at its expense, all such work previously approved by Landlord, and to equip the premises with such trade fixtures and personal property necessary or desirable for such purposes. All such work by Tenant shall be done in a good and first-class workmanlike manner and in accordance with all applicable laws, ordinances and building codes.

ARTICLE 5: Security Deposit.

Upon signing, Tenant shall pay Landlord a security deposit of One Thousand Seven Hundred Seventy Five Dollars (\$1,775.00) within 30 days thereof, which may be commingled and used by Landlord, but an equivalent amount shall be applied upon vacancy by Tenant to cover any damage caused by Tenant or its invitees or applied to unpaid rent at the Landlord’s discretion.

ARTICLE 6: Rent.

Throughout the term hereof, Tenant covenants and agrees rent shall be made payable to Landlord, and delivered to Schmidt-Rogers Management, LLC at 996 Garfield Woods Dr., Suite D, Traverse City, MI 49686 or at such other address as Landlord shall from time to time designate by written notice to Tenant. The fixed Base Rent for the premises shall be as follows:

(a)	June 29, 2012 – July 31, 2012	\$0
	August 1, 2012 – July 31, 2013	\$21,300.00/12 = \$1,775.00/mo
	August 1, 2013 – July 31, 2014	\$21,300.00/12 = \$1,775.00/mo
	August 1, 2014 – July 31, 2015	\$21,300.00/12 = \$1,775.00/mo

- (b) Rent shall be due and payable, in advance, on the first day of the month.

In addition to Base Rent, all amounts that Tenant is required to pay to Landlord under this Lease, other than Base Rent, shall be deemed additional rent and referred to as Additional Rent. Base Rent and Additional Rent shall be referred to collectively as Rent. All Additional Rent due under this Lease shall be payable concurrently with the monthly installments of Base Rent, unless Landlord expressly in writing sets forth another time period for the payment of such Additional Rent. Such Additional rent shall consist of the following:

- (a) UTILITIES as outlined in Article 13.

(b) FEES/INTEREST - If any rent or additional rent is not paid within 5 days of the due date, Tenant shall pay a late payment charge of One Hundred dollars (\$100.00) for each such late payment, together with six percent (6%) per annum interest on all payments more than 30 days delinquent. In addition, Lessee shall pay a twenty-five dollar \$25.00 returned check fee.

- (c) DAMAGES as outlined in Article 8 (b).

ARTICLE 7: Rent During Option Period.

Base Rent during the option period shall be adjusted annually based upon any increases in the Consumer Price Index in accordance with the following procedure:

(a) The index to be used for this adjustment shall be the Consumer Price Index (CPI "U"), Midwest Urban, All Items (Unadjusted), 1982-84 equaling a base of 100, from the U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.).

(b) The Base Period Consumer Price Index is the index for the month of lease commencement. The Consumer Price Index for the third month preceding the beginning of the new option period and each year thereafter for which an adjustment is being determined shall be the "Adjustment Period Consumer Price Index."

(c) The Base Rent to be paid during each year of the option period following the initial lease term shall be determined in accordance with the following formula: The Adjustment Period Consumer Price Index shall be divided by the Base Period Consumer Price Index and the quotient derived thereby shall then be multiplied by the Base Rent paid during the initial lease period as stated in Article 3. The resulting product shall be the adjusted Base Rent for the option period for which an adjusted monthly rental is being computed.

(d) If the Consumer Price Index is, at any time during the initial or any renewal term of this Lease, discontinued by the Government, then the most nearly comparable index shall be substituted for the purpose of the aforesaid calculations.

(e) However, at no time shall the above noted CPI adjustment result in a decrease in rent.

(f) The first CPI adjustment at the beginning of the option period shall not exceed 9 percent and each adjustment thereafter shall not exceed 3 percent.

Example: The Base Period Consumer Price Index is the CPI for July 2012. The beginning of the Option Period is August 2015. The CPI for May 2015 will be the Adjustment Period Price Index.

If the CPI for July 2012 = 100 and the CPI for May 2015 = 105 then the Adjusted Base Rent for the first year for the Option Period would be determined as follows:

$$105/100 = 1.05$$

The Base Rent for the initial lease year was \$21,300.00.

The new Adjusted Base Rent would be $\$21,300.00 \times 1.05 = \$22,365.00/12 = \$1,863.75/\text{mo.}$

ARTICLE 8: Repairs.

(a) Landlord agrees, at Landlord's own cost and expense, to maintain the exterior of the building in good and first-class order, condition and state of repair, and to make the following repairs relating to the premises:

- (i) all structural repairs;
- (ii) all repairs to and replacements of the roof and under flooring;
- (iii) all repairs to the exterior of the premises and the building, including sidewalks adjoining same;
- (iv) remove snow from the parking spaces leased herein;
- (v) all repairs and replacements to utilities systems and sewer lines;
- (vi) all repairs to any fire sprinkling main and system servicing the premises;
- (vii) all repairs to the interior of the premises if the need therefore arose as a result of Landlord's act or failure to act;

(b) The Landlord shall not be responsible or liable to the tenant for any loss or damage resulting to the Tenant's property or to the Tenant from bursting, stoppage or leaking of water, gas, sewer, and sprinkler or steam pipes. Nor shall the Landlord be responsible for any

repairs necessary by the acts of the Tenant, its employees or invitees.

(c) Except as herein above provided, Tenant shall take good care of the premises, shall replace broken glass and shall do the work required to maintain the premises, the storefront and the fixtures and equipment therein, including the plumbing and electrical systems located in and serving the premises, in good working order, except in cases of damage and injury arising under the provisions of Articles 17 and 18 hereof. Tenant agrees to repair all damages caused by Tenant or its invitees. Tenant further agrees to remove snow from the sidewalk in front of the building along Hall Street between driveways.

(d) If Landlord fails to make any of the repairs or to timely perform any of the other obligations required of Landlord under this lease within thirty (30) days after written notice from Tenant of the necessity therefore, Tenant, in addition to any other rights or remedies available to it hereunder, at law or in equity, shall have the right, but not the obligation, after notice and consultation with Landlord to make said repairs or to perform such obligations on behalf of Landlord and to deduct the entire cost thereof from rent due or to become due hereunder. If, in an emergency in Tenant's opinion, any such repairs are immediately necessary for the proper use, enjoyment or preservation of the premises, no prior thirty (30) days' notice shall be required but Tenant shall give Landlord whatever notice is reasonable in the circumstances and may forthwith make said repairs on behalf of Landlord and deduct the entire cost thereof from rent due or to become due hereunder.

