



**COMMITTEE OF THE WHOLE MEETING
AGENDA**

November 06, 2018

**5:30 P.M. – 1201 S. Washington Ave.
Lansing, MI - REO Town Depot
Board of Water & Light Headquarters**

Call to Order

Roll Call

Public Comments on Agenda Items

1. Committee of the Whole Meeting Minutes of September 18, 2018.....**TAB 1**
2. Regular Board Meeting Schedule 2019-Resolution**TAB 2**
3. Michigan Public Power Agency (MPPA) Commissioner Appointment Resolution.....**TAB 3**
4. Pole Attachment.....**INFO ONLY**
5. Easement Grant to Consumers Energy Resolution.....**TAB 4**
6. Enterprise Risk Management Update.....**INFO ONLY**
7. Asset Management Update.....**INFO ONLY**

Other

Adjourn

COMMITTEE OF THE WHOLE
Meeting Minutes
September 18, 2018

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, September 18, 2018.

Committee of the Whole Chair Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Beth Graham, Anthony McCloud, Tony Mullen, David Price, Ken Ross, Tracy Thomas, and Non-Voting Member: William Long (Delta Township)

Absent: Commissioners Dion'trae Hayes (Lansing Township) and Douglas Jester (East Lansing)

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Price, **Seconded** by Commissioner McCloud, to approve the Committee of the Whole meeting minutes of July 10, 2018.

Action: Motion Carried.

Safety Report Update

General Manager Dick Peffley reported that an OSHA investigation was conducted at the Eckert station and a clean bill of health was received. Also, a MIOSHA investigation was conducted at the Erickson station and GM Peffley introduced Oscar Rodriguez-Franco, Industrial Health and Safety Manager, who provided information from the Safety Report Update. Mr. Rodriguez-Franco stated that an award was received for best practices in natural gas leak testing at the combined cycle co-generation plant due to the leadership in Electric Production, Director Roberto Hodge. Mr. Rodriguez-Franco also stated that BWL has been working with Marsh Risk Consulting to improve safety and with MIOSHA to improve compliance. Several items were found where improvement was needed. Mr. Rodriguez-Franco recognized Erickson station leadership Manager, Lucinda Lehmkuhle; Operating Supervisor, Scott Mills; and Station Shift Supervisor, Dave Klemish for stepping forward and working as a team to address the safety items.

Commissioner Zerkle commended Oscar Rodriguez-Franco on his dedication to safety and employees.

GM Peffley stated that even though the plant is closing employees are still making the necessary corrections to comply with safety.

Strategic Plan Update 2018

General Manager Dick Peffley introduced George Stojic, Executive Director of Planning and Development, who reviewed the updates to the 2018 Strategic Plan which was adopted in September

2016. Mr. Stojic introduced an updated spreadsheet and explained the color coding that was designed to show changes and additions in the Plan’s milestones. Mr. Stojic stated that there were no strategy changes to the seven Strategic Plan strategies: Customer Experience, Community Involvement, Effectively Acquire and Manage Resources, Implement New Technologies, Workforce, Financial Stability, and BWL Leadership.

Commissioner Long inquired whether the SmartMeters that are being installed would all be activated at the same time. GM Peffley responded that SmartMeters are currently being installed and tested and would all be activated at the same time in 2021.

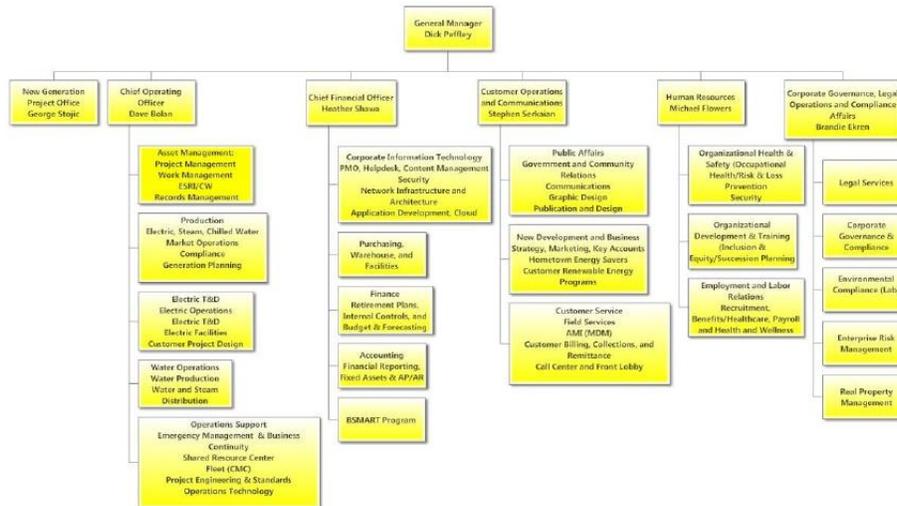
Mr. Stojic stated that the BWL is on track to successfully implement the Plan and gave the Board a high-level overview of the Staff’s progress with the Plan’s Objectives and tasks.

Commissioner Long asked where the responsibility lies organizationally with emergency planning. Mr. Stojic responded that question would be answered in the next presentation.

