

A REGULAR MEETING
Of The
TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, May 13, 2014

At

5:15 p.m.

In The

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

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

Stephanie Tvardek
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

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

Posting Date: 5-9-14
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

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

- a. Consideration of approving minutes of the Regular Meeting of April 22, 2014. (Approval recommended) (p. 4)
- b. Receive and File minutes of the Human Resources Ad Hoc Committee Meeting of April 11, 2014. (Approval recommended) (p. 7)
- c. Consideration of authorizing an Operation & Maintenance Agreement for the WiFi system. (Approval recommended) (Arends/Menhart) (p. 8)
- d. Consideration of authorizing a Construction Contract for the WiFi system. (approval recommended) (Arends/Menhart) (p.23)

Items Removed from the Consent Calendar

- a.

3. Unfinished Business

None.

4. New Business

None.

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Second quarter financial report. (Myers-Beman) (p. 36)
 2. BW-31 project update. (Olney) (p. 42)

3. Strategic Plan quarterly update. (All staff) (*PowerPoint presented at meeting*)

c. From 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, April 22, 2014

Board Members -

Present: Barbara Budros, Jim Carruthers, Jan Geht, Bob Spence, John Taylor,
Patrick McGuire

Absent: Jeff Palisin

Ex Officio Member -

Present: Jered Ottenwess, City Manager

Others: Tim Arends, W. Peter Doren, Scott Menhart, Tom Olney, Stephanie
Tvardek, Jessica Wheaton, Blake Wilson

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

Item 2 on the Agenda being Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

4(a). Consideration of approving minutes of the Regular Meeting of April 8, 2014.

Moved by Carruthers, seconded by Budros, that the Board approves the minutes of the Regular Meeting of April 8, 2014.

CARRIED unanimously. (Palisin absent)

4(b). Consideration of authorizing a purchase order to Power Line Supply in the amount of \$227,540.03 for conduit and electrical materials for South Substation Project.

The following individuals addressed the Board:

Tim Arends, Executive Director
Michael McGeehan, GRP Engineering, Inc.

Moved by McGuire, seconded by Budros, that the Board authorize the Executive Director to issue a purchase order in the amount of \$227,540.03 to Power Line Supply for materials for the South Substation Project.

CARRIED unanimously. (Palisin absent)

4(c). Consideration of authorizing a purchase order to Power Line Supply in the amount of \$571,779 for underground cable for South Substation Project.

The following individuals addressed the Board:

Michael McGeehan, GRP Engineering, Inc.
Tim Arends, Executive Director

Moved by Budros, seconded by Geht, that the Board authorize the Executive Director to issue a purchase order in the amount of \$571,779, more or less, to Power Line Supply for underground cable for the South Substation Project.

CARRIED unanimously. (Palisin absent)

- 4(d).** Consideration of authorizing a purchase order to Harlo in the amount of \$96,930 for control panels for South Substation Project.

The following individuals addressed the Board:

Michael McGeehan, GRP Engineering, Inc.

Moved by Geht, seconded by McGuire, that the Board authorize the Executive Director to issue a purchase order in the amount of \$96,930 to Harlo for the control panels for the South Substation Project.

CARRIED unanimously. (Palisin absent)

- 4(e).** Consideration of awarding bid for conduit and equipment box pad installation for South Substation Project.

The following individuals addressed the Board:

Michael McGeehan, GRP Engineering, Inc.
W. Peter Doren, General Counsel

Moved by McGuire, seconded by Budros, that the Board authorizes the Executive Director to execute a Construction Agreement in the amount of \$216,915 with Severence Electric Company for installation of conduit and equipment box pad for the South Distribution Substation; subject to approval as to form by General Counsel.

CARRIED unanimously. (Palisin absent)

- 4(f).** Consideration of awarding bid for electric cable and equipment installation for South Substation Project.

The following individuals addressed the Board:

Michael McGeehan, GRP Engineering, Inc.

Moved by Budros, seconded by Geht, that the Board authorizes the Executive Director to execute a Construction Agreement in the amount of \$383,545.25 with CC Power for electric cable and equipment installation for the South Distribution Substation; subject to approval as to form by General Counsel.

CARRIED unanimously. (Palisin absent)

4(g). Consideration of awarding bid for a construction contract for South Substation Project.

Moved by McGuire, seconded by Budros, that the Board authorize the Executive Director to execute a Construction Agreement in the amount of \$1,304,760 with Kent Power for construction of the South Distribution Substation; subject to approval as to form by General Counsel.

CARRIED unanimously. (Palisin absent)

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: Coal Dock Deed restrictions.

The following individuals addressed the Board:

Tim Arends, Executive Director
Jered Ottenwess, City Manager

Chairman Taylor opened the floor to public comment. No one from the public commented.

The Board gave no indication to staff that it desired to consider deed restrictions at a future meeting.

B. From Staff.

1. Energy Supply Presentation #5 by RTD Consulting and Howard Axelrod.

The following individuals addressed the Board:

Tim Arends, Executive Director

2. Jessica Wheaton announced the upcoming Annual Seedling Giveaway scheduled for April 26, 2014.

C. From Board.

1. Chairman Taylor spoke re: the Executive Director Review process.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman Taylor declared the meeting adjourned at 6:58 p.m.

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes

Human Resources Ad Hoc Committee

Held at 2:00 p.m., Committee Room, Governmental Center
Friday, April 11, 2014

Committee Members -

Present: Barbara Budros, Bob Spence, John Taylor

Absent: None

Others: None

The meeting was called to order at 2:00 p.m.

1. Consideration of initiating the Executive Director's annual review.

Committee members discussed exploring the availability of hiring Mary Grover to facilitate the process.

2. Public Comment

No one from the public commented.


There being no objection, Committee Chairman Taylor declared the meeting adjourned at 2:40 p.m.

/st

John Taylor, Chairman
LIGHT AND POWER BOARD



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director 
Date: May 7, 2014
Subject: Wi-Fi Operation & Maintenance Agreement

Attached for your review is a proposed ten-year Operation & Maintenance Agreement between Traverse City Light & Power (TCL&P) and Aspen Wireless for the Wi-Fi system in the DDA District. This Agreement, including the annual fee, is consistent with the recent contract approved by the Board between the utility and the DDA.

Staff recommends the Board’s approval of the Operation & Maintenance Agreement between TCL&P and Aspen Wireless, as presented. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff’s recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the “items removed from the consent calendar” portion of the agenda for full discussion. If after Board discussion you agree with staff’s recommendation the following motion would be appropriate:

MOVED BY _____, **SECONDED BY** _____,

THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER INTO AN OPERATION AND MAINTENANCE AGREEMENT WITH ASPEN WIRELESS TO SUPPORT THE DDA WI-FI SYSTEM, SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR, AND AS TO FORM BY GENERAL COUNSEL; AND FURTHER SUBJECT TO THE CITY COMMISSION’S APPROVAL OF THE 2014 SIX YEAR CAPITAL PLAN.

**TRAVERSE CITY LIGHT AND POWER
MAINTENANCE AGREEMENT**

THIS AGREEMENT made this _____ day of _____, by and between the TRAVERSE CITY LIGHT AND POWER DEPARTMENT, a Michigan municipal electric utility, of 1131 Hastings St., Traverse City, Michigan, 49684, (the "TCL&P"), and ASPEN WIRELESS, a Michigan S-Corporation, (the "CONTRACTOR").

WITNESSETH:

WHEREAS, TCL&P desires to engage the services of the Contractor to furnish professional maintenance, service and assistance concerning for certain properties or facilities which are described as:

OPERATION & MAINTENANCE OF DDA WI-FI NETWORK SYSTEM

and the Contractor wishes to furnish such professional maintenance service to TCL&P and has represented that Contractor has the education, expertise, capability, equipment, and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Scope of Services. The Contractor shall provide services in accordance with and as set forth in Schedule A, Scope of Work, attached hereto and incorporated herein by reference.
2. Compensation and Method of Payment. TCL&P shall pay to the Contractor and the Contractor agrees to accept as full compensation for services under this Agreement the annual fee of \$9,600 to be paid in monthly installments of \$800 in accordance with Schedule Attached hereto and incorporated herein by reference.
3. Period of Performance. The work to be rendered under this Agreement shall commence within time period specified in Schedule A. Performance and completion of performance shall be in accordance with the schedules attached hereto.
4. Independent Contractor. The relationship of the Contractor to TCL&P is that of an independent Contractor and in accordance therewith, Contractor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of TCL&P, or make any claim, demand or application, to or for any rights or privileges applicable to any officer or employee of same, including, but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.
5. Contractor Responsibility. The Contractor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. Contractor shall be

solely responsible and answerable in damages for all improper work, accidents or injuries to person or property. Contractor shall make a careful examination of the site, facilities, surrounding property and facilities, and all conditions affecting the work, and any failure to make such examination will not be a valid excuse for failure to do the work as a basis for any claim for extra compensation or extension of time. Contractor acknowledges having visited the site and shall promptly give TCL&P written notice of any physical condition discovered differing materially from that indicated in this Agreement or unknown and of an unusual nature differing materially from that ordinarily encountered and generally recognized as adhering to this type of work.