(e) At the end, expiration or other termination of the term hereby granted, Tenant shall promptly and fully vacate the premises and deliver up the premises in good order and condition, reasonable wear and tear and damage by casualty, fire, condemnation, the elements or Landlord excepted. Tenant shall promptly repair any damages to the premises or building caused by Tenant, its employees, agents or invitees, including but not limited to damage caused by removal of fixtures. Tenant shall promptly remove all of its personal property and fixtures.

ARTICLE 9: Compliance With Public Authorities.

Tenant shall during the term hereby granted comply with all statutes, ordinances, rules, orders, regulations or requirements of the federal, state and local governments which must be complied with by reason of the nature of the use of the premises by Tenant, and shall also comply with and execute all rules, orders and regulations issued or made by the Board of Fire Underwriters for the prevention of fires, which must be complied with by reason of the nature of the use of the premises by the Tenant. In no event, however, shall Tenant be required to make structural repairs or installations, to install a fire sprinkling system in the premises or to remove any asbestos-containing material or other hazardous substance existing at the premises, it being understood and agreed all such work shall be Landlord's responsibility at its own expense if the same shall be necessary to comply with the aforesaid statutes, ordinances, rules, orders, regulations or requirements.

ARTICLE 10: Increase in Insurance.

Tenant shall not use or occupy the premises or permit the same to be used or occupied for any business or purpose deemed hazardous on account of fire or otherwise, and, if by reason of the use and occupancy of the premises hereunder the rate of fire insurance on the building in which the premises are located shall be increased, Tenant will, on demand, pay to Landlord the amount of such increase. Landlord, prior to making any demand therefore, shall give Tenant ten (10) days' written notice of any such future increased insurance premiums and an opportunity to cure the condition which caused such increase.

ARTICLE 11: Access to Premises.

Landlord, and its duly authorized agents and representatives, shall have the right, following reasonable prior notice to Tenant (except in the case of an emergency), to enter into and upon the premises during Tenant's business hours for the purpose of examining the same or making such repairs therein as may be necessary for the safety and preservation thereof.

Landlord shall have the right, following 24 hour notice to Tenant, during Tenant's business hours, to show the premises to persons wishing to purchase the building, and shall also have the right, following reasonable notice to Tenant, during the three (3) months preceding the expiration of the term hereby granted and during Tenant's business hours, to show the premises to persons wishing to rent the premises. Reasonable notice shall include telephone call, voicemail, email, facsimile or standard mail.

Landlord agrees that any entry by it into the building shall be done in such a manner so as not to unreasonably interfere with the conduct of normal business operations therein. Landlord shall exert its best efforts to perform any and all work expeditiously and agrees to keep all interruptions to Tenant's business to a minimum. If as a result of any entry by Landlord into the building it is necessary to Tenant to suspend business operations therein, then rent shall abate for the period of time normal business operations are suspended.

ARTICLE 12: Alterations and Signs.

(a) Tenant shall provide Landlord with a proposal for any and all alterations to the Premises. Landlord shall approve, disapprove or conditionally approve such proposals within 45 days. Landlord reserves the right to contract for the performance of such alteration and to pay contractors in the first instance. In those situations where Landlord contracts for the alterations Tenant agrees to reimburse Landlord within 20 days of presentation of an invoice.

In all instances Tenant is responsible for obtaining bids for desired alteration work and selecting the desired contractor(s). Landlord reserves the right to approve the use of all vendors selected by Tenant to perform alterations.

(b) All alterations, additions and improvements made by Tenant upon the premises shall remain upon the premises at the termination of this lease, except that any trade fixtures, furniture, equipment, signs and other personal property installed by Tenant in the premises during the term hereof shall be removed by Tenant from the premises at Tenant's cost and expense.

(c) Tenant may from time to time, at its own expense, install and maintain, replace and relocate on the premises and building its standard identifying signs and lighting effects as are or may be, from time to time, used or adopted by Tenant. Tenant may place Tenant's standard professionally made signs in its windows in accordance with Tenant's regular advertising and promotional programs. However, all signs must be approved in advance by Landlord, which approval will not unreasonably be withheld.

(d) Tenant shall not modify the facade of the building.

(e) In all instances where the Tenant performs or contracts for the performance of alterations, tenant shall do all work at its own cost and expense and in full accordance with all rules and regulations of any governmental authority having jurisdiction and shall save Landlord harmless on account of filing of mechanics' liens or for any other cause arising from Tenant's making of such alterations or installations.

ARTICLE 13: Utilities.

Utilities are the responsibilities of the Tenant. Base Rent will be offset by \$300.00/mo as a result of Tenants taking full responsibility for electric, water and sewer utilities. Any unpaid Tenant utility bills and/or associated penalties that create a liability to the Landlord or create a lien against the property may be paid for with any or all of the Security Deposit and Landlord may pursue his legal and equitable remedies under the law to gain full restitution for any amount in excess of the Security Deposit.

All dumpsters, if any, shall be placed in one of the tenant's five (5) designated parking spaces at the back of the building and must be emptied at least once a week.

ARTICLE 14: Taxes.

Commencing with the Commencement Date, Tenant agrees to pay promptly all personal property taxes which shall include trade fixtures and assessments levied against or based on the personal property on the premises for and payable during each tax fiscal year thereafter occurring during the term of this lease.

ARTICLE 15: Insurance.

(a) Landlord represents that it is currently carrying and that throughout the term of this lease, Landlord shall carry fire and extended coverage insurance in so-called "all risk" form upon the

building and improvements thereof. Such coverage shall include damage by fire and other casualty typically covered under an “all risk” policy in the vicinity of the building, but in all events to include coverage for collapse, vandalism, water damage and sprinkler leakage, comprehensive boiler and machinery insurance and flood and earthquake insurance. Throughout the term of this lease, Landlord shall also carry a comprehensive general liability insurance policy with limits of liability of not less than one million dollars (\$1,000,000) covering the building and all common areas thereon or appurtenances thereto.

(b) Tenant agrees to keep the premises insured under a comprehensive general liability policy, with single policy limits of not less than \$1,000,000 for personal injuries and \$250,000 for property damage, and shall deliver to Landlord a certificate of such insurance naming Landlord as an “additional insured.”

ARTICLE 16: Waiver of Subrogation.