Commissioner Zerkle asked if there was an incentive package for new business customers. GM Peffley responded that there a couple different levels for smaller and larger customers. Commissioner Zerkle also stated that she appreciated the updates to the strategic plan.

Organizational Structure Update

Mr. George Stojic reported that the BWL had undertaken six major initiatives including: closing Eckert Power Plan, buildout of the Transmission and Distribution System, the transition of the workforce, the Strategic Plan, adopting five new technology projects, and an asset management plan. To help ensure success implementing the initiatives, BWL staff hired a consulting firm to review the BWL’s process and organizational structure for alignment with the initiatives. The consulting firm, UMS Group, made several business process recommendations and recommended changes to the BWL’s organizational structure. The BWL staff made a few modifications to the UMS proposal and is in the process of implementing the new organizational structure (shown below).



Commissioner Long commented on the lack of departments under Executive Director George Stojic and GM Peffley responded that Mr. Stojic is transitioning into retirement. Commissioner Long also restated his earlier question regarding emergency planning. GM Peffley responded that there is an Emergency Manager that reports to Chief Operating Officer, Dave Bolan, plus new policies and procedures were put into place. Commissioner Long stated the Mayor was decreed as the authority during emergencies and GM Peffley stated that BWL has worked with the city administration on recent emergencies.

Capital Project Update

GM Peffley reported that approximately 100 Capital Projects are now in progress and that the following 10 projects make up 60% of the budget:

1. The new plant has a budget of \$500 million. Combustion turbines have been ordered at a good price, an owner's representative and a design engineering company have been hired, and construction bids were due this week. Ground breaking will be in the spring of 2019 and the plant will go online first quarter 2021.
2. Westside reinforcement project has a budget of \$33 million and was completed this summer on time and under budget.
3. Central substation has a budget of \$28 million. Some equipment is being powered up and circuits are being pulled in. The project is overbudget right now but is being evaluated.
4. AMI, Smartmeters, has a budget of \$31 million. One third of the electric meters have been installed and the project will be completed in June of 2020.
5. CIS has a placeholder budget of \$14 million. This project is in the procurement stages and is scheduled to be completed in December 2021. No schedule or budget issue at this time.
6. Wise Road substation upgrade has a budget of \$13 million. Engineering is just beginning and the project in within budget and schedule.
7. Lansing Grand River substation for GM has a budget of \$12.5 million. It will go live in 2022. No schedule or budget issues at this time.
8. Electric distribution automation has a budget of \$7 million. If there are faults on a line, outages will be located quicker and restored faster. The first phase is scheduled for summer of 2019.
9. REO hot section rebuild has a budget of \$5 million. Two turbines costing \$2.5 million each will be rebuilt. The first turbine was completed this week. The second turbine will be rebuilt in April 2019. The turbines have approximately a five-year life.
10. Erickson turbine rebuild has a budget of \$4 million. This will be the last rebuild for the station.

Customer Payment Audit Follow-Up

GM Peffley introduced Customer Service Manager, Bob Perialas, who spoke about the customer payment arrangements and third-party payments. The audit found that in general arrangements are successful and are positively impacting customers; and although there is a 60% success rate, this average could be higher. Reaching out to counterparts to find out what payment arrangements are available and what analytics are available is being used to determine what that average should be. Secondly, the audit found that the appropriate approval for a special arrangement didn't make a difference for the success of payment arrangements.

Commissioner Price asked if there was a commonality among the customers that were successful in making payments. Mr. Perialas responded that there a number of customers and a review hasn't been done to determine if there is any commonality.

Commissioner Zerkle asked if there were any community dynamics that affected whether customers had difficulty meeting the payment arrangements. Mr. Perialas responded that there a number of customers and they wouldn't want to not offer a customer an arrangement based on geographic location.

Commissioner Long asked if there was any pattern to how quickly a response is given to a customer. GM Peffley responded that up until a couple of years ago shutoffs were done without working with customers. Now customers need to minimize use of power to keep their bill down. BWL is looking toward a system that will keep track of the criteria in customer payments.

Commissioner Zerkle asked if it was correct that once the Smartmeters were in use it would be easier to keep track of the criteria needed to determine the successfulness of meeting payment arrangements and Mr. Perialas responded that it would be.

Other

Commissioner Price congratulated the BWL Team that received the gold medal in the Capital City Dragon Boat Race.

Commissioner McCloud inquired whether emergency services were being provided for hurricane Florence communities. GM Peffley responded that BWL has not been asked to provide service yet but teams are on call and ready to go if needed.

Committee of the Whole Chair Zerkle congratulated Corporate Secretary Denise Griffin on a milestone of 10 years worked at BWL and presented Ms. Griffin with a certificate of appreciation.

Motion by Commissioner McCloud, Seconded by Commissioner Mullen, to excuse Commissioners Dion'trae Hayes and Douglas Jester from tonight's meeting.

Action: Motion Carried

Adjourn

Motion by Commissioner McCloud , **Seconded** by Commissioner Mullen to adjourn the meeting.

Meeting adjourned at 6:47 p.m.

Respectfully Submitted
Sandra Zerkle, Chair
Committee of the Whole

2019 Regular Board Meeting Schedule

In accordance with the Lansing Board of Water & Light's Rules of Administrative Procedure, a schedule of dates, places, and times for each regular meeting of the Board of Commissioners for the calendar year shall be adopted in November.