6. Indemnity. Contractor shall defend, indemnify and save harmless TCL&P, its officers and employees, from and against any and all claims, liabilities, losses, damages, actual attorneys fees and settlement expenses for injury or death, or, any person and damage, or loss of any property allegedly or actually resulting or arising out of any act, omission, or negligence of Contractor or its employees, agents or subcontractors in connection with performing this Agreement, or resulting from or arising out of the joint negligence of TCL&P and that of Contractor or any other person or entity. TCL&P shall not be indemnified against liability for damages arising out of bodily injury or damage to property where the entire amount of such damage, whether recoverable or not, is caused by or resulted from the sole negligence of TCL&P, its officers or employees. This indemnification agreement shall not be limited by reason of any insurance coverage.

7. Insurance. The Contractor shall acquire and maintain comprehensive general liability insurance coverage, and comprehensive automobile liability insurance coverage. The limits and deductible shall be as follows:

- A. Comprehensive General Liability insurance coverage. \$2,000,000 minimum coverage.
- B. Comprehensive Automobile Liability insurance coverage. \$2,000,000 minimum coverage. This requirement may be met through an Umbrella Policy.

The Contractor agrees not to change such insurance and agrees to maintain such insurance throughout the period of performance of this Agreement. Contractor will upon execution of this Agreement provide a certificate of insurance to the Executive Director. Such certificate shall name TCL&P as an additional insured.

8. Workers Compensation. The parties shall maintain suitable workers' compensation insurance pursuant to Michigan law and Contractor shall provide a certificate of insurance or copy of state approval for self-insurance to the Executive Director upon execution of this Agreement.

9. Compliance with Regulations. The Contractor shall comply with all applicable statutes, rules and regulations of all Federal, State and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

10. Standard of Conduct. Contractor shall render all services under this Agreement according to generally accepted professional practices for the maintenance and intended use of the facilities.

11. TCL&P's Obligation. TCL&P shall provide Contractor with all information currently available to it upon request of the Contractor. TCL&P's Executive Director or such other person as the Executive Director shall designate shall be TCL&P's representative for purposes of this Agreement.

12. 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, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement.

13. Prohibition Against Assignment. This Agreement is intended to secure the service of Contractor because of its ability and reputation and none of the Contractor's duties under the Agreement shall be assigned, subcontracted, or transferred without the prior written consent of TCL&P. Any assignment, subcontract or transfer of Contractor's duties under this Agreement must be in writing.

14. Third-Party Participation. The Contractor agrees that despite any subcontract entered into by the Contractor for execution of activities or provision of services related to the completion of this project, the Contractor shall be solely responsible for carrying out the maintenance pursuant to this Agreement. The Contractor shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Contractor, unless TCL&P and the Contractor agree to modification in a particular case. The Contractor shall not subcontract unless agreed upon in writing by TCL&P.

15. Interest of Contractor. The Contractor represents that its officers and employees have no interest and covenant that they will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Contractor's services and duties hereunder. The Contractor further covenants that in the performance of the Agreement, no person having any such interest shall be employed. Contractor further covenants that neither it nor any of its principals are in default to TCL&P.

16. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, TCL&P shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

17. Qualifications of the Contractor. The Contractor specifically represents and agrees that its officers, employees, agents and consultants have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

18. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in the Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

19. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

20. Termination for Fault. If TCL&P determines that the Contractor has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, TCL&P may terminate or suspend this Agreement in whole or in part upon written notice to the Contractor specifying the portions of the Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Contractor shall correct the violations referred to in the notice. If the Contractor does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Contractor at time of termination may be adjusted to cover any additional costs occasioned by reason of the termination. This provision for termination shall not limit or modify any other right of TCL&P to proceed against the Contractor at law or under the terms of this Agreement.

21. Force Majeure. If because of Force Majeure, either party is unable to carry out any of its obligations under this agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the federal government, acts of another party to this Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, charter amendments or referendum, orders or acts of civil or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, TCL&P may terminate this Agreement.

22. Delay. If the Contractor is delayed in the completion of the work due to Force Majeure, or otherwise, the time for completion may be extended for a period determined by TCL&P to be equivalent to the time of such delay. TCL&P may terminate this Agreement if the delay lasts

for more than 30 days. Upon termination by TCL&P, the Contractor shall be entitled to and TCL&P shall pay the costs actually incurred in compliance with this Agreement until the date of such termination, but not more than the maximum contract amount.

23. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of Contractor, or if a person of masculine or feminine gender joins in this Agreement on behalf of Contractor, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires.

24. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.

25. Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein. It is understood that should Contractor recommend further work, TCL&P is under no obligation to engage Contractor in such work.

26. Third-Party Beneficiaries. The parties do not intend for there to be any third party beneficiaries to this agreement.

27. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

28. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

- A. Mediation. If they are unable to resolve the dispute themselves, and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.
- B. Venue. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.
- C. Notice. Written notice of a dispute shall be given to the other parties not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall

occur within 60 days after such notice.

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

WITNESSES:

TRAVERSE CITY LIGHT and POWER

By: _____

By: _____

CONTRACTOR

By: _____

By: _____

APPROVED AS TO SUBSTANCE:

Timothy J. Arends
Executive Director

APPROVED AS TO FORM:

W. Peter Doren
General Counsel

SCHEDULE A

ASPEN WIRELESS SERVICE AGREEMENT FOR Wi-Fi Operations, Maintenance and Backhaul

TERMS AND CONDITIONS:

1. The Parties and the Services Covered:

ASPEN WIRELESS shall, subject to the following; monitor, and maintain the TCL&P Wi-Fi network during the Term of this Agreement for TRAVERSE CITY LIGHT AND POWER DEPARTMENT (hereinafter "Customer") at the following sites: Traverse City Downtown District Authority Area. (Refer to Section 3 Schedule-A for location detail)

This Agreement covers all monitoring, maintenance and repairs, as required or requested by Customer for the Municipal Wi-Fi service after installation and final acceptance by Customer. Additionally Aspen Wireless shall monitor the Merit Networks Direct Internet Access Connection as requested.

Service is retained and response times are committed with a monthly recurring rate below for Operations, Maintenance and Monitoring 24/7/365 of the Wi-Fi network:

Aspen Supervision and operation of Wi-Fi Network of \$200 per month
Aspen Contracted Ruckus Warranty, Maintenance and Materials \$600 per month

The combined monthly recurring rates shall be \$800 per month for a minimum term of 120 months.

SERVICE LEVEL AGREEMENT CRITERIA

| Description | Metric |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Availability Objective per month: | 99% |
| Latency within the Service Area: (Based on monthly average) | < 90 milliseconds port-to-port |
| Packet Loss: Based on Monthly Average | 0.75% or Less average packet loss. |
| Bandwidth Guarantee: (based on Aspen Wireless testing) | Aspen Wireless guarantees, for periods when the Service is available, that full port-to-port Circuit bandwidth purchased is available for the Customer's use at all times. |

2. Response and Repair Times

Response Within 30 Minutes OF Notification (Weekdays only)

Remote Evaluation – In the event of a service outage Aspen Wireless will respond within 30 minutes after receiving notification of the outage from Customer. After receiving notification Aspen Wireless will access the system remotely in efforts to evaluate the outage and restore service and/or dispatch technician to the site of the failed system.

STANDARD SERVICE – Aspen Wireless shall provide 24 hour alarming and proactive monitoring of adverse network activity and will take action in many cases before the Customer is aware of any issue.

Mean Time to Repair (“MTTR”) is the time it takes to fix a problem and close out the associated Trouble Ticket. Trouble Ticket(s) kept open at the Customer’s request shall not be included in this calculation. Aspen Wireless MTTR objective is an average of two (2) hours per occurrence, with no single occurrence lasting greater than four (4) hours.

Aspen Wireless shall maintain a twenty-four (24) hours a day, seven (7) days a week point-of-contact for Customer to report system Troubles and open a Trouble Ticket.

REMOTE ASSISTANCE WITHIN 1 HOUR OF REQUEST

SERVICE CALL ENROUTE WITHIN 2 HOURS OF REQUEST TO BE ON SITE (Weekends and Holidays included)

3. Schedule A of Hardware and Location Detail (attached)

4. Service Period

The Term of this Agreement is for 10 years (120 months), effective August 1st, 2014. This Agreement will be renewed in accordance with the mutual agreement of the Parties hereto, 6 months prior to the expiration of the current Agreement, unless either party notifies the other party of its intent not to renew at least 6 months prior to the end of the current term, hereafter the Anniversary Date. The agreement will automatically renew on a year-to-year basis in the event a new agreement is not negotiated.

5. Service Requests, Information on our NOC and Support tiers:

ASPEN WIRELESS can be contacted at 408-412-WIFI for service requests. ASPEN WIRELESS shall also provide Customer with a voicemail page numbers for requests for Emergency Service made before or after normal business hours. Standard Service will be available during normal business hours. Emergency Service will be available Seven (7) days a week, Twenty-Four (24) hours a day. The Customer shall designate one individual, as well as any on-site Manager of Customer’s NOC, to make service requests.