Each of the parties hereto hereby waives any and all rights of action for negligence against the other party hereto which may hereafter arise during the term hereof for damage to the building or to the property therein resulting from any fire or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or may hereafter be carried by the parties hereto, or either of them.

ARTICLE 17: Fire & Casualty Damage.

(a) Except as provided in paragraph (c) hereof, if during the term hereof the premises or the building shall be damaged in whole or in part by fire or other casualty, Landlord shall, proceeding with all reasonable diligence and at its expense, repair the damage and restore the premises and the building to the same condition as existed immediately prior to such damage.

(b) Tenant shall be entitled to an abatement of all rent and charges to the extent and for the period during which the premises are untenable or incapable of Tenant’s normal use, such abatement to continue until the first to occur of (i) the date Tenant re-opens in the premises for its normal business, or (ii) one hundred twenty (120) days following the date on which Landlord completes its repair and restoration pursuant to paragraph (a) above. It is further agreed that the term of this lease shall, at Tenant’s option, be extended by the same number of days as normal business shall not have been conducted in the premises due to the damage or destruction.

(c) Notwithstanding the foregoing, if the premises or the building shall be damaged or destroyed by fire or other casualty and the damage is of such a nature that it cannot be reasonably restored with the exercise of due diligence within ninety (90) days following the date of damage, then either Landlord or Tenant may terminate this lease by notice given to the other within forty five (45) days after the date of the damage.

(d) If this lease shall be terminated as aforesaid, then this lease shall terminate and come

to an end as of the date of the damage giving rise to such termination with the same force and effect in all respects as if such termination was the expiration date set forth herein, and rent and other charges payable hereunder shall be apportioned and paid up to the date of said damage and any prepaid unearned rent and other charges payable hereunder shall forthwith be repaid by Landlord to Tenant.

ARTICLE 18: Condemnation.

(a) In the event that during the term of this lease the building or any part thereof, or the use, possession or access thereof, is taken in condemnation proceedings, by any right of eminent domain or for any public or quasi-public use, this lease and the term hereby granted shall terminate and expire on the date when possession shall be taken by the condemning authorities, and rent and all other charges payable hereunder shall be apportioned and paid in full up to that date and all prepaid unearned rent and all other charges payable hereunder shall forthwith be repaid by Landlord to Tenant. As of such date of taking, this lease shall be deemed terminated and of no further force and effect and neither Landlord nor Tenant shall be liable to the other for any future rent or other charges payable hereunder.

(b) Notwithstanding the foregoing, if only a part of the building shall be so taken or condemned, and, in Tenant's reasonable opinion, the remaining portion of the building shall be adequate and suitable for the purposes of its business, then this lease shall continue in full force and effect except that the annual rent and other charges payable hereunder shall be reduced in the proportion that the gross floor area of the part so taken or condemned shall bear to the total gross floor area of the building immediately prior to such taking. In such case, Landlord shall, at Landlord's cost and expense, as speedily as circumstances permit, repair all damage to the premises and the building as shall have been caused by such partial condemnation and taking (including, but not limited to, the basic building, the storefront and all glass therein). Rent and all other charges payable hereunder shall abate until the premises have been restored to a tenantable condition, including a reasonable period after the completion of Landlord's reconstruction for Tenant to re-fixture and restock the premises. Tenant hereby waives all rights in condemnation awards, except awards for Tenant's fixtures and equipment and any separate awards which may be made for Tenant's relocation expenses, value of improvements and the like.

ARTICLE 19: Subordination of Lease and Non-Disturbance.

This lease shall be subject and subordinate to the lien of any bank or institutional mortgage or mortgages or bond covenants now or hereafter in force against the land and building of which the premises are a part, and to all advances made upon the security thereof, provide the holder of such mortgage or deed of trust shall execute and deliver to Tenant an agreement in recordable form that it will recognize this lease and all of Tenant's rights hereunder and not disturb Tenant's possession of the premises in the event of foreclosure or the exercise of any other right or remedy if Tenant is not then in default hereunder beyond the expiration of all applicable grace, notice and cure periods. Tenant agrees to execute such further instrument or instruments as may be necessary to subordinate this lease to the lien of any such mortgage or deed of trust.

ARTICLE 20: Assignment/Subletting.

Tenant shall not have the right to assign this lease or to sublease.

ARTICLE 21: Default.

(a) It is covenanted and agreed that if (i) Tenant shall default in the payment of the rent or any item of additional rent, or any part of either, and such default shall continue for fifteen (15) days after written notice to Tenant, or (ii) Tenant shall default in fulfilling any of the other covenants of this lease and such default shall continue for a period of thirty (30) days after written notice thereof from Landlord specifying such default, and such default shall thereafter continue beyond such period as is reasonably necessary to correct such default and Tenant is not diligently occupied in correcting the same, or (iii) the estate hereby created shall be taken on execution or by other process of law, or (iv) Tenant shall petition for bankruptcy or become insolvent according to law, or (v) any assignment shall be made of the property of Tenant for the benefit of creditors, and if a receiver, guardian, conservator, trustee in bankruptcy or other similar officer shall be appointed to take charge of all or any substantial part of Tenant's property by a court of competent jurisdiction, Landlord lawfully may, immediately or at any time thereafter, upon prior written notice, enter into and upon the premises or any part thereof in the name of the whole, and repossess the same as of its former estate, and expel Tenant, and those claiming through or under it, and remove its or their effects without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. Upon entry as aforesaid this lease shall terminate. Tenant covenants and agrees, notwithstanding any entry or re-entry by Landlord, whether by summary proceedings, termination or otherwise, to pay and be liable for on the days originally fixed herein for the payment thereof, amounts equal to the rent, additional rent, and other charges under the terms of this lease, when those become due as if this lease had not been terminated, or as if Landlord had not entered or re-entered, and whether the premises be relet or remain vacant, in whole or in part, for the remainder of the term or for a period less than the remainder of the term. If the premises are relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent received by Landlord in reletting the premises, after deduction of all reasonable expenses (including, without limitation, reasonable brokerage fees, and the like), and in collecting the rent in connection therewith. In the event of termination by Landlord as aforesaid, Landlord agrees to use reasonable efforts to relet the premises so as to minimize the damages suffered by Landlord and payable by Tenant.

(b) If Landlord shall fail to perform any of its obligations under this lease and as a result thereof Tenant closes its business operations on the premises, then, in such event, all rent and other payments required to be made by Tenant under this lease shall abate until such time as Tenant shall be able to reopen the premises for business.

ARTICLE 22: Miscellaneous Provisions.