RESOLVED, that regular meetings of the Lansing Board of Water & Light's Board of Commissioners are hereby set for calendar year 2019 as follows, unless otherwise notified or as a result of date conflicts with rescheduled City Council meetings:

2019

Lansing Board of Water & Light Board of Commissioners **Regular Board Meeting Schedule**

Tuesday	January 22
Tuesday	March 26
Tuesday	May 28
Tuesday	July 23
Tuesday	September 24
Tuesday	November 19

Meetings will be held in the Lansing Board of Water & Light REO Town Depot located at 1201 S. Washington Ave., Lansing, MI at 5:30 p.m.

RESOLVED FURTHER, that a notice of the meeting schedule shall be published in a newspaper of general circulation in Ingham County the week of January 1, 2019.

PROPOSED RESOLUTION
AMENDING APPOINTMENT TO MICHIGAN PUBLIC POWER AGENCY

WHEREAS, Robert Lalonde is the Michigan Public Power Agency (MPPA) Commissioner on behalf of the Lansing Board of Water & Light (BWL), along with Bradley Stoecker and Constance Carantza, who serve as First and Second Alternate Commissioners, respectively; and

WHEREAS, Bradley Stoecker resigned his position with the BWL effective October 1, 2018; and

WHEREAS, James Mitchell has served as the BWL's Bulk Power Trading Supervisor for approximately 4 years; and

WHEREAS, it is appropriate and in the best interest of the BWL to name a replacement for the BWL's First Alternate on behalf of the BWL.

NOW, BE IT RESOLVED, that Robert Lalonde will remain as the MPPA Commissioner on behalf of the BWL.

FURTHER RESOLVED, that Constance Carantza will remain as the Second Alternate Commissioner.

FURTHER RESOLVED, that James Mitchell is named as BWL's First Alternate MPPA Commissioner.

PROPOSED RESOLUTION
Easement Grant to Consumers Energy Company

RESOLVED, that the Board of Commissioners hereby recommends that Lansing City Council grant an easement to Consumers Energy Company which will be located on property occupied and maintained by the Board of Water and Light; and

FURTHER RESOLVED, the General Manager of the Board of Water and Light is authorized to execute all documents to effectuate this easement grant once approved by the Lansing City Council.

Staff Comments: The Board of Water and Light's ("BWL") new power plant in Delta Township will be fueled by natural gas which requires a new gas pipeline to supply sufficient fuel to the new plant. The BWL intends to contract with the Consumers Energy Company ("Consumers") to construct the new gas pipeline, and Consumers has requested an easement for said pipeline across the property where the new plant will be sited. The BWL has performed an operational feasibility assessment and negotiated the terms of said easement, which includes only nominal monetary consideration, that are mutually agreeable.

EASEMENT FOR PIPELINES

LBWL Pipeline

SAP# 32493270
Tract# ROW000916052938
Agreement# MI00000038506

CITY OF LANSING BY ITS BOARD OF WATER AND LIGHT, a Michigan Municipal Utility, PO Box13007, Lansing, MI 48901-3007 (hereinafter "Owner")

for \$1.00 and other good and valuable consideration [exempt from real estate transfer tax pursuant to MCLA 207.505(f) and from State real estate transfer tax pursuant to MCLA 207.526(f)] grants and warrants to

CONSUMERS ENERGY COMPANY, a Michigan corporation, One Energy Plaza, Jackson, Michigan 49201 (hereinafter "Consumers")

a permanent easement to enter Owner's land (hereinafter "Owner's Land") located in the Township of Delta, County of Eaton, and State of Michigan as more particularly described in the attached Exhibit A to construct, operate, maintain (including cathodic protection systems), inspect (including aerial patrol), survey, replace, reconstruct, improve remove, relocate, change the size of, enlarge, and protect in place a pipeline or pipelines in, on, under, over, across, and through a portion of Owner's Land (hereinafter "Easement Area") as more fully described and depicted in the attached Exhibit B, together with any associated valves, fittings, location markers and signs, communication systems, utility lines, protective apparatus and all other equipment, appurtenances, and facilities, whether above or below grade, necessary to or for the operation or protection thereof, and to conduct such other activities as may be reasonably convenient in connection therewith as determined by Consumers for the purpose of transmitting and distributing natural gas necessary.

Additional Work Space: In addition to the Easement rights granted herein, Owner further grants to Consumers, during initial construction and installation only, the right to temporarily use such additional work space reasonably required to construct said pipelines as depicted on Exhibit B. Said temporary work space shall abut the Easement Area, on either side, as required by construction within the area depicted on Exhibit B.

Performance of Work: Construction, operation, maintenance, alterations, improvements, additions, repair, inspection, and removal of the Facilities shall comply with all of the following conditions, limitations, and requirements:

(a) At Owner's expense, Owner may have an inspector present at all times during the initial construction of said Facilities. It is expressly agreed that the making of such inspections or the failure to inspect shall not impose any liability on Owner for the adequacy of safety of the work of Consumers and shall not relieve Consumers from any responsibility, obligation, or liability assumed by Consumers under this agreement or otherwise. Consumers shall give Owner seven (7) days' notice prior to construction of said Facilities.