The Aspen Wireless Network Management System (NMS) is based on using a process called Wireless and Virtual Network Operations Center (WaVE-NOC), a PROVEN sophisticated element management solution that gives the Network Manager the ability to easily deploy, control, monitor and upgrade components network-wide through an intuitive, user-friendly GUI. The NMS combined with our border gateways create an Operation Support System/Billing Support System, enabling full automation in the system that is currently in place with other municipal Wi-Fi systems.

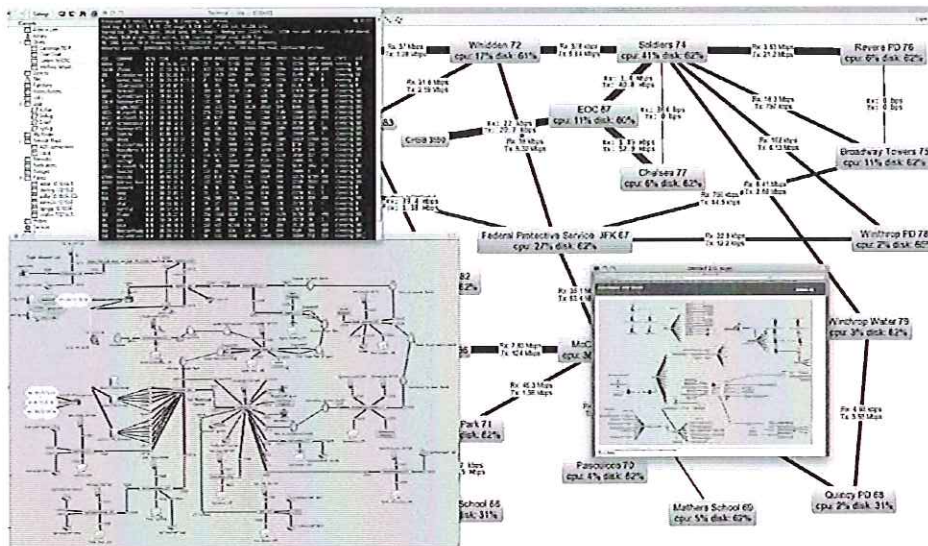
This efficient, centralized management system enables TCLP to have visibility and monitor the systems from anywhere. Our Network Operators will have the requisite competencies to monitor the specific network capacity for proactive subscriber management and will utilize their network engineers to maintain and upgrade the performance and quality of service within the network resulting in proven customer satisfaction.

Tier 1 Support Tier 1 support consists of routine, daily customer support issues from end users. This service will be distributed from the WaVE-NOC with staggered shift schedules to create a 24-hour/7-days-a- week/365-days support response. The WaVE-NOC will leverage the use of the existing automated billing and customer care system that provides automated provisioning and network monitoring to ensure rapid service turn on and to provide

proactive fault detection service. Customers will have three methods of support: 1) VoIP, 2) web portal and 3) e-mail. Tier 1 support will also include trained technicians who live and work in the Town of Vail service area.

Tier 2 Support Issues that cannot be solved by Tier 1 support within 24 hours will be escalated to Tier 2 personnel. Tier 2 personnel will have extensive network hardware, software and engineering skills. Tier 2 personnel will support customer and Tier 1 personnel in solving more complex issues. Tier 2 personnel may also be required to mobilize to a remote location to resolve network issues.

Tier 3 Support Aspen Wireless has established relationships and contracts with our vendors as required in order to resolve complex issues such as network, protocol and vendor specific troubleshooting. These vendors/contracts will be called upon in the rare instance our network operations personnel cannot resolve an issue.



Example of Network Management through the WaVE-NOC System

Note: This is an example of the volume of information available through the Wave-NOC System. The operator can access this information, review traffic, routing options, identify failures, re-route traffic, set automatic alarms and dispatch crews from any Internet Access Point. The Operator can also add or remove customers, increase or decrease their purchased capacity, and troubleshoot each and every element on the network.

7. LIMITATIONS

EXCEPT AS EXPRESSLY PROVIDED HEREIN, ASPEN WIRELESS MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, CONCERNING THE SERVICES PROVIDED HEREUNDER, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, AND SHALL NOT BE LIABLE TO THE CUSTOMER OR ANY OTHER PERSON FOR ANY DAMAGES ARISING OUT OF ITS PERFORMANCE OF ITS OBLIGATIONS HEREUNDER. IT IS EXPRESSLY UNDERSTOOD THAT THE SOLE REMEDY OF THE CUSTOMER FOR FAILURE BY ASPEN WIRELESS TO FULLY PERFORM ITS OBLIGATIONS HEREUNDER, EXCLUSIVE OF WILLFUL MISCONDUCT AND GROSS NEGLIGENCE BY ASPEN WIRELESS SHALL BE TERMINATION OF THIS AGREEMENT BY CUSTOMER. IN NO EVENT SHALL THE CUSTOMER OR ASPEN WIRELESS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING PROFITS) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF ITS PERFORMANCE OR FAILURE OF PERFORMANCE UNDER THIS AGREEMENT.

8. Access to Equipment

Aspen Wireless Technologies, Inc.

P: 970.948.9998

The Customer shall promptly report to ASPEN WIRELESS any condition requiring service or correction. The Customer shall grant to ASPEN WIRELESS, or its designated representatives, free access to the Equipment and the node and hub facilities at which the Equipment is housed. As the network technology evolves, customer shall grant ASPEN WIRELESS measures to enhance the network and make system changes for better support and increasing operational margin. Any measure utilized is included in the monthly recurring rate and will not be of any expense to the customer.

9. Agreement

Each party represents and warrants to the other party that has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and that this Agreement constitutes its valid and legally binding obligation, enforceable by the other party in accordance with its terms and conditions.

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT AMONG THE PARTIES AND SUPERSEDES ANY PRIOR UNDERSTANDINGS, AGREEMENTS OR REPRESENTATIONS BY OR AMONG THE PARTIES, WRITTEN OR ORAL, THAT MAY HAVE RELATED IN ANY WAY TO THE SUBJECT MATTER HEREOF.

No modification of this Agreement shall be effective unless reduced to writing and signed by both parties. No provision of this Agreement shall be deemed waived because of previous failure to insist upon strict performance thereof. If any provision or provisions of this Agreement are determined to be invalid or contrary to any existing or future law, statute or ordinance or any order, rule or regulation of a court or regulatory or other governmental authority of competent jurisdiction, such invalidity shall not impair the operation of or affect any other provisions hereof which are valid, and the invalid provisions shall be construed in such manner as shall be as similar in terms to such invalid provisions as may be possible, consistent with applicable law. The above terms and conditions shall apply to any and all orders submitted by the Customer. This Agreement is subject to acceptance by ASPEN WIRELESS.

IN WITNESS WHEREOF, the Parties will execute this Agreement on _____, 2014

CUSTOMER

Traverse City Light & Power

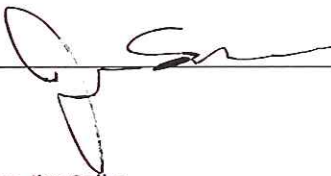
By: _____

Name: _____

Title: _____

SERVICE PROVIDER

Aspen Wireless Technologies, Inc.

By:  _____

Name: Jim Selby
Title: President

Schedule A of Hardware and Location Detail:

| | | | |
|---------|---------------------|--------------|-------------|
| Mesh-01 | westbay | -85.63023165 | 44.7671729 |
| Mesh-02 | NorthBrew | -85.62850145 | 44.76398039 |
| Mesh-03 | Volleyball | -85.62777145 | 44.76638383 |
| Mesh-04 | openspace | -85.62686724 | 44.7665775 |
| Mesh-05 | warehousedist | -85.62627734 | 44.7661287 |
| Mesh-06 | rightbrain | -85.62627393 | 44.76494194 |
| Mesh-07 | jshamburg | -85.62574519 | 44.76410876 |
| Mesh-08 | theriver | -85.62522887 | 44.76258488 |
| Mesh-09 | unionstreetbridge | -85.62474738 | 44.76532862 |
| Mesh-10 | recordeagle | -85.62472704 | 44.76411714 |
| Mesh-11 | marinawest eMesh | -85.62429387 | 44.7666358 |
| Mesh-12 | marinawest | -85.62424166 | 44.76665302 |
| Mesh-13 | welcomectr | -85.62403276 | 44.76581869 |
| Mesh-14 | state&union | -85.62395431 | 44.76281175 |
| Mesh-15 | oldtowne eMesh | -85.6238935 | 44.76003875 |
| Mesh-16 | citybike | -85.6238929 | 44.76103391 |
| Mesh-17 | oldtowne | -85.6238929 | 44.76002143 |
| Mesh-18 | oldtown south | -85.62388823 | 44.75866 |
| Mesh-19 | union&8th | -85.62386562 | 44.75924632 |
| Mesh-20 | unionstreet | -85.62376328 | 44.76342695 |
| Mesh-21 | pangea | -85.62263076 | 44.76413904 |
| Mesh-22 | ATTCO | -85.62238515 | 44.76283597 |
| Mesh-23 | cherryrepalley | -85.62234421 | 44.76352505 |
| Mesh-24 | cherryrepublic | -85.62177795 | 44.76412935 |
| Mesh-25 | farmersmarket | -85.62175749 | 44.76546145 |
| Mesh-26 | FarmersMarket eMesh | -85.62175433 | 44.7654374 |
| Mesh-27 | mustards | -85.62113664 | 44.76296676 |
| Mesh-28 | Cass Bridge | -85.62094903 | 44.76442993 |
| Mesh-29 | firefly | -85.62091427 | 44.76100894 |
| Mesh-30 | midtown | -85.62088694 | 44.76017936 |
| Mesh-31 | marinaeast | -85.62014739 | 44.76639148 |
| Mesh-32 | backcountry | -85.61994954 | 44.76415841 |
| Mesh-33 | chasealley | -85.61961524 | 44.7634645 |
| Mesh-34 | stategrill | -85.61959478 | 44.7628505 |
| Mesh-35 | statetheatre | -85.61935599 | 44.76402278 |
| Mesh-36 | Chase Park | -85.61901827 | 44.76408888 |
| Mesh-37 | patisserie amie | -85.61875885 | 44.75949415 |
| Mesh-38 | sestate&park | -85.61840767 | 44.76295223 |
| Mesh-39 | Front&Park | -85.61835641 | 44.76406436 |
| Mesh-40 | riverineeast eMesh | -85.61709424 | 44.75860862 |
| Mesh-41 | riverineeast | -85.61706322 | 44.75855977 |
| Mesh-42 | frontstyoga eMESH | -85.61601552 | 44.76415273 |
| Mesh-43 | mouthofboardman | -85.61595116 | 44.7641527 |
| Mesh-44 | Bubbas | -85.61440973 | 44.76417295 |
| Mesh-45 | realtorow | -85.6133659 | 44.76417779 |
| Mesh-46 | font&grandview | -85.61121683 | 44.76420685 |
| ROOT-01 | Cabinet #6 | -85.6288045 | 44.76639439 |