(a) Notices. Whenever by the terms of this lease any notice, request, demand or other communication shall or may be given, either to Landlord or to Tenant, the same must be in writing, and shall be sent by registered or certified mail (return receipt requested), postage prepaid, or shall be delivered by private overnight carrier or by messenger service as follows:

If to Landlord: addressed to Traverse City Light & Power Dept. c/o Schmidt-Rogers Management, LLC at 996 Garfield Woods Dr., Suite D, Traverse City, MI 49686 (or to such address or addresses as may from time to time hereafter be designated by Landlord by like notice);

If to Tenant: addressed to Tenant at the address set forth on the first page of this lease until occupancy and then at the premises, (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice).

Except as otherwise specifically provided herein, all such notices shall be effective when actually received or refused by the party to whom it is addressed.

(b) Force Majeure. In the event that either party shall be prevented, delayed or hindered in the performance of any of its obligations under this lease due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, enemy or hostile governmental action, riot, civil commotion, fire or other casualty, or any cause otherwise beyond the reasonable control of the party obligated to perform (excluding the financial inability of such party to perform), such event shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage; provided, however, the foregoing shall not be applicable to the payment of rent or other sums due pursuant to this lease.

(c) Holdover. Any statute, law, custom or practice to the contrary notwithstanding, this lease and the term hereby granted shall in any event terminate, expire and come to an end on the date herein specified for the termination thereof, without notice of any kind from either party to the other. In the event Tenant holds over after said date except under a renewal of this lease as hereinafter provided, then and in such event Tenant shall be deemed a month to month Tenant and at one and a half (1.5) times the current monthly fixed rental and otherwise on the same terms as herein provided.

(d) Legal Costs. In the event of any lawsuit, action or proceeding by either of the parties hereto against the other by reason of any matter or thing arising out of this lease, the prevailing party shall recover from the other its costs and expenses relating thereto including not only its legal costs but actual attorneys' fees for the maintenance or defense of said action, suit or proceeding.

(e) No Waiver. A waiver by either party of any breach or failure by the other to perform any of the covenants, agreements or conditions of this lease shall not bar the enforcement of any other rights or remedies for any subsequent breach or failure of any of the same or other covenants, agreements or conditions.

(f) Estoppel Certificates. Landlord and Tenant agree, on the written request of the other, to provide each other promptly, with a written statement certifying the status of the lease, the dates of commencement or expiration hereof, the rentals payable hereunder, the existence (if any) of any defaults hereunder and/or any other matter or thing reasonably requested with regard to this lease or the effectiveness hereof.

(g) Provisions Binding. Except as specifically stated herein, this lease and all of the terms and provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(h) Recording. This lease shall not be recorded. However, upon request of either Landlord or Tenant, the parties agree to enter into a short form notice of lease (in form proper for recording), which instrument may be recorded by, and at the expense of, the party so requesting.

(i) Law To Govern. This lease shall be governed by and construed pursuant to the laws of the state of Michigan, as such laws may exist from time to time during the term hereof.

(j) Transmittal of Lease. Notwithstanding any actions to the contrary, the transmittal of this lease and any discussion thereof by the parties is not a binding legal agreement, and this lease shall be effective only upon actual execution and delivery thereof by both of the parties hereto.

(k) Entire Agreement/Invalidity. This lease contains and embraces the entire agreement between the parties hereto and may not be changed or terminated orally or by any agreement unless such agreement shall be in writing and signed by the party against whom enforcement of such change or termination is sought. If any term, clause or provision of this lease shall be judged to be invalid, the validity of any other term, clause or provision hereof shall not be affected thereby.

(l) Headings. It is agreed that the headings of the various paragraphs herein are for reference only and are not to be construed as part of this agreement.

(m) Electronic Documents. After this lease has been duly signed, delivered and received, by either party to the other party by means of telecopy (fax) transmission or attached to an email (or similar electronic transmission) in an unalterable image format, this lease shall be considered as validly delivered as the physical delivery of the signed lease in paper form. In addition, it is further understood that this lease may be imaged and stored electronically and introduced as evidence in any proceeding as if an original business record; and neither party will object to the admissibility of such an image as evidence in any proceeding on account of having been stored electronically.

(n) Grease Pits. At no time shall tenant have a grease pit within the building or on the premises.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed on the day and year first above written.

WITNESS:

LANDLORD:
TRAVERSE CITY LIGHT & POWER
DEPARTMENT

Edward E. Rice, Executive Director

WITNESS:

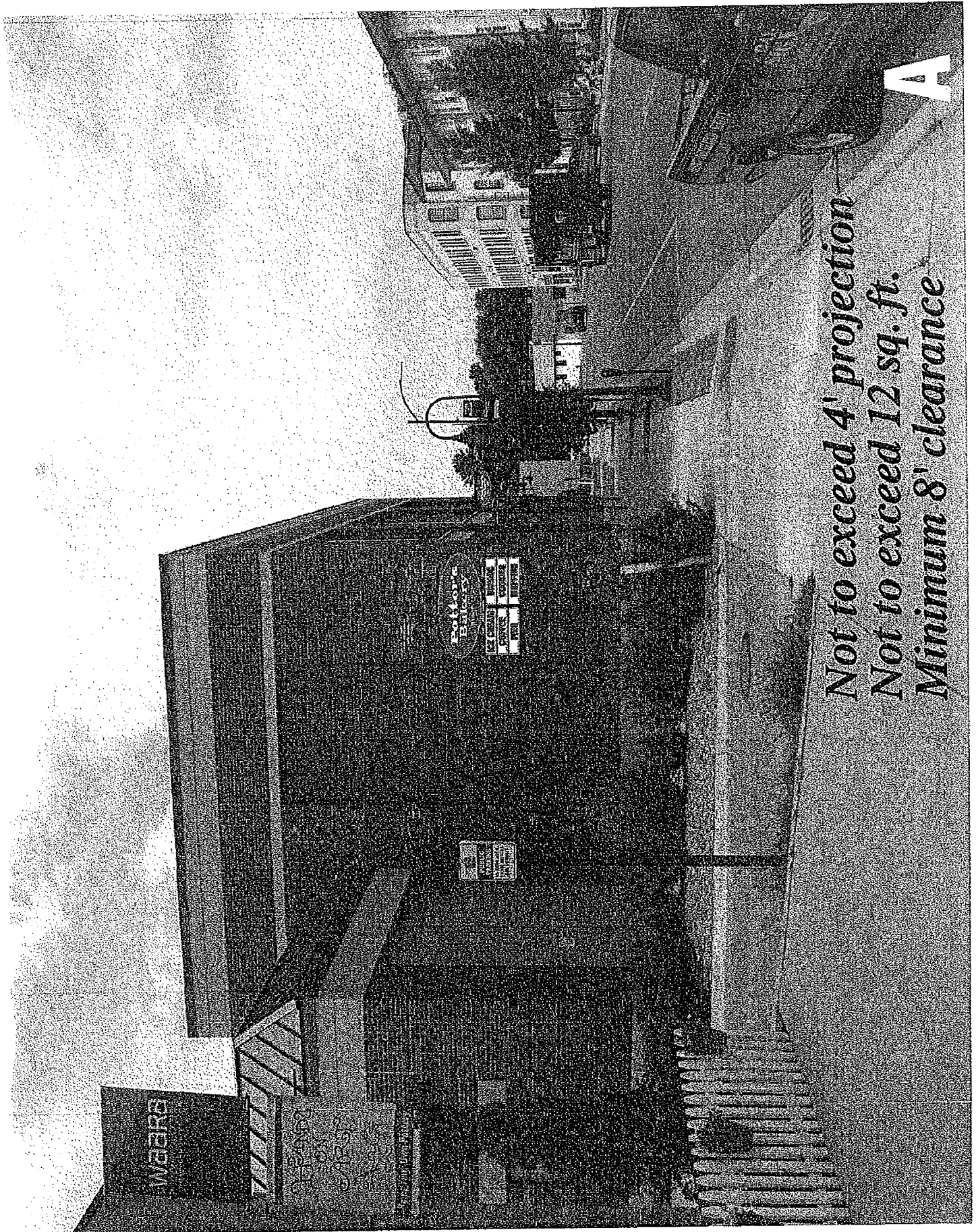
TENANT:

By: _____
Micheal Potter, individually and as President
of Potters Fine Pastries, Inc.

By: _____
Kathleen Potter

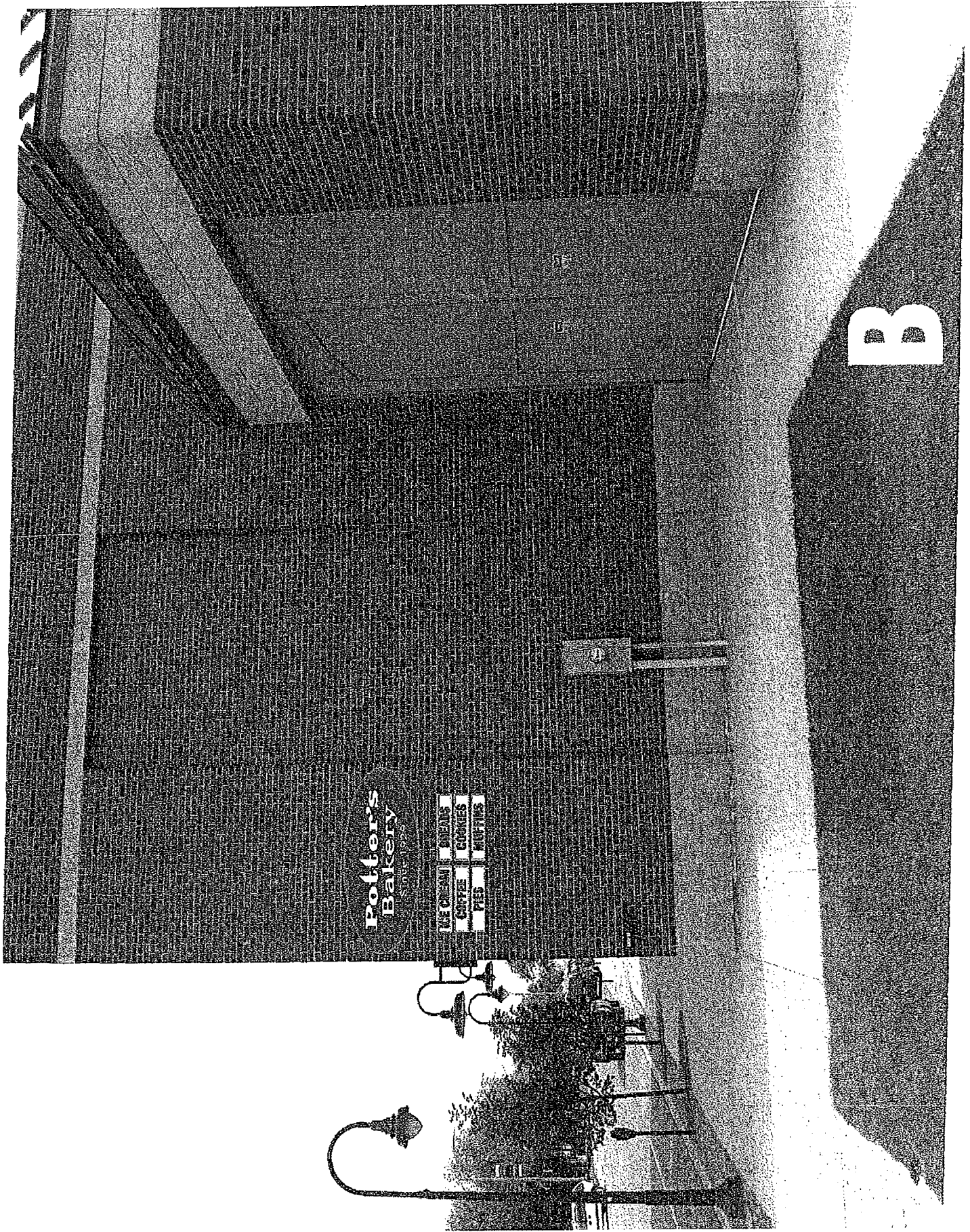
APPROVED AS TO FORM

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



*Not to exceed 4' projection
Not to exceed 12 sq. ft.
Minimum 8' clearance*

A







To: Light and Power Board
From: Ed Rice, Executive Director *ER*
Date: June 21, 2012
Subject: Executive Directors Hiring Authority Policy

Attached is a proposed policy for your consideration that would give authorization to the Director to employ temporary employees from time-to-time as he/she deems necessary for the efficient operations of the utility. While the City Charter requires the Director to determine staffing levels for the utility's operations, it also requires Board approval before such employees may be hired.