(b) The Facilities shall not be located within ten (10) feet from electric distribution or transmission lines, poles, or structures located in, on, under, over, or across the Easement Area, unless otherwise approved by Owner in writing. Any trench work in the vicinity of a tower or pole, will be done such that the slope of the angle formed by the floor of the trench to the base of the structure at grade shall have a slope of less than 1 foot of rise per 1 foot of distance (a slope of less than 45 degrees). Said 1 foot of rise per 1 foot of distance requirement will apply for the distance between the trench and the pole; the bottom of the trench must be an equal distance from any pole and no deeper than the butt of the pole and in the event a deeper trench is required, the pole must be supported.

(c) Consumers, by exercising the rights herein granted, agrees that during all excavation the topsoil shall be placed on one side of the trench and the subsoil on the other side. Any of Owner's pipelines or water facilities that are exposed during excavation or construction shall have 100% sand backfill to at least within one (1) foot of grade, rather than subsoil. After the

trench is dug and the Facilities are placed, the site shall be restored by putting the subsoil back first and then the topsoil, except in the event sand backfill is required as provided herein. Restoration shall be completed so that the ground elevation and grade, preconstruction and post-construction, remain the same, and Consumers shall grade and reseed all disturbed areas with warm summer grasses upon the completion of construction or near thereafter as practical.

(d) Prior to commencing any excavation or digging on the Easement Area, Consumers shall contact the Utility Communications System (Miss Dig), prior to performing any excavation or similar activity in accordance with Michigan Compiled Law 460.721 et seq., as amended by Public Act 174 of 2013 and any future amendments.

Use: Consumers' use of the Easement Area shall be solely for the distribution of gas to Owner, its heirs, successors, lessees, licensees and assigns, and to no other customer nor for any other purpose. Owner shall accept no responsibility or liability in connection with the safety of the work performed by Consumers under this Easement.

Access: Consumers shall have the right to access to said pipeline or pipelines, and the right of ingress and egress on, over, and through Owner's Land for any and all purposes necessary to the exercise by Consumers of the rights granted hereunder.

Trees and Other Vegetation: Owner shall not plant any trees within the Easement Area. Consumers shall have the right from time to time hereafter to enter Owner's Land to trim, cut down, and otherwise remove and control any trees, brush, roots, and other vegetation within the Easement Area. For trimming planned in advance, Consumers shall provide Owner prior notice, except in the event of an emergency when notice shall not be necessary if impractical under the circumstances.

Buildings/Structures: Owner agrees not to build, create, construct, or permit to be built, created, or constructed, any permanent, man-made obstruction, building, septic system, drain field, fuel tank, pond, swimming pool, lake, pit, well, foundation, engineering works, installation or any other type of structure over, under, or on said Easement Area, whether temporary or permanent without the express written authorization of Consumers, which shall not be unreasonably withheld in Consumers' sole discretion, recorded in the register of deeds for the county in which Owner's Land is situated expressly allowing the aforementioned.

Ground Elevation: Owner shall not alter the ground elevation more than six (6) inches within the Easement Area without Consumers' written authorization which shall not be unreasonably withheld. Consumers shall not alter the ground elevation of the Easement Area or Owner's Land without Owner's written authorization, which shall not be unreasonably withheld.

Alterations: Consumers shall not make any significant alterations, improvements, or additions in, on, under, over, or across the Easement Area or its Facilities located on the Easement Area except as provided herein or without first supplying Owner with such plans and details for any proposed alteration, improvement, or addition. Nor shall Consumers make any surface alterations, improvements, or additions, in, on, over, or across the Easement Area or its Facilities after the initial construction that may significantly interfere with Owner's right to and use of the Easement Area without Owner's advance written consent, which shall not be unreasonably withheld.

Removal of Facilities and Alterations: Upon the expiration or any termination of this easement by Consumers, Owner shall direct Consumers to either abandon or remove the Facilities. In the event Owner directs Consumers to remove the Facilities, Consumers shall, at Owner's sole cost and expense, promptly remove all aboveground Facilities and all alterations, improvements, or additions in, on, under, over, across the Easement Area, made by Consumers or on Consumers' behalf, that were for the service to Owner only, including but not limited to those contemplated herein, unless performed without Owner's consent in which case Consumers' shall remove same at its own expense. Any Facilities, alterations, improvements, or additions in the Easement Area that were installed not for Owner's service only shall be removed at Consumers' sole cost and expense. Further, Consumers shall yield and deliver the Easement Area unless otherwise approved by Owner, in a like condition as when taken subject to normal wear and tear, provided however, Owner may designate by written notice to Consumers those alterations, improvements, or additions which Consumers shall not remove but shall remain and be stabilized in a condition that conforms with industry standards; said designated alterations, additions, or improvements that are not to be removed shall then attach to the real estate and become property of Owner and shall be transferred from Consumers to Owner by a warranty bill of sale.

Property Restoration: Upon completion of any work performed or caused to be performed by Consumers permitted herein, Consumers shall be responsible to clean up and return Owner's Land, including the Easement Area, to a similar condition that existed prior to said work including to and not limited to ground elevation and grade.