| | | | |
|---------|----------------------|--------------|-------------|
| ROOT-02 | Cabinet #6 East | -85.62875461 | 44.76639078 |
| ROOT-03 | Hall St Sub South | -85.62743033 | 44.76494678 |
| ROOT-04 | Hall St Sub North | -85.62736211 | 44.7650921 |
| ROOT-05 | Opera Hall SW | -85.62340475 | 44.76369887 |
| ROOT-06 | Opera Hall North | -85.62331982 | 44.76401309 |
| ROOT-07 | Opera Hall SE | -85.62314413 | 44.76369683 |
| ROOT-08 | Old Town Parking | -85.62287416 | 44.75959067 |
| ROOT-09 | Zoo | -85.62258987 | 44.76608915 |
| ROOT-10 | Zoo 2 | -85.62258563 | 44.76612494 |
| ROOT-11 | Old Towne Parking NE | -85.62222567 | 44.76013104 |
| ROOT-12 | FIM | -85.62090852 | 44.76396851 |
| ROOT-13 | FIM South | -85.6208922 | 44.76354499 |
| ROOT-14 | FIM West | -85.62053061 | 44.76397396 |
| ROOT-15 | Parking #1 NorthWest | -85.61786787 | 44.76336687 |
| ROOT-16 | Parking #1 South | -85.61784141 | 44.76302368 |
| ROOT-17 | Parking #1 North | -85.61726151 | 44.76374545 |
| ROOT-18 | Parking #1 SouthEast | -85.61721505 | 44.76301656 |
| ROOT-19 | 400Boardman | -85.61682011 | 44.76050819 |
| ROOT-20 | HASTING CORE | | |



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director
Date: May 7, 2014
Subject: Wi-Fi Construction Agreement

Attached for your review is a proposed Construction Agreement between Traverse City Light & Power (TCL&P) and Aspen Wireless for the construction of the Wi-Fi system in the DDA District. This Agreement, including the costs, is consistent with the recent contract approved by the Board between the utility and the DDA.

While projects of this nature are typically competitively bid by the utility, this project was designed and costs were projected by Aspen Wireless using equipment customary for the type of system required by the contract between the utility and the DDA. Performance of the system is dependent on the contractor's recommendations for specific equipment and locations around the city. Therefore, it was not advantageous of the utility to competitively bid the equipment/construction of the system as that would require new engineering.

Staff recommends the Board's approval of the Wi-Fi Construction Agreement between TCL&P and Aspen Wireless as presented. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "items removed from the consent calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE COMPETITIVE BIDDING PROCESS BE WAIVED AND THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO ENTER INTO A CONSTRUCTION CONTRACT WITH ASPEN WIRELESS FOR THE DDA WI-FI PROJECT, SUBJECT TO APPROVAL AS TO FORM BY GENERAL COUNSEL; AND FURTHER SUBJECT TO THE CITY COMMISSION'S APPROVAL OF THE 2014 SIX YEAR CAPITAL PLAN.

**TRAVERSE CITY LIGHT AND POWER
CONSTRUCTION AGREEMENT**

THIS AGREEMENT made this ____ day of _____, by and between the TRAVERSE CITY LIGHT AND POWER DEPARTMENT (Owner), a Michigan municipal electric utility, of 1131 Hastings St., Traverse City, Michigan 49686, and ASPEN WIRELESS TECHNOLOGIES, Inc. a Michigan S-Corporation (Contractor).

WITNESSETH:

WHEREAS, Owner desires to engage the services of the Contractor to furnish technical and professional assistance concerning construction of the project which is described as:

TRAVERSE CITY DDA DISTRICT WI-FI NETWORK

and the Contractor wishes to furnish such technical and professional service to Owner and has represented that Contractor has the education, expertise, capability, equipment, and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Scope of Work. The Contractor shall provide services in accordance with and as set forth in Schedule "A", "Scope of Work", attached hereto and incorporated herein by reference.
2. Compensation and Method of Payment. Owner shall pay to the Contractor and the Contractor agrees to accept as full compensation for services under this Agreement an amount of \$381,720 in accordance with Schedule "B", "Timetable for Activities and Schedule of Payments", attached hereto and incorporated herein by reference including any change orders approved in advance by the Executive Director.
3. Period of Performance. The work to be rendered under this Agreement shall commence within 30 calendar days as time period specified in Schedule "B". Performance and completion of performance shall be in accordance with the schedules attached hereto.
4. Independent Contractor. The relationship of the Contractor to Owner is that of an independent Contractor and in accordance therewith, Contractor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of Owner, or make any claim, demand or application, to or for any rights or privileges applicable to any officer or employee of same, including, but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.
5. Contractor Responsibility. The Contractor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. Contractor shall

be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property. Contractor shall make a careful examination of the site, plans, specifications and all conditions affecting the work, and any failure to make such examination will not be a valid excuse for failure to do the work as a basis for any claim for extra compensation or extension of time. Contractor acknowledges having visited the site and shall promptly give Owner written notice of any physical condition discovered differing materially from that indicated in this Agreement or unknown and of an unusual nature differing materially from that ordinarily encountered and generally recognized as adhering to this type of work. The network shall operate in accordance with the expectations of the DDA as outlined in the engineering proposal as submitted by Contractor and approved by the DDA Board. Failure of adequate network operations and coverage, as approved, shall be remedied by the Contractor at Contractor's expense.

6. Equipment. All equipment and materials purchased on behalf of Owner shall be registered and licensed in Owner's name, where applicable; all warranties shall be in Owner's name and warranty documents shall be turned over to Owner upon completion of construction.

7. Access. Owner shall have full administrator access across all equipment for independent management of the system. Owner shall allow access to Contractor to allow its ability to fulfill any contractual obligations between Owner and Contractor. In addition, Owner shall have a Network Management System (NMS) under the control of Owner. Owner may grant usage of NMS to Contractor to meet other contractual obligations with Owner.

8. Indemnity. Contractor shall defend, indemnify and save harmless Owner, its officers and employees, from and against any and all claims, liabilities, losses, damages, actual attorneys' fees and settlement expenses for injury or death, or, any person and damage, or loss of any property allegedly or actually resulting or arising out of any act, omission, or negligence of Contractor or its employees, agents or subcontractors in connection with performing this Agreement, or resulting from or arising out of the joint negligence of Owner and that of Contractor or any other person or entity. Owner shall not be indemnified against liability for damages arising out of bodily injury or damage to property where the entire amount of such damage, whether recoverable or not, is caused by or resulted from the sole negligence of Owner, its officers or employees. This indemnification agreement shall not be limited by reason of any insurance coverage. (Project scope does not include installation. Defects in the equipment hardware, software, brackets, cables, etc. are covered by manufactures warranty.)

9. Insurance. The Contractor shall acquire and maintain comprehensive general liability insurance coverage, and comprehensive automobile liability insurance coverage. The limits and deductible shall be as follows:

- A. Comprehensive General Liability insurance with a \$2,000,000 minimum in coverage.
- B. Comprehensive Automobile Liability insurance with a \$1,000,000 minimum in coverage.

The Contractor agrees not to change such insurance and agrees to maintain such insurance throughout the period of performance of this Agreement. Contractor will within two weeks of the execution of this Agreement provide a certificate of insurance to the Executive Director. Such certificate shall name Owner as an additional insured.

10. Workers' Compensation. The parties shall maintain suitable workers' compensation insurance pursuant to Michigan law and Contractor shall provide a certificate of insurance or copy of state approval for self-insurance to the Executive Director within two weeks of the execution of this Agreement.