In the past, all regular full and part-time employees are identified on an organizational chart approved by the Board. Also, job descriptions and pay ranges are also approved by the Board for those positions. That practice would continue.

Temporary/seasonal employees are those employees that would work not more than 6 months or in excess of 1,000 hours in any consecutive 12 month period; those employees would not be afforded any employee benefits that are offered to regular full and part-time employees.

Staff recommends that the Board adopt the attached policy. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

**THAT THE LIGHT AND POWER BOARD ADOPTS THE EXECUTIVE DIRECTORS
HIRING AUTHORITY POLICY.**

Light and Power Department
City of Traverse City, MI
Adopted: _____

EXECUTIVE DIRECTORS HIRING AUTHORITY POLICY

As required by Chapter XVIII of the Traverse City Charter, the Executive Director of Traverse City Light & Power Department is responsible for determining the number of employees necessary for the operation of the utility, and shall fix their duties and compensation subject to approval of the Light & Power Board. Further, the Executive Director shall have such authority as delegated by the Board.

Due to varying workloads as occurs from time-to-time because of specific capital projects or seasonal utility work, efficient operation of the utility may require temporary, seasonal, or temporary part-time employees.

It shall be the policy of the Light & Power Board that the Executive Director be delegated the authority to employ temporary, seasonal, or temporary part-time employees at his/her discretion and shall fix the duties and hourly wages of said employees; provided, however, that such employees not be afforded the typical compensation benefits package afforded to the utility's regular bargaining or administrative employee's.

Edward E. Rice
Executive Director and Secretary
Traverse City Light and Power Board



TRAVERSE CITY
LIGHT & POWER

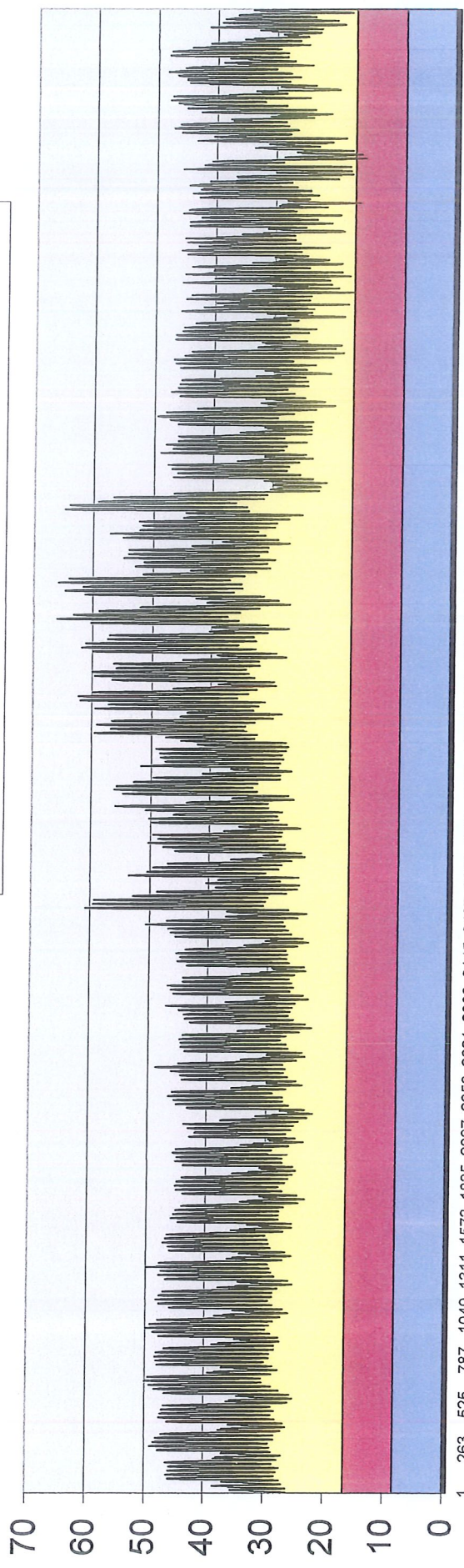
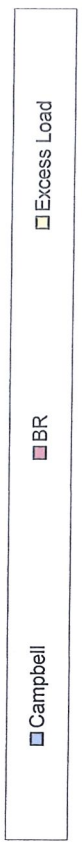
To: Light and Power Board
From: Karen Feahr, Energy Supply Manager *KEF*
Date: June 20, 2012
Subject: LBW&L Annual Power Purchase

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.

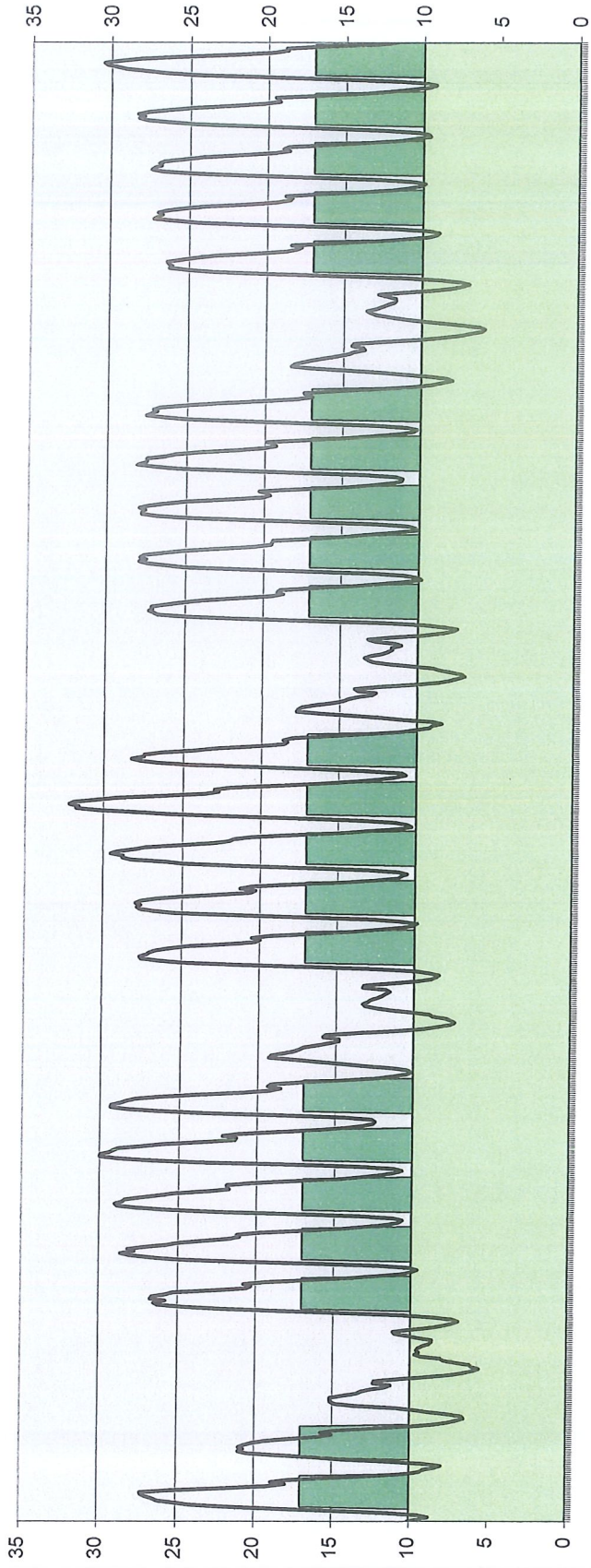
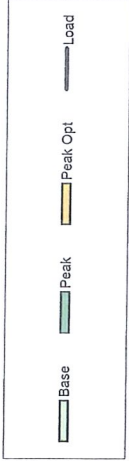
Traverse City CY2012