Spoil: Notwithstanding any requirement to backfill herein, spoil generated in connection with the exercise of Consumers' use of the Easement Area or the exercise of the rights granted in this agreement shall remain on Owner's Land and shall not be transported off Owner's Land without Owner's prior written consent. No spoils shall be stockpiled directly under any electric transmission or distribution lines under, over, or across the Easement Area that will prevent Owner from being able to access same and shall be removed as soon as reasonably practicable by Consumers unless otherwise approved by Owner. Consumers shall, as soon as reasonably practical, notify Owner of the presence of contaminated spoil upon becoming aware of it at the Easement Area or Owner's Land and transport any such spoil from the Easement Area and/or Owner's Land, in accordance with all applicable laws, rules, and regulations.

Protection of Owner's Facilities: Consumers must maintain the Facilities, Easement Area, and appurtenances in safe and good repair at all times and take reasonable precautions to prevent damage to Owner's Land.

Relocation of Facilities: If Owner finds it necessary to change or relocate its facilities located in, on, under, over, or across the Easement Area, Owner's Land, or adjoining property in order to accommodate Consumers' use of the Easement Area as herein provided, Owner shall be responsible for the actual costs and expenses for such relocation.

Drawings As-Built Survey and Markers: Upon completion of the construction of said Facilities, Consumers shall provide Owner with as-built drawings of the Facilities, indicating the surveyed location and depth of the Facilities within the Easement Area. Consumers shall mark the location of all underground Facilities with permanent markers. Said markers shall be maintained by Consumers, at Consumers' sole expense, at all times.

Compliance with Laws: Consumers, its agents, invitees, visitors, employees, contractors, and subcontractors shall comply with all laws, ordinances, and regulations of all federal, state, or local governmental authorities that are now or hereafter in any manner affecting the Easement Area and the use and occupancy thereof; provided however, that nothing herein shall be construed as a waiver by Consumers of any of its existing or future rights under state or Federal law. Consumers shall be responsible for obtaining and following any and all environmental or other permits that may be necessary to support the Facilities' construction, operation, or maintenance activities upon the Easement Area and upon Owner's request, shall provide copies of all such permits associated with initial construction.

Environmental: Consumers shall comply in all material respects with all applicable constitutional provisions, laws, ordinances, orders, requirements, rules, and regulations made by any governmental entity, body, or authority relating to its property and operations under this Easement. If Consumers' use of the Easement Area results in the presence on, in, or under the Easement Area (which includes but is not limited to the groundwater underlying the Easement Area) of contaminants, hazardous waste, hazardous substances or constituents, or toxic substances, as currently or hereafter defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 USCA 9601 et seq; the Resource Conservation and Recovery Act (RCRA), 42 USCA 6901 et seq; the Toxic Substances Control Act (TSCA), 15 USCA 2601 et seq; the Michigan Natural Resources and Environmental Protection Act, MCL 324.101 et seq; or any other similar existing or future statutes, Consumers will to the extent caused by Consumers, its employees, agents, contractors, and subcontractors or anyone authorized by or on behalf of Consumers at no cost to Owner, immediately notify Owner and promptly take: 1) all actions that are required by any federal, state, or local governmental agency or political subdivision, and 2) all actions that are necessary to restore the Easement Area to the condition existing prior to the release or introduction of such contaminants, hazardous waste, hazardous substances or constituents, or toxic substances, notwithstanding any lesser standard of remediation allowable under applicable law or governmental policies. The actions required by Consumers pursuant to this paragraph include, but are not limited to: a) the investigation of the environmental condition of the Easement Area; b) the preparation of any feasibility studies, reports, or remedial plans required by law or governmental policy, and c) the performance of cleanup, remediation, containment, operation, maintenance, monitoring, or restoration work, whether on or off the Easement Area. Consumers will proceed continuously and diligently with such investigatory and remedial actions. The parties will provide to each other free of cost to the other copies of all test results and reports generated in connection with the above activities and copies of all reports submitted to any governmental entity. No cleanup, remediation, restoration, or other work required to be performed pursuant to this paragraph will require or result in the imposition of any limitation or restriction on the use of the Easement Area without prior notification and approval, which shall not be unreasonably withheld, to the other. The provisions of this paragraph will survive the term or any termination of this agreement.

Exercise of Easement: If Consumers shall discontinue use of the Easement Area for any period of two (2) or more years, this agreement shall be terminated. If this agreement is terminated, Owner shall have the option to elect to have Consumers, at Owner's sole cost and expense, perform work necessary to stabilize the abandoned Facilities, including, but not limited to purging the pipes with nitrogen or as is standard in the industry. However, in the event the Easement Area is ever used to serve any customer(s) other than Owner, its heirs, successors, lessees, licensees and assigns, Consumers shall preform same at its own cost and expense. Once terminated, Consumers shall be responsible for restoring the surface of such Easement Area, subject to normal wear and tear. Except as otherwise provided in this section, Consumers' nonuse or limited use of this Easement Area shall not preclude Consumers' later use of this agreement to its full extent.

Consumers' Covenants: Consumers covenants that it will enter onto and use the Owner's Land only for the purpose set forth herein (or for other purposes for which Consumers has existing or future rights, if any) and for no other purpose without the express prior consent of Owner.