11. Compliance with Regulations. The Contractor shall comply with all applicable statutes, rules and regulations of all Federal, State and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

12. Standard of Conduct. Contractor shall render all services under this Agreement according to generally accepted professional practices for the intended use of the work or project.

13. Owner's Obligation. Owner shall provide Contractor with all information currently available to it upon request of the Contractor. Owner's Executive Director, or such other person as the Executive Director shall designate, shall be Owner's representative for purposes of this Agreement.

14. 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, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement. The Contractor agrees to require similar provisions from any sub-contractor.

15. Prohibition Against Assignment. This Agreement is intended to secure the service of Contractor because of its ability and reputation and none of the Contractor's duties under the Agreement shall be assigned, subcontracted, or transferred without the prior written consent of Owner. Any assignment, subcontract or transfer of Contractor's duties under this Agreement must be in writing.

16. Third-Party Participation. The Contractor agrees that despite any subcontract entered into by the Contractor for execution of activities or provision of services related to the completion of this project, the Contractor shall be solely responsible for carrying out the project pursuant to this Agreement. The Contractor shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Contractor in the conduct of the project, unless Owner and the Contractor agree to modification in a particular case. The Contractor shall not subcontract unless agreed upon in writing by

Owner.

17. Interest of Contractor. The Contractor represents that its officers and employees have no interest and covenant that they will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Contractor's services and duties hereunder. The Contractor further covenants that in the performance of the Agreement, no person having any such interest shall be employed. Contractor further covenants that neither it nor any of its principals are in default to Owner.

18. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, Owner shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

19. Qualifications of the Contractor. The Contractor specifically represents and agrees that its officers, employees, agents and consultants have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

20. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in the Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

21. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

22. Termination for Fault. If Owner determines that the Contractor has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, Owner may terminate or suspend this Agreement in whole or in part upon written notice to the Contractor specifying the portions of the Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Contractor shall correct the violations referred to in the notice. If the Contractor does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Contractor at time of termination may be adjusted to cover any additional costs occasioned by reason of the termination. This provision for termination shall not limit or modify any other right of Owner to proceed against the Contractor at law or under the terms of this Agreement.

23. Force Majeure. If because of Force Majeure, either party is unable to carry out any of its obligations under this agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly

gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the federal government, acts of another party to this Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, charter amendments or referendum, orders or acts of civil or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, Owner may terminate this Agreement.

24. Delay. If the Contractor is delayed in the completion of the work due to Force Majeure, or otherwise, the time for completion may be extended for a period determined by Owner to be equivalent to the time of such delay. Owner may terminate this Agreement if the delay lasts for more than 30 days. Upon termination by Owner, the Contractor shall be entitled to and Owner shall pay the costs actually incurred in compliance with this Agreement until the date of such termination, but not more than the maximum contract amount.

25. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of Contractor, or if a person of masculine or feminine gender joins in this Agreement on behalf of Contractor, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires.

26. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.

27. Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein except for the January 27, 2010, Mutual Non-Disclosure Agreement. The parties acknowledge that the Professional Services Agreement signed February 9, 2010, has been fully completed and paid. It is understood that should Contractor recommend further work concerning the project, Owner is under no obligation to engage Contractor in such work.

28. Third-Party Beneficiaries. The parties do not intend for there to be any third party beneficiaries to this agreement.

29. 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.

30. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

31. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

- (A) **Mediation**. If they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.
- (B) **Venue**. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.
- (C) **Notice**. Written notice of a dispute shall be given to the other parties not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice.

32. Owner Responsibility. Owner shall provide the necessary qualified resources for the project to complete negotiation and closure of required agreements, provide staging facility access, fiber network access and configuration, head-end facility access and configuration, outside plant construction of the project per the project plan with any deficiencies in available resources identified and mitigated by Owner to not delay the project. Contractor agrees to assist Owner with power and space agreements, as necessary.

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

TRAVERSE CITY LIGHT and POWER

By: _____
John Taylor, Board Chairman

By: _____
Timothy J. Arends, Secretary

CONTRACTOR

By: _____
Jim Selby, President
Aspen Wireless Technologies, Inc.

APPROVED AS TO SUBSTANCE:

Timothy J. Arends
Executive Director

APPROVED AS TO FORM:

W. Peter Doren
General Counsel

SCHEDULE A

SCOPE OF WORK

The Contractor will furnish and install Wi-Fi Network equipment and materials as required to fully satisfy the items listed under the Scope of Work, Deliverables and Contractor Responsibilities based upon the request of the Executive Director and the Manager of Telecommunications & Technology.

PERFORMANCE HOURS:

All work described in this proposal will be performed between the hours of 7 A.M. and 5 P.M., Monday-Friday.

TCLP RESPONSIBILITIES:

Fiber backbone, pole and root sites for Wi-Fi Network

IP addresses, as required

Equipment rack space for new equipment, as required

Wall space for new equipment, as required

120 VAC outlets, as required

Unfettered access to Existing TCLP facilities, light poles and network equipment with which to interface

Provision of access into rooms/areas required to perform the work described in this proposal, during the hours of performance described in the proposal

Upon award of this contract to Contractor, TCLP to provide:

Coordination with TCLP staff to agree upon a complete schedule for implementation of the proposed Scope of Work

48-hours notice for all inspections

Copy of the Building Permit, as applicable

Copy of the "Notice to Owner", as applicable

Copy of the Tax Exempt Certificate, as applicable

P.O. or contract, referencing this proposal # and amount

The Contractor will provide a turnkey design, build and operational ready Municipal Wi-Fi Network for the TC DDA district area connected to the TCLP existing fiber network. The proposed Wi-Fi Network is to be constructed by contractor according to the design provided in the *TC DDA Wi-Fi Proposal for TCLP.pdf* presentation. It consists of the equipment specified by Contractor at locations specified to provide the Wi-Fi coverage shown on the map. The equipment specified is described on Schedule C.

Phase I - Set up **Staging, IP Core, Controllers Network Management Servers and Internet.**

Phase II - Focus on fiber **backbone** and the **Root** Wi-Fi Sites. Complete approvals and permits.
20 Nodes

Phase III - Standardize on **Power** and **mounting** Mesh Wi-Fi sites mainly on TCLP light poles.

46 Nodes

Contractor will need to have a meeting with TCLP staff to determine best method to tap electrical from TCLP light poles and best method/splice details for accessing TCLP fiber.

Client understands that the Contractor may contract with outside firms to assist in the construction as required. Client understands that input may be provided directly to these outside firms in the process of completing the Agreement. Written notice to the Client will be provided to confirm vendor participation and authority to contact Client directly if necessary.

SOW includes:

1. Engineering assistance with Merit Networks:
 - a. Direct Internet Access (DIA) engineering assistance
 - b. Customer Premise Equipment Procurement and installation
2. System Integration of Wi-Fi Network
 - a. Procure equipment
 - b. Receive and set up staging area at Hastings or Hall Street
 - c. Finalize TCLP light pole selection
 - d. Enhance fiber to support Wi-Fi Network
 - e. Configure network backbone and Wi-Fi devices
 - f. Install Root AP sites
 - g. Install TCLP pole sites
 - h. Provision, optimize and document devices
 - i. Install Operations Support Systems (OSS)
 - j. Install Network Management Server setting up TCLP visibility and alarms.
3. Network Testing
 - a. Infrastructure Integration/System Testing Complete
 - b. Network Operations Center (NOC) Processes Complete
 - c. Technician Training Complete
 - d. Trouble Report Testing Complete
 - e. Operational Readiness Verification
 - f. Review final Punch List and complete
4. Network Approval for DDA Launch
 - a. Address DDA wants and concerns
5. Network Operation and Maintenance
 - a. Report network operation monthly
 - i. Monitor and Tune Network Performance
 - ii. Perform Necessary Maintenance

CLARIFICATIONS:

This SOW includes equipment, materials, and labor for a complete installation.

This quotation is valid for 30 days. Prices include freight, submittals, technical installer support (TIS) which includes test & checkout, and a one-year warranty. Ruckus Equipment will have a 10-year warranty with the Operations and Maintenance agreement.

Returned material must be re-sellable, unopened in its original packaging. Any material or containers that are opened, defaced, or damaged cannot be returned to Contractor. Restocking fees may apply for returned equipment.

All Contractor warranty work shall be performed during standard weekday office hours and shall not require any special access equipment. Hoists, man-lifts, extra long ladders, special safety equipment, and the like, shall be provided by others when required. Contractor requires that 90% of the project invoices be paid prior to Contractor arriving on site for final walkthrough.

This quotation does not include installation of TCLP panel equipment or field devices unless otherwise stated in an attached material list as provided by Contractor.

EXCLUSIONS:

In-ceiling conduit raceways or cable trays for wire, core drilling or roof penetrations
120VAC power circuits that are not present.
Building generators or other power backup systems not included in project scope
Trenching, over lashing, back-filling, re-seeding and/or walk-way or outside plant repair
Cutting, drilling, patching or painting (fire caulking will be included for cable/conduit, penetrations through fire-rated walls as required to complete this project)
Configuration of non-contractor provided equipment (i.e. TCLP network equipment or servers)
Permits

SCHEDULE B

Contractor services shall commence within 2 calendar days after execution of this Agreement. The schedule of activities shall be as follows:

Services shall be completed no later than August 4th, 2014 based on Purchase Order issuance by June 3rd, 2014.