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 -





TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Jim Cooper, Manager of Communications & Energy Services *JC*
Date: June 21, 2012
Subject: Solar Rate

L&P staff has been investigating photo voltaic (pv) generation possibilities for this area. The project questions involve: public or private ownership, available government grants, the disposition of the renewable energy credits or RECs, the possibility of carbon offset purchases by non-L&P customers, and location. The initial interest in solar generation came from both L&P customers and customers of other utilities. The current capital plan contains \$350,000 for the solar project. The considered project size is 50 kW at an installed cost of \$250,000 before interest, O & M, distribution, and other costs are added.

Discussions with municipal solar project owners in California, Colorado, Washington, and Arizona have shown that there are many different programs. All government grants for municipal utilities, which allowed for reduced capital costs, expired last year. After further analysis by SEEDS and staff it was decided that the least complicated approach was to pursue the very successful Green Rate concept as initially established for the first L&P wind turbine in 1996. The basic format includes the following:

- All project costs to be recovered through subscribing customers only
- Participation is by purchase of 100 kWh Sun Blocks as a premium on their monthly bill
 - This 100 kWh purchase replaces 100 kWh of mostly coal generation
- Customers can purchase more than one Sun Block
- The program is open to both residential and commercial customers
- 59 customers would need to sign up to cover the program costs

Total project costs are based on a 25 year panel life and include: O&M, the cost of money, a major component contingency fund, and distribution charges. Based on this analysis the 100 kWh Sun Block premium would be \$15.90 per month. The customer would also continue to pay his/her full regular bill so the actual total cost for the 100 kWh is closer to \$25.90. This reflects the total true costs.

Staff will discuss this memo, and variables such as location, timing, and the changing solar industry at the meeting. A typical foot print for a 50 kW solar pv system would require around two acres.



City Planning Department

TO: R. BEN BIFOSS, CITY MANAGER
FROM: RUSS SOYRING, PLANNING DIRECTOR *RSoyring*
SUBJECT: PUBLIC UTILITIES ELEMENT FOR DISTRIBUTION
DATE: May 24, 2012

Since the adoption of the City Master Plan in 2009, the Planning Commission has been working on several "Plan Elements". These Plan Elements or subplans are support documents of the Master Plan and provide more detail plans for various planning functions.

According to the approval process outlined in the Michigan Planning Enabling Act Plan Elements, Sub Plans must receive permission from the City Commission to distribute plans to interested governmental entities. East Bay and Garfield Townships, BATA and the Grand Traverse County Road Commission have indicated interest in reviewing the Plan Elements.

On May 16, 2012, the Planning Commission recommended to the City Commission that the draft Public Utilities Element be released to interested governmental entities. With approval to distribute, the interested governmental entities would have at least 42 days to respond to the draft Element.

Following the 42-day waiting period for comments, the Planning Commission would hold a public hearing to approve the Plan Element. According to the Traverse City Master Plan, each Plan Element would need to be adopted by the City Commission with the exception of the Historic Resource Element that would be adopted by the Historic Districts Commission.

Please forward the Planning Commission's request to allow the Public Utilities Element to be distributed to interested governmental entities.

RS/ml

Attachment: Draft Public Utilities Element

42 days from 6/4/12

Memorandum

The City of Traverse City



To: Russ Soyring, City Planner
From: William E. Twietmeyer, City Treasurer/Finance Director *W.E.T.*
Subject: Public Utility Plan Element
Date: May 9, 2012

The Public Utility Plan Elements were reviewed at the Planning Commission study session on March 21, 2012. Many of the suggested revisions were incorporated in the final document as attached. In addition, the document went through several reviews for grammar and typographical errors. Below is a summation of our goals and objectives for the Public Utility Plan Element.

The Public Utility Plan Element Subcommittee concluded its work and the following pages are the result of its efforts. The subcommittee focused on storm water, sanitary sewer, water, and electric. You will note that the introductory paragraph for each of these sections was taken verbatim from the Natural Resources Element introductory statement. We believe that this statement succinctly describes what is most cherished about Traverse City and is the goal which we aspire to. In addition, it is a common theme that is found throughout all the public utility elements and was the focus of the members of the subcommittee.

Our goals were threefold. First, it was our desire to take advantage of the economies of scale by requiring coordination among these various utility aspects because they are interrelated with each other. Second, it was our desire to emphasize both local control and independence because it leads not only to a true understanding of the cost of operating these utilities but also the cost to society for not operating these utilities in the best manner. Third, it was our desire to integrate this plan element with the other plan elements because each plan element is integral to the success of one another.

In summary, this plan calls out for balance between investment and efficiency, balance between independence and reliance, and balance between aesthetics and cost. It allows the flexibility to sway back and forth between these categories depending on the circumstances of the day but provides the parameters by which those decisions are made. It allows for intensity appropriate for the uniqueness of the neighborhoods that exist. Finally, this plan element allows for taking risks while protecting that which we would not desire to place at risk. All of these describe what Traverse City is today and with hope what Traverse City will be in the future.

DRAFT

Public Utility Plan Element – Water

In concert with the Natural Resources Element, the protection of Traverse City’s natural resources, our Bay Front, the Boardman River, Boardman Lake, the wetlands, the parklands, rolling hills, and view sheds, are vital to our health, safety, welfare, economy and quality of life as a community. The Bay and other water sources provide for our drinking water, residential and commercial uses, fisheries, wildlife habitat and many recreational uses.