Indemnification: Consumers shall at all times assume all liability for and protect, indemnify and save Owner, its successors and assigns, harmless from and against all actions, judgments, losses, orders, decrees, costs, and expenses brought or recovered against or incurred by Owner by reason of any death, bodily injury, personal injury, and loss or damage to Owner's Land but only to the extent caused by and proportionate to Consumers negligent actions or omissions on Owner's Land. To the fullest extent

allowable by law, Owner shall at all times assume all liability for and protect, indemnify and save Consumers, its successors and assigns, harmless from and against all actions, judgments, losses, orders, decrees, costs, and expenses brought or recovered against or incurred by Consumers by reason of any death, bodily injury, personal injury, and loss or damage to Owner's Land but only to the extent caused solely by and proportionate to Owner's negligent actions or omissions in the Easement Area, to the fullest extent provided by law. With respect to 3rd party claims, and only with respect to 3rd party claims, nothing herein shall be construed as a waiver by Owner of available defenses as a matter of law due to its governmental status, such as governmental tort liability. Consumers shall not permit any liens on the Owner's Land for any labor or material furnished to Consumers in connection with its use of the Easement Area.

Choice of Law: This easement shall be governed in all respects, by the laws of the State of Michigan, including as to interpretation, enforceability, validity and construction. Venue shall be deemed proper in Ingham County, Michigan.

Ownership: Owner covenants that they have the right and authority to make this grant, and that it will forever warrant and defend the title thereto against all claims whatsoever.

Successors: This easement shall bind and benefit Owner's and Consumers' respective heirs, successors, lessees, licensees, and assigns. Consumers' interest under this agreement shall be further subject to any and all existing leases, licenses, easements, and other interests in the Easement Area as are a matter of public record as the date of this agreement.

Notice: Any notices required or permitted to be given under the terms of this agreement shall be in writing and mailed by registered or certified U.S. mail, return receipt requested, postage prepaid, and in any case duly and properly addressed to the party indicated below or such other address or recipient as the party to whom such notice is to be given may specify from time to time by notice to the other party in accordance with this paragraph:

To Consumers: Consumers Energy Company
Business Services - Real Estate
One Energy Plaza
Jackson, Michigan 49201

To Owner:
Lansing Board of Water and Light
1201 S. Washington Avenue
Lansing, Michigan 48901

Each such notice shall be deemed to have been given and effective when mailed, as evidenced by the receipt of said mailing.

Authority: Owners and Consumers each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power, and authority to enter into this agreement and bind itself through the party set forth as signatory for the party below.

Entire Agreement: This agreement constitutes the entire agreement and understanding between the parties and supersedes any prior discussions, negotiations, agreements and understandings. This agreement may only be amended or modified except in writing signed by both parties.

Date: _____

Owner: City of Lansing by and through its Board of Water and Light

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Acknowledgment

The foregoing instrument was acknowledged before me in _____ County, Michigan, on _____ by _____ its _____ and _____ its _____ on behalf of the City of Lansing by its Board of Water and Light.

Notary Public

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

Date: _____

Consumers: Consumers Energy Company, a Michigan corporation

By: _____ Its: _____

By: _____ Its: _____

Acknowledgment

The foregoing instrument was acknowledged before me in _____ County, Michigan, on _____ by _____ Its _____ and by _____ Its _____ on behalf of Consumers Energy Company, a Michigan corporation.

Notary Public

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

Prepared By: Brandy R. Gale; 09/10/2018
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

After recording, return to:
Carrie Main, EP7-471
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