SCHEDULE OF PAYMENTS

Payments shall be made to the Contractor in accordance with the following schedule:

Any change orders must be approved in advance.

- Schedule of payments:

| ID | Project Deliverable | Date | Amount |
|-----------|--------------------------------|-----------------|---------------|
| P1 | Procure all network components | June 25, 2014 | 313,200.00 |
| P2 | Headend and backbone complete | June 25, 2014 | \$12,500.00 |
| P3 | Root sites Complete | July 10, 2014 | \$22,000.00 |
| P4 | Pole Sites Complete | July 10, 2014 | \$28,520.00 |
| P5 | Network tested & operational | August 10, 2014 | \$5,500.00 |
| Total | | | \$381,720.00 |

Contractor shall perform to the best of its abilities to achieve estimated completion dates, however is not bound to these specific dates and is not responsible for reasonable delays. Estimated completion dates are based upon timely receipt of payments, information, schedule of personnel and any 3rd party deliverable estimates.

SCHEDULE C

| Capital Expenditures | QTY | Type | Cost | U/M | Total |
|--------------------------------------------------------------------------------|-----|-----------|-----------|-----------------------------|-------------------|
| Node Testing, Turn up, NMS integration TCLK Alarms, turn over to WaVE-NOC | | | | | |
| Project Management, Systems Admin, Programming Controller and DDA Integration | | | | | |
| Node testing and optimization | 3 | wks | \$ 2,500 | week | \$ 7,500.00 |
| MetroE gigabit Backhaul Link | 1 | links | \$ 4,800 | ea | \$ 4,800.00 |
| IPCORE/HSRP/NMS | 3 | IPCore | \$ 2,000 | ea | \$ 6,000.00 |
| Rack/patch/Mounting Equipment | 8 | POP sites | \$ 400 | ea | \$ 3,200.00 |
| Headend Controller | 2 | servers | \$ 6,000 | ea | \$ 12,000.00 |
| Outdoor Cat6 | 5 | 1000' box | \$280.00 | ea | \$ 1,400.00 |
| Battery Back-up & Power controller | 8 | hardware | \$ 1,200 | ea | \$ 9,600.00 |
| ZoneDirector 3000 supporting up to 100 ZoneFlex Access Points | 1 | hardware | \$ 14,000 | ea | \$ 14,000.00 |
| Partner WatchDog Support for ZoneDirector 3000, 100 AP License Upgrade, 5 Year | 1 | software | \$ 5,000 | 5yr | \$ 5,000.00 |
| | | | | Headend Costs | \$ 63,500 |
| | | | | Node Costs | \$ 318,220 |
| | | | | Capital Expenditures | \$ 381,720 |

| Node # | Node Name | Location | City | State | Lat | Long | Altitude | Speed | Capacity | Power | Backhaul | Notes | |
|---------|---------------------|-------------|------------|-------|-------------------|--------------------|-------------------|---------------------|--------------------|-------------------|-----------|------------------|---------------------|
| Node-01 | Academy | 65.00723555 | 44.7817729 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-02 | Avonshire | 65.02221555 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-03 | Brooklyn | 65.02777155 | 44.7818880 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-04 | Coppage | 65.02587724 | 44.7824774 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-05 | Varhousenedell | 65.02277734 | 44.7821287 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-06 | Trilbron | 65.02277734 | 44.7824184 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-07 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-08 | Emery | 65.02522887 | 44.7825430 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-09 | Varhousenedell | 65.02277734 | 44.7821287 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-10 | Brookdough | 65.02472704 | 44.7841174 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-11 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-12 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-13 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-14 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-15 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-16 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-17 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-18 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-19 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-20 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-21 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-22 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-23 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-24 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-25 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-26 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-27 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-28 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-29 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-30 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-31 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-32 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-33 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-34 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-35 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-36 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-37 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-38 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-39 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-40 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-41 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-42 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-43 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-44 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-45 | Lybba | 65.0239629 | 44.7812220 | MA | 422.00 | 2,700.00 | | | | | | | |
| Node-46 | Lawrence | 65.02515519 | 44.7815480 | MA | 422.00 | 2,700.00 | | | | | | | |
| ROOT-01 | Central St | 65.0280159 | 44.7818493 | MA | 3,750.00 | 5,500.00 | | | | 2,000.00 | 600.00 | | |
| ROOT-02 | Central St East | 65.0287520 | 44.7818228 | MA | | 2,700.00 | | | | 400.00 | | | |
| ROOT-03 | High St South | 65.0274933 | 44.7824933 | MA | 2,700.00 | 2,700.00 | | | | 2,400.00 | 600.00 | | |
| ROOT-04 | High St North | 65.0271221 | 44.7822221 | MA | | 350.00 | | | | 350.00 | | | |
| ROOT-05 | Osborn Hill East | 65.0236225 | 44.7835887 | MA | 2,700.00 | 1,750.00 | | | | 2,400.00 | 400.00 | | |
| ROOT-06 | Osborn Hill West | 65.0232982 | 44.7843120 | MA | 422.00 | 422.00 | | | | 380.00 | 400.00 | | |
| ROOT-07 | Osborn Hill East | 65.0236225 | 44.7835887 | MA | 422.00 | 422.00 | | | | 400.00 | | | |
| ROOT-08 | Old Town Parking | 65.0287520 | 44.7818228 | MA | 2,700.00 | 2,700.00 | | | | 2,400.00 | 400.00 | | |
| ROOT-09 | Low | 65.0287520 | 44.7818228 | MA | | 1,350.00 | | | | 2,000.00 | 400.00 | | |
| ROOT-10 | Ton 2 | 65.0275493 | 44.7821244 | MA | | 422.00 | | | | 350.00 | 400.00 | | |
| ROOT-11 | Old Town Parking NE | 65.0287520 | 44.7818228 | MA | | 1,350.00 | | | | 380.00 | 600.00 | | |
| ROOT-12 | Hill | 65.0287520 | 44.7818228 | MA | 3,750.00 | 2,250.00 | | | | 2,400.00 | 400.00 | | |
| ROOT-13 | Hill South | 65.0287520 | 44.7818228 | MA | | 400.00 | | | | 400.00 | | | |
| ROOT-14 | Hill West | 65.0287520 | 44.7818228 | MA | | 422.00 | | | | 400.00 | | | |
| ROOT-15 | Parking #1 North | 65.0287520 | 44.7818228 | MA | 2,700.00 | 1,200.00 | | | | 2,400.00 | 1,750.00 | | |
| ROOT-16 | Parking #1 South | 65.0287520 | 44.7818228 | MA | | 1,200.00 | | | | 350.00 | 450.00 | | |
| ROOT-17 | Parking #1 North | 65.0287520 | 44.7818228 | MA | | 422.00 | | | | 380.00 | 450.00 | | |
| ROOT-18 | Parking #1 South | 65.0287520 | 44.7818228 | MA | | 422.00 | | | | 380.00 | 450.00 | | |
| ROOT-19 | Old Town | 65.0287520 | 44.7818228 | MA | 3,750.00 | 2,250.00 | | | | 3,500.00 | 450.00 | | |
| ROOT-20 | WASHING CROSS | 65.0287520 | 44.7818228 | MA | 3,750.00 | 1,750.00 | | | | 1,800.00 | 2,000.00 | | |
| | | | | | NODE COSTS | \$22,550.00 | \$6,020.00 | \$178,500.00 | \$28,250.00 | \$5,600.00 | \$ | 28,100.00 | \$318,220.00 |



To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: May 7, 2014
Subject: Quarterly Financial Report

Enclosed in your packet are the second quarter financial statements for the Electric and Fiber Funds.

Electric Utility Fund:

As of December 31, 2013 (50% through the fiscal year) operating revenues are 54.1% of budgeted operating revenues. Commercial and Industrial sales have shown the largest dollar increase over the prior year at approximately \$477,000, while Residential sales have increased approximately \$28,000. The combination of slightly lower kWh sales and the Boards action to unfreeze the Power Cost Recovery Rate (PCR) as of October 1, 2013 have resulted in the overall increase in revenues over prior year.

MISO revenues are significantly lower from prior year because year to date 12/31/2012 includes an overpayment correction that did not occur until the following quarter.

Total operating expenses are at 48.2% of budget year-to-date, or very nearly on-budget. Overall purchased power costs are at 49.2% of budget slightly lower because of reduction in kWh sales. Other expense categories are at or under budget through the second quarter. Distribution and General administration expense are under budget because of the staff positions not being filled. Conservation and public services is significantly under budget at 20.1% because of the additional allocation of PA 295 funds during the budget process that will not be expended until a plan is developed in the 2014-2015 fiscal year.

Net income through the first quarter is \$2.25 million, which is ahead of budget.

Fiber Fund:

Revenues in the Fiber Fund are on-budget while expenses are under budget (favorable). Net income of \$41,071 is 64.7% of budget through December. The fund has positive cash flow and may begin reimbursements to the electric utility fund for the initial investment of the backbone fiber network.

Total operating expenses are at 50.9% of budget year-to-date, or very nearly on-budget. Supervision and maintenance have exceeded budget estimates slightly because of the assistance provided to GTACS in starting up their connection to our fiber network, which is offset by the reimbursements received in non-operating revenues.