In addition, economic development, growth, and type of development will depend in great measure on the ability to treat and distribute clean water in the area. To that end, the general goals and objectives of the Water Plan Element are:

1. Water rates should encourage water usage consistent with local goals.
2. The treatment system should consist of state of the art technology.
3. An ongoing evaluation and assessment of the distribution system should be conducted.
4. A continued assessment of the Bulk Water Sale Agreements should be performed to monitor the demand for water from outside the City through the transmission system.
5. User rates should be sufficient to provide funds for operational costs and for maintaining infrastructure and its replacement. The City should make efforts through revisions to the Bulk Water Sale Agreements to insure that market rates reflect the total true cost of service.
6. Coordination amongst all City utilities should be insisted for all improvements.
7. Campus plans should include a hydraulic assessment of their impact on the water transmission and distribution system from the treatment plant.
8. Recognizing that the water utility has a regional impact, the City should be constantly coordinating with other governmental entities.

Neighborhood Type	Distribution Capacity	Intensity
TC 1	Minimal	Very Low
TC 2	Small	Low
TC 3	Small	Low/Moderate
TC 4	Medium	Moderate/High
TC 5	Large	High
Campus	Small/Medium/Large	Low/Moderate/High

Public Utility Plan Element - Stormwater

In concert with the Natural Resources Element, the protection of Traverse City's natural resources, our Bay Front, the Boardman River, Boardman Lake, the wetlands, the parklands, rolling hills, and view sheds, are vital to our health, safety, welfare, economy and quality of life as a community. The Bay and other water sources provide for our drinking water, residential and commercial uses, fisheries, wildlife habitat and many recreational uses.

In addition, economic development, growth, and type of development will depend in great measure on the ability to contain and treat storm water in the area. To that end, the general goals and objectives of the Stormwater Plan Element are:

1. Water quality is of more importance than the quantity of water being treated.
2. Coordinate with the Natural Resources Plan Element.
3. Manage stormwater to reduce deleterious impact on the bay and other bodies of water.
4. Conform to Best Management Practices for removal of sediment and other contaminants from stormwater released into natural water courses.
5. Strive to contain/retain water on site both to reduce loads on stormwater infrastructure and to allow sediments to settle out before the water is released.
6. Monitor the stormwater and sanitary sewer systems for illicit connections and maintain their separation.
7. Identify a dedicated and sustainable funding mechanism for the operation and maintenance and capital improvement of the stormwater system.
8. Require that a Stormwater runoff ordinance be maintained.
9. Encourage use of the City's tree canopy and street sweeping efforts where practicable to assist in natural cleaning of stormwater.
10. Campus Plans shall include a plan for stormwater management and provide for the continued repair and maintenance of that system.

Neighborhood Type	Level of Treatment	Design
TC 1	Onsite	Low Impact
TC 2	Onsite	Low Impact
TC 3	Onsite/Tie into System	Medium Impact
TC 4	Onsite/Tie into System	Moderate/High Impact
TC 5	Tie into System	Very High Impact
Campus	Onsite/Tie into System	Low/Medium/High Impact

Public Utility Plan Element - Sanitary Sewer

In concert with the Natural Resources Element, the protection of Traverse City's natural resources, our Bay Front, the Boardman River, Boardman Lake, the wetlands, the parklands, rolling hills, and view sheds, are vital to our health, safety, welfare, economy and quality of life as a community. The Bay and other water sources provide for our drinking water, residential and commercial uses, fisheries, wildlife habitat and many recreational uses.

In addition, economic development, growth, and type of development will depend in great measure on the ability to treat waste water in the area. To that end, the general goals and objectives of the Sanitary Sewer Plan Element are:

1. The treatment system should consist of the most cost effective state of the art technology.
2. An ongoing evaluation and assessment of the collection system should be conducted.
3. A continued assessment of the Master Sewer Agreement should be performed to monitor the contribution of flow from outside the City into the collection system.
4. User rates should be sufficient to provide funds for operational costs and for maintaining infrastructure and its replacement. The City should make efforts through revisions to the Master Sewer Agreement to insure that market rates reflect the total true cost of service.
5. Coordination amongst all City utilities should be insisted for all improvements.
6. Campus plans should include a hydraulic assessment of their impact on the wastewater collection system to the treatment plant.
7. Recognizing that the sanitary sewer utility has a regional impact, the City should be constantly coordinating with other governmental entities.

Neighborhood Type	Collection Capacity	Intensity
TC 1	Minimal	Very Low
TC 2	Small	Low
TC 3	Small	Low/Moderate
TC 4	Medium	Moderate/High
TC 5	Large	High
Campus	Small/Medium/Large	Low/Moderate/High

Public Utility Plan Element – Electric

In concert with the Natural Resources Element, the protection of Traverse City’s natural resources, our Bay Front, the Boardman River, Boardman Lake, the wetlands, the parklands, rolling hills, and view sheds, are vital to our health, safety, welfare, economy and quality of life as a community. The function of our water, sanitary sewer, and storm water utilities are critical in accomplishing the above stated goal and these utilities can not function properly without a dependable and reliable source of electricity.

In addition, economic development, growth, and type of development will depend in great measure on the ability to provide reliable and inexpensive electricity. To that end, the general goals and objectives of the Electric Plan Element are:

1. The electric system should continue its upgrades with state of the art technology.
2. An ongoing evaluation and assessment of the distribution system should be conducted.
3. In order to maintain reliability, a system with redundancy is encouraged.
4. In order to provide proper disaster planning, sufficient local generation including distributive generation should be pursued to ensure the public’s health, safety, and welfare in the City.
5. Coordination amongst all City utilities should be required for all infrastructure improvements.
6. Campus plans should include an assessment of electric requirements.
7. User rates should be kept as low as possible as an inducement to all City residents and businesses to become customers of the City owned electric utility.
8. A balance between aesthetics and cost efficiency should be considered in determining their benefit to the system as a whole.
9. Encourage energy conservation with incentives for purchasing efficient operating equipment and fixtures and by educating customers to utilize electricity more economically.

Neighborhood Type	Distribution Capacity	Intensity
TC 1	Minimal	Very Low
TC 2	Small	Low
TC 3	Small	Low/Moderate
TC 4	Medium	Moderate/High
TC 5	Large	High
Campus	Small/Medium/Large	Low/Moderate/High