EXHIBIT A

Owner's Land

Parcel ID: 040-034-300-013-00

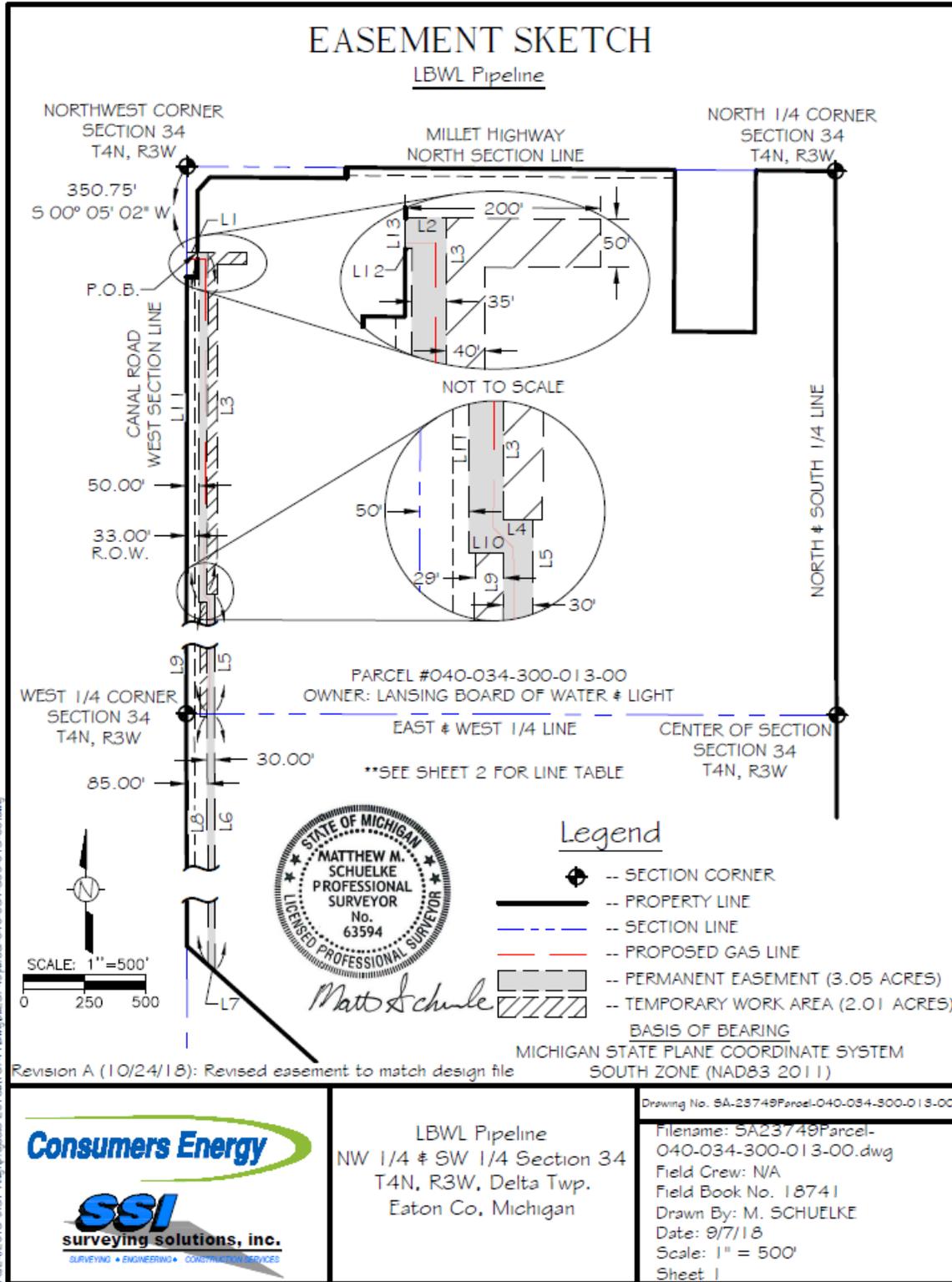
Land situated in the Township of Delta, County of Eaton, State of Michigan:

The West 1/2 of Section 34, Township 4 North, Range 3 West, Except that part taken for Highway and Except the railroad right-of-way, also Except Commencing 325 feet West of the Northeast corner of the Northwest 1/4; thence West 330 feet; thence South 660 feet; thence East 330 feet; thence North 660 feet to the point of beginning; Also Except that part lying Southeasterly of the Grand Trunk Western Railroad right-of-way; Also Except beginning at a point that is 33 feet South and 33 feet East of the Northwest corner of Section 34, Township 4 North, Range 3 West; thence easterly parallel to the North section line 618 feet; thence South 10 feet; thence westerly parallel to the North section line 558 feet; thence Southwesterly 75 feet, more or less, to a point that is 99 feet South and 43 feet East of the Northwest corner of Section 34; thence southerly parallel to the West section line 352 feet; thence West 10 feet to a point 33 feet easterly of the West section line; thence Northerly parallel to the West section line 418 feet to the point of beginning.

Commonly known as: 3725 S. Canal Road, Lansing, MI 48917

EXHIBIT B

Easement Area and Additional Work Space



EASEMENT SKETCH

LBWL Pipeline

Legal Description: Proposed Gas Facilities Easement:

An area of land in the West 1/2 of Section 34, Town 4 North, Range 3 West, Delta Township, Eaton County, Michigan described as follows: To fix the point of beginning commence at the Northwest corner of said Section; thence S.00°05'02"W., on the West line of said Section, 350.75 feet; thence S.89°54'58"E., perpendicular to said West Section line, 43.00 feet to the East Right of Way line of Canal Road and the point of beginning; thence continuing S.89°54'58"E., perpendicular to said West Section line, 42.00 feet; thence S.00°05'02"W., parallel with said West Section line, 1393.06 feet; thence S.89°54'58"E., perpendicular to said West Section line, 30.00 feet; thence S.00°05'02"W., parallel with said West Section line, 910.27 feet to the East & West 1/4 line of said Section; thence S.00°11'59"E., parallel with said West Section line, 1866.26 feet; thence N.48°00'29"W., 40.49 feet; thence N.00°11'59"W., parallel with said West Section line, 1839.23 feet to said East & West 1/4 line; thence N.00°05'02"E., parallel with said West Section line, 877.13 feet; thence N.89°54'58"W., perpendicular to said West Section line, 35.00 feet; thence N.00°05'02"E., parallel with said West Section line, 1396.19 feet; thence N.89°54'58"W., perpendicular to said West Section line, 7.00 feet to said East Right of Way line of Canal Road; thence N.00°05'02"E., on said East Right of Way line, 30.00 feet to the point of beginning

Described Gas Facilities Easement contains 3.05 acres.