TRAVERSE CITY LIGHT & POWER

Balance Sheet

December 31, 2013

| ASSETS | | LIABILITIES AND NET ASSETS | |
|----------------------------------|---------------------|-----------------------------------------|-------------------------|
| Current assets | | Current liabilities | |
| Cash and cash equivalents | \$1,970,091 | Accounts payable | \$1,528,915 |
| Investments | 19,633,282 | Customer deposits & credits | 142,872 |
| Receivables | | Accrued expenses & other liabilities | 449,264 |
| Customer (net of allowance) | 3,783,930 | Due to primary government | 159,866 |
| Accrued interest | 64,836 | | |
| Taxes | 0 | Total current liabilities | 2,280,917 |
| Other | 135,700 | | |
| Inventories | 1,718,208 | Long-term liabilities | |
| Prepaid expenses | 46,217 | Compensated absences | 216,923 |
| | | | |
| Total current assets | 27,352,263 | Total liabilities | 2,497,840 |
| | | | |
| Long-term assets | | Net assets | |
| Long-term advances & OPEB assets | 1,030,284 | Invested in capital assets | 45,656,126 |
| Land and land improvements | 1,388,981 | Unrestricted | 25,884,707 |
| Construction in progress | 6,897,439 | | |
| Capital assets, net | 37,369,706 | Total net assets | 71,540,833 |
| | | | |
| Total long-term assets | 46,686,410 | | |
| | | Total liabilities and net assets | \$74,038,673 |
| Total assets | \$74,038,673 | | |
| | | | |
| | | Total Cash & Investments | \$ 21,603,372.36 |
| | | Difference | \$ - |

TRAVERSE CITY LIGHT & POWER
Schedule of Revenues & Expenses - Budget and Actual
For the Month Ended December 31, 2013

| | Current Month | Y-T-D Actual | Annual Budget | % of Budget |
|------------------------------------------|-------------------|---------------------|-------------------|----------------|
| Operating revenues - sales | \$ 2,331,746 | \$ 16,172,311 | \$ 29,971,000 | 54.0% |
| Other operating revenues | 204,458 | 1,520,577 | 2,704,000 | 56.2% |
| Total operating revenues | 2,536,204 | 17,692,888 | 32,675,000 | 54.1% |
| <u>Generation expense:</u> | | | | |
| Purchased power | 452,980 | 3,365,584 | 6,440,000 | 52.3% |
| Stoney corners-wind energy | 219,222 | 1,287,292 | 2,970,000 | 43.3% |
| Combustion turbine | 243,093 | 1,681,834 | 3,978,000 | 42.3% |
| Campbell/belle river | 762,014 | 5,122,281 | 8,840,000 | 57.9% |
| Landfill gas | 45,018 | 231,794 | 460,000 | 50.4% |
| Other operations & maintenance | 30,241 | 108,630 | 78,000 | 139.3% |
| Total generation expenses | 1,752,568 | 11,797,415 | 22,766,000 | 51.8% |
| <u>Distribution expense:</u> | | | | |
| Operations & maintenance | 313,123 | 1,543,269 | 3,470,000 | 44.5% |
| <u>Transmission expense:</u> | | | | |
| Operations & maintenance | 25,007 | 149,741 | 420,900 | 35.6% |
| <u>Other operating expense:</u> | | | | |
| Metering & customer accounting | 29,181 | 197,266 | 573,400 | 34.4% |
| Conservation & public services | 55,856 | 206,292 | 1,027,750 | 20.1% |
| General administration | 92,672 | 386,510 | 1,163,950 | 33.2% |
| Insurance | 5,655 | 25,528 | 66,350 | 38.5% |
| Depreciation expense | 156,574 | 939,528 | 1,982,000 | 47.4% |
| City fee | 120,000 | 720,000 | 1,634,700 | 44.0% |
| Total other operating expenses | 459,937 | 2,475,124 | 6,448,150 | 38.4% |
| Total operating expenses | 2,550,636 | 15,965,548 | 33,105,050 | 48.2% |
| Operating income/(loss) | (14,432) | 1,727,340 | (430,050) | -401.7% |
| <u>Other revenues/(expenses):</u> | | | | |
| Non-operating revenues | 118,875 | 527,797 | 430,050 | 122.7% |
| Non-operating expenses | 0 | 0 | 0 | --- |
| Net income | \$ 104,443 | \$ 2,255,137 | \$ - | |

TRAVERSE CITY LIGHT & POWER
Revenue & Expenses Compared

| | December 2013 | December 2012 | Increase/Decrease | % | Y-T-D 12/31/2013 | Y-T-D 12/31/2012 | Increase/Decrease | % |
|------------------------------|------------------------|------------------------|----------------------|------------|-------------------------|-------------------------|----------------------|------------|
| Federal Grants | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ - | |
| State Grant - Other | - | - | - | | - | - | - | |
| Residential Sales | 431,268.31 | 512,941.78 | (81,673.47) | (15.9) | 3,059,895.39 | 3,032,167.26 | 27,728.13 | 0.9 |
| Commercial Sales | 1,116,873.82 | 1,115,247.81 | 1,626.01 | 0.1 | 7,886,915.46 | 7,580,118.98 | 306,796.48 | 4.0 |
| Industrial Sales | 745,596.66 | 714,566.20 | 31,030.46 | 4.3 | 4,896,567.11 | 4,725,932.62 | 170,634.49 | 3.6 |
| Public Authority Sales | 15,819.91 | 14,466.79 | 1,353.12 | 9.4 | 175,241.95 | 165,503.71 | 9,738.24 | 5.9 |
| Street Lighting Sales | 16,257.52 | 16,237.02 | 20.50 | 0.1 | 112,892.43 | 97,358.51 | 15,533.92 | 16.0 |
| Yard Light Sales | 5,929.94 | 6,624.40 | (694.46) | (10.5) | 40,798.80 | 39,433.00 | 1,365.80 | 3.5 |
| Forfeited Discounts | 5,785.28 | 4,423.10 | 1,362.18 | 30.8 | 25,546.99 | 31,270.57 | (5,723.58) | (18.3) |
| Merchandise & Jobbing | 3,661.10 | 1,255.50 | 2,405.60 | 191.6 | 43,987.22 | 19,300.73 | 24,686.49 | 127.9 |
| Interest & Dividend Earnings | 50,760.96 | 62,476.43 | (11,715.47) | (18.6) | 190,573.98 | 120,677.00 | 69,896.98 | 57.9 |
| Rents & Royalties | 1,477.00 | 1,477.00 | - | 0.0 | 38,432.38 | 14,785.00 | 23,647.38 | 159.9 |
| Sale of Fixed Assets | 48,240.00 | - | 48,240.00 | #DIV/0! | 55,567.60 | - | 55,567.60 | #DIV/0! |
| Reimbursements | 18,397.09 | 395.80 | 18,001.29 | 4,548.1 | 239,066.08 | 37,302.87 | 201,763.21 | 540.9 |
| Recovery of Bad Debts | - | - | - | #DIV/0! | 142.96 | - | 142.96 | #DIV/0! |
| Sales of Scrap | 1.00 | 298.63 | (297.63) | (99.7) | 29,723.43 | 33,939.40 | (4,215.97) | (12.4) |
| Miscellaneous Income | 1,010.15 | 3,497.70 | (2,487.55) | (71.1) | 16,270.47 | 15,701.09 | 569.38 | 3.6 |
| Refunds & Rebates | - | - | - | #DIV/0! | 403.00 | - | 403.00 | #DIV/0! |
| Pole Rentals | - | - | - | #DIV/0! | 4,157.96 | 9,670.00 | (5,512.04) | (57.0) |
| MISO Revenues | 194,000.54 | - | 194,000.54 | #DIV/0! | 1,404,503.19 | 1,746,211.85 | (341,708.66) | (19.6) |
| Total Revenues | \$ 2,655,079.28 | \$ 2,453,908.16 | \$ 201,171.12 | 8.2 | \$ 18,220,686.40 | \$ 17,669,372.59 | \$ 551,313.81 | 3.1 |

Expenses:

| | | | | | | | | |
|---------------------------------|------------------------|------------------------|------------------------|----------------|-------------------------|-------------------------|------------------------|--------------|
| Generation Operations & Maint | \$ 1,752,567.56 | \$ 1,849,195.99 | \$ (96,628.43) | (5.2) | \$ 11,797,414.93 | \$ 12,183,953.64 | \$ (386,538.71) | (3.2) |
| Distribution Operations & Maint | 313,123.42 | 344,345.86 | (31,222.44) | (9.1) | 1,543,268.82 | 1,759,622.94 | (216,354.12) | (12.3) |
| Transmission Operations & Maint | 25,007.47 | 16,368.56 | 8,638.91 | 52.8 | 149,740.88 | 112,581.28 | 37,159.60 | 33.0 |
| Metering & Customer Accounting | 29,180.52 | 49,951.69 | (20,771.17) | (41.6) | 197,266.33 | 217,833.08 | (20,566.75) | (9.4) |
| Conservation & Public Services | 55,855.75 | 91,108.45 | (35,252.70) | (38.7) | 206,291.60 | 360,070.28 | (153,778.68) | (42.7) |
| Administration | 92,671.56 | 87,127.79 | 5,543.77 | 6.4 | 386,509.54 | 508,633.93 | (122,124.39) | (24.0) |
| Other | 282,229.34 | 276,109.94 | 6,119.40 | 2.2 | 1,685,057.04 | 1,646,975.10 | 38,081.94 | 2.3 |
| Total Expenses | \$ 2,550,635.62 | \$ 2,714,208.28 | \$ (163,572.66) | (6.0) | \$ 15,965,549.14 | \$ 16,789,670.25 | \$ (824,121.11) | (4.9) |
| Net Income | \$ 104,443.66 | \$ (260,300.12) | \$ 364,743.78 | (140.1) | \$ 2,255,137.26 | \$ 879,702.34 | \$ 1,375,434.92 | 156.4 |
| | \$ 0 | \$ 0 | \$ 0 | | \$ 0 | \$ 0 | \$ 0 | |

**TRAVERSE CITY LIGHT & POWER
FIBER FUND
Balance Sheet
December 31, 2013**

| ASSETS | | LIABILITIES AND NET ASSETS | |
|-------------------------------|--------------------|-----------------------------------------|--------------------|
| Current assets | | Current liabilities | |
| Cash and cash equivalents | \$278,439 | Accounts payable | \$0 |
| Accounts receivable | 6,078 | Due to other funds | 10,402 |
| Prepaid Insurance | 454 | Deferred revenue | 13,200 |
| Total current assets | 284,970 | Total liabilities | 23,602 |
| Long-term assets | | Net assets | |
| Construction in progress | 94,678 | Contribution from other funds | 1,208,876 |
| Capital assets, net | 1,244,822 | Unrestricted fund balance | 391,993 |
| Total long-term assets | 1,339,500 | Total net assets | 1,600,869 |
| Total assets | \$1,624,470 | Total liabilities and net assets | \$1,624,470 |

**TRAVERSE CITY LIGHT & POWER
FIBER FUND**
Schedule of Revenues & Expenses - Budget and Actual
For the Month Ended December 31, 2013

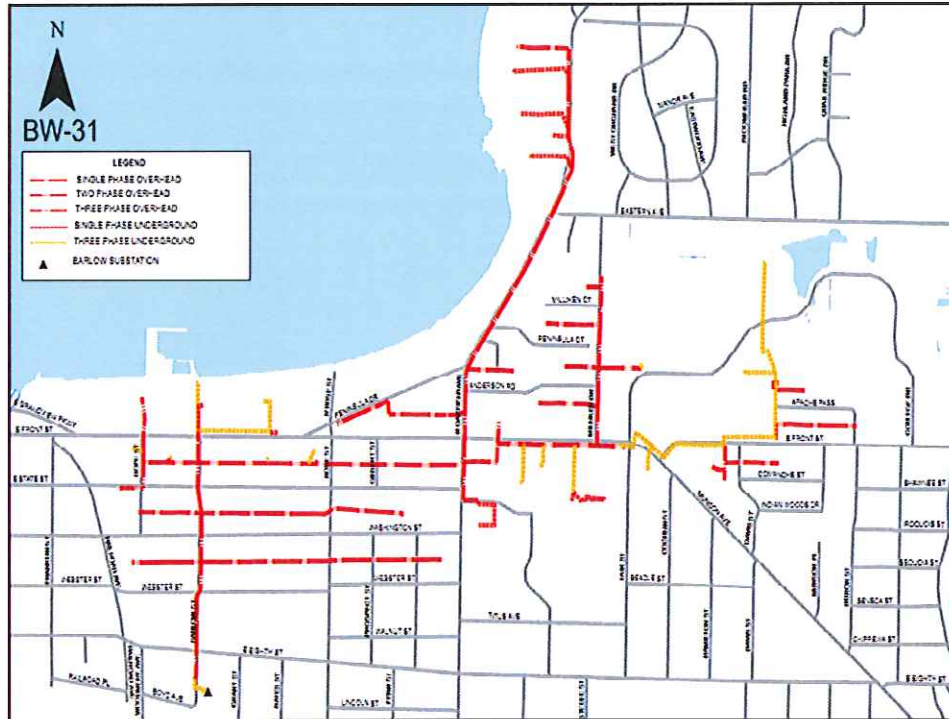
| | Current Month | Y-T-D Actual | Annual Budget | % of Budget |
|---------------------------------------|------------------|------------------|------------------|----------------|
| <u>Operating revenues:</u> | | | | |
| Charges for services | \$ 19,350 | \$ 114,890 | \$ 229,000 | 50.2% |
| Total operating revenues | 19,350 | 114,890 | 229,000 | 50.2% |
| <u>Operating expenses:</u> | | | | |
| Office & operating supplies | - | - | 2,000 | 0.0% |
| Supervision & maintenance | 2,031 | 28,399 | 41,000 | 69.3% |
| Overhead & underground lines | 839 | 2,867 | 16,000 | 17.9% |
| Customer installations | - | - | 6,500 | 0.0% |
| Termination boxes | 2,313 | 13,494 | 16,500 | 81.8% |
| Tools | - | - | 150 | 0.0% |
| Professional & Contractual Svcs. | - | 1,065 | - | --- |
| Legal Services | - | 3,655 | - | --- |
| City fee | - | - | 10,100 | --- |
| Professional development | - | - | 2,150 | 0.0% |
| Insurance | 76 | 337 | 1,000 | 33.7% |
| Repairs and Maintenance | - | - | 500 | 0.0% |
| Depreciation expense | 7,269 | 43,611 | 87,600 | 49.8% |
| Total operating expenses | 12,527 | 93,427 | 183,500 | 50.9% |
| Operating income/(loss) | 6,823 | 21,463 | 45,500 | 47.2% |
| <u>Non-operating revenues:</u> | | | | |
| Reimbursements | 3,108 | 19,608 | 18,000 | 108.9% |
| Net income | \$ 9,931 | \$ 41,071 | \$ 63,500 | 64.7% |

Traverse City Light & Power
May 13, 2014

BW-31 Circuit Rehab Update

AREA MAP

BW-31 CIRCUIT



CREW

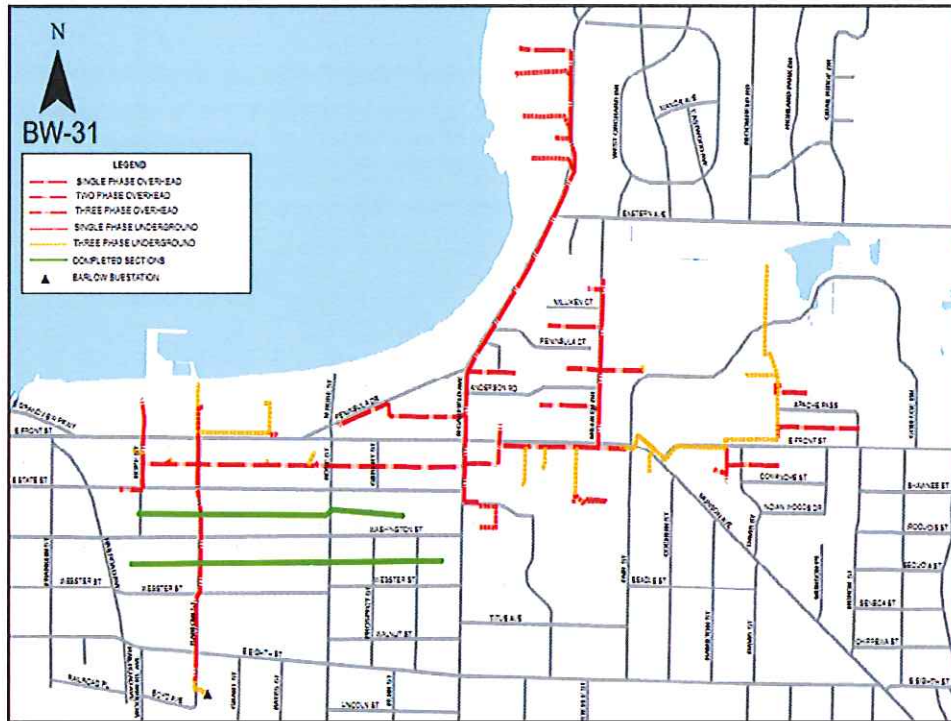
- TCL&P has one 3-man crew dedicated to BW-31 circuit rehab work
 - This crew is pulled from circuit rehab work to assist with outages, customer projects, etc. as needed
- Circuit work began in January 2014
- Additional TCL&P crews are used to assist in circuit rehab work as needed

METHOD OF APPROACH

- This winter, crews began reconductoring single phase in the south alleyways of State and Washington between Hope and Garfield
- Pole testing on the BW-31 circuit will be completed first as part of the pole inspection program approved by the Board at the April 8, 2014 meeting
- Numerous new poles to be set throughout the summer and fall in order to work on reconductoring the lines throughout the winter

WORK COMPLETED TO-DATE

BW-31 CIRCUIT



BUDGET

\$900,000 Total Budget

\$36,976.71 Labor

6,786.47 Material

20,831.47 Equipment

\$64,594.65 Total Project Costs To-Date

QUESTIONS?