Line Table		
Line #	Length	Direction
L1	43.00	S89° 54' 58"E
L2	42.00	S89° 54' 58"E
L3	1393.06	S00° 05' 02"W
L4	30.00	S89° 54' 58"E
L5	910.27	S00° 05' 02"W
L6	1866.26	S00° 11' 59"E
L7	40.49	N48° 00' 29"W
L8	1839.23	N00° 11' 59"W
L9	877.13	N00° 05' 02"E
L10	35.00	N89° 54' 58"W
L11	1396.19	N00° 05' 02"E
L12	7.00	N89° 54' 58"W
L13	30.00	N00° 05' 02"E



Matthew M. Schuelke

Revision A (10/24/18): Revised easement to match design file

Consumers Energy

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LBWL Pipeline
NW 1/4 & SW 1/4 Section 34
T4N, R3W, Delta Twp.
Eaton Co, Michigan

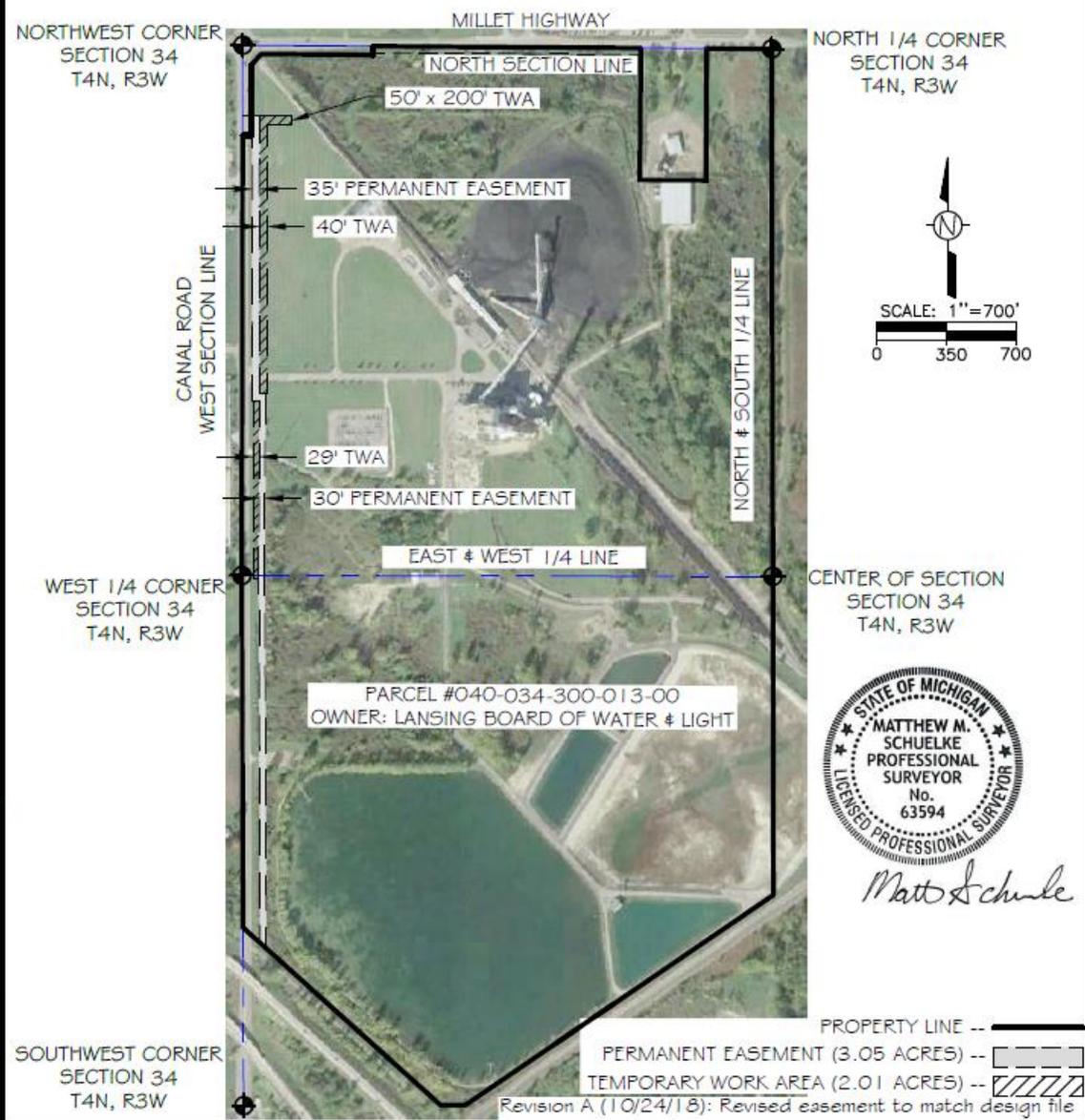
Drawing No. SA-23749Parcel-040-034-300-013-00

Filename: SA23749Parcel-040-034-300-013-00.dwg
Field Crew: N/A
Field Book No. 18741
Drawn By: M. SCHUELKE
Date: 9/7/18
Scale: N/A
Sheet 2

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EASEMENT SKETCH

LBWL Pipeline



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LBWL Pipeline
NW 1/4 & SW 1/4 Section 34
T4N, R3W, Delta Twp.
Eaton Co, Michigan

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Field Crew: N/A
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Drawn By: M. SCHUELKE
Date: 9/7/18
Scale: 1" = 700'
Sheet